

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

FORM 10Q

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

For the quarterly period ended September 30, 2000

() 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 1-6948

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

Delaware
(State of Incorporation)

38-1016240
(I.R.S. Employer Identification No.)

700 Terrace Point Drive, Muskegon, Michigan 49443-3301
(Address of Principal Executive Office)

Registrant's Telephone Number including Area Code (231) 724-5000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Common shares outstanding November 6, 2000- 31,716,655

SPX CORPORATION
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PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

SPX CORPORATION
CONSOLIDATED BALANCE SHEETS
(\$ in millions)

	September 30, 2000	December 31, 1999
	----- (Unaudited)	
ASSETS		
Current assets:		
Cash and equivalents	\$ 46.6	\$ 78.8
Accounts receivable	515.4	473.7
Inventories	301.5	274.0
Prepaid and other current assets	56.8	39.2
Deferred income tax assets and refunds	116.0	110.8

Total current assets	1,036.3	976.5
Property, plant and equipment	869.0	799.8
Accumulated depreciation	(400.4)	(355.1)

Net property, plant and equipment	468.6	444.7
Goodwill and intangible assets, net	1,207.8	1,103.6
Investment in EGS	83.4	82.6
Other assets	287.1	238.6

Total assets	\$ 3,083.2	\$ 2,846.0
	=====	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings and current maturities of long-term debt	\$ 105.0	\$ 97.7
Accounts payable	276.1	238.3
Accrued expenses	331.8	343.5
Income taxes payable	68.5	75.4

Total current liabilities	781.4	754.9
Long-term debt, less current maturities	1,093.8	1,017.0
Deferred income taxes	326.9	322.4
Other long-term liabilities	203.1	199.4

Total long-term liabilities	1,623.8	1,538.8
Minority Interest	26.9	-
Shareholders' equity:		
Common stock	357.6	354.9
Paid-in capital	494.9	489.7
Retained earnings (deficit)	128.5	(11.7)
Unearned compensation	(11.7)	(19.1)
Accumulated other comprehensive income	(19.7)	(13.0)
Common stock in treasury	(298.5)	(248.5)

Total shareholders' equity	651.1	552.3

Total liabilities and shareholders' equity	\$ 3,083.2	\$ 2,846.0
	=====	

The accompanying notes are an integral part of these statements.

SPX CORPORATION
 CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited)
 (\$ in millions, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2000	1999	2000	1999
Revenues	\$ 645.1	\$ 668.9	\$1,968.0	\$1,987.2
Costs and expenses:				
Cost of products sold	423.3	444.3	1,306.7	1,323.7
Selling, general and administrative	121.5	120.7	369.9	378.8
Goodwill/intangible amortization	10.3	10.4	29.4	31.4
Special charges	63.8	6.1	85.5	26.2
Operating income	26.2	87.4	176.5	227.1
Gain on Issuance of Inrange Stock	98.0	--	98.0	--
Other income(expense), net	(1.7)	9.9	21.8	48.2
Equity in earnings of EGS	8.0	8.2	26.9	25.8
Interest expense, net	(24.2)	(28.7)	(70.6)	(90.8)
Income before income taxes	106.3	76.8	252.6	210.3
Provision for income taxes	(43.6)	(32.7)	(103.6)	(93.7)
Income before loss on early extinguishment of debt	62.7	44.1	149.0	116.6
Loss on early extinguishment of debt, net of tax	--	--	(8.8)	--
Net income	\$ 62.7	\$ 44.1	\$ 140.2	\$ 116.6
Basic income per share of common stock				
Income before loss on early extinguishment of debt	\$ 2.03	\$ 1.43	\$ 4.82	\$ 3.80
Loss on early extinguishment of debt	--	--	(0.28)	--
Net income per share	\$ 2.03	\$ 1.43	\$ 4.54	\$ 3.80
Weighted average number of basic common shares outstanding	30.917	30.851	30.906	30.676
Diluted income per share of common stock				
Income before loss on early extinguishment of debt	\$ 1.94	\$ 1.40	\$ 4.68	\$ 3.75
Loss on early extinguishment of debt	--	--	(0.28)	--
Net income per share	\$ 1.94	\$ 1.40	\$ 4.40	\$ 3.75
Weighted average number of diluted common shares outstanding	32.254	31.398	31.894	31.063

The accompanying notes are an integral part of these statements.

SPX CORPORATION
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 (Unaudited)
 (\$ in millions)

	Nine months ended September 30,	
	2000	1999
	-----	-----
Cash flows from (used in) operating activities:		
Net income	\$ 140.2	\$ 116.6
Adjustments to reconcile net income to net cash from operating activities:		
Special charges	85.5	26.2
Earnings of EGS, net of distributions	(0.8)	(1.0)
Loss on early extinguishment of debt, net of tax	8.8	--
Gain on sale of Inrange stock	(98.0)	
Gain on business divestitures	--	(31.7)
Deferred income taxes	(0.7)	49.9
Depreciation	49.8	47.8
Amortization of goodwill and intangibles	33.7	31.4
Employee benefits	(26.1)	(14.1)
Other, net	(6.7)	10.6
Change in operating assets and liabilities, net of effect from acquisitions and divestitures:		
Accounts receivable	(12.4)	(45.6)
Inventories	(5.0)	(31.2)
Accounts payable	27.2	42.2
Accrued expenses	(40.7)	(68.8)
Other, net	6.6	32.6
	-----	-----
Net cash from operating activities before taxes on sale of Best Power	161.4	164.9
Taxes paid on the sale of Best Power	(69.0)	--
	-----	-----
	92.4	164.9
Cash flows from (used in) investing activities:		
Business divestitures	--	91.2
Business acquisitions and investments	(211.1)	(86.0)
Capital expenditures	(91.0)	(79.8)
Other, net	--	15.7
	-----	-----
Net cash used in investing activities	(302.1)	(58.9)
Cash flows from (used in) financing activities:		
Net borrowings under revolving credit agreement	20.0	55.0
Borrowings under other debt agreements	509.4	--
Payments under other debt agreements	(445.3)	(228.5)
Proceeds from issuance of Inrange stock	128.2	--
Treasury stock purchased	(47.2)	--
Common stock issued under stock incentive programs	12.4	11.1
Treasury stock issued to benefit plans	--	28.5
	-----	-----
Net cash from (used in) financing activities	177.5	(133.9)
	-----	-----
Net decrease in cash and equivalents	(32.2)	(27.9)
Cash and equivalents, beginning of period	78.8	70.3
	-----	-----
Cash and equivalents, end of period	\$ 46.6	\$ 42.4
	=====	=====

The accompanying notes are an integral part of these statements.

SPX CORPORATION
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 September 30, 2000 (Unaudited)
 (\$ in millions, except share and per share data)

1. BASIS OF PRESENTATION

In the opinion of management, the accompanying balance sheets and related interim statements of income and cash flows include all adjustments (consisting only of normal and recurring items) necessary for their fair presentation in conformity with generally accepted accounting principles. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from these estimates. Interim results are not necessarily indicative of results for a full year. The information included in this Form 10-Q should be read in conjunction with the consolidated financial statements contained in the Company's 1999 Annual Report on Form 10-K.

2. BUSINESS SEGMENT INFORMATION

The Company is comprised of four business segments. Technical Products and Systems primarily includes operations that design, manufacture and market data networking equipment, building life-safety systems, digital TV and radio transmission equipment and automated fare collection systems. Major customers are computer manufacturers and users, construction contractors, municipalities, and TV and radio broadcasters. Industrial Products and Services includes operations that design, manufacture and market power transformers, industrial valves, mixers, electric motors, laboratory freezers and ovens, hydraulic systems, industrial furnaces and coal feeders. Major customers include industrial chemical companies, pulp and paper manufacturers, laboratories and utilities. Service Solutions includes operations that design, manufacture and market a wide range of specialty service tools, equipment and services primarily to the motor vehicle industry in North America and Europe. Major customers are franchised dealers of motor vehicle manufacturers, aftermarket vehicle service facilities and independent distributors. Vehicle Components includes operations that design, manufacture and market transmission and steering components for light and heavy duty vehicle and small engine markets, principally in North America and Europe. Major customers are vehicle manufacturers and aftermarket private brand distributors.

Inter-company sales among segments are not significant. Operating income by segment does not include general corporate expenses.

Financial data for the Company's business segments are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2000	1999	2000	1999
	-----	-----	-----	-----
Revenues:				
Technical Products and Systems	\$ 168.3	\$ 202.3	\$ 454.0	\$ 580.0
Industrial Products and Services	236.3	201.5	709.0	614.6
Service Solutions	155.8	175.0	524.4	494.9
Vehicle Components	84.7	90.1	280.6	297.7
	-----	-----	-----	-----
Total	\$ 645.1	\$ 668.9	\$ 1,968.0	\$1,987.2
	=====	=====	=====	=====
Operating Income: (1)				
Technical Products and Systems	\$ 25.0	\$ 35.0	\$ 73.1	\$ 71.1
Industrial Products and Services	25.0	37.0	92.5	100.1
Service Solutions	(15.9)	14.3	22.0	42.5
Vehicle Components	2.3	10.2	25.4	38.2
Corporate Special Charges	(1.1)	-	(9.3)	-
General Corporate Expenses	(9.1)	(9.1)	(27.2)	(24.8)
	-----	-----	-----	-----
Total	\$ 26.2	\$ 87.4	\$ 176.5	\$ 227.1
	=====	=====	=====	=====

- (1) Operating income for the three months ended September 30, 2000 and 1999 includes special charges of \$63.8 and \$6.1, respectively. Operating income for the nine months ended September 30, 2000 and 1999 includes charges of \$85.5 and \$26.2, respectively. Operating income for the three and nine month period ending September 30, 2000 also includes a charge against

cost of goods sold of \$12.3 primarily associated with the Service Solutions Segment. See Note 4 for further discussion.

3. ACQUISITIONS & DIVESTITURES

The Company continually reviews each of its businesses pursuant to its "fix, sell or grow" strategy. These reviews could result in selected acquisitions to expand an existing business or result in the disposition of an existing business. Acquisitions and dispositions for the first nine months of 2000 and 1999 are described below.

ACQUISITIONS 2000

In September of 2000, Revco Technologies, a business unit of SPX Corporation, acquired Jewett, Inc., of Buffalo, New York for a cash purchase price of \$10.5. Jewett is a world leader in the manufacture and sale of high quality medical refrigeration and pathology equipment. Recognized for its blood bank, plasma and laboratory refrigerators, as well as its equipment for medical examiners facilities, morgues, and hospital autopsy suites, Jewett also produces nourishment and medicine stations typically used on hospital patient floors, and surgical scrub sinks for operating theaters. The Jewett acquisition provides increased global presence, particularly in the blood and plasma markets.

In September of 2000, DeZurik, a business unit of SPX Corporation, acquired the US and UK assets of Copes-Vulcan, located in Lake City, Pennsylvania and Winsford, England for a cash purchase price of \$35.0. The acquisition of Copes-Vulcan provides Dezurik with new technology and complementary products and services while expanding its customer base. The combined business will better serve process industries around the world with recognized quality process performance solutions.

In September of 2000, Edwards Systems Technology, a business unit of SPX Corporation, acquired Ziton SA (Pty) Ltd. for a cash purchase price of \$20.0. The acquisition of Ziton adds complementary technology, expands product and service offerings, bolsters Edwards Systems Technology's global position, and provides internationally based manufacturing capabilities for life safety systems.

In August of 2000, Inrange Technologies ("Inrange"), a business unit of SPX Corporation, acquired Computerm Corporation of Pittsburgh, Pennsylvania for a purchase price of \$30.0, which includes a non-interest bearing seller note of \$3.0 due in August 2001. Computerm's high performance channel extension products and services allow storage networking applications to operate over wide area networks. Computerm's suite of channel extension offerings complements Inrange's storage networking systems and expands its virtual storage networking family of channel directors, optical multiplexers, and channel extension products and services.

In August of 2000, Inrange acquired Varcom Corporation located in Fairfax, Virginia for a purchase price of \$25.0, which includes a non-interest bearing seller note of \$1.5 due in August 2002. Varcom Corporation is a provider of network management hardware, software, and services. Two of Varcom's key network management offerings are fully integrated into Inrange's Universal TouchPoint Architecture (TM) (UTA), a management system used to monitor and assess quality of service levels across the span of enterprise data networks.

In March of 2000, the Company completed the acquisition of Fenner Fluid Power, a division of Fenner plc of Yorkshire, England for a cash purchase price of \$64.0. The Company's high pressure hydraulics business is a market leader in the manufacture and distribution of high force industrial tools and hydraulic power systems and components. The addition of Fenner Fluid Power's medium pressure hydraulic power system components provides new technology, complementary products, and additional presence in the international market. Fenner Fluid Power has facilities in Rockford, Illinois and Romford, England.

In the first nine months of 2000, the Company made several other acquisitions with an aggregate purchase price of \$31.1. These acquisitions and the ones described above are not material individually or in the aggregate.

Each acquisition in 2000 was accounted for using purchase accounting and, accordingly, the purchase price was allocated on a preliminary basis to the related assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The allocation is expected to be finalized prior to the one-year anniversary of the acquisitions and adjustments are not expected to be material.

ACQUISITIONS 1999

In September of 1999, the Company acquired North American Transformer, Inc. ("NAT") from Rockwell International Corporation for a cash purchase price of \$86.0. NAT's expertise in large power transformers has expanded

the Company's existing product and service offering and positioned the business for international expansion.

DIVESTITURES 1999

In July of 1999, the Company sold the assets of its Acutex division to Hilite Industries for \$27.0 in cash. The operation manufactured solenoid valves used in automatic transmissions for motor vehicles. The transaction was recorded in the third quarter of 1999, and resulted in no gain or loss.

In March of 1999, the Company completed the sale of its Dual-Lite business, which it received from EGS Electrical Group LLC ("EGS") on October 6, 1998 in a partial rescission of the original EGS venture formation in the third quarter of 1997. Additionally, the Company completed the sale of a 50% interest in a Japanese joint venture during that quarter. The Company received combined proceeds of \$64.2 and recognized a pre-tax gain of \$29.0 (\$10.4 after-tax). The relatively high effective tax rate on this gain was due to the low tax basis of the operations divested.

In December of 1999, the Company sold Best Power to Invensys for \$240.0 and recognized a pretax gain of \$23.8 and an after-tax loss of \$45.2. The large tax expense from this sale was caused by \$132.2 of nondeductible goodwill from the GSX acquisition of Best Power in 1995.

These dispositions are not material individually or in the aggregate.

4. SPECIAL CHARGES

SPECIAL CHARGES 2000

In the first nine months of 2000, the Company recorded special charges associated with restructuring actions, in-process technology write-offs, and asset impairments. Special charges for the three and nine months ended September 30, 2000 and 1999 include the following:

	Three Months Ended		Nine Months Ended	
	2000	1999	2000	1999
	----	----	----	----
Severance and Other Cash Costs	\$ 21.7	\$ 3.5	\$ 25.6	\$ 15.3
Asset Impairments	27.2	2.6	35.7	10.9
Goodwill Impairments	4.9	-	14.2	-
In-process technology	10.0	-	10.0	-
	-----	-----	-----	-----
Total	\$ 63.8	\$ 6.1	\$ 85.5	\$ 26.2
	=====	=====	=====	=====

As part of the Company's Value Improvement Process(TM), the Company recently completed its strategic review process within each segment of the Company. As an outcome of this process, the Company announced and recorded a restructuring charge and asset impairments in the third quarter of 2000 of \$53.8 to consolidate manufacturing and sales facilities and rationalize certain product lines in the Service Solutions, Industrial Products and Services, and Vehicle Components segments. Due to the aggressive acquisition strategy of the Company, from time to time alterations in the Company's business model are required to better serve customer demand, fix or discontinue lower margin product lines, and rationalize and consolidate manufacturing capacity to maximize Economic Value Added ("EVA(R)") improvement. The charge included \$15.4 for severance and other benefits for approximately 600 hourly and salaried employees, \$27.2 for the write-down of assets, \$4.9 for a write-down of goodwill and \$6.3 for other cash costs associated with the plan. The write-down of assets and goodwill was required because the estimated fair value as measured by discounted cash flow was less than the carrying value of the assets or business. The Company also recorded a charge of \$12.3 against costs of goods sold for discontinued products associated with restructuring and other product changes primarily within the Service Solutions segment. The impact of these charges in the third quarter of 2000 was \$0.99 and \$0.22 per share for the restructuring charge and cost of goods sold adjustment, respectively.

