FORM 10-Q

IDEX CORP /DE/ - iex

Filed: November 03, 2004 (period: September 30, 2004)

Quarterly report which provides a continuing view of a company's financial position

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2004

OR

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

COMMISSION FILE NUMBER 1-10235

IDEX CORPORATION
(Exact Name of Registrant as Specified in its Charter)

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

Registrant's telephone number: (847) 498-7070

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 whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes [X] No [ ]

Number of shares of common stock of IDEX Corporation outstanding as of October 31, 2004: 50,631,365 (net of treasury shares).

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

IDEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS EXCEPT SHARE AND PER SHARE AMOUNTS)
(UNAUDITED)

	SEPTEMBER 30, 2004	DECEMBER 31, 2003
ASSETS		
Current assets		
Cash and cash equivalents	$ 6,360	$ 8,552
Receivables - net	126,781	101,859
Inventories	124,688	105,304
Other current assets	7,150	8,781
Total current assets	264,979	224,496
Property, plant and equipment - net	151,900	147,095
Goodwill - net	700,038	559,008
Intangible assets - net	29,245	19,401
Other noncurrent assets	16,227	10,739
Total assets	$ 1,162,389	$ 960,739
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable	$ 71,445	$ 56,252
Dividends payable	6,074	4,622
Accrued expenses	71,912	54,807
Total current liabilities	149,431	115,681
Long-term debt	264,252	176,546
Other noncurrent liabilities	87,886	76,410
Total liabilities	501,569	368,637
Shareholders' equity		
Common stock, par value $.01 per share		
Shares issued and outstanding: 2004 - 50,746,308; 2003 - 49,613,328	507	496
Additional paid-in capital	224,687	198,000
Retained earnings	422,576	375,629
Minimum pension liability adjustment	(12,481)	(12,481)
Accumulated translation adjustment	35,022	35,892
Treasury stock, at cost: 2004 - 175,650; 2003 - 134,228	(4,209)	(2,903)
Unearned compensation on restricted stock	(5,282)	(2,531)
Total shareholders' equity	660,820	592,102
Total liabilities and shareholders' equity	$ 1,162,389	$ 960,739

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	THIRD QUARTER ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2004	2003	2004	2003
Net sales	$ 237,557	$197,314	$ 685,747	$599,959
Cost of sales	142,568	121,136	411,105	367,355
Gross profit	94,989	76,178	274,642	232,604
Selling, general and administrative expenses	55,028	47,235	163,581	150,703
Operating income	39,961	28,943	111,061	81,901
Other (expense) income - net	(384)	5	(608)	366
Income before interest expense and income taxes	39,577	28,948	110,453	82,267
Interest expense	3,856	3,352	10,911	10,721
Income before income taxes	35,721	25,596	99,542	71,546
Provision for income taxes	12,502	9,087	35,797	25,399
Net income	$ 23,219	$ 16,509	$ 63,745	$ 46,147
Basic earnings per common share	$ .46	$ .34	$ 1.28	$ .95
Diluted earnings per common share	$ .44	$ .33	$ 1.23	$ .93
Share data:				
Basic weighted average common shares outstanding	50,293	48,992	49,943	48,668
Diluted weighted average common shares outstanding	52,400	50,460	51,837	49,749

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED SHAREHOLDERS' EQUITY
(IN THOUSANDS EXCEPT SHARE AND PER SHARE AMOUNTS)
(UNAUDITED)

	COMMON STOCK & ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	MINIMUM PENSION LIABILITY ADJUSTMENT	ACCUMULATED TRANSLATION ADJUSTMENT	TREASURY STOCK	UNEARNED COMPENSATION ON RESTRICTED STOCK	TOTAL SHAREHOLDERS' EQUITY
Balance, December 31, 2003	$ 198,496	$ 375,629	$(12,481)	$35,892	$(2,903)	$(2,531)	$592,102
Net income		63,745					63,745
Other comprehensive income							
Unrealized translation adjustment				(870)			(870)
Other comprehensive income				(870)			(870)
Comprehensive income		63,745		(870)			62,875
Issuance of 988,047 shares of common stock from exercise of stock options and deferred compensation plans	22,327						22,327
Issuance of restricted stock	4,371					(4,371)	-
Amortization of restricted stock						1,620	1,620
Restricted shares surrendered for tax withholdings					(1,306)		(1,306)
Cash dividends declared - $.33 per common share outstanding		(16,798)					(16,798)
Balance, September 30, 2004	$ 225,194	$ 422,576	$(12,481)	$35,022	$(4,209)	$(5,282)	$660,820

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES
CONSOLIDATED CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	NINE MONTHS ENDED SEPTEMBER 30, 2004	NINE MONTHS ENDED SEPTEMBER 30, 2003
Cash flows from operating activities		
Net income	$ 63,745	$ 46,147
Adjustments to reconcile to net cash from operating activities:		
Depreciation and amortization	21,252	20,976
Amortization of intangibles	463	487
Amortization of unearned compensation	1,620	1,424
Amortization of debt issuance expenses	435	435
Deferred income taxes	6,250	5,678
Changes in:		
Receivables - net	(18,217)	(3,195)
Inventories	(9,018)	2,798
Trade accounts payable	13,591	3,419
Accrued expenses	14,085	9,009
Other - net	(27)	3,102
Net cash flows from operating activities	94,179	90,280
Cash flows from investing activities		
Additions to property, plant and equipment	(14,805)	(13,614)
Acquisition of businesses, net of cash acquired	(171,220)	(22,163)
Other - net	345	3,326
Net cash flows from investing activities	(185,680)	(32,451)
Cash flows from financing activities		
Borrowings under credit facilities for acquisitions	171,220	22,163
Net repayments under credit facilities	(81,187)	(67,973)
Repayments of other long-term debt	(37)	(4,402)
Dividends paid	(15,345)	(13,679)
Proceeds from stock option exercises	18,439	10,853
Other - net	(3,781)	(3,580)
Net cash flows from financing activities	89,309	(56,618)
Net (decrease) increase in cash	(2,192)	1,211
Cash and cash equivalents at beginning of year	8,552	6,952
Cash and cash equivalents at end of period	$ 6,360	$ 8,163
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for:		
Interest	$ 12,951	$ 12,908
Income taxes	19,286	9,409

See Notes to Consolidated Financial Statements.

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

1. BUSINESS SEGMENTS

Information on IDEX's business segments is presented below, based on the nature of products and services offered. IDEX evaluates performance based on several factors, of which operating income is the primary financial measure. Intersegment sales are accounted for at fair value as if the sales were to third parties.

	THIRD QUARTER ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2004	2003	2004	2003
Net sales				
Pump Products:				
External customers	$ 141,526	$ 114,161	$ 395,317	$ 336,881
Intersegment sales	832	745	2,222	2,166
Total group sales	142,358	114,906	397,539	339,047
Dispensing Equipment:				
External customers	40,028	36,791	127,545	123,556
Intersegment sales	-	-	1	1
Total group sales	40,028	36,791	127,546	123,557
Other Engineered Products:				
External customers	56,003	46,362	162,885	139,522
Intersegment sales	2	2	4	4
Total group sales	56,005	46,364	162,889	139,526
Intersegment elimination	(834)	(747)	(2,227)	(2,171)
Total net sales	$ 237,557	$ 197,314	$ 685,747	$ 599,959
Operating income				
Pump Products	$ 26,284	$ 18,649	$ 68,234	$ 50,436
Dispensing Equipment	7,348	5,878	26,590	20,587
Other Engineered Products	12,501	8,660	34,052	24,581
Corporate office and other	(6,172)	(4,244)	(17,815)	(13,703)
Total operating income	$ 39,961	$ 28,943	$ 111,061	$ 81,901

2. ACQUISITIONS

On January 6, 2004, the company acquired Manfred Vetter GmbH, based in Zulpich, Germany. Vetter, with annual sales of approximately $15 million, designs and manufactures pneumatic lifting and sealing bags for vehicle and air rescue, environmental protection, industrial maintenance, and disaster recovery and control. Vetter operates as part of our Hale business unit within the Other Engineered Products Group. IDEX acquired Vetter for an initial purchase price of $40.6 million, with financing provided by borrowings under the company's credit facilities. This acquisition also contained a purchase price adjustment, which was settled for $4.2 million in July 2004.

On April 28, 2004, the company acquired Systec, Inc., based in New Brighton, Minnesota. Systec, with annual sales of approximately $9 million, designs and manufactures vacuum degassing products for the analytical chemistry instrumentation market. Degassing of fluids is critical to the instrumentation and analytical chemistry markets since dissolved gasses within a given fluid can be detrimental to the accuracy of test results. Systec operates as part of our Rheodyne business unit within IDEX's Pump Products Group. IDEX acquired Systec for an aggregate purchase price of $22.4 million, with financing provided by borrowings under the company's credit facilities.

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

On May 24, 2004, the company completed its acquisition of Scivex, Inc., a leading provider of fluidic components and systems for the analytical, biotechnology and diagnostic instrumentation markets. Scivex, with annual sales of approximately $31 million, operates Upchurch Scientific in Oak Harbor, Washington and Sapphire Engineering in Pocasset, Massachusetts. Scivex is being operated as a stand-alone business in IDEX's Pump Products Group. IDEX acquired Scivex for an aggregate purchase price of $98.7 million, with financing provided by borrowings under the company's credit facilities.

