SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1997

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 1-10235

IDEX CORPORATION
(Exact Name of Registrant As Specified in Its Charter)

DELAWARE	36-3555336
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
630 DUNDEE ROAD NORTHBROOK, ILLINOIS	60062
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (847) 498-7070

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
COMMON STOCK, PAR VALUE $.01 PER SHARE	NEW YORK STOCK EXCHANGE CHICAGO STOCK EXCHANGE

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of the voting stock held by nonaffiliates of IDEX Corporation as of December 31, 1997 was $671,020,773.

The number of shares outstanding of IDEX Corporation's common stock, par value $.01 per share (the "Common Stock"), as of January 30, 1998 was 29,262,375.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the 1997 annual report to shareholders of IDEX Corporation (the "1997 Annual Report") are incorporated by reference into Parts I and II of this Form 10-K and portions of the definitive Proxy Statement of IDEX Corporation (the "1998 Proxy Statement") with respect to the 1998 annual meeting of shareholders are incorporated by reference into Part III of this Form 10-K.

PART I

ITEM 1. BUSINESS.

IDEX Corporation ("IDEX" or the "Company") designs, manufactures and markets a broad range of pump products and engineered equipment serving a diverse customer base in the United States and internationally. For each of its ten principal business units, the Company believes that it holds the number-one or number-two market share position in that unit's niche market. IDEX believes that its consistent financial performance has been attributable to the manufacture of quality proprietary products designed and engineered by the Company and sold to a wide range of customers, coupled with its ability to identify and successfully integrate strategic acquisitions. IDEX consists of two business segments, the Pump Products Group and the Engineered Equipment Group.

PUMP PRODUCTS GROUP

The Pump Products Group designs, manufactures and sells a wide variety of industrial pumps and related controls, and low-horsepower compressors for the movement of liquids, air, and gases. The devices and equipment produced by this Group are used in a large and diverse set of industries, including chemical processing, non-electrical machinery, water and wastewater treatment, medical equipment, petroleum distribution, oil and refining, and food processing. In 1997, the five business units then comprising the group -- Corken, Micropump, Pulsafeeder, Viking Pump, and Warren Rupp -- accounted for 48% of the Company's net sales. The Company acquired Gast Manufacturing Corporation ("Gast"), now part of the Pump Products Group, on January 21, 1998, for a cash purchase price of approximately $120 million. Approximately 36% of 1997 net sales in this Group were to customers outside the United States.

Corken. Management estimates that Corken has approximately 50% of the U.S. market for pumps and small horsepower compressors used in liquefied petroleum gas distribution facilities. Corken produces low-horsepower compressors, vane and turbine pumps, and valves used for the transfer of liquefied petroleum gas, compressed natural gas and other gaseous substances. Most of Corken's sales are made through domestic and international distributors, and they often incorporate Corken's products into engineered packages sold to end users. Approximately 45% of Corken's 1997 net sales were to customers outside the United States. Corken, which was acquired by IDEX in 1991, is based in Oklahoma City, Oklahoma.

Gast. Gast is one of the world's leading manufacturers of an extensive and versatile line of air-moving products, including vacuum pumps, air motors, vacuum generators, regenerative blowers and fractional horsepower compressors. Gast is headquartered in Benton Harbor, Michigan, with an assembly facility in England. Founded in 1921, Gast, had 1997 net sales of approximately $105 million. Approximately 17% of Gast's sales are outside the United States. Management believes that Gast has a leading position with an estimated one-third U.S. market share in air motors, low and medium range vacuum pumps, and rotary and diaphragm fractional horsepower compressors.

Micropump. Micropump is, according to management estimates, the leader in corrosion-resistant, magnetically-driven miniature pump technology with an estimated 40% U.S. market share. Micropump's products include pumps and fluid management systems for low-flow abrasive and corrosive applications such as inks, dyes, solvents, chemicals, petrochemicals, acids and chlorides. Micropump products are used in a variety of industries including chemical processing, laboratory, medical, printing, electronics, pulp and paper, water treatment and textiles. Approximately 45% of Micropump's 1997 net sales were to customers outside the United States in 1997. Micropump, which was acquired by IDEX in 1995, has its headquarters and principal manufacturing facility in Vancouver, Washington, and also conducts operations in England.

Pulsafeeder. Management estimates that Pulsafeeder has approximately 40% of the U.S. market for metering pumps used in the process industries and water treatment markets. Pulsafeeder designs and markets a wide range of metering pumps, dispensing equipment and controllers. These products regulate precisely the flow of liquids in mixing, blending and injection applications. Primary markets served are water conditioning and wastewater treatment, chemical and hydrocarbon processing, food processing, chemical metering and institutional warewash. Pulsafeeder products are grouped into three categories: engineered pumps, standard pumps and electronic controls. Engineered pumps include positive displacement, hydraulically-actuated diaphragm pumps used in precise metering applications, as well as specialty pumps targeted at niche markets. Standard pumps include lower-priced metering pumps designed for water treatment and water conditioning applications. Electronic controls are of microprocessor-based design and are used to control the chemical composition of fluids being pumped. Pulsafeeder products are sold through an extensive distribution network, which includes company sales personnel, distributors and independent representatives and an estimated 25% of its 1997 net sales to customers outside of the United States. Pulsafeeder, which was acquired by IDEX in 1992, is headquartered in Rochester, New York with an additional manufacturing facility in Punta Gorda, Florida, and has sales offices in Singapore and China.

In December 1997, IDEX acquired Knight Equipment International, Inc. ("Knight") for a cash purchase price of approximately $38 million. The business will continue to operate as Knight, Inc., but administratively will function as part of Pulsafeeder. Knight is a leading manufacturer of pumps and dispensing equipment for the commercial dishwashing, industrial laundry and chemical metering markets with 1997 net sales of approximately $25 million, of which approximately 50% were to customers outside the United States. In addition, Knight manufactures a variety of pumps and electronic controls for industrial applications. Management believes that Knight has a leading position worldwide in commercial dishwashing and liquid-laundry systems, with an estimated 35% U.S. market share. In addition to its headquarters and manufacturing facility in Costa Mesa, California, Knight has manufacturing locations in Georgia, Australia, Canada, England and the Netherlands.

Viking Pump. Viking Pump is one of the world's largest manufacturers of positive displacement rotary gear pumps. Management believes that Viking pumps represent approximately 35% of the U.S. rotary gear pump market. Viking's other products include rotary lobe and metering pumps, speed reducers, flow dividers and basket-type line strainers. Viking pumps are used by numerous industries such as the chemical, petroleum, food, pulp and paper, machinery and construction industries. Sales of Viking pumps and replacement parts are made through approximately 100 independent distributors and directly to original equipment manufacturers. Approximately 35% of Viking's 1997 net sales were to customers outside of the United States. In addition to its facilities in Cedar Falls, Iowa, Viking also maintains manufacturing facilities in England, Canada and Ireland, and has sales offices in the Netherlands, Singapore, Mexico, Canada and China. Viking operates two foundries in Cedar Falls, Iowa which supply a majority of Viking's castings requirements. In addition, these foundries sell a variety of castings to outside customers.

Warren Rupp. Warren Rupp is a producer of air-operated and motor-driven double-diaphragm pumps. Management believes that Warren Rupp has approximately one-third of the U.S. market for air-operated double-diaphragm pumps. Blagdon Pump, the U.K.-based manufacturer of air-operated diaphragm pumps acquired by IDEX in April 1997, is operated as part of Warren Rupp. Warren Rupp's pumps are well suited for pumping liquids, slurries and solids in suspension. End-user markets include the paint, chemical, mining, construction, and automotive service industries. Warren Rupp pumps are sold through a network of independent distributors and directly to a small number of original equipment manufacturers. Sales to customers outside of the U.S. represented approximately 50% of Warren Rupp 1997 net sales. Warren Rupp is headquartered in Mansfield, Ohio, and has a distribution and assembly facility in Shannon, Ireland and a sales office in Singapore. Blagdon Pump has a manufacturing facility in England to serve the European market and a sales office in Singapore.

ENGINEERED EQUIPMENT GROUP

The Engineered Equipment Group which is comprised of four business units, designs, manufactures, and sells proprietary equipment that may combine pumps or other devices into products for industrial, commercial and safety applications. The products and devices manufactured by these business units are used in a variety of industries and applications, including paints and coatings, fire and rescue, transportation equipment, non-electrical machinery, traffic sign and signal, and oil and refining. In 1997, the four business units comprising this group -- Band-It, Fluid Management, Hale and Lubriquip -- accounted for 52% of the Company's net sales. Approximately 52% of this Group's 1997 net sales were to customers outside the United States.

Band-It. Band-It, headquartered in Denver, Colorado, is one of the largest worldwide producers of stainless steel bands, buckles and preformed clamps and related installation tools. Its products include stainless steel bands and clamps for various municipal, commercial and industrial applications and road, traffic and commercial sign-mounting systems. Management believes that Band-It has approximately 50% of the U.S. market for quality stainless steel band and buckle. Its clamps are used to secure hoses to nipples, devices to pipes and poles, signs to sign standards, fences to posts, insulation to pipes and for hundreds of other industrial clamping functions. Band-It also has developed an exclusive line of tools for installing its band, buckle and preformed clamps. Band-It's Signfix operating division, acquired by IDEX in 1993, is the leading U.K.-based manufacturer of sign-mounting devices and related equipment with an estimated 45% U.K. market share. Band-It markets its products domestically and internationally. It has manufacturing and distribution facilities in three locations in England, as well as in Germany and Singapore to serve the European and Far East markets. International sales accounted for approximately 60% of Band-It's 1997 net sales. Its products are sold through a worldwide network of over 4,500 distributors to a wide range of markets, including the transportation, commercial and governmental signage, utilities, mining, oil and gas, industrial maintenance, construction, communication and electronics industries.

Fluid Management. Fluid Management is the world's leading manufacturer of dispensing and mixing equipment that precisely meters and mixes a wide variety of liquids including paints, colorants, inks, dyes and other liquids and pastes. Management believes Fluid Management has a 50% worldwide share in its niche market. Its products can be found in local paint and building supply stores, paint plants, vehicle manufacturing facilities and other locations where fluids are dispensed and mixed in precise volumes. Fluid Management, which was acquired by IDEX in 1996, has manufacturing facilities in Wheeling, Illinois, the Netherlands and Australia, with sales and distribution facilities worldwide. Approximately 55% of its 1997 net sales were to customers outside the United States.

Hale. Hale, acquired by IDEX in 1994, is the world's leading manufacturer of truck-mounted fire-fighting pumps and also manufactures a wide range of portable, mobile and freestanding pumping units. Hale also is the world's leading manufacturer of rescue tool systems with the Hurst Jaws of Life(R) and Lukas rescue systems. Lukas, headquartered in Germany, was acquired by IDEX in 1995. Hale is estimated to have a worldwide market share for truck-mounted fire-fighting pumps and rescue systems in excess of 50%. Sales of Hale's truck-mounted fire-fighting pumps are made directly to manufacturers of fire trucks, while portable pumps and rescue tools are generally sold through independent distributors. Approximately 55% of Hale's 1997 net sales were to customers outside the United States. Hale has its headquarters and a manufacturing facility in Conshohocken, Pennsylvania. It also has production facilities in North Carolina, Tennessee, England and Germany and service and distribution centers in Germany and Singapore.

Lubriquip. Lubriquip is, according to management estimates, the largest United States producer of centralized oil and grease lubrication systems and force-feed lubricators, with approximately one-third of the U.S. market for its type of products. Lubriquip's lubrication system components include pumps and pump packages for pneumatic, mechanical, electric and hydraulic operations, metering devices, electronic controllers, monitors and timers, and accessories. These systems are sold through a variety of sales channels, including independent distributors, to a wide range of industrial markets including machine tools (both automotive and general purpose), chemical processing, construction equipment, food processing machinery, engine and compressor, railroad, and over-the-road truck industries. Lubriquip's products are available worldwide through over 100 independent distributors, with international sales representing approximately 20% of its 1997 net sales. Lubriquip, headquartered in Warrensville Heights, Ohio, also has manufacturing plants in Pennsylvania and Wisconsin and has sales offices in Belgium and Singapore.

DISCONTINUED OPERATIONS

In December 1997, the Company announced its intention to divest its Strippit and Vibratech businesses because management concluded that they no longer fit the profile of the Company's other business units or acquisition strategy. These two business units generated 1997 net sales and earnings before interest and taxes of approximately $84 million and $9 million, respectively. Strippit, which produces computer-controlled turret punch presses, laser cutting machinery and related tooling used in metal fabrication, and Vibratech, which makes engineered motion-damping products used in diesel and motor sport engines, rail cars, off-road vehicles and other applications, both serve higher ticket capital goods markets that tend to be more cyclical than the markets served by IDEX's other businesses. IDEX anticipates that these divestitures will allow resources formerly allocated to Strippit and Vibratech to be used for the development of positions in areas more consistent with its present strategy. Strippit and Vibratech have been treated as discontinued operations in the Company's 1997 consolidated financial statements.

GENERAL ASPECTS APPLICABLE TO THE COMPANY'S BUSINESS GROUPS

COMPETITORS

The Company's businesses are highly competitive in most product lines. Generally, all of the Company's businesses compete on the basis of performance, quality, service and price.

Principal competitors of the businesses in the Pump Products Group are the Blackmer division of Dover Corporation (with respect to rotary gear pumps, and pumps and small horsepower compressors used in liquefied petroleum gas distribution facilities); Milton Roy, a unit of Sundstrand Corporation (with respect to metering pumps and controls); Roper Industries (with respect to rotary gear pumps); Wilden Pump and Engineering Co. (with respect to air-operated double-diaphragm pumps); Tuthill Corporation (with respect to rotary gear pumps); and Thomas Industries (with respect to vacuum pumps and compressors).

The principal competitors of the Engineered Equipment Group are the Waterous Company, a subsidiary of American Cast Iron Pipe Company (with respect to truck-mounted fire-fighting pumps); Corob North America (with respect to dispensing and mixing equipment for the paint industry); A.J. Gerrard (with respect to stainless steel bands, buckles and tools); and Lincoln, a unit of Pentair Corporation (with respect to centralized lubrication systems).

EMPLOYEES

At December 31, 1997, IDEX had approximately 3,800 employees of which approximately 500 employees were employed by the Company's discontinued operations. Approximately 23% were represented by labor unions with various contracts expiring through December 2000. Management believes that the Company's relationship with its employees is good. The Company has historically been able to satisfactorily renegotiate its collective bargaining agreements, with its last work stoppage in March 1993.

SUPPLIERS

IDEX manufactures many of the parts and components used in its products. Substantially all materials, parts and components purchased by IDEX are available from multiple sources.

INVENTORY AND BACKLOG

Backlogs do not have material significance in either of the Company's business segments. The Company regularly and systematically adjusts production schedules and quantities based on the flow of incoming orders. Backlogs are therefore typically limited to approximately 1 to 1 1/2 months of production. While total inventory levels may also be affected by changes in orders, the Company generally tries to maintain relatively stable inventory levels based on its assessment of the requirements of the various industries served.

SEGMENT INFORMATION

For segment financial information for the years 1997, 1996 and 1995 see the table titled "Company and Business Group Financial Information" presented on page 19 under "Management's Discussion and Analysis of Financial Condition and Results of Operations," as set forth in the 1997 Annual Report and incorporated herein by reference, and Note 11 of the "Notes to Consolidated Financial Statements" on page 32 of the 1997 Annual Report, which is incorporated herein by reference.

EXPORTS

For export information for the years 1997, 1996 and 1995, see Note 11 of the "Notes to Consolidated Financial Statements" on page 32 of the 1997 Annual Report, which is incorporated herein by reference.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth the names of the executive officers of the Company, their ages, the positions and offices with the Company held by them, and their business experience during the past 5 years.

NAME	AGE	YEARS OF SERVICE(1)	POSITION
Donald N. Boyce	59	28	Chairman of the Board and Chief Executive Officer
Frank J. Hansen	56	22	President, Chief Operating Officer and Director
Wayne P. Sayatovic	51	25	Senior Vice President--Finance, Chief Financial Officer and Secretary
Jerry N. Derck	51	5	Vice President--Human Resources
David T. Windmuller	40	17	Vice President--Operations
James R. Fluharty	54	7	Vice President--Corporate Marketing and President, Fluid Management
P. Peter Merkel, Jr	64	25	Vice President--Group Executive and President, Band-It
Dennis L. Metcalf	50	24	Vice President--Corporate Development
Wade H. Roberts, Jr	51	7	Vice President--Group Executive and President, Hale
Rodney L. Usher	52	17	Vice President--Group Executive and President, Pulsafeeder
Clinton L. Kooman	54	33	Controller
Douglas C. Lennox	45	18	Treasurer

(1) The years of service for executive officers include the period prior to acquisition by IDEX or with IDEX's predecessor company.

Mr. Boyce was elected Chairman of the Board, President and Chief Executive Officer of the Company on January 22, 1988, the date of the Company's acquisition of its six original operating subsidiaries from Houdaille Industries, Inc. On January 1, 1998, Mr. Hansen assumed the title of President from Mr. Boyce with Mr. Boyce continuing as Chairman of the Board and Chief Executive Officer. Mr. Boyce is a director of United Dominion Industries Ltd. and Metromail Corporation.

Mr. Hansen has served as President, Chief Operating Officer and Director of the Company since January 1998. Previously, he served as Senior Vice President--Operations and Chief Operating Officer from August 1994 to December 1997. Mr. Hansen was Vice President--Group Executive of the Company from January 1993 to July 1994. From 1989 to July 1994, Mr. Hansen was President of Viking Pump. Mr. Hansen is a director of Gardner Denver Machinery, Inc.

Mr. Sayatovic has been Senior Vice President--Finance, Chief Financial Officer and Secretary of the Company since August 1994. Mr. Sayatovic was Vice President--Finance, Chief Financial Officer and Secretary from January 1992 to July 1994, and he was Vice President, Treasurer and Secretary from January 1988 to December 1991.

Mr. Derck has been Vice President--Human Resources of the Company since November 1992.

Mr. Windmuller has served as Vice President--Operations of the Company since January 1998. Previously, Mr. Windmuller was President of Fluid Management from January 1997 to December 1997. From July 1994 to December 1996, Mr. Windmuller served as President of Viking Pump, and from May 1993 to June 1994 as

Executive Vice President of Viking Pump. Mr. Windmuller served as Vice President--Engineering of Viking Pump from November 1991 to April 1993.

Mr. Fluharty has served as Vice President--Corporate Marketing of the Company since March 1997 and as President of Fluid Management since January 1998. From April 1996 to February 1997, Mr. Fluharty was President of Micropump. Previously, Mr. Fluharty served as President of John Crane North America from May 1993 to March 1996, as Executive Vice President of Viking Pump from May 1992 to April 1993, and Vice President-Marketing of Viking Pump from 1988 to April 1992.

Mr. Merkel has been Vice President--Group Executive of the Company since October 1995 and Chairman of Band-It since January 1998. He was President of Band-It from March 1978 to December 1997.

Mr. Metcalf has served as Vice President--Corporate Development of the Company since March 1997. Mr. Metcalf was Director of Business Development of the Company from March 1991 to February 1997.

Mr. Wade Roberts has been Vice President--Group Executive of the Company since January 1993 and President of Hale since May 1994. Mr. Roberts served as President of Strippit from September 1990 to April 1994.

Mr. Usher has been Vice President--Group Executive of the Company since August 1997 and President of Pulsafeeder since August 1994. From 1986 to July 1994, Mr. Usher served as President of Warren Rupp.

Mr. Kooman has been Controller of the Company since November 1995. Mr. Kooman served as Assistant Controller of Manufacturing Accounting from January 1988 to October 1995.

Mr. Lennox has served as Treasurer of the Company since November 1995. From April 1991 to October 1995, Mr. Lennox was Vice President--Controller of Lubriquip. Mr. Lennox was Assistant Controller of Financial Accounting from January 1988 to March 1991.

The Company's executive officers are elected at a meeting of the Board of Directors immediately following the annual meeting of shareholders, and they serve until the next annual meeting of the Board, or until their successors are duly elected.

ITEM 2. PROPERTIES.

The Company's principal plants and offices have an aggregate floor space area of approximately 2.1 million square feet, of which 1.6 million square feet (76%) are located in the U.S., and approximately .5 million (24%) are located outside the U.S., primarily in the U.K. (10%), Germany (7%) and the Netherlands (4%). These facilities are considered to be suitable and adequate for their operations. Management believes that utilization of manufacturing capacity ranges from 50% to 80% in each facility. The Company's executive offices occupy approximately 12,000 square feet of leased space in Northbrook, Illinois.

Approximately 1.5 million square feet (73%) of the principal plant and office floor area is owned by the Company, and the balance is held under lease. Approximately 1.0 million square feet (48%) of the principal plant and office floor area is held by business units in the Pump Products Group and 1.1 million square feet (52%) is held by business units in the Engineered Equipment Group.

ITEM 3. LEGAL PROCEEDINGS.

The Company and the Company's Subsidiaries ("Subsidiaries") are party to various legal proceedings arising in the ordinary course of business, none of which is expected to have a material adverse effect on the Company's business or financial condition.

The Subsidiaries are subject to extensive federal, state and local laws, rules and regulations pertaining to environmental, waste management and health and safety matters. Permits are or may be required for some of the Subsidiaries' facilities and waste-handling activities and these permits are subject to revocation, modification and renewal. In addition, risks of substantial costs and liabilities are inherent in the Subsidiaries' operations and facilities, as they are with other companies engaged in similar industries, and there can be no assurance that such costs and liabilities will not be incurred. The Company is not aware of any environmental, health or safety matter which could, individually or in the aggregate, materially adversely affect the business or financial condition of the Company or any of its Subsidiaries.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS. None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED SHAREHOLDER MATTERS.

Information regarding the prices of, and dividends on, the Common Stock, and certain related matters, is incorporated herein by reference to "Shareholder Information" at page 37 of the 1997 Annual Report.

The principal market for the Common Stock is the New York Stock Exchange. As of January 30, 1998, the Common Stock was held by 1,269 shareholders and there were 29,262,375 shares of Common Stock outstanding.

ITEM 6. SELECTED FINANCIAL DATA.

The information set forth under "Historical Data" at pages 14 and 15 of the 1997 Annual Report is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The information set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations" at pages 17 to 21 of the 1997 Annual Report is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The Consolidated Financial Statements of IDEX, including the Notes thereto, together with the independent auditors' report thereon of Deloitte & Touche LLP at pages 22 to 34 of the 1997 Annual Report are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH INDEPENDENT AUDITORS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Certain information regarding the directors of the Company is incorporated herein by reference to the information set forth under "Election of Directors" in the 1998 Proxy Statement.

Information regarding executive officers of the Company is incorporated herein by reference to Item 1 of this report under the caption "Executive Officers of the Registrant" at page 5.

Certain information regarding compliance with Section 16(a) of the Securities and Exchange Act of 1934, as amended, is incorporated herein by reference to the information set forth under "Compliance with Section 16(a) of the Exchange Act" in the 1998 Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION.

Information regarding executive compensation is incorporated by reference to the materials under the caption "Compensation of Directors and Executive Officers" in the 1998 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information regarding security ownership of certain beneficial owners and management is incorporated herein by reference set forth under "Principal Shareholders" in the 1998 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information regarding certain relationships and related transactions is incorporated herein by reference to the information set forth under "Election of Directors -- Certain Interests" in the 1998 Proxy Statement.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(A) 1. Financial Statements

The following financial statements are incorporated herein by reference to the 1997 Annual Report.

All other schedules are omitted because they are not applicable, or not required, or because the required information is included in the Consolidated Financial Statements of IDEX or the Notes thereto.

3. Exhibits

The exhibits filed with this report are listed on the "Exhibit Index."

(B) Reports on Form 8-K

None filed in the fourth quarter of 1997.

INDEPENDENT AUDITORS' REPORT

IDEX Corporation:

We have audited the financial statements of IDEX Corporation and its Subsidiaries as of December 31, 1997 and 1996 and for each of the three years in the period ended December 31, 1997, and have issued our report thereon, dated January 20, 1998; such financial statements and report are included in your 1997 Annual Report to Shareholders and are incorporated herein by reference. Our audits also included the financial statement schedule of IDEX Corporation, listed in Item 14. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth herein.

Deloitte & Touche LLP
Chicago, Illinois

January 20, 1998

IDEX CORPORATION AND SUBSIDIARIES
SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1997, 1996 AND 1995

DESCRIPTION	BALANCE BEGINNING OF YEAR	CHARGED TO COSTS AND EXPENSES	DEDUCTIONS (1)	OTHER(2)	BALANCE END OF YEAR
		(IN THOUSANDS)			
Year Ended December 31, 1997:					
Deducted From Assets To Which They Apply:					
Allowance for Doubtful Accounts........	$2,111	$1,315	$1,083	$ 218	$2,561
Year Ended December 31, 1996:					
Deducted From Assets To Which They Apply:					
Allowance for Doubtful Accounts........	1,820	1,302	1,325	314	2,111
Year Ended December 31, 1995:					
Deducted From Assets To Which They Apply:					
Allowance for Doubtful Accounts........	1,526	1,145	643	(208)	1,820

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(1) Represents uncollectible accounts, net of recoveries.

