

IDEX CORP /DE/  
Form 10-K  
February 25, 2011

**Table of Contents**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Form 10-K**

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the Fiscal Year Ended December 31, 2010**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the Transition Period From        to**

**Commission file number 1-10235**

**IDEX CORPORATION**

*(Exact Name of Registrant as Specified in its Charter)*

**Delaware**

*(State or other jurisdiction of  
incorporation or organization)*

**1925 West Field Court, Lake Forest, Illinois**

*(Address of principal executive offices)*

**36-3555336**

*(I.R.S. Employer  
Identification No.)*

**60045**

*(Zip Code)*

**Registrant's telephone number:**

**(847) 498-7070**

**Securities Registered Pursuant to Section 12(b) of the Act:**

<b>Title of Each Class</b>	<b>Name of Each Exchange on Which Registered</b>
Common Stock, par value \$.01 per share	New York Stock Exchange and Chicago Stock Exchange

**Securities Registered Pursuant to Section 12(g) of the Act:**

**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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

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required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The aggregate market value of the voting stock (based on the June 30, 2010 closing price of \$28.57) held by non-affiliates of IDEX Corporation was \$2,292,832,953.

The number of shares outstanding of IDEX Corporation's common stock, par value \$.01 per share (the Common Stock), as of February 17, 2011 was 82,441,446 (net of treasury shares).

### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the 2010 Annual Report to stockholders of IDEX Corporation (the 2010 Annual Report) are incorporated by reference in Part II of this Form 10-K and portions of the Proxy Statement of IDEX Corporation (the 2011 Proxy Statement) with respect to the 2011 annual meeting of stockholders are incorporated by reference into Part III of this Form 10-K.

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## Table of Contents

### **PART I.**

<u>Item 1.</u>	<u>Business</u>	1
<u>Item 1A.</u>	<u>Risk Factors</u>	7
<u>Item 1B.</u>	<u>Unresolved Staff Comments</u>	9
<u>Item 2.</u>	<u>Properties</u>	9
<u>Item 3.</u>	<u>Legal Proceedings</u>	9
<u>Item 4.</u>	<u>(Removed and Reserved)</u>	10

### **PART II.**

<u>Item 5.</u>	<u>Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	10
<u>Item 6.</u>	<u>Selected Financial Data</u>	12
<u>Item 7.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	13
<u>Item 7A.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	24
<u>Item 8.</u>	<u>Financial Statements and Supplementary Data</u>	25
<u>Item 9.</u>	<u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	62
<u>Item 9A.</u>	<u>Controls and Procedures</u>	62
<u>Item 9B.</u>	<u>Other Information</u>	62

### **PART III.**

<u>Item 10.</u>	<u>Directors, Executive Officers and Corporate Governance</u>	62
<u>Item 11.</u>	<u>Executive Compensation</u>	62
<u>Item 12.</u>	<u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	63
<u>Item 13.</u>	<u>Certain Relationships and Related Transactions, and Director Independence</u>	63
<u>Item 14.</u>	<u>Principal Accountant Fees and Services</u>	63

### **PART IV.**

<u>Item 15.</u>	<u>Exhibits and Financial Statement Schedules</u>	64
<u>Schedule II</u>	<u>Valuation and Qualifying Accounts</u>	65
<u>Signatures</u>		66
<u>Exhibit Index</u>		67
<u>EX-10.30</u>		
<u>EX-10.31</u>		
<u>EX-12</u>		
<u>EX-21</u>		
<u>EX-23</u>		
<u>EX-31.1</u>		
<u>EX-31.2</u>		
<u>EX-32.1</u>		
<u>EX-32.2</u>		
<u>EX-101 INSTANCE DOCUMENT</u>		
<u>EX-101 SCHEMA DOCUMENT</u>		
<u>EX-101 CALCULATION LINKBASE DOCUMENT</u>		
<u>EX-101 LABELS LINKBASE DOCUMENT</u>		
<u>EX-101 PRESENTATION LINKBASE DOCUMENT</u>		
<u>EX-101 DEFINITION LINKBASE DOCUMENT</u>		



**Table of Contents**

**PART I**

**Item 1. *Business.***

IDEX Corporation ( IDEX or the Company ) is a Delaware corporation incorporated on September 24, 1987. The Company is an applied solutions business that sells an extensive array of pumps, flow meters and other fluidics systems and components and engineered products to customers in a variety of markets around the world. All of the Company's business activities are carried out through wholly-owned subsidiaries.

IDEX has four reportable business segments: Fluid & Metering Technologies, Health & Science Technologies, Dispensing Equipment, and Fire & Safety/Diversified Products. Reporting units in the Fluid & Metering Technologies segment include Banjo, Energy, Chemical, Food & Pharmaceuticals ( CFP ) and Water & Waste Water ( Water ). Reporting units in the Health & Science Technologies segment include IDEX Health & Science ( IH&S ), Semrock, Precision Polymer Engineering ( PPE ), previously referred to as Seals, Ltd, Gast and Micropump. The Dispensing Equipment segment is a reporting unit. Reporting units in the Fire & Safety/Diversified Products segment include Fire Suppression, Rescue Tools and Band-It.

IDEX believes that each of its reporting units is a leader in its product and service areas. The Company also believes that its strong financial performance has been attributable to its ability to design and engineer specialized quality products, coupled with its ability to identify and successfully consummate and integrate strategic acquisitions.

**FLUID & METERING TECHNOLOGIES SEGMENT**

The Fluid & Metering Technologies Segment designs, produces and distributes positive displacement pumps, flow meters, injectors, and other fluid-handling pump modules and systems and provides flow monitoring and other services for the water and wastewater industries. Fluid & Metering Technologies application-specific pump and metering solutions serve a diverse range of end markets, including industrial infrastructure (fossil fuels, refined & alternative fuels, and water & wastewater), chemical processing, agricultural, food & beverage, pulp & paper, transportation, plastics & resins, electronics & electrical, construction & mining, pharmaceutical & bio-pharmaceutical, machinery and numerous other specialty niche markets. Fluid & Metering Technologies accounted for 48% of IDEX's sales and 44% of IDEX's operating income in 2010, with approximately 47% of its sales to customers outside the U.S.

*Banjo.* Banjo is a provider of special purpose, severe-duty pumps, valves, fittings and systems used in liquid handling. Banjo is based in Crawfordsville, Indiana and its products are used in agricultural and industrial applications. Approximately 11% of Banjo's 2010 sales were to customers outside the U.S.

*Energy.* Energy includes the Company's Corken, Faure Herman, Liquid Controls, S.A.M.P.I. and Toptech businesses. Energy is a leading supplier of flow meters, electronic registration and control products, rotary vane and turbine pumps, reciprocating piston compressors, and terminal automation control systems. Headquartered in Lake Bluff, Illinois (Liquid Controls and Sponsler products), Energy has additional facilities in Longwood, Florida and Zwijndrech, Belgium (Toptech products); Oklahoma City, Oklahoma (Corken products); La Ferté Bernard, France and Houston, Texas (Faure Herman products); Vadodara, Gujarat, India (Liquid Controls products); and Altopascio, Italy (S.A.M.P.I. products). Applications for Liquid Controls and S.A.M.P.I. positive displacement flow meters, electronic, registration and control products include mobile and stationary metering installations for wholesale and retail distribution of petroleum and liquefied petroleum gas, aviation refueling, and industrial metering and dispensing of liquids and gases. Corken products consist of positive-displacement rotary vane pumps, single and multistage

regenerative turbine pumps, and small horsepower reciprocating piston compressors. Toptech supplies terminal automation hardware and software to control and manage inventories, as well as transactional data and invoicing, to customers in the oil, gas and refined-fuels markets. Faure Herman is a leading supplier of ultrasonic and helical turbine flow meters used in the custody transfer and control of high value fluids and gases. Approximately 55% of Energy's 2010 sales were to customers outside the U.S.

*Chemical, Food & Pharmaceuticals.* CFP includes the Company's Quadro, Richter, Viking and Warren Rupp businesses. CFP is a leading producer of air-operated and motor-driven double-diaphragm pumps and

**Table of Contents**

replacement parts; a leading provider of premium quality lined pumps, valves and control equipment for the chemical, fine chemical and pharmaceutical industries and a leading provider of particle control solutions for the pharmaceutical and bio-pharmaceutical markets. Quadro's products (which also include Fitzpatrick, Inc. (Fitzpatrick) and Wright Flow products) consist of rotary lobe pumps, stainless-steel centrifugal and positive displacement pumps, pump replacement parts and customized size reduction, roll compaction and drying systems for the beverage, food processing, pharmaceutical, cosmetics and other industries that require sanitary processing, as well as products for fine milling, emulsification and special handling of liquid and solid particulates for laboratory, pilot phase and production scale processing. Richter's corrosion resistant fluoroplastic lined products offer superior solutions for demanding applications in the process industry. Viking's products consist of external gear pumps, strainers and reducers, and related controls used for transferring and metering thin and viscous liquids sold under the Viking® brand and air-operated double-diaphragm pumps sold under the Blagdon® brand. Markets served by Viking products include chemical, petroleum, pulp & paper, plastics, paints, inks, tanker trucks, compressor, construction, food & beverage, personal care, pharmaceutical and biotech. Warren Rupp products (which also include Pumper Parts and Versa-Matic products) are used for abrasive and semisolid materials as well as for applications where product degradation is a concern or where electricity is not available or should not be used. Markets served by Warren Rupp products include chemical, paint, food processing, electronics, construction, utilities, mining and industrial maintenance. CFP maintains operations in Muskego, Wisconsin; Elmhurst, Illinois; Waterloo, Ontario, Canada; and Eastbourne, East Sussex, England (Quadro); Kampen, Germany; Nanjing, China, and Coimbatore, India (Richter); Cedar Falls, Iowa (Richter, Quadro and Viking); and Mansfield, Ohio (Warren Rupp);. CFP uses primarily independent distributors to sell and market its products. Approximately 53% of CFP's 2010 sales were to customers outside the U.S.

*Water & Waste Water.* Water includes the Company's ADS, IETG, iPEK, Knight and Pulsafeeder businesses. Water is a leading provider of metering technology and flow monitoring products and underground surveillance services for water & wastewater markets, as well as a leading manufacturer of pumps and dispensing equipment for industrial laundries, commercial dishwashing and chemical metering; and a provider of metering pumps, special-purpose rotary pumps, peristaltic pumps, fully integrated pump and metering systems, custom chemical-feed systems, electronic controls and dispensing equipment. ADS's products and services provide comprehensive integrated solutions that enable industry, municipalities and government agencies to analyze and measure the capacity, quality and integrity of wastewater collection systems, including the maintenance and construction of such systems. IETG's products and services enable water companies to effectively manage their water distribution and sewerage networks, while its surveillance service specializes in underground asset detection and mapping for utilities and other private companies. iPEK supplies remote controlled systems used for infrastructure inspection. Knight is a leading manufacturer of pumps and dispensing equipment for industrial laundries, commercial dishwashing and chemical metering. Pulsafeeder products are used to introduce precise amounts of fluids into processes to manage water quality and chemical composition, as well as peristaltic pumps. Its markets include water and wastewater treatment, oil & gas, power generation, pulp & paper, chemical and hydrocarbon processing, and swimming pools. Water maintains operations in Huntsville, Alabama; Sydney, New South Wales, Australia; Melbourne, Victoria, Australia; and Auckland, New Zealand (ADS); Leeds, England (IETG); Hirschegg, Austria; and Sulzberg, Germany (iPEK); Lake Forest, California; Mississauga, Ontario, Canada; Eastbourne, East Sussex, England; Unanderra, New South Wales, Australia, and Ciudad Juarez, Chihuahua, Mexico (*Maquila Arrangement*) (Knight); Rochester, New York; Punta Gorda, Florida; Loveland, Ohio; and Milan, Italy (Pulsafeeder). Approximately 41% of Water's 2010 sales were to customers outside the U.S.