On July 19, 2004, the company acquired Tianjin Dinglee Machine and Motor Co., Ltd., based in Tianjin, China, outside of Beijing. Dinglee, which operates as part of our Hale business unit within the Other Engineered Products Group, is a leading manufacturer of rescue tools in the Chinese rescue tool market. IDEX acquired Dinglee for an aggregate purchase price of $4.2 million, with financing provided by borrowings under the company's credit facilities.

The company does not consider any of the acquisitions, individually or in aggregate, to be material to its results of operations, financial position, or cash flows for any of the periods presented.

3. EARNINGS PER COMMON SHARE

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 outstanding (diluted) during the period. Common stock equivalents consist of stock options, which have been included in the calculation of weighted average shares outstanding using the treasury stock method, unvested restricted shares, and shares issuable in connection with certain deferred compensation agreements (DCUs). Basic weighted average shares reconciles to diluted weighted average shares as follows:

	THIRD QUARTER ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2004	2003	2004	2003
Basic weighted average common shares outstanding	50,293	48,992	49,943	48,668
Dilutive effect of stock options, unvested restricted shares, and DCUs	2,107	1,468	1,894	1,081
Diluted weighted average common shares outstanding	52,400	50,460	51,837	49,749

4. INVENTORIES

The components of inventories as of September 30, 2004 and December 31, 2003 were:

	SEPTEMBER 30, 2004	DECEMBER 31, 2003
Raw materials..	$ 51,516	$ 38,998
Work-in-process..	14,609	13,651
Finished goods...	58,563	52,655
Total..	$ 124,688	$ 105,304

Inventories carried on a LIFO basis amounted to $103,955 and $90,812 at September 30, 2004 and December 31, 2003, respectively. The impact on earnings of using the LIFO method is not material.

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

5. COMMON AND PREFERRED STOCK

On April 22, 2004, the company's Board of Directors authorized a three-for-two common stock split effected in the form of a 50% dividend paid on May 28, 2004, to shareholders of record on May 14, 2004. Par value of common stock remained at $.01 per share. All prior share and per share amounts have been restated to reflect the stock split.

The company had five million shares of preferred stock authorized but unissued at September 30, 2004 and December 31, 2003.

6. STOCK OPTIONS

The company uses the intrinsic-value method of accounting for stock option awards as prescribed by Accounting Principles Bulletin No. 25 and, accordingly, does not recognize compensation expense for its stock option awards in the Consolidated Statements of Operations. The following table reflects pro-forma net income and net income per common share had the company elected to adopt the fair value approach of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation."

	THIRD QUARTER ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2004	2003	2004	2003
Net income				
As reported	$ 23,219	$ 16,509	$ 63,745	$ 46,147
Pro forma	$ 21,833	$ 15,316	$ 59,776	$ 42,565
Basic EPS				
As reported	$ .46	$ .34	$ 1.28	$ .95
Pro forma	$ .43	$ .31	$ 1.20	$ .87
Diluted EPS				
As reported	$ .44	$ .33	$ 1.23	$ .93
Pro forma	$ .42	$ .30	$ 1.15	$ .86

7. RETIREMENT BENEFITS

The company sponsors several qualified and nonqualified defined benefit and defined contribution pension plans and other postretirement plans for its employees. The following tables provide the components of net periodic benefit cost for its major defined benefit plans and its other postretirement plans.

	PENSION BENEFITS			
	THIRD QUARTER ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2004	2003	2004	2003
Service cost	$ 1,078	$ 941	$ 3,216	$ 2,769
Interest cost	1,270	1,175	3,797	3,459
Expected return on plan assets	(1,379)	(862)	(4,141)	(2,537)
Net amortization	791	803	2,377	2,365
Net periodic benefit cost	$ 1,760	$ 2,057	$ 5,249	$ 6,056

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	OTHER BENEFITS			
	THIRD QUARTER ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2004	2003	2004	2003
Service cost	$ 107	$ 88	$ 304	$ 279
Interest cost	250	284	797	901
Net amortization	(9)	(8)	49	(26)
Net periodic benefit cost...	$ 348	$ 364	$1,150	$ 1,154

The company previously disclosed in its financial statements for the year ended December 31, 2003, that it expected to contribute approximately $9.0 million to these pension plans and $.7 million to its other postretirement benefit plans in 2004. As of September 30, 2004, $9.2 million of contributions have been made to the pension plans and $.3 million has been made to its other postretirement benefit plans. The company presently anticipates contributing an additional $.3 million and $.1 million to fund the pension plans and other postretirement benefit plans, respectively, in 2004 for a total of $9.5 million and $.4 million.

The provisions of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Act) have not been taken into account in the determination of IDEX's accumulated postretirement benefit obligation or net periodic benefit cost. The company does not expect that the effects of the Act will have a material impact on its results of operations, financial condition or cash flows.

8. LEGAL PROCEEDINGS

IDEX is a party to various legal proceedings arising in the ordinary course of business, none of which is expected to have a material adverse effect on its business, financial condition or results of operations.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

HISTORICAL OVERVIEW AND OUTLOOK

IDEX Corporation sells a broad range of pump products, dispensing equipment and other engineered products to a diverse customer base in the United States and other countries around the world. Accordingly, our businesses are affected by levels of industrial activity and economic conditions in the U.S. and in other countries where our products are sold and by the relationship of the U.S. dollar to other currencies. Levels of capacity utilization and capital spending in certain industries are among the factors that influence the demand for our products.

We have a history of achieving above-average operating margins. Our operating margins have exceeded the average operating margin for the companies that comprise the Value Line Composite Index (VLCI) every year since 1988. We view the VLCI operating performance statistics as a proxy for an average industrial company. Our operating margins are influenced by, among other things, utilization of facilities as sales volumes change and the inclusion of newly acquired businesses. Newly acquired businesses may have lower operating margins than the company's operating margins.

For the three and nine months ended September 30, 2004, we reported higher orders, sales, operating income, net income and diluted earnings per share as compared with the same period of last year. We are encouraged by the company's financial and operating performance during the quarter and the first nine months of 2004. Improving economic conditions and global demand enabled our business units to deliver record levels of sales and earnings for both the quarter and first nine months of the year. The quarter reflected our 11th consecutive quarter of year-over-year gross margin expansion, our ninth consecutive quarter of year-over-year earnings growth, and our eighth consecutive quarter of year-over-year growth in base business sales. All three of our segments experienced organic growth led by our Pump Products business.

The following forward-looking statements are qualified by the cautionary statement under the Private Securities Litigation Reform Act set forth below. Business conditions in the quarter improved from the prior year and our performance in subsequent quarters will depend on the strength of the economic recovery. As a short-cycle business, our performance is reliant upon the current pace of incoming orders. Although we have limited visibility on future business conditions, we believe IDEX is well positioned for earnings growth as the economy improves, based on our lower cost levels resulting from our operational excellence initiatives. At the same time, we continue to invest in new products, applications and global markets, while pursuing strategic acquisitions to drive longer term profitable growth.

CAUTIONARY STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT

The "Historical Overview and Outlook" and the "Liquidity and Capital Resources" sections of this management's discussion and analysis of our operations contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended. These statements may relate to, among other things, capital expenditures, cost reductions, cash flow, and operating improvements and are indicated by words or phrases such as "anticipate," "estimate," "plans," "expects," "projects," "should," "will," "management believes," "the company believes," "we believe," "the company intends" and similar words or phrases. These statements are subject to inherent uncertainties and risks that could cause actual results to differ materially from those anticipated at the date of this filing. The risks and uncertainties include, but are not limited to, the following: economic and political consequences resulting from terrorist attacks and wars; levels of industrial activity and economic conditions in the U.S. 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 our order rates and results, particularly in light of the low levels of order backlogs we typically maintain; our ability to make acquisitions and to integrate and operate acquired businesses on a profitable basis; the relationship of the U.S. dollar to other currencies and its impact on pricing and cost competitiveness; political and economic conditions in foreign countries in which we operate; interest rates; capacity utilization and the effect this has on costs; labor markets; market conditions and material costs; and developments with respect to contingencies, such as litigation and environmental matters. The forward-looking statements included here are only made as of the date of this report, and we undertake no obligation to publicly update them to reflect subsequent events or circumstances. Investors are cautioned not to rely unduly on forward-looking statements when evaluating the information presented here.

RESULTS OF OPERATIONS

For purposes of this discussion and analysis section, reference is made to the table on the following page and the company's Consolidated Statements of Operations included in the Financial Statements section. IDEX consists of three reporting groups: Pump Products, Dispensing Equipment and Other Engineered Products.

PERFORMANCE IN THE THREE MONTHS ENDED SEPTEMBER 30, 2004 COMPARED TO THE SAME PERIOD OF 2003

For the three months ended September 30, 2004, orders, sales and profits were higher than the comparable third quarter of last year. New orders totaled $235.0 million, 21% higher than the same period last year. Excluding the impact of foreign currency translation and the Sponsler (June 2003), Classic (September 2003), Vetter (January 2004), Systec (April 2004), Scivex (May 2004) and Dinglee (July 2004) acquisitions, orders were 9% higher than the third quarter of 2003.