(2) Represents acquisition, translation and reclassification adjustments.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 6th day of February, 1998.

IDEX CORPORATION

By /s/ WAYNE P. SAYATOVIC

Wayne P. Sayatovic
Senior Vice President -- Finance,
Chief Financial Officer and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
/s/ DONALD N. BOYCE Donald N. Boyce	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	February 6, 1998
/s/ FRANK J. HANSEN Frank J. Hansen	President, Chief Operating Officer and Director	February 6, 1998
/s/ WAYNE P. SAYATOVIC Wayne P. Sayatovic	Senior Vice President -- Finance, Chief Financial Officer and Secretary (Principal Financial and Accounting Officer)	February 6, 1998
/s/ RICHARD E. HEATH Richard E. Heath	Director	February 6, 1998
/s/ HENRY R. KRAVIS Henry R. Kravis	Director	February 6, 1998
/s/ WILLIAM H. LUERS William H. Luers	Director	February 6, 1998
/s/ PAUL E. RAETHER Paul E. Raether	Director	February 6, 1998
/s/ CLIFTON S. ROBBINS Clifton S. Robbins	Director	February 6, 1998
/s/ GEORGE R. ROBERTS George R. Roberts	Director	February 6, 1998
/s/ NEIL A. SPRINGER Neil A. Springer	Director	February 6, 1998
/s/ MICHAEL T. TOKARZ Michael T. Tokarz	Director	February 6, 1998

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION	PAGE
2.1	Asset Purchase Agreement dated July 26, 1996 between IDEX and Fluid Management Limited Partnership, Fluid Management U.S., L.L.C., Fluid Management Service, Inc., Fluid Management Canada, LLC, Fluid Management France, SNC, FM International, Inc., Fluid Management Europe B.V. (incorporated by reference to Exhibit No. 2.1 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
3.1	Restated Certificate of Incorporation of IDEX (formerly HI, Inc.) (incorporated by reference to Exhibit No. 3.1 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on April 21, 1988).	
3.1(a)	Amendment to Restated Certificate of Incorporation of IDEX (formerly HI, Inc.), as amended (incorporated by reference to Exhibit No. 3.1(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 1996, Commission File No. 1-10235).	
3.2	Amended and Restated By-Laws of IDEX (incorporated by reference to Exhibit No. 3.2 to Post-Effective Amendment No. 2 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on July 17, 1989).	
3.2(a)	Amended and Restated Article III, Section 13 of the Amended and Restated By-Laws of IDEX (incorporated by reference to Exhibit No. 3.2(a) to Post-Effective Amendment No. 3 to the Registration Statement on Form S-1 of IDEX Corporation, et at., Registration No. 33-21205, as filed on February 12, 1990).	
4.1	Restated Certificate of Incorporation and By-Laws of IDEX (filed as Exhibits No. 3.1 through No. 3.2(a)).	
4.2	Indenture, dated as of September 15, 1992, among IDEX, the Subsidiaries and Fleet National Bank of Connecticut, as Trustee, relating to the 9 3/4% Senior Subordinated Notes of IDEX due 2002 (incorporated by reference to Exhibit No. 4.2 to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1992, Commission File No. 1-10235).	
4.2(a)	First Supplemental Indenture dated as of December 22, 1995 among IDEX and the Subsidiaries named therein and Fleet National Bank of Connecticut, a national banking association, as trustee (incorporated by reference to Exhibit No. 4.2(a) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1995, Commission File No. 1-10235).	
4.2(b)	Second Supplemental Indenture dated as of July 29, 1996 among IDEX and the Subsidiaries named therein and Fleet National Bank of Connecticut, a national banking association, as trustee (incorporated by reference to Exhibit No. 4.2(b) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
4.3	Specimen Senior Subordinated Note of IDEX (including specimen Guarantee) (incorporated by reference to Exhibit No. 4.3 to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1992, Commission File No.1-10235).	
4.4	Specimen Certificate of Common Stock (incorporated by reference to Exhibit No. 4.3 to the Registration Statement on Form S-2 of IDEX Corporation, et al., Registration No. 33-42208, as filed on September 16, 1991).	
4.5	Third Amended and Restated Credit Agreement dated as of July 17, 1996 among IDEX, Bank of America Illinois, as Agent, and other financial institutions named therein (incorporated by reference to Exhibit No. 4.5 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
4.6	Registration Rights Agreement dated as of July 26, 1996, between IDEX and Mitchell H. Saranow (incorporated by reference to Exhibit No. 4.8 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
**10.1	Amended and Restated Employment Agreement between IDEX Corporation and Donald N. Boyce, dated as of January 22, 1988 (incorporated by reference to Exhibit No. 10.15 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	

EXHIBIT NUMBER	DESCRIPTION	PAGE
**10.1(a)	First Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Donald N. Boyce, dated as of January 13, 1993 (incorporated by reference to Exhibit No. 10.5(a) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1992, Commission File No. 1-10235).	
**10.1(b)	Second Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Donald N. Boyce, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.5(b) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1994, Commission File No. 1-10235).	
**10.1(c)*	First Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Donald N. Boyce, dated December 19, 1997.	
**10.2	Amended and Restated Employment Agreement between IDEX Corporation and Wayne P. Sayatovic, dated as of January 22, 1988 (incorporated by reference to Exhibit No. 10.17 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	
**10.2(a)	First Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Wayne P. Sayatovic, dated as of January 13, 1993 (incorporated by reference to Exhibit No. 10.7(a) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1992, Commission File No. 1-10235).	
**10.2(b)	Second Amendment to the Amended and Restated Employment Agreement between IDEX Corporation and Wayne P. Sayatovic, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.6(b) to Amendment No. 1 to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1994, Commission File No. 1-10235).	
**10.3	Employment Agreement between IDEX Corporation and Frank J. Hansen dated as of August 1, 1994 (incorporated by reference to Exhibit No. 10.7 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended September 30, 1994, Commission File No. 1-10235).	
**10.3(a)	First Amendment to the Employment Agreement between IDEX Corporation and Frank J. Hansen, dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.7(a) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1994, Commission File No. 1-10235).	
**10.3(b)*	Amended and Restated Employment Agreement between IDEX Corporation and Frank J. Hansen, dated December 19, 1997.	
**10.4	Employment Agreement between IDEX Corporation and Jerry N. Derck dated as of September 27, 1994 (incorporated by reference to Exhibit No. 10.8 to the Annual Report of IDEX on Form 10-K for the fiscal year ending December 31, 1994, Commission File No. 1-10235).	
**10.5	Management Incentive Compensation Plan (incorporated by reference to Exhibit No. 10.21 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	
**10.5(a)	Amended Management Incentive Compensation Plan (incorporated by reference to Exhibit No. 10.9(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 1996, Commission File No. 1-10235).	
**10.6	Form of Indemnification Agreement (incorporated by reference to Exhibit No. 10.23 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on April 26, 1989).	
**10.7	Form of Shareholder Purchase and Sale Agreement (incorporated by reference to Exhibit No. 10.24 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	

EXHIBIT NUMBER	DESCRIPTION	PAGE
**10.8	Revised Form of IDEX Corporation Stock Option Plan for Outside Directors (incorporated by reference to Exhibit No. 10.22 to Post-Effective Amendment No. 4 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on March 2, 1990).	
**10.9	Amendment to the IDEX Corporation Stock Option Plan for Outside Directors adopted by resolution to the Board of Directors dated as of January 28, 1992 (incorporated by reference to Exhibit No. 10.21(a) of the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-10235).	
**10.10	Non-Qualified Stock Option Plan for Non-Officer Key Employees of IDEX Corporation (incorporated by reference to Exhibit No. 10.15 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-102351).	
**10.10(a)	1996 Stock Plan for Non-Officer Key Employees of IDEX Corporation (incorporated by reference to Exhibit No. 4.5 to the Registration Statement on Form S-8 of IDEX, Registration No. 333-18643, as filed on December 23, 1996).	
**10.11	Non-Qualified Stock Option Plan for Officers of IDEX Corporation (incorporated by reference to Exhibit No. 10.16 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-102351).	
**10.12	IDEX Corporation Supplemental Executive Retirement Plan (incorporated by reference to Exhibit No. 10.17 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-102351).	
**10.13	1996 Stock Plan for Officers of IDEX (incorporated by reference to Exhibit No. 4.4 to the Registration Statement on Form S-8 of IDEX Registration No. 333-18643, as filed on December 23, 1996).	
**10.14*	Amended and Restated IDEX Corporation Directors Deferred Compensation Plan, as amended (incorporated by reference to Exhibit No. 4.6 to the Registration Statement on Form S-8 of IDEX Registration No. 333-18643, as filed on December 23, 1996).	
**10.14(b)	Second Amended and Restated IDEX Corporation Directors Deferred Compensation Plan, dated December 16, 1997.	
**10.15	IDEX Corporation 1996 Deferred Compensation Plan for Officers, as amended (incorporated by reference to Exhibit No. 4.8 to the Registration Statement on Form S-8 of IDEX, Registration No. 333-18643, as filed on December 23, 1996).	
**10.16	IDEX Corporation 1996 Deferred Compensation Plan for Non-Officer Presidents, as amended (incorporated by reference to Exhibit No. 4.7 to the Registration Statement on Form S-8 of IDEX, Registrant No. 333-18643, as filed on December 23, 1996).	
*13	1997 Annual Report to Shareholders of IDEX.	
*21	Subsidiaries of IDEX.	
*24	Consent of Deloitte & Touche LLP.	
*27	Financial Data Schedule.	
	Revolving Credit Facility, dated as of September 29, 1995, between Dunja Verwaltungsgesellschaft GmbH and Bank of America NT & SA, Frankfurt Branch (a copy of the agreement will be furnished to the Commission upon request).	

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* Filed herewith.

** Management contract or compensatory plan or arrangement.

Exhibit 10.1(c)

FIRST AMENDMENT TO THE AMENDED AND RESTATED EMPLOYMENT AGREEMENT BETWEEN IDEX CORPORATION AND DONALD N. BOYCE

FIRST AMENDMENT
TO THE
AMENDED AND RESTATED
EMPLOYMENT AGREEMENT
BETWEEN
IDEX CORPORATION
AND
DONALD N. BOYCE

THIS AGREEMENT made as of the 1st day of January, 1998, between IDEX CORPORATION, a Delaware corporation with its executive offices at 630 Dundee Road, Suite 400, Northbrook, Illinois 60062 (the "Corporation"), and DONALD N. BOYCE, residing at 1251 N. Sheridan Road, Lake Forest, Illinois 60045 (the "Executive").

IDEX and the Executive entered into an Employment Agreement dated as of January 22, 1988 and executed on May 30, 1989 and subsequently amended as of January 13, 1993 and as of September 27, 1994 and amended and restated in its entirety as of November 22, 1996. Effective as of January 1, 1998, Executive will no longer be serving as President of the Corporation and the parties now wish to modify certain provisions of the Employment Agreement to conform to this change. Therefore, IDEX and the Executive agree as follows:

1. Effective as of January 1, 1998, in each instance in Section 2, Section 5(a) and Section 5(b)(3) of the Agreement where the phrase "...Chairman of the Board, President and the Chief Executive Officer of the Corporation..." appears such phrase shall be deleted and in its stead the phrase "...Chairman of the Board and the Chief Executive Officer of the Corporation..." is substituted in lieu thereof.

2. Effective as of January 1, 1998, the first sentence of Subsection 4(a) of the Agreement is amended by deleting the phrase "...$445,000 per year commencing as of January 1,

1997,..." and the phrase "...$470,000 per year commencing as of January 1, 1998,..." is substituted in lieu thereof.

IN WITNESS WHEREOF, the Executive has hereunto set his hand and the Corporation has caused this Agreement to be executed in its name and on its behalf as of the date first above written.

____
Donald N. Boyce

DATE OF EXECUTION: _________, 1997

IDEX CORPORATION

By: _______________________________
Wayne P. Sayatovic, Senior Vice President - Finance and Chief Financial Officer

DATE OF EXECUTION: _________, 1997

Exhibit 10.3(b)

AMENDED AND RESTATED

EMPLOYMENT AGREEMENT

BETWEEN

IDEX CORPORATION

AND

FRANK J. HANSEN

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AGREEMENT, made as of the 1st day of January, 1998, between IDEX CORPORATION, a Delaware corporation with its executive offices at 630 Dundee Road, Suite 400, Northbrook, Illinois 60062 ("IDEX"), and FRANK J. HANSEN, 1716 Mulberry Drive, Libertyville, Illinois 60048 (the "Executive").

IDEX and the Executive entered into an Employment Agreement dated as of August 1, 1994 and subsequently amended as of September 27, 1994 and amended and restated in its entirety as of November 22, 1996. The parties now wish to modify certain provisions of the Employment Agreement and to restate the Employment Agreement in its entirety as modified. Therefore, IDEX and the Executive agree as follows:

1. Introductory statement. The Executive has previously served as President of Viking Pump, Inc., a business unit of IDEX Corporation, and as Vice President-Group Executive and Senior Vice President-Operations of IDEX Corporation ("IDEX"). IDEX desires to secure the full-time services of the Executive as President and Chief Operating Officer effective as of January 1, 1998, until at least December 31, 2001, on the terms and conditions as provided in this Agreement. The Executive is willing to execute this Agreement with respect to his employment upon the terms and conditions set forth in this Agreement.

2. Agreement of employment. IDEX agrees to, and hereby does, employ the Executive, and the Executive agrees to, and hereby does accept, employment by IDEX (hereafter, the "Corporation"), as President and Chief Operating Officer of the Corporation, subject to the provisions of the by-laws of the Corporation in respect of the duties and responsibilities assigned from time to time by the Chief Executive Officer of the Corporation and subject also at all times to the control of the Board of Directors of the Corporation.

The Executive has been elected to be a member of the Board of Directors as of January 1, 1998 for a term ending at the time of the annual meeting of shareholders in March, 1998. Subject to election by the shareholders of the Corporation at such annual meeting, it is contemplated that the Executive will continue to be elected to be a member of the Board of Directors. Further, subject to yearly election by the Board of Directors in the exercise of its judgment, it is contemplated that the Executive will continue to be elected to the position of President and Chief Operating Officer.

The Corporation shall not require the Executive to perform services hereunder away from the Chicago, Illinois area of such frequency and duration as would necessitate, in the reasonable judgment of the Executive, the Executive moving his residence from the Chicago, Illinois area.

3. Executive's obligations; vacations; automobile. During the period of his full-time service under this Agreement, the Executive shall devote substantially all of his time and energies during business hours to the supervision and conduct, faithfully and to the best of his ability, of the business and affairs of the Corporation, and to the furtherance of its interests, and shall not accept other gainful employment except with the prior consent of the Chief Executive Officer of the Corporation. With the approval of the Chief Executive Officer of the Corporation, however, the Executive may become a director, trustee or other fiduciary of other corporations, trusts or entities. The Executive may take four weeks vacation each year with pay. The Corporation shall furnish and maintain an automobile for the use of the Executive consistent with the policy of the Corporation in effect at any time; provided, however, that at no time shall the policy of the Corporation be materially less generous than that in effect as of January 1, 1998.

4. Compensation.

4(a) Annual salary. The Corporation shall pay to the Executive for his services under this Agreement a salary at the rate of $310,000 per year commencing as of January 1, 1998, payable in equal monthly installments, and continuing during the period of his full-time service hereunder; provided, however, that the Corporation shall in good faith review the salary of the Executive, on an annual basis, with a view to consideration of appropriate increases in such salary. If the Executive dies during the period of his full-time service hereunder, service for any part of the month of his death shall be considered service for the entire month.

4(b) Bonus. The Executive shall be entitled to receive an annual cash bonus from the Corporation calculated pursuant to the Corporation's management incentive compensation program in effect from time to time, but in an amount not less than would result if such bonus were calculated pursuant to the Corporation's management incentive compensation program in effect on January 1, 1998. The Board of Directors of the Corporation, in its discretion, may award bonuses to the Executive in addition to those provided for above, as it may from time to time determine. The Target Incentive Amount for the Executive with respect to any calculation of bonus shall be at least 75% of his base salary as of the end of the fiscal period of the Corporation for which the bonus is calculated.

5. Period of service and benefits.

5(a) Period of full-time service. The period of full-time service of the Executive under this Agreement shall continue to December 31, 2001, and for successive 12 month periods thereafter; provided, however, that the Corporation may terminate at any time the full-time service of the Executive hereunder by delivering written notice of termination to the Executive at least three months prior to the effective date of such termination, or the Executive may resign and terminate his full-time service hereunder at any time (i) if the Corporation does not retain him in the positions of President and Chief Operating Officer or if the Executive's scope of duties hereunder is significantly reduced, (ii) at any time within the 24-month period following an Acquisition (as hereinafter defined), liquidation or dissolution of the Corporation, or (iii) if the services required to be performed by the Executive would necessitate, in the reasonable judgment of the Executive, the Executive's moving his residence from the Chicago, Illinois area by delivering written notice of his intention to resign to the Corporation at least three months prior to the effective date of such resignation.

In the event of termination of the Executive by the Corporation, the Executive shall be entitled to receive his full annual salary and fringe benefits in effect on the date of receipt of the notice of termination for a continuing period of 24 months beginning with that month next following the month during which he ceases to be actively employed. In the event of the Executive's death, the balance of the continuing salary payments shall be made to his wife, if surviving, or if not, to his estate in addition to any and all other benefits payable under this Agreement upon his death.

In the event of resignation by the Executive as permitted under the first paragraph of this Section 5(a), the Executive shall be entitled to receive his full annual salary and fringe benefits in effect on the date of receipt of the notice of resignation for a continuing period of 24 months beginning with that next month following the month during which he ceases to be actively employed. In the event of the Executive's death, in addition to any and all other benefits payable under this Agreement upon his death, the balance of the continuing salary payments shall be made to his wife, if surviving, or if not, to his estate.

Except as otherwise provided in Section 5(c)(4), continuing fringe benefits under this Section 5(a) shall be reduced to the extent of any fringe benefits provided by and available to the Executive from any subsequent employer but shall not be limited by the terms of any such fringe benefit of a subsequent employer.

In the event of termination of the Executive by the Corporation, the Executive's death or disability, or resignation by the Executive as permitted under the first paragraph of this Section 5(a), the Executive or his estate shall receive a cash bonus for the entire fiscal year in which such termination, death, or resignation occurs or disability commences. Such bonus shall be calculated in accordance with the management incentive compensation program of the Corporation in effect from time to time and shall in no event be less than the full target amount for the Executive for such fiscal year. If no policy of the Corporation then exists with regard to calculation and payment of bonuses, the bonus shall be calculated and paid in accordance with the policy of the Corporation in effect as of January 1, 1998.

In addition, in the event of termination of the Executive by the Corporation, the Executive's death or disability, or the resignation by the Executive (whether or not permitted under the first paragraph of this Section 5(a)), the Executive shall receive payment for accrued but unused vacation, which payment shall be equitably prorated based on the period of active employment for that portion of the fiscal year in which the termination or resignation becomes effective, death occurs, or disability commences, plus payment for accrued but unused vacation for the prior fiscal year. Payment for accrued but unused vacation shall be payable in one lump sum on the effective date of termination or resignation, the date of death (or as soon thereafter as practicable) or the date disability commences.

In the event of termination of the Executive by the Corporation or resignation by the Executive as permitted under the first paragraph of this Section 5(a) within 24 months following an "Acquisition" of the Corporation (as hereinafter defined), the benefits to be provided to the Executive upon such termination, regardless of the continued effectiveness of this Agreement or of the provisions of this Section 5(a), shall be in an amount and character not less generous than the benefits payable upon a termination of the Executive by the Corporation as set forth in this Section 5(a).

For purposes of this Agreement, an "Acquisition" means (I) any transaction or series of transactions which within a 12-month period constitute a change of control where (i) at least 51 percent of the then outstanding common shares of the Corporation are (for cash, property (including, without limitation, stock in any corporation), or indebtedness, or any combination thereof), redeemed by the Corporation or purchased by an person(s), firm(s) or entity(ies), or exchanged for shares in any other corporation whether or not affiliated with the Corporation, or any combination of such redemption, purchase or exchange, or (ii) at least 51 percent of the Corporation's assets are purchased by any person(s), firm(s) or entity(ies) whether or not affiliated with the Corporation for cash, property (including, without limitation, stock in any corporation) or indebtedness or any combination thereof, or (iii) the Corporation is merged or consolidated with another corporation regardless of whether the Corporation is the survivor, or (II) any substantial equivalent of any such redemption, purchase, exchange, change, transaction or series of transactions, merger or consolidation, constituting such change of control. For purposes of this paragraph, the term "control" shall have the meaning ascribed thereto under the Securities Exchange Act of 1934, as amended, and the regulations thereunder. For purposes of clause (I)(ii) above or as appropriate for purposes of clause (II) above, the Corporation shall be deemed to include on a consolidated basis all subsidiaries and other affiliated corporations or other entities with the same effect as if they were divisions.

The benefits provided for under this section shall be in lieu of, and not in addition to, any and all benefits to which the Executive may be entitled under any bonus or severance program or policy adopted by the Corporation from time to time unless otherwise expressly stated therein.

5(b)(1) Death benefit. If the Executive dies during the period of his full-time service hereunder, his wife, if surviving, or if not, his estate shall be entitled to receive his full annual salary in effect on the date of his death for a continuing period of 12 months commencing on the first day of the month immediately following the date of his death.

5(b)(2) Disability benefits. In the event the Executive ceases to be actively employed by the Corporation for any reason during any period of his disability, he shall be entitled to receive (i) his full annual salary in effect on the date he ceased to be employed for a continuing period of 12 months from the date he ceases to be employed by the Corporation, and (ii) the fringe benefits provided by the Corporation under its executive disability policy in effect on the date he ceases to be employed.

5(b)(3) Determination of disability. Any question as to the existence, extent or potentiality of disability of the Executive upon which the Executive and the Corporation cannot agree shall be determined by a qualified independent physician selected by the Executive and reasonably acceptable to the Corporation (or, if the Executive is unable to make such selection, it shall be made by any adult member of his immediate family). For the purpose of this Agreement, "disability" shall mean a disability which is, or has the potential to become, total and permanent and because of which the Executive is or may become physically or mentally unable to substantially perform his regular duties as President or Chief Operating Officer of the Corporation, as the case may be. The determination of such physician made in writing to the Corporation and to the Executive shall be final and conclusive for all purposes of this Agreement. In the event of his disability, the Executive shall cease to be employed on the last day of the month in which the Executive's disability is determined by written agreement of the Executive and the Corporation or the written determination of a physician, as the case may be.

5(c)(1) Retirement compensation and obligations. Upon the retirement or resignation of the Executive or upon his termination from full-time service with the Corporation, in either case pursuant to the provisions of this Section 5 hereof, the full-time service obligations of the Executive and the Corporation to each other under Sections 2, 3 and 4 hereof shall cease, and the Executive shall be entitled to receive benefits and compensation as specified in the preceding provisions of this

Section 5.

5(c)(2) Guarantee of pension benefits. In addition to the compensation otherwise provided herein, the Executive and his beneficiaries shall be entitled to receive the retirement and death benefits they would receive at the times and under such optional arrangements as the Executive is entitled to under the terms of any defined benefit retirement or pension plan adopted and implemented by the Corporation for its executive office employees in effect at the date of the Executive's retirement, resignation or termination (for whatever reason) from full-time service with the Corporation or at any time during the Executive's service with the Corporation (any such plan is referred to hereafter as the "Plan") (such Plan shall include a lump sum option) pursuant to the Plan provisions as in effect at the point in time during the Executive's employment at which the Plan would provide the greatest benefits for the Executive and his beneficiaries and, in addition, the greatest latitude in choice of options (including, but not limited to, a lump sum option), but in any event computed without reference to (i) any restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations; (ii) any restrictions in the Plan upon the maximum contributions to the Plan or upon the maximum benefits payable under the Plan, as the case may be, pursuant to Section 415 of the Internal Revenue Code of 1986, as in effect at such point in time (the "Code"); (iii) any limitations on the amount of the Executive's compensation that may be taken into account under the Plan pursuant to Section 401(a)(17) of the Code or any successor section; (iv) the limitations on compensation that would exclude any income attributable to the exercise of the nonqualified stock options granted in replacement of Equity Appreciation Rights granted under the First Restatement of the Amended and Restated 1988 Equity Appreciation Rights Plan or the 1989 Equity Appreciation Rights Plan (hereafter the "EAR Plans"); (v) for purposes of determining eligibility for a lump sum distribution, any condition under the Plan considered necessary to receive a lump sum distribution, such as the submission of medical evidence of reasonable health of the Participant or the meeting of a specified age or service requirement (in other words the lump sum distribution shall be an election solely in the discretion of the Executive); or (vi) any other restriction on the Executive's benefits as determined under the Plan pursuant to the Code, to the Employee Retirement Income Security Act of 1974, as in effect at such point in time ("ERISA") or to any other law affecting the determination of such benefits. However, except as specifically described otherwise in the preceding sentence, all calculations pursuant to this Section 5(c)(2) of benefits shall be made on the basis of the actual years of service to the Corporation, including any Affiliated Corporation and Company as defined under the Plan, and actual compensation of the Executive taken into account under the applicable Plan provisions. In calculating the Executive's compensation and years of service to the Corporation under the Plan for purposes of benefit accrual and to determine active employment on any date relevant for any purpose under the Plan, compensation shall be deemed to include amounts termed severance and service shall be deemed to include the periods for which the Executive receives payments termed severance (based on the period over which the severance amount would have been paid if paid as compensation over the entire period as to which severance is calculated) even if such amount is paid as a lump sum settlement. To the extent that the benefits to which the Executive or his beneficiaries are entitled under this Section 5(c)(2) are not paid from the Trust under the Plan or from the IDEX Corporation Supplemental Executive Retirement Plan, the Corporation shall pay such benefits directly from its general assets.