**HEALTH & SCIENCE TECHNOLOGIES SEGMENT**

The Health & Science Technologies Segment designs, produces and distributes a wide range of precision fluidics and sealing solutions, including very high precision, low-flow rate pumping solutions required in analytical instrumentation, clinical diagnostics and drug discovery, high performance molded and extruded, biocompatible medical devices and implantables, air compressors used in medical, dental and industrial applications, and precision



gear and peristaltic pump technologies that meet exacting OEM specifications. The segment accounted for 26% of IDEX's sales and 28% of operating income in 2010, with approximately 45% of its sales to customers outside the U.S.

**Table of Contents**

*IDEX Health & Science.* IH&S consists of the Eastern Plastics, Innovadyne, Isolation Technologies, Rheodyne, Ismatec, Sapphire Engineering, Systec and Upchurch Scientific businesses and has facilities in Rohnert Park, California (Innovadyne, Rheodyne and Systec products); Bristol, Connecticut (Eastern Plastics products); Glattbrugg, Switzerland and Wertheim-Mondfeld, Germany (Ismatec products); Middleboro, Massachusetts (Isolation Technologies and Sapphire Engineering products); and Oak Harbor, Washington (Upchurch Scientific and Ismatec products). Rheodyne and Systec products include injectors, valves, fittings and accessories for the analytical instrumentation market. Rheodyne and Systec products are used by manufacturers of high pressure liquid chromatography equipment servicing the pharmaceutical, biotech, life science, food & beverage, and chemical markets. Ismatec is a manufacturer of peristaltic metering pumps, analytical process controllers, and sample preparation systems. Sapphire Engineering and Upchurch Scientific products include fluidic components and systems for the analytical, biotech and diagnostic instrumentation markets, such as fittings, precision-dispensing pumps and valves, tubing and integrated tubing assemblies, filter sensors and other micro-fluidic and nano-fluidic components. Markets for Sapphire Engineering and Upchurch Scientific products include pharmaceutical, drug discovery, chemical, biochemical processing, genomics/proteomics research, environmental labs, food/agriculture, medical lab, personal care, and plastics/polymer/rubber production. Eastern Plastics products, which consist of high-precision integrated fluidics and associated engineered plastics solutions, are used in a broad set of end markets including medical diagnostics, analytical instrumentation, and laboratory automation. Isolation Technologies products include advanced column hardware and accessories for the high performance liquid chromatography ( HPLC ) market. HPLC instruments are used in a variety of analytical chemistry applications, with primary commercial applications including drug discovery and quality control measurements for pharmaceutical and food/beverage testing. Approximately 44% of IH&S's 2010 sales were to customers outside the U.S.

*Semrock.* Semrock is a provider of optical filters for biotech and analytical instrumentation in the life sciences markets. Semrock's optical filters are produced using state-of-the-art manufacturing processes which enable it to offer its customers significant improvements in instrument performance and reliability. Semrock is located in Rochester, New York. Approximately 39% of Semrock's 2010 sales were to customers outside the U.S.

*Precision Polymer Engineering (PPE).* PPE, which was acquired in April 2010 and is located in Blackburn, England, is a provider of proprietary high performance seals and advanced sealing solutions for a diverse range of global industries and applications, including hazardous duty, analytical instrumentation, semiconductor/solar, process technologies, pharmaceutical, electronics, and food applications. Approximately 83% of PPE's 2010 sales were to customers outside the U.S.

*Gast.* Gast includes the Company's Gast and Jun-Air businesses. The Gast business is a leading manufacturer of air-moving products, including air motors, low-range and medium-range vacuum pumps, vacuum generators, regenerative blowers and fractional horsepower compressors. Gast products are used in a variety of long-life applications requiring a quiet, clean source of moderate vacuum or pressure. Markets served by Gast products include medical equipment, environmental equipment, computers & electronics, printing machinery, paint mixing machinery, packaging machinery, graphic arts, and industrial manufacturing. Based in Benton Harbor, Michigan, Gast also has a facility in Redditch, England. Jun-Air is a provider of low-decibel, ultra-quiet vacuum compressors suitable for medical, dental and laboratory applications. Jun-Air has locations in Norresundby, Denmark and Lyon, France; and Dankeryd, The Netherlands. Approximately 29% of Gast's 2010 sales were to customers outside the U.S.

*Micropump.* Micropump includes the Company's Micropump and Trebor businesses. Micropump, headquartered in Vancouver, Washington, is a leader in small, precision-engineered, magnetically and electromagnetically driven rotary gear, piston and centrifugal pumps. Micropump products are used in low-flow abrasive and corrosive applications. Markets served by Micropump products include printing machinery, medical equipment, paints & inks, chemical processing, pharmaceutical, refining, laboratory, electronics, pulp & paper, water treatment, textiles, peristaltic metering pumps, analytical process controllers and sample preparation systems. Located in Salt Lake City, Utah, the

Trebor business is a leader in high-purity fluid handling products, including air-operated diaphragm pumps and deionized water-heating systems. Trebor products are used in manufacturing of semiconductors, disk drives and flat panel displays. Approximately 68% of Micropump s 2010 sales were to customers outside the U.S.

**Table of Contents**

**DISPENSING EQUIPMENT SEGMENT**

The Dispensing Equipment Segment produces precision equipment for dispensing, metering and mixing colorants and paints used in a variety of retail and commercial businesses around the world. The segment accounted for 8% of IDEX's sales and 7% of IDEX's operating income in 2010, with approximately 67% of its sales to customers outside the U.S. Dispensing Equipment is a global supplier of precision-designed tinting, mixing, dispensing and measuring equipment for auto refinishing and architectural paints. Dispensing Equipment products are used in retail and commercial stores, hardware stores, home centers, department stores, automotive body shops as well as point-of-purchase dispensers. Dispensing Equipment is headquartered in Wheeling, Illinois, with additional operations in Sassenheim, The Netherlands; Unanderra, Australia; Gennevilliers, France; Milan, Italy; Torun, Poland; Barcelona, Spain; and Scarborough, Ontario, Canada.

**FIRE & SAFETY/DIVERSIFIED PRODUCTS SEGMENT**

The Fire & Safety/Diversified Products Segment produces firefighting pumps and controls, rescue tools, lifting bags and other components and systems for the fire and rescue industry, and engineered stainless steel banding and clamping devices used in a variety of industrial and commercial applications. The segment accounted for 18% of IDEX's sales and 21% of IDEX's operating income in 2010, with approximately 55% of its sales to customers outside the U.S.

*Fire Suppression.* Fire Suppression includes the Company's Class 1, Hale and Godiva businesses, which produce truck-mounted and portable fire pumps, stainless steel valves, foam and compressed air foam systems, pump modules and pump kits, electronic controls and information systems, conventional and networked electrical systems, and mechanical components for the fire, rescue and specialty vehicle markets. Fire Suppression's customers are primarily OEMs. Fire Suppression is headquartered in Ocala, Florida (Class 1), with additional facilities located in Conshohocken, Pennsylvania (Hale); Neenah, Wisconsin (Class 1 and Hale); and Warwick, England (Godiva). Approximately 37% of Fire Suppression's 2010 sales were to customers outside the U.S.

*Rescue Tools.* Rescue Tools includes the Company's Dinglee, Hurst, Lukas and Vetter businesses, which produce hydraulic, battery, gas and electric-operated rescue equipment, hydraulic re-railing equipment, hydraulic tools for industrial applications, recycling cutters, pneumatic lifting and sealing bags for vehicle and aircraft rescue, environmental protection and disaster control, and shoring equipment for vehicular or structural collapse. Markets served by Rescue Tools products include public and private fire and rescue organizations. Rescue Tools has facilities in Shelby, North Carolina (Hurst); Tianjin, China (Dinglee); Erlangen, Germany (Lukas); and Zulpich, Germany (Vetter). Approximately 79% of Rescue Tools's 2010 sales were to customers outside the U.S.

*Band-It.* Band-It is a leading producer of high-quality stainless steel banding, buckles and clamping systems. The BAND-IT® brand is highly recognized worldwide. Band-It products are used for securing exhaust system heat and sound shields, industrial hose fittings, traffic signs and signals, electrical cable shielding, identification and bundling, and numerous other industrial and commercial applications. Markets for Band-It products include transportation equipment, oil & gas, general industrial maintenance, electronics, electrical, communications, aerospace, utility, municipal and subsea marine. Band-It is based in Denver, Colorado, with additional operations in Staveley Near Chesterfield, Derbyshire, England, and Singapore. Approximately 42% of Band-It's 2010 sales were to customers outside the U.S.

**GENERAL ASPECTS APPLICABLE TO THE COMPANY'S BUSINESS SEGMENTS**

***Competitors***

The Company's businesses participate in highly competitive markets. IDEX believes that the principal points of competition are product quality, price, design and engineering capabilities, product development, conformity to customer specifications, quality of post-sale support, timeliness of delivery, and effectiveness of our distribution channels.

Principal competitors of the Fluid & Metering Technologies Segment are the Pump Solutions Group (Blackmer and Wilden products) of Dover Corporation (with respect to pumps and small horsepower compressors used in liquified petroleum gas distribution facilities, rotary gear pumps, and air-operated double-diaphragm

## **Table of Contents**

pumps); the Milton Roy unit of United Technologies Corporation (with respect to metering pumps and controls); and Tuthill Corporation (with respect to rotary gear pumps).

Principal competitors of the Health & Science Technologies Segment are the Thomas division of Gardner Denver, Inc. (with respect to vacuum pumps and compressors); Dionex Corporation (with respect to analytical instrumentation); Parker Hannifin (with respect to sealing devices); and Valco Instruments Co., Inc. (with respect to fluid injectors and valves).

The principal competitor of the Dispensing Equipment Segment is CPS Color Group Oy, which is owned by Nordic Capital (with respect to dispensing and mixing equipment for the paint industry).

The principal competitors of the Fire & Safety/Diversified Products Segment are Waterous Company, a unit of American Cast Iron Pipe Company (with respect to truck-mounted firefighting pumps), Holmatro, Inc. (with respect to rescue tools), and Panduit Corporation (with respect to stainless steel bands, buckles and tools).

### ***Employees***

At December 31, 2010, the Company had 5,966 employees. Approximately 8% were represented by labor unions with various contracts expiring through February 2012. Management believes that the Company's relationship with their employees is good. The Company historically has been able to satisfactorily renegotiate its collective bargaining agreements, with its last work stoppage in March 1993.

### ***Suppliers***

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

### ***Inventory and Backlog***

The Company regularly and systematically adjusts production schedules and quantities based on the flow of incoming orders. Backlogs typically are limited to one to one and a half months of production. While total inventory levels also may be affected by changes in orders, the Company generally tries to maintain relatively stable inventory levels based on its assessment of the requirements of the various industries served.