Sales in the third quarter were $237.6 million, a 20% improvement from last year's third quarter as base business shipments grew 9%, foreign currency translation provided a 3% improvement and acquisitions accounted for an 8% increase. Base business sales grew 13% domestically and were up 4% internationally during the quarter. Sales to international customers from base businesses represented approximately 42% of total sales, compared with 44% in 2003.

For the quarter, the Pump Products Group contributed 60% of sales and 57% of operating income, the Dispensing Equipment Group accounted for 17% of sales and 16% of operating income, and the Other Engineered Products Group represented 23% of sales and 27% of operating income.

Pump Products Group sales of $142.4 million for the three months ended September 30, 2004 rose $27.5 million, or 24% compared with 2003, reflecting 11% base business growth, a 2% favorable impact from foreign currency translation, and an 11% increase due to the acquisitions of Sponsler, Classic, Systec and Scivex. In the third quarter of 2004, base business sales grew 12% domestically and 10% internationally. Base business sales to customers outside the U.S. were approximately 38% of total group sales in 2004 compared with 39% in 2003.

Dispensing Equipment Group sales of $40.0 million increased $3.2 million, or 9%, in the third quarter of 2004 compared with last year's third quarter. This increase was attributed to favorable foreign currency translation of 4% and a 5% increase in base business volume. In the third quarter of 2004, base business sales increased 14% domestically but decreased 1% internationally. Base business sales to customers outside the U.S. were approximately 60% of total group sales in the 2004 quarter, compared with 63% in 2003.

Other Engineered Products Group sales of $56.0 million increased by $9.6 million, or 21%, in the third quarter of 2004 compared with 2003. This increase reflects an 8% increase in base business volume, favorable foreign currency translation of 4% and a 9% increase due to the Vetter and Dinglee acquisitions. In the third quarter of 2004, base business sales increased 17% domestically, but declined 3% internationally. Base business sales to customers outside the U.S. were approximately 38% of total group sales in the 2004 quarter, compared with 42% in 2003.

IDEX CORPORATION AND SUBSIDIARIES
COMPANY AND BUSINESS GROUP FINANCIAL INFORMATION
(IN THOUSANDS)
(UNAUDITED)

	THIRD QUARTER ENDED SEPTEMBER 30, (1)		NINE MONTHS ENDED SEPTEMBER 30, (1)	
	2004	2003	2004	2003
Pump Products Group				
Net sales	$142,358	$114,906	$397,539	$339,047
Operating income (2)	26,284	18,649	68,234	50,436
Operating margin	18.5%	16.2%	17.2%	14.9%
Depreciation and amortization	$ 4,290	$ 4,139	$ 12,467	$ 12,630
Capital expenditures	3,234	3,796	9,835	9,083
Dispensing Equipment Group				
Net sales	$ 40,028	$ 36,791	$127,546	$123,557
Operating income (2)	7,348	5,878	26,590	20,587
Operating margin	18.4%	16.0%	20.8%	16.7%
Depreciation and amortization	$ 1,384	$ 1,390	$ 4,218	$ 4,459
Capital expenditures	545	582	1,961	1,655
Other Engineered Products Group				
Net sales	$ 56,005	$ 46,364	$162,889	$139,526
Operating income (2)	12,501	8,660	34,052	24,581
Operating margin	22.3%	18.7%	20.9%	17.6%
Depreciation and amortization	$ 1,546	$ 1,389	$ 4,649	$ 3,989
Capital expenditures	940	723	2,462	2,658
Company				
Net sales	$237,557	$197,314	$685,747	$599,959
Operating income	39,961	28,943	111,061	81,901
Operating margin	16.8%	14.7%	16.2%	13.7%
Depreciation and amortization (3) ...	$ 7,950	$ 7,520	$ 23,335	$ 22,887
Capital expenditures	5,046	5,207	14,805	13,614

(1) Includes acquisitions of Sponsler (June 2003), Classic Engineering (September 2003), Systec (April 2004) and Scivex (May 2004) in the Pump Products Group and Manfred Vetter (January 2004) and Tianjin Dinglee (July 2004) in the Other Engineered Products Group from the dates of acquisition.

(2) Group operating income excludes unallocated corporate operating expenses.

(3) Excludes amortization of debt issuance expenses.

Gross profit of $95.0 million in the third quarter of 2004 increased by $18.8 million, or 25%, from 2003. Gross profit as a percent of sales was 40.0% in 2004 and increased from 38.6% in 2003. The improved gross margins primarily reflected volume leverage and savings realized from the company's Global Sourcing, Six Sigma, Kaizen and Lean Manufacturing initiatives.

Selling, general and administrative expenses (SG&A) increased to $55.0 million in 2004 from $47.2 million in 2003 primarily due to acquisitions, and as a percent of sales was 23.2%, down from 23.9% in 2003.

Operating income increased by $11.1 million, or 38%, to $40.0 million in the third quarter of 2004 from $28.9 million in 2003, primarily reflecting the higher gross margins partially offset by the increased SG&A expenses. Third quarter operating margins were 16.8% of sales, 2.1 percentage points higher than the third quarter of 2003. The improvement from last year resulted from a 1.4 percentage point increase in gross margins and a .7 percentage point decrease in SG&A as a percent of sales. In the Pump Products Group, operating income of $26.3 million and operating margins of 18.5% in the third quarter of 2004 were up from the $18.6 million and 16.2% recorded in 2003 principally due to volume leverage and the impact of our operational excellence initiatives. Operating income for the Dispensing Equipment Group of $7.3 million and operating margins of 18.4% in the third quarter of 2004 were up from the $5.9 million and 16.0% in 2003 primarily due to the company's operational excellence initiatives, as well as volume improvement. Operating income in the Other Engineered Products Group of $12.5 million and operating margins of 22.3% in the third quarter of 2004 increased from $8.7 million and 18.7% achieved in 2003 and primarily reflected increased sales volume and the impact of operational excellence initiatives.

Other expense in the quarter was $.4 million and included approximately $.7 million of hurricane - related costs incurred at our Punta Gorda, Florida, pump manufacturing facility.

The provision for income taxes increased to $12.5 million in the third quarter of 2004 from $9.1 million in 2003. The effective tax rate decreased to 35.0% in 2004 from 35.5% in 2003 due to a favorable impact from research and development credits net of the resolution of certain tax matters.

Net income for the current quarter was $23.2 million, 41% higher than the $16.5 million earned in the third quarter of 2003. Diluted earnings per share in the third quarter of 2004 of $.44 increased $.11, or 33%, compared with the third quarter of 2003.

PERFORMANCE IN THE NINE MONTHS ENDED SEPTEMBER 30, 2004 COMPARED TO THE SAME PERIOD OF 2003

Orders, sales and profits were higher for the first nine months of 2004 compared with the same period last year. New orders for the first nine months of 2004 totaled $703.6 million, 16% higher than last year. Excluding the impact of foreign currency translation and acquisitions, orders were 8% higher than the comparable period of 2003.

Sales in the first nine months of 2004 increased 14% to $685.7 million from $600.0 million a year ago. Base business sales rose 5%, foreign currency translation added 3%, and acquisitions accounted for a 6% improvement. Base business sales grew 9% domestically and 2% internationally during the first nine months of 2004. For the first nine months of the year, base business sales to international customers were approximately 44% of total sales, versus 45% in 2003.

For the first nine months of 2004, the Pump Products Group contributed 58% of sales and 53% of operating income, the Dispensing Equipment Group accounted for 18% of sales and 21% of operating income, and the Other Engineered Products Group represented 24% of sales and 26% of operating income.

Pump Products Group sales of $397.5 million increased $58.5 million, or 17%, for the first nine months ended September 30, 2004 compared with 2003. Base business sales provided an 8% increase, acquisitions accounted for a 7% sales improvement and foreign currency translation added 2%. In the first nine months of 2004, base business sales grew 10% domestically and 6% internationally. Base business sales to customers outside the U.S. were approximately 38% of total group sales in the 2004 period versus 39% in 2003.

Dispensing Equipment Group sales of $127.5 million increased $4.0 million, or 3%, in the first nine months of 2004 compared with the same period in 2003. This increase was attributed to favorable foreign currency translation of 5%, offset by a 2% decrease in base business volume. In the first nine months of 2004, base business sales increased 2% domestically, but declined 5% internationally. Base business sales to customers outside the U.S. were approximately 63% of total group sales in the first nine months of 2004, compared with 64% in 2003.

Other Engineered Products Group sales of $162.9 million increased by $23.4 million, or 17%, in the first nine months of 2004 compared with 2003. This reflected a 6% increase in base business volume, a 4% improvement from foreign currency translation, and a 7% favorable impact from the Vetter and Dinglee acquisitions. In the first nine months of 2004, base business sales increased 12% domestically and were down less than 1% internationally. Base business sales to customers outside the U.S. were approximately 40% of total group sales in 2004, compared with 43% in 2003.

Gross profit of $274.6 million in the first nine months of 2004 increased by $42.0 million, or 18%, from 2003. Gross profit as a percent of sales was 40.1% in 2004 and increased from 38.8% in 2003. The improved gross margins primarily reflected volume leverage and savings realized from our Global Sourcing, Six Sigma, Kaizen and Lean Manufacturing initiatives.