If payments are being made, pursuant to this Section 5(c)(2), in the form of an annuity or other periodic form of distribution, and the portion of the total amount to be paid from the Trust under the Plan shall thereafter be reduced after the date such payments have been determined pursuant to the preceding paragraph, by virtue of the operation of restrictions in the Plan upon payments to the Executive, as described in

Section 1.401(a)(4)-5(b) of the Treasury Regulations, or by virtue of the termination of the Plan (including the operation of Section 4045 of ERISA or any successor section) or for any other reason other than the operation of the provisions of the optional form selected under the Plan, the Corporation shall increase, in an amount equal to any such reduction, the amount of the benefit under this Section 5(c)(2) which is to be paid directly from its general assets, and such increase shall be prorated over the remaining payments or used to recalculate the annuity payments, as the case may be.

If payments are being made or have been made in full, pursuant to this Section 5(c)(2), but the Executive or any of his beneficiaries is required to make a payment to the Trustee under the Plan (whether in the form of a loss of collateral, interest on such collateral or otherwise) as the result of the application of the restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations, or by virtue of the termination of the Plan (including the operation of Section 4045 of ERISA or any successor section) or for any other reason, the Corporation shall reimburse the Executive or his beneficiaries, as the case may be, directly from its general assets, for each such payment to the Trustee, and if the Executive or any of his beneficiaries does not receive a deduction for federal, state and/or local income tax purposes for such a payment and/or if such payment would result in the imposition of any penalty tax because of such repayment, then the amount of such reimbursement shall be increased by an amount such that after payment by the Executive or his beneficiaries of all taxes, including, without limitation, any interest or penalties imposed with respect to such reimbursement, the Executive or his beneficiaries retain an amount from the Corporation approximately equal to the amount repaid to the Trustee.

In the event (I) the Executive requests a lump sum distribution from the Trustee or Committee under the Plan and is denied the request, regardless of the reason for the denial, or (II) (i) if the Plan is amended to eliminate the lump sum distribution option on future benefit accruals or (ii) the Executive is not otherwise entitled to a lump sum distribution under the Plan terms and, in the case of (i) or (ii), the Executive states in writing to the Corporation at any time prior to the Executive or his beneficiaries receiving a benefit under the Plan that he otherwise would have requested the lump sum distribution option, the Corporation shall pay the Executive, or his beneficiaries, as the case may be, in cash in a single lump sum benefit, an amount equal to the benefit hereinbefore determined less any amount received by the Executive or his beneficiaries from the Plan directly or indirectly in a single payment, regardless of the form of payment in which the benefit is being paid or is to be paid under the Plan. In the case of a benefit provided under this paragraph, the Corporation shall pay the Executive or his beneficiaries an additional amount in cash in a single lump sum payment such that after payment by the Executive or his beneficiaries of all federal, state, and/or local income taxes (including, without limitation, any interest or penalties imposed with respect to such taxes) imposed upon such single lump sum payment, the Executive or his beneficiaries retain an amount that would have been retained by him or them (without regard to any limitations as described in the first paragraph of this Section 5(c)(2)) had he or they directly rolled the amount from the Plan into an individual retirement account. If the Executive or his beneficiaries receive the single lump sum payment from the Corporation under this paragraph, the Executive and his beneficiaries agree to waive and/or return to the Corporation all benefits to him or them that he or they subsequently receive from the Plan. Notwithstanding the preceding sentence, if the Executive or any of his beneficiaries does not receive a deduction for federal, state and/or local income tax purposes for such benefits and/or if such benefits would result in the imposition of any penalty tax because of such repayment, then the amount of such waiver and/or return to the Corporation shall be decreased by an amount such that after payment by the Executive or his beneficiaries of all taxes, including, without limitation, any interest or penalties imposed with respect to such waiver and/or return, the Executive or his beneficiaries incur no net expense from such benefits he or they subsequently receive from the Plan. For purposes of this Section, beneficiaries means the beneficiaries as determined under the Plan.

Notwithstanding the preceding provisions of this Section 5(c)(2), in calculating the benefit provided under this Section 5(c)(2) under the terms of any Plan, compensation shall include in any year any amount otherwise excluded from compensation in such year as a result of an election to defer income made pursuant to the provisions of the IDEX Corporation 1996 Deferred Compensation Plan for Officers and shall exclude in any year any amount that would otherwise be included in compensation in a year which relates to an amount deferred in a prior year under the provisions of the IDEX Corporation 1996 Deferred Compensation Plan for Officers.

Notwithstanding the preceding provisions of this Section 5(c)(2), in calculating the benefit provided under this Section 5(c)(2) under the terms of the Plan, the following rules shall apply:

(a) In computing average compensation for purposes of any benefit formula under the Plan, compensation shall not include any income includable in the Executive's income for income tax purposes attributable to the exercise of stock options granted in replacement for Equity Appreciation Rights under the EAR Plans at any time.

(b) An additional benefit under this Section 5(c)(2) shall be payable in an amount equal to the benefit accrued at the rate provided in the Plan's career average formula applied to the income includable in the Executive's income for income tax purposes attributable to the exercise of stock options granted in replacement of Equity Appreciation Rights under the EAR Plans at any time.

5(c)(3) Supplemental retirement compensation.

(i) If the Executive ceases to be actively employed by the Corporation upon resignation, termination, death or disability on or after December 31, 2002, or is receiving continuing salary payments or disability payments on or after December 31, 2002, pursuant to Section 5(a) or Section 5(b)(2), respectively, the Executive shall be entitled to receive, in addition to the other benefits and compensation specified in this Section 5 and commencing upon completion of the continuing salary payments provided for in Section 5(a) and Section 5(b)(2) of up to 24 or 12 months, respectively, (and excluding any salary payments pursuant to fringe benefit plans), supplemental retirement compensation at the annual rate of 40% of his Adjusted Salary (as that term is defined under 5(c)(3)(v) below) calculated as of the date he ceases to be employed by the Corporation. Such supplemental retirement compensation shall be paid in equal monthly installments and such payments of supplemental retirement compensation shall continue for a period of three years from the date continuing salary payments under Section 5(a) and Section 5(b)(2) cease. Regardless of the Executive's death prior to or after commencement of benefits under this paragraph, the benefits provided for in this paragraph shall be paid to him, his wife, if surviving, or his estate, as the case may be.

(ii) If the Executive ceases to be actively employed by the Corporation upon resignation, termination or disability other than death (unless the election under (iii) below is in effect on the date of the Executive's death) on or after December 31, 2002, the Executive shall also be entitled to receive, in addition to the other benefits and compensation specified in this Section 5, supplemental retirement compensation at the annual rate of 20% of his Adjusted Salary. Such supplemental retirement compensation shall be paid in equal monthly installments commencing on the first day of the month next following the last payment under Section 5(c)(3)(i) and shall continue for the remainder of his life.

(iii) If the Executive's spouse is surviving on the date that the benefits under (i) commence, the Executive hereby elects in lieu of his benefits under (i) or (ii) above, an actuarially equivalent joint and 50% surviving spouse annuity calculated using the actuarial assumptions under the Plan; provided, however, that he reserves the right to revoke such election at any time prior to the commencement of payment of the benefits under (i); said spouse's consent shall not be required for such revocation. If such election is effective on the date of the Executive's death, any benefit payable pursuant to Section 5(c)(3)(i) and (ii) shall commence immediately upon the date of his death notwithstanding any other death benefits payable under this Agreement.

(iv) Notwithstanding any provision in this Section 5(c)(3) to the contrary, if the Executive ceases to be actively employed by the Corporation due to resignation, termination, death or disability prior to January 1, 2003, but on or after December 31, 2001, then payments under Section 5(c)(3)(i) or Section 5(c)(3)(ii) shall be made in an amount adjusted so that the present value of benefit payments at the date of commencement is equivalent to the present value of the benefits payable if benefit payments commenced at the time they otherwise would have commenced if the Executive actually ceased to be actively employed on December 31, 2002, using an interest rate and mortality factor of one-half percent (1/2%) per month without compounding.

(v) For purposes of this Agreement, the term Adjusted Salary shall mean the highest base salary paid to the Executive at any time during the term of this Agreement.

5(c)(4) Medical benefits. The Executive and/or his wife, as the case may be, shall be entitled to prompt reimbursement for all medical, dental, hospitalization, convalescent, nursing, extended care facilities (including, without limitation, long term care facilities such as convalescent and nursing homes) and similar health and welfare expenses incurred by the Executive (or by his wife in the event of the Executive's death or disability) for the Executive or for the benefit of his wife or other dependents (hereinafter collectively referred to as "medical benefits"). Such medical benefits shall continue at all times while the Executive is employed by the Corporation, and thereafter for the remainder of his life or the life of his wife, whichever shall be the longer time. The Corporation may, in its discretion, insure such medical benefits; provided, however, that such benefits shall not be affected by the existence or non-existence of any available insurance from any source, shall not be limited by the terms of any such insurance or the failure of any insurer to meet its obligations thereunder, shall not limit the Executive or his wife or other dependents in the choice of any physician, medical care facility or type of medical expenses in any way, and, except as provided in the following sentence, shall not be affected by the availability of any medical benefits provided by and available to the Executive from any subsequent employer. Such medical benefits shall be reduced to the extent of any medical benefits actually available and actually provided by any subsequent employer to the Executive, his wife, or other dependents only until the commencement of his 60th year if he ceases to be employed by the Corporation as a result of his resignation or retirement prior to the commencement of his 60th year. Without limiting the foregoing, there shall be no such offset in the event of:

(a) termination for any reason after commencement of the Executive's 60th year,

(b) resignation permitted under the first paragraph of Section 5(a),

(c) involuntary termination following an Acquisition, or

(d) the death or disability of the Executive while in the active employment of the Corporation.

In any case such reduction in medical benefits shall be only to the extent of any medical benefits actually provided by and actually available to the Executive (and/or his wife or other dependents) from any subsequent employer without cost to the Executive (and/or his wife or other dependents) or subject to full reimbursement of any such cost by the Corporation to the Executive (and/or his wife or other dependents), but shall not be limited by the terms of any such insurance or reimbursement. For purposes of this Agreement, the term "medical expenses" shall include, but not be limited to, prescription drugs, prosthetics, optical care (including corrective lenses) and travel and lodging associated with medical expenses, with the selection of medical providers and institutions and related travel and lodging to be solely in the discretion of the Executive (and/or his wife or other dependents).

5(d) Confidentiality agreement. During the course of his employment, the Executive has had and will have access to confidential information relating to the lines of business of the Corporation, its trade secrets, marketing techniques, technical and cost data, information concerning customers and suppliers, information relating to product lines, and other valuable and confidential information relating to the business operations of the Corporation not generally available to the public (the "Confidential Information"). The parties hereby acknowledge that any unauthorized disclosure or misuse of the Confidential Information could cause irreparable damage to the Corporation. The parties also agree that covenants by the Executive not to make unauthorized use or disclosures of the Confidential Information are essential to the growth and stability of the business of the Corporation. Accordingly, the Executive agrees to the confidentiality covenants set forth in this section.

The Executive agrees that, except as required by his duties with the Corporation or as authorized by the Corporation in writing, he will not use or disclose to anyone at any time, regardless of whether before or after the Executive ceases to be employed by the Corporation, any of the Confidential Information obtained by him in the course of his employment with the Corporation.

The Executive agrees that since irreparable damage could result from his breach of the covenants in this Section 5(d) of this Agreement, in addition to any and all other remedies available to the Corporation, the Corporation shall have the remedies of a restraining order, injunction or other equitable relief to enforce the provisions thereof. The Employee consents to jurisdiction in Lake County, Illinois on the date of the commencement of any action for purposes of any claims under this Section 5(d). In addition, the Executive agrees that the issues in any action brought under this section will be limited to claims under this section, and all other claims or counterclaims under other provisions of this Agreement will be excluded.

6. Compensation under this Agreement not exclusive. Except as expressly stated to the contrary in this Agreement, the compensation and benefits payable by the Corporation to the Executive under the provisions of this Agreement shall be in addition to and separate and apart from such additional compensation or incentives and such retirement, disability or other benefits as the Executive may be entitled to under any present or future extra compensation or bonus plan, stock option plan, share purchase agreement, pension plan, disability insurance plan, medical insurance plan, life insurance program, or other plan or arrangement of the Corporation established for its executives or employees, and the provisions of this Agreement shall not affect any such compensation, incentives or benefits. The Board of Directors of the Corporation, in its discretion, may award the Executive such additional compensation, incentives or benefits, pursuant to such plans or otherwise, as it may from time to time determine.

7. Termination of this Agreement. This Agreement shall terminate when the Corporation has made the last payment provided for hereunder; provided, however, that the obligations set forth under Section 5(d) of this Agreement shall survive any such termination and shall remain in full force and effect. Without the written consent of the Executive, the Corporation shall have no right to terminate this Agreement prior thereto. In the event the Executive, or his beneficiaries, as the case may be, and the Corporation shall disagree as to their respective rights and obligations under this Agreement, and the Executive or his beneficiaries are successful in establishing, privately or otherwise, that his or their position is substantially correct, or that the Corporation's position is substantially wrong or unreasonable, or in the event that the disagreement is resolved by settlement, the Corporation shall pay all costs and expenses, including counsel fees, which the Executive or his beneficiaries may incur in connection therewith directly to the provider of the services or as may otherwise be directed by the Executive or his beneficiaries. The Corporation shall not delay or reduce the amount of any payment provided for hereunder or setoff or counterclaim against any such amount for any reason whatever; it is the intention of the Corporation and the Executive that the amounts payable to the Executive or his beneficiaries hereunder shall continue to be paid in all events in the manner and at the

times herein provided. All payments made by the Corporation hereunder shall be final and the Corporation shall not seek to recover all or any part of any such payments for any reason whatsoever.

8. Additional payments by Corporation.

8(a) Notwithstanding anything in this Agreement or any other agreement to the contrary, in the event it shall be determined that any payment or distribution by the Corporation or any affiliate (as defined under the Securities Act of 1933, as amended, and the regulations thereunder) thereof or any other person to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement, pursuant to that certain shareholder purchase and sale agreement between Executive and the Corporation made as of January 22, 1988, as amended and restated, pursuant to all non-qualified stock option plans of the Corporation now or hereafter in effect, pursuant to the IDEX Corporation Supplemental Executive Retirement Plan, pursuant to the IDEX Corporation 1996 Deferred Compensation Plan for Officers, pursuant to any other plan of deferred compensation, or pursuant to any other agreement or arrangement with the Corporation or any affiliate thereof now or hereafter in effect (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code, or any successor statute thereto, or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including, without limitation, any interest or penalties imposed with respect to such taxes and any Excise Tax) imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

8(b) The Executive and/or the Corporation shall notify each other in writing as soon as practicable of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall state the nature of such claim and the date on which such claim is requested to be paid. Neither the Executive nor the Corporation shall pay such claim for taxes prior to the expiration of the thirty-day period following the date on which the notice is given (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Executive or Corporation (hereafter the "Notifying Party") notifies the other party in writing prior to the expiration of such period that it desires to contest such claim, such other party shall take such action, in connection with contesting such claim as the Notifying Party shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney selected by the Notifying Party and approved by the other party, provided, however, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties and counsel fees as submitted) incurred in connection with such contest and shall indemnity and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Furthermore, if the Corporation is the Notifying Party, the Corporation's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

9. Assurances on liquidation. The Corporation agrees that until the termination of this Agreement as above provided, it will not voluntarily liquidate or dissolve, or enter into or be a party to any other transaction the effect of which would be to materially reduce the net assets or operations of the Corporation, without first making a written agreement with the

Executive or other beneficiary, satisfactory to and approved by him or such beneficiary in writing within 30 days of receipt of a notice from the Corporation of such proposed liquidation, dissolution or other transaction, in fulfillment of or in lieu of its obligations to him or such beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation or, in the absence of such agreement, paying him or such beneficiary in a lump sum settlement of all such obligations prior to such proposed liquidation, dissolution or other transaction. Notwithstanding anything in the preceding sentence to the contrary, in the event that pursuant to the preceding sentence the Corporation is obligated to pay to the Executive or such beneficiary in a lump sum settlement all of the obligations of the Corporation to the Executive or such beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation, the Executive or, in the event of his death or inability to act, his wife or, if not surviving, his eldest surviving child (or in the event of their inability to act, such person who has the legal power to act on their behalf), shall have the right, in his or her sole discretion, to elect not to receive a lump sum settlement of the obligations of the Corporation to the Executive or other beneficiary under Section 5(c)(4) of this Agreement and, in lieu thereof, to receive a guaranty (including, without limitation, a letter of credit), in form and substance satisfactory to the Executive or other beneficiary, as the case may be, in his or her sole discretion, of the payment of such obligations from any entity satisfactory to the Executive or other beneficiary, as the case may be, in his or her sole discretion. Any lump sum settlement shall reflect a reasonable assumption of cost-of-living adjustments, if appropriate to such obligation, and shall be determined using the mortality assumptions of the "applicable mortality table" under Section 417(e) of the Code and either (i) the interest rate that would be used (as of the date of payment) by the Pension Benefit Guaranty Corporation for purposes of valuing a lump sum distribution upon a plan termination on the January 1 of the calendar year in which the single sum is paid or (ii) the "applicable interest rate" under Section 417(e) of the Code, determined as of the first month of the calendar year in which the single sum is paid, whichever would produce the greater single sum amount. For purposes of this Subsection, the Corporation shall be deemed to include on a consolidated basis all subsidiaries and other affiliated corporations or other entities with the same effect as if they were divisions.

10. Definitions. For purposes of this Agreement, the term "year" shall mean fiscal year, the term "dependents" shall have the same meaning as pursuant to Section 152 of the Code and the term "his 60th year" shall mean immediately following the Executive's 59th birthday. Any reference in this Agreement to

the Code or ERISA or to related regulations shall be deemed to include any subsequent amendments to the Code or ERISA or related regulations and to include any successor provision of law or related regulation.

11. Amendments. This Agreement may not be amended or modified orally, and no provision hereof may be waived, except in a writing signed by the parties hereto, and specifically the agreement of any beneficiary, wife, dependents or other potential or actual third party beneficiary shall not be required, except as specifically provided for in this Agreement.

12. Assignment. This Agreement cannot be assigned by either party hereto except with the written consent of the other.

13. Binding effect. This Agreement shall be binding upon and inure to the benefit of the personal representatives and successors in interest of the Executive and any successors in interest of the Corporation. In addition to inuring to the benefit of the Executive, Sections 5(a) and 5(b) are intended to inure to the benefit of the Executive's beneficiaries, Section 5(c)(2) is intended to inure to the benefit of the Executive's beneficiaries, to the extent contemplated in that provision, Section 5(c)(4) is intended to inure to the benefit of the Executive's wife and his dependents, Sections 5(c)(3)(i) and

(ii) is intended to insure to the benefit of the Executive's wife, to the extent of any election under Section 5(c)(3)(iii) and Section 7, Section 8 and Section 9 are intended to inure to the benefit of the Executive's beneficiaries; such provisions shall be enforceable by the aforesaid beneficiaries, wife and/or dependents, as the case may be, who upon the Executive's death shall be deemed successors in interest.

14. Choice of law. This Agreement shall be governed by the law of the State of Illinois (excluding the law of the State of Illinois with regard to conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect and performance.

15. Notice. Except as otherwise provided in this Agreement, all notices and other communications given pursuant to this Agreement shall be deemed to have been properly given if personally delivered or mailed, addressed to the appropriate party at the address of such party as shown at the beginning of this Agreement, postage prepaid, by certified mail or by Federal Express or similar overnight courier service. A copy of any notice sent pursuant to this section shall also be sent to Hodgson, Russ, Andrews, Woods & Goodyear, 1800 One M & T Plaza, Buffalo, New York 14203, Attention: Richard E. Heath, Esq. and Dianne Bennett, Esq. Any party may from time to time designate

by written notice given in accordance with the provisions of this paragraph any other address or party to which such notice or communication or copies thereof shall be sent.

16. Severability of provisions. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be effected or impaired thereby and this Agreement shall be interpreted as if such invalid, illegal or unenforceable provision was not contained herein.

17. Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

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IN WITNESS WHEREOF, the Executive has hereunto set his hand and the Corporation has caused this Agreement to be executed in its name and on its behalf as of the date first above written.

____

Frank J. Hansen

Date of Execution: December ___, 1997

IDEX CORPORATION

By:____

Donald N. Boyce, Chairman of the Board and Chief Executive Officer

Date of Execution: December ___, 1997

The undersigned hereby executes this Amendment to evidence her agreement to be bound by the terms of Subsection 5(c)(2) and 5(c)(3) of the Employment Agreement.

____

Kathryn Hansen

DATE OF EXECUTION: December ___, 1997

SECOND AMENDED AND RESTATED IDEX CORPORATION DIRECTORS DEFERRED COMPENSATION PLAN

ARTICLE I

BACKGROUND, PURPOSE, AND EFFECTIVE DATE

IDEX Corporation, a Delaware corporation (the "Corporation"), by resolution of its Board of Directors, adopted the IDEX Corporation Directors Deferred Compensation Plan (the "Plan"), effective as of January 1, 1993, for the benefit of the non-employee members of its Board of Directors (the "Directors").

In order to make certain changes to the Plan, an Amended and Restated IDEX Corporation Directors Deferred Compensation Plan was adopted by a resolution of the Board of Directors of IDEX Corporation, effective as provided below (the "Amended Plan").

In order to make further changes to the Amended Plan, the Directors have adopted the changes set forth in new Section 2.1.b and accompanying Exhibit D and other clarifying changes in this Second Amended and Restated IDEX Corporation Directors Deferred Compensation Plan (the "Second Amended Plan").

SECTION 1.1--BACKGROUND AND PURPOSE OF THE PLAN

The Corporation wishes to provide members of its Board of Directors who are not employees of the Corporation with the opportunity to defer payment of all of the compensation they receive in a particular year or years for serving as Directors.

SECTION 1.2--EFFECTIVE DATE AND TERM

The Amended Plan was effective as of January 1, 1997. The Plan as in effect prior to the date of approval of the Amended Plan by the shareholders of the Corporation was in effect through December 31, 1996. The Second Amended Plan shall become effective as of November 20, 1997 and shall continue until such time as it is terminated or amended and restated by resolution of the Board of Directors in accordance with Article V.

SECTION 1.3--SHARES SUBJECT TO PLAN

The shares of stock subject to Deferred Compensation Units shall be shares of the Corporation's Common Stock. The aggregate number of such shares which may be distributed pursuant to Deferred Compensation Units under the Amended Plan shall not exceed 50,000 shares.