The restructuring plan involves the consolidation or disposition of eight manufacturing or sales offices and re-organization of various sales, engineering and marketing teams within the Service Solutions, Industrial Products and Services and Vehicle Components segments.

Special charges of \$20.3 were recorded in the Service Solutions segment during the third quarter of 2000. These charges related primarily to the closing of Service Solutions Wayland, Michigan facility and the replacement of the financial and administrative operations at its Kalamazoo, Michigan and Montpelier, Ohio locations. Service Solutions is also consolidating several of its European operations into its Hainburg, Germany location and reducing its manufacturing infrastructure in Brazil.

Special charges of \$22.4 were recorded in the Industrial Products and Services segment during the third quarter of 2000. These charges related primarily to the Company's acquisition of Fenner Fluid Power in April of 2000 and the consolidation of other manufacturing facilities. The Company has committed to closing its Owatonna Minnesota, Power Team facility and consolidating operations into Fenner Fluid Power's Rockford, Illinois facility. The combined business is called SPX Fluid Power.

Special charges of \$10.0 were recorded in the Vehicle Components segment during the third quarter of 2000. These charges related primarily to the rationalization plan initiated by the Company's Contech Metal Forge business unit in Clarksville, Tennessee.

During the quarter, the Company also recorded a pre-tax special charge of \$10.0 million for the write-off of in-process technology associated with the acquisition of Varcom Corporation. This special charge is included in operating income of the Technical Products and Systems segment. In-process technology represents the value assigned in a purchase business combination to research and development projects of the acquired business that had commenced but had not yet been completed at the date of acquisition and that have no alternative future use. The allocation of the purchase price to identifiable intangible assets, acquired in-process research and development and goodwill has been determined by an independent appraisal firm and management based on an analysis of factors such as historical operating results, discounts of cash flow projections and specific evaluations of product, customer and other information. In accordance with SFAS No. 2, "Accounting for Research and Development Costs," as clarified by FASB Interpretation No. 4, amounts assigned to in-process technology meeting the above criteria must be charged to expense as part of the allocation of the purchase price of the business combination. The impact of this charge in the third quarter of 2000 was \$0.18 per share.

In the third quarter of 2000, the Company also recorded \$1.1 of corporate special charges associated with restructuring initiatives throughout the businesses.

Reorganization and restructuring costs include costs directly related to the Company's plan of reorganization. EITF No. 94-3 provides specific requirements as to the appropriate recognition of costs associated with employee termination benefits and other costs. Employee termination costs are recognized when benefit arrangements are communicated to affected employees in sufficient detail to enable the employees to determine the amount of benefits to be received upon termination. Other costs directly related to the reorganization of the Company that are not eligible for recognition at the commitment date, such as relocation and other integration costs, are expensed as incurred.

In the second quarter of 2000, management concluded that the investment in certain software licenses was impaired and accordingly recorded an \$8.2 write-down. This write-down is included in corporate special charges. The Company also recorded a \$9.3 write-down of goodwill in the Industrial Products segment. The write-down was required because the estimated fair value was less than the carrying value of the assets or business.

Additionally, during the second quarter of 2000, the Company announced that it would close two Industrial Products and Services manufacturing facilities located in Virginia and Pennsylvania primarily to consolidate operations. As a result of these actions, the Company recorded special charges of \$4.2 including \$1.3 for cash severance payments to 76 hourly and salaried employees, \$2.6 for cash facility holding costs and \$0.3 of asset write-downs.

SPECIAL CHARGES 1999

In the third quarter of 1999, the Company recorded special charges of \$6.1 associated with the commitment to close one facility in the Vehicle Components segment and one facility in the Industrial Products and Services segment, and other restructuring initiatives. As a result of these actions the Company recorded cash termination benefits of \$1.6 for approximately 93 hourly and salaried employees, \$1.9 of cash closing costs for manufacturing facilities, and other non-cash asset write-downs

associated with the Company's overall restructuring initiative of \$2.6. These actions were completed in 2000.

During the first nine months of 1999, the Company recorded special charges of \$26.2. These charges were associated with the commitment to close Vehicle Components manufacturing and administrative facilities, Industrial Products and Services manufacturing facilities, and other restructuring initiatives. The charges included cash termination benefits of \$10.1 for approximately 470 hourly and salaried employees, \$5.2 of cash closing costs for manufacturing facilities, \$3.6 of other non-cash costs associated with the Company's overall restructuring initiatives, and \$7.3 of other non-cash asset write-downs.

At September 30, 2000, a total of \$25.6 of restructuring liabilities remained on the Consolidated Balance Sheet. This restructuring reserve relates primarily to restructuring actions initiated in 2000, and the company anticipates that the remaining restructuring reserve will be paid within one year of inception.

The following table summarizes the restructuring reserve activity through September 30, 2000:

	Employee Termination Costs	Facility Holding Costs	Other Cash Costs	Total
	-----	-----	-----	-----
Balance at December 31, 1999	\$ 6.5	\$ 6.3	\$ -	\$ 12.8
Special Charge	12.2	3.2	6.9	22.3
Payments	(5.1)	(3.6)	(0.8)	(9.5)
	-----	-----	-----	-----
Balance at September 30, 2000	\$ 13.6	\$ 5.9	\$ 6.1	\$ 25.6
	=====	=====	=====	=====

5. GAIN ON ISSUANCE OF INRANGE STOCK

In September of 2000, Inrange Technologies, a business unit of SPX Corporation, issued 8,855,000 shares of its class B common stock for cash in an initial public offering. The Company owns 75,633,333 shares of Inrange class A common stock. Holders of class B common stock generally have identical rights as Class A common stock except for voting and conversion rights. The holders of Class A common stock are entitled to five votes per share and the holders of Class B common stock are entitled to one vote per share. Holders of Class B common stock have no conversion rights. As a result of the initial public offering, at September 30, 2000 the Company owned 89.5% of the total number of outstanding shares of Inrange common stock. The Company owns 100% of the outstanding class A common stock, which represents 98% of the combined voting power of all classes of Inrange voting stock. Proceeds from the offering, based on the offering price of \$16.00 per share, net of expenses, were \$128.2. The Company accounted for the proceeds of the offering in accordance with Staff Accounting Bulletin ("SAB") 51, "Accounting by the Parent in Consolidation for Sale of Stock in Subsidiary." Accordingly, the Company recorded a pre-tax gain of \$98.0 (\$57.6 after-tax) in the third quarter of 2000.

6. OTHER INCOME

On May 17, 2000, General Signal Power Systems, Inc. ("Best Power"), settled its patent infringement suit against American Power Conversion Corporation ("APC"). The Company received gross proceeds of \$48.0 and recognized a pre-tax gain of \$23.2, net of legal costs and other related expenses (\$13.7 after-tax). The Company sold its Best Power business to Invensys, plc in the fourth quarter of 1999, but retained its ownership of the rights under the patent litigation. Invensys, plc obtained the ownership of the patents that were the object of the litigation.

7. EARNINGS PER SHARE

The following table sets forth certain calculations used in the computation of diluted earnings per share:

	Three months ended September 30, 2000	1999	Nine months ended September 30, 2000	1999
	-----	-----	-----	-----
Numerator:				
Net Income	\$ 62.7	\$ 44.1	\$ 140.2	\$ 116.6
	-----	-----	-----	-----
Denominator (shares in millions):				
Weighted-average shares outstanding	30.917	30.851	30.906	30.676
Effect of dilutive securities:				
Employee stock options	1.337	0.547	0.988	0.387
	-----	-----	-----	-----
Adjusted weighted-average shares and Assumed conversions	32.254	31.398	31.894	31.063
	=====	=====	=====	=====

8. INVENTORY

Inventory consists of the following:

	September 30, 2000 ----	December 31, 1999 ----
Finished goods	\$ 112.9	\$ 132.4
Work in process	66.9	58.4
Raw material and purchased parts	134.7	96.2
	-----	-----
Total FIFO cost	314.5	287.0
Excess of FIFO cost over LIFO inventory value	(13.0)	(13.0)
	-----	-----
	\$ 301.5	\$ 274.0
	=====	=====

9. INVESTMENT IN EGS

The Company owns a 44.5% interest in EGS and accounts for its investment in EGS under the equity method of accounting, on a three-month lag basis. EGS operates primarily in the United States, Canada and Mexico. EGS's results of operations were as follows:

(unaudited)	Three months ended June 30,		Nine months ended June 30,	
	2000 ----	1999 ----	2000 ----	1999 ----
Net sales	\$ 114.9	\$ 114.1	\$ 354.0	\$ 343.5
Gross margin	44.9	46.0	141.9	139.8
Pre-tax income	16.7	17.4	56.3	53.1

Condensed balance sheet information of EGS as of June 30, 2000 and September 30, 1999 was as follows:

	June 30, 2000 ----	September 30, 1999 ----
	(unaudited)	
Current assets	\$ 162.0	\$ 170.7
Noncurrent assets	317.6	328.2
Current liabilities	56.2	67.7
Noncurrent liabilities	29.8	33.5

The Company's recorded investment in EGS at September 30, 2000 was approximately \$95.1 less than its ownership of EGS's reported net assets at September 30, 2000. This difference is being accreted on a straight-line basis over 40 years.

10. DEBT

On February 10, 2000, the Company paid down its existing Tranche B debt of \$412.5 and revolver of \$50.0, recorded a loss on early extinguishment of debt of \$15.0 pre-tax (\$8.8 after-tax, or \$0.28 per share), and replaced the existing credit facility with a new \$1,487.5 credit facility. The new credit facility consists of a \$562.5 Tranche A Loan ("Tranche A Loan") maturing on September 30, 2004, a \$500.0 Tranche B Loan ("Tranche B Loan") maturing on December 31, 2006, and a \$425.0 Revolving Credit Facility ("Revolving Facility") with a maturity date of September 30, 2004, collectively hereinafter referred to as the "Credit Facility."

The Credit Facility bears interest at variable rates using a calculated base borrowing rate ("Base Rate") or a Eurodollar Rate, plus an applicable margin. The Tranche A Loan and the Revolving Facility have variable margins between 0.5% and 1.5% for Base Rate loans and 1.5% and 2.5% for Eurodollar Rate borrowings. The Tranche B Loan has variable margins between 1.25% and 1.5% for Base Rate

loans and 2.25% and 2.5% for Eurodollar Rate borrowings. The Revolving Facility also is subject to annual commitment fees of 0.25% to 0.5% on the unused portion of the facility. The variable margins and commitment fees are based on certain financial measurements of the Company as defined in the Credit Facility.

The Credit Facility is secured by substantially all of the assets of the Company (excluding EGS) and requires the Company to maintain certain leverage and interest coverage ratios. Under the most restrictive of the financial covenants, the Company is required to maintain (as defined) a maximum debt to earnings before interest, taxes, depreciation and amortization ratio and a minimum interest coverage ratio. Under the Credit Facility, the operating covenants, which limit, among other things, additional indebtedness by the Company and its subsidiaries, the sale of assets, capital expenditures, mergers, acquisitions and dissolutions, and share repurchases are less restrictive than those of the old credit facility. At September 30, 2000, the Company was in compliance with its financial covenants.

The Company has effectively fixed the underlying Eurodollar rate at approximately 4.8% on \$800.0 of indebtedness through interest rate protection agreements expiring November 9, 2001.

The Company may also request the issuance of letters of credit not exceeding \$150.0. Standby letters of credit issued under this facility of \$29.9 at September 30, 2000 reduce the aggregate amount available under the Revolving Facility commitment.

11. SHAREHOLDERS' EQUITY

On February 10, 2000, the Company announced that its Board of Directors authorized an increase in its share repurchase program for up to \$250.0. During the quarter, the Company purchased 70,000 shares of its stock in the open market for a total consideration of \$9.5. This brings the total number of shares purchased during the first nine months of the year to 544,600 for a total consideration of \$47.2.

12. COMPREHENSIVE INCOME

The components of comprehensive income, net of related tax, were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2000	1999	2000	1999
Net income	\$ 62.7	\$ 44.1	\$140.2	\$ 116.6
Foreign currency translation adjustments	(3.3)	2.0	(6.7)	(4.8)
Comprehensive income	\$ 59.4	\$ 46.1	\$133.5	\$ 111.8

The components of the balance sheet caption Accumulated Other Comprehensive Income, net of related tax, were as follows:

	September 30, 2000	December 31, 1999
Foreign currency translation adjustments	\$ 17.3	\$ 10.6
Minimum pension liability adjustment, net of tax of \$1.5 in 2000 and 1999	2.4	2.4
Accumulated other comprehensive income	\$ 19.7	\$ 13.0

13. RETIREMENT SAVINGS AND STOCK OWNERSHIP PLAN

In the first quarter of 1999, the Company issued 438,600 shares of treasury stock at market value to its Retirement Savings and Stock Ownership Plan in exchange for \$28.5 in cash. The proceeds were used to reduce outstanding debt obligations.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition (dollars in millions)

The following unaudited information should be read in conjunction with the Company's unaudited consolidated financial statements and related notes.

RESULTS OF OPERATIONS
CONSOLIDATED:

	Three months Ended September 30,		Nine months Ended September 30	
	2000 ----	1999 ----	2000 ----	1999 ----
Revenues	\$ 645.1	\$ 668.9	\$ 1,968.0	\$ 1,987.2
Gross margin	221.8	224.6	661.3	663.5
% of revenues	34.4%	33.6%	33.6%	33.4%
Selling, general and admin expense	121.5	120.7	369.9	378.8
% of revenues	18.8%	18.0%	18.8%	19.1%
Goodwill/intangible amortization	10.3	10.4	29.4	31.4
Special charges	63.8	6.1	85.5	26.2
	-----	-----	-----	-----
Operating income (1)	26.2	87.4	176.5	227.1
Gain on Issuance of Inrange Stock	98.0	-	98.0	-
Other income (expense), net	(1.7)	9.9	21.8	48.2
Equity in earnings of EGS	8.0	8.2	26.9	25.8
Interest expense, net	(24.2)	(28.7)	(70.6)	(90.8)
	-----	-----	-----	-----
Income before income taxes	\$ 106.3	\$ 76.8	\$ 252.6	\$ 210.3
Provision for income taxes	(43.6)	(32.7)	(103.6)	(93.7)
	-----	-----	-----	-----
Income before loss on early extinguishment of debt	\$ 62.7	\$ 44.1	\$ 149.0	\$ 116.6
Loss on early extinguishment of debt, net of tax	-	-	(8.8)	-
	-----	-----	-----	-----
Net Income	\$ 62.7	\$ 44.1	\$ 140.2	\$ 116.6
	-----	-----	-----	-----
Capital expenditures	\$ 31.0	\$ 25.7	\$ 91.0	\$ 79.8
Depreciation and amortization	27.5	27.0	83.5	79.2

(1) Operating Income for the three and nine month period ending September 30, 2000 includes a charge against cost of goods sold of \$12.3 primarily associated with the Service Solutions Segment. See Note 4 for further discussion.

THIRD QUARTER 2000 VS. THIRD QUARTER 1999

Revenues - In the third quarter of 2000, revenues decreased \$23.8 or 3.6% from 1999. The decrease was primarily attributable to a decline in the Service Solutions and Technical Products and Systems segments. The decline in the Service Solutions segment was a result of timing of several specialty tool programs, including the Worldwide Diagnostic System (WDS) for Ford and emissions programs. The decline in the Technical Products and Systems segment was due to the disposition of Best Power in the fourth quarter of 1999. Excluding the effect of acquisitions and divestitures, revenues increased \$5.1 or 0.9% from 1999 due to growth in the Technical Products and Systems, and Industrial Products and Services segments.

Gross margin - In the third quarter of 2000, gross margin increased to 34.4% of revenues from 33.6% of revenues in 1999. This increase is a result of restructuring actions initiated in 2000 and 1999 and changes in product mix.