Operating income increased by $29.2 million, or 36%, to $111.1 million in the first nine months of 2004 from $81.9 million in 2003, primarily reflecting the higher gross margins discussed above, partially offset by increased SG&A expenses. Operating margins for the first nine months of 2004 were 16.2% compared with 13.7% in the prior year period. The margin increase from last year was primarily due to volume leverage and the improvement in gross margins discussed above. In the Pump Products Group, operating income of $68.2 million and operating margins of 17.2% in 2004 were up from the $50.4 million and 14.9% recorded in 2003. Operating income for the Dispensing Equipment Group of $26.6 million and operating margins of 20.8% in 2004 were up from the $20.6 million and 16.7% in 2003. Operating income in the Other Engineered Products Group of $34.1 million and operating margins of 20.9% in 2004 increased from $24.6 million and 17.6% achieved in 2003.

SG&A increased to $163.6 million in the first nine months of 2004 from $150.7 million in 2003, and as a percent of sales was 23.9%, down from 25.1% in 2003. The increase in SG&A expenses reflected the cumulative impact of acquisitions made in 2004 and 2003, volume-related expenses and the deliberate reinvestment in the businesses to drive organic growth.

Other expense in the first nine months of 2004 of $.6 million was unfavorable compared with $.4 million of income in 2003. The $1.0 million variance was due to approximately $.7 million of hurricane-related costs incurred at our Punta Gorda, Florida, pump manufacturing facility.

The provision for income taxes increased to $35.8 million in the first nine months of 2004 from $25.4 million in 2003. The effective tax rate increased to 36.0% in 2004 from 35.5% in 2003 due to a greater proportion of income in higher tax jurisdictions, and the resolution of certain tax matters, net of a favorable impact from research and development credits.

Net income for the first nine months of 2004 was $63.7 million, 38% higher than the $46.1 million earned in the same period of 2003. Diluted earnings per share in the first nine months of 2004 of $1.23 increased $.30, or 32%, compared with the same period last year.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2004, working capital was $115.5 million and our current ratio was 1.8 to 1. Cash flows from operating activities increased $3.9 million, or 4%, to $94.2 million in 2004 mainly due to the improved operating results discussed above partially offset by higher working capital.

Cash flows provided from operations was more than adequate to fund capital expenditures of $14.8 million and $13.6 million in the first nine months of 2004 and 2003, respectively. Capital expenditures were generally for machinery and equipment that improved productivity and tooling to support IDEX's Global Sourcing initiatives, although a portion was for business system technology and replacement of equipment and facilities. Management believes that IDEX has ample capacity in its plants and equipment to meet expected needs for future growth in the intermediate term.

The company acquired Manfred Vetter in January 2004, Systec in April 2004, Scivex in May 2004 and Dinglee in July 2004 at a cost of $44.8 million, $22.4 million, $98.7 million and $4.2 million, respectively. All payments for acquisitions were financed under the company's credit facility.

In addition to the $150.0 million of 6.875% Senior Notes due February 15, 2008, the company also has a $300.0 million domestic multi-currency bank revolving credit facility (Credit Facility), which expires June 8, 2006. At September 30, 2004, the maximum amount available under the Credit Facility was $300.0 million, of which $66.0 million was borrowed, with outstanding letters of credit totaling $4.0 million. The Credit Facility contains a covenant that limits total debt outstanding to three times operating cash flow, as defined in the agreement. Our total debt outstanding was $264.3 million at September 30, 2004, and based on the covenant, total debt outstanding was limited to $533.7 million. Interest is payable quarterly on the outstanding balance at the agent bank's reference rate or at LIBOR plus an applicable margin and a utilization fee if the total borrowings exceed certain levels. The applicable margin is based on the credit rating of our Senior Notes, and can range from 25 basis points to 100 basis points. The utilization fee can range from zero to 25 basis points. On March 27, 2003, Standard & Poor's upgraded its corporate credit and senior unsecured debt ratings on IDEX to BBB from BBB-. As a result of this change, at September 30, 2004, the applicable margin was 57.5 basis points and the utilization fee was zero. We also pay an annual fee of 17.5 basis points on the total Credit Facility.

In December 2001, we, and certain of our subsidiaries, entered into a one-year, renewable agreement with a financial institution, under which we collateralized certain receivables for borrowings (Receivables Facility). This agreement was renewed in December 2003 for another year. The Receivables Facility provides for borrowings of up to $25.0 million, depending upon the level of eligible receivables. At September 30, 2004, $25.0 million was borrowed and included in long-term debt at an interest rate of approximately 1.9%.

We also have a $30.0 million demand line of credit (Short-Term Facility), which expires May 20, 2005. Borrowings under the Short-Term Facility are at LIBOR plus the applicable margin in effect under the Credit Facility. At September 30, 2004, $13.0 million was borrowed and included in long-term debt at an interest rate of approximately 2.4%.

We believe the company will generate sufficient cash flow from operations for the next 12 months and in the long term to meet its operating requirements, interest on all borrowings, required debt repayments, any authorized share repurchases, planned capital expenditures, and annual dividend payments to holders of common stock. Since we began operations in January 1988 and through September 30, 2004, we have borrowed approximately $1,077.0 million under our various credit agreements to complete 28 acquisitions. During the same period we generated, principally from operations, cash flow of $978.0 million to reduce indebtedness. In the event that suitable businesses are available for acquisition upon terms acceptable to the Board of Directors, we may obtain all or a portion of the financing for the acquisitions through the incurrence of additional long-term debt.

Our contractual obligations and commercial commitments include rental payments under operating leases, payments under capital leases, and other long-term obligations arising in the ordinary course of business. We have no off-balance sheet arrangements or material long-term purchase obligations. There are no identifiable events or uncertainties, including the lowering of our credit rating, that would accelerate payment or maturity of any of these commitments or obligations.

CRITICAL ACCOUNTING ESTIMATES

We believe that the application of the following accounting policies, which are important to our financial position and results of operations, requires significant judgments and estimates on the part of management. For a summary of all of our accounting policies, including the accounting policies discussed below, see Note 1 of the Notes to Consolidated Financial Statements in our 2003 Annual Report on Form 10-K.

Revenue recognition - We recognize revenue from products sales when title passes and the risks of ownership have passed to the customer, based on the terms of the sale. Our customary terms are FOB shipping point. We estimate and record provisions for sales returns, sales allowances and original warranties in the period the related products are sold, in each case based on our historical experience. To the extent actual results differ from these estimated amounts, results could be adversely affected.

Noncurrent assets - The company evaluates the recoverability of certain noncurrent assets utilizing various estimation processes. In particular, the recoverability of September 30, 2004 balances for goodwill and intangible assets of $700.0 million and $29.2 million, respectively, are subject to estimation processes, which depend on the accuracy of underlying assumptions, including future operating results. The company evaluates the recoverability of each of these assets based on estimated business values and estimated future cash flows (derived from estimated earnings and cash flow multiples). The recoverability of these assets depends on the reasonableness of these assumptions and how they compare with the eventual operating performance of the specific businesses to which the assets are attributed. To the extent actual business values or cash flows differ from those estimated amounts, the recoverability of these noncurrent assets could be affected.

Income taxes - Deferred taxes are recognized for the future tax effects of temporary differences between financial and income tax reporting using tax rates in effect for the years in which the differences are expected to reverse. Federal income taxes are provided on that portion of the income of foreign subsidiaries that is expected to be remitted to the United States and be taxable. The management of the company periodically estimates the company's probable tax obligations using historical experience in tax jurisdictions and informed judgments. To the extent actual results differ from these estimated amounts, results could be adversely affected.

Contingencies and litigation - We are currently involved in certain legal and regulatory proceedings and, as required and where it is reasonably possible to do so, have accrued our estimates of the probable costs for the resolution of these matters. These estimates have been developed in consultation with outside counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future operating results for any particular quarterly or annual period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings.

Defined benefit retirement plans - The plan obligations and related assets of defined benefit retirement plans are presented in Note 14 of the Notes to Consolidated Financial Statements in the 2003 Annual Report on Form 10-K. Plan assets, which consist primarily of marketable equity and debt instruments, are valued using market quotations. Plan obligations and the annual pension expense are determined by consulting actuaries using a number of assumptions. Key assumptions in measuring the plan obligations include the discount rate at which the obligation could be effectively settled and the anticipated rate of future salary increases. Key assumptions in the determination of the annual pension expense include the discount rate, the rate of salary increases, and the estimated future return on plan assets. To the extent actual amounts differ from these assumptions and estimated amounts, operating results could be adversely affected.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are subject to market risk associated with changes in interest rates and foreign currency exchange rates. Interest rate exposure is limited to the $264.3 million of total debt outstanding at September 30, 2004. Approximately 43% of the debt is priced at interest rates that float with the market. A 50 basis point movement in the interest rate on the floating rate debt would result in an approximate $.6 million annualized increase or decrease in interest expense and cash flows. The remaining debt is fixed rate debt. We will, from time to time, enter into interest rate swaps on our debt when we believe there is a financial advantage for doing so. A treasury risk management policy, adopted by the Board of Directors, describes the procedures and controls over derivative financial and commodity instruments, including interest rate swaps. Under the policy, we do not use derivative financial or commodity instruments for trading purposes, and the use of these instruments is subject to strict approvals by senior officers. Typically, the use of derivative instruments is limited to interest rate swaps on the company's outstanding long-term debt.