ARTICLE II

CONTRIBUTIONS

SECTION 2.1--DEFERRED COMPENSATION

a. DEFERRAL ELECTION PROCEDURE. With respect to each quarter, beginning with the first quarter of 1997 and continuing during the period in which this Plan remains in effect, the Corporation shall credit with all of the amount of future compensation as such Director has elected in writing to defer under the Amended Plan (pursuant to the form attached hereto as Exhibit A and incorporated herein by this reference) and carried in the accounts provided for in Section 3.1 (the "Deferred Amounts"). An election to defer shall be made prior to the calendar year for which the compensation so deferred is earned, and shall be irrevocable with respect to the calendar year to which it applies and shall remain in effect for future calendar years unless a new election is made by such Director effective with respect to a calendar year and delivered to the Corporation by the December 31 preceding such calendar year, provided, however, that, to the extent necessary for such election or new election and related deferrals to qualify for the exemption specified by Rule 16b-3 under the Securities Exchange Act of 1934 as then in effect ("Rule 16b-3"), no such election or new election may be made less than six months (or such other period as Rule 16b-3 may specify) prior to the first date on which such deferred compensation would have been paid if no deferral election were made, and such election or new election shall otherwise comply with any applicable requirements for exemption under Rule 16b-3. In that regard, a Director may make a new election each year setting forth a deferral period and form of payment pursuant to the form attached hereto as Exhibit A. The crediting of the Deferred Amounts under this Amended Plan shall be made on the first day of the quarter after the amounts are earned, or such other date on which such amounts would otherwise have been paid to the Director. Any amounts credited to the Deferred Compensation Account under the Plan prior to January 1, 1997 (the "Prior Deferred Amounts") shall be credited to the Interest-Bearing Account as set forth in Section 3.1.

b. DEFERRAL DISTRIBUTION DATE ELECTION CHANGES. A Director may change the distribution date, subject to the requirements and limitations of this Section 2.1.b. A Director may change his or her distribution date by completing and signing a Deferral Distribution Date Election Change Form and returning it to the Administrator in accordance with the rules of the Second Amended Plan. Such Deferral Distribution Date Election Change Form shall be in the form attached hereto as Exhibit D. For purposes of this Section 2.1.b., a Director shall be considered to have made a new deferral distribution date election on the date that the Administrator receives such form.

If a Director's new deferral distribution date election made in accordance with this Section 2.1.b. designates a new distribution date, such distribution date shall be no earlier than the later of (i) such Director's distribution date (if any) under his or her present deferral election (as elected on the original election form or a prior deferral distribution date election change form, as the case may be), or (ii) the first day of the second deferral year following the year in which the change in the deferral is made. A Director may not make a new deferral election in accordance with this Section 2.1.b. during the four calendar years following the year in which the Director made his or her last change in the deferral distribution date.

ARTICLE III

ACCOUNTS AND INVESTMENT

SECTION 3.1--THE DEFERRED AMOUNTS

The Corporation shall establish on its books the necessary accounts to accurately reflect the Corporation's liability to each Director who has deferred compensation under the Amended Plan. To each account shall be credited, as applicable, Deferred Amounts and Dividend Equivalents (as defined below) on the common stock, par value $.01 per share, of the Corporation (the "Common Stock") and interest. The Corporation shall maintain separate subaccounts for each annual compensation deferral election in order to accurately reflect the Benefits (as defined in Section 4.1) distributable in a particular distribution year. Payments to the Director under the Amended Plan shall be debited to the appropriate accounts.

a. INTEREST-BEARING ACCOUNT. Compensation which a Director has elected to defer into an Interest-Bearing Account shall be credited to the Interest-Bearing Account on the same date that it would otherwise be payable to such Director (the "Deferral Date"). Deferred Amounts carried in this account shall earn interest from the Deferral Date to the date of payment. The Deferred Amount allocated to the Interest-Bearing Account shall be adjusted no less often than quarterly to reflect hypothetical earnings for the quarter equal to the U.S. Government Securities Treasury Constant Maturities with 10 year maturities as of the December 1 of the calendar year preceding the quarter for which the earnings are credited plus 200 basis points, compounded at least annually. Such adjustments shall be made until no amounts remain in the Director's Interest-Bearing Account.

b. DEFERRED COMPENSATION UNITS ACCOUNT. A Director who has elected to defer compensation into a Deferred Compensation Units Account shall have the amount of such compensation credited to his or her account as of the Deferral Date, and such Deferred Amount shall also be converted into a number of Deferred Compensation Units as of the Deferral Date by dividing the Deferred Amount by the Fair Market Value of the Corporation's Common Stock as of the Deferral Date. For purposes of the Plan, "Fair Market Value" shall mean the fair market value of a share of the Common Stock as of a given date measured as (i) the closing price of a share of the Common Stock on the principal exchange on which shares of the Common Stock are then trading, if any, on the day previous to such date, or, if shares were not traded on the day previous to such date, then on the next preceding trading day during which a sale occurred; or (ii) if such Common Stock is not traded on an exchange but is quoted on NASDAQ or a successor quotation system, (1) the last sales price (if the Common Stock is then listed as a National Market Issue under the NASD National Market System) or (2) the mean between the closing representative bid and asked prices (in all other cases) for the Common Stock on the day previous to such date as reported by NASDAQ or such successor quotation system; or (iii) if such Common Stock is not publicly traded on an exchange and not quoted on NASDAQ or a successor quotation system, the mean between the closing bid and asked prices for the Common Stock, on the day previous to such date, as determined in good faith by the Committee; or (iv) if the Common Stock is not publicly traded, the fair market value established by the Compensation Committee of the Board acting in good faith.

If Deferred Compensation Units exist in a Director's account on a dividend record date for the Common Stock, Dividend Equivalents shall be credited to the Director's account on the corresponding dividend payment date, and shall be converted into the number of Deferred Compensation Units which could be purchased. at a price equal to the Fair Market Value of the Common Stock as of such dividend payment date, with the amount of Dividend Equivalents so credited. For purposes of the Amended Plan, "Dividend Equivalent" shall mean an amount equal to the cash dividend payable on any dividend payment date on one share of Common Stock multiplied by the number of Deferred Compensation Units in the Deferred Compensation Units Account as of the dividend record date.

In the event of any change in the Corporation's Common Stock outstanding, by reason of any stock split or dividend, recapitalization, merger, consolidation, combination or exchange of stock or similar corporate change, such equitable adjustments, if any, by reason of any such change, shall be made in the number of Deferred Compensation Units credited to each Director's Deferred Compensation Units Account.

c. TRANSFERS BETWEEN ACCOUNTS. If and only if permissible under any applicable provisions of Rule 16b-3 as then in effect without affecting a director's disinterested status thereunder, upon advice of counsel, transfers from the Interest-Bearing Account to the Deferred Compensation Units Account may be made at any time requested by the Director on a date specified in a notice to the Corporation; provided, however, that, to the extent necessary for such transfer to qualify for the exemption specified by Rule 16b-3, the date such notice is received by the Corporation must be at least six months (or such other period as Rule 16b-3 may specify) prior to the date specified for such transfer and such transfer shall otherwise comply with any applicable requirements for exemption under Rule 16b-3. No transfers may be made from the Deferred Compensation Units Account to the Interest-Bearing Account.

SECTION 3.2--VESTING

At all times a Director shall have a 100% nonforfeitable right to the amounts credited to his or her accounts.

ARTICLE IV

BENEFITS

SECTION 4.1--AFTER STATED PERIOD OR UPON CESSATION OF SERVICE AS DIRECTOR

The balance in the Interest-Bearing Account, including adjustments that continue to be made pursuant to Article Ill, shall be paid in cash by the Corporation. and the number of shares of Common Stock equal to the number of Deferred Compensation Units (rounded down to the nearest whole unit) (together, the balance in the Interest-Bearing Account and the Deferred Compensation Units are referred to as the "Benefit") shall be paid or distributed, as the case may be, to the Director on the January 1 following the number of deferral years elected by the Director (either five or ten years after the year for which compensation is deferred) (for example if a five year deferral election were made, deferral of 1993 compensation would first be distributed on January 1, 1999) or following the Director's cessation of service as Director for any reason other than death (the date of which shall be referred to as the "Date of Cessation"), in one lump sum or in five substantially equal annual payments with respect to the balance in the Interest-Bearing Account and five substantially equal numbers of shares of Common Stock with respect to Deferred Compensation Units, as selected by a Director. Elections pursuant to this Section shall be made at the same time and in the same manner as election to defer is made pursuant to Section 2.1.

SECTION 4.2--UPON DEATH

In the event of a Director's death, the Corporation shall pay the Benefit, or in the event of a Director's death after commencement of the payment of the Benefit under Section 4.1, the remaining balance of the Benefit, in one lump sum as soon as practicable following the death of the Director or to the Director's Beneficiary.

SECTION 4.3--CHANGE IN CONTROL

In the event of (a) any transaction or series of transactions which within a 12-month period constitute a change of management or control where (i) at least 51 percent of the then outstanding common shares of the Corporation are (for cash, property (including, without limitation, stock in any corporation), or indebtedness, or any combination thereof) redeemed by the Corporation or purchased by any person (s), firm (s) or entity(ies), or exchanged for shares in any other corporation whether or not affiliated with the Corporation, or any combination of such redemption, purchase or exchange, or (ii) at least 51 percent of the Corporation's assets are purchased by any person(s), firm(s) or entity(ies) whether or not affiliated with the Corporation for cash, property (including, without limitation, stock in any corporation) or indebtedness or any combination thereof, or (iii) the Corporation is merged or consolidated with another corporation regardless of whether the Corporation is the survivor (except any such transaction solely for the purpose of changing the Corporation's domicile or which does not change the ultimate beneficial ownership of the equity interests in the Corporation), or (b) any substantial equivalent of any such redemption, purchase, exchange, change, transaction or series of transactions, merger or consolidation constituting such change of management or control, the Corporation shall pay the Benefit to the Director in one lump sum. In the transaction giving rise to such change of management or control was approved in advance by a majority of the Board of Directors, payment of the Benefit shall be made at the closing of such transaction. If the transaction giving rise to the change of management or control was not so approved, payment of the Benefit shall be made immediately upon the occurrence of the event or transaction giving rise to the change of management or control.

ARTICLE V

AMENDMENT, SUSPENSION, OR TERMINATION

SECTION 5.1--AMENDMENT, SUSPENSION, OR TERMINATION

The Board of Directors may amend, suspend or terminate the Amended Plan, in whole or in pan, at any time and from time to time by resolution adopted at a regular or special meeting of the Board or Directors, and only in such manner.

SECTION 5.2--NO REDUCTION

No amendment, suspension or termination shall operate to adversely affect the Benefit otherwise available to a Director if the Director had ceased being a Director as of the effective date of such amendment, suspension, or termination. Any Benefit determined as of such date shall continue to be adjusted as provided in Article III and payable as provided in Article IV.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 6.1--BENEFICIARY

"Beneficiary" shall mean any one or more persons, corporation, trusts, estates, or any combination thereof, last designated by a Director to receive the Benefit provided under this Amended Plan. Any designation made hereunder shall be revocable, shall be in writing either on a facsimile of the form annexed hereto as Schedule I or in a written instrument containing the information requested in Schedule 1, and shall be effective when delivered to the Corporation at its principal office. If the Corporation, in its sole discretion, determines that there is not a valid designation, the Beneficiary shall be the executor or administrator of the Director's estate.

SECTION 6.2--NONASSIGNABILITY

The interest of any person under this Amended Plan (other than the Corporation) shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, attachment or encumbrance, or to the claims of creditors of such person, and any attempt to effectuate any such actions shall be void.

SECTION 6.3--INTEREST OF DIRECTOR

The Director and any Beneficiary shall, in respect to accounts and any Benefit to be paid, shall be and remain simply a general unsecured creditor of the Corporation in the same manner as any other creditor having a general claim for compensation, if and when the Director's or Beneficiary's rights to receive payments shall mature and become payable. At no time shall the Director be deemed to have any right, title or interest, legal or equitable, in any asset of the Corporation, including, but not limited to, any Common Stock or investments which represent amounts credited to the Interest-Bearing Account.

SECTION 6.4--WITHHOLDING

The Corporation shall have the right to deduct or withhold from the Benefits paid under this Amended Plan or otherwise all taxes which may be required to be deducted or withheld under any provision of law (including, but not limited to, Social Security payments, income tax withholding and any other deduction or withholding required by law) now in effect or which may become effective any time during the term of this Amended Plan.

SECTION 6.5--FUNDING

This Amended Plan shall not be a funded plan. The Corporation shall not set aside any funds, or make any investments or set aside Common Stock, for the specific purpose of making payments under the Amended Plan. All Benefits paid under the Amended Plan shall be paid from the general assets of the Corporation. Benefits payable under the Amended Plan may be reflected on the accounting records of the Corporation, but such accounting shall not be construed to create or require the creation of a trust, custodial or escrow account.

SECTION 6.6--EXCLUSIVITY OF PLAN

This Amended Plan is intended solely for the purpose of deferring compensation to the Directors to the mutual advantage of the parties. Nothing contained in this Amended Plan shall in any way affect or interfere with the right of a Director to participate in any other benefit plan in which he or she may be entitled to participate.

SECTION 6.7--NO RIGHT TO CONTINUED SERVICE

This Amended Plan shall not confer any right to continued service on a Director.

SECTION 6.8--NOTICE

Each notice and other communication to be given pursuant to this Amended Plan shall be in writing and shall be deemed given only when (a) delivered by hand, (b) transmitted by telex or telecopier (provided that a copy is sent at approximately the same time by registered or certified mail, return receipt requested), (c) received by the addressee, if sent by registered or certified mail, return receipt requested, or by Express Mail, Federal Express or other overnight delivery service, to the Corporation at its principal office and to a Director at the last known address of such Director (or to such other address or telecopier number as a party may specify by notice given to the other party pursuant to this Section).

SECTION 6.9--CLAIMS PROCEDURES

If a Director or the Director's Beneficiary does not receive benefits to which he or she believes he or she is entitled, such person may file a claim in writing with the Corporation. The Corporation shall establish a claims procedure under which:

(a) the Corporation shall be required to provide adequate notice in writing to the Director or the Beneficiary whose claim for benefits has been denied, setting forth specific reasons for such denial, written in a manner calculated to be understood by the Director or the Beneficiary, and

(b) the Corporation shall afford a reasonable opportunity to the Director or the Beneficiary whose claim for Benefits has been denied for a full and fair review by the Corporation of the decision denying the claim.

SECTION 6.10--ILLINOIS LAW CONTROLLING

This Amended Plan shall be construed in accordance with the laws of the State of Illinois.

SECTION 6.11--BINDING ON SUCCESSORS

This Amended Plan shall be binding upon the Directors and the Corporation, their heirs, successors, legal representatives and assigns.

* * * *

I hereby certify that the foregoing Plan was duly approved by the Board of Directors of IDEX Corporation effective November 20, 1997.

Executed on this 16th day of December, 1997.

/s/ Wayne P. Sayatovic
Secretary

Exhibit A

IDEX CORPORATION
SECOND AMENDED AND RESTATED DIRECTORS DEFERRED COMPENSATION PLAN
ELECTION FORM

I hereby elect to defer all of my compensation earned after December 31 of this year for serving as Director of IDEX Corporation (the "Corporation"). This election is irrevocable and shall remain in effect for the calendar year beginning with the next January 1. My election shall remain in effect for each subsequent calendar year until it is revoked by me in a writing delivered to the Corporation, in accordance with the terms of the Second Amended and Restated Directors Deferred Compensation Plan (the "Plan"), prior to the beginning of such calendar year. Once revoked, there will be no deferral of my compensation until I make a new election in accordance with the terms of the Plan.

With respect to the compensation deferred pursuant to this election, I hereby elect to have such deferral credited as follows [check one]:

______ interest-Bearing Account, or

______ Deferred Compensation Units Account; and

I further elect to receive distribution of the Deferred Amount in [check one]:

______ five annual installments pursuant to Section 4.1 of the Plan, or

______ a single lump sum pursuant to Section 4.1 of the Plan;

beginning on the January 1 following [check one]:

______ my cessation of service as a Director of IDEX Corporation,

______ five years after the year for which compensation is deferred, or

______ ten years after the year for which compensation is deferred.

I understand that in the event that my directorship with IDEX Corporation terminates for any reason other than death, payment of the balance of my Accounts shall be accelerated beginning on the January 1 following my cessation of service as a director and I shall receive such payment or the distribution of such payment will commence as elected above. I understand that in the event of my death, payment of the entire balance of my Accounts shall be made to my beneficiary(ies) as soon as practicable following my death. I also understand that in the event of a change of control, payment of the entire balance of my Accounts in one lump sum will be made immediately upon the occurrence of the event giving rise to the change of control.

I acknowledge that I have received a copy of the Plan, and I understand that all of my deferred Director's compensation and my Deferred Compensation Accounts are subject to the terms and conditions of the Corporation's Directors Deferred Compensation Plan, including that such Accounts are unfunded and my right to such compensation is subject to the claims of general creditors.

Director's Name

Dated: ------------------- -----------------------------------
Director's Signature

Exhibit B

IDEX CORPORATION
SECOND AMENDED AND RESTATED DIRECTORS
DEFERRED COMPENSATION PLAN
INVESTMENT CHANGE FORM

****

INVESTMENT CHANGE

I hereby elect to change the vehicle used for the investment of Deferred Amounts under the Plan from Interest-Bearing Account to Deferred Compensation Units Account for the following Plan Year(s): ______________.

I understand that the number of Deferred Compensation Units to be credited to the Deferred Compensation Units Account as a result of this investment change election will be based upon the value of IDEX Corporation's Common Stock on the fourth business day following the date of release of the quarterly or annual summary statement of sales and earnings preceding this election, as specified in Section 3.1(c) of the Second Amended and Restated Directors Deferred Compensation Plan.

****

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Name	Social Security Number
-----------------------------	------------------------------
Signature	Date

EXHIBIT C

IDEX CORPORATION
SECOND AMENDED AND RESTATED DIRECTORS
DEFERRED COMPENSATION PLAN
BENEFICIARY DESIGNATION FORM

Name -------------------------------------- [ ] Original

Social Security Number --------------------- [ ] Change

Instructions: This form is used to designate a beneficiary under the Second Amended and Restated IDEX Corporation Directors Deferred Compensation Plan. The percentages indicated must total 100%. If you desire, you may indicate a primary beneficiary(ies) and a contingent beneficiary(ies) (the person who will receive the benefit if your primary beneficiary does not survive you).

I hereby direct that any benefits which may become payable under the Second Amended and Restated IDEX Corporation Directors Deferred Compensation Plan on my death be paid as I have indicated below:

Name of Beneficiary*	Relationship	Address	Percentage
- --------------------	-------	------------	-------
- --------------------	-------	------------	-------
- --------------------	-------	------------	-------
- --------------------	-------	------------	-------

* See reverse side for alternative designations

I understand that if I do not complete this form or if my beneficiary does not survive me, the benefits will be paid to my estate.

SIGNHERE:

- -------------------------- ---------------------
Signature Date

OTHER TYPES OF BENEFICIARY DESIGNATIONS

TYPE OF BENEFICIARY	LANGUAGE TO BE USED
1. One Beneficiary and per stirpes provision for unnamed children and their children.	Dorothy Smith, Wife, if she survives me; otherwise, the issue of my marriage to said Wife who survives me, per stirpes. (This provides that Children shall take equally but that Children of a deceased Child shall take equally the share their parent would have received if living.)
2. One Beneficiary and Unnamed Children.	Dorothy Smith, Wife, if she survives me; otherwise in equal shares to such of the Children born of my marriage to said Wife as survive me.
3. Two Beneficiaries in Unequal Portions.	Three-eighths (3/8) to Peter Smith, Father, and five-eighths (5/8) to Joan Smith, Mother, if both survive me; otherwise all to such one of them as survive me.
4. Trustee (see note below)	(Name and Complete Address) Trustee, under a trust agreement with me dated ________, or to the successor in said Trust.
5. Common Disaster	Dorothy Smith, if living on the tenth (10) day after my death; otherwise, in equal shares to such of the Children born of my marriage to said Wife as survive me.
6. Director's Estate	Executor or Administrator of my Estate.

NOTE: Enter the address for each beneficiary.

If a beneficiary is a married women, her given name must be used; for example: "Mary A. Doe" and not "Mrs. John C. Doe".

If a beneficiary is not related to the Director, use the term "no relation".

Under No. 1 through No. 3, the phrase "otherwise the executor or administrator of my estate" may be added to the designation if desired by the Director.

No. 4 should not be used unless there is an executed Trust Agreement in existence.

EXHIBIT D

IDEX CORPORATION
SECOND AMENDED AND RESTATED DIRECTORS DEFERRED
COMPENSATION PLAN
DEFERRAL DISTRIBUTION DATE ELECTION CHANGE FORM

CHANGE IN DEFERRAL DISTRIBUTION DATE ELECTION

I hereby elect to change my distribution date for my Deferred Amount (for compensation originally deferred from the 19__ calendar year) from January 1, _________ (the "Current Distribution Date") to. January 1 following [check one]:

______ my cessation of service as a Director of IDEX Corporation.

______ five years after the Current Distribution Date.

______ ten years after the Current Distribution Date.

I understand that this new deferral election may not be made earlier than the later of my Current Distribution Date or the first day of the second deferral year following the year in which the change in the deferral is made. I also understand that I may not make a new deferral election during the four calendar years following the year in which I have made my last change in the deferral distribution date.

Director's Name

Dated:

Director's Signature

IDEX Corporation manufactures an extensive array of proprietary, engineered industrial products sold to customers in a variety of industries around the globe. Our businesses have leading positions in their niche markets, and we have a history of achieving high profit margins.

Among the factors in the success equation at IDEX are emphasis on the worth of our people, fleetfootedness, ethical business conduct, continuing new product development, superior customer service, top-quality products, market share growth, international expansion, and above-average shareholder returns. The IDEX acronym stands for -- and the essence of IDEX is -- Innovation, Diversity, and EXcellence. IDEX shares are traded on the New York Stock Exchange and the Chicago Stock Exchange under the symbol IEX.

Total return to IDEX shareholders since going public in June 1989 has been 400% In the same period the S&P 500 Index has increased 28%.

Financial
HIGHLIGHTS
(dollars and share amounts in thousands except per share data)

Years ended December 31,	1997	Change	1996	Change	1995
RESULTS OF OPERATIONS					
Net sales	$552,163	16%	$474,699	20%	$395,480
Operating income	103,595	18	87,616	17	74,769
Interest expense	18,398	5	17,476	22	14,301
Income from continuing operations	53,475	20	44,424	13	39,147
Net income	58,626	17	50,198	11	45,325
Financial Position					
Working capital	$119,466	10%	$108,313	5%	$103,091
Total assets	599,193	5	569,745	27	450,077
Long-term debt	258,417	(5)	271,709	32	206,184
Shareholders' equity	238,671	22	195,509	30	150,945
Performance Measures					
Percent of net sales:					
Operating income	18.8%		18.5%		18.9%
Income from continuing operations	9.7		9.4		9.9
Net income return on average assets	10.0		9.8		11.2
Debt as a percent of capitalization	52.0		58.2		57.7
Net income return on average shareholders' equity	27.0		29.0		33.9
Per Share Data-Diluted					
Income from continuing operations	$ 1.78	19%	$ 1.49	13%	$ 1.32
Net income	1.95	15	1.69	10	1.53
Cash dividends paid	.480	12	.427	14	.373
Shareholders' equity	8.16	21	6.76	29	5.26
Other Data					
Employees	3,326	8%	3,093	15%	2,680
Shareholders of record	1,268	(3)	1,305	(4)	1,359
Weighted average shares outstanding	29,999	1	29,779	1	29,609

* All share and per share data throughout this report have been restated to reflect the three-for-two stock splits effected in the form of 50% stock dividends in January 1995 and 1997.

* The information presented above for continuing operations excludes the Strippit and Vibratech businesses, which are classified as discontinued operations.

Sales have grown at a 21% compound annual rate since 1992.

Earnings per share have increased at a 22% compound annual rate in the last five years.

Shareholders'
LETTER

To Our Shareholders:

As we conclude our tenth year of operation, we are pleased to report that IDEX again set new records in sales, net income, and earnings per share in 1997. With this achievement, we have an unbroken string of improvements in net income before extraordinary items since the company was formed in January 1988.

While financial measures are usually viewed as the primary indicators of success, IDEX also accomplished numerous other objectives in 1997 that aren't apparent in the sales and profit figures. For example, we completed two acquisitions and made substantial progress toward buying a third company during the year; we strengthened our management team; and we positioned the company for further growth with investments in equipment, management information systems, and new product development. We also reached the difficult decision to consider the sale of two business units -- Strippit and Vibratech -- which no longer fit the IDEX profile. This decision has resulted in a restatement of our financial data to exclude these two businesses from the continuing operations results, and a change in our segment reporting. Our new segments are Pump Products and Engineered Equipment.

In our opinion, IDEX is comprised of an exceptional group of people that performs admirably, thereby benefiting our customers and our shareholders. Recognizing the company's success and its prospects, the Board of Directors in December again increased the dividend on our common shares, this time by 12.5%, from 12 cents per share per quarter to 13-1/2 cents, effective with the January 30, 1998 dividend payment.

Continuing Operations Sales Up 16%; Net Income Up 20%

Net sales from continuing operations were a record $552 million in 1997, and increased by 16% over the $475 million of 1996. Net income from continuing operations of $53.5 million was also at a new high, and improved by 20% over the $44.4 million reported in 1996, while earnings per share from continuing operations at $1.78 were up 29 cents from the $1.49 earned last year. Including Strippit and Vibratech, 1997 sales totaled $636 million (up 13% from 1996), net income was $58.6 million (up 17%), and earnings per share reached $1.95 (up 26 cents from $1.69).