### ***Raw Materials***

The Company uses a wide variety of raw materials which are generally available from a number of sources. As a result, shortages from any single supplier have not had, and are not likely to have a material impact on operations.

### ***Shared Services***

The Company has two production facilities in Suzhou, China, that support multiple IDEX business units. IDEX also has personnel in China, India and Singapore that provide sales and marketing, product design and engineering, and sourcing support to IDEX business units, as well as personnel in various locations in Europe, South America, the Middle East and Japan to support sales and marketing efforts of IDEX businesses in those regions.

### ***Segment Information***

For segment financial information for the years 2010, 2009, and 2008, see the table titled **Company and Business Segment Financial Information** presented on page 18 in Part II. Item 7. **Management's Discussion and Analysis of Financial Condition and Results of Operations** and Note 11 of the Notes to Consolidated Financial Statements in Part II. Item 8. **Financial Statements and Supplementary Data** .

**Table of Contents*****Executive Officers of the Registrant***

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

<b>Name</b>	<b>Age</b>	<b>Years of Service</b>	<b>Position</b>
Lawrence D. Kingsley	48	6	Chairman of the Board and Chief Executive Officer
Dominic A. Romeo	51	7	Vice President and Chief Financial Officer
Kevin G. Hostetler	42	5	Vice President-Group Executive Fluid & Metering Technologies
John L. McMurray	60	18	Vice President-Corporate
Heath A. Mitts	40	5	Vice President-Corporate Finance
Harold Morgan	52	3	Vice President-Human Resources
Frank J. Notaro	47	13	Vice President-General Counsel and Secretary
Daniel J. Salliotte	44	6	Vice President-Strategy and Business Development
Andrew K. Silvernail	39	2	Vice President-Group Executive Health & Science Technologies, Global Dispensing and Fire & Safety/Diversified Products
Michael J. Yates	45	5	Vice President and Chief Accounting Officer

Mr. Kingsley has been Chairman of the Board since April 2006. He was appointed to the position of President and Chief Executive Officer in March 2005.

Mr. Romeo has been Vice President and Chief Financial Officer of the Company since January 2004. As previously announced in December 2010, Mr. Romeo is retiring in February 2011.

Mr. Hostetler has been Vice President-Group Executive Fluid & Metering Technologies since February 2010. Mr. Hostetler joined IDEX in July 2005 as President of the Energy Group and was appointed Vice President, Group Executive and President Energy and Water and IDEX Asia in December 2008.

Mr. McMurray has served as Vice President-Corporate since February 2010 with responsibilities for operational excellence, supply chain and environment and health and safety. Prior to that, Mr. McMurray was Vice President-Group Executive from August 2003. Mr. McMurray will be retiring in April 2011.

Mr. Mitts has been Vice President-Corporate Finance since September 2005. In December 2010, the Company announced that Mr. Mitts is succeeding Mr. Romeo as Chief Financial Officer in February 2011.

Mr. Morgan has been Vice President-Human Resources of the Company since June 2008. From February 2003 to June 2008, Mr. Morgan was Senior Vice President and Chief Administrative Officer for Bally Total Fitness Corporation.

Mr. Notaro has served as Vice President-General Counsel and Secretary since March 1998.

Mr. Salliotte has been Vice President-Strategy and Business Development since October 2004.



Mr. Silvernail has been Vice President-Group Executive Health & Science Technologies, Global Dispensing and Fire & Safety/Diversified Products since January 2011. From February 2010 to December 2010, Mr. Silvernail was Vice President-Group Executive Health & Sciences Technologies and Global Dispensing. Mr. Silvernail joined IDEX in January 2009 as Vice President-Group Executive Health & Science Technologies. Prior to joining IDEX, Mr. Silvernail served as Group President at Rexnord Industries from April 2005 to August 2008.

Mr. Yates has been Vice-President and Chief Accounting Officer since February 2010. Mr. Yates was hired as Vice President-Controller in October 2005.

## **Table of Contents**

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

### ***Public Filings***

Copies of the Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports are made available free of charge at [www.idexcorp.com](http://www.idexcorp.com) as soon as reasonably practicable after being filed electronically with the SEC. Our reports are also available free of charge on the SEC's website, [www.sec.gov](http://www.sec.gov). The information on the Company's website is not incorporated into this Form 10-K.

### **Item 1A. *Risk Factors.***

For an enterprise as diverse and complex as the Company, a wide range of factors could materially affect future developments and performance. In addition to the factors affecting specific business operations identified in connection with the description of those operations and the financial results of those operations elsewhere in this report, the most significant factors affecting our operations include the following:

#### ***CHANGES IN U.S. OR INTERNATIONAL ECONOMIC CONDITIONS COULD ADVERSELY AFFECT THE PROFITABILITY OF ANY OF OUR BUSINESSES.***

In 2010, 51% of the Company's revenue was derived from domestic operations while 49% was derived from international operations. The Company's largest markets include life sciences and medical technologies, fire and rescue, petroleum LPG, paint and coatings, chemical processing and water and wastewater treatment. A slowdown in the economy and in particular any of these specific end markets could directly affect the Company's revenue stream and profitability.

#### ***POLITICAL CONDITIONS IN FOREIGN COUNTRIES IN WHICH WE OPERATE COULD ADVERSELY AFFECT OUR BUSINESS.***

In 2010, approximately 49% of our total sales were to customers outside the U.S. We expect our international operations and export sales to continue to be significant for the foreseeable future. Both our sales from international operations and export sales are subject in varying degrees to risks inherent in doing business outside the United States. These risks include the following:

possibility of unfavorable circumstances arising from host country laws or regulations;

risks of economic instability;

currency exchange rate fluctuations and restrictions on currency repatriation;

potential negative consequences from changes to taxation policies;

the disruption of operations from labor and political disturbances;

changes in tariff and trade barriers and import or export licensing requirements; and,

insurrection or war.

We cannot predict the impact such future, largely unforeseeable events might have on the Company's operations.

***AN INABILITY TO CONTINUE TO DEVELOP NEW PRODUCTS CAN LIMIT THE COMPANY'S REVENUE AND PROFITABILITY.***

The Company's revenue grew organically by 12% in 2010, but was down 14% in 2009. Approximately 19% of our revenue was derived from new products developed over the past three years. Our ability to continue to grow organically is tied to our ability to continue to develop new products.

**Table of Contents**

***OUR GROWTH STRATEGY INCLUDES ACQUISITIONS AND WE MAY NOT BE ABLE TO MAKE ACQUISITIONS OF SUITABLE CANDIDATES OR INTEGRATE ACQUISITIONS SUCCESSFULLY.***

Our historical growth has included, and our future growth is likely to continue to include acquisitions. We intend to continue to seek acquisition opportunities both to expand into new markets and to enhance our position in existing markets throughout the world. We cannot be assured, however, that we will be able to successfully identify suitable candidates, negotiate appropriate acquisition terms, obtain financing which may be needed to consummate those acquisitions, complete proposed acquisitions, successfully integrate acquired businesses into our existing operations or expand into new markets. In addition, we cannot assure you that any acquisition, once successfully integrated, will perform as planned, be accretive to earnings, or prove to be beneficial to our operations and cash flow.

Acquisitions involve numerous risks, including the assumption of undisclosed or unindemnified liabilities, difficulties in the assimilation of the operations, technologies, services and products of the acquired companies and the diversion of management's attention from other business concerns. In addition, prior acquisitions have resulted, and future acquisitions could result, in the incurrence of substantial additional indebtedness and other expenses. Once integrated, acquired operations may not achieve levels of revenues, profitability or productivity comparable with those achieved by our existing operations, or otherwise perform as expected.

***THE MARKETS WE SERVE ARE HIGHLY COMPETITIVE. THIS COMPETITION COULD LIMIT THE VOLUME OF PRODUCTS THAT WE SELL AND REDUCE OUR OPERATING MARGINS.***

Most of our products are sold in competitive markets. We believe that the principal points of competition in our markets are product quality, price, design and engineering capabilities, product development, conformity to customer specifications, quality of post-sale support, timeliness of delivery, and effectiveness of our distribution channels. Maintaining and improving our competitive position will require continued investment by us in manufacturing, engineering, quality standards, marketing, customer service and support, and our distribution networks. We may not be successful in maintaining our competitive position. Our competitors may develop products that are superior to our products, or may develop methods of more efficiently and effectively providing products and services or may adapt more quickly than us to new technologies or evolving customer requirements. Pricing pressures also could cause us to adjust the prices of certain of our products to stay competitive. We may not be able to compete successfully with our existing competitors or with new competitors. Failure to continue competing successfully could adversely affect our business, financial condition, results of operations and cash flow.

***WE ARE DEPENDENT ON THE AVAILABILITY OF RAW MATERIALS, PARTS AND COMPONENTS USED IN OUR PRODUCTS.***

While we manufacture many of the parts and components used in our products, we require substantial amounts of raw materials and purchase some parts and components from suppliers. The availability and prices for raw materials, parts and components may be subject to curtailment or change due to, among other things, suppliers' allocations to other purchasers, interruptions in production by suppliers, changes in exchange rates and prevailing price levels. Any change in the supply of, or price for, these raw materials or parts and components could materially affect our business, financial condition, results of operations and cash flow.

***SIGNIFICANT MOVEMENTS IN FOREIGN CURRENCY EXCHANGE RATES MAY HARM OUR FINANCIAL RESULTS.***

We are exposed to fluctuations in foreign currency exchange rates, particularly with respect to the Euro, Canadian Dollar, British Pound and Chinese Renminbi. Any significant change in the value of the currencies of the countries in which we do business against the U.S. Dollar could affect our ability to sell products competitively and control our

cost structure, which could have a material adverse effect on our business, financial condition, results of operations and cash flow. For additional detail related to this risk, see Part II. Item 7A. Quantitative and Qualitative Disclosure About Market Risk .

**Table of Contents**

***AN UNFAVORABLE OUTCOME OF ANY OF OUR PENDING CONTINGENCIES OR LITIGATION COULD ADVERSELY AFFECT OUR BUSINESS, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOW.***

We currently are involved in certain legal and regulatory proceedings. Where it is reasonably possible to do so, we accrue estimates of the probable costs for the resolution of these matters. These estimates are 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 quarter or annual period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings. For additional detail related to this risk, see Item 3. Legal Proceedings .

***OUR INTANGIBLE ASSETS ARE A SIGNIFICANT PORTION OF OUR TOTAL ASSETS AND A WRITE-OFF OF OUR INTANGIBLE ASSETS COULD ADVERSELY IMPACT OUR OPERATING RESULTS AND SIGNIFICANTLY REDUCE OUR NET WORTH.***

Our total assets reflect substantial intangible assets, primarily goodwill and identifiable intangible assets. At December 31, 2010, goodwill and intangible assets totaled \$1,207.0 million and \$281.4 million, respectively. These goodwill and intangible assets result from our acquisitions, representing the excess of cost over the fair value of the tangible assets we have acquired. Annually, or when certain events occur that require a more current valuation, we assess whether there has been an impairment in the value of our goodwill or intangible assets. If future operating performance at one or more of our reporting units were to fall significantly below forecast levels, we could be required to reflect, under current applicable accounting rules, a non-cash charge to operating income for an impairment. Any determination requiring the write-off of a significant portion of the goodwill or intangible assets could have a material negative effect on our results of operations and total capitalization.