Our foreign currency exchange rate risk is limited principally to the euro and British pound. We manage our foreign exchange risk principally through invoicing our customers in the same currency as the source of our products. As a result, the company's exposure to any movement in foreign currency exchange rates is immaterial to the Consolidated Statements of Operations.

At December 31, 2003, the company had a foreign currency contract that it entered into in anticipation of the funding of the January 2004 purchase of Manfred Vetter.

ITEM 4. CONTROLS AND PROCEDURES.

The company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), the company carried out an evaluation, under the supervision and with the participation of the company's management, including the company's Chief Executive Officer and the company's Chief Financial Officer, of the effectiveness of the design and operation of the company's disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, the company's Chief Executive Officer and Chief Financial Officer concluded that the company's disclosure controls and procedures were effective at the reasonable assurance level.

There has been no change in the company's internal controls over financial reporting during the company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the company's internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

IDEX and nine of its subsidiaries have been named as defendants in a number of lawsuits claiming various asbestos-related personal injuries, allegedly as a result of exposure to products manufactured with components that contained asbestos. Such components were acquired from third party suppliers, and were not manufactured by any of the subsidiaries. To date, all of the company's settlements and legal costs, except for costs of coordination, administration, insurance investigation and a portion of defense costs, have been covered in full by insurance subject to applicable deductibles. However, the company cannot predict whether and to what extent insurance will be available to continue to cover such settlements and legal costs, or how insurers may respond to claims that are tendered to them.

Claims have been filed in Alabama, California, Connecticut, Georgia, Illinois, Louisiana, Massachusetts, Michigan, Mississippi, Nevada, New Jersey, New York, Ohio, Pennsylvania, Texas, Utah, Washington and Wyoming. Most of the claims resolved to date have been dismissed without payment. The balance have been settled for reasonable amounts. Only one case has been tried, resulting in a verdict for the company's business unit.

No provision has been made in the financial statements of the company, other than for insurance deductibles in the ordinary course, and IDEX does not currently believe the asbestos-related claims will have a material adverse effect on the company's business or financial position.

IDEX is also party to various other legal proceedings arising in the ordinary course of business, none of which is expected to have a material adverse effect on its business, financial condition or results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs (1)
July 1, 2004 to July 31, 2004	-	-	-	2,240,250
August 1, 2004 to August 31, 2004	-	-	-	2,240,250
September 1, 2004 to September 30, 2004	-	-	-	2,240,250

(1) On October 20, 1998, IDEX's Board of Directors authorized the repurchase of up to 2.25 million shares of its common stock, either at market prices or on a negotiated basis as market conditions warrant.

ITEM 5. OTHER INFORMATION.

There has been no material change to the procedures by which security holders may recommend nominees to the company's board.

ITEM 6. EXHIBITS.

The exhibits listed in the accompanying "Exhibit Index" are filed as part of this report.

SIGNATURES

Pursuant to the requirements 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.

IDEX CORPORATION

November 3, 2004 /s/ DOMINIC A. ROMEO

Dominic A. Romeo
Vice President and Chief Financial Officer
(duly authorized principal financial officer)

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
3.1	Restated Certificate of Incorporation of IDEX Corporation (formerly HI, Inc.) (incorporated by reference to Exhibit No. 3.1 to the Registration Statement on Form S-1 of IDEX, et al., Registration No. 33-21205, as filed on April 21, 1988)
3.1(a)	Amendment to Restated Certificate of Incorporation of IDEX Corporation (formerly HI, Inc.), (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 Corporation (incorporated by reference to Exhibit No. 3.2 to Post-Effective Amendment No. 2 to the Registration Statement on Form S-1 of IDEX, 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 Corporation (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, et al., Registration No. 33-21205, as filed on February 12, 1990)
4.1	Restated Certificate of Incorporation and By-Laws of IDEX Corporation (filed as Exhibits No. 3.1 through 3.2 (a))
4.2	Indenture, dated as of February 23, 1998, between IDEX Corporation, and Norwest Bank Minnesota, National Association, as Trustee, relating to the 6-7/8% Senior Notes of IDEX Corporation due February 15, 2008 (incorporated by reference to Exhibit No. 4.1 to the Current Report of IDEX on Form 8-K dated February 23, 1998, Commission File No. 1-10235)
4.3	Specimen Senior Note of IDEX Corporation (incorporated by reference to Exhibit No. 4.1 to the Current Report of IDEX on Form 8-K dated February 23, 1998, Commission File No. 1-10235)
4.4	Specimen Certificate of Common Stock of IDEX Corporation (incorporated by reference to Exhibit No. 4.3 to the Registration Statement on Form S-2 of IDEX, et al., Registration No. 33-42208, as filed on September 16, 1991)
4.5	Credit Agreement, dated as of June 8, 2001, among IDEX Corporation, Bank of America N.A. as Agent and Issuing Bank, and the Other Financial Institutions Party Hereto (incorporated by reference to Exhibit No. 4.5 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 2001, Commission File No. 1-10235)
4.6	Credit Lyonnais Uncommitted Line of Credit, dated as of December 3, 2001 (incorporated by reference to Exhibit 4.6 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2001, Commission File No. 1-10235)
4.6(a)	Amendment No. 3 dated as of May 21, 2004 to the Credit Lyonnais Uncommitted Line of Credit Agreement dated December 3, 2001 (incorporated by reference to Exhibit 4.6 (b) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 2004, Commission File No. 1-10235)
4.7	Receivables Purchase Agreement dated as of December 20, 2001 among IDEX Receivables Corporation, as Seller, IDEX Corporation, as Servicer, Falcon Asset Securitization Corporation, the Several Financial Institutions from Time to Time Party Hereto, and Bank One, NA (Main Office Chicago), as Agent (incorporated by reference to Exhibit 4.7 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2001, Commission File No. 1-10235)
4.7(a)	Second Amended and Restated Fee Letter dated as of December 17, 2003 of the Receivables Purchase Agreement dated as of December 20, 2001 (incorporated by reference to Exhibit 4.7 (a) to the Annual Report of IDEX on Form 10-K for the year ended December 31, 2003, Commission File No. 1-10235)

EXHIBIT NUMBER	DESCRIPTION
*10.1**	Employment Agreement between IDEX Corporation and Lawrence D. Kingsley, dated July 21, 2004
*31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a)
*31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a)
*32.1	Certification pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code
*32.2	Certification pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code

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* Filed herewith

** Management contract or compensatory plan or agreement

EMPLOYMENT AGREEMENT

THIS AGREEMENT, dated as of July 21, 2004, is between IDEX CORPORATION, a Delaware corporation with its executive offices at 630 Dundee Road, Suite 400, Northbrook, Illinois 60062 (the "Corporation"), and LAWRENCE D. KINGSLEY, an individual residing at 3870 Woods End, Long Grove, Illinois 60047 (the "Executive").

RECITALS:

A. The Executive will be employed as the Chief Operating Officer of the Corporation.

B. The Corporation and the Executive desire to set forth the terms upon which the Executive will be employed by the Corporation.

NOW, THEREFORE, in consideration of the promises and of the covenants contained in this Agreement, the Corporation and the Executive agree as follows:

1. DEFINITIONS. The following definitions apply for purposes of this Agreement.

(a) "Board of Directors" or "Board" means the Board of Directors of the Corporation.

(b) "Cause" means that any of the following conditions exist:

(i) The Executive's failure to perform his material duties under this Agreement (other than as a result of his Disability) if such failure, if curable, is not cured within 30 days after written notice is provided to the Executive.

(ii) The Executive's breach of his fiduciary duty to the Corporation.

(iii) The Executive's indictment under the laws of the United States, or any state thereof, for a (i) civil offense which is injurious to the business reputation of the Corporation or (ii) criminal offense.

(iv) Breach by the Executive of any material provision of this Agreement or of any policy of the Corporation if such breach, if curable, is not cured within 15 days after written notice is provided to the Executive.

(c) A "Change in Control " means the occurrence of (i) any transaction or series of transactions which within a 12-month period constitute a change of management or control where (A) at least 51 percent of the then outstanding shares of common stock 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 (B) 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 (C) 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 (ii) any substantial equivalent of any such redemption, purchase, exchange, change, transaction or series of transactions, acquisition, merger or consolidation constituting such a change of management or control. For purposes hereof, the term "control" shall have the meaning ascribed thereto under the Securities Exchange Act of 1934, as amended and the regulations thereunder, and the term "management" shall mean the chief executive officer of the Corporation. For purposes of clause (i)(B) 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.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Corporation" means IDEX Corporation.

(f) "Disability" means a disability that has existed for a period of 6 consecutive months and because of which the Executive is physically or mentally unable to substantially perform his regular duties as Chief Operating Officer of the Corporation.

(g) "Employment Date" means August 23, 2004.

(h) "Good Reason" means:

(i) There has been a material diminution in the Executive's responsibilities, duties, title, reporting responsibilities within the business organization, status, role or authority which is not restored within 15 days after written notice is provided to the Corporation.