Even though the strong dollar and turmoil in Asian markets hampered our ability to reach international growth targets, sales in our continuing base businesses were up by 3%. Inclusion of results of acquired companies provided 14% of our revenue growth, while foreign currency had a negative 1% effect. Sales from continuing operations to customers outside of the United States represented 44% of total sales, up slightly from 43% in 1996. Our operating profit margins, which have always been well above average for an industrial company, amounted to 18.8% in 1997 as compared with 18.5% last year, even though margins in recently acquired companies are not up to those of our base businesses. Yet margins in all of the acquired businesses have improved since they were brought into the IDEX family of companies. Those improvements stem from financial discipline and sharing best practices from business to business.

Two Acquisitions Completed in 1997; A Third in January of 1998

During the year, we completed two acquisitions and we made significant progress in reaching an agreement for a third. Each of the acquisitions meets all of our rigid criteria, fitting the IDEX profile very well.

In April, we acquired Blagdon Pump, a United Kingdom-based manufacturer of air-operated diaphragm pumps with particular strength in Europe and the Far East. Blagdon's sales are in the $8 million range, and we paid approximately $12 million for this business. We will continue to market its products under the Blagdon name, but it is being operated as part of our Warren Rupp business unit.

In December, we acquired Knight Equipment, a California-based manufacturer of dispensing equipment, pumps and controls for the commercial laundry and dishwashing markets, as well as for industrial maintenance and chemical injection applications. Knight's annual sales are approximately $25 million, and the purchase price of this business was approximately $38 million. Knight has operations in California, Georgia, Australia, Canada, England, and the Netherlands. Its products are marketed under the Knight name, and it is being operated as a part of our Pulsafeeder business unit.

On January 7, 1998, we entered into an agreement to acquire Gast Manufacturing of Benton Harbor, Michigan, and the transaction closed on January 21, 1998. Gast is a leading producer of air-moving products including vacuum pumps, air motors, vacuum generators, regenerative blowers and fractional horsepower compressors. It also has operations in the United Kingdom. Gast has sales of approximately $105 million, and the purchase price of the business was about $120 million. Gast will be in our Pump Products Group.

Decision to Consider Strategic Alternatives for Two Business Units

While it is always difficult to consider selling good businesses, we reached a decision to do just that in December. Our Strippit and Vibratech businesses were among the six companies acquired by IDEX in 1988, and were a part of the predecessor company for many years. Unfortunately, they no longer fit the IDEX profile well because they differ from our other businesses in product technology, methods of distribution and markets served, and they tend to be more sensitive to business cycles. It is expected that proceeds from the probable sale of these businesses will enable us to further develop the company in areas of principal focus.

Management Development

Recognizing the contributions of the individuals involved and to position the company for future growth, several new officer appointments were made in 1997. Frank J. Hansen, who has been our Senior Vice President - Operations since 1994, was named President and Chief Operating Officer and a member of the Board of Directors as of January 1, 1998. He joined our Viking Pump business unit in 1975, and became President of Viking in 1989. Mr. Hansen assumed the President title from Donald N. Boyce, who remains Chairman and Chief Executive Officer. Other officer appointments were:

David T. Windmuller, who most recently served as President of our Fluid Management unit and previously was President of Viking Pump, was named Vice President - Operations as of January 1, 1998.

James R. Fluharty was named Vice President - Corporate Marketing in May 1997. He was previously President of our Micropump business unit and Executive Vice President of Viking Pump, and now also serves as President of our Fluid Management business unit.

Rodney L. Usher was named a Vice President - Group Executive in June 1997. He has served as President of our Pulsafeeder business unit since 1994 (a position he still holds), and was President of our Warren Rupp unit from 1987 to 1994.

Dennis L. Metcalf, previously Corporate Director of Business Development since 1991, was named Vice President - Corporate Development in May 1997. Earlier, he was with our Band-It and Viking Pump business units.

Internal Development

Again in 1997, about one-fourth of sales resulted from products redesigned or introduced within the preceding four years. Among the items introduced last year were a new line of state-of-the-art composite pumps by Warren Rupp; a mechanically actuated diaphragm pump and peristaltic metering pumps by Pulsafeeder; a new stainless steel industrial pump from Corken; a line of miniature dual piston pumps at Micropump; an injection-type lubrication system at Lubriquip; new banding devices and installation tools at Band-It; and several new dispenser models at Fluid Management.

We believe we sustained our hefty market positions within the U.S., and we expanded our international presence to garner market share in other regions of the world.

The IDEX management team believes that we must always strive to find a better way, and change is a constant in our businesses. We aim to be the best in product design, quality and service, and we usually command a slight price premium for our products.

10 Years of Progress

Since the company was formed 10 years ago, including the results of discontinued operations, our total sales have grown at a 14% compound annual growth rate and our earnings per share have grown at a compound annual rate of 21%. Similarly, in the past five years our continuing operations sales have grown at a 21% compound annual rate, and earnings per share have grown at a 22% compound annual rate. We have made 13 acquisitions in the past 10 years. Recently acquired companies are being integrated very well, and earlier acquisitions have been successfully integrated and are contributing nicely to our bottom line.

Had one invested $100 in IDEX stock at the time of our initial public offering in June 1989, by December 31, 1997, that investment would be worth $569. The same $100 investment in the S&P 500 would have been worth $381. While IDEX is still a mid-sized company, it is one with a well above average history of performance.

The Outlook For Tomorrow

IDEX is a company whose very name embodies its principles -- Innovation, Diversity, and EXcellence. We have the desire to improve our already excellent operations even further, and we will use our strong cash flow to buy more good companies and make them even better by sharing ideas that work and avoiding those that don't. We operate in a highly ethical manner and don't abide by "iffy" practices. We stress quality, and we have leading market positions with healthy operating margins. We serve a wide range of customers in a diversity of markets throughout the world.

These characteristics have propelled our growth thus far, and we're convinced they will result in even more growth tomorrow. We believe 1998 will be another very good year for IDEX, and that the years beyond are filled with opportunity. We thank our shareholders, our customers, our Board, our employees, and our suppliers for their support, and we trust that all of our constituents share in our optimism for the future of IDEX.

From left to right:
Donald N. Boyce,
Frank J. Hansen

Donald N. Boyce
Chairman and Chief Executive Officer

Frank J. Hansen
President and Chief Operating Officer

January 20, 1998

Pump Products
GROUP

CORKEN

GAST MANUFACTURING

MICROPUMP

PULSAFEEDER

VIKING PUMP

WARREN RUPP

Johnson (Viking) SQ super clean rotary lobe pump

IDEX's Pump Products Group is comprised of six business units that design, produce and distribute a wide range of engineered industrial pumps and related controls for process applications such as chemicals, foods, paints, inks, lubricants and fuels, as well as for water treatment, medical applications, and production operations. These pumps are special purpose devices such as rotary gear, vane or lobe pumps, diaphragm and peristaltic metering pumps, miniature magnetically and electromagnetically driven pumps, air-operated double-diaphragm pumps, and vacuum pumps.

The Pump Products Group accounted for 48% of sales and 54% of profits in 1997. With the acquisition of Gast Manufacturing Corporation in January 1998, the contribution of the Pump Products Group to overall results is expected to increase in the year ahead. Sales to customers outside the U.S. represented 36% of the Group's shipments.

Warren Rupp SandPIPER(R) air-operated double-diaphragm pump

An LP gas distribution center with Corken pumps and compressors

SALES

[ ] 48% Pump Products

[ ] 52% Engineered Equipment

Engineered Equipment
GROUP

BAND-IT

FLUID MANAGEMENT

HALE PRODUCTS

LUBRIQUIP

PROFITS

Band-It smooth inside diameter clamps and installation tools

[ ] 54% Pump Products

[ ] 46% Engineered Equipment

IDEX's Engineered Equipment Group includes four businesses that design, produce and distribute proprietary equipment that may combine pumps or other devices into products for industrial, commercial and safety applications. These products and devices are used in a variety of industries, including paints and coatings, fire and rescue, transportation equipment and non-electrical machinery.

The Engineered Equipment Group accounted for 52% of sales and 46% of profits in 1997, and sales to customers outside the U.S. represented 52% of the Group's shipments.

Lubriquip's Trabon(R) Lubrication System Pump Package

Colorant dispensing mechanism in a Fluid Management machine

Business
PROFILE

	CORKEN	GAST MANUFACTURING	MICROPUMP
Product offering	Small horsepower compressors, vane and turbine pumps, and valves.	Vacuum pumps, air motors, vacuum generators, regenerative blowers and fractional horsepower compressors.	Small, precision-engineered, magnetically and electro-magnetically driven centrifugal and rotary gear pumps.
Brand names	Corken(R), Coro-Flo(R), Coro-Vane(R)	Gast(R), Regenair(R), Smart-Air(R),Roc-R(R)	Micropump(R), Delta
Markets served	Liquefied petroleum gas (LPG), oil and gas, petrochemical, environmental, health care and general industrial	Environmental, medical, food processing, business machines and office equipment,graphic arts, industrial manufacturing, and paint mixing machinery.	Chemical processing, refining, laboratory, medical, printing, electronics, pulp and paper, water treatment and textiles.
Product applications	Products used for transfer of LPG, alternative fuels and other gases and liquids.	Air motors for industrial equipment applications, and vacuum pumps and fractional horsepower compressors for specialty pneumatic applications that require a quiet, clean source of moderate vacuum or pressure.	Pumps and fluid management systems for low-flow abrasive and corrosive applications such as inks, dyes, solvents, chemicals, petrochemicals, acids and chlorides.
Competitive strengths	Market leader for pumps and compressors used in LPG distribution facilities with an estimated 50% U.S. market share.	A leading manufacturer of air-moving products with an estimated one-third U.S. market share in air motors, low and medium range vacuum pumps, vacuum generators, regenerative blowers and fractional horsepower compressors.	Market leader in corrosion resistant, magnetically and electro-magnetically driven miniature pump technology with an estimated 40% U.S. market share
International sales	45% of sales outside the U.S.	20% of sales outside the U.S.	45% of sales outside the U.S.
Examples of recently introduced products	New stainless steel vane pump for industrial applications, transport LPG pump, and a new oil-free compressor for toxic gases.	Extended line of miniature diaphragm vacuum pumps and fractional horsepower compressors for instrumentation and medical applications.	New patented dual piston pump for clinical and analytical instrumentation, and a new rotary gear pump for industrial chemical dispensing.
Manufacturing locations	Oklahoma City, Oklahoma	Benton Harbor, Michigan Bridgman, Michigan High Wycombe, England	Vancouver, Washington St. Neots, England

	PULSAFEEDER	VIKING PUMP	WARREN RUPP
Product offering	Metering pumps, special purpose rotary pumps, peristaltic pumps, electronic controls and dispensing equipment.	Positive displacement rotary gear, lobe and metering pumps and related electronic controls.	Double-diaphragm pumps, both air-operated and motor-driven, and accessories.
Brand names	Pulsafeeder(R), Knight(R), PULSAR(R), PULSAtron(R), PULSAtrol(R), Chem-Tech, Eco(R), Isochem(R), Mec-O-Matic(R)	Viking Pump(R), Vican(TM), Duralobe(R), Viking Mag Drive(R), Johnson Classic(R), Viking Flow Manager(R), VI-CORR(R), Johnson On-Line(R)	Warren Rupp(R), SandPIPER(R), Blagdon(R), Marathon(R), PoweRupp(R), RuppTech(R)
Markets served	Water and wastewater treatment, chemical and hydrocarbon processing, swimming pool, industrial laundry, commercial dishwashing and industrial maintenance.	Chemical processing, petroleum, food processing, pulp and paper, pharmaceutical, biotechnology, paint and ink, and power generation.	Chemical, paint, food processing, electronics, construction, industrial maintenance, utilities, mining and OEM.
Product applications	Pumps, controls and dispensing equipment for introducing precise amounts of fluids into processes to manage chemical composition.	Pumps for materials ranging from anhydrous ammonia to peanut butter, from thin to highly viscous liquids.	Pumps for abrasive and semisolid materials as well as for applications where product degradation is a concern.
Competitive strengths	A leading manufacturer of metering pumps, controls and dispensing equipment used in water treatment, process applications and warewash institutional applications. Estimated 40% U.S. market share.	Largest internal gear pump producer with an estimated 35% share of U.S. rotary gear pump market. Also a producer of external gear and rotary lobe pumps.	A leading double-diaphragm pump producer offering products in several materials including composites, stainless steel and cast iron. Estimated one-third U.S. market share.
International sales	25% of sales outside the U.S.	35% of sales outside the U.S.	50% of sales outside the U.S.
Examples of recently introduced products	New line of PULSAtron(R) mechanically actuated diaphragm metering pumps and peristaltic metering pumps.	New enhanced non-contact double seal design utilizing gas barrier technology, and self-draining pump to minimize product contamination in blending applications.	New line of high efficiency composite air-operated double-diaphragm pumps for highly corrosive applications, and expanded line of thermoplastic diaphragms for SandPIPER(R) pumps.
Manufacturing locations	Rochester, New York Lake Forest, California Punta Gorda, Florida Covington, Georgia Enschede, The Netherlands	Cedar Falls, Iowa Windsor, Ontario, Canada Eastbourne, England Shannon, Ireland	Mansfield, Ohio Newcastle, England Shannon, Ireland

	BAND-IT	FLUID MANAGEMENT	HALE PRODUCTS
Product offering	Stainless steel bands, buckles, preformed clamps, cable ties, installation tools, and modular sign-mounting systems.	Precision-engineered equipment for dispensing, metering and mixing paints, coatings, colorants, inks, dyes, and other liquids and pastes.	Truck-mounted and portable fire pumps, and rescue tool systems.
Brand names	Band-It(R), Signfix(R), Tespa(R)	Fluid Management(R), Harbil(R), Miller(R), Skandex(R), Blendorama(R), Accutinter(R), Eurotinter, Accuview	Hale(R), Godiva(R), LUKAS(R), Hurst(R), Jaws of Life(R), FoamMaster(R)
Markets served	Transportation equipment, oil and gas, industrial maintenance, electronics, electrical, communi- cations,and traffic and commercial signs.	Retail and commercial paint stores, home centers, printers, and paint and ink manufacturers.	Public and private fire and rescue applications.
Product applications	Clamps and bands for securing hoses, signs, signals, pipes, poles, electrical lines and numerous other applications for industrial and "hold-together" commercial use.	Fluid management systems for precise blending of base paint, tints and colorants, and inks and dyes in a broad range of industries from retail point-of-sale equipment to manufacturing systems.	Pumps for water or foam to extinguish fires, and rescue equipment for extricating accident victims.
Competitive strengths	World's leading producer of high-quality stainless steel bands, buckles and clamping products with an estimated 50% U.S. market share.	Industry innovator and worldwide market leader in automatic and manually operated dispensing, metering and mixing equipment. Estimated 50% worldwide market share.	World's leading manufacturer of truck-mounted fire pumps and rescue systems with an estimated worldwide market share in excess of 50%
International sales	60% of sales outside the U.S.	55% of sales outside the U.S.	55% of sales outside the U.S.
Examples of recently introduced products	New industrial application tools and smooth band self-locking ties.	Newly designed line of volumetric and gravimetric dispensers for retail and industrial applications. Comprehensive software for retail paint outlets and printing facilities.	New compressed-air foam system, special purpose midship fire pumps, and super silent LUKAS(R) rescue tool power packs.
Manufacturing locations	Denver, Colorado Bristol, England Staveley, England Tipton, England Singapore	Wheeling, Illinois Sassenheim, The Netherland Unanderra, Australia	Conshohocken, Pennsylvania Shelby, North Carolina St. Joseph, Tennessee Warwick, England Erlangen, Germany

	LUBRIQUIP
Product offering	Centralized oil and grease lubrication systems, force-feed lubricators, metering devices, related electronic controls and accessories.
Brand names	Trabon(R), Manzel(R), Kipp(R), OPCO(R), Grease Jockey(R), TrackMaster(R)
Markets served	Machine tools, transfer machines, conveyors, packaging machinery, transportation equipment, construction machinery, and food processing and paper machinery.
Product applications	Lubrication devices to prolong equipment life, reduce maintenance costs and increase productivity.
Competitive strengths	Market leader in centralized lubrication systems serving a broad range of industries. Estimated one-third U.S. market share.
International sales	20% of sales outside the U.S.
Examples of recently introduced products	New European CE compatible injection-type lubrication system, innovative microprocessor-based electronic monitors and controllers for machine tool and process applications.

Manufacturing locations	Warrensville Heights, Ohio McKees Rocks, Pennsylvania Madison, Wisconsin

Pump Products Group

CORKEN

GAST MANUFACTURING

MICROPUMP

PULSAFEEDER

VIKING PUMP

WARREN RUPP

Engineered Equipment Group

BAND-IT

FLUID MANAGEMENT

HALE PRODUCTS

LUBRIQUIP

Market
LEADERSHIP

IDEX enjoys strong leadership positions in the markets it serves. Each of our business units holds either the number-one market position or has a sizable share as the number-two producer in its niche. On a weighted average basis, we enjoy an estimated 40% share of the markets we serve.

IDEX achieves these healthy positions by being customer-driven, responding quickly to users' needs with first-quality products of the latest design. We are a fleetfooted organization - nimble and deft - with strong controls, a sense of immediacy, and a will to eliminate unnecessary red tape that slows responsiveness

A market focus pervades our organization. We want to offer the best overall value in the market. This does not mean the lowest price - but the best proposition for customers considering such factors as service, durability, performance, selection, ease of use, features, productivity, safety, maintenance and long-term costs. As market leaders, we have a rigorous program of market, product and process development, leaving no doubt with our customers that we offer the best value.

Viking magnetically driven rotary gear pump

MARKETS SERVED

[ ] Paints & Coatings

[ ] Non-Electrical Machinery

[ ] Chemical Processing

[ ] Fire & Rescue

[ ] Water Treatment

[ ] Medical Equipment

[ ] Transportation Equipment

[ ] Oil & Refining

[ ] All Other

MARKET SHARE LEADERSHIP

[ ] Estimated 40% weighted average share of markets served

Micropump magnetically driven gear pump

Most of our products are sold through well-established industrial distribution networks with technological competence. Where unit volume requirements are higher, we also sell directly to original equipment manufacturers. Our distributors receive extensive training and support, and are our partners in assisting thousands of end-users worldwide with product selection and installation.

Our market development efforts have taken us into more than 100 countries around the world. International sales have grown from 24% of sales 10 years ago to 44% today, and we expect the pace of international expansion to continue. We share application ideas with agents, distributors and customers, thereby widening the base of industries and customers served. No single industry and no single customer accounts for a major part of our sales.

IDEX's success hinges on the talent and performance of our people. We have an outstanding team of dedicated employees who follow a strict code of ethics. We want to be a company that people are proud to buy from, sell to, work for, and invest in. By following ethical practices; striving for operational superiority; providing superior quality, state-of-the-art products; selling our wide product range to a broad spectrum of customers and industries; and continuously working with end-users and customers to develop new products, we believe IDEX exemplifies its acronym -- Innovation, Diversity, and Excellence.

INTERNATIONAL SALES

[ ] 56% Domestic

[ ] 26% Europe

[ ] 8% Far East & Oceania

[ ] 10% Rest of World

Fluid Management automatic paint colorant dispensing equipment

Product and Process
INNOVATION

Innovation is the word represented by the first letter of the IDEX name, and it is a key ingredient in our success equation. We support and foster processes that lead to product improvements and new products for our customers. For a number of years, about one-quarter of our sales have come from products that have been redesigned or newly introduced within the preceding four years.

One in 10 people at IDEX is directly engaged in product or process technology development. However, it is every employee's job to contribute to new product development, so all business disciplines participate in the effort. Multidisciplinary teams work with customers, specifying engineers, end-users, distributors and focus groups to ensure that our products are state-of-the-art, incorporating the latest proven technology, and providing the best overall value to the customer.

Pulsafeeder's new PULSAR(R) series metering pump

New LUKAS(R) rescue tool system

New Warren Rupp SandPIPER(R)
composite pump

While most of our products are mechanical in nature, they often include electronic control devices, so our engineering processes include the spectrum of technical specialties from mechanical, materials, hydraulics and pneumatics to electrical, electronic and software development.

Among the many new products introduced by IDEX business units in 1997 were:

* A new line of high efficiency composite pumps at Warren Rupp,
* A mechanically actuated diaphragm pump and peristaltic metering pumps by Pulsafeeder,
* A new stainless steel vane pump for industrial applications at Corken,
* A new miniature dual piston pump line at Micropump,
* An injection-type lubrication system at Lubriquip,
* New banding devices and installation tools at Band-It, and
* Several new paint pigment dispenser models at Fluid Management.

Delivering top-quality products has always been a cornerstone of business practice at IDEX. However, in recent years, the internationally recognized ISO 9000 quality system has become the benchmark for quality. We are pleased to say that all of our manufacturing locations (except recently acquired Knight) are certified under the ISO 9000 standards, reinforcing our long-standing manufacturing integrity, and placing us at the forefront with customers who rightfully demand first-class products.

We have a persistent urge to create new products within IDEX - to leapfrog our own technology - and to stay well ahead of the competition. Our fleet-footed approach helps us bring new products with proven reliability to the market at a rapid pace. IDEX's customers deserve the best and the latest of new product technology.

Micropump's new miniature dual piston pump

NEW PRODUCT SALES

From left to right: David T. Windmuller, Vice President - Operations; Vice President - Group Executives: Rodney L. Usher, Wade H. Roberts, Jr., P. Peter Merkel, Jr

[ ] One-quarter of sales
come from new products

Acquisition
STRATEGY

IDEX is comprised of companies that manufacture proprietary products with leading positions in niche markets, and those are the type of companies we seek to acquire. Our carefully crafted and rigidly applied acquisition criteria are designed to promote growth in shareholder value rather than growth for growth's sake. We acquire good companies and make them better, rather than trying to make sick companies well.

Since 1989, we have completed 12 strategic acquisitions, each fitting the IDEX mold and now contributing strongly to our bottom line. Two of those acquisitions were completed in 1997, and we made significant progress on another, enabling us to add our 13th acquisition in January 1998.

The acquisitions completed in 1997 were:

* Blagdon Pump, a United Kingdom-based manufacturer of air-operated diaphragm pumps. This business, acquired in April, has sales of about $8 million, and naturally complements our Warren Rupp business unit. It is now being operated as a part of Warren Rupp, but maintains the Blagdon name on its products in the marketplace.

* Knight Equipment, a California-based leading manufacturer of pumps and dispensing equipment for industrial laundries, commercial dishwashing, and chemical injection, has annual revenues of about $25 million. This business, which was acquired on December 9, 1997, complements the activities of our Pulsafeeder operation and administratively functions as a part of it.

1997 SALES FROM ACQUISITIONS

Blagdon (Warren Rupp) 1/4" stainless steel double-diaphragm pump

[ ] 19% of sales came from Fluid Management, Blagdon & Knight

1997 REPAIR &
REPLACEMENT SALES

The third acquisition, on which a great deal of work occurred in 1997 but closed in January 1998, is Gast Manufacturing Corporation. Gast is also an "IDEX type" company, and is one of the world's leading manufacturers of air-moving products such as vacuum pumps, air motors, vacuum generators, regenerative blowers, and fractional horsepower compressors with annual sales of about $105 million. Gast will be included in the Pump Products Group.

Following the acquisition of a company, we immediately implement IDEX's financial control systems and begin the process of sharing the best practices of our business units because there is commonality in the engineering principles, manufacturing methods, distribution channels and business systems in all of our companies. We have the advantage of implementing what works successfully in some locations and avoiding the problems of what doesn't work. This "cross pollination" has resulted in superior customer service and improved margins in our acquired businesses.

Acquisitions have been an important element of IDEX's success, with a track record that speaks for itself. We will continue to use our very strong cash flow to enhance shareholder value by adding businesses from time to time that meet our strict standards.

[ ] Estimated one-third of sales come from repair & replacement

Knight (Pulsafeeder) injection system with data acquisition capabilities

From left to right: Vice Presidents - Jerry N. Derck (Human Resources), James R. Fluharty (Corporate Marketing), Dennis L. Metcalf (Corporate Development)

Gast diaphragm vacuum pump

Sales have grown at a 21% compound annual rate since 1992.

IDEX's operating margins have consistently been well above average for an industrial company.

Aftertax margins for IDEX compare very favorably to those of the average industrial company.