Selling, general and administrative expense ("SG&A") - In the third quarter of 2000, SG&A increased to 18.8% of revenues from 18.0% of revenues in 1999. This increase is primarily a result of increased spending on the FC9000 product in the Technical Products and Systems segment combined with lower revenues in the Service Solutions segment.

Goodwill/intangible amortization - In the third quarter of 2000, goodwill and intangible amortization remained relatively constant. The decline in amortization from the divestiture of Best Power in the fourth quarter of 1999 was offset by an increase in amortization associated with acquisitions in the Technical Products and Systems and Industrial Products and Services segments.

Special charges- In the third quarter of 2000, the Company recorded special charges associated with restructuring actions, in-process technology write-offs, and asset impairments. Special charges for the three months ended September 30, 2000 and 1999 include the following:

	Three Months Ended	
	2000	1999
	----	----
Severance and other cash costs	\$ 21.7	\$ 3.5
Assets impairments	27.2	2.6
Goodwill impairments	4.9	-
In-process technology	10.0	-
	-----	-----
Total	\$ 63.8	\$ 6.1
	=====	=====

Refer to Note 4 for further discussion.

Gain on issuance of Inrange Stock- In September of 2000, Inrange issued 8,855,000 shares of its class B common stock for cash in an initial public offering. Proceeds from the offering, based on the offering price of \$16.00 per share, net of expenses, were \$128.2. The Company accounted for the proceeds of the offering in accordance with Staff Accounting Bulletin ("SAB") 51, "Accounting by the Parent in Consolidation for Sale of Stock in Subsidiary." Accordingly the Company recorded a pre-tax gain of \$98.0 (\$57.6 after-tax) in the third quarter of 2000. See Note 5 for further discussion.

Other income, net - In the third quarter of 2000, other income declined primarily due to a \$6.2 gain on the sale of marketable securities recorded in the third quarter of 1999.

Interest expense, net -In the third quarter of 2000, interest expense decreased \$4.5 primarily due to lower rates on the Credit Facility negotiated in February 2000.

Income taxes - The effective rate for the third quarter of 2000 was 41.0%, which represents the Company's anticipated effective tax rate for 2000. The effective rate in 2000 and 1999 is higher than the U.S. statutory rate primarily due to the amortization of nondeductible goodwill and state taxes.

Capital expenditures - Capital expenditures in the third quarter of 2000 were higher when compared to the third quarter of 1999 primarily due to expenditures for expansion of manufacturing facilities, expenditures for new business information systems, and capital investments to support new business programs.

NINE MONTHS 2000 VS. NINE MONTHS 1999

Revenues -In the first nine months of 2000, revenues decreased \$19.2 or 1.0% from 1999. Excluding the effect of acquisitions and divestitures, revenues increased \$99.5 or 5.6% from 1999 due to growth in all four business segments.

Gross margin - In the first nine months of 2000, gross margin increased to 33.6% of revenues from 33.4% of revenues in 1999. This increase was due to cost reduction actions initiated throughout the businesses as well as changes in product mix and productivity improvements in the Technical Products and Systems,

Industrial Products and Services and Service Solutions segments.

Selling, general and administrative expense ("SG&A") - SG&A decreased to 18.8% of revenues in 2000 from 19.1% of revenues in 1999. This decrease is primarily a result of restructuring actions initiated in 1999 and other cost reduction actions initiated throughout the businesses.

Goodwill/intangible amortization - In the first nine months of 2000, amortization decreased primarily due to the disposition of Best Power in the fourth quarter of 1999 offset by acquisitions in the Technical Products and Systems, and Industrial Products and Services segments.

Special charges- In the first nine months of 2000 the Company recorded special charges associated with restructuring actions, in-process technology write-offs, and asset impairments. Special charges for the nine months ended September 30, 2000, and 1999 include the following:

	Nine Months Ended	
	2000	1999
	----	----
Severance and other cash costs	\$ 25.6	\$ 15.3
Assets impairments	35.7	10.9
Goodwill impairments	14.2	-
In-process technology	10.0	-
	-----	-----
Total	\$ 85.5	\$ 26.2
	=====	=====

Refer to Note 4 for further discussion.

Gain on issuance of Inrange Stock- In September of 2000, Inrange issued 8,855,000 shares of its class B common stock for cash in an initial public offering. Proceeds from the offering, based on the offering price of \$16.00 per share, net of expenses, were \$128.2. The Company accounted for the proceeds of the offering in accordance with Staff Accounting Bulletin ("SAB") 51, "Accounting by the Parent in Consolidation for Sale of Stock in Subsidiary." Accordingly the Company recorded a pre-tax gain of \$98.0 (\$57.6 after-tax) in the third quarter of 2000. See Note 5 for further discussion.

Other income, net - On May 17, 2000, General Signal Power Systems, Inc., ("Best Power"), settled its patent infringement suit against American Power Conversion Corporation ("APC"). The Company received gross proceeds of \$48.0 and recognized a pre-tax gain of \$23.2, net of legal costs and other related expenses (\$13.7 after-tax). The Company sold its Best Power business to Invensys, plc in the fourth quarter of 1999, but retained its ownership of the rights under the patent litigation. Invensys, plc obtained the ownership of the patents that were the object of the litigation.

Other income in 1999 primarily includes the \$29.0 gain on the sale of Dual-Lite and the Company's 50% investment in a Japanese joint venture and a \$13.9 gain on the sale of marketable securities obtained in connection with a technology acquisition.

Interest expense, net -- Interest expense decreased significantly in the first nine months of 2000 primarily due to lower rates on the Credit Facility negotiated in February 2000.

Income taxes - The effective income tax rate during the first nine months was 41.0%, which represents the Company's anticipated effective tax rate for 2000. The effective rate in 2000 is higher than the U.S. statutory rate primarily due to the amortization of nondeductible goodwill and state taxes. The 1999 effective tax rate of 44.6% was higher than the statutory rate due to the amortization of nondeductible goodwill and the low tax basis of operations divested during the first nine months.

Capital expenditures - Capital expenditures in the first nine months of 2000 were higher when compared to the first nine months of 1999 primarily due to expenditures for expansion of manufacturing facilities, expenditures for new business information systems, and capital requests to support new business programs.

SEGMENT REVIEW

	Three months		Nine months	
	Ended September 30,		Ended September 30,	
	2000	1999	2000	1999
	----	----	----	----
Revenues:				
Technical Products and Systems	\$ 168.3	\$ 202.3	\$ 454.0	\$ 580.0
Industrial Products and Services	236.3	201.5	709.0	614.6
Service Solutions	155.8	175.0	524.4	494.9
Vehicle Components	84.7	90.1	280.6	297.7
	-----	-----	-----	-----
Total	\$ 645.1	\$ 668.9	\$ 1,968.0	\$ 1,987.2
	=====	=====	=====	=====
Operating Income: (1)				
Technical Products and Systems	\$ 25.0	\$ 35.0	\$ 73.1	\$ 71.1
Industrial Products and Services	25.0	37.0	92.5	100.1
Service Solutions	(15.9)	14.3	22.0	42.5
Vehicle Components	2.3	10.2	25.4	38.2

Corporate Special Charges	(1.1)	-	(9.3)	-
General Corporate Expenses	(9.1)	(9.1)	(27.2)	(24.8)
	-----	-----	-----	-----
Total	\$ 26.2	\$ 87.4	\$ 176.5	\$ 227.1
	=====	=====	=====	=====

(1) Operating income for the three months ended September 30, 2000 and 1999 includes special charges of \$63.8 and \$6.1, respectively. Operating income for the nine months ended September 30, 2000 and 1999 includes special charges of \$85.5 and \$26.2, respectively. Operating income for the three and nine month period ending September 30, 2000 includes a charge against cost of goods sold of \$12.3 primarily associated with the Service Solutions segment. See Note 4 for further discussion.

THIRD QUARTER 2000 VS. THIRD QUARTER 1999

Technical Products and Systems

Revenues - In the third quarter of 2000, revenues decreased \$34.0 or 16.8% from 1999 primarily due to the disposition of Best Power in the fourth quarter of 1999. Excluding the effect of acquisitions and divestitures revenues increased \$22.7 or 16.2% from 1999 due to the introduction of the FC/9000 fibre channel director, international demand for fire detection and building life-safety products, increased domestic demand from the renovation market for building life-safety system service, and sales of vending machines used by the US Postal Service.

Operating Income - In the third quarter of 2000, operating income decreased \$10.0 from 1999 primarily due to special charges of \$10.0 recorded in the third quarter of 2000 and the disposition of Best Power in the fourth quarter of 1999. See Note 4 for further discussion. Excluding special charges, operating margins increased to 20.8% of revenues from 18.9% in 1999 primarily due to higher revenues, adjusted for the sale of Best Power and improvements throughout the segment offset by increased spending on sales and marketing expenses associated with the FC/9000 product.

Industrial Products and Services

Revenues - In the third quarter of 2000, revenues increased \$34.8 or 17.3% from 1999 primarily due to the acquisition of North American Transformer in September 1999 and the acquisition of Fenner Fluid Power in March 2000. Excluding the effect of acquisitions and divestitures, revenues increased \$4.6 or 2.3% from 1999 due to strong demand for laboratory equipment and medium-power transformers.

Operating Income - In the third quarter of 2000, operating income decreased \$12.0 from 1999 primarily due to special charges recorded in the third quarter of 2000. See Note 4 for further discussion. Excluding special charges and other product changes, operating income increased \$10.5 to 20.5% of revenues from 18.9% of revenues in 1999 due to cost reductions as a result of sourcing and engineering efforts and restructuring actions.

Service Solutions

Revenues - In the third quarter of 2000, revenues decreased \$19.2 or 11.0% from 1999 primarily due to the timing of several specialty tool programs, including the Worldwide Diagnostic System (WDS) for Ford and emissions programs.

Operating Income - In the third quarter of 2000, operating income declined \$30.2 from 1999 primarily due to special charges of \$20.3 and \$11.2 of charges included in cost of goods sold associated with discontinued product lines and other product changes. See Note 4 for further discussion. Excluding the effect of restructuring and other product changes operating income increased \$1.3 to 10.0% of revenues from 8.2% of revenues in 1999. This increase was driven by demand for higher margin diagnostic tools.

Vehicle Components

Revenues - In the third quarter of 2000, revenues decreased \$5.4 or 6.0% from 1999 primarily due to the disposition of Acutex in the third quarter of 1999. Excluding acquisitions and divestitures, revenues declined \$3.0 or 3.4% from 1999 primarily due to a decline in revenues from the forging business offset by new orders for P-2000 die castings.

Operating Income - In the third quarter of 2000, operating income decreased \$7.9 from 1999 primarily due to special charges of \$10.0 recorded in the third quarter of 2000. Excluding special charges operating income increased to 14.5% of revenues from 13.4% of revenues in 1999 due to changes in product mix.

NINE MONTHS 2000 VS. NINE MONTHS 1999

Technical Products and Systems

Revenues - In the first nine months of 2000, revenues decreased \$126.0 or 21.7% from 1999 primarily due to the disposition of Best Power and Dual-Lite in 1999. Excluding the effect of acquisitions and divestitures, revenues increased \$43.1 or 10.7% from 1999 due to the introduction of the FC/9000 fibre channel director, international demand for fire detection and building life-safety products, increased domestic demand from the renovation market for building life safety system service, growth in the cable pressurization product line and sales of vending machines used by the US Postal Service.

Operating Income - In the first nine months of 2000, operating income increased \$2.0 from 1999 primarily due to special charges of \$10.0 recorded in the third quarter of 2000. See Note 4 for further discussion. Excluding special charges, operating income increased to 18.3% of revenues from 14.8% in 1999 due to process improvements and the divestiture of lower margin businesses offset by increased spending associated with the FC/9000 product.

Industrial Products and Services

Revenues - In the first nine months of 2000, revenues increased \$94.4 or 15.4% from 1999 primarily due to internal growth, the acquisition of North American Transformer in September 1999 and the acquisition of Fenner Fluid Power in March 2000. Excluding the effect of acquisitions and divestitures, revenues increased \$17.7 or 2.9% from 1999.

Operating Income - In the first nine months of 2000, operating income decreased \$7.6 from 1999 primarily due to special charges of \$35.9 recorded in the second and third quarter of 2000. See Note 4 for further discussion. Excluding special charges and other product charges, operating income increased \$21.2 to 18.3% of revenues from 17.6% in 1999 primarily due to restructuring, sourcing and engineering actions initiated to reduce the structure and cost base of the Company's industrial businesses.

Service Solutions

Revenues - In the first nine months of 2000, revenues increased \$29.5 or 6.0% from 1999 primarily due to sales of new electronic diagnostic tools and new warranty tools.

Operating Income - In the first nine months of 2000, operating income decreased \$20.5 from 1999 primarily due to special charges of \$20.3 and \$11.2 of charges included in cost of goods sold associated with discontinued product lines and other product changes. These charges were recorded in the third quarter of 2000. See Note 4 for further discussion. Excluding the effect of special charges and other product changes, operating income increased \$11.0 to 10.2% of revenues from 8.6% of revenues in 1999. This increase was driven by demand for higher margin diagnostic tools.

Vehicle Components

Revenues - In the first nine months of 2000, revenues decreased \$17.1 or 5.7% from 1999 primarily due to the disposition of Acutex in the third quarter of 1999. Excluding acquisitions and divestitures, revenues increased \$9.2 or 3.4% from 1999.

Operating Income - In the first nine months of 2000, operating income decreased \$12.8 from 1999 primarily due to special charges of \$10.0 recorded in the third quarter of 2000. See Note 4 for further discussion. Excluding special charges, operating income decreased to 12.6% of revenues from 13.9% of revenues in 1999 due to changes in product mix and costs associated with the expansion of a manufacturing facility.

LIQUIDITY AND FINANCIAL CONDITION

The Company's liquidity needs arise primarily from capital investment in equipment, funding working capital requirements to support business growth initiatives, debt service costs, and acquisitions.

CASH FLOW	Nine months ended September 30,	
	2000	1999
	-----	-----
Cash flow from:		
Operating activities	\$ 161.4	\$ 164.9
Tax on sale of Best Power	(69.0)	-
Investing activities	(302.1)	(58.9)
Financing activities	177.5	(133.9)
	-----	-----
Net change in cash balances	\$ (32.2)	\$ (27.9)
	=====	=====

Operating Activities - In the first nine months of 2000, cash flow from operating activities before taxes on the sale of Best Power was at the same level as 1999.

Tax on sale of Best Power - In the fourth quarter of 1999, the Company sold Best Power to Invensys plc for \$240.0. The \$69.0 reduction in cash flow represents the taxes associated with the sale. The large tax expense from this sale was primarily due to \$132.2 of non-deductible goodwill from the General Signal acquisition of Best Power in 1995.

Investing Activities - In the first nine months of 2000, the Company used \$211.1 of cash to acquire businesses within the Technical Products and Systems, and Industrial Products and Services segments. These acquisitions provide the businesses with the appropriate size, scale, and position in markets that offer opportunities for generating growth and superior results. Capital Expenditures of \$91.0 in 2000 were primarily for expansion of manufacturing facilities, new business information systems, and capital investments to support new business programs.

Financing Activities - In the nine months of 2000, cash flow from financing activities consisted primarily of \$128.2 net proceeds from the Inrange initial public offering, net borrowings of \$84.1 and share purchases of \$47.2.

TOTAL DEBT

The following summarizes the total debt outstanding and unused credit availability, as of September 30, 2000:

	Total Commitment	Amount Outstanding	Unused Credit Availability
	-----	-----	-----
Revolving loan	\$ 425.0	\$ 85.0	\$ 310.1(1)
Tranche A loan	537.5	537.5	-
Tranche B loan	497.5	497.5	-
Medium term notes	50.0	50.0	-
Industrial revenue bonds	16.1	16.1	-
Other borrowings	12.7	12.7	-
	-----	-----	-----
Total	\$ 1,538.8	\$ 1,198.8	\$ 310.1
	=====	=====	=====

- (1) Decreased by \$29.9 of facility letters of credit outstanding at September 30, 2000, which reduce the unused credit availability.