**Item 1B. *Unresolved Staff Comments.***

The Company has received no written comments regarding its periodic or current reports from the staff of the Securities and Exchange Commission that remain unresolved.

**Item 2. *Properties.***

The Company's principal plants and offices have an aggregate floor space area of approximately 4.0 million square feet, of which 2.5 million square feet (62%) is located in the U.S. and approximately 1.5 million square feet (38%) is located outside the U.S., primarily in Germany (8%), Italy (7%), the U.K. (6%), China (4%) and The Netherlands (2%). These facilities are considered to be suitable and adequate for their operations. Management believes we can meet the expected demand increase over the near term with our existing facilities, especially given our operational improvement initiatives that usually increase capacity. The Company's executive office occupies 32,165 square feet of leased space in Lake Forest, Illinois.

Approximately 2.9 million square feet (73%) of the principal plant and office floor area is owned by the Company, and the balance is held under lease. Approximately 1.9 million square feet (48%) of the principal plant and office floor area is held by business units in the Fluid & Metering Technologies Segment; 0.7 million square feet (18%) is held by business units in the Health & Science Technologies Segment; 0.5 million square feet (12%) is held by business units in the Dispensing Equipment Segment; and 0.8 million square feet (19%) is held by business units in the Fire & Safety/Diversified Products Segment.

**Item 3. *Legal Proceedings.***

The Company and nine of its subsidiaries are presently 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. These components were acquired from third party suppliers, and were not manufactured by any of the subsidiaries. To date, the majority 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

**Table of Contents**

to claims that are tendered to them. Claims have been filed in jurisdictions throughout the United States. Most of the claims resolved to date have been dismissed without payment. The balance have been settled for various insignificant 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 the Company does not currently believe the asbestos-related claims will have a material adverse effect on the Company's business, financial position, results of operations or cash flow.

The Company 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, results of operations or cash flow.

**Item 4. (Removed and Reserved).****PART II****Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

The principal market for the Company's Common Stock is the New York Stock Exchange, but the Common Stock is also listed on the Chicago Stock Exchange. As of February 17, 2011, Common Stock was held by approximately 7,000 shareholders and there were 82,441,446 shares of Common Stock outstanding, net of treasury shares.

The high and low sales prices of the Common Stock per share and the dividends paid per share during the last two years is as follows:

	2010		Dividends Per Share	2009		Dividends Per Share
	High	Low		High	Low	
First Quarter	\$ 33.66	\$ 28.09	\$ 0.12	\$ 26.24	\$ 16.67	\$ 0.12
Second Quarter	35.54	28.49	0.15	26.18	19.67	0.12
Third Quarter	36.24	27.54	0.15	29.71	22.16	0.12
Fourth Quarter	40.29	35.08	0.15	32.85	26.08	0.12

Our payment of dividends in the future will be determined by our Board of Directors and will depend on business conditions, our earnings and other factors.

For information pertaining to securities authorized for issuance under equity compensation plans and the related weighted average exercise price, see Part III, Item 12, Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters.

The following table provides information about the Company purchases of Common Stock during the quarter ended December 31, 2010:

Total Number of Shares Purchased as	Maximum Dollar Value that May Yet
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<b>Period</b>	<b>Total Number of Shares Purchased</b>	<b>Average Price Paid per Share</b>	<b>Part of Publicly Announced Plans or Programs<sup>(1)</sup></b>	<b>be Purchased Under the Plans or Programs<sup>(1)</sup></b>
October 1, 2010 to October 31, 2010				\$ 75,000,020
November 1, 2010 to November 30, 2010				\$ 75,000,020
December 1, 2010 to December 31, 2010				\$ 75,000,020
Total				\$ 75,000,020

(1) On April 21, 2008, the Board of Directors authorized the repurchase of up to \$125.0 million of outstanding common shares either in the open market or through private transactions.

**Table of Contents**

**Performance Graph.** The following table compares total shareholder returns over the last five years to the Standard & Poor's (the S&P ) 500 Index, the S&P 600 Small Cap Industrial Machinery Index and the Russell 2000 Index assuming the value of the investment in our Common Stock and each index was \$100 on December 31, 2005. Total return values for our Common Stock, the S&P 500 Index, S&P 600 Small Cap Industrial Machinery Index and the Russell 2000 Index were calculated on cumulative total return values assuming reinvestment of dividends. The shareholder return shown on the graph below is not necessarily indicative of future performance.

	<b>12/05</b>	<b>12/06</b>	<b>12/07</b>	<b>12/08</b>	<b>12/09</b>	<b>12/10</b>
IDEX Corporation	\$ 100.00	\$ 115.33	\$ 131.86	\$ 88.14	\$ 113.69	\$ 142.77
S&P 500 Index	100.00	113.62	117.63	72.36	89.33	100.75
S&P Industrial Machinery Index	100.00	119.40	132.46	87.79	102.71	136.65
Russell 2000 Index	100.00	117.00	113.79	74.19	92.90	116.40

**Table of Contents****Item 6. Selected Financial Data.<sup>(1)</sup>**

(dollars in thousands, except per share data)	2010	2009	2008	2007	2006
<b>RESULTS OF OPERATIONS</b>					
Net sales	\$ 1,513,073	\$ 1,329,661	\$ 1,489,471	\$ 1,358,631	\$ 1,154,940
Gross profit	618,483	522,386	597,433	566,161	474,172
Selling, general and administrative expenses	358,272	325,453	343,392	313,366	260,201
Goodwill impairment			30,090		
Restructuring expenses	11,095	12,079	17,995		
Operating income	249,116	184,854	205,956	252,795	213,971
Other income (expense) net	(1,092)	1,151	5,123	3,434	1,040
Interest expense	16,150	17,178	18,852	23,353	16,353
Provision for income taxes	74,774	55,436	65,201	78,457	67,038
Income from continuing operations	157,100	113,391	127,026	154,419	131,620
Income/(loss) from discontinued operations-net of tax				(719)	12,949
Net income	157,100	113,391	127,026	153,700	144,569
<b>FINANCIAL POSITION</b>					
Current assets	\$ 692,758	\$ 451,712	\$ 480,688	\$ 617,622	\$ 400,724
Current liabilities	353,668	189,682	219,869	198,953	187,252
Working capital	339,090	262,030	260,819	418,669	213,472
Current ratio	2.0	2.4	2.2	3.1	2.1
Capital expenditures	32,769	25,525	28,358	26,496	21,198
Depreciation and amortization	58,108	56,346	48,599	38,038	29,956
Total assets	2,381,695	2,098,157	2,151,800	1,970,078	1,653,637
Total borrowings	527,895	400,100	554,000	454,731	361,980
Shareholders equity	1,375,660	1,268,104	1,144,783	1,143,207	962,088
<b>PERFORMANCE MEASURES</b>					
Percent of net sales:					
Gross profit	40.9%	39.3%	40.1%	41.7%	41.0%
SG&A expenses	23.7	24.5	23.1	23.1	22.5
Operating income	16.5	13.9	13.8	18.6	18.5
Income before income taxes	15.3	12.7	12.9	17.1	17.2
Income from continuing operations	10.4	8.5	8.5	11.4	11.4
Effective tax rate	32.2	32.8	33.9	33.7	33.7
Return on average assets <sup>(2)</sup>	7.0	5.3	6.2	8.5	9.1
Borrowings as a percent of capitalization	27.7	24.0	32.6	28.5	27.3
Return on average shareholders equity <sup>(3)</sup>	11.9	9.4	11.1	14.7	14.9
<b>PER SHARE DATA<sup>(3)(4)</sup></b>					
Basic					
Income from continuing operations	\$ 1.93	\$ 1.41	\$ 1.55	\$ 1.90	\$ 1.65
Net income	1.93	1.41	1.55	1.89	1.81
Diluted					
Income from continuing operations	1.90	1.40	1.53	1.88	1.62
Net income	1.90	1.40	1.53	1.87	1.78
Cash dividends declared	.60	.48	.48	.48	.40
Shareholders equity	16.76	15.66	14.26	14.01	11.94

Stock price					
high	40.29	32.85	40.75	44.99	35.65
low	27.54	16.67	17.70	30.41	26.00
close	39.12	31.15	24.15	36.13	31.61
Price/earnings ratio at year end	21	22	16	19	20
<b>Other Data</b>					
Employees at year end	5,966	5,300	5,813	5,009	4,863
Shareholders at year end	7,000	7,000	7,000	7,000	6,700
Shares outstanding (in 000s) <sup>(3)</sup> :					
Weighted average					
basic	80,466	79,716	81,123	80,666	79,527
diluted	81,983	80,727	82,320	82,086	80,976
At year end (net of treasury)	82,070	80,970	80,302	81,579	80,546

- (1) For additional detail, see Notes to Consolidated Financial Statements in Part II. Item 8. Financial Statements and Supplementary Data .
- (2) Return calculated based on income from continuing operations.
- (3) All share and per share data has been restated to reflect the three-for-two stock splits effected in the form of a 50% stock dividend in May 2007.
- (4) Adjusted to reflect the accounting guidance provided in Accounting Standards Codification ( ASC ) 260, Earnings Per Share .

**Table of Contents**

**Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations.***

**Cautionary Statement Under the Private Securities Litigation Reform Act**

This management's discussion and analysis, including, without limitations the section entitled "Historical Overview and Outlook" and other portions of this report 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," "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.

**Historical Overview and Outlook**

IDEX is an applied solutions company specializing in fluid and metering technologies, health and science technologies, dispensing equipment, and fire, safety and other diversified products built to its customers specifications. Our products are sold in niche markets to a wide range of industries throughout the world. Accordingly, our businesses are affected by levels of industrial activity and economic conditions in the U.S. and in other countries where we do business and by the relationship of the U.S. dollar to other currencies. Levels of capacity utilization and capital spending in certain industries and overall industrial activity are among the factors that influence the demand for our products.

The Company consists of four reportable segments: Fluid & Metering Technologies, Health & Science Technologies, Dispensing Equipment and Fire & Safety/Diversified Products.

The Fluid & Metering Technologies Segment designs, produces and distributes positive displacement pumps, flow meters, injectors, and other fluid-handling pump modules and systems and provides flow monitoring and other services for water and wastewater. The Health & Science Technologies Segment designs, produces and distributes a wide range of precision fluidics solutions, including very high precision, low-flow rate pumping solutions required in analytical instrumentation, clinical diagnostics and drug discovery, high performance molded and extruded, biocompatible medical devices and implantables, air compressors used in medical, dental and industrial applications, and precision gear and peristaltic pump technologies that meet exacting OEM specifications. The Dispensing Equipment Segment produces precision equipment for dispensing, metering and mixing colorants and paints used in a variety of retail and commercial businesses around the world. The Fire & Safety/Diversified Products Segment produces firefighting pumps and controls, rescue tools, lifting bags and other components and systems for the fire and rescue industry, and engineered stainless steel banding and clamping devices used in a variety of industrial and

commercial applications.

Some of our key 2010 financial highlights are as follows:

Sales of \$1.51 billion rose 14%; organic sales excluding acquisitions and foreign currency translation were up 12%.

Gross margins improved 160 basis points to 40.9% of sales

## **Table of Contents**

Operating margins at 16.5% increased 260 basis points compared to 2009.