Historical
DATA
(dollars and share amounts in thousands except per share data)

	1997	1996	1995	1994	1993
RESULTS OF OPERATIONS					
Net sales	$ 552,163	$ 474,699	$ 395,480	$ 319,231	$ 239,704
Gross profit	222,357	187,074	157,677	126,951	96,903
SG&A expenses	110,588	93,217	78,712	66,743	52,950
Goodwill amortization	8,174	6,241	4,196	3,025	1,889
Operating income	103,595	87,616	74,769	57,183	42,064
Other income (expense)	(693)	(696)	524	281	728
Interest expense	18,398	17,476	14,301	11,939	9,168
Provision for income taxes	31,029	25,020	21,845	16,181	11,187
Income from continuing operations	53,475	44,424	39,147	29,344	22,437
Income from discontinued operations	5,151	5,774	6,178	4,266	2,889
Extraordinary items	--	--	--	--	--
Net income	58,626	50,198	45,325	33,610	25,326
Income applicable to common stock	58,626	50,198	45,325	33,610	25,326
FINANCIAL POSITION					
Current assets	$ 197,267	$ 191,599	$ 173,889	$ 140,450	$ 106,864
Current liabilities	77,801	83,286	70,798	58,443	34,038
Working capital	119,466	108,313	103,091	82,007	72,826
Current ratio	2.5	2.3	2.4	2.4	3.1
Capital expenditures	13,562	11,634	8,181	6,818	6,120
Depreciation and amortization	24,943	21,312	15,277	12,515	10,092
Total assets	599,193	569,745	450,077	357,980	245,291
Long-term debt	258,417	271,709	206,184	168,166	117,464
Shareholders' equity	238,671	195,509	150,945	116,305	83,686
PERFORMANCE MEASURES					
Percent of net sales					
Gross profit	40.3%	39.4%	39.9%	39.8%	40.4%
SG&A expenses	20.0	19.6	19.9	20.9	22.1
Goodwill amortization	1.5	1.3	1.1	.9	.8
Operating income	18.8	18.5	18.9	17.9	17.5
Income from continuing operations	9.7	9.4	9.9	9.2	9.4
Net income return on average assets	10.0	9.8	11.2	11.1	10.4
Debt as a percent of capitalization	52.0	58.2	57.7	59.1	58.4
Net income return on average shareholders' equity	27.0	29.0	33.9	33.6	35.6
PER SHARE DATA					
Basic - income from continuing operations	$ 1.83	$ 1.54	$ 1.37	$ 1.03	$ .79
- net income	2.01	1.74	1.58	1.18	.89
Diluted- income from continuing operations	1.78	1.49	1.32	1.00	.77
- net income	1.95	1.69	1.53	1.15	.87
Cash dividends declared	.495	.440	.387	.093	--
Shareholders' equity	8.16	6.76	5.26	4.06	2.93
Stock price- high	36 11/16	27 5/8	29 1/2	19 1/2	16
- low	23 1/4	19 7/8	18 3/8	15 1/8	9 3/4
- close	34 7/8	26 5/8	27 1/8	18 3/4	15 7/8
Price/earnings ratio at year end	18	16	18	16	18
OTHER DATA					
Employees	3,326	3,093	2,680	2,305	1,828
Shareholders of record	1,268	1,305	1,359	1,388	1,454
Weighted average shares outstanding - basic	29,184	28,818	28,662	28,600	28,396
- diluted	29,999	29,779	29,609	29,331	28,976
Shares outstanding at year end	29,250	28,926	28,695	28,619	28,580

	1992	1991	1990	1989	1988
RESULTS OF OPERATIONS					
Net sales	$ 215,778	$ 166,724	$ 160,605	$ 148,870	$ 127,048
Gross profit	88,312	67,845	65,712	60,584	52,171
SG&A expenses	49,326	34,046	29,930	27,391	23,356
Goodwill amortization	1,422	525	487	487	453
Operating income	37,564	33,274	35,295	32,706	28,362
Other income (expense)	602	587	448	951	(1,123)
Interest expense	9,809	10,397	11,795	13,989	14,486
Provision for income taxes	9,763	8,993	9,221	7,964	5,929
Income from continuing operations	18,594	14,471	14,727	11,704	6,824

Income from discontinued operations	1,552	1,446	976	3,404	3,830
Extraordinary items	(3,441)	1,214	2,145	2,972	4,583
Net income	16,705	17,131	17,848	18,080	15,237
Income applicable to common stock	16,705	17,131	17,848	14,857	10,012
FINANCIAL POSITION					
Current assets	$ 107,958	$ 68,671	$ 68,807	$ 66,512	$ 59,126
Current liabilities	31,276	25,940	23,852	20,198	18,055
Working capital	76,682	42,731	44,955	46,314	41,071
Current ratio	3.5	2.6	2.9	3.3	3.3
Capital expenditures	5,657	2,778	4,025	3,146	1,683
Depreciation and amortization	8,758	5,750	4,842	4,641	4,499
Total assets	240,175	137,349	127,466	124,998	118,266
Long-term debt	139,827	65,788	103,863	124,942	143,308
Shareholders' equity	58,731	37,112	(4,287)	(23,282)	(84,681)
PERFORMANCE MEASURES					
Percent of net sales					
Gross profit	40.9%	40.7%	40.9%	40.7%	41.1%
SG&A expenses	22.9	20.4	18.6	18.4	18.4
Goodwill amortization	.7	.3	.3	.3	.4
Operating income	17.4	20.0	22.0	22.0	22.3
Income from continuing operations	8.6	8.7	9.2	7.9	5.4
Net income return on average assets	8.9	12.9	14.1	12.2	8.0
Debt as a percent of capitalization	70.4	63.9	104.3	122.9	244.4
Net income return on average shareholders' equity	34.9	104.4	--	--	--
PER SHARE DATA					
Basic - income from continuing operations	$ .66	$ .57	$ .61	$ .41	$ .10
- net income	.59	.68	.73	.72	.64
Diluted- income from continuing operations	.65	.57	.61	.41	.10
- net income	.59	.68	.73	.72	.64
Cash dividends declared	--	--	--	--	--
Shareholders' equity	2.07	1.32	(.18)	(.96)	(5.38)
Stock price- high	10 5/8	8 7/8	7 3/4	7 1/2	--
- low	7 3/8	4 1/4	4 5/8	6 1/8	--
- close	10 5/8	7 3/8	4 3/4	7 1/2	--
Price/earnings ratio at year end	15	12	7	13	--
OTHER DATA					
Employees	1,864	1,418	1,367	1,391	1,222
Shareholders of record	1,551	1,602	1,714	1,820	--
Weighted average shares outstanding - basic	28,353	25,367	24,309	20,537	15,740
- diluted	28,389	25,367	24,309	20,537	15,740
Shares outstanding at year end	28,353	28,184	24,303	24,317	15,740

- All share and per share data have been restated to reflect the three-for-two stock splits effected in the form of 50% stock dividends in January 1995 and 1997.

- The information presented above for continuing operations excludes the Strippit and Vibratech businesses, which are classified as discontinued operations.

Earnings per share have grown at a 22% compound annual rate in the last five years.

IDEX's cash flow coverage of interest expense has improved significantly.

IDEX's balance sheet has strengthened considerably since its first year of operations in 1988.

IDEX Corporation's
TEN YEAR GROWTH HISTORY HIGHLIGHTS

1998

10th Anniversary

- Gast Manufacturing acquired

1997

- Knight Equipment acquired (Pulsafeeder)
- Blagdon Pump acquired (Warren Rupp)
- 3-for-2 Common Stock split

1996

- Fluid Management acquired
- National Emerging Growth Award

1995

- Lukas acquired (Hale)
- Micropump acquired
- 3-for-2 Common Stock split
- Dividend on Common Stock instituted

1994

- Hale Products acquired

1993

- Signfix acquired (Band-It)

1992

- Pulsafeeder acquired
- Viking Pump of Canada acquired (Viking)
- Johnson Pump acquired (Viking)
- Senior Subordinated Debt refinanced

1991

- Additional Offering of Common Stock
- Corken acquired

1990

1989

- Initial Public Offering of Common Stock on NYSE
- KLS acquired (Lubriquip)

1988

- IDEX formed to purchase Band-It, Lubriquip, Strippit, Vibratech, Viking Pump and Warren Rupp

Management's Discussion & Analysis of FINANCIAL CONDITION & RESULTS OF OPERATIONS

Historical Overview and Outlook

IDEX sells a broad range of proprietary pump products and engineered equipment to a diverse customer base in the United States and internationally. Accordingly, IDEX's businesses are affected by levels of industrial activity and economic conditions in the United States and other countries where its products are sold, and by the relationship of the U.S. dollar to other currencies. Among the factors that influence the demand for IDEX's products are interest rates, levels of capital spending, and overall industrial activity.

IDEX has a history of above-average operating margins. The Company's operating margins are affected by, among other things, utilization of facilities as sales volumes change and inclusion of newly acquired businesses which may have lower margins that usually are further reduced by purchase accounting adjustments.

Orders, net sales, income from continuing operations, net income and earnings per share for 1997 surpassed the levels achieved in all prior years. Backlogs decreased nominally as shipments exceeded incoming orders during 1997, but remained at IDEX's typical operating level of approximately 1 to 1-1/2 months' sales. This customarily low level of backlog improves IDEX's ability to respond quickly to customer needs, but also means that changes in orders are felt quickly in operating results.

The following forward-looking statements are qualified by the cautionary statement under the Private Securities Litigation Reform Act set forth below. The slow rate of growth in 1996 in the U.S. economy and many other economies in which IDEX sells its products continued during 1997. With a steady incoming order pace, strong market positions, a continuous flow of new and redesigned products, recent acquisitions, and increasing opportunities for expansion worldwide, management believes the outlook for IDEX remains positive. Based on current activity levels and barring unforeseen circumstances, IDEX expects that orders, net sales, income from continuing operations, net income and earnings per share in 1998 will exceed 1997 levels. By stressing new product development; market share growth; international expansion; and operating improvements, particularly in newly acquired businesses; and by adhering to its disciplined approach to acquisitions, management believes IDEX is well positioned to continue profitable growth. The Company is addressing compliance with the year 2000 information processing issue and does not anticipate any significant expense or interruption to its operations.

Cautionary Statement Under The Private Securities Litigation Reform Act

The preceding paragraph and the "Liquidity and Capital Resources" section of this management's discussion and analysis of IDEX's operations contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Such statements relate to, among other things, capital expenditures, cost reduction, and cash flow and operating improvements, and are indicated by words such as "anticipates", "estimates", "expects", "plans", "should", "will", "management believes", "the Company intends", and similar words or phrases. Such statements are subject to inherent uncertainties and risks which could cause actual results to vary materially from suggested results, including but not limited to the following: levels of industrial activity and economic conditions in the United States and other countries around the world, pricing pressures and other competitive factors, and levels of capital spending in certain industries, all of which could have a material impact on order rates and the Company's results, particularly in light of the low levels of order backlogs typically maintained by the Company; IDEX's ability to integrate and operate acquired businesses, including Gast and Knight, on a profitable basis; the relationship of the U.S. dollar to other currencies and its impact on pricing and cost competitiveness; interest rates; utilization of IDEX's capacity and the effect of capacity utilization on costs; labor market conditions and raw material costs; developments with respect to contingencies, such as environmental matters and litigation; and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission.

Results of Operations

For the purposes of this discussion and analysis, reference is made to the table on page 19 and the Company's Statements of Consolidated Operations on page 23. In December 1997, IDEX announced its intention to divest its Strippit and Vibratech businesses. Revenues from the discontinued operations amounted to $83.9 million, $87.9 million and $91.9 million for the years ended 1997, 1996 and 1995, respectively. In addition, the Company has realigned its historical presentation of business segments into two new groups: Pump Products and Engineered Equipment.

The Pump Products Group designs, produces and distributes a wide range of engineered industrial pumps and related controls for process applications. The Engineered Equipment Group designs, produces and distributes proprietary equipment that may combine pumps or other devices into products for industrial, commercial and safety applications.

The financial statements and the group financial information have been reclassified to reflect Strippit and Vibratech as discontinued operations and IDEX's revised group reporting structure.

Performance in 1997 Compared to 1996

Orders, net sales, income from continuing operations, net income and earnings per share exceeded the levels achieved in all prior years. Incoming orders were 15% higher than in 1996, with recent acquisitions of Fluid Management (July

1996), Blagdon Pump

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From left to right: Wayne P. Sayatovic (Senior Vice President - Finance, Chief Financial Officer and Secretary), Clinton L. Kooman (Controller), Douglas C. Lennox (Treasurer)

(April 1997) and Knight Equipment (December 1997) contributing the majority of the growth. Orders for the base businesses increased 3% in 1997 compared to 1996.

Net sales for 1997 reached a record $552.2 million and increased $77.5 million or 16% over 1996. Overall base business volume was up about 3% in 1997, with acquisitions accounting for 14%, and foreign currency translation having a negative 1% effect on the Company's sales growth. International sales contributed 44% of the 1997 total, up from 43% last year. The increase in international sales generated approximately 50% of the year-over-year improvement in total sales.

Pump Products Group net sales of $265.9 million in 1997 increased by $20.3 million or 8% from 1996 with approximately two-thirds of the increase occurring in the Company's base businesses and the remaining increase resulting from the recently acquired Blagdon Pump and Knight Equipment businesses. Sales to customers outside the U.S. in 1997 were unchanged from 36% of total in 1996.

Engineered Equipment Group net sales of $288.7 million increased by $58.5 million or 25% compared to 1996 with almost all of the increase resulting from inclusion of Fluid Management for a full year in 1997. Base business sales in 1997 were essentially equal to the prior year with steady demand for this Group's products. Sales to customers outside the U.S. increased to 52% of total Engineered Equipment Group net sales in 1997, up from 51% in 1996 principally due to the inclusion of Fluid Management for a full year in 1997.

Gross profit of $222.4 million in 1997 increased by $35.3 million, or 19% from 1996. Gross profit as a percent of net sales was 40.3% in 1997, up from 39.4% in 1996. The improvement in gross profit margin principally was due to sales volume growth, product mix and product efficiency improvements. Selling, general and administrative expenses increased to $110.6 million in 1997 from $93.2 million in 1996, and as a percent of net sales, increased slightly to 20.0% from 19.6% in 1996. Goodwill amortization increased by 31% to $8.2 million in 1997 from $6.2 million in 1996. As a percent of net sales, goodwill amortization remained flat at about 1% for both years. The year-over-year increases in gross profit; selling, general and administrative expenses; and goodwill amortization are primarily due to the inclusion of Fluid Management for a full year in 1997.

Operating income increased by $16.0 million or 18% to $103.6 million in 1997 from $87.6 million in 1996. Operating margin as a percent of net sales increased to 18.8% in 1997 from 18.5% in 1996. In the Pump Products Group, operating income of $61.4 million and operating margin of 23.1% in 1997 compared to the $55.1 million and 22.4% recorded in 1996. Operating margin improvements resulted primarily from volume-related gains. Operating income of $52.1 million in the Engineered Equipment Group and operating margin of 18.0% in 1997 compared to the totals of $41.0 million and 17.8% achieved in 1996. The increase in operating income for this Group primarily reflected the full year inclusion of Fluid Management in 1997.

Interest expense increased to $18.4 million in 1997 from $17.5 million in 1996 because of the additional long-term debt incurred to complete the acquisitions of Fluid Management, Blagdon Pump and Knight Equipment, partially offset by debt reductions from operating cash flow in 1997.

The provision for income taxes increased to $31.0 million in 1997 from $25.0 million in 1996. The effective tax rate increased to 36.7% in 1997 from 36.0% in 1996 due to the changing mix of international earnings, state taxes, and franchise taxes.

Income from continuing operations of $53.5 million in 1997 was 20% higher than the $44.4 million in 1996. Diluted earnings per share from continuing operations amounted to $1.78 in 1997, an increase of 29 cents per share or 19% from $1.49 achieved in 1996.

Performance in 1996 Compared to 1995

In 1996, orders, net sales, income from continuing operations, net income and earnings per share exceeded the levels achieved in all previous years. Incoming orders were 22% higher than in 1995, with almost all of the increase resulting from the acquisitions of Micropump (May 1995), Lukas (October 1995) and Fluid Management (July 1996). Orders for the base businesses increased 3% in 1996 compared to 1995.

Net sales from continuing operations of $474.7 million for 1996 increased by $79.2 million or 20% over 1995. The inclusion of acquired businesses noted above accounted for substantially all of the volume growth, while sales in the core business units

Company and Business Group Financial Information
(dollars in thousands)

For the years ended December 31, (1)	1997	1996	1995
PUMP PRODUCTS GROUP			
Net sales (2)	$ 265,918	$ 245,620	$ 228,909
Operating income (3)	61,443	55,129	48,365
Operating margin	23.1%	22.4%	21.1%
Identifiable assets	$ 237,870	$ 183,749	$ 195,166
Depreciation and amortization	10,193	9,509	9,023
Capital expenditures	6,875	5,175	4,901
ENGINEERED EQUIPMENT GROUP			
Net sales (2)	$ 288,657	$ 230,118	$ 167,125
Operating income (3)	52,062	40,965	34,628
Operating margin	18.0%	17.8%	20.7%
Identifiable assets	$ 322,493	$ 341,016	$ 205,838
Depreciation and amortization	14,008	10,957	5,511
Capital expenditures	6,318	6,425	3,243
COMPANY			
Net sales	$ 552,163	$ 474,699	$ 395,480
Operating income	103,595	87,616	74,769
Operating margin	18.8%	18.5%	18.9%
Income before interest expense and income taxes	$ 102,902	$ 86,920	$ 75,293
Identifiable assets	599,193	569,745	450,077
Depreciation and amortization (4)	24,293	20,672	14,653
Capital expenditures	13,562	11,634	8,181

(1) Includes acquisition of Micropump (May 2, 1995), Blagdon Pump (April 4, 1997) and Knight Equipment (December 9, 1997) in the Pump Products Group; and acquisition of Lukas (October 2, 1995) and Fluid Management (July 29, 1996) in the Engineered Equipment Group.
(2) Group net sales include intersegment sales.
(3) Group operating income excludes net unallocated corporate operating expenses.
(4) Excludes amortization of debt issuance expenses.

increased by 2% from 1995. Generally, the Company's Pump Products Group experienced modest growth in net sales. Declines in volume at capital goods-related industries unfavorably affected the year-to-year comparisons of the Engineered Equipment Group net sales. International sales accounted for 43% of the 1996 total, up from 37% in 1995. The increase in international sales accounted for about three-quarters of the year-over-year improvement in total net sales.

Pump Products Group net sales of $245.6 million increased by $16.7 million or 7% from 1995. Base business sales were up about 4%, with the inclusion of Micropump for a full year in 1996 accounting for the remaining sales improvement. Sales to customers outside the U.S. increased to 36% of total Pump Products Group net sales in 1996, up from 34% in 1995 due to the inclusion of recent acquisitions which have a greater international presence.

Engineered Equipment Group net sales of $230.1 million in 1996 increased by $63.0 million or 38% compared to 1995. Inclusion of Fluid Management for a portion of the year, along with Lukas for a full year, accounted for almost all of the sales improvement. Base business sales were down about 1% from the prior year. Sales to customers outside the U.S. were 51% of total Engineered Equipment Group net sales in 1996, up from 42% in 1995 due to the inclusion of recent acquisitions, each of which has a significant international presence, and a stronger demand internationally for products in the Group's core businesses.

Gross profit of $187.1 million in 1996 increased by $29.4 million or 19% from 1995. Gross profit as a percent of net sales was 39.4% in 1996, down slightly from 39.9% in 1995. Selling, general and administrative expenses increased to $93.2 million in 1996 from $78.7 million, but as a percent of net sales, decreased slightly to

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FINANCIAL CONDITION & RESULTS OF OPERATIONS CONT'D

19.6% from 19.9% in 1995. Goodwill amortization increased by 49% to $6.2 million in 1996 from $4.2 million in 1995. As a percent of net sales, goodwill amortization remained flat at about 1% for both years. The year-over-year increases in gross profit; selling, general and administrative expenses; and goodwill amortization are primarily due to inclusion of Micropump and Lukas for a full year and Fluid Management from its acquisition in July 1996.

Operating income increased by $12.8 million or 17% to $87.6 million in 1996 from $74.8 million in 1995. Operating margin as a percent of net sales decreased to 18.5% in 1996 from 18.9% in 1995. In the Pump Products Group, operating income of $55.1 million and operating margin of 22.4% compared to the $48.4 million and 21.1% recorded in 1995. The slight operating margin improvement resulted primarily from volume-related gains. The Engineered Equipment Group operating income of $41.0 million and operating margin of 17.8% in 1996 compared to the $34.6 million and 20.7% achieved in 1995. The operating margin decline resulted from the inclusion of Fluid Management, whose operating margins were lower than the other business units in the Group and whose operating income was further reduced by purchase accounting adjustments.

Interest expense increased to $17.5 million in 1996 from $14.3 million in 1995 because of the additional borrowing required to complete the Fluid Management acquisition, offset by debt reductions from operating cash flow and a slightly lower interest rate environment in 1996.

The provision for income taxes increased to $25.0 million in 1996 from $21.8 million in 1995. The effective tax rate of 36.0% in 1996 increased slightly from the 35.8% recorded in 1995.

Income from continuing operations of $44.4 million in 1996 was 13% higher than the $39.1 million recorded in 1995. Diluted earnings per share from continuing operations were $1.49 in 1996, an increase of 17 cents per share from $1.32 achieved in 1995.

Liquidity and Capital Resources

At December 31, 1997, IDEX's working capital was $119.5 million and its current ratio was 2.5 to 1. The Company's cash provided by continuing operations increased by $3.9 million in 1997 to $81.6 million. The improvement in cash flow resulted from the following: income from continuing operations increasing $9.1 million; depreciation and amortization adding $3.6 million; and deferred income taxes generating $1.9 million; offset by working capital and other - net declining by $10.7 million. Working capital was well managed in 1997 as receivables generated cash flow of $3.6 million or 5% and inventories provided another $7.7 million or 9%. Both of these improvements occurred during a year when net sales increased by 16%. Decreases in current liabilities and other - net caused a usage of cash of $14.4 million due to reductions in general corporate liabilities. Cash from discontinued operations decreased $6.8 million to $5.7 million principally because of lower operating earnings and a decline in cash generated from working capital in 1997 compared to 1996.

Cash flow provided by operations was more than adequate to fund capital expenditures of $13.6 million, $11.6 million and $8.2 million in 1997, 1996 and 1995, respectively. Generally, capital expenditures were for machinery and equipment which improved productivity, although a portion was for repair and replacement of equipment and facilities. Management believes that IDEX has ample capacity in its plant and equipment to meet expected needs for future growth in the intermediate term.

In 1997, the Company acquired Blagdon Pump on April 4 and Knight Equipment on December 9 for an aggregate purchase price of $49.7 million. These acquisitions were accounted for using the purchase method of accounting and were financed through borrowings under the Company's $250 million domestic multi-currency bank revolving credit facility (the "U.S. Credit Facility") and the issuance of notes to the sellers. At December 31, 1997, the notes payable to the seller of Blagdon Pump totaled a U.S. dollar-equivalent $9.8 million, and notes payable to the seller of Knight Equipment amounted to $3.8 million.

At December 31, 1997, the maximum amount available under the U.S. Credit Facility was $250 million, of which $132.5 million was borrowed, including a Netherlands guilder borrowing of NGL 82 million ($40.5 million), which provides an economic hedge against the net investment in Fluid Management's Netherlands operation. The availability under this facility declines in stages commencing July 1, 1999, to $200 million on July 1, 2000. Any amount outstanding at July 1, 2001, becomes due at that date. At December 31, 1997, approximately $102.5 million of the facility was unused. Interest is payable quarterly on the outstanding balance at the agent bank's reference rate or at LIBOR plus an applicable margin. At December 31, 1997, the applicable margin was 25 basis points.

The Company also has a $10 million demand line of credit (the "Short-Term Facility") available for borrowing at the bank agent's reference rate or at an optional rate based on the bank's cost of funds. At December 31, 1997, there was $5 million of borrowing under the Short-Term Facility and the interest rate was 6.375% per annum. To complete the Gast acquisition in January 1998, IDEX and the bank agent amended the Short-Term Facility to provide for a temporary increase to $50 million for up to 60 days, after which time the maximum line of credit returns to $10 million.

On May 23, 1997, the Company's Lukas subsidiary amended the German credit agreement (the "German Facility") reducing the interest rate structure and eliminating certain reductions in availability. At December 31, 1997, the maximum amount available under the German Facility was DM 52.5 million ($29.2 million), of which DM 52.0 million ($28.9 million) was being used. The availability under this facility declines in stages commencing November 1, 1999, to DM 31.3 million at November 1, 2000. Any amount outstanding at November 1, 2001, becomes due at that date. Interest is payable quarterly on the outstanding balance at LIBOR plus an applicable margin. At December 31, 1997, the applicable margin was 62.5 basis points.

IDEX believes it will generate sufficient cash flow from operations in 1998 to meet its operating requirements, interest and scheduled amortization payments under both the U.S. Credit Facility and the German Facility, interest and borrowings under the Short-Term Facility, interest and principal payments on the 9.75% Senior Subordinated Notes, approximately $25 million of planned capital expenditures, and approximately $16 million of annual dividend payments to holders of common stock. From commencement of operations in January 1988 until December 31, 1997, IDEX had borrowed $460 million under the credit agreements and notes to sellers to complete 12 acquisitions. During this same period IDEX generated, principally from operations, cash flow of $370 million to reduce its indebtedness. In the event that suitable businesses are available for acquisition upon terms acceptable to the Company's Board of Directors, IDEX may obtain all or a portion of the financing for the acquisitions through the incurrence of additional long-term indebtedness.