The Credit Facility is secured by substantially all of the assets of the Company (excluding EGS) and requires the Company to maintain certain leverage and interest coverage ratios. Under the most restrictive of the financial covenants, the Company is required to maintain (as defined) a maximum debt to earnings before interest, income taxes, depreciation and amortization ratio and a minimum interest coverage ratio. Under the Credit Facility, the operating covenants limit, among other things, additional indebtedness by the Company and its subsidiaries, the sale of assets, capital expenditures, mergers, acquisitions and dissolutions, and share repurchases. At September 30, 2000, the Company was in compliance with its financial covenants.

Management believes that cash flow from operations and the Credit Facility will be sufficient to meet operating cash needs, including working capital requirements, capital expenditures and debt service costs in the next twelve months. The Company believes it has sufficient access to capital markets for internal growth and acquisition activity.

OTHER MATTERS

Acquisitions and Divestitures - The Company continually reviews each of its businesses pursuant to its "fix, sell or grow" strategy. These reviews could result in selected acquisitions to expand an existing business or result in the disposition of an existing business. Additionally, management has indicated that it would consider a larger acquisition (more than \$1 billion in revenues) if certain criteria were met.

Environmental and Legal Exposure - The Company's operations and properties are subject to various regulatory requirements relating to environmental protection. It is the Company's policy to comply fully with applicable environmental requirements. Also from time to time, the Company becomes involved in lawsuits arising from various commercial matters, including but not limited to competitive issues, contract issues, intellectual property matters, workers' compensation and product liability.

The Company maintains property, cargo, auto, product, general liability, and directors' and officers' liability insurance to protect itself against potential loss exposures. There can be no assurance that such costs for environmental and legal exposures could not have a material adverse effect on the Company's results of operations or financial position in the future.

Pending Patent Litigation - The Company believes that it should ultimately prevail on a pending patent infringement claim that it is pursuing against Snap On, Inc. which could result in a significant judgment favorable to the Company. However, since the amount of the damages cannot be fully quantified until the legal discovery process proceeds further and no assurances can be made as to the final timing and outcome of any litigation, no gain has been recorded. See Note 16 to the consolidated financial statements included in the Company's 1999 Annual Report on Form 10-K for further discussion.

Pension Income - The Company's pension plans have plan assets significantly in excess of plan obligations. This overfunded position results in pension income as the increase in market value of the plans' assets exceeds costs associated with annual employee service. There can be no assurance that future periods will include significant amounts of net pension income.

Significance of Goodwill and Intangibles - The Company had net goodwill and intangibles of \$1,207.8 and shareholders' equity of \$651.1 at September 30, 2000. The Company amortizes its goodwill and intangible assets on a straight-line basis over lives ranging from 10 to 40 years. There can be no assurance that circumstances will not change in the future that will affect the useful lives or carrying value of the Company's goodwill and intangibles.

EVA Incentive Compensation - The Company utilizes a measure known as Economic Value Added ("EVA(R)") for its incentive compensation plans. EVA is internally computed by the Company based on Net Operating Profit After-Tax less a charge on the capital invested in the Company. These computations use certain assumptions that vary from generally accepted accounting principles ("GAAP"). EVA is not a measure under GAAP and is not intended to be used as an alternative to net income and measuring operating performance presented in accordance with GAAP. The Company believes that EVA, as internally computed, does bear a strong correlation to the ultimate returns to the Company's shareholders. Annual incentive compensation expense is dependent upon the annual change in EVA, relative to preestablished improvement targets, and the expense can vary significantly.

Accounting Pronouncements - Statement of Financial Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities," as amended by FAS 137 and FAS 138, will become effective January 2001, and establishes accounting and reporting standards for derivative instruments and hedging contracts. FAS 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income. Management is currently analyzing the impact of this statement, but does not anticipate that the effect on the Company's results of operations will be material.

In December 1999, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No. 101 (SAB 101), "Revenue Recognition in Financial Statements." SAB 101 provides guidance on the recognition, presentation, and disclosure of revenue in financial statements of all public registrants. SAB 101 is effective for the fourth quarter ended December 31, 2000. Changes, if any, in our revenue recognition policy resulting from SAB 101 generally would not involve the restatement of prior period financial statements, but would, to the extent applicable, be reported as a change in accounting principle in the quarter ending December 31, 2000, as if SAB 101 had been adopted on January 1, 2000. Management does not anticipate that the effect on the Company's results of operations and financial position will be material.

In July of 2000, the Emerging Issues Task Force released Issue No. 00-10 ("EITF 00-10"), "Accounting for Shipping and Handling Revenues and Costs". The EITF reached final consensus in September 2000 noting that amounts billed, if any, for shipping and handling should be included in revenue. If shipping and handling costs are significant and are not included in cost of sales, a company should disclose both the amount of such costs and which line item on the income statement includes that amount. EITF 00-10 is effective in the fourth quarter of 2000. Management is currently analyzing the impact of this statement, but does not anticipate that the effect on the Company's results of operations will be material.

The foregoing discussion in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, that are subject to the safe harbor created thereby. These forward looking statements, which reflect management's current views with respect to future events and financial performance, are subject to certain risks and uncertainties, including but not limited to those matters discussed above. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. Reference is made to the Company's 1999 Annual Report on Form 10-K for additional cautionary statements and discussion of certain important factors as they relate to forward looking statements. In addition, management's estimates of future operating results are based on the current complement of businesses, which is constantly subject to change as management implements its fix, sell or grow strategy.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

Management does not believe the Company's exposure to market risk has significantly changed since year-end 1999 and does not believe that such risks will result in significant adverse impacts to the Company's results of operations

PART II - OTHER INFORMATION

Item 5. Other Information

On August 22, 2000, the Board of Directors approved the grant of options to purchase an aggregate of 2,500,000 shares of the Company's Common Stock to certain executive officers. The exercise prices of the options are significantly above the fair market value of the Company's Common Stock on the date of grant. Each individual Stock Option Award is comprised of four equal tranches with exercise prices of \$210, \$240, \$270 and \$300. These options vest on the earliest of August 22, 2005, the date of a change of control, and the date of termination of employment (each as described in the individual Stock Option Awards). In addition, these options expire on August 21, 2010 (or earlier in the event of termination of employment), contain a reload feature and provide tax withholding rights.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- (2) None.
- (3) None.
- (4) None
- 10(i) Stock Option Award dated as of August 22, 2000 between SPX Corporation and Thomas J. Riordan.
- (ii) Stock Option Award dated as of June 23, 1999 between SPX Corporation and John B. Blystone.
- (iii) Stock Option Award dated as of August 22, 2000 between SPX Corporation and John B. Blystone.
- (iv) Stock Option Award dated as of May 10, 1999 between SPX Corporation and Robert B. Foreman.
- (v) Stock Option Award dated as of August 22, 2000 between SPX Corporation and Robert B. Foreman.
- (vi) Stock Option Award dated as of August 26, 1998 between SPX Corporation and Christopher J. Kearney.
- (vii) Stock Option Award dated as of August 22, 2000 between SPX Corporation and Christopher J. Kearney.
- (viii) Stock Option Award dated as of August 22, 2000 between SPX Corporation and Lewis M. Kling.
- (ix) Stock Option Award dated as of April 23, 1997 between SPX Corporation and Patrick J. O'Leary.
- (x) Stock Option Award dated as of June 23, 1999 between SPX Corporation and Patrick J. O'Leary.
- (xi) Stock Option Award dated as of August 22, 2000 between SPX Corporation and Patrick J. O'Leary.
- (xii) Stock Option Award dated as of December 10, 1997 between SPX Corporation and Thomas J. Riordan.
- (xiii) Stock Option Award dated as of February 26, 1997 between SPX Corporation and John B. Blystone.
- (xiv) Nonqualified Stock Option Agreement dated as of October 14, 1996 between SPX Corporation and Patrick J. O'Leary.
- (xv) FIRST AMENDMENT, dated as of August 22, 2000, to the Credit Agreement, dated as of October 6, 1998 and as amended and restated as of February 10, 2000, among SPX CORPORATION, a Delaware corporation, the several banks and other financial institutions or entities parties thereto, BANK ONE, NA, as documentation agent, and THE CHASE MANHATTAN BANK, as administrative agent for the Lenders.
- (11) Statement regarding computation of earnings per share. See Note 7 to the Consolidated Financial Statements.
- (15) None.
- (18) None.

(19) None.

(22) None.

(23) None.

(24) None.

(27) Financial data schedule.

(99) None.

(b) Reports on Form 8-K

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SPX CORPORATION

(Registrant)

Date: November 13, 2000

By /s/ John B. Blystone

John B. Blystone
Chairman, President and
Chief Executive Officer

Date: November 13, 2000

By /s/ Patrick J. O'Leary

Patrick J. O'Leary
Vice President, Finance,
Treasurer and Chief
Financial Officer

Date: November 13, 2000

By /s/ Ron Winowiecki

Ron Winowiecki
Chief Accounting Officer

[SPX CORPORATION LOGO]

THOMAS J. RIORDAN

STOCK OPTION AWARD

THIS AGREEMENT is made on and as of August 22, 2000, by and between SPX CORPORATION, a Delaware Corporation ("SPX" or the "Company") and THOMAS J. RIORDAN ("Executive").

- Grant of Options. In recognition of the Executive's performance as Vice President of the Corporation, and as an inducement to his continuing in the employ of the Company, SPX hereby grants to Executive Options to purchase 250,000 Shares of the Company's Common Stock, par value \$10.00 ("Common Stock") at Option Prices set forth below and in the manner and subject to the terms and conditions hereinafter provided:

Number of Shares -----	Option Price Per Share -----
62,500	\$210.00
62,500	\$240.00
62,500	\$270.00
62,500	\$300.00

These Options are granted to Executive by the Board of Directors of the Company and are in addition to the stock options granted to Executive under the Company's 1992 Stock Compensation Plan. The Options granted under this Agreement are outside of and not granted pursuant to said Plan. To the extent that shares of Common Stock are held by the Company as treasury shares at the time that the Options (or any portion thereof) are exercised, the Company will use treasury shares as the source of the Common Stock issued to the Executive in connection with such exercise. The Board of Directors has

delegated to its Compensation Committee (the "Committee") the authority to make such determinations and interpretations of this Agreement as it deems necessary and appropriate to carry out its intent and terms.

2. Nonqualified Replacement Options. These Options are granted with the right to receive "Nonqualified Replacement Options" in accordance with the terms of this Agreement. A Nonqualified Replacement Option shall be granted upon the exercise of all or any portion of the Options (including exercise of any Nonqualified Replacement Options granted under this paragraph 2) if either (i) previously-owned shares of Mature Common Stock (defined below) are surrendered (whether by delivery or attestation) in payment of the Option Price or tax withholding, or (ii) shares of Common Stock otherwise issuable upon such exercise are withheld to satisfy minimum tax withholding, subject to the following:
- a. The number of shares of Common Stock subject to the new Nonqualified Replacement Option shall be the number of shares of Common Stock surrendered or withheld.
 - b. The Option Price of the new Nonqualified Replacement Option shall be the fair market value of a share of Common Stock on the date the new Nonqualified Replacement Option is granted.
 - c. The new Nonqualified Replacement Option shall be fully vested immediately upon grant and shall expire on the Expiration Date set forth in paragraph 3.

However, any other provision of this Agreement notwithstanding, a Nonqualified Replacement Option will not be granted upon the exercise of an Option, including a

Nonqualified Replacement Option, unless the fair market value of a share of Common Stock on the date of such exercise is at least 25% higher than the Option Price of the Option or Nonqualified Replacement Option being exercised, as applicable. "Mature Common Stock" means, for purposes of this Agreement, Common Stock that has been acquired by the Executive on the open market or that has been acquired pursuant to an employee benefit arrangement of the Company and held for at least six months. For purposes of this paragraph 2, fair market value shall be determined in accordance with paragraph 5.d., below. For purposes of the following provisions of this Agreement, the term Options shall also refer to Nonqualified Replacement Options granted under this paragraph 2.

3. Time of Exercise of Options/Vesting.

- a. The Options granted hereunder may be exercised in whole or in part at any time and from time to time on or after the Vesting Date and prior to or on the Expiration Date.
- b. The Vesting Date is the earliest of: (i) August 22, 2005, (ii) the date on which a "Change of Control" of the Company occurs as defined in the Executive's "Change of Control Executive Severance Agreement" dated February 15, 1999, or (iii) the date on which the Executive's employment with the Company is terminated by reason of his death or disability. If, prior to the Vesting Date, the Executive's employment with the Company terminates for any reason other than the Executive's death or disability, this Agreement and all of the Options shall terminate immediately upon such termination of employment.

c. The Expiration Date is the earliest of (i) August 21, 2010, (ii) the date which is twelve (12) months after the date on which the Executive's employment with the Company is terminated by reason of his death, or (iii) the date which is ninety (90) days after the date on which the Executive's employment with the Company terminates for any reason other than his death; provided, however, that if the Executive dies during that ninety (90)-day period, then the Expiration Date shall be the date which is nine (9) months after the Executive's death.

4. Non-Competition. If the Executive, without the prior written consent of the Company, directly or indirectly owns, manages, operates, controls, becomes employed by or otherwise participates in the management, operation or control of any business which is competitive with the business of the Company or any of its subsidiaries, all of the Executive's rights hereunder as to any unexercised portion of the Options shall be forfeited.

5. Manner of Exercise. The Options may be exercised by written notice which shall:

- a. State the election to exercise the Options and the number of shares and Option Price(s) in respect of which they are being exercised;
- b. Be signed by Executive or such other person or persons entitled to exercise the Options;
- c. Be in writing and delivered to SPX to the attention of its Secretary;
- d. Be accompanied by payment in full of the Option Price for the shares to be purchased and the Executive's copy of this Agreement. Payment may be made

by: (i) certified or cashier's check, money order or other cash payment, or (ii) delivery (or deemed delivery by attestation) of Mature Common Stock with a fair market value as of the exercise date equal to the aggregate Option Price for the shares to be purchased (or a combination of (i) and (ii)). The fair market value of the Common Stock for this purpose shall be the closing price of a share of Common Stock as reported in the "NYSE-Composite Transactions" section of the Midwest Edition of The Wall Street Journal for the exercise date or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted;

- e. Be accompanied by payment in cash of any Federal, state or local taxes required by law to be withheld by the Company with respect to the exercise of the Options, unless other satisfactory arrangements are made between the Company and the Executive to satisfy such withholding obligations, which arrangements may include the withholding of shares of Common Stock with a fair market value equal to the minimum statutory payroll and withholding taxes imposed as a result of such exercise; and
- f. Contain representations by the Executive or other person or persons entitled to exercise the Options that the shares of Common Stock are being acquired for investment and with no present intention of selling or transferring them and that the person acquiring them will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock exchange upon which the shares may then be listed; provided, however, that no such representations shall be required if a registration statement under the

Securities Act of 1933 is in effect with respect to the shares of Common Stock to be issued.

As promptly as practicable after receipt of such notice and payment, the Company shall cause to be issued and delivered to the Executive or such other person or persons entitled to exercise the Options, as the case may be, certificates for the shares of Common Stock so purchased, which certificates may, if appropriate, be endorsed with restrictive legends to reflect any applicable restrictions on the transferability of such shares. If the Options shall have been exercised in full, this Agreement shall be canceled and retained by the Company; otherwise it shall be appropriately endorsed to reflect partial exercise and returned to the Executive or other person entitled to exercise the Options.

6. Restrictions on Transfer of Options. Except as otherwise provided below, the Options may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution; and the Options shall be exercisable during the Executive's lifetime only by him. However, the Options may be transferred to members of the Executive's immediate family or to one or more trusts for the benefit of the Executive and/or his immediate family members or to partnerships in which the Executive and/or his immediate family members are the only partners; provided that the Executive does not receive any consideration for such transfer and the Executive provides to the Company such documentation and/or information concerning any such transfer or transferee as the Committee may reasonably require. Any Options held by transferees permitted under this paragraph 6 shall remain subject to the same terms and conditions that applied immediately prior to such transfer. If without having

fully exercised the Options granted hereunder, the Executive dies, the Options remaining outstanding hereunder pursuant to paragraph 3, above, shall be exercisable by the person or persons who shall have acquired the Executive's rights hereunder by will or the laws of descent and distribution and may be exercised for a period ending on the Expiration Date as set forth in paragraph 3, above.