(ii) Removal of the Executive from the position of Chief Operating Officer, other than elevation to a higher ranking executive officer position with the Corporation.

(iii) A required relocation of more than 75 miles from the location of Executive's principal job location or office immediately prior to the Change In Control.

(iv) A material breach by the Corporation of any of the material terms of this Agreement if such breach is not substantially cured within 15 days after written notice is provided to the Corporation.

2. EMPLOYMENT; DUTIES. Subject to the terms and conditions set forth in this Agreement, the Corporation hereby agrees to employ the Executive, and the Executive hereby accepts employment, and, as of the Employment Date, will assume the role as the Chief Operating Officer of the Corporation and will perform and execute the duties and responsibilities assigned to the Executive from time to time by the Board of Directors and the Chief Executive

Officer. The Executive will perform those duties and discharge those responsibilities as are commensurate with his position. The Executive agrees to perform his duties and discharge his responsibilities in a faithful manner and to the best of his ability and to use all reasonable efforts to promote the interests of the Corporation. The Executive may not accept other gainful employment except with the prior consent of the Board of Directors of the Corporation. With the prior consent of the Board of Directors of the Corporation, the Executive may become a director, trustee or other fiduciary of other corporations, trusts or entities. Notwithstanding the foregoing, the Executive may manage his passive investments and be involved in charitable, civic and religious interests so long as they do not materially interfere with the performance of the Executive's duties hereunder.

3. COMPENSATION.

(a) During the term of the Executive's employment under this Agreement, the Executive will receive a base salary at the rate of $450,000 per year, payable, in equal bi-weekly installments. On an annual basis, the Board of Directors will, in good faith, review the base salary of the Executive to consider appropriate increases (but not decreases) in the base salary. If the Executive dies during the period of time of his service under this Agreement, service for any part of the bi-weekly payroll period of his death will be considered service for the entire payroll period.

(b) During the term of the Executive's employment under this Agreement, the Executive will be entitled to receive an annual cash bonus from the Corporation calculated pursuant to the Corporation's Executive Incentive Bonus Plan (the "EIBP") in effect from time to time. The EIBP provides for a maximum bonus amount equal to 2% of operating income of the Corporation -- based upon attainment of objective performance goals established by the Compensation Committee under the EIBP in the first ninety days of the fiscal year. The Compensation Committee of the Board of Directors, however, may, in its discretion, reduce the amount of bonus payable under the EIBP based on Executive's attainment of certain objective and/or subjective factors as the Compensation Committee may determine. It is the intention of the parties that the factors that by the Compensation Committee may consider in determining whether to reduce the amount of bonus payable under the EIBP will include factors similar to those used by the Board of Directors in administering the Management Incentive Compensation Plan for Key Employees and that, subject to the terms of the EIBP and Executive's satisfactory attainment of the objective and/or subjective performance factors established by the Compensation Committee, the actual amount payable under the EIBP should be in the range of 0% to 195% of Executive's base salary for the fiscal year, but not in excess of amount provided under the EIBP. Additionally, for calendar year 2004, the Executive will be paid a bonus amount (the "Contract Bonus") equal to (i) $337,500, minus (ii) the amount, if any, payable under the EIBP for calendar year 2004. Notwithstanding the foregoing sentence, the Contract Bonus will not be less than $0.00. The Contract Bonus will be paid at the time payment is customarily made under the EIBP.

(c) On the Employment Date, the Corporation will award the Executive 145,000 options on the Corporation's common stock (the "Inducement Options"). The price of the Inducement Options will be the closing share price of the Corporation's common stock, as reported by the New York Stock Exchange, as of the immediately previous business day. A copy of the Option Agreement pursuant to which the options will be awarded to the Executive is attached hereto as Exhibit A. Commencing in 2005, the Executive will be annually considered for long-term equity incentive awards.

(d) On the Employment Date, the Corporation and the Executive shall enter into a Restricted Stock Award (in the form attached hereto as Exhibit B) with respect to 115,000 shares of the Corporation's common stock (the "Inducement Restricted Stock Award").

(e) The Corporation will pay to the Executive an amount up to, but not in excess of, $60,000 the Executive's initiation fee for membership in a country club.

(f) The Corporation will deduct or withhold from all salary and bonus payments, and from all other payments made to the Executive pursuant to this Agreement, all amounts that may be required to be deducted or withheld under any applicable Social Security contribution, income tax withholding or other similar law now in effect or that may become effective during the term of this Agreement.

4. OTHER BENEFITS AND TERMS. During the term of the Executive's employment under this Agreement, the Executive will be entitled to the following other benefits and terms:

(a) The Executive will be entitled to participate in, the Corporation's ChoiceComp health and medical benefit plans, any pension, profit sharing and retirement plans, and any insurance policies or programs from time to time generally offered to all or substantially all executive employees who are employed by the Corporation. These plans, policies and programs are subject to change at the sole discretion of the Corporation.

(b) The Executive will be entitled to any other fringe benefit from time to time generally offered to all or substantially all senior executive employees who are employed by the Corporation.

(c) The Corporation will provide the Executive with the use of an automobile or an auto use allowance that is commensurate with his position. The Executive will be entitled to limited use of the Corporation's aircraft for non-business purposes subject to the terms of the Corporation's Aircraft Use Guidelines.

(d) Except as specifically provided in Sections 9(a)(i) and 9(e)(i), or as required by law, the Executive acknowledges that he, his spouse and dependents will not receive health and medical benefits following any termination of his employment.

(e) The Executive represents and warrants to the Corporation that the Executive's acceptance of the employment and performance of the duties contemplated under this Agreement will not, to his knowledge, be in violation of any non-competition or confidentiality agreements to which the Executive is a party or is bound (the "Restrictive Agreements").

5. VACATIONS. The Executive will be entitled to four weeks of paid vacation each year. Unused vacation in any year may not be carried over to subsequent years.

6. REIMBURSEMENT FOR EXPENSES. The Corporation will reimburse the Executive for expenses which the Executive may from time to time reasonably incur on behalf of the Corporation in the performance of his responsibilities and duties including, but not limited to, professional dues and attendance at professional conferences.

7. PERIOD OF EMPLOYMENT. Subject to the provisions of this Section, the period of employment of the Executive under this Agreement will begin on the Employment Date and

continue until August 31, 2009. Upon the expiration of the initial period, the period of employment will be automatically extended for 12 consecutive month periods thereafter, unless either party provides 120 days prior written notice to the other party that it does not wish to extend the Executive's employment period beyond its then present term.

Notwithstanding the foregoing:

(a) The Executive's employment will automatically terminate upon the death or Disability of the Executive. The foregoing is subject to the duty of the Corporation to provide reasonable accommodation under the Americans with Disabilities Act.

(b) The Corporation may, at its sole option, terminate the Executive's employment at any time and for any reason by delivering written notice to the Executive.

(c) The Executive, at his sole option, may terminate his employment by providing written notice to the Corporation at least 90 days prior to the effective date of the termination of employment specified in the notice.

Any notice of termination of employment given by a party must specify the particular termination provision of this Agreement relied upon by the party and must set forth in reasonable detail the facts and circumstances that provide a basis for the termination.

8. INDEMNIFICATION. The Corporation will enter into an indemnity agreement with the Executive substantially in the form contained in Exhibit C of this Agreement. The Corporation will reimburse Executive the expense incurred to defend any claims that Executive is in violation of the Restrictive Agreements by reason of Executive's employment with the Corporation.

9. BENEFITS UPON TERMINATION. The Corporation will provide the following benefits upon the termination of the Executive's employment with the Corporation.

(a) Upon Termination By The Corporation Other Than For Cause. Upon the Corporation's termination of the Executive's employment for other than Cause, the Corporation will provide the following:

(i) Salary And Fringe Benefits. The Executive will receive his full salary and fringe benefits through the effective date of termination together with any unpaid bonus for a prior period. The Executive will also receive (i) his full salary, and (ii) medical and health insurance (medical and health insurance is hereinafter referred to as "Fringe Benefits") as in effect on the date of either the Corporation's or the Executive's receipt of a notice of termination from the other party for a period of 18 months beginning with the month next following the month during which his employment terminates. If the Executive dies during the 18 month period, the balance of the salary payments will be paid as provided in Section 15 and any dependent health or medical Fringe Benefits will be provided for the balance of the 18 month period.

(ii) Bonus. The Executive will receive a bonus amount equal to the 112.5% of his base salary in effect in the year of the termination of his employment. This amount will be paid in 18 equal monthly payments beginning with the month next following the month during which his employment terminates. Additionally, the Executive will receive a bonus amount equal to the amount determined by multiplying the bonus amount determined under the EIBP by a fraction the numerator of which is the number of full and partial calendar months of service in the calendar year that includes the date of the termination of his employment and the denominator of which is 12. This amount will be paid at the time payment is customarily made under the EIBP.

(iii) Accrued Vacation. The Executive will receive payment for accrued but unused vacation, which payment will be equitably prorated based on the period of active employment for that portion of the fiscal year in which the Executive's termination of employment becomes effective. Payment for accrued but unused vacation will be payable in one lump sum on the effective date of the termination of employment (or as soon thereafter as practicable).