The divestiture of the Strippit and Vibratech businesses, which generated approximately $84 million in net sales and approximately $9 million of operating income in 1997, will allow resources formerly allocated to these businesses to be used to develop positions in areas more consistent with the Company's present strategy.

In January 1998, IDEX acquired Gast Manufacturing Corporation for a cash purchase price of approximately $120 million. The acquisition was accounted for using the purchase method of accounting and was financed with borrowings under the U.S. Credit Facility and the Short-Term Facility. Gast, which will be part of the Pump Products Group, had net sales of approximately $105 million in 1997, and is one of the world's leading manufacturers of air-moving products.

In 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income", SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", and SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits". SFAS No. 130 establishes standards for reporting and display of comprehensive income and its components. SFAS No. 131 establishes standards for reporting information about operating segments and related disclosures about products and services, geographic areas and major customers. SFAS No. 132 revises current disclosure requirements for employers' pensions and other retiree benefits. These standards are effective for years beginning after December 15, 1997. These standards expand or modify current disclosures and, accordingly, will have no impact on the Company's reported financial position, results of operations and cash flows. The Company is assessing the impact of SFAS No. 131 on its reported segments.

In December 1997 the Securities and Exchange Commission declared effective the Company's shelf registration statement covering the possible future sale of up to $250 million in securities, including senior and subordinated debt securities, common and preferred stock, and warrants. The terms of any such securities would be specified in a prospectus supplement.

IDEX Corporation & Subsidiaries
CONSOLIDATED BALANCE SHEETS
(in thousands except share and per share amounts)

As of December 31,	1997	1996
ASSETS		
Current assets		
Cash and cash equivalents	$ 11,771	$ 4,730
Receivables - net	80,766	79,130
Inventories	84,240	84,731
Net current assets of companies held for disposition	16,200	16,918
Other current assets	4,290	6,090
Total current assets	197,267	191,599
Property, plant and equipment - net	88,628	88,377
Intangible assets - net	293,803	272,160
Net noncurrent assets of companies held for disposition	13,089	12,889
Other noncurrent assets	6,406	4,720
Total assets	$ 599,193	$ 569,745
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable	$ 34,991	$ 34,824
Dividends payable	3,949	3,471
Accrued expenses	38,861	44,991
Total current liabilities	77,801	83,286
Long-term debt	258,417	271,709
Other noncurrent liabilities	24,304	19,241
Total liabilities	360,522	374,236
Commitments and contingencies (Note 7)		
Shareholders' equity		
Common stock, par value $.01 per share		
Shares authorized 1997 and 1996 - 75,000,000		
Shares issued and outstanding: 1997 - 29,249,608; 1996 - 28,925,867	292	289
Additional paid-in capital	90,506	89,657
Retained earnings	149,403	105,238
Minimum pension liability adjustment	(756)	--
Accumulated translation adjustment	(774)	325
Total shareholders' equity	238,671	195,509
Total liabilities and shareholders' equity	$ 599,193	$ 569,745

See Notes to Consolidated Financial Statements.

IDEX Corporation & Subsidiaries
STATEMENTS OF CONSOLIDATED OPERATIONS
(in thousands except per share amounts)

For the years ended December 31,	1997	1996	1995
Net sales	$ 552,163	$ 474,699	$ 395,480
Cost of sales	329,806	287,625	237,803
Gross profit	222,357	187,074	157,677
Selling, general and administrative expenses	110,588	93,217	78,712
Goodwill amortization	8,174	6,241	4,196
Operating income	103,595	87,616	74,769
Other income (expense) - net	(693)	(696)	524
Income before interest expense and income taxes	102,902	86,920	75,293
Interest expense	18,398	17,476	14,301
Income before income taxes	84,504	69,444	60,992
Provision for income taxes	31,029	25,020	21,845
Income from continuing operations	53,475	44,424	39,147
Income from discontinued operations, net of taxes	5,151	5,774	6,178
Net income	$ 58,626	$ 50,198	$ 45,325
EARNINGS PER COMMON SHARE - BASIC:			
Continuing operations	$ 1.83	$ 1.54	$ 1.37
Discontinued operations	.18	.20	.21
Net income	$ 2.01	$ 1.74	$ 1.58
EARNINGS PER COMMON SHARE - DILUTED:			
Continuing operations	$ 1.78	$ 1.49	$ 1.32
Discontinued operations	.17	.20	.21
Net income	$ 1.95	$ 1.69	$ 1.53
SHARE DATA:			
Weighted average common shares outstanding	29,184	28,818	28,662
Weighted average common shares outstanding assuming full dilution	29,999	29,779	29,609

See Notes to Consolidated Financial Statements.

IDEX Corporation & Subsidiaries
STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY
(in thousands except share and per share amounts)

	Common Stock and Additional Paid-In Capital	Retained Earnings	Minimum Pension Liability Adjustment	Accumulated Translation Adjustment	Total Shareholders' Equity
Balance, December 31, 1994	$ 85,134	$ 33,490	$ --	$ (2,319)	$ 116,305
Issuance of 77,461 shares of common stock from exercise of stock options	1,175				1,175
Cash dividends declared - $.387 per common share outstanding		(11,086)			(11,086)
Unrealized translation adjustment				(774)	(774)
Net income		45,325			45,325
Balance, December 31, 1995	86,309	67,729	--	(3,093)	150,945
Issuance of 113,550 shares of common stock related to an acquisition	2,271				2,271
Issuance of 116,891 shares of common stock from exercise of stock options	1,366				1,366
Cash dividends declared - $.440 per common share outstanding		(12,689)			(12,689)
Unrealized translation adjustment				3,418	3,418
Net income		50,198			50,198
Balance, December 31, 1996	89,946	105,238	--	325	195,509
Issuance of 323,741 shares of common stock from exercise of stock options, net of those surrendered	852				852
Cash dividends declared - $.495 per common share outstanding		(14,461)			(14,461)
Minimum pension liability adjustment			(756)		(756)
Unrealized translation adjustment				(1,099)	(1,099)
Net income		58,626			58,626
Balance, December 31, 1997	$ 90,798	$ 149,403	$ (756)	$ (774)	$ 238,671

See Notes to Consolidated Financial Statements.

IDEX Corporation & Subsidiaries
STATEMENTS OF CONSOLIDATED CASH FLOWS
(in thousands)

For the years ended December 31,	1997	1996	1995
Cash flows from operating activities			
Income from continuing operations	$ 53,475	$ 44,424	$ 39,147
Adjustments to reconcile to net cash provided by continuing operations:			
Depreciation and amortization	14,350	12,532	9,240
Amortization of intangibles	9,943	8,140	5,413
Amortization of debt issuance expenses	650	640	624
Deferred income taxes	6,304	4,385	2,346
(Increase) decrease in receivables	3,605	(6,587)	(2,632)
(Increase) decrease in inventories	7,659	13,025	(5,811)
Increase (decrease) in trade accounts payable	(2,216)	(949)	342
Increase (decrease) in accrued expenses	(8,117)	(2,312)	3,698
Other - net	(4,091)	4,390	(1,624)
Net cash provided by continuing operations	81,562	77,688	50,743
Net cash provided by discontinued operations	5,669	12,427	118
Net cash flows from operating activities	87,231	90,115	50,861
Cash flows from investing activities			
Additions to property, plant and equipment	(13,562)	(11,634)	(8,181)
Acquisition of businesses (net of cash acquired)	(49,744)	(132,584)	(69,760)
Net cash flows from investing activities	(63,306)	(144,218)	(77,941)
Cash flows from financing activities			
Dividends paid	(13,983)	(12,278)	(10,697)
Notes issued in connection with acquisitions	13,546	--	--
Borrowings under credit agreements for acquisitions	36,198	136,100	69,760
Net repayments under credit agreements	(51,909)	(71,514)	(31,792)
Increase (decrease) in accrued interest	(736)	939	50
Net cash flows from financing activities	(16,884)	53,247	27,321
Net increase (decrease) in cash	7,041	(856)	241
Cash and cash equivalents at beginning of year	4,730	5,586	5,345
Cash and cash equivalents at end of year	$ 11,771	$ 4,730	$ 5,586
Supplemental cash flow information:			
Cash paid for -			
Interest	$ 18,781	$ 17,363	$ 15,303
Income taxes	25,446	23,686	21,425

See Notes to Consolidated Financial Statements.

IDEX Corporation & Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands except share and per share amounts)

1. Significant Accounting Policies

Business

IDEX Corporation ("IDEX" or the "Company") is a manufacturer of a broad range of proprietary pump products and engineered equipment sold to a diverse customer base in a variety of industries in the U.S. and internationally. Its products include industrial pumps and related controls for use in a wide variety of process applications, and proprietary equipment that may combine pumps or other devices into products for industrial, commercial and safety applications. These activities are grouped into two business segments: Pump Products and Engineered Equipment.

Principles of Consolidation

The consolidated financial statements include the Company and its subsidiaries. Significant intercompany transactions and accounts have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue from product sales upon shipment. The Company estimates and records provisions for sales returns, allowances and original warranties in the period the sale is reported, based on its experience.

Cash Equivalents

For purposes of the Statements of Consolidated Cash Flows, the Company considers all highly liquid debt instruments purchased with a maturity of three or fewer months to be cash equivalents.

Inventories

Inventories are stated at the lower of cost or market. Cost, which includes labor, material and factory overhead, is determined on the first-in, first-out ("FIFO") basis or the last-in, first-out ("LIFO") basis.

Debt Expenses

Expenses incurred in securing and issuing long-term debt are amortized over the life of the related debt.

Earnings Per Common Share

On December 31, 1997, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 128, Earnings Per Share, which requires the disclosure of two earnings per common share computations: basic and diluted. Earnings per common share ("EPS") are computed by dividing net income by the weighted average number of shares of common stock (basic) plus common stock equivalents (diluted) outstanding during the year. Common stock equivalents consist of stock options and have been included in the calculation of weighted average shares outstanding using the treasury stock method. EPS computations for prior years have been restated to reflect this new standard.

The basic weighted average shares reconciles to fully diluted weighted average shares as follows:

	1997	1996	1995
Basic weighted average common shares outstanding	29,184	28,818	28,662
Dilutive effect of stock options	815	961	947
Weighted average common shares outstanding assuming full dilution	29,999	29,779	29,609

Depreciation and Amortization

Depreciation is recorded using the straight-line method. The estimated useful lives used in the computation of depreciation generally are as follows:

Land improvements	10 to 12 years
Buildings and improvements	3 to 30 years
Machinery and equipment, tooling	

and engineering drawings	3 to 12 years
Office and transportation equipment	3 to 10 years

Identifiable intangible assets are amortized over their estimated useful lives using the straight-line method. The cost in excess of net assets acquired is amortized over a period of 30 to 40 years.

The carrying amount of all long-lived assets is evaluated periodically to determine if adjustment to the depreciation or amortization period or to the unamortized balance is warranted. Such evaluation is based on the expected utilization of the long-lived assets and the projected, undiscounted cash flows of the operations in which the long-lived assets are deployed.

Research and Development Expenditures

Expenditures associated with research and development are expensed in the year incurred and are included in cost of sales. Research and development expenses, which include costs associated with the development of new products and major improvements to existing products, were $6.7 million, $6.0 million and $3.8 million in 1997, 1996 and 1995, respectively.

Reclassifications

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year presentation.

New Accounting Pronouncements

In 1997, the Financial Accounting Standards Board issued SFAS No. 130, "Reporting Comprehensive Income", SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", and SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits". SFAS No. 130 establishes standards for reporting and display of comprehensive income and its components. SFAS No. 131 establishes standards for reporting information about operating segments and related disclosures about products and services, geographic areas and major customers. SFAS No. 132 revises current disclosure requirements for employers' pensions and other retiree benefits. These standards are effective for years beginning after December 15, 1997. These standards expand or modify current disclosures and, accordingly, will have no impact on the Company's reported financial position, results of operations and cash flows. The Company is assessing the impact of SFAS No. 131 on its reported segments.

2. Acquisitions

The Company expects to complete the acquisition of Gast Manufacturing Corporation in January 1998, for a cash purchase price of approximately $120 million. The acquisition cost will be financed through borrowings under the Company's bank credit facilities. Gast, headquartered in Benton Harbor, Michigan, is one of the world's leading manufacturers of its type of air-moving products.

In 1997, the Company acquired Blagdon Pump on April 4 and Knight Equipment on December 9 at an aggregate purchase price of $49.7 million with financing provided by borrowings under the Company's U.S. Credit Facility and the issuance of notes to the sellers. Blagdon Pump manufactures air-operated diaphragm pumps and is located in Washington, Tyne & Wear, England. Knight is based in Costa Mesa, California, and is the leading manufacturer of pumps and dispensing equipment for industrial laundries, commercial dishwashing, and chemical metering.

On July 29, 1996, IDEX purchased substantially all of the net operating assets of Fluid Management Limited Partnership, headquartered in Wheeling, Illinois, a leading worldwide manufacturer of dispensing and mixing equipment for paints, coatings, inks, colorants and dyes. The $135 million purchase price was financed through a borrowing under the U.S. Credit Facility and the issuance of 113,550 shares of IDEX common stock.

All acquisitions were accounted for as purchases, and operating results include the acquisitions from the dates of purchase. The excess of the acquisition purchase price over the fair market value of net assets acquired is being amortized on a straight-line basis over periods not exceeding 40 years. The unaudited pro forma consolidated results of operations, including Gast, for the years ended December 31, 1997 and 1996, reflecting the allocation of the purchase price and related financing of the transactions are as follows, assuming that these acquisitions had occurred at the beginning of each of the respective periods.

	1997	1996
Net sales	$ 679,655	$ 643,012
Income from continuing operations	55,198	46,311
Net income	60,349	52,085
Basic EPS		
Continuing operations	1.89	1.61
Net income	2.07	1.81
Diluted EPS		
Continuing operations	1.84	1.56
Net income	2.01	1.75

The liabilities assumed in connection with acquisition of businesses that represent noncash investing activities for 1997, 1996 and 1995 were as follows:

	1997	1996	1995
Fair value of assets acquired	$ 16,884	$ 51,055	$ 50,218
Cost in excess of net assets acquired	38,599	101,473	34,386
Cash paid	(49,744)	(132,584)	(69,760)
Common stock issued in connection with acquisitions		(2,271)	

Liabilities assumed	$ 5,739	$ 17,673	$ 14,844
	=========	=========	=========

3. Discontinued Operations

In December 1997, the Company announced its intention to divest its Strippit and Vibratech business operations. The consolidated financial statements and related footnotes reflect these businesses as discontinued operations. The revenues from these operations amounted to $83.9 million in 1997, $87.9 million in 1996 and $91.9 million in 1995. Income taxes allocated to these operations were $3.1 million, $3.6 million and $3.9 million for the years 1997, 1996 and 1995, respectively. The assets and liabilities of these operations, consisting primarily of receivables, inventories, property and accounts payable, are classified as net current and net noncurrent assets of companies held for disposition. Interest expense of $0.6 million, $1.5 million, and $1.6 million for the years 1997, 1996 and 1995, respectively, has been allocated to these operations based on their acquisition debt less repayments generated from subsequent operating cash flows that can be specifically attributed to these operations.

4. Common and Preferred Stock

On December 19, 1996, the Company's Board of Directors authorized a three-for-two common stock split effected in the form of a 50% stock dividend payable on January 31, 1997, to shareholders of record on January 15, 1997. Par value of common stock remained at $.01 per share.

At December 31, 1997 and 1996, the Company had five million shares of preferred stock with a par value of $.01 per share authorized but unissued.

5. Balance Sheet Components

The components of inventories as of December 31, 1997 and 1996 were:

	1997	1996
Raw materials	$20,841	$16,223
Work in process	13,647	12,030
Finished goods	49,752	56,478
Total	$84,240	$84,731

Those inventories, which were carried on a LIFO basis, amounted to $65,080 and $62,068 at December 31, 1997 and 1996, respectively. The excess of current cost over LIFO inventory value and the impact on earnings of using the LIFO method are not material.

The components of certain other balance sheet accounts as of December 31, 1997 and 1996 were:

	1997	1996
Receivables		
Customers	$ 82,293	$ 76,813
Other	1,034	4,428
Total	83,327	81,241
Less allowance for doubtful accounts	2,561	2,111
Receivables - net	$ 80,766	$ 79,130
Property, plant and equipment, at cost		
Land and improvements	$ 7,184	$ 7,127
Buildings and improvements	45,895	46,684
Machinery and equipment	112,795	105,137
Engineering drawings	3,281	3,291
Office and transportation equipment	22,900	20,572
Construction in progress	5,261	1,002
Total	197,316	183,813
Less accumulated depreciation and amortization	108,688	95,436
Property, plant and equipment - net	$ 88,628	$ 88,377
Intangible assets		
Cost in excess of net assets acquired	$ 310,242	$ 279,049
Other	22,416	22,611
Total	332,658	301,660
Less accumulated amortization	38,855	29,500
Intangible assets - net	$ 293,803	$ 272,160
Accrued expenses		
Accrued payroll and related items	$ 22,426	$ 19,123

Accrued taxes	4,851	6,149
Accrued insurance	3,006	2,959
Other	8,578	16,760
Total	$ 38,861	$ 44,991
Other noncurrent liabilities		
Pension and retiree medical reserves	$ 13,722	$ 12,157
Lease obligations	2,097	2,265
Other	8,485	4,819
Total	$ 24,304	$ 19,241

6. Retirement Benefits

The Company has noncontributory pension plans covering substantially all employees, other than certain bargaining unit employees who participate in a multiemployer pension plan. The defined benefit plans covering salaried employees provide pension benefits that are based on compensation over an employee's full career. The defined benefit plans covering hourly employees and bargaining unit members generally provide benefits of stated amounts for each year of service. The Company's funding policy for these plans is to fund benefits as accrued within the minimum and maximum limitations of the Internal Revenue Code. The defined contribution plans provide for annual contributions to individuals' accounts. The level of the contribution is generally a percent of salary based on age and years of service.

Pension costs for the years ended December 31, 1997, 1996 and 1995 included the following components:

	1997	1996	1995
Service cost	$ 2,525	$ 2,438	$ 1,609
Interest cost	3,031	2,808	1,713
Return on assets	(2,742)	(4,849)	(4,407)
Net amortization and deferral	202	2,789	2,881
Net periodic pension cost	3,016	3,186	1,796
Contributions to multiemployer plan, defined contribution plans and other	4,423	3,265	2,518
Total pension costs	$ 7,439	$ 6,451	$ 4,314

Assumptions used in accounting for pension costs at December 31 were:

Assumed discount rate:			
U.S. plans	7.25%	7.50%	7.25%
Non-U.S. plans	6.0-7.2%	6.0-9.0%	8.0-9.0%
Assumed rate of compensation increase for salaried plans:			
U.S. plans	4.0%	4.0%	4.0%
Non-U.S. plans	5.7%	7.5%	7.5%
Expected rate of return on plan assets:			
U.S. plans	9.0%	9.0%	8.0%
Non-U.S. plans	7.2%	9.0%	9.0%

The funded status of the defined benefit plans and amounts recognized in the Company's consolidated balance sheets at December 31, 1997 and 1996 are presented as follows:

	U.S.Plans		Non-U.S.
	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets	Accumulated Benefits Exceed Assets
DECEMBER 31, 1997			
Actuarial present value of benefit obligations			
Vested benefit obligation	$ 26,094	$ 5,204	$ 9,428
Accumulated benefit obligation	$ 28,841	$ 5,204	$ 9,464
Projected benefit obligation	$ 34,400	$ 5,284	$ 10,033
Plan assets at fair value (1)	36,889		4,970
Projected benefit obligation less than (in excess of) plan assets	2,489	(5,284)	(5,063)
Prior service cost not yet recognized	1,957	238	
Unrecognized transition (asset) obligation (2)	(457)	814	
Unrecognized net (gain) loss	(2,955)	1,261	627
Minimum pension liability		(2,234)	(170)
Pension asset (liability)	$ 1,034	$ (5,205)	$ (4,606)
DECEMBER 31, 1996			
Actuarial present value of benefit obligations			

Vested benefit obligation	$ 19,588	$ 6,022	$ 8,471
Accumulated benefit obligation	$ 21,887	$ 6,467	$ 8,504
Projected benefit obligation	$ 27,716	$ 6,594	$ 8,892
Plan assets at fair value (1)	25,914	1,812	4,196
Projected benefit obligation less than (in excess of) plan assets	(1,802)	(4,782)	(4,696)
Prior service cost not yet recognized	1,895	358	
Unrecognized transition (asset) obligation (2)	(551)	902	
Unrecognized net (gain) loss	(509)	1,294	(365)
Pension asset (liability)	$ (967)	$ (2,228)	$ (5,061)

(1) Primarily listed stocks and fixed income securities.

(2) Amortized by plan over the greater of the average remaining service period of the employee workforce or 15 years.

7. Commitments and Contingencies

At December 31, 1997, total minimum rental payments under noncancelable operating leases, primarily for office facilities, warehouses and data processing equipment, were $30.1 million. The minimum rental commitments for each of the next five years are as follows: 1998 - $6.1 million; 1999 - $4.8 million; 2000 - $4.2 million; 2001 - $3.3 million; 2002 - $2.2 million; thereafter - $9.5 million.

Rental expense totaled $6.7 million, $5.0 million and $4.0 million for the years ended December 31, 1997, 1996 and 1995, respectively.

The Company is involved in certain litigation arising in the ordinary course of business. None of these matters is expected to have a material adverse effect on the Company's financial position or results of operations. However, the ultimate resolution of these matters could result in a change in the Company's estimate of its liability for these matters.

8. Postretirement Health Care and Life Insurance Benefits

The Company provides health care and life insurance benefits to certain retired employees, their covered dependents, and beneficiaries. The Company provides for the estimated cost of such retiree benefit payments during the employee's active service period.

Net periodic postretirement expense for 1997, 1996 and 1995 included the following components:

	1997	1996	1995
Service cost	$ 277	$ 249	$ 203
Interest cost	395	348	352
Net amortization and deferral	(57)	(63)	(67)
Total cost	$ 615	$ 534	$ 488

The Company's postretirement health and life insurance benefit plans are not funded. The accumulated postretirement benefit obligation (APBO) of the plans at December 31, 1997 and 1996 was as follows:

	1997	1996
Retirees	$ 1,306	$ 1,384
Fully eligible active participants	690	500
Other active participants	4,301	3,480
Total APBO	6,297	5,364
Unrecognized net gain (loss)	(530)	(86)
Postretirement health care liability	$ 5,767	$ 5,278

For measurement purposes, a 11.5% annual rate of increase in the cost of covered health care benefits was assumed for 1997, gradually declining to 6% by the year 2008 and remaining at that level thereafter. The health care trend rate assumption has a significant effect on the amount of the obligation and the net periodic cost reported. An increase or decrease of the trend rate of 1% would change the APBO as of December 31, 1997, by $0.9 million and the net periodic cost for this year by $0.1 million. The assumed discount rate used in determining the APBO was 7.25% in 1997 and 7.5% in 1996.

9. Stock Options

The Company has stock option plans providing for the grant of options to purchase common shares to outside directors, executives and certain key employees which are accounted for using the intrinsic value method. Accordingly, no compensation cost has been recognized. Had compensation cost been determined using the fair value method the Company's pro forma net income and diluted EPS would have been as follows:

	1997	1996	1995
Net income			
As reported	$ 58,626	$ 50,198	$ 45,325
Pro forma	57,063	49,312	45,022
Basic EPS			
As reported	2.01	1.74	1.58
Pro forma	1.96	1.71	1.57

Diluted EPS			
As reported	1.95	1.69	1.53
Pro forma	1.90	1.66	1.52

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions for 1997, 1996 and 1995, respectively: dividend yield of 1.94%, 1.70% and 1.86%; volatility of 28.9%, 28.6% and 29.7%; risk-free interest rates of 6.6%, 6.2% and 6.9%; and expected lives of 5.5 years.