7. Rights Prior to Exercise of Option. Executive shall not have any rights as a stockholder with respect to the shares of Common Stock subject to this Agreement until exercise of the Options and delivery of the shares as herein provided.
8. Adjustment in the Event of Changes Affecting Common Stock. In the event of any change in the outstanding shares of Common Stock that occurs by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to the Options, and the Option Prices, shall be appropriately adjusted by the Committee, whose reasonable determination shall be conclusive, provided, however, that fractional shares shall be rounded to the nearest whole share.
9. No Contract of Employment. Nothing contained in this Agreement shall be construed as a contract of employment between SPX and Executive, or as creating a right of Executive to be continued in the employment of SPX, or as a limitation of SPX's right to discharge Executive with or without Cause. Except as expressly provided herein, this Agreement shall not be construed as a term or condition of the Executive's employment and, in

particular, it shall neither confer upon the Executive any additional rights or privileges relative to his existing terms and conditions of employment nor entitle the Executive to additional compensation or damages upon any termination of employment.

10. **Binding Effect.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, legal representatives, successors and assigns. This Agreement may be amended only by further written agreement of the Company and Executive.
11. **Construction of Pronouns.** Pronouns in the masculine used in this Agreement shall be construed as either masculine or feminine, as appropriate in the particular context.
12. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan, as applicable to a contract entered into and performed entirely within the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

SPX CORPORATION

EXECUTIVE

/s/ John B. Blystone

/s/ Thomas J. Riordan

John B. Blystone
Chairman, President and
Chief Executive Officer

Thomas J. Riordan

[SPX CORPORATION LOGO]

JOHN B. BLYSTONE

STOCK OPTION AWARD

THIS AGREEMENT is made on and as of June 23, 1999, by and between SPX CORPORATION, a Delaware Corporation ("SPX" or the "Company") and JOHN B. BLYSTONE ("Executive").

1. Grant of Options. In recognition of his performance as Chairman, President and Chief Executive Officer of the Corporation, and as an inducement to his continuing in the employ of the Company, SPX hereby grants to Executive Options to purchase 1,000,000 Shares of the Company's Common Stock, par value \$10.00 ("Common Stock") at Option Prices set forth below and in the manner and subject to the terms and conditions hereinafter provided:

Number of Shares -----	Option Price Per Share -----
250,000	\$120.00
250,000	\$145.00
250,000	\$170.00
250,000	\$195.00

These Options are granted to Executive by the Board of Directors of the Company and are in addition to the stock options granted to Executive under the Company's 1992 Stock Compensation Plan. The Options granted under this Agreement are outside of and not granted pursuant to said Plan. To the extent that shares of Common Stock are held by the Company as treasury shares at the time that the Options (or any portion thereof) are exercised, the Company will use treasury shares as the source of the Common Stock issued to the Executive in connection with such exercise. The Board of Directors has delegated to its Compensation Committee (the "Committee") the authority to make such determinations and interpretations of this Agreement as it deems necessary and appropriate to carry out its intent and terms.

2. Nonqualified Replacement Options. This Option is granted with the right to receive "Nonqualified Replacement Options" in accordance with the terms of this Agreement. A Nonqualified Replacement Option shall be granted upon the exercise of the Option (including any Options granted under this paragraph 2) if either (i) previously-owned shares of Mature Common Stock (defined below) are surrendered (whether by delivery or attestation) in payment of the Option Price or tax withholding, or (ii) shares of Common Stock otherwise issuable upon such exercise are withheld to satisfy minimum tax withholding, subject to the following:

- a. The number of shares of Common Stock subject to the Nonqualified Replacement Option shall be the number of shares of Common Stock surrendered or withheld.
- b. The Option Price of the Nonqualified Replacement Option shall be the fair market value of a share of Common Stock on the date the Nonqualified Replacement Option is granted.
- c. The Nonqualified Replacement Option shall be fully vested and shall expire on the Expiration Date set forth in paragraph 3.

Upon exercise, a Nonqualified Replacement Option shall also be eligible to receive a Nonqualified Replacement Option. A Nonqualified Replacement Option will not be granted upon the exercise of an Option, including a Nonqualified Replacement Option, unless the fair market value of a share of Common Stock on the date of exercise is at least 25% higher than the Option Price of such Option or Nonqualified Replacement Option, as applicable. "Mature Shares" means, for purposes of this Agreement, Common Stock that has been acquired by the Executive on the open market or that has been acquired pursuant to an employee benefit arrangement of the Company and held for at least six months. For purposes of this paragraph 2, fair market value shall be determined in accordance with paragraph 4d. For purposes of the following provisions of this Agreement, the term Option shall also refer to Nonqualified Replacement Options.

3. Time of Exercise of Options/Vesting. The Options granted hereunder may be exercised in whole or in part at any time and from time to time on or after the Vesting Date and prior to or on the Expiration Date. The Vesting Date is the earliest of: (i) June 23, 2004, (ii) the date on which a "Change-of-Control" of the Company occurs as defined in the Executive's "Change-of-Control Severance Agreement" dated February 15, 1999, or (iii) the Date of Termination as defined in the Executive's Employment Agreement made and entered into as of January 1, 1997, and executed on February 25, 1997 (the "Employment Agreement"), in the event the Executive's employment with the Company is terminated by reason of his death or disability or by the Company other than for "Cause" or by the resignation of the Executive for "Good Reason" as those terms are defined in the Employment Agreement. The Expiration Date is the earlier of: (i) June 22, 2009, or (ii) the date which is two years after the Date of Termination as defined in the Employment Agreement. Consistent with the terms of the Employment Agreement and the definitions provided therein, the Options granted hereunder are forfeited in the event the Executive's employment is terminated by reason of his Discharge For Cause or resignation without Good Reason prior to the Vesting Date.
4. Manner of Exercise. The Options may be exercised by written notice which shall:
 - a. State the election to exercise the Options and the number of shares and Option Price in respect of which they are being exercised;
 - b. Be signed by Executive or such other person or persons entitled to exercise the Options;

- c. Be in writing and delivered to SPX's Secretary;
- d. Be accompanied by payment in full of the Option Price for the shares to be purchased. Payment may be made by: (i) check, bank draft, money order or other cash payment, or (ii) delivery (or deemed delivery by attestation) of previously acquired shares of Common Stock with a fair market value as of the exercise date equal to the aggregate Option Price for the shares to be purchased (or a combination of (i) and (ii)). The fair market value of the Common Stock for this purpose shall be the closing price of a share of Common Stock as reported in the "NYSE-Composite Transactions" section of the Midwest Edition of The Wall Street Journal for the exercise date or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted;
- e. Be accompanied by payment of any Federal, state or local taxes required by law to be withheld by the Company with respect to the exercise of the Options unless other satisfactory arrangements are made between the Company and the Executive to satisfy such withholding obligations; and
- f. Unless a Registration Statement under the Securities Act of 1933 is in effect with respect to the shares of Common Stock to be issued, contain a representation by the Executive or other person or persons entitled to exercise the Options that the shares of Common Stock are being acquired for investment and with no present intention of selling or transferring them and that the person acquiring them will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock exchange upon which the shares may then be listed.

If the Options shall have been exercised in full, this Agreement shall be canceled and retained by the Company, otherwise it shall be appropriately endorsed to reflect partial exercise and returned to the Executive or other person entitled to exercise the Options.

- 5. Rights Prior to Exercise of Option. The Options may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. The Options shall be exercisable during the Executive's lifetime only by him. If without having fully exercised the Options granted hereunder, the Executive dies, the Options granted hereunder shall be exercisable by the person or persons who shall have acquired the Executive's rights hereunder by will or the laws of descent and distribution and may be exercised for a period ending on the Expiration Date as set forth in Paragraph 3 above. Executive shall not have any rights as a stockholder with respect to the shares of Common Stock optioned hereunder until exercise of the Options and delivery of the shares as herein provided.
- 6. Adjustment in the Event of Changes Affecting Common Stock. In the event of any change in the outstanding shares of Common Stock that occurs by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of

shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to the Options, and the Option Prices, shall be appropriately adjusted by the Committee, whose reasonable determination shall be conclusive, provided, however, that fractional shares shall be rounded to the nearest whole share.

7. No Contract of Employment. Nothing contained in this Agreement shall be construed as a contract of employment between SPX and Executive, or as creating a right of Executive to be continued in the employment of SPX, or as a limitation of SPX's right to discharge Executive with or without cause, such rights being governed exclusively by the Employment Agreement.
8. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, legal representatives, successors and assigns. This Agreement may be amended only by further written agreement of the Company and Executive.
9. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

SPX CORPORATION

EXECUTIVE

By: /s/ Christopher J. Kearney

/s/ John B. Blystone

Christopher J. Kearney
Title: Vice President, Secretary and
General Counsel

John B. Blystone

[SPX CORPORATION LOGO]

JOHN B. BLYSTONE

STOCK OPTION AWARD

THIS AGREEMENT is made on and as of August 22, 2000, by and between SPX CORPORATION, a Delaware Corporation ("SPX" or the "Company") and JOHN B. BLYSTONE ("Executive").

1. Grant of Options. In recognition of the Executive's performance as Chairman, President and Chief Executive Officer of the Corporation, and as an inducement to his continuing in the employ of the Company, SPX hereby grants to Executive Options to purchase 1,000,000 Shares of the Company's Common Stock, par value \$10.00 ("Common Stock") at Option Prices set forth below and in the manner and subject to the terms and conditions hereinafter provided:

Number of Shares -----	Option Price Per Share -----
250,000	\$210.00
250,000	\$240.00
250,000	\$270.00
250,000	\$300.00

These Options are granted to Executive by the Board of Directors of the Company and are in addition to the stock options granted to Executive under the Company's 1992 Stock Compensation Plan. The Options granted under this Agreement are outside of and not granted pursuant to said Plan. To the extent that shares of Common Stock are held by the Company as treasury shares at the time that the Options (or any portion thereof) are exercised, the Company will use treasury shares as the source of the Common Stock

issued to the Executive in connection with such exercise. The Board of Directors has delegated to its Compensation Committee (the "Committee") the authority to make such determinations and interpretations of this Agreement as it deems necessary and appropriate to carry out its intent and terms.

2. Nonqualified Replacement Options. These Options are granted with the right to receive "Nonqualified Replacement Options" in accordance with the terms of this Agreement. A Nonqualified Replacement Option shall be granted upon the exercise of all or any portion of the Options (including exercise of any Nonqualified Replacement Options granted under this paragraph 2) if either (i) previously-owned shares of Mature Common Stock (defined below) are surrendered (whether by delivery or attestation) in payment of the Option Price or tax withholding, or (ii) shares of Common Stock otherwise issuable upon such exercise are withheld to satisfy minimum tax withholding, subject to the following:
 - a. The number of shares of Common Stock subject to the new Nonqualified Replacement Option shall be the number of shares of Common Stock surrendered or withheld.
 - b. The Option Price of the new Nonqualified Replacement Option shall be the fair market value of a share of Common Stock on the date the new Nonqualified Replacement Option is granted.
 - c. The new Nonqualified Replacement Option shall be fully vested immediately upon grant and shall expire on the Expiration Date set forth in paragraph 3.

However, any other provision of this Agreement notwithstanding, a Nonqualified Replacement Option will not be granted upon the exercise of an Option, including a Nonqualified Replacement Option, unless the fair market value of a share of Common Stock on the date of such exercise is at least 25% higher than the Option Price of the Option or Nonqualified Replacement Option being exercised, as applicable. "Mature Common Stock" means, for purposes of this Agreement, Common Stock that has been acquired by the Executive on the open market or that has been acquired pursuant to an employee benefit arrangement of the Company and held for at least six months. For purposes of this paragraph 2, fair market value shall be determined in accordance with paragraph 5.d., below. For purposes of the following provisions of this Agreement, the term Options shall also refer to Nonqualified Replacement Options granted under this paragraph 2.

3. Time of Exercise of Options/Vesting.

- a. The Options granted hereunder may be exercised in whole or in part at any time and from time to time on or after the Vesting Date and prior to or on the Expiration Date.
- b. The Vesting Date is the earliest of: (i) August 22, 2005, (ii) the date on which a "Change of Control" of the Company occurs as defined in the Executive's "Change of Control Severance Agreement" dated February 15, 1999, or (iii) the Date of Termination as defined in the Executive's Employment Agreement made and entered into as of January 1, 1997, and executed on February 25, 1997 (the "Employment Agreement"), in the event the Executive's employment with the

Company is terminated by reason of his death or disability or by the Company other than for "Cause" or by the resignation of the Executive for "Good Reason," as those terms are defined in the Employment Agreement. Consistent with the terms of the Employment Agreement and the definitions provided therein, the Options granted hereunder are forfeited in the event the Executive's employment is terminated by reason of his Discharge For Cause or resignation without Good Reason prior to the Vesting Date.

- c. The Expiration Date is the earlier of: (i) August 21, 2010 or (ii) the date which is two years after the Date of Determination as defined in the Employment Agreement.

- 4. Non-Competition. If the Executive, without the prior written consent of the Company, directly or indirectly owns, manages, operates, controls, becomes employed by or otherwise participates in the management, operation or control of any business which is competitive with the business of the Company or any of its subsidiaries, all of the Executive's rights hereunder as to any unexercised portion of the Options shall be forfeited.

- 5. Manner of Exercise. The Options may be exercised by written notice which shall:

- a. State the election to exercise the Options and the number of shares and Option Price(s) in respect of which they are being exercised;
- b. Be signed by Executive or such other person or persons entitled to exercise the Options;

- c. Be in writing and delivered to SPX to the attention of its Secretary;
- d. Be accompanied by payment in full of the Option Price for the shares to be purchased and the Executive's copy of this Agreement. Payment may be made by: (i) certified or cashier's check, money order or other cash payment, or (ii) delivery (or deemed delivery by attestation) of Mature Common Stock with a fair market value as of the exercise date equal to the aggregate Option Price for the shares to be purchased (or a combination of (i) and (ii)). The fair market value of the Common Stock for this purpose shall be the closing price of a share of Common Stock as reported in the "NYSE-Composite Transactions" section of the Midwest Edition of The Wall Street Journal for the exercise date or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted;
- e. Be accompanied by payment in cash of any Federal, state or local taxes required by law to be withheld by the Company with respect to the exercise of the Options, unless other satisfactory arrangements are made between the Company and the Executive to satisfy such withholding obligations, which arrangements may include the withholding of shares of Common Stock with a fair market value equal to the minimum statutory payroll and withholding taxes imposed as a result of such exercise; and
- f. Contain representations by the Executive or other person or persons entitled to exercise the Options that the shares of Common Stock are being acquired for investment and with no present intention of selling or transferring them and that the person acquiring them will not sell or otherwise transfer the shares except in

compliance with all applicable securities laws and requirements of any stock exchange upon which the shares may then be listed; provided, however, that no such representations shall be required if a registration statement under the Securities Act of 1933 is in effect with respect to the shares of Common Stock to be issued.

As promptly as practicable after receipt of such notice and payment, the Company shall cause to be issued and delivered to the Executive or such other person or persons entitled to exercise the Options, as the case may be, certificates for the shares of Common Stock so purchased, which certificates may, if appropriate, be endorsed with restrictive legends to reflect any applicable restrictions on the transferability of such shares. If the Options shall have been exercised in full, this Agreement shall be canceled and retained by the Company; otherwise it shall be appropriately endorsed to reflect partial exercise and returned to the Executive or other person entitled to exercise the Options.