Net income increased 39% to \$157.1 million.

Diluted EPS of \$1.90 increased 50 cents compared to 2009.

For 2011, the Company is expected to grow organically in the mid to high single digits with acquisition-related growth projected at approximately 4 percent for transactions completed in 2010 and two acquisitions to be completed in the first quarter of 2011. Based on the Company's current outlook, for the full year 2011, we are forecasting fully diluted EPS of \$2.23 to \$2.33.

## **Results of Operations**

The following is a discussion and analysis of our financial position and results of operations for each of the three years in the period ended December 31, 2010. For purposes of this discussion and analysis section, reference is made to the table on page 16 and the Consolidated Statements of Operations in Part II. Item 8. Financial Statements and Supplementary Data on page 26.

### **Performance in 2010 Compared with 2009**

Sales in 2010 of \$1,513.1 million were 14% higher than the \$1,329.7 million recorded a year ago. This increase reflects a 12% increase in organic sales and 3% from four acquisitions (PPE April 2010, OBL July 2010, Periflo September 2010 and Fitzpatrick November 2010), partially offset by 1% unfavorable foreign currency translation. Organic sales increased in Fluid & Metering Technologies, Health & Science Technologies and Fire & Safety/Diversified Products segments, but were flat in the Dispensing Equipment segment. Domestic organic sales were up 9% versus the prior year, while international organic sales increased 15% in 2010. Organic sales to customers outside the U.S. represented 49% of total sales in 2010 and 46% in 2009.

In 2010, Fluid & Metering Technologies contributed 48% of sales and 44% of operating income; Health & Science Technologies accounted for 26% of sales and 28% of operating income; Dispensing Equipment accounted for 8% of sales and 7% of operating income; and Fire & Safety/Diversified Products represented 18% of sales and 21% of operating income.

Fluid & Metering Technologies sales of \$729.9 million in 2010 increased \$88.8 million, or 14%, compared with 2009. This reflects a 13% increase in organic sales and 2% for acquisitions (OBL, Periflo and Fitzpatrick), partially offset by 1% unfavorable foreign currency translation. The increase in organic growth was driven by strong global growth across energy, chemical, food & pharma and water & wastewater markets. In 2010, organic sales increased approximately 13% domestically and 14% internationally. Organic sales to customers outside the U.S. were approximately 46% of total segment sales in 2010 and 41% in 2009.

Health & Science Technologies sales of \$397.2 million increased \$92.9 million, or 31%, in 2010 compared with last year. This change reflects a 21% increase in organic growth and a 10% increase from the acquisition of PPE. The increase in organic sales reflects market strength across all Health & Science Technologies products. In 2010, organic sales increased 14% domestically and 32% internationally. Organic sales to customers outside the U.S. were approximately 43% of total segment sales in 2010 and 40% in 2009.

Dispensing Equipment sales of \$125.3 million decreased \$2.0 million, or 2%, in 2010 compared with the prior year. This change reflects 2% unfavorable foreign currency translation, while organic growth was flat in 2010 compared to

2009. The Dispensing Equipment Segment experienced strength in Asia and parts of Eastern Europe, offset by softness in North America and Western Europe. Organic domestic sales decreased 9% compared with 2009, while organic international sales increased 5%. Organic sales to customers outside the U.S. were 67% of total segment sales in 2010 and 66% in 2009.

Fire & Safety/Diversified Products sales of \$265.5 million increased \$2.7 million, or 1%, in 2010 compared with 2009. Organic sales activity increased 2%, while foreign currency translation accounted for a 1% decrease. The increase in organic business growth was driven by higher demand for engineered band clamping systems, partially offset by weakness in fire suppression. In 2010, organic sales decreased 3% domestically and increased 7%



**Table of Contents**

internationally. Organic sales to customers outside the U.S. were 56% of total segment sales in 2010 and 55% in 2009.

Gross profit of \$618.5 million in 2010 was \$96.1 million, or 18%, higher than 2009. As a percent of sales, gross profit was 40.9% in 2010, which represented a 160 basis-point increase from 39.3% in 2009. The increase in gross margin primarily reflects higher sales volume, cost reductions due to our restructuring initiatives and change in product mix.

Selling, general and administrative ( SG&A ) expenses increased to \$358.3 million in 2010 from \$325.5 million in 2009. The \$32.8 million increase reflects approximately \$22.0 million for volume related expenses and \$10.8 million for incremental costs associated with the acquisitions of PPE in April 2010, OBL in July 2010, Periflo in September 2010 and Fitzpatrick in November 2010. As a percent of net sales, SG&A expenses were 23.7% for 2010 and 24.5% in 2009.

In 2010, the Company recorded pre-tax restructuring expenses totaling \$11.1 million, while \$12.1 million was recorded in 2009. These restructuring expenses were mainly attributable to employee severance related to employee reductions across various functional areas and facility closures resulting from the Company's cost savings initiatives. These initiatives included severance benefits for 215 employees in 2010 and 478 in 2009. The Company has completed these employee reductions in 2010 and expects severance payments to be fully paid by the end of 2011 using cash from operations.

Operating income increased \$64.3 million, or 35%, to \$249.1 million in 2010 from \$184.9 million in 2009. This increase primarily reflects an increase in volume, changes in product mix and cost reductions due to our restructuring initiatives. Operating margins in 2010 were 16.5% of sales compared with 13.9% recorded in 2009.

In the Fluid & Metering Technologies Segment, operating income of \$131.9 million and operating margins of 18.1% in 2010 were up from the \$100.3 million and 15.6% recorded in 2009, principally due to higher sales and cost reduction initiatives. In the Health & Science Technologies Segment, operating income of \$82.3 million and operating margins of 20.7% in 2010 were up from the \$51.7 million and 17.0% recorded in 2009 due to higher volume and cost reduction initiatives. In the Dispensing Equipment Segment, operating income of \$19.5 million and operating margins of 15.6% in 2010 were up from the \$15.1 million and 11.9% recorded in 2009 due to cost reduction initiatives and improved productivity. Operating income and operating margins in the Fire & Safety/Diversified Products Segment of \$62.8 million and 23.7%, respectively, were higher than the \$59.9 million and 22.8% recorded in 2009, due to higher volume and favorable mix.

Other expense was \$1.1 million in 2010 compared with a \$1.2 million gain in 2009, due to unfavorable foreign currency translation.

Interest expense decreased to \$16.2 million in 2010 from \$17.2 million in 2009. The decrease was principally due to lower debt levels and a lower interest rate environment.

The provision for income taxes increased to \$74.8 million in 2010 from \$55.4 million in 2009. The effective tax rate decreased to 32.2% in 2010 from 32.8% in 2009, due to changes in the mix of global pre-tax income among taxing jurisdictions.

Net income for 2010 was \$157.1 million, 39% higher than the \$113.4 million earned in 2009. Diluted earnings per share in 2010 of \$1.90 increased \$0.50, or 36%, compared with last year.

**Table of Contents****Company and Business Segment Financial Information**

	<b>For the Years Ended December 31,<sup>(1)</sup></b>		
	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>(In thousands)</b>		
<b>Fluid &amp; Metering Technologies</b>			
Net sales <sup>(2)</sup>	\$ 729,945	\$ 641,108	\$ 697,702
Operating income <sup>(3)</sup>	131,944	100,289	123,801
Operating margin <sup>(3)</sup>	18.1%	15.6%	17.7%
Identifiable assets	\$ 1,111,085	\$ 1,043,082	\$ 1,070,348
Depreciation and amortization	33,134	32,584	26,276
Capital expenditures	17,308	12,867	13,859
<b>Health &amp; Science Technologies</b>			
Net sales <sup>(2)</sup>	\$ 397,198	\$ 304,329	\$ 331,591
Operating income <sup>(3)</sup>	82,332	51,712	58,297
Operating margin <sup>(3)</sup>	20.7%	17.0%	17.6%
Identifiable assets	\$ 648,400	\$ 567,096	\$ 594,459
Depreciation and amortization	16,012	14,293	11,806
Capital expenditures	7,516	6,365	5,365
<b>Dispensing Equipment</b>			
Net sales <sup>(2)</sup>	\$ 125,320	\$ 127,279	\$ 163,861
Operating income (loss) <sup>(3)(4)</sup>	19,490	15,147	(10,748)
Operating margin <sup>(3)(4)</sup>	15.6%	11.9%	(6.6)%
Identifiable assets	\$ 205,540	\$ 164,979	\$ 179,800
Depreciation and amortization	3,753	3,124	3,986
Capital expenditures	1,129	864	2,528
<b>Fire &amp; Safety/Diversified Products</b>			
Net sales <sup>(2)</sup>	\$ 265,501	\$ 262,809	\$ 300,462
Operating income <sup>(3)</sup>	62,844	59,884	74,310
Operating margin <sup>(3)</sup>	23.7%	22.8%	24.7%
Identifiable assets	\$ 278,567	\$ 285,893	\$ 286,482
Depreciation and amortization	4,885	5,328	5,288
Capital expenditures	3,513	3,686	4,743
<b>Total IDEX</b>			
Net sales	\$ 1,513,073	\$ 1,329,661	\$ 1,489,471
Operating income	249,116	184,854	205,956
Operating margin	16.5%	13.9%	13.8%
Total assets	\$ 2,381,695	\$ 2,098,157	\$ 2,151,800
Depreciation and amortization <sup>(5)</sup>	58,108	56,346	48,599
Capital expenditures	32,769	25,525	28,358

(1) Data includes acquisition of Fitzpatrick (November 2010), Periflo (September 2010), OBL (July 2010), IETG (October 2008), iPEK (October 2008), Richter (October 2008) and ADS (January 2008) in the Fluid & Metering Technologies Segment and PPE (April 2010), Innovadyne (November 2008) and Semrock (October 2008) in the Health & Science Technologies Segment from the date of acquisition.

- (2) Segment net sales include intersegment sales.
- (3) Segment operating income excludes unallocated corporate operating expenses.
- (4) Segment operating income includes \$30.1 million goodwill impairment charge in 2008 for Fluid Management.
- (5) Excludes amortization of debt issuance expenses.

**Table of Contents****Performance in 2009 Compared with 2008**

Sales in 2009 of \$1,329.7 million were 11% lower than the \$1,489.5 million recorded in 2008. This decrease reflects a 14% decrease in organic sales and 2% unfavorable foreign currency translation, partially offset by a 5% increase from five acquisitions (Richter October 2008, iPEK October 2008, IETG October 2008, Semrock October 2008 and Innovadyne November 2008). Organic sales decreased in all four of the Company's reportable segments. Domestic organic sales were down 13% versus the prior year, while international organic sales were down 15% in 2009. Sales to customers outside the U.S. represented 47% of total sales in both 2009 and 2008.

In 2009, Fluid & Metering Technologies contributed 48% of sales and 44% of operating income; Health & Science Technologies accounted for 23% of both sales and operating income; Dispensing Equipment accounted for 9% of sales and 7% of operating income; and Fire & Safety/Diversified Products represented 20% of sales and 26% of operating income.

Fluid & Metering Technologies sales of \$641.1 million in 2009 decreased \$56.6 million, or 8%, compared with 2008. This reflects a 16% decline in organic sales and 1% of unfavorable foreign currency translation, partially offset by a 9% increase for acquisitions (Richter, iPEK and IETG). The decrease in organic growth was driven by weakness in chemical, energy, water and wastewater markets. In 2009, organic sales declined approximately 16% both domestically and internationally. Organic sales to customers outside the U.S. were approximately 41% of total segment sales in 2009 and 43% in 2008.