The Compensation Committee of the Board of Directors administers the plans and approves stock option grants. The Company may grant additional options for up to 2.4 million shares. Stock options granted under the plans are exercisable at a price equal to the market value of the stock at the date of grant. The options become exercisable from one to five years from the date of grant and generally expire 10 years from the date of grant. The following table summarizes option activity under the plans:

	Number of Options	Weighted Average Option Price Per Share
Outstanding at December 31, 1994	1,627,464	$ 9.52
Granted	336,600	20.08
Exercised	(77,461)	10.45
Forfeited	(31,995)	14.51
Outstanding at December 31, 1995	1,854,608	11.27
Granted	442,875	25.56
Exercised	(116,891)	6.32
Forfeited	(45,900)	20.63
Outstanding at December 31, 1996	2,134,692	14.27
Granted	514,250	24.90
Exercised	(431,748)	2.36
Forfeited	(87,980)	23.47
Outstanding at December 31, 1997	2,129,214	18.87
Exercisable at December 31, 1995	786,576	5.59
Exercisable at December 31, 1996	953,482	8.38
Exercisable at December 31, 1997	943,431	14.25

The following table summarizes information about options outstanding at December 31, 1997:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Life of Contract	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 0 to 10	201,157	3.6 years	$ 7.27	201,157	$ 7.27
11 to 20	1,114,641	6.4 years	16.17	679,841	15.23
21 to 30	813,416	8.9 years	25.44	62,433	26.14
Total	2,129,214	7.1 years	18.87	943,431	14.25

10. Long-Term Debt

Long-term debt at December 31, 1997 and 1996 consisted of the following:

	1997	1996
Bank revolving credit facilities, including accrued interest	$169,807	$196,709
9.75% Senior Subordinated Notes	75,000	75,000
Other long-term debt	13,610	
Total	$258,417	$271,709

The Company has a $250 million domestic multi-currency bank revolving credit facility (the "U.S. Credit Facility"). The availability under the U.S. Credit Facility declines in stages commencing July 1, 1999, to $200 million at July 1, 2000. Any amount outstanding at July 1, 2001, becomes due at that date. At December 31, 1997, approximately $102.5 million of the facility was unused.

Interest on the outstanding borrowings under the U.S. Credit Facility is payable quarterly at a rate based on the bank agent's reference rate or, at the Company's election, at a rate based on LIBOR plus 25 basis points per annum. The weighted average interest rate on outstanding borrowings under the U.S. Credit Facility was 5.75% at December 31, 1997. A facility fee equal to 15 basis points per annum is payable quarterly on the entire amount available under the U.S. Credit Facility.

The Company also has entered into a $10 million demand line of credit (the "Short-Term Facility") expiring on June 1, 1998. Borrowings under the Short-Term Facility are at the bank agent's reference rate, or at an optional rate based on the bank's cost of funds. At December 31, 1997, there was $5 million borrowed under the Short-Term Facility and the interest rate was 6.375% per annum. To complete the Gast acquisition in January 1998, IDEX and the bank agent amended the Short-Term Facility to provide a temporary increase to $50 million for up to 60 days, after which time the Short-Term Facility returns to $10 million.

A DM 52.5 million ($29.2 million) credit facility (the "German Facility") declines in stages commencing November 1, 1999, to DM 31.3 million at November 1, 2000. Any amount outstanding at November 1, 2001, becomes due at the date. At December 31, 1997, DM 52.0 million ($28.9 million) was outstanding. Interest is payable quarterly on the outstanding balance at LIBOR plus 62.5 basis points per annum.

Total long-term debt outstanding at December 31, 1997 and 1996 included $3.4 million and $4.2 million, respectively, of accrued interest as interest generally is paid through borrowings under the U.S. Credit Facility.

Borrowings under the U.S. Credit Facility are guaranteed jointly and severally by certain of the Company's subsidiaries and secured by a pledge of their stock and intercompany notes.

The Company's $75 million of Senior Subordinated Notes (the "Sub Notes") due 2002 are jointly and severally guaranteed by certain of the Company's subsidiaries and are subordinated to the U.S. Credit Facility. Interest is payable semiannually at the rate of 9.75% per annum. The Sub Notes are payable in annual installments of $18.75 million commencing in 2000 and are redeemable at various premiums by the Company commencing in 1997. At December 31, 1997, the fair market value of the Sub Notes was approximately $77.7 million based on the quoted market price.

Other long term-debt is comprised of notes issued to the sellers in connection with the acquisitions of Blagdon Pump and Knight Equipment (see Note 2). These notes generally bear interest at rates ranging from 6.0% to 8.0% per annum.

The U.S. Credit Facility and the Indenture for the Sub Notes permit the payment of cash dividends only to the extent that no default

IDEX Corporation & Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS CONT'D

exists under these agreements and limit the amount of cash dividends in accordance with specified formulas. At December 31, 1997, under the most restrictive of these provisions, the Company has available approximately $69.6 million for the payment of cash dividends in 1998.

The Company does not use derivative financial instruments for trading or other speculative purposes. Interest rate swaps, a form of derivative, are used to manage interest rate risk. Currently, the Company has entered into three interest rate swaps, expiring between August 1998 and August 1999, which have effectively converted approximately $60 million of floating rate debt into fixed rate debt at rates ranging from 4.3% to 6.7%.

11. Business Segments and Geographic Information

IDEX consists of two business segments: Pump Products and Engineered Equipment. No single customer accounted for more than 2% of consolidated net sales.

Segment information for the years ended December 31, 1997, 1996 and 1995 is presented in the table titled "Company and Business Group Financial Information" in "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Information about the Company's operations in different geographical regions for the years ended December 31, 1997, 1996 and 1995 is shown below. The Company's primary operations are in the U.S. and Europe.

	1997	1996	1995
Sales			
United States	$378,343	$335,393	$304,735
Europe	150,511	125,308	77,183
Americas (Non-U.S....	14,281	8,236	8,295
Other	9,028	5,762	5,267
Total	$552,163	$474,699	$395,480
Operating income			
United States	$ 73,374	$ 64,744	$ 61,140
Europe	26,304	20,211	11,487
Americas (Non-U.S.)..	1,870	1,715	1,120
Other	2,047	946	1,022
Total	$103,595	$ 87,616	$ 74,769
Identifiable assets			
United States	$423,988	$393,510	$334,001
Europe	159,722	159,869	106,108
Americas (Non-U.S.)..	9,712	8,608	7,696
Other	5,771	7,758	2,272
Total	$599,193	$569,745	$450,077

Export sales from the U.S. for the years ended December 31, 1997, 1996 and 1995 were to the following geographical areas:

	1997	1996	1995
North America (Non-U.S.)..	$21,048	$15,432	$16,801
South America	17,139	12,311	6,393
Far East	14,053	16,354	13,503
Europe	10,481	10,029	9,321
Other	14,471	13,659	11,479
Total	$77,192	$67,785	$57,497

12. Income Taxes

Pretax income for the years ended December 31, 1997, 1996 and 1995 was taxed under the following jurisdictions:

	1997	1996	1995
Domestic..............	$58,748	$49,694	$46,918
Foreign...............	25,756	19,750	14,074

Total	$84,504	$69,444	$60,992

The provision for income taxes for the years ended December 31, 1997, 1996 and 1995 was as follows:

Current			
U.S	$ 17,178	$ 15,356	$ 15,813
State and local	1,379	1,152	960
Foreign	6,168	4,127	2,726
Total current	24,725	20,635	19,499
Deferred			
U.S	3,125	1,795	487
State and local	500	125	(189)
Foreign	2,679	2,465	2,048
Total deferred	6,304	4,385	2,346
Total provision for income taxes	$ 31,029	$ 25,020	$ 21,845

Deferred (prepaid) income taxes result from the following:

	1997	1996	1995
Employee and retiree benefit plans	$ 1,481	$ (269)	$ (23)
Depreciation and amortization	3,536	852	175
Inventories	323	670	(419)
Allowances and accruals	2,103	3,745	2,204
Financing	(103)	(100)	(86)
Other	(1,036)	(513)	495
Total deferred tax provision	$ 6,304	$ 4,385	$ 2,346

Deferred tax assets (liabilities) relate to the following at December 31, 1997 and 1996:

	1997	1996
Employee and retiree benefit plans	$ 4,030	$ 5,085
Depreciation and amortization	(12,545)	(8,784)
Inventories	(1,860)	(1,486)
Allowances and accruals	3,738	5,086
Financing	(209)	(312)
Other	1,731	404
Total	$ (5,115)	$ (7)

The consolidated balance sheets at December 31, 1997 and 1996 include current deferred tax assets of $2,132 and $4,022, respectively, included in "Other current assets" and noncurrent deferred tax liabilities of $7,247 and $4,029, respectively, included in "Other noncurrent liabilities".

The total income tax provision differs from the amount computed by applying the statutory federal income tax rate to pretax income. The computed amount and the differences for the years ended December 31,1997, 1996 and 1995 were as follows:

	1997	1996	1995
Pretax income	$ 84,504	$ 69,444	$ 60,992
Income tax provision:			
Computed amount at statutory rate of 35%	$ 29,576	$ 24,305	$ 21,347
Foreign sales corporation	(1,113)	(1,091)	(918)
Amortization of cost in excess of net assets acquired	941	896	868
State and local income tax (net of federal tax benefit)	1,221	830	501
Other - net	404	80	47
Total income tax provision	$ 31,029	$ 25,020	$ 21,845

No provision has been made for U.S. or additional foreign taxes on $17.9 million of undistributed earnings of foreign subsidiaries, which are permanently reinvested. It is not practical to estimate the amount of additional tax which might be payable if these earnings were repatriated. However, the Company believes that U.S. foreign tax credits would, for the most part, eliminate any additional U.S. tax and offset any additional foreign tax.

13. Quarterly Results of Operations (unaudited)

The following is a summary of the unaudited quarterly results of operations for the years ended December 31, 1997 and 1996:

	Quarter			
	First	Second	Third	Fourth
December 31, 1997				
Net sales	$131,375	$141,976	$141,799	$137,013
Gross profit	52,109	57,290	56,988	55,970
Operating income	23,966	25,966	26,568	27,095
Income from continuing operations	12,101	13,284	13,724	14,366
Net income	13,395	14,995	14,484	15,752
Basic EPS:				
Continuing operations...	$ .41	$ .46	$ .47	$ .49
Net income	.46	.51	.50	.54
Weighted average shares outstanding ...	29,178	29,180	29,226	29,247
Diluted EPS:				
Continuing operations...	$ .41	$ .44	$ .45	$ .48
Net income	.45	.50	.48	.52

Weighted average shares outstanding ...	29,809	30,028	30,333	30,210

December 31, 1996

Net sales	$109,445	$109,927	$121,065	$134,262
Gross profit ...	43,854	44,172	47,616	51,432
Operating income	20,504	21,792	21,282	24,038
Income from continuing operations ...	10,698	11,702	10,462	11,562
Net income	12,214	12,662	11,828	13,494
Basic EPS:				
Continuing operations..	$ .37	$ .41	$ .36	$ .40
Net income ...	.43	.44	.41	.47
Weighted average shares outstanding ..	28,709	28,761	28,902	28,917
Diluted EPS:				
Continuing operations..	$ .36	$ .39	$ .35	$ .39
Net income ...	.41	.43	.40	.45
Weighted average shares outstanding ..	29,726	29,735	29,735	29,711

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of IDEX Corporation

We have audited the accompanying consolidated balance sheets of IDEX Corporation and its subsidiaries as of December 31, 1997 and 1996 and the related statements of consolidated operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries at December 31, 1997 and 1996 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1997 in conformity with generally accepted accounting principles.

/s/ DELOITTE & TOUCHE LLP
Deloitte & Touche LLP

Chicago, Illinois
January 20, 1998

MANAGEMENT REPORT

IDEX Corporation's management is responsible for the fair presentation and consistency of all financial data included in this Annual Report in accordance with generally accepted accounting principles. Where necessary, the data reflect management's best estimates and judgments.

Management also is responsible for maintaining a system of internal accounting controls with the objectives of providing reasonable assurance that IDEX's assets are safeguarded against material loss from unauthorized use or disposition and that authorized transactions are properly recorded to permit the preparation of accurate financial data. Cost benefit judgments are an important consideration in this regard. The effectiveness of internal controls is maintained by personnel selection and training, division of responsibilities, establishment and communication of policies, and ongoing internal review programs and audits. Management believes that IDEX's system of internal controls as of December 31, 1997, is effective and adequate to accomplish the above described objectives.

/s/ DONALD N. BOYCE
Donald N. Boyce
Chairman of the Board and Chief Executive Officer

/s/ FRANK J. HANSEN
Frank J. Hansen
President and Chief Operating Officer

/s/ WAYNE P. SAYATOVIC
Wayne P. Sayatovic
Senior Vice President - Finance, Chief Financial Officer and Secretary

Northbrook, Illinois
January 20, 1998

Business
UNITS

P. PETER MERKEL, JR. Chairman Age: 64 Years of Service: 25	ROGER N. GIBBINS President Age: 52 Years of Service: 13	STEVEN E. SEMMLER President Age: 42 Years of Service: 18	JAMES R. FLUHARTY President - Worldwide Age: 54 Years of Service: 7	LEENDERT HELLENBERG President - Europe/Asia Age: 52 Years of Service: 13
BAND-IT-IDEX, INC. 4799 Dahlia St., Denver, CO 80216 (303) 320-4555		CORKEN, INC. 3805 N.W. 36th St. Oklahoma City, OK 73112 (405) 946-5576	FLUID MANAGEMENT, INC. 1023 S. Wheeling Rd., Wheeling, IL 60090 (847) 537-0880	
WARREN E. GAST President Age: 66 Years of Service: 35	WADE H. ROBERTS, JR. President Age: 51 Years of Service: 7	THOMAS L. ANDREWS President Age: 50 Years of Service: 7	JEFFREY L. HOHMAN President Age: 44 Years of Service: 7	RODNEY L. USHER President Age: 52 Years of Service: 17
GAST MANUFACTURING, INC. 2300 Highway M-139 Benton Harbor, MI 49023 (616) 926-6171	HALE PRODUCTS, INC. 700 Spring Mill Ave. Conshohocken, PA 19428 (610) 825-6300	LUBRIQUIP, INC. 18901 Cranwood Pkwy. Warrensville Heights, OH 44128 (216) 581-2000	MICROPUMP, INC. 1402 N.E. 136th Ave. Vancouver, WA 98684 (360) 253-2008	PULSAFEEDER, INC. 2883 Brighton - Henrietta Town Line Rd. Rochester, NY 14623 (716) 292-8000
JOHN P. SNOW President Age: 53 Years of Service: 21	RALPH N. YORIO President Age: 51 Years of Service: 11	JOHN L. MCMURRAY President Age: 47 Years of Service: 5	JEFFERY F. FEHR President Age: 46 Years of Service: 6	
STRIPPIT, INC. 12975 Clarence Center Rd. Akron, NY 14001 (716) 542-4511	VIBRATECH, INC. 11980 Walden Ave. Alden, NY 14004 (716) 937-6600	VIKING PUMP, INC. 406 State St. Cedar Falls, IA 50613 (319) 266-1741	WARREN RUPP, INC. 800 North Main St. Mansfield, OH 44902 (419) 524-8388	NOTE: Years of service include periods prior to acquisition by IDEX.

Corporate
OFFICERS & DIRECTORS

Corporate Officers

DONALD N. BOYCE
Chairman of the Board and
Chief Executive Officer
Age: 59
Years of Service: 28

FRANK J. HANSEN
President and
Chief Operating Officer
Age: 56
Years of Service: 22

WAYNE P. SAYATOVIC
Senior Vice President -
Finance, Chief Financial
Officer and Secretary
Age: 51
Years of Service: 25

JERRY N. DERCK
Vice President -
Human Resources
Age: 50
Years of Service: 5

JAMES R. FLUHARTY
Vice President -
Corporate Marketing
Age: 54
Years of Service: 7

P. PETER MERKEL, JR.
Vice President -
Group Executive
Age: 64
Years of Service: 25

DENNIS L. METCALF
Vice President -
Corporate Development
Age: 50
Years of Service: 24

WADE H. ROBERTS, JR.
Vice President -
Group Executive
Age: 51
Years of Service: 7

RODNEY L. USHER
Vice President -
Group Executive
Age: 52
Years of Service: 17

DAVID T. WINDMULLER
Vice President -
Operations
Age: 40
Years of Service: 17

CLINTON L. KOOMAN
Controller
Age: 54
Years of Service: 33

DOUGLAS C. LENNOX
Treasurer
Age: 45
Years of Service: 18

Directors

DONALD N. BOYCE o
Chairman of the Board and
Chief Executive Officer
IDEX Corporation
Northbrook, Illinois
Age: 59
Years of Service: 10

FRANK J. HANSEN
President and Chief
Operating Officer
IDEX Corporation
Northbrook, Illinois
Age: 56
Appointed: January 1, 1998

RICHARD E. HEATH
Partner
Hodgson, Russ, Andrews,
Woods & Goodyear
Buffalo, New York
Age: 67
Years of Service: 9

HENRY R. KRAVIS
Member
Kohlberg Kravis Roberts & Co., L.L.C.
New York, New York
Age: 53
Years of Service: 10

WILLIAM H. LUERS o o
President
Metropolitan Museum of Art
New York, New York
Age: 68
Years of Service: 9

PAUL E. RAETHER
Member
Kohlberg Kravis Roberts & Co., L.L.C.
New York, New York
Age: 51
Years of Service: 10

CLIFTON S. ROBBINS o
Member
Kohlberg Kravis Roberts & Co., L.L.C.
New York, New York
Age: 39
Years of Service: 10

GEORGE R. ROBERTS
Member
Kohlberg Kravis Roberts & Co., L.L.C.
San Francisco, California
Age: 54
Years of Service: 10

NEIL A. SPRINGER o o
Managing Director
Springer Souder & Assoc. L.L.C.
Chicago, Illinois
Age: 59
Years of Service: 8

MICHAEL T. TOKARZ o
Member
Kohlberg Kravis Roberts & Co., L.L.C.
New York, New York
Age: 48
Years of Service: 10

Member of:
[] Executive Committee
[] Audit Committee
[] Compensation Committee

NOTE: Years of service for corporate officers includes periods with predecessor to IDEX.

Shareholder INFORMATION

Corporate Executive Offices

IDEX Corporation
630 Dundee Road
Northbrook, Illinois 60062
(847) 498-7070

Investor Information

Shareholders and prospective investors are welcome to call or write with questions or requests for additional information. Please direct inquiries to: Wayne P. Sayatovic, Senior Vice President - Finance, Chief Financial Officer and Secretary. News releases and other background information are available at no charge by calling 1-800-758-5804, ext. 110769 for fax service, or under http://www.prnewswire.com on the Internet.

Registrar and Transfer Agent

Inquiries about stock transfers or address changes should be directed to:

Harris Trust and Savings Bank
311 West Monroe Street
Chicago, Illinois 60690
(312) 461-2288

Independent Auditors

Deloitte & Touche LLP
Two Prudential Plaza
180 North Stetson Avenue
Chicago, Illinois 60601

Dividend Policy

IDEX increased the quarterly dividend on its common stock beginning January 30, 1998, to $.135 per share per calendar quarter, up 12.5% from last year's dividend. The declaration of future dividends, subject to certain limitations, is within the discretion of the Board of Directors and will depend upon, among other things, business conditions, earnings, and IDEX's financial condition. See Note 10 of the Notes to Consolidated Financial Statements.

Stock Market Information

IDEX common stock was held by 1,268 shareholders at December 31, 1997, and is traded on the New York Stock Exchange and the Chicago Stock Exchange under the ticker symbol IEX.

Form 10-K

Shareholders may obtain a copy of the Form 10-K filed with the Securities and Exchange Commission by directing a request to IDEX.

Annual Meeting

The Annual Meeting of IDEX Shareholders will be held on Tuesday, March 24, 1998 at 10:00 a.m. in the:

Shareholders Room of Bank of America NT&SA
231 South LaSalle Street
Chicago, Illinois 60697

Quarterly Stock Price

		Quarter			
		First	Second	Third	Fourth
1997	High	27	34 3/8	35 15/16	36 11/16
	Low	23 1/2	23 1/4	31 7/16	31 9/16
	Close	23 1/2	33	33 3/8	34 7/8
1996	High	27 5/8	27 3/8	26 1/8	26 3/4
	Low	24 1/4	25	19 7/8	22
	Close	25 7/8	25 3/8	22 1/8	26 5/8

EXHIBIT 21

SUBSIDIARIES OF IDEX CORPORATION
December 31, 1997

SUBSIDIARY	JURISDICTION OF INCORPORATION	OTHER NAME WHICH DOING BUSINESS IF ANY
BAND-IT-IDEX, INC.	DELAWARE	
BAND-IT COMPANY LTD.	UNITED KINGDOM	
BAND-IT CLAMPS (ASIA) PTE. LTD.	SINGAPORE	
BAND-IT R.S.A. (PTY) LTD.	REP. OF S. AFRICA 51% OWNED	
CORKEN, INC.	DELAWARE	
FMI MANAGEMENT COMPANY	DELAWARE	
FLUID MANAGEMENT, INC.	DELAWARE	
FLUID MANAGEMENT EUROPE B.V.	NETHERLANDS	
FLUID MANAGEMENT U.K. LTD.	UNITED KINGDOM	
FLUID MANAGEMENT FRANCE SARL	FRANCE	
FLUID MANAGEMENT ESPNANA SLU	SPAIN	
FLUID MANAGEMENT SCANDINAVIA AB	SWEDEN	
FLUID MANAGEMENT GmbH	GERMANY	
FLUID MANAGEMENT AUSTRALIA PTY.LTD.	AUSTRALIA	
FLUID MANAGEMENT SERVICES, INC.		
FLUID MANAGEMENT CANADA	CANADA	
FLUID MANAGEMENT SERVICES e VENDES	BRAZIL	
HALE PRODUCTS, INC.	PENNSYLVANIA	
HALE PRODUCTS EUROPE GmbH	GERMANY	
GODIVA PRODUCTS LTD.	UNITED KINGDOM	
SEITHAL LIMITED	UNITED KINGDOM	
GODIVA GROUP LTD.	UNITED KINGDOM	
GINSWAT LTD.	HONG KONG	
HALE PRODUCTS BET. GmbH	GERMANY	
LUKAS HYDRAULIK VER. GmbH		
LUKAS HYDRAULIK GmbH	GERMANY	
LUBRIQUIP, INC.	DELAWARE	
KLS ILUBRIQUIP, INC.	WISCONSIN	
MICROPUMP, INC.	DELAWARE	
MICROPUMP LIMITED	UNITED KINGDOM	
PULSAFEEDER, INC.	DELAWARE	
PULSAFEEDER PTE. LTD.	SINGAPORE	
KNIGHT INC.	DELAWARE	
KNIGHT EQUIPMENT AUSTRALIA PTY LTD	AUSTRALIA	
KNIGHT EQUIPMENT (CANADA) LTD	CANADA	
KNIGHT INTERNATIONAL B.V.	NETHERLANDS	
KNIGHT EQUIPMENT INTL. B.V.	NETHERLANDS	
SIGNFIX HOLDINGS LIMITED	UNITED KINGDOM	
SIGNFIX LIMITED	UNITED KINGDOM	
TESPA FRANCE SARL	FRANCE	
TESPA GmbH	GERMANY	
STRIPPIT, INC.	DELAWARE	BURGMASTER
STRIPPIT LIMITED	UNITED KINGDOM	
VIBRATECH, INC.	DELAWARE	

SUBSIDIARIES OF IDEX CORPORATION
December 31, 1997

SUBSIDIARY	JURISDICTION OF INCORPORATION	OTHER NAME WHICH DOING BUSINESS IF ANY
VIKING PUMP, INC.	DELAWARE	
VIKING PUMP INTERNATIONAL, INC.	DELAWARE	
VIKING PUMP (EUROPE) LTD.	IRELAND	
JOHNSON PUMP (UK) LTD.	UNITED KINGDOM	
VIKING PUMP OF CANADA, INC.	ONTARIO	
VIKING PUMP LATIN AMERICA S.A. DE C.V.	MEXICO	
WARREN RUPP, INC.	DELAWARE	MARATHON PUMP COMPANY
WARREN RUPP (EUROPE) LTD.	IRELAND	
BLAGDON PUMP LTD	UNITED KINGDOM	
IDEX FOREIGN SALES CORP.	BARBADOS	

EXHIBIT 24

INDEPENDENT AUDITORS' CONSENT

IDEX Corporation

We consent to the incorporation by reference in Registration Statement (File Number 333-41627) of IDEX Corporation on Form S-3 and in Registration Statements (File Numbers 33-47678, 33-56586, 33-67688 and 333-18643) of IDEX Corporation on Form S-8 of our reports dated January 20, 1998, appearing in and incorporated by reference in this Annual Report on Form 10-K of IDEX Corporation for the year ended December 31, 1997, and to the reference to us under the heading "Experts" in the Prospectus Supplement, which is part of the Registration Statement on Form S-3.

DELOITTE & TOUCHE LLP
Chicago, Illinois

February 6, 1998

YEAR
DEC-31-1997
JAN-01-1997
DEC-31-1997
11,771
0
83,327
2,561
84,240
197,267
197,316
108,688
599,193
77,801
258,417
0
0
292
238,379
599,193
552,163
552,163
329,806
448,568
(693)
1,315
18,398
84,504
31,029
53,476
5,151
0
0
58,626
1.95
0