6. Restrictions on Transfer of Options. Except as otherwise provided below, the Options may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution; and the Options shall be exercisable during the Executive's lifetime only by him. However, the Options may be transferred to members of the Executive's immediate family or to one or more trusts for the benefit of the Executive and/or his immediate family members or to partnerships in which the Executive and/or his immediate family members are the only partners; provided that the Executive does not receive any consideration for such transfer and the

Executive provides to the Company such documentation and/or information concerning any such transfer or transferee as the Committee may reasonably require. Any Options held by transferees permitted under this paragraph 6 shall remain subject to the same terms and conditions that applied immediately prior to such transfer. If without having fully exercised the Options granted hereunder, the Executive dies, the Options remaining outstanding hereunder pursuant to paragraph 3, above, shall be exercisable by the person or persons who shall have acquired the Executive's rights hereunder by will or the laws of descent and distribution and may be exercised for a period ending on the Expiration Date as set forth in paragraph 3, above.

7. Rights Prior to Exercise of Option. Executive shall not have any rights as a stockholder with respect to the shares of Common Stock subject to this Agreement until exercise of the Options and delivery of the shares as herein provided.
8. Adjustment in the Event of Changes Affecting Common Stock. In the event of any change in the outstanding shares of Common Stock that occurs by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to the Options, and the Option Prices, shall be appropriately adjusted by the Committee, whose reasonable determination shall be conclusive, provided, however, that fractional shares shall be rounded to the nearest whole share.

9. No Contract of Employment. Nothing contained in this Agreement shall be construed as a contract of employment between SPX and Executive, or as creating a right of Executive to be continued in the employment of SPX, or as a limitation of SPX's right to discharge Executive with or without Cause, such rights being governed exclusively by the Employment Agreement.
10. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, legal representatives, successors and assigns. This Agreement may be amended only by further written agreement of the Company and Executive.
11. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan, as applicable to a contract entered into and performed entirely within the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

SPX CORPORATION

EXECUTIVE

/s/ Christopher J. Kearney

/s/ John B. Blystone

Christopher J. Kearney
Vice President, Secretary and
General Counsel

John B. Blystone

[SPX CORPORATION LOGO]

ROBERT B. FOREMAN

STOCK OPTION AWARD

THIS AGREEMENT is made on and as of May 10, 1999, by and between SPX CORPORATION, a Delaware Corporation ("SPX" or the "Company") and ROBERT B. FOREMAN ("Executive").

1. Grant of Options. As an inducement to hire the Executive into the position of Vice President Human Resources of the Corporation, SPX hereby grants to Executive Options to purchase 100,000 Shares of the Company's Common Stock, par value \$10.00 ("Common Stock") at Option Prices set forth below and in the manner and subject to the terms and conditions hereinafter provided:

Number of Shares -----	Option Price Per Share -----
50,000	\$75.00
50,000	\$90.00

These Options are granted to Executive by the Board of Directors of the Company and are in addition to the stock options granted to Executive under the Company's 1992 Stock Compensation Plan. The Options granted under this Agreement are outside of and not granted pursuant to said Plan. To the extent that shares of Common Stock are held by the Company as treasury shares at the time that the Options (or any portion thereof) are exercised, the Company will use treasury shares as the source of the Common Stock issued to the Executive in connection with such exercise. The Board of Directors has delegated to its Compensation Committee (the "Committee") the authority to make such determinations and interpretations of this Agreement as it deems necessary and appropriate to carry out its intent and terms.

2. Nonqualified Replacement Options. This Option is granted with the right to receive "Nonqualified Replacement Options" in accordance with the terms of this Agreement. A Nonqualified Replacement Option shall be granted upon the exercise of the Option (including any Options granted under this paragraph 2) if either (i) previously-owned shares of Mature Common Stock (defined below) are surrendered (whether by delivery or attestation) in payment of the Option Price or tax withholding, or (ii) shares of Common Stock otherwise issuable upon such exercise are withheld to satisfy minimum tax withholding, subject to the following:
- a. The number of shares of Common Stock subject to the Nonqualified Replacement Option shall be the number of shares of Common Stock surrendered or withheld.

- b. The Option Price of the Nonqualified Replacement Option shall be the fair market value of a share of Common Stock on the date the Nonqualified Replacement Option is granted.
- c. The Nonqualified Replacement Option shall be fully vested and shall expire on the Expiration Date set forth in paragraph 3.

Upon exercise, a Nonqualified Replacement Option shall also be eligible to receive a Nonqualified Replacement Option. A Nonqualified Replacement Option will not be granted upon the exercise of an Option, including a Nonqualified Replacement Option, unless the fair market value of a share of Common Stock on the date of exercise is at least 25% higher than the Option Price of such Option or Nonqualified Replacement Option, as applicable. "Mature Shares" means, for purposes of this Agreement, Common Stock that has been acquired by the Executive on the open market or that has been acquired pursuant to an employee benefit arrangement of the Company and held for at least six months. For purposes of this paragraph 2, fair market value shall be determined in accordance with paragraph 4d. For purposes of the following provisions of this Agreement, the term Option shall also refer to Nonqualified Replacement Options.

- 3. Time of Exercise of Options/Vesting. The Options granted hereunder may be exercised in whole or in part at any time and from time to time on or after the Vesting Date and prior to or on the Expiration Date. The Vesting Date is the earliest of: (i) May 10, 2004, (ii) the date on which a "change-of-control" of the Company occurs as defined in the Executive's "Change-of-Control Executive Severance Agreement" dated May 10, 1999 or (iii) the date on which Executive's employment with the Company terminates by reason of his disability or death. The Expiration Date is May 9, 2009, except as otherwise provided herein.
- 4. Manner of Exercise. The Options may be exercised by written notice which shall:
 - a. State the election to exercise the Options and the number of shares and Option Price in respect of which they are being exercised;
 - b. Be signed by Executive or such other person or persons entitled to exercise the Options;
 - c. Be in writing and delivered to SPX's Secretary;
 - d. Be accompanied by payment in full of the Option Price for the shares to be purchased. Payment may be made by: (i) check, bank draft, money order or other cash payment, or (ii) delivery (or deemed delivery by attestation) of previously acquired shares of Common Stock with a fair market value as of the exercise date equal to the aggregate Option Price for the shares to be purchased (or a combination of (i) and (ii)). The fair market value of the Common Stock for this purpose shall be the closing price of a share of Common Stock as reported in the "NYSE-Composite Transactions" section of the Midwest Edition of The Wall

Street Journal for the exercise date or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted;

- e. Be accompanied by payment of any Federal, state or local taxes required by law to be withheld by the Company with respect to the exercise of the Options unless other satisfactory arrangements are made between the Company and the Executive to satisfy such withholding obligations; and
- f. Unless a Registration Statement under the Securities Act of 1933 is in effect with respect to the shares of Common Stock to be issued, contain a representation by the Executive or other person or persons entitled to exercise the Options that the shares of Common Stock are being acquired for investment and with no present intention of selling or transferring them and that the person acquiring them will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock exchange upon which the shares may then be listed.

If the Options shall have been exercised in full, this Agreement shall be canceled and retained by the Company, otherwise it shall be appropriately endorsed to reflect partial exercise and returned to the Executive or other person entitled to exercise the Options.

- 5. Termination of Employment for Disability or Death. If without having fully exercised the Options granted hereunder, the Executive's employment with the Company is terminated by reason of disability, then the Vesting Date shall be the date of his termination and the Expiration Date shall be the date 90 days after termination. If without having fully exercised the Options granted hereunder, the Executive's employment with the Company is terminated by reason of death, the Options granted hereunder shall be fully vested and shall be exercisable by the person or persons who shall have acquired the Executive's rights hereunder by will or the laws of descent and distribution and the Expiration Date shall be the earlier of: (i) the date which is twelve months following the date of the Executive's death, or (ii) May 9, 2009.
- 6. Other Termination of Employment. If the Executive's employment with the Company is terminated for reasons other than death or disability and prior to the Vesting Date, this Agreement and the Executive's Options shall terminate. If the Executive's employment with the Company is terminated for reasons other than death or disability and subsequent to the Vesting Date, then the Expiration Date shall be the earlier of: (i) the date which is 90 days following the date of termination of his employment, or (ii) May 9, 2009.
- 7. Rights Prior to Exercise of Option. The Options may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. The Options shall be exercisable during the Executive's lifetime only by him. Executive shall not have any rights as a stockholder with respect to the shares of Common Stock optioned hereunder until exercise of the Options and delivery of the shares as herein provided.

8. Adjustment in the Event of Changes Affecting Common Stock. In the event of any change in the outstanding shares of Common Stock that occurs by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to the Options, and the Option Prices, shall be appropriately adjusted by the Committee, whose reasonable determination shall be conclusive, provided, however, that fractional shares shall be rounded to the nearest whole share.
9. No Contract of Employment. Nothing contained in this Agreement shall be construed as a contract of employment between SPX and Executive, or as creating a right of Executive to be continued in the employment of SPX, or as a limitation of SPX's right to discharge Executive with or without cause. Except as expressly provided herein, this Agreement shall not be construed as a term or condition of his employment and, in particular, it shall neither confer upon Executive any additional rights or privileges relative to his existing terms and conditions of employment nor shall it entitle Executive to additional compensation or damages upon any termination of employment.
10. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, legal representatives, successors and assigns. This Agreement may be amended only by further written agreement of the Company and Executive.
11. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

SPX CORPORATION

EXECUTIVE

By: /s/ John B. Blystone

John B. Blystone

/s/ Robert B. Foreman

Robert B. Foreman

Title: Chairman, President & CEO

[SPX CORPORATION LOGO]

ROBERT B. FOREMAN

STOCK OPTION AWARD

THIS AGREEMENT is made on and as of August 22, 2000, by and between SPX CORPORATION, a Delaware Corporation ("SPX" or the "Company") and ROBERT B. FOREMAN ("Executive").

1. Grant of Options. In recognition of the Executive's performance as Vice President, Human Resources of the Corporation, and as an inducement to his continuing in the employ of the Company, SPX hereby grants to Executive Options to purchase 250,000 Shares of the Company's Common Stock, par value \$10.00 ("Common Stock") at Option Prices set forth below and in the manner and subject to the terms and conditions hereinafter provided:

Number of Shares -----	Option Price Per Share -----
62,500	\$210.00
62,500	\$240.00
62,500	\$270.00
62,500	\$300.00

These Options are granted to Executive by the Board of Directors of the Company and are in addition to the stock options granted to Executive under the Company's 1992 Stock Compensation Plan. The Options granted under this Agreement are outside of and not granted pursuant to said Plan. To the extent that shares of Common Stock are held by the Company as treasury shares at the time that the Options (or any portion thereof) are exercised, the Company will use treasury shares as the source of the Common Stock

issued to the Executive in connection with such exercise. The Board of Directors has delegated to its Compensation Committee (the "Committee") the authority to make such determinations and interpretations of this Agreement as it deems necessary and appropriate to carry out its intent and terms.

2. Nonqualified Replacement Options. These Options are granted with the right to receive "Nonqualified Replacement Options" in accordance with the terms of this Agreement. A Nonqualified Replacement Option shall be granted upon the exercise of all or any portion of the Options (including exercise of any Nonqualified Replacement Options granted under this paragraph 2) if either (i) previously-owned shares of Mature Common Stock (defined below) are surrendered (whether by delivery or attestation) in payment of the Option Price or tax withholding, or (ii) shares of Common Stock otherwise issuable upon such exercise are withheld to satisfy minimum tax withholding, subject to the following:
 - a. The number of shares of Common Stock subject to the new Nonqualified Replacement Option shall be the number of shares of Common Stock surrendered or withheld.
 - b. The Option Price of the new Nonqualified Replacement Option shall be the fair market value of a share of Common Stock on the date the new Nonqualified Replacement Option is granted.
 - c. The new Nonqualified Replacement Option shall be fully vested immediately upon grant and shall expire on the Expiration Date set forth in paragraph 3.

However, any other provision of this Agreement notwithstanding, a Nonqualified Replacement Option will not be granted upon the exercise of an Option, including a Nonqualified Replacement Option, unless the fair market value of a share of Common Stock on the date of such exercise is at least 25% higher than the Option Price of the Option or Nonqualified Replacement Option being exercised, as applicable. "Mature Common Stock" means, for purposes of this Agreement, Common Stock that has been acquired by the Executive on the open market or that has been acquired pursuant to an employee benefit arrangement of the Company and held for at least six months. For purposes of this paragraph 2, fair market value shall be determined in accordance with paragraph 5.d., below. For purposes of the following provisions of this Agreement, the term Options shall also refer to Nonqualified Replacement Options granted under this paragraph 2.

3. Time of Exercise of Options/Vesting.

- a. The Options granted hereunder may be exercised in whole or in part at any time and from time to time on or after the Vesting Date and prior to or on the Expiration Date.
- b. The Vesting Date is the earliest of: (i) August 22, 2005, (ii) the date on which a "Change of Control" of the Company occurs as defined in the Executive's "Change of Control Executive Severance Agreement" dated May 10, 1999, or (iii) the date on which the Executive's employment with the Company is terminated by reason of his death or disability. If, prior to the Vesting Date, the Executive's employment with the Company terminates for any reason other than the

Executive's death or disability, this Agreement and all of the Options shall terminate immediately upon such termination of employment.

- c. The Expiration Date is the earliest of (i) August 21, 2010, (ii) the date which is twelve (12) months after the date on which the Executive's employment with the Company is terminated by reason of his death, or (iii) the date which is ninety (90) days after the date on which the Executive's employment with the Company terminates for any reason other than his death; provided, however, that if the Executive dies during that ninety (90)-day period, then the Expiration Date shall be the date which is nine (9) months after the Executive's death.

4. Non-Competition. If the Executive, without the prior written consent of the Company, directly or indirectly owns, manages, operates, controls, becomes employed by or otherwise participates in the management, operation or control of any business which is competitive with the business of the Company or any of its subsidiaries, all of the Executive's rights hereunder as to any unexercised portion of the Options shall be forfeited.

5. Manner of Exercise. The Options may be exercised by written notice which shall:

- a. State the election to exercise the Options and the number of shares and Option Price(s) in respect of which they are being exercised;
- b. Be signed by Executive or such other person or persons entitled to exercise the Options;
- c. Be in writing and delivered to SPX to the attention of its Secretary;

- d. Be accompanied by payment in full of the Option Price for the shares to be purchased and the Executive's copy of this Agreement. Payment may be made by: (i) certified or cashier's check, money order or other cash payment, or (ii) delivery (or deemed delivery by attestation) of Mature Common Stock with a fair market value as of the exercise date equal to the aggregate Option Price for the shares to be purchased (or a combination of (i) and (ii)). The fair market value of the Common Stock for this purpose shall be the closing price of a share of Common Stock as reported in the "NYSE-Composite Transactions" section of the Midwest Edition of The Wall Street Journal for the exercise date or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted;
- e. Be accompanied by payment in cash of any Federal, state or local taxes required by law to be withheld by the Company with respect to the exercise of the Options, unless other satisfactory arrangements are made between the Company and the Executive to satisfy such withholding obligations, which arrangements may include the withholding of shares of Common Stock with a fair market value equal to the minimum statutory payroll and withholding taxes imposed as a result of such exercise; and
- f. Contain representations by the Executive or other person or persons entitled to exercise the Options that the shares of Common Stock are being acquired for investment and with no present intention of selling or transferring them and that the person acquiring them will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock

exchange upon which the shares may then be listed; provided, however, that no such representations shall be required if a registration statement under the Securities Act of 1933 is in effect with respect to the shares of Common Stock to be issued.

As promptly as practicable after receipt of such notice and payment, the Company shall cause to be issued and delivered to the Executive or such other person or persons entitled to exercise the Options, as the case may be, certificates for the shares of Common Stock so purchased, which certificates may, if appropriate, be endorsed with restrictive legends to reflect any applicable restrictions on the transferability of such shares. If the Options shall have been exercised in full, this Agreement shall be canceled and retained by the Company; otherwise it shall be appropriately endorsed to reflect partial exercise and returned to the Executive or other person entitled to exercise the Options.