(iv) Equity Compensation. The Inducement Options will become fully vested and will be exercisable according to the terms of the option agreement and the Inducement Restricted Stock Award will become fully vested.

(b) Upon Termination By The Executive Or By The Corporation For Cause. Upon the Executive's termination of employment or by the Corporation for Cause, the Corporation will provide the following:

(i) Salary And Fringe Benefits. The Executive will receive his full salary and Fringe Benefits through the effective date of termination together with any unpaid bonus for a prior period.

(ii) Accrued Vacation. The Executive will receive payment for accrued but unused vacation, which payment will be equitably prorated based on the period of active employment for that portion of the fiscal year in which the Executive's termination of employment becomes effective. Payment for accrued but unused vacation will be payable in one lump sum on the effective date of the termination of employment (or as soon thereafter as practicable).

(c) Upon Termination For Disability. Upon termination of the Executive's employment because of Disability, the Corporation will provide the following:

(i) Salary And Fringe Benefits. The Executive will receive his full salary and Fringe Benefits through the effective date of termination together with any unpaid bonus for a prior period.

(ii) Bonus. The Executive will receive a bonus amount equal to the amount determined by multiplying the bonus amount determined under the EIBP by a fraction the numerator of which is the number of full and partial calendar months of service in the calendar year that includes the date of the termination of his employment and the denominator of which is 12. This amount will be paid at the time payment is customarily made under the EIBP.

(iii) Accrued Vacation. The Executive will receive payment for accrued but unused vacation, which payment will be equitably prorated based on the period of active employment for that portion of the fiscal year in which the Executive's Disability commences. Payment for accrued but unused vacation will be payable in one lump sum on the date the Disability commences (or as soon thereafter as practicable).

(iv) Equity Compensation. The Inducement Options will become fully vested and will be exercisable according to the terms of the option agreement and the Inducement Restricted Stock Award will become fully vested.

(d) Upon Termination For Death. Upon termination of the Executive's employment because of his death, the Corporation will provide the following:

(i) Salary And Fringe Benefits. The (i) Executive's full salary and Fringe Benefits through the effective date of termination and (ii) any unpaid bonus for a prior period.

(ii) Bonus. The Executive will receive a bonus amount equal to the amount determined by multiplying the bonus amount determined under the EIBP by a fraction the numerator of which is the number of full and partial calendar months of service in the calendar year that includes the date of the termination of his employment and the denominator of which is 12. This amount will be paid at the time payment is customarily made under the EIBP.

(iii) Accrued Vacation. The Executive's successor as provided in Section 15 will receive payment for accrued but unused vacation, which payment will be equitably prorated based on the period of active employment for that portion of the fiscal year in which the Executive died. Payment for accrued but unused vacation will be payable in one lump sum on the date of the Executive's death (or as soon thereafter as practicable).

(iv) Equity Compensation. The Inducement Options will become fully vested and will be exercisable according to the terms of the option agreement and the Inducement Restricted Stock Award will become fully vested.

(e) Upon Termination Following A Change In Control. Upon the Executive's termination of employment by the Corporation without Cause or the Executive's termination with Good Reason which, in either case, occurs in contemplation of or within the 24 month period following a Change in Control, the Corporation will provide the following:

(i) Salary And Fringe Benefits. The Executive will receive his full salary and Fringe Benefits through the effective date of termination together with any unpaid bonus for a prior period. The Executive will also receive his full salary and Fringe Benefits, as in effect on the effective date of termination, for a period of 24 months beginning with the month next following the month during which his employment terminates. If the Executive dies during the 24 month period, the balance of the salary payments will be paid as provided in Section 15 and any dependent health or medical Fringe Benefits will be provided for the balance of the 24 month period.

(ii) Bonus. The Executive will receive a bonus amount equal to the 150% of his base salary in effect in the year of the termination of his employment. This amount will be paid in 24 equal monthly payments beginning with the month next following the month during which his employment terminates. Additionally, the Executive will receive a bonus amount equal to the amount determined by multiplying the bonus amount determined under the EIBP by a fraction the numerator of which is the number of full and partial calendar months of service in the calendar year that includes the date of the termination of his employment and the denominator of which is 12. This amount will be paid at the time payment is customarily made under the EIBP.

(iii) Accrued Vacation. The Executive will receive payment for accrued but unused vacation, which payment will be equitably prorated based on the period of active employment for that portion of the fiscal year in which the Executive's termination of employment becomes effective. Payment for accrued but unused vacation will be payable in one lump sum on the effective date of the termination of employment (or as soon thereafter as practicable).

(iv) Equity Compensation. The Inducement Options will vest and will be exercisable in the manner provided under the terms of the option plan under which they were granted. The Inducement Restricted Stock Award will become fully vested.

(f) Upon Expiration of Term. Upon the expiration of the term of this Agreement pursuant to the first paragraph of Section 7, the Corporation will provide the following:

(i) Salary And Fringe Benefits. The Executive will receive his full salary and Fringe Benefits through the effective date of termination together with any unpaid bonus for a prior period.

(ii) Accrued Vacation. The Executive will receive payment for accrued but unused vacation, which payment will be equitably prorated based on the period of active employment for that portion of the fiscal year in which the Executive's termination of employment becomes effective. Payment for accrued but unused vacation will be payable in one lump sum on the effective date of the termination of employment (or as soon thereafter as practicable).

(g) Reduction In Fringe Benefits. Medical and health Fringe Benefits under this Section will be reduced to the extent of any medical and health fringe benefits provided by and available to the Executive from any subsequent employer.

(h) Determination Of Disability. Any question as to the existence of a physical or mental condition which would give rise to the Disability of the Executive upon which the Executive and the Corporation cannot agree will 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 a selection, the selection of the physician will be made by any adult member of his immediate family). The physician's written determination to the Corporation and to the Executive will be final and conclusive for all purposes of this Agreement.

10. ADDITIONAL PAYMENTS. Notwithstanding anything in this Agreement or any other agreement to the contrary, in the event it is determined that any payments or distributions 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 pursuant to the terms of this Agreement, or pursuant to any other agreement or arrangement with the Corporation or any such affiliate ("Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, or any successor provision, or any interest or penalties with respect to the excise tax (the excise tax, together with any interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive will be entitled to receive an additional payment from the Corporation (a "Gross-Up Payment") in an amount 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. The amount of the Gross-Up Payment will be calculated by the Corporation's independent accounting firm, engaged immediately prior to the event that triggered the payment, in consultation with the Corporation's outside legal counsel. For purposes of making the calculations required by this Section, the accounting firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code, provided that the accounting firm's determinations must be made with substantial authority (within the meaning of Section 6662 of the Code). The Gross-Up Payment will be paid on the Executive's last day of employment or on the occurrence of the event that results in the

imposition of the Excise Tax, if later. If the precise amount of the Gross-Up Payment cannot be determined on the date it is to be paid, an amount equal to the best estimate of the Gross-Up Payment will be made on that date and, within 10 days after the precise calculation is obtained, either the Corporation will pay any additional amount to the Executive or the Executive will pay any excess amount to the Corporation, as the case may be. If subsequently the Internal Revenue Service (the "IRS") claims that any additional Excise Tax is owing, an additional Gross-Up Payment will be paid to the Executive within 30 days of the Executive providing substantiation of the claim made by the IRS. After payment to the Executive of the Gross-Up Payment, the Executive will provide to the Corporation any information reasonably requested by the Corporation relating to the Excise Tax, the Executive will take those actions as the Corporation reasonably requests to contest the Excise Tax, cooperate in good faith with the Corporation to effectively contest the Excise Tax and permit the Corporation to participate in any proceedings contesting the Excise Tax. The Corporation will bear and pay directly all costs and expenses (including any interest or penalties on the Excise Tax), and indemnify and hold the Executive harmless, on an after-tax basis, from all such costs and expenses related to such contest. Should it ultimately be determined that any amount of an Excise Tax is not properly owed, the Executive will refund to the Corporation the related amount of the Gross-Up Payment.

11. NON-EXCLUSIVITY OF RIGHTS. Except as otherwise specifically provided, nothing in this Agreement will prevent or limit the Executive's continued or future participation in any benefit, incentive, or other plan, practice, or program provided by the Corporation and for which the Executive may qualify. Any amount of vested benefit or any amount to which the Executive is otherwise entitled under any plan, practice, or program of the Corporation will be payable in accordance with the plan, practice, or program, except as specifically modified by this Agreement.

12. NO OBLIGATION TO SEEK OTHER EMPLOYMENT. The Executive will not be obligated to seek other employment or to take other action to mitigate any amount payable to him under this Agreement and, except as provided in Section 9(g), amounts owed to him hereunder shall not be reduced by amounts he may receive from another employer.

13. CONFIDENTIALITY. During the course of his employment, the Executive 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 shall not be deemed to have violated this Section 13 by disclosure of Confidential Information that at the time of disclosure (a) is publicly available or becomes publicly available through no act or omission of the Executive, or (b) is disclosed as required by court order or as otherwise required by law, on the condition that notice of the requirement for such disclosure is given to the Corporation prior to make any disclosure.

The Executive agrees that since irreparable damage could result from his breach of the covenants in this Section, in addition to any and all other remedies available to the Corporation, the Corporation will have the remedies of a restraining order, injunction or other equitable relief to enforce the provisions thereof. The Executive consents to jurisdiction in Lake County, Illinois on the date of the commencement of any action for purposes of any claims under this Section. 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.