Health & Science Technologies sales of \$304.3 million decreased \$27.3 million, or 8%, in 2009 compared with 2008. This change represents a 12% decrease in organic volume and 1% unfavorable foreign currency translation, partially offset by a 5% increase from the acquisitions of Semrock and Innovadyne. The decrease in organic sales reflected market softness across the Health & Science Technologies businesses. In 2009, organic sales decreased 13% domestically and 10% internationally. Organic sales to customers outside the U.S. were approximately 40% of total segment sales in 2009 and 38% in 2008.

Dispensing Equipment sales of \$127.3 million decreased \$36.6 million, or 22%, in 2009 compared with the prior year. Organic sales decreased 18%, while foreign currency translation accounted for 4% of the decrease. The decrease in organic growth was due to continued deterioration in capital spending in the European and North American markets. Organic domestic sales increased 8% compared with 2008, while organic international sales decreased 27%. Organic sales to customers outside the U.S. were 66% of total segment sales in 2009, down from 73% in 2008.

Fire & Safety/Diversified Products sales of \$262.8 million decreased \$37.7 million, or 13%, in 2009 compared with 2008. Organic sales activity decreased 9%, while foreign currency translation accounted for 4% of the decrease. The decrease in organic business growth was driven by lower demand for engineered band clamping systems and lower levels of municipal spending. In 2009, organic sales decreased 12% domestically and 7% internationally. Organic sales to customers outside the U.S. were 55% of total segment sales in 2009 and 53% in 2008.

Gross profit of \$522.4 million in 2009 was \$75.0 million, or 13%, lower than 2008. As a percent of sales, gross profit was 39.3% in 2009, which represented an 80 basis-point decrease from 40.1% in 2008. The decrease in gross margin primarily reflects lower volume and product mix.

SG&A expenses decreased to \$325.5 million in 2009 from \$343.4 million in 2008. The \$17.9 million decrease reflects approximately \$40.7 million for restructuring related savings and volume related expenses, partially offset by a \$22.8 million increase for incremental costs associated with recently acquired businesses. As a percent of net sales, SG&A expenses were 24.5% for 2009 and 23.1% in 2008.

In 2008, the Company recorded a goodwill impairment charge of \$30.1 million. The Company concluded in accordance with ASC 350 that events had occurred and circumstances had changed which required the Company to perform an interim period goodwill impairment test at Fluid Management, a reporting unit in 2008 within the Company's Dispensing Equipment Segment. Fluid Management had experienced a downturn in capital spending by its customer base and a loss of market share. The Company performed an impairment test and compared the fair

## **Table of Contents**

value of the reporting unit to its carrying value. It was determined that the fair value of Fluid Management was less than the carrying value of the net assets. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. The Company's analysis resulted in an implied fair value of goodwill of \$21.2 million.

In 2009 and 2008, the Company recorded pre-tax restructuring expenses totaling \$12.1 million and \$18.0 million, respectively, for employee severance related to employee reductions across various functional areas and facility closures resulting from the Company's cost savings initiatives. These initiatives included severance benefits for 478 employees in 2009 and 380 in 2008.

Operating income decreased \$21.1 million, or 10%, to \$184.9 million in 2009 from \$206.0 million in 2008. This decrease primarily reflects a decrease in volume, partially offset by the goodwill impairment charge in 2008 and the impact from acquisitions. Operating margins in 2009 were 13.9% of sales compared with 13.8% recorded in 2008.

In the Fluid & Metering Technologies Segment, operating income of \$100.3 million and operating margins of 15.6% in 2009 were down from the \$123.8 million and 17.7% recorded in 2008 principally due to lower sales. In the Health & Science Technologies Segment, operating income of \$51.7 million and operating margins of 17.0% in 2009 were down from the \$58.3 million and 17.6% recorded in 2008 due to lower volume. In the Dispensing Equipment Segment, operating income of \$15.1 million and operating margins of 11.9% in 2009 were up from the \$10.7 million of operating loss recorded in 2008, due to a goodwill impairment charge in 2008, partially offset by continued deterioration in the North American and European markets. Operating income and operating margins in the Fire & Safety/Diversified Products Segment of \$59.9 million and 22.8%, respectively, were lower than the \$74.3 million and 24.7% recorded in 2008, due primarily to lower volume and unfavorable product mix.

Other income of \$1.2 million in 2009 was \$3.9 million lower than the \$5.1 million in 2008, due to unfavorable foreign currency translation and lower interest income.

Interest expense decreased to \$17.2 million in 2009 from \$18.9 million in 2008. The decrease was due to a lower interest rate environment, the replacement of \$150.0 million of debt with a lower interest rate borrowing in February 2008 and the conversion of \$350.0 million floating-rate debt into fixed-rates.

The provision for income taxes decreased to \$55.4 million in 2009 from \$65.2 million in 2008. The effective tax rate decreased to 32.8% in 2009 from 33.9% in 2008, due to changes in the mix of global pre-tax income among taxing jurisdictions.

Net income for 2009 was \$113.4 million, 11% lower than the \$127.0 million in 2008. Diluted earnings per share in 2009 of \$1.40 decreased \$0.13, or 8%, compared with 2008.

## **Liquidity and Capital Resources**

At December 31, 2010, working capital was \$339.1 million and the Company's current ratio was 2.0 to 1. Cash flows from operating activities decreased \$28.1 million, or 13%, to \$184.5 million in 2010, primarily due to the settlement of the forward starting interest rate contract entered into during 2010 in connection with the \$300.0 million 4.5% Senior Notes issued in December 2010.

Cash flows from operations were more than adequate to fund capital expenditures of \$32.8 million and \$25.5 million in 2010 and 2009, respectively. Capital expenditures were generally for machinery and equipment that improved productivity and tooling to support the global sourcing initiatives, although a portion was for business system technology and replacement of equipment and facilities. Management believes that the Company has ample capacity

in its plants and equipment to meet expected needs for future growth in the intermediate term.

The Company acquired PPE in April 2010 for cash consideration of \$51.3 million and the assumption of approximately \$2.7 million in debt related items, OBL in July 2010 for cash consideration of \$15.4 million, Periflo in September 2010 for cash consideration of \$4.3 million and Fitzpatrick in November 2010 for cash consideration of \$20.3 million and the assumption of approximately \$0.4 million in debt related items. The cash payment for PPE was financed with borrowings under the Company's credit facility, while the other acquisitions were paid with cash from operations.

**Table of Contents**

The Company maintains a \$600.0 million unsecured domestic, multi-currency bank revolving credit facility ( Credit Facility ), which expires on December 21, 2011. At December 31, 2010, there was \$27.8 million outstanding under the Credit Facility. The net available borrowing under the Credit Facility as of December 31, 2010, was approximately \$572.2 million. Interest is payable quarterly on the outstanding borrowings at the bank agent s reference rate. Interest on borrowings based on LIBOR plus an applicable margin is payable on the maturity date of the borrowing, or quarterly from the effective date for borrowings exceeding three months. The applicable margin is based on the Company s senior, unsecured, long-term debt rating and can range from 24 basis points to 50 basis points. Based on the Company s credit rating at December 31, 2010, the applicable margin was 40 basis points. An annual Credit Facility fee, also based on the Company s credit rating, is currently 10 basis points and is payable quarterly.

On April 18, 2008, the Company completed a \$100.0 million unsecured senior bank term loan agreement ( Term Loan ), with covenants consistent with the existing Credit Facility and a maturity on December 21, 2011. At December 31, 2010, there was \$90.0 million outstanding under the Term Loan included within short term borrowings. Interest under the Term Loan is based on the bank agent s reference rate or LIBOR plus an applicable margin and is payable at the end of the selected interest period, but at least quarterly. The applicable margin is based on the Company s senior, unsecured, long-term debt rating and can range from 45 to 100 basis points. Based on the Company s current debt rating, the applicable margin is 80 basis points. The Term Loan requires a repayment of \$7.5 million in April 2011, with the remaining balance due on December 21, 2011. The Company currently maintains an interest rate exchange agreement related to the Term Loan which expires in December 2011. This interest rate exchange agreement has a current notional amount of \$90.0 million, the agreement effectively converted the \$100.0 million of floating-rate debt into fixed-rate debt at an interest rate of 4.00%. The fixed rate is comprised of the fixed rate on the interest rate exchange agreement and the Company s current margin of 80 basis points on the Term Loan.

On June 9, 2010, the Company completed a private placement of 81.0 million (\$96.8 million) aggregate principal amount of 2.58% Series 2010 Senior Euro Notes due June 9, 2015 ( 2.58% Senior Euro Notes ) pursuant to a Master Note Purchase Agreement, dated June 9, 2010 (the Purchase Agreement ). The Purchase Agreement provides for the issuance of additional series of notes in the future. The 2.58% Senior Euro Notes bear interest at a rate of 2.58% per annum and will mature on June 9, 2015. The 2.58% Senior Euro Notes are unsecured obligations of the Company and rank pari passu in right of payment with all of the Company s other senior debt. The Company may at any time prepay all or any portion of the 2.58% Senior Euro Notes; provided that such portion is greater than 5% of the aggregate principal amount of Notes then outstanding under the Purchase Agreement. In the event of a prepayment, the Company will pay an amount equal to par plus accrued interest plus a make-whole premium. The Purchase Agreement contains certain covenants that restrict the Company s ability to, among other things, transfer or sell assets, create liens and engage in certain mergers or consolidations. In addition, the Company must comply with a leverage ratio and interest coverage ratio as set forth in the Purchase Agreement. The Purchase Agreement provides for customary events of default. In the case of an event of default arising from specified events of bankruptcy or insolvency, all outstanding 2.58% Senior Euro Notes will become due and payable immediately without further action or notice. In the case of payment events of defaults, any holder of the 2.58% Senior Euro Notes affected thereby may declare all the 2.58% Senior Euro Notes held by it due and payable immediately. In the case of any other event of default, a majority of the holders of the 2.58% Senior Euro Notes may declare all the 2.58% Senior Euro Notes to be due and payable immediately. The Company used a portion of the proceeds from the private placement to pay down existing debt outstanding under the Credit Facility that had previously been denominated in Euros, with the remainder being available for ongoing business activities.

On December 6, 2010, the Company completed a public offering of \$300.0 million 4.5% Notes due December 15, 2020 ( 4.5% Senior Notes ). The net proceeds from the offering of approximately \$295.7 million, after deducting the \$1.6 million issuance discount, the \$1.9 million underwriting commission and estimated offering expenses of approximately \$0.8 million, was used to repay \$250.0 million of outstanding indebtedness under the Credit Facility.



The balance of the net proceeds will be used for general corporate purposes. The 4.5% Senior Notes will bear interest at a rate of 4.5% per annum, which is payable semi-annually in arrears each June 15 and December 15, beginning June 15, 2011. The Company may redeem all or part of the 4.5% Senior Notes at any time prior to maturity at the redemption prices set forth in the Note Indenture ( Indenture ) governing the

## **Table of Contents**

4.5% Senior Notes. The Company may issue additional debt from time to time pursuant to the Indenture. The Indenture and 4.5% Senior Notes contain covenants that limit the Company's ability to, among other things, incur certain liens securing indebtedness, engage in certain sale-leaseback transactions, and enter into certain consolidations, mergers, conveyances, transfers or leases of all or substantially all the Company's assets. The terms of the 4.5% Senior Notes also require the Company to make an offer to repurchase 4.5% Senior Notes upon a change of control triggering event (as defined in the Indenture) at a price equal to 101% of their principal amount plus accrued and unpaid interest if any.