6. Restrictions on Transfer of Options. Except as otherwise provided below, the Options may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution; and the Options shall be exercisable during the Executive's lifetime only by him. However, the Options may be transferred to members of the Executive's immediate family or to one or more trusts for the benefit of the Executive and/or his immediate family members or to partnerships in which the Executive and/or his immediate family members are the only partners; provided that the Executive does not receive any consideration for such transfer and the Executive provides to the Company such documentation and/or information concerning any such transfer or transferee as the Committee may reasonably require. Any Options

held by transferees permitted under this paragraph 6 shall remain subject to the same terms and conditions that applied immediately prior to such transfer. If without having fully exercised the Options granted hereunder, the Executive dies, the Options remaining outstanding hereunder pursuant to paragraph 3, above, shall be exercisable by the person or persons who shall have acquired the Executive's rights hereunder by will or the laws of descent and distribution and may be exercised for a period ending on the Expiration Date as set forth in paragraph 3, above.

7. Rights Prior to Exercise of Option. Executive shall not have any rights as a stockholder with respect to the shares of Common Stock subject to this Agreement until exercise of the Options and delivery of the shares as herein provided.
8. Adjustment in the Event of Changes Affecting Common Stock. In the event of any change in the outstanding shares of Common Stock that occurs by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to the Options, and the Option Prices, shall be appropriately adjusted by the Committee, whose reasonable determination shall be conclusive, provided, however, that fractional shares shall be rounded to the nearest whole share.
9. No Contract of Employment. Nothing contained in this Agreement shall be construed as a contract of employment between SPX and Executive, or as creating a right of Executive to be continued in the employment of SPX, or as a limitation of SPX's right to discharge

Executive with or without Cause. Except as expressly provided herein, this Agreement shall not be construed as a term or condition of the Executive's employment and, in particular, it shall neither confer upon the Executive any additional rights or privileges relative to his existing terms and conditions of employment nor entitle the Executive to additional compensation or damages upon any termination of employment.

10. **Binding Effect.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, legal representatives, successors and assigns. This Agreement may be amended only by further written agreement of the Company and Executive.
11. **Construction of Pronouns.** Pronouns in the masculine used in this Agreement shall be construed as either masculine or feminine, as appropriate in the particular context.
12. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan, as applicable to a contract entered into and performed entirely within the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

SPX CORPORATION

EXECUTIVE

/s/ John B. Blystone

/s/ Robert B. Foreman

John B. Blystone
Chairman, President and
Chief Executive Officer

Robert B. Foreman

[SPX CORPORATION LOGO]

CHRISTOPHER J. KEARNEY

STOCK OPTION AWARD

THIS AGREEMENT is made on and as of August 26, 1998, by and between SPX CORPORATION, a Delaware Corporation ("SPX" or the "Company") and CHRISTOPHER J. KEARNEY ("Executive").

1. Grant of Options. In recognition of his performance as Vice President, Secretary and General Counsel of the Corporation, and as an inducement to his continuing in the employ of the Company, SPX hereby grants to Executive Options to purchase 100,000 Shares of the Company's Common Stock, par value \$10.00 ("Common Stock") at Option Prices set forth below and in the manner and subject to the terms and conditions hereinafter provided:

Number of Shares -----	Option Price Per Share -----
34,000	\$60.00
33,000	\$75.00
33,000	\$90.00

These Options are granted to Executive by the Board of Directors of the Company and are in addition to the stock options granted to Executive under the Company's 1992 Stock Compensation Plan. The Options granted under this Agreement are outside of and not granted pursuant to said Plan. To the extent that shares of Common Stock are held by the Company as treasury shares at the time that the Options (or any portion thereof) are exercised, the Company will use treasury shares as the source of the Common Stock issued to the Executive in connection with such exercise. The Board of Directors has delegated to its Compensation Committee (the "Committee") the authority to make such determinations and interpretations of this Agreement as it deems necessary and appropriate to carry out its intent and terms.

2. Nonqualified Replacement Options. This Option is granted with the right to receive "Nonqualified Replacement Options" in accordance with the terms of this Agreement. A Nonqualified Replacement Option shall be granted upon the exercise of the Option (including any Options granted under this paragraph 2) if either (i) previously-owned shares of Mature Common Stock (defined below) are surrendered (whether by delivery or attestation) in payment of the Option Price or tax withholding, or (ii) shares of Common Stock otherwise issuable upon such exercise are withheld to satisfy minimum tax withholding, subject to the following:
- a. The number of shares of Common Stock subject to the Nonqualified Replacement Option shall be the number of shares of Common Stock surrendered or withheld.

- b. The Option Price of the Nonqualified Replacement Option shall be the fair market value of a share of Common Stock on the date the Nonqualified Replacement Option is granted.
- c. The Nonqualified Replacement Option shall be fully vested and shall expire on the Expiration Date set forth in paragraph 3.

Upon exercise, a Nonqualified Replacement Option shall also be eligible to receive a Nonqualified Replacement Option. A Nonqualified Replacement Option will not be granted upon the exercise of an Option, including a Nonqualified Replacement Option, unless the fair market value of a share of Common Stock on the date of exercise is at least 25% higher than the Option Price of such Option or Nonqualified Replacement Option, as applicable. "Mature Shares" means, for purposes of this Agreement, Common Stock that has been acquired by the Executive on the open market or that has been acquired pursuant to an employee benefit arrangement of the Company and held for at least six months. For purposes of this paragraph 2, fair market value shall be determined in accordance with paragraph 4d. For purposes of the following provisions of this Agreement, the term Option shall also refer to Nonqualified Replacement Options.

- 3. Time of Exercise of Options/Vesting. The Options granted hereunder may be exercised in whole or in part at any time and from time to time on or after the Vesting Date and prior to or on the Expiration Date. The Vesting Date is the earliest of: (i) August 26, 2003, (ii) the date on which a "change-of-control" of the Company occurs as defined in the Executive's "Change-of-Control Executive Severance Agreement" dated February 26, 1997 or (iii) the date on which Executive's employment with the Company terminates by reason of his disability or death. The Expiration Date is August 25, 2008, except as otherwise provided herein.

- 4. Manner of Exercise. The Options may be exercised by written notice which shall:

- a. State the election to exercise the Options and the number of shares and Option Price in respect of which they are being exercised;
- b. Be signed by Executive or such other person or persons entitled to exercise the Options;
- c. Be in writing and delivered to SPX's Secretary;
- d. Be accompanied by payment in full of the Option Price for the shares to be purchased. Payment may be made by: (i) check, bank draft, money order or other cash payment, or (ii) delivery (or deemed delivery by attestation) of previously acquired shares of Common Stock with a fair market value as of the exercise date equal to the aggregate Option Price for the shares to be purchased (or a combination of (i) and (ii)). The fair market value of the Common Stock for this purpose shall be the closing price of a share of Common Stock as reported in the "NYSE-Composite Transactions" section of the Midwest Edition of The Wall

Street Journal for the exercise date or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted;

- e. Be accompanied by payment of any Federal, state or local taxes required by law to be withheld by the Company with respect to the exercise of the Options unless other satisfactory arrangements are made between the Company and the Executive to satisfy such withholding obligations; and
- f. Unless a Registration Statement under the Securities Act of 1933 is in effect with respect to the shares of Common Stock to be issued, contain a representation by the Executive or other person or persons entitled to exercise the Options that the shares of Common Stock are being acquired for investment and with no present intention of selling or transferring them and that the person acquiring them will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock exchange upon which the shares may then be listed.

If the Options shall have been exercised in full, this Agreement shall be canceled and retained by the Company, otherwise it shall be appropriately endorsed to reflect partial exercise and returned to the Executive or other person entitled to exercise the Options.

- 5. Termination of Employment for Disability or Death. If without having fully exercised the Options granted hereunder, the Executive's employment with the Company is terminated by reason of disability, then the Vesting Date shall be the date of his termination and the Expiration Date shall be the date 90 days after termination. If without having fully exercised the Options granted hereunder, the Executive's employment with the Company is terminated by reason of death, the Options granted hereunder shall be fully vested and shall be exercisable by the person or persons who shall have acquired the Executive's rights hereunder by will or the laws of descent and distribution and the Expiration Date shall be the earlier of: (i) the date which is twelve months following the date of the Executive's death, or (ii) August 25, 2008.
- 6. Other Termination of Employment. If the Executive's employment with the Company is terminated for reasons other than death or disability and prior to the Vesting Date, this Agreement and the Executive's Options shall terminate. If the Executive's employment with the Company is terminated for reasons other than death or disability and subsequent to the Vesting Date, then the Expiration Date shall be the earlier of: (i) the date which is 90 days following the date of termination of his employment, or (ii) August 25, 2008.
- 7. Rights Prior to Exercise of Option. The Options may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. The Options shall be exercisable during the Executive's lifetime only by him. Executive shall not have any rights as a stockholder with respect to the shares of Common Stock optioned hereunder until exercise of the Options and delivery of the shares as herein provided.

8. Adjustment in the Event of Changes Affecting Common Stock. In the event of any change in the outstanding shares of Common Stock that occurs by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to the Options, and the Option Prices, shall be appropriately adjusted by the Committee, whose reasonable determination shall be conclusive, provided, however, that fractional shares shall be rounded to the nearest whole share.
9. No Contract of Employment. Nothing contained in this Agreement shall be construed as a contract of employment between SPX and Executive, or as creating a right of Executive to be continued in the employment of SPX, or as a limitation of SPX's right to discharge Executive with or without cause. Except as expressly provided herein, this Agreement shall not be construed as a term or condition of his employment and, in particular, it shall neither confer upon Executive any additional rights or privileges relative to his existing terms and conditions of employment nor shall it entitle Executive to additional compensation or damages upon any termination of employment.
10. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, legal representatives, successors and assigns. This Agreement may be amended only by further written agreement of the Company and Executive.
11. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

SPX CORPORATION

EXECUTIVE

By /s/ John B. Blystone

/s/ Christopher J. Kearney

John B. Blystone

Christopher J. Kearney

Title: Chairman, President & CEO

[SPX CORPORATION LOGO]

CHRISTOPHER J. KEARNEY

STOCK OPTION AWARD

THIS AGREEMENT is made on and as of August 22, 2000, by and between SPX CORPORATION, a Delaware Corporation ("SPX" or the "Company") and CHRISTOPHER J. KEARNEY ("Executive").

1. Grant of Options. In recognition of the Executive's performance as Vice President, Secretary and General Counsel of the Corporation, and as an inducement to his continuing in the employ of the Company, SPX hereby grants to Executive Options to purchase 250,000 Shares of the Company's Common Stock, par value \$10.00 ("Common Stock") at Option Prices set forth below and in the manner and subject to the terms and conditions hereinafter provided:

Number of Shares -----	Option Price Per Share -----
62,500	\$210.00
62,500	\$240.00
62,500	\$270.00
62,500	\$300.00

These Options are granted to Executive by the Board of Directors of the Company and are in addition to the stock options granted to Executive under the Company's 1992 Stock Compensation Plan. The Options granted under this Agreement are outside of and not granted pursuant to said Plan. To the extent that shares of Common Stock are held by the Company as treasury shares at the time that the Options (or any portion thereof) are exercised, the Company will use treasury shares as the source of the Common Stock

issued to the Executive in connection with such exercise. The Board of Directors has delegated to its Compensation Committee (the "Committee") the authority to make such determinations and interpretations of this Agreement as it deems necessary and appropriate to carry out its intent and terms.

2. Nonqualified Replacement Options. These Options are granted with the right to receive "Nonqualified Replacement Options" in accordance with the terms of this Agreement. A Nonqualified Replacement Option shall be granted upon the exercise of all or any portion of the Options (including exercise of any Nonqualified Replacement Options granted under this paragraph 2) if either (i) previously-owned shares of Mature Common Stock (defined below) are surrendered (whether by delivery or attestation) in payment of the Option Price or tax withholding, or (ii) shares of Common Stock otherwise issuable upon such exercise are withheld to satisfy minimum tax withholding, subject to the following:
 - a. The number of shares of Common Stock subject to the new Nonqualified Replacement Option shall be the number of shares of Common Stock surrendered or withheld.
 - b. The Option Price of the new Nonqualified Replacement Option shall be the fair market value of a share of Common Stock on the date the new Nonqualified Replacement Option is granted.
 - c. The new Nonqualified Replacement Option shall be fully vested immediately upon grant and shall expire on the Expiration Date set forth in paragraph 3.

However, any other provision of this Agreement notwithstanding, a Nonqualified Replacement Option will not be granted upon the exercise of an Option, including a Nonqualified Replacement Option, unless the fair market value of a share of Common Stock on the date of such exercise is at least 25% higher than the Option Price of the Option or Nonqualified Replacement Option being exercised, as applicable. "Mature Common Stock" means, for purposes of this Agreement, Common Stock that has been acquired by the Executive on the open market or that has been acquired pursuant to an employee benefit arrangement of the Company and held for at least six months. For purposes of this paragraph 2, fair market value shall be determined in accordance with paragraph 5.d., below. For purposes of the following provisions of this Agreement, the term Options shall also refer to Nonqualified Replacement Options granted under this paragraph 2.

3. Time of Exercise of Options/Vesting.

- a. The Options granted hereunder may be exercised in whole or in part at any time and from time to time on or after the Vesting Date and prior to or on the Expiration Date.
- b. The Vesting Date is the earliest of: (i) August 22, 2005, (ii) the date on which a "Change of Control" of the Company occurs as defined in the Executive's "Change of Control Executive Severance Agreement" dated February 15, 1999, or (iii) the date on which the Executive's employment with the Company is terminated by reason of his death or disability. If, prior to the Vesting Date, the Executive's employment with the Company terminates for any reason other than

the Executive's death or disability, this Agreement and all of the Options shall terminate immediately upon such termination of employment.

- c. The Expiration Date is the earliest of (i) August 21, 2010, (ii) the date which is twelve (12) months after the date on which the Executive's employment with the Company is terminated by reason of his death, or (iii) the date which is ninety (90) days after the date on which the Executive's employment with the Company terminates for any reason other than his death; provided, however, that if the Executive dies during that ninety (90)-day period, then the Expiration Date shall be the date which is nine (9) months after the Executive's death.

4. Non-Competition. If the Executive, without the prior written consent of the Company, directly or indirectly owns, manages, operates, controls, becomes employed by or otherwise participates in the management, operation or control of any business which is competitive with the business of the Company or any of its subsidiaries, all of the Executive's rights hereunder as to any unexercised portion of the Options shall be forfeited.

5. Manner of Exercise. The Options may be exercised by written notice which shall:

- a. State the election to exercise the Options and the number of shares and Option Price(s) in respect of which they are being exercised;
- b. Be signed by Executive or such other person or persons entitled to exercise the Options;
- c. Be in writing and delivered to SPX to the attention of its Secretary;

- d. Be accompanied by payment in full of the Option Price for the shares to be purchased and the Executive's copy of this Agreement. Payment may be made by: (i) certified or cashier's check, money order or other cash payment, or (ii) delivery (or deemed delivery by attestation) of Mature Common Stock with a fair market value as of the exercise date equal to the aggregate Option Price for the shares to be purchased (or a combination of (i) and (ii)). The fair market value of the Common Stock for this purpose shall be the closing price of a share of Common Stock as reported in the "NYSE-Composite Transactions" section of the Midwest Edition of The Wall Street Journal for the exercise date or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted;
- e. Be accompanied by payment in cash of any Federal, state or local taxes required by law to be withheld by the Company with respect to the exercise of the Options, unless other satisfactory arrangements are made between the Company and the Executive to satisfy such withholding obligations, which arrangements may include the withholding of shares of Common Stock with a fair market value equal to the minimum statutory payroll and withholding taxes imposed as a result of such exercise; and
- f. Contain representations by the Executive or other person or persons entitled to exercise the Options that the shares of Common Stock are being acquired for investment and with no present intention of selling or transferring them and that the person acquiring them will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock

exchange upon which the shares may then be listed; provided, however, that no such representations shall be required if a registration statement under the Securities Act of 1933 is in effect with respect to the shares of Common Stock to be issued.

As promptly as practicable after receipt of such notice and payment, the Company shall cause to be issued and delivered to the Executive or such other person or persons entitled to exercise the Options, as the case may be, certificates for the shares of Common Stock so purchased, which certificates may, if appropriate, be endorsed with restrictive legends to reflect any applicable restrictions on the transferability of such shares. If the Options shall have been exercised in full, this Agreement shall be canceled and retained by the Company; otherwise it shall be appropriately endorsed to reflect partial exercise and returned to the Executive or other person entitled to exercise the Options.