In addition, the Executive will sign and be bound by the terms of the attached "Employee Inventions and Proprietary Information Agreement" attached hereto as Exhibit D. To the extent that the provisions of Exhibit D conflict with this Agreement, the terms of this Agreement will be controlling.

14. NON-COMPETITION. In consideration of the compensation and other benefits to be paid to the Executive under and in connection with this Agreement, the Executive agrees that, beginning on the date of this Agreement and continuing until the Covenant Expiration Date (as defined in Subsection (b) below), he will not, directly or indirectly, for his own account or as agent, employee, officer, director, trustee, consultant, partner, stockholder or equity owner of any corporation or any other entity (except that he may passively own securities constituting less than 1% of any class of securities of a public company), or member of any firm or otherwise, (i) engage or attempt to engage, in the Restricted Territory (as defined in Subsection (d) below), in any business activity which is directly or indirectly competitive with the business conducted by the Corporation or any Affiliate at the Reference Date (as defined in Subsection (c) below), (ii) employ or solicit the employment of any person who is employed by the Corporation or any Affiliate at the Reference Date or at any time during the six-month period preceding the Reference Date, except that the Executive will be free to employ or solicit the employment of any such person whose employment with the Corporation or any Affiliate has terminated for any reason (without any interference from the Executive) and who has not been employed by the Corporation or any Affiliate for at least 6 months, (iii) canvass or solicit business in competition with any business conducted by the Corporation or any Affiliate at the Reference Date from any person or entity who during the six-month period preceding the Reference Date was a customer of the Corporation or any Affiliate or from any person or entity which the Executive has reason to believe might in the future become a customer of the Corporation or any Affiliate as a result of marketing efforts, contacts or other facts and circumstances of which the Executive is aware, (iv) willfully dissuade or discourage any person or entity from using, employing or conducting business with the Corporation or any Affiliate or (v) intentionally disrupt or interfere with, or seek to disrupt or interfere with, the business or contractual relationship between the Corporation or any Affiliate and any supplier who during

the six-month period preceding the Reference Date shall have supplied components, materials or services to the Corporation or any Affiliate.

Notwithstanding the foregoing, the restrictions imposed by this Section shall not in any manner be construed to prohibit, directly or indirectly, the Executive from serving as an employee or consultant of the Corporation or any Affiliate.

For purposes of this Agreement, the following terms have the meanings given to them below:

(a) "Affiliate" means any joint venture, partnership or subsidiary now or hereafter directly or indirectly owned or controlled by the Corporation. For purposes of clarification, an entity shall not be deemed to be indirectly or directly owned or controlled by the Corporation solely by reason of the ownership or control of such entity by shareholders of the Corporation.

(b) "Covenant Expiration Date" means the date which is two (2) years after the Termination Date (as defined in this Section).

(c) "Reference Date" means (A) for purposes of applying the covenants set forth in this Section at any time prior to the Termination Date, the then current date, or (B) for purposes of applying the covenants set forth in this Section at any time on or after the Termination Date, the Termination Date.

(d) "Restricted Territory" means anywhere in the world where the Corporation or any Affiliate conducts or plans to conduct its business activity at the Reference Date.

(e) "Termination Date" means the date of termination of the Executive's employment with the Corporation; provided however that the Executive's employment will not be deemed to have terminated so long as the Executive continues to be employed or engaged as an employee or consultant of the Corporation or any Affiliate, even if such employment or engagement continues after the expiration of the term of this Agreement, whether pursuant to this Agreement or otherwise.

15. SUCCESSORS. This Agreement is personal to the Executive and may not be assigned by the Executive other than by will or the laws of descent and distribution. This Agreement will inure to the benefit of and be enforceable by the Executive's legal representatives or successors in interest. Notwithstanding any other provision of this Agreement, the Executive may designate a successor or successors in interest to receive any amounts due under this Agreement after the Executive's death. If he has not designated a successor in interest, payment of benefits under this Agreement will be made to his wife, if surviving, and if not surviving, to his estate. A designation of a successor in interest must be made in writing, signed by the Executive, and delivered to the Corporation pursuant to Section 19. Except as otherwise provided in this Agreement, if the Executive has not designated a successor in interest, payment of benefits under this Agreement will be made to the Executive's estate. This Section

will not supersede any designation of beneficiary or successor in interest made by the Executive or provided for under any other plan, practice, or program of the Corporation.

This Agreement will inure to the benefit of and be binding upon the Corporation and its successors and assigns.

The Corporation will require any successor (whether direct or indirect, by acquisition of assets, merger, consolidation or otherwise) to all or substantially all of the operations or assets of the Corporation or any successor and without regard to the form of transaction used to acquire the operations or assets of the Corporation, to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform it if no succession had taken place. As used in this Agreement, "Corporation" means the Corporation and any successor to its operations or assets as set forth in this Section that is required by this clause to assume and agree to perform this Agreement or that otherwise assumes and agrees to perform this Agreement.

16. FAILURE, DELAY OR WAIVER. No course of action or failure to act by the Corporation or the Executive will constitute a waiver by the party of any right or remedy under this Agreement, and no waiver by either party of any right or remedy under this Agreement will be effective unless made in writing.

17. SEVERABILITY. Whenever possible, each provision of this Agreement will be interpreted in such a manner as to be enforceable under applicable law. However, if any provision of this Agreement is deemed unenforceable under applicable law by a court having jurisdiction, the provision will be unenforceable only to the extent necessary to make it enforceable without invalidating the remainder thereof or any of the remaining provisions of this Agreement.

18. NOTICE. All written communications to parties required hereunder must be in writing and (a) delivered in person, (b) mailed by registered or certified mail, return receipt requested, (such mailed notice to be effective 4 days after the date it is mailed) or (c) sent by facsimile transmission, with confirmation sent by way of one of the above methods, to the party at the address given below for the party (or to any other address as the party designates in a writing complying with this Section, delivered to the other party):

If to the Corporation:

IDEX Corporation
Suite 400
630 Dundee Road
Northbrook, IL 60062
Attention: Vice President - General Counsel
Telephone: 847-498-7070
Telecopier: 847-498-9123

with a copy to:

Hodgson Russ LLP
One M&T Plaza
Suite 2000
Buffalo, New York 14203
Attention: Richard E. Heath, Esq. and Richard W. Kaiser, Esq.
Telephone: 716-856-4000
Telecopier: 716-849-0349

If to the Executive:

Lawrence D. Kingsley
3870 Woods End
Long Grove, Illinois 60047
Telephone: 847-438-4147

with a copy to:

____
____
____
____
Attention: ___________________________
Telephone: ___________________________
Telecopier: ___________________________

19. MISCELLANEOUS. This Agreement (a) may not be amended, modified or terminated orally or by any course of conduct pursued by the Corporation or the Executive, but may be amended, modified or terminated only by a written agreement duly executed by the Corporation and the Executive, (b) is binding upon and inures to the benefit of the Corporation and the Executive and each of their respective heirs, representatives, successors and assignees, except that the Executive may not assign any of his rights or obligations pursuant to this Agreement, (c) except as provided in Sections 4 and 11 of this Agreement, constitutes the entire agreement between the Corporation and the Executive with respect to the subject matter of this Agreement, and supersedes all oral and written proposals, representations, understandings and agreements previously made or existing with respect to such subject matter, and (d) will be governed by, and interpreted and construed in accordance with, the laws of the State of Illinois, without regard to principles of conflicts of law.

20. TERMINATION OF THIS AGREEMENT. This Agreement will terminate when the Corporation has made the last payment provided for hereunder; provided, however, that the obligations set forth under Sections 8, 9, 10, 12, 13 and 14 of this Agreement will survive any termination and will remain in full force and effect.

21. MULTIPLE COUNTERPARTS. This Agreement may be executed in one or more counter parts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any party may execute this Agreement by facsimile signature and the other party shall be entitled to rely on such facsimile signature as evidence that this Agreement has been duly executed by such party. Any party executing this Agreement by

facsimile signature shall immediately forward to the other party an original page by overnight mail.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

CORPORATION:

IDEX CORPORATION

By_____________________________________
Name: Frank J. Notaro
Title: Vice President - General Counsel and Secretary

EXECUTIVE:

____
Lawrence D. Kingsley

EXHIBIT A

Stock Option Award Agreement

EXHIBIT B

Restricted Stock Award

EXHIBIT C

Indemnity Agreement

EXHIBIT D

Employee Inventions and Proprietary Information Agreement

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dennis K. Williams, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IDEX Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 3, 2004

/s/ DENNIS K. WILLIAMS

Dennis K. Williams
Chairman, President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dominic A. Romeo, certify that:

1. I have reviewed this quarterly report on Form 10-Q of IDEX Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Eisclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 3, 2004 /s/ DOMINIC A. ROMEO

Dominic A. Romeo
Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of IDEX Corporation (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2004 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 3, 2004

/s/ Dennis K. Williams

Dennis K. Williams
Chairman, President and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of IDEX Corporation (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2004 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 3, 2004

/s/ Dominic A. Romeo

Dominic A. Romeo
Vice President and Chief Financial Officer