On April 15, 2010, the Company entered into a forward starting interest rate contract with a notional amount of \$300.0 million with a settlement date in December 2010. This contract was entered into in anticipation of the issuance of the \$300.0 million 4.5% Senior Notes and was designed to lock in the market interest rate as of April 15, 2010. The Company settled this interest rate contract in December 2010, resulting in a \$31.0 million payment. The \$31.0 million will be amortized into interest expense over the 10 year term of the 4.5% Senior Notes yielding an effective interest rate of 5.8%.

There are two key financial covenants that the Company is required to maintain in connection with the Credit Facility, Term Loan, and 2.58% Senior Euro Notes. There are no financial covenants relating to the 4.5% Senior Notes. The most restrictive financial covenants under these debt instruments require a minimum interest coverage ratio (operating cash flow to interest) of 3.0 to 1 and a maximum leverage ratio (outstanding debt to operating cash flow) of 3.25 to 1. At December 31, 2010, the Company was in compliance with both of these financial covenants. The Company expects to be in compliance with both of these key financial covenants throughout 2011.

On April 21, 2008, the Company's Board of Directors authorized the repurchase of up to \$125.0 million of its outstanding common shares. Repurchases under the new program will be funded with cash flow generation, and made from time to time in either the open market or through private transactions. The timing, volume, and nature of share repurchases will be at the discretion of management, dependent on market conditions, other priorities for cash investment, applicable securities laws, and other factors, and may be suspended or discontinued at any time. No shares were purchased in 2010 or 2009.

We expect our current cash and cash that will be generated from operations during 2011 will be sufficient to meet our operating cash requirements, planned capital expenditures, interest on all borrowings, required debt repayments, pension and postretirement funding requirements and annual dividend payments to holders of the Company's stock during the next twelve months. Additionally, in the event that suitable businesses are available for acquisition upon acceptable terms, we may obtain all or a portion of the financing for these acquisitions through the incurrence of additional borrowings. Our current intention, if the available terms and conditions are acceptable, is to enter into a new revolving credit facility agreement during 2011 since the existing Credit Facility matures on December 21, 2011. As of December 31, 2010, \$27.8 million is outstanding under the existing Credit Facility and \$90.0 million is outstanding under the Term Loan and both are classified as short term borrowings on the Balance Sheet. We expect our cash and cash from operations to be adequate to repay these balances during 2011.

## **Contractual Obligations, Commitments and Off-Balance Sheet Arrangements**

Our contractual obligations and commercial commitments include pension and postretirement medical benefit plans, rental payments under operating leases, payments under capital leases, and other long-term obligations arising in the ordinary course of business. 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.

The following table summarizes our significant contractual obligations and commercial commitments at December 31, 2010, and the future periods in which such obligations are expected to be settled in cash. In addition,

the table reflects the timing of principal and interest payments on outstanding borrowings. Additional detail

**Table of Contents**

regarding these obligations is provided in the Notes to Consolidated Financial Statements in Part II. Item 8. Financial Statements and Supplementary Data , as referenced in the table:

<b>Payments Due by Period</b>	<b>Total</b>	<b>Less Than 1 Year</b>	<b>1-3 Years</b>	<b>3-5 Years</b>	<b>More Than 5 Years</b>
			<b>(In thousands)</b>		
Borrowings <sup>(1)</sup>	\$ 677,156	\$ 139,347	\$ 32,538	\$ 138,333	\$ 366,938
Interest rate exchange agreements	2,365	2,365			
Operating lease commitments	35,321	9,679	12,668	6,057	6,917
Capital lease obligations <sup>(2)</sup>	3,808	793	981	718	1,316
Purchase obligations <sup>(3)</sup>	76,629	63,084	2,514	11,031	
Pension and post-retirement obligations	96,100	8,600	17,600	19,500	50,400
Income tax obligations <sup>(4)</sup>	6,440	1,319	4,201	204	716
<b>Total contractual obligations<sup>(5)</sup></b>	<b>\$ 897,819</b>	<b>\$ 225,187</b>	<b>\$ 70,502</b>	<b>\$ 175,843</b>	<b>\$ 426,287</b>

(1) Includes interest payments based on contractual terms and current interest rates for variable debt.

(2) Consists primarily of property leases.

(3) Consists primarily of inventory commitments.

(4) Excludes interest and penalties.

(5) Comprises liabilities recorded on the balance sheet of \$492,878, and obligations not recorded on the balance sheet of \$404,941.

**Critical Accounting Policies**

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 Part II. Item 8. Financial Statements and Supplementary Data .

**Revenue recognition** The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collectibility of the sales price is reasonably assured. For product sales, delivery does not occur until the products have been shipped and risk of loss has been transferred to the customer. Revenue from services is recognized when the services are provided or ratably over the contract term. Some arrangements with customers may include multiple deliverables, including the combination of products and services. In such cases, the Company has identified these as separate elements in accordance with ASC 985-65-25 Revenue Recognition-Multiple-Element Arrangements-Recognition and recognizes revenue consistent with the policy for each separate element based on the fair value of each accounting unit. Revenues from certain long-term contracts are recognized on the percentage-of-completion method. Percentage-of-completion is measured principally by the percentage of costs incurred to date for each contract to the estimated total costs for such contract at completion.

Provisions for estimated losses on uncompleted long-term contracts are made in the period in which such losses are determined. Due to uncertainties inherent in the estimation process, it is reasonably possible that completion costs, including those arising from contract penalty provisions and final contract settlements, will be revised in the near-term. Such revisions to costs and income are recognized in the period in which the revisions are determined.

The Company records allowances for discounts, product returns and customer incentives at the time of sale as a reduction of revenue as such allowances can be reliably estimated based on historical experience and known trends. The Company also offers product warranties and accrues its estimated exposure for warranty claims at the time of sale based upon the length of the warranty period, warranty costs incurred and any other related information known to the Company.

**Table of Contents**

*Share-based compensation* The Company accounts for stock-based employee compensation under the fair value recognition and measurement provisions of ASC Topic 718 Compensation Stock Compensation and applies the Binomial lattice option-pricing model to determine the fair value of options. The Binomial lattice option-pricing model incorporates certain assumptions, such as the expected volatility, risk-free interest rate, expected dividend yield, expected forfeiture rate and expected life of options, in order to arrive at a fair value estimate. As a result, share-based compensation expense, as calculated and recorded under ASC 718 could have been impacted if other assumptions were used. Furthermore, if the Company used different assumptions in future periods, share-based compensation expense could be impacted in future periods. See Note 13 of the Notes to Consolidated Financial Statements in Part II. Item 8. Financial Statements and Supplementary Data for additional information.

*Inventory* The Company states inventories at the lower of cost or market. Cost, which includes material, labor, and factory overhead, is determined on a FIFO basis. We make adjustments to reduce the cost of inventory to its net realizable value, if required, for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in market demand, product life cycle and engineering changes.

*Goodwill, long-lived and intangible assets* The Company evaluates the recoverability of certain noncurrent assets utilizing various estimation processes. An impairment of a long-lived asset exists when the asset's carrying amount exceeds its fair value, and is recorded when the carrying amount is not recoverable through future operations. An intangible asset or goodwill impairment exists when the carrying amount of intangible assets and goodwill exceeds its fair value. Assessments of possible impairments of goodwill, long-lived or intangible assets are made when events or changes in circumstances indicate that the carrying value of the asset may not be recoverable through future operations. Additionally, testing for possible impairment of recorded goodwill and indefinite-lived intangible asset balances is performed annually. The amount and timing of impairment charges for these assets require the estimation of future cash flows and the fair value of the related assets.

The Company's business acquisitions result in recording goodwill and other intangible assets, which affect the amount of amortization expense and possible impairment expense that the Company will incur in future periods. The Company follows the guidance prescribed in ASC 350, Goodwill and Other Intangible Assets to test goodwill and intangible assets for impairment. Annually, on October 31 or more frequently if triggering events occur, the Company compares the fair value of their reporting units to the carrying value of each reporting unit to determine if a goodwill impairment exists.

The Company determines the fair value of each reporting unit utilizing an income approach (discounted cash flows) weighted 50% and a market approach consisting of a comparable public company EBITDA multiples methodology weighted 50%. To determine the reasonableness of the calculated fair values, the Company reviews the assumptions to ensure that neither the income approach nor the market approach yielded significantly different valuations.

The key assumptions are updated each year for each reporting unit for the income and market methodology used to determine fair value. Various assumptions are utilized including forecasted operating results, annual operating plans, strategic plans, economic projections, anticipated future cash flows, the weighted average cost of capital, comparable transactions, market data and EBITDA multiples. The assumptions that have the most significant effect on the fair value calculation are the weighted average cost of capital, the EBITDA multiples and terminal growth rates. The 2010 and 2009 ranges for these three assumptions utilized by the Company are as follows:

Assumptions:	2010 Range	2009 Range
Weighted average cost of capital	12.1% to 13.9%	11.0% to 13.7%
EBITDA multiples	9.0x to 12.0x	9.0x to 11.0x

Terminal growth rates

3.0% to 3.5%

3.0% to 3.5%

The Company concluded that the fair value of each of its reporting units was substantially in excess of its carrying value as of October 31, 2010, and thus no goodwill impairment was identified.

*Income taxes* The Company accounts for income taxes in accordance with ASC 740 Income Taxes . Under ASC 740, deferred income tax assets and liabilities are determined based on the estimated future tax effects

**Table of Contents**

of differences between the financial statement and tax bases of assets and liabilities based on currently enacted tax laws. The Company's tax balances are based on management's interpretation of the tax regulations and rulings in numerous taxing jurisdictions. Future tax authority rulings and changes in tax laws and future tax planning strategies could affect the actual effective tax rate and tax balances recorded by the Company.

*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, we accrue estimates of the probable costs for the resolution of these matters. These estimates are 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 the defined benefit retirement plans are presented in Note 14 of the Notes to Consolidated Financial Statements in Part II, Item 8, Financial Statements and Supplementary Data. Level 1 assets are valued using unadjusted quoted prices for identical assets in active markets. Level 2 assets are valued using quoted prices or other observable inputs for similar assets. Level 3 assets are valued using unobservable inputs, but reflect the assumptions market participants would use in pricing the assets. Plan obligations and the annual pension expense are determined by consulting with actuaries using a number of assumptions provided by the Company. 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, results could be adversely affected.

**Recently Adopted Accounting Pronouncements**

In January 2010, the Financial Accounting Standards Board (FASB) issued ASU 2010-06, Fair Value Measurements and Disclosures (Topic 820). This Update provides amendments to Subtopic 820-10 and related guidance within U.S. Generally Accepted Accounting Principles (GAAP) to require disclosure of the transfers in and out of Levels 1 and 2 and a schedule for Level 3 that separately identifies purchases, sales, issuances and settlements and requires more detailed disclosures regarding valuation techniques and inputs. The new disclosures and clarifications of existing disclosures were effective for the Company's fiscal year 2010, except for the disclosures about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements, which will be effective for the Company's fiscal year 2011. See Note 7 of the Notes to Consolidated Financial Statements in Part II, Item 8 of this report for disclosures associated with the adoption of this standard that were effective in 2010.

**New Accounting Pronouncements**

In October 2009, the FASB issued ASU No. 2009-13, Revenue Recognition (Topic 605) Multiple-Deliverable Revenue Arrangements. ASU No. 2009-13 addresses the accounting for multiple-deliverable arrangements to enable vendors to account for products or services (deliverables) separately rather than as a combined unit. This guidance establishes a selling price hierarchy for determining the selling price of a deliverable, which is based on: (a) vendor-specific objective evidence; (b) third-party evidence; or (c) estimates. This guidance also eliminates the residual method of allocation and requires that arrangement consideration be allocated at the inception of the arrangement to all deliverables using the relative selling price method. In addition, this guidance significantly expands required disclosures related to a vendor's multiple-deliverable revenue arrangements. ASU No. 2009-13 is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010 and early adoption is permitted. A company may elect, but will not be required, to adopt the amendments in ASU No. 2009-13 retrospectively for all prior periods. Management is currently evaluating the requirements of ASU No. 2009-13 and has not yet determined the impact on the Company's consolidated financial statements.





**Table of Contents**

**Item 7A. *Quantitative and Qualitative Disclosures About Market Risk.***

The Company is subject to market risk associated with changes in foreign currency exchange rates and interest rates. We may, from time to time, enter into foreign currency forward contracts and interest rate exchange agreements on our debt when we believe there is a financial advantage in 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 foreign currency forward contracts and interest rate exchange agreements. Under the policy, we do not use financial or commodity derivative 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 foreign currency forward contracts and interest rate exchange agreements on the Company's outstanding long-term debt. The Company's exposure related to derivative instruments is, in the aggregate, not material to its financial position, results of operations or cash flows.

The Company's foreign currency exchange rate risk is limited principally to the Euro, Canadian Dollar, British Pound and Chinese Renminbi. We manage our foreign exchange risk principally through invoicing our customers in the same currency as the source of our products. The effect of transaction gains and losses is reported within Other income (expense)-net on the Consolidated Statements of Operations.

**Table of Contents****Item 8. Financial Statements and Supplementary Data.**

**IDEX CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

	<b>As of December 31,</b>	
	<b>2010</b>	<b>2009</b>
	<b>(In thousands except share and per share amounts)</b>	
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 235,136	\$ 73,526
Receivables net	213,553	183,178
Inventories	196,546	159,463
Other current assets	47,523	35,545
Total current assets	692,758	451,712
Property, plant and equipment net	188,562	178,283
Goodwill	1,207,001	1,180,445
Intangible assets net	281,392	281,354
Other noncurrent assets	11,982	6,363
Total assets	\$ 2,381,695	\$ 2,098,157
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
Current liabilities		
Trade accounts payable	\$ 104,055	\$ 73,020
Accrued expenses	117,879	98,730
Short-term borrowings	119,445	8,346
Dividends payable	12,289	9,586
Total current liabilities	353,668	189,682
Long-term borrowings	408,450	391,754
Deferred income taxes	148,534	148,806
Other noncurrent liabilities	95,383	99,811
Total liabilities	1,006,035	830,053
Commitments and contingencies (Note 8)		
Shareholders equity		
Preferred stock:		
Authorized: 5,000,000 shares, \$.01 per share par value; Issued: none		
Common stock:		
Authorized: 150,000,000 shares, \$.01 per share par value; Issued:	846	835
84,636,668 shares at December 31, 2010 and 83,510,320 shares at December 31,		

2009		
Additional paid-in capital	441,271	401,570
Retained earnings	1,005,040	896,977
Treasury stock at cost: 2,566,985 shares at December 31, 2010 and 2,540,052 shares at December 31, 2009	(58,788)	(56,706)
Accumulated other comprehensive income (loss)	(12,709)	25,428
Total shareholders' equity	1,375,660	1,268,104
Total liabilities and shareholders' equity	\$ 2,381,695	\$ 2,098,157

See Notes to Consolidated Financial Statements.

**Table of Contents**

**IDEX CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	<b>For the Years Ended December 31,</b>		
	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>(In thousands except per share amounts)</b>		
Net sales	\$ 1,513,073	\$ 1,329,661	\$ 1,489,471
Cost of sales	894,590	807,275	892,038
Gross profit	618,483	522,386	597,433
Selling, general and administrative expenses	358,272	325,453	343,392
Goodwill impairment			30,090
Restructuring expenses	11,095	12,079	17,995
Operating income	249,116	184,854	205,956
Other income (expense) net	(1,092)	1,151	5,123
Interest expense	16,150	17,178	18,852
Income before income taxes	231,874	168,827	192,227
Provision for income taxes	74,774	55,436	65,201
Net income	\$ 157,100	\$ 113,391	\$ 127,026
Earnings per common share:			
Basic earnings per common share	\$ 1.93	\$ 1.41	\$ 1.55
Diluted earnings per common share	\$ 1.90	\$ 1.40	\$ 1.53
Share data:			
Basic weighted average common shares outstanding	80,466	79,716	81,123
Diluted weighted average common shares outstanding	81,983	80,727	82,320

See Notes to Consolidated Financial Statements.

Table of Contents

**IDEX CORPORATION**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

	Common Stock and Additional Paid-In Capital	Retained Earnings	Cumulative Translation Adjustment	Accumulated Other Comprehensive Income (Loss) Net Actuarial Losses and Prior Service Costs on Pensions and Other Post- Retirement Benefit Plans	Cumulative Unrealized Loss on Derivatives Designated as Cash Flow Hedges	Treasury Stock	Total Shareholders' Equity
(In thousands except share and per share amounts)							
<b>Balance, December 31, 2007</b>	\$ 347,267	\$ 734,743	\$ 86,015	\$ (20,375)	\$	\$ (4,443)	\$ 1,143,207
Net income		127,026					127,026
Other comprehensive income, net of tax:							
Cumulative translation adjustment			(45,863)				(45,863)
Net change in retirement obligations (net of tax benefit of \$7.7 million)				(13,279)			(13,279)
Net change on derivatives designated as cash flow hedges (net of tax benefit of \$3.7 million)					(6,642)		(6,642)
Other comprehensive income							(65,784)
Comprehensive income							61,242
Cumulative effect of change in measurement date of foreign plans under		(351)	52				(299)

ASC 715							
Issuance of 597,863 shares of common stock from exercise of stock options and deferred compensation plans	15,701						15,701
Share-based compensation	15,014						15,014
Repurchase of 2.3 million shares of common stock					(50,000)		(50,000)
Unvested shares surrendered for tax withholding					(950)		(950)
Cash dividends declared \$ .48 per common share outstanding		(39,132)					(39,132)
<b>Balance, December 31, 2008</b>	\$ 377,982	\$ 822,286	\$ 40,204	\$ (33,654)	\$ (6,642)	\$ (55,393)	\$ 1,144,783
Net income		113,391					113,391
Other comprehensive income, net of tax:							
Cumulative translation adjustment			19,195				19,195
Net change in retirement obligations (net of tax expense of \$3.5 million)				6,396			6,396
Net change on derivatives designated as cash flow hedges (net of tax benefit of \$0.1 million)					(71)		(71)
Other comprehensive income							25,520
Comprehensive income							138,911
Issuance of 744,827 shares of common stock from issuance of unvested shares, exercise of stock options and deferred compensation plans							
Share-based compensation	8,713						8,713
Share-based compensation	15,710						15,710
Unvested shares surrendered for tax withholding					(1,313)		(1,313)
Cash dividends declared \$ .48 per common share outstanding		(38,700)					(38,700)

<b>Balance, December 31, 2009</b>	\$ 402,405	\$ 896,977	\$ 59,399	\$ (27,258)	\$ (6,713)	\$ (56,706)	\$ 1,268,104
Net income		157,100					157,100
Other comprehensive income, net of tax:							
Cumulative translation adjustment			(21,097)				(21,097)
Net change in retirement obligations (net of tax benefit of \$1.7 million)				(2,830)			(2,830)
Net change on derivatives designated as cash flow hedges (net of tax benefit of \$11.9 million)					(14,210)		(14,210)
Other comprehensive loss							(38,137)
Comprehensive income							118,963
Issuance of 1,222,274 shares of common stock from issuance of unvested shares, exercise of stock options and deferred compensation plans	22,354						22,354
Share-based compensation	17,358						17,358
Unvested shares surrendered for tax withholding						(2,082)	(2,082)
Cash dividends declared \$.60 per common share outstanding		(49,037)					(49,037)
<b>Balance, December 31, 2010</b>	\$ 442,117	\$ 1,005,040	\$ 38,302	\$ (30,088)	\$ (20,923)	\$ (58,788)	\$ 1,375,660

See Notes to Consolidated Financial Statements.



**Table of Contents****IDEX CORPORATION****CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>For The Years Ended December 31,</b>		
	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>(In thousands)</b>		
Cash flows from operating activities			
Net income	\$ 157,100	\$ 113,391	\$ 127,026
Adjustments to reconcile net income to net cash provided by operating activities:			
Loss on sale of fixed assets	12	447	
Goodwill impairment			30,090
Depreciation and amortization	32,367	31,850	30,989
Amortization of intangible assets	25,741	24,496	17,610
Amortization of debt issuance expenses	547	308	288
Share-based compensation expense	17,358	15,710	15,014
Deferred income taxes	(7,336)	1,081	(10,817)
Excess tax benefit from share-based compensation	(3,457)	(2,762)	(3,134)
Forward starting interest rate contract	(30,970)		
Changes in (net of the effect from acquisitions):			
Receivables	(22,162)	26,069	19,667
Inventories	(26,651)	23,149	(4,389)
Trade accounts payable	21,432	(16,310)	(6,385)
Accrued expenses	17,941	(14,294)	1,215
Other net	2,555	9,397	5,886
Net cash flows provided by operating activities	184,477	212,532	223,060
Cash flows from investing activities			
Cash purchases of property, plant and equipment	(31,740)	(25,059)	(27,837)
Acquisition of businesses, net of cash acquired	(91,286)		(392,825)
Proceeds from fixed assets disposals	720	3,582	
Changes in restricted cash			140,005
Other net		1,860	
Net cash flows used in investing activities	(122,306)	(19,617)	(280,657)
Cash flows from financing activities			
Borrowings under credit facilities for acquisitions	53,866		180,665
Borrowings under credit facilities and term loan	7,685	70,114	483,044
Proceeds from issuance of 2.58% Senior Euro Notes	96,762		
Payments under credit facilities and term loan	(331,632)	(225,604)	(413,207)
Proceeds from issuance of 4.5% Senior Notes	298,427		
Payment of 6.875% Senior Notes			(150,000)
Debt issuance costs	(2,685)		
Dividends paid	(46,334)	(38,637)	(39,398)
Proceeds from stock option exercises	18,057	7,694	10,421
Excess tax benefit from share-based compensation	3,457	2,762	3,134

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Purchase of common stock			(50,000)
Other net	(2,082)	(1,313)	(1,980)
Net cash flows provided by (used in) financing activities	95,521	(184,984)	22,679
Effect of exchange rate changes on cash and cash equivalents	3,918	4,242	