6. Restrictions on Transfer of Options. Except as otherwise provided below, the Options may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution; and the Options shall be exercisable during the Executive's lifetime only by him. However, the Options may be transferred to members of the Executive's immediate family or to one or more trusts for the benefit of the Executive and/or his immediate family members or to partnerships in which the Executive and/or his immediate family members are the only partners; provided that the Executive does not receive any consideration for such transfer and the Executive provides to the Company such documentation and/or information concerning any such transfer or transferee as the Committee may reasonably require. Any Options

held by transferees permitted under this paragraph 6 shall remain subject to the same terms and conditions that applied immediately prior to such transfer. If without having fully exercised the Options granted hereunder, the Executive dies, the Options remaining outstanding hereunder pursuant to paragraph 3, above, shall be exercisable by the person or persons who shall have acquired the Executive's rights hereunder by will or the laws of descent and distribution and may be exercised for a period ending on the Expiration Date as set forth in paragraph 3, above.

7. Rights Prior to Exercise of Option. Executive shall not have any rights as a stockholder with respect to the shares of Common Stock subject to this Agreement until exercise of the Options and delivery of the shares as herein provided.
8. Adjustment in the Event of Changes Affecting Common Stock. In the event of any change in the outstanding shares of Common Stock that occurs by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to the Options, and the Option Prices, shall be appropriately adjusted by the Committee, whose reasonable determination shall be conclusive, provided, however, that fractional shares shall be rounded to the nearest whole share.
9. No Contract of Employment. Nothing contained in this Agreement shall be construed as a contract of employment between SPX and Executive, or as creating a right of Executive to be continued in the employment of SPX, or as a limitation of SPX's right to discharge

Executive with or without Cause. Except as expressly provided herein, this Agreement shall not be construed as a term or condition of the Executive's employment and, in particular, it shall neither confer upon the Executive any additional rights or privileges relative to his existing terms and conditions of employment nor entitle the Executive to additional compensation or damages upon any termination of employment.

10. **Binding Effect.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, legal representatives, successors and assigns. This Agreement may be amended only by further written agreement of the Company and Executive.
11. **Construction of Pronouns.** Pronouns in the masculine used in this Agreement shall be construed as either masculine or feminine, as appropriate in the particular context.
12. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan, as applicable to a contract entered into and performed entirely within the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

SPX CORPORATION

EXECUTIVE

/s/ John B. Blystone

/s/ Christopher J. Kearney

John B. Blystone
Chairman, President and
Chief Executive Officer

Christopher J. Kearney

[SPX CORPORATION LOGO]

LEWIS M. KLING

STOCK OPTION AWARD

THIS AGREEMENT is made on and as of August 22, 2000, by and between SPX CORPORATION, a Delaware Corporation ("SPX" or the "Company") and LEWIS M. KLING ("Executive").

1. Grant of Options. In recognition of the Executive's performance as Vice President of the Corporation, and as an inducement to his continuing in the employ of the Company, SPX hereby grants to Executive Options to purchase 250,000 Shares of the Company's Common Stock, par value \$10.00 ("Common Stock") at Option Prices set forth below and in the manner and subject to the terms and conditions hereinafter provided:

Number of Shares -----	Option Price Per Share -----
62,500	\$210.00
62,500	\$240.00
62,500	\$270.00
62,500	\$300.00

These Options are granted to Executive by the Board of Directors of the Company and are in addition to the stock options granted to Executive under the Company's 1992 Stock Compensation Plan. The Options granted under this Agreement are outside of and not granted pursuant to said Plan. To the extent that shares of Common Stock are held by the Company as treasury shares at the time that the Options (or any portion thereof) are exercised, the Company will use treasury shares as the source of the Common Stock issued to the Executive in connection with such exercise. The Board of Directors has

delegated to its Compensation Committee (the "Committee") the authority to make such determinations and interpretations of this Agreement as it deems necessary and appropriate to carry out its intent and terms.

2. Nonqualified Replacement Options. These Options are granted with the right to receive "Nonqualified Replacement Options" in accordance with the terms of this Agreement. A Nonqualified Replacement Option shall be granted upon the exercise of all or any portion of the Options (including exercise of any Nonqualified Replacement Options granted under this paragraph 2) if either (i) previously-owned shares of Mature Common Stock (defined below) are surrendered (whether by delivery or attestation) in payment of the Option Price or tax withholding, or (ii) shares of Common Stock otherwise issuable upon such exercise are withheld to satisfy minimum tax withholding, subject to the following:
- a. The number of shares of Common Stock subject to the new Nonqualified Replacement Option shall be the number of shares of Common Stock surrendered or withheld.
 - b. The Option Price of the new Nonqualified Replacement Option shall be the fair market value of a share of Common Stock on the date the new Nonqualified Replacement Option is granted.
 - c. The new Nonqualified Replacement Option shall be fully vested immediately upon grant and shall expire on the Expiration Date set forth in paragraph 3.

However, any other provision of this Agreement notwithstanding, a Nonqualified Replacement Option will not be granted upon the exercise of an Option, including a

Nonqualified Replacement Option, unless the fair market value of a share of Common Stock on the date of such exercise is at least 25% higher than the Option Price of the Option or Nonqualified Replacement Option being exercised, as applicable. "Mature Common Stock" means, for purposes of this Agreement, Common Stock that has been acquired by the Executive on the open market or that has been acquired pursuant to an employee benefit arrangement of the Company and held for at least six months. For purposes of this paragraph 2, fair market value shall be determined in accordance with paragraph 5.d., below. For purposes of the following provisions of this Agreement, the term Options shall also refer to Nonqualified Replacement Options granted under this paragraph 2.

3. Time of Exercise of Options/Vesting.

- a. The Options granted hereunder may be exercised in whole or in part at any time and from time to time on or after the Vesting Date and prior to or on the Expiration Date.
- b. The Vesting Date is the earliest of: (i) August 22, 2005, (ii) the date on which a "Change of Control" of the Company occurs as defined in the Executive's "Change of Control Executive Severance Agreement" dated December 9, 1999, or (iii) the date on which the Executive's employment with the Company is terminated by reason of his death or disability. If, prior to the Vesting Date, the Executive's employment with the Company terminates for any reason other than the Executive's death or disability, this Agreement and all of the Options shall terminate immediately upon such termination of employment.

- c. The Expiration Date is the earliest of (i) August 21, 2010, (ii) the date which is twelve (12) months after the date on which the Executive's employment with the Company is terminated by reason of his death, or (iii) the date which is ninety (90) days after the date on which the Executive's employment with the Company terminates for any reason other than his death; provided, however, that if the Executive dies during that ninety (90)-day period, then the Expiration Date shall be the date which is nine (9) months after the Executive's death.
4. Non-Competition. If the Executive, without the prior written consent of the Company, directly or indirectly owns, manages, operates, controls, becomes employed by or otherwise participates in the management, operation or control of any business which is competitive with the business of the Company or any of its subsidiaries, all of the Executive's rights hereunder as to any unexercised portion of the Options shall be forfeited.
5. Manner of Exercise. The Options may be exercised by written notice which shall:
- a. State the election to exercise the Options and the number of shares and Option Price(s) in respect of which they are being exercised;
 - b. Be signed by Executive or such other person or persons entitled to exercise the Options;
 - c. Be in writing and delivered to SPX to the attention of its Secretary;
 - d. Be accompanied by payment in full of the Option Price for the shares to be purchased and the Executive's copy of this Agreement. Payment may be made

by: (i) certified or cashier's check, money order or other cash payment, or (ii) delivery (or deemed delivery by attestation) of Mature Common Stock with a fair market value as of the exercise date equal to the aggregate Option Price for the shares to be purchased (or a combination of (i) and (ii)). The fair market value of the Common Stock for this purpose shall be the closing price of a share of Common Stock as reported in the "NYSE-Composite Transactions" section of the Midwest Edition of The Wall Street Journal for the exercise date or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted;

- e. Be accompanied by payment in cash of any Federal, state or local taxes required by law to be withheld by the Company with respect to the exercise of the Options, unless other satisfactory arrangements are made between the Company and the Executive to satisfy such withholding obligations, which arrangements may include the withholding of shares of Common Stock with a fair market value equal to the minimum statutory payroll and withholding taxes imposed as a result of such exercise; and
- f. Contain representations by the Executive or other person or persons entitled to exercise the Options that the shares of Common Stock are being acquired for investment and with no present intention of selling or transferring them and that the person acquiring them will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock exchange upon which the shares may then be listed; provided, however, that no such representations shall be required if a registration statement under the

Securities Act of 1933 is in effect with respect to the shares of Common Stock to be issued.

As promptly as practicable after receipt of such notice and payment, the Company shall cause to be issued and delivered to the Executive or such other person or persons entitled to exercise the Options, as the case may be, certificates for the shares of Common Stock so purchased, which certificates may, if appropriate, be endorsed with restrictive legends to reflect any applicable restrictions on the transferability of such shares. If the Options shall have been exercised in full, this Agreement shall be canceled and retained by the Company; otherwise it shall be appropriately endorsed to reflect partial exercise and returned to the Executive or other person entitled to exercise the Options.

6. Restrictions on Transfer of Options. Except as otherwise provided below, the Options may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution; and the Options shall be exercisable during the Executive's lifetime only by him. However, the Options may be transferred to members of the Executive's immediate family or to one or more trusts for the benefit of the Executive and/or his immediate family members or to partnerships in which the Executive and/or his immediate family members are the only partners; provided that the Executive does not receive any consideration for such transfer and the Executive provides to the Company such documentation and/or information concerning any such transfer or transferee as the Committee may reasonably require. Any Options held by transferees permitted under this paragraph 6 shall remain subject to the same terms and conditions that applied immediately prior to such transfer. If without having

fully exercised the Options granted hereunder, the Executive dies, the Options remaining outstanding hereunder pursuant to paragraph 3, above, shall be exercisable by the person or persons who shall have acquired the Executive's rights hereunder by will or the laws of descent and distribution and may be exercised for a period ending on the Expiration Date as set forth in paragraph 3, above.

7. Rights Prior to Exercise of Option. Executive shall not have any rights as a stockholder with respect to the shares of Common Stock subject to this Agreement until exercise of the Options and delivery of the shares as herein provided.
8. Adjustment in the Event of Changes Affecting Common Stock. In the event of any change in the outstanding shares of Common Stock that occurs by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to the Options, and the Option Prices, shall be appropriately adjusted by the Committee, whose reasonable determination shall be conclusive, provided, however, that fractional shares shall be rounded to the nearest whole share.
9. No Contract of Employment. Nothing contained in this Agreement shall be construed as a contract of employment between SPX and Executive, or as creating a right of Executive to be continued in the employment of SPX, or as a limitation of SPX's right to discharge Executive with or without Cause. Except as expressly provided herein, this Agreement shall not be construed as a term or condition of the Executive's employment and, in

particular, it shall neither confer upon the Executive any additional rights or privileges relative to his existing terms and conditions of employment nor entitle the Executive to additional compensation or damages upon any termination of employment.

10. **Binding Effect.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, legal representatives, successors and assigns. This Agreement may be amended only by further written agreement of the Company and Executive.
11. **Construction of Pronouns.** Pronouns in the masculine used in this Agreement shall be construed as either masculine or feminine, as appropriate in the particular context.
12. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan, as applicable to a contract entered into and performed entirely within the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

SPX CORPORATION

EXECUTIVE

/s/ John B. Blystone

/s/ Lewis M. Kling

John B. Blystone
Chairman, President and
Chief Executive Officer

Lewis M. Kling

[SPX CORPORATION LOGO]

PATRICK J. O'LEARY

STOCK OPTION AWARD

THIS AGREEMENT is made on and as of April 23, 1997, by and between SPX CORPORATION, a Delaware Corporation ("SPX" or the "Company") and PATRICK J. O'LEARY ("Executive").

1. Grant of Options. In recognition of his performance as Vice President, Finance, Treasurer and Chief Financial Officer and as an inducement to his continuing in the employ of the Company, SPX hereby grants to Executive Options to purchase 200,000 Shares of the Company's Common Stock, par value \$10.00 ("Common Stock") at Option Prices set forth below and in the manner and subject to the terms and conditions hereinafter provided:

Number of Shares -----	Option Price Per Share -----
70,000	\$60.00
65,000	\$75.00
65,000	\$90.00

These Options are granted to Executive by the Board of Directors of the Company and are in addition to the stock options granted to Executive under the Company's 1992 Stock Compensation Plan. The Options granted under this Agreement are outside of and not granted pursuant to said Plan. To the extent that shares of Common Stock are held by the Company as treasury shares at the time that the Options (or any portion thereof) are exercised, the Company will use treasury shares as the source of the Common Stock issued to the Executive in connection with such exercise. The Board of Directors has delegated to its Compensation Committee (the "Committee") the authority to make such determinations and interpretations of this Agreement as it deems necessary and appropriate to carry out its intent and terms.

2. Time of Exercise of Options/Vesting. The Options granted hereunder may be exercised in whole or in part at any time and from time to time on or after the Vesting Date and prior to or on the Expiration Date. The Vesting Date is the earliest of: (i) April 22, 2002, (ii) the date on which a "change-of-control" of the Company occurs as defined in the Executive's "Change-of-Control Executive Severance Agreement" dated October 23, 1996, or (iii) the date on which Executive's employment with the Company terminates by reason of his disability or death. The Expiration Date is April 22, 2007, except as otherwise provided herein.
3. Manner of Exercise. The Options may be exercised by written notice which shall:
 - a. State the election to exercise the Options and the number of shares and Option Price in respect of which they are being exercised;

- b. Be signed by Executive or such other person or persons entitled to exercise the Options;
- c. Be in writing and delivered to SPX's Secretary;
- d. Be accompanied by payment in full of the Option Price for the shares to be purchased. Payment may be made by: (i) check, bank draft, money order or other cash payment, or (ii) delivery (or deemed delivery by attestation) of previously acquired shares of Common Stock with a fair market value as of the exercise date equal to the aggregate Option Price for the shares to be purchased (or a combination of (i) and (ii)). The fair market value of the Common Stock for this purpose shall be the closing price of a share of Common Stock as reported in the "NYSE-Composite Transactions" section of the Midwest Edition of The Wall Street Journal for the exercise date or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted;
- e. Be accompanied by payment of any Federal, state or local taxes required by law to be withheld by the Company with respect to the exercise of the Options unless other satisfactory arrangements are made between the Company and the Executive to satisfy such withholding obligations; and
- f. Unless a Registration Statement under the Securities Act of 1933 is in effect with respect to the shares of Common Stock to be issued, contain a representation by the Executive or other person or persons entitled to exercise the Options that the shares of Common Stock are being acquired for investment and with no present intention of selling or transferring them and that the person acquiring them will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock exchange upon which the shares may then be listed.

If the Options shall have been exercised in full, this Agreement shall be canceled and retained by the Company, otherwise it shall be appropriately endorsed to reflect partial exercise and returned to the Executive or other person entitled to exercise the Options.

- 4. Termination of Employment for Disability or Death. If without having fully exercised the Options granted hereunder, the Executive's employment with the Company is terminated by reason of disability, then the Vesting Date shall be the date of his termination and the Expiration Date shall be the date 90 days after termination. If without having fully exercised the Options granted hereunder, the Executive's employment with the Company is terminated by reason of death, the Options granted hereunder shall be fully vested and shall be exercisable by the person or persons who shall have acquired the Executive's rights hereunder by will or the laws of descent and distribution and the Expiration Date shall be the earlier of: (i) the date which is twelve months following the date of the Executive's death, or (ii) April 22, 2007.

5. Other Termination of Employment. If the Executive's employment with the Company is terminated for reasons other than death or disability and prior to the Vesting Date, this Agreement and the Executive's Options shall terminate. If the Executive's employment with the Company is terminated for reasons other than death or disability and subsequent to the Vesting Date, then the Expiration Date shall be the earlier of: (i) the date which is 90 days following the date of termination of his employment, or (ii) April 22, 2007.
6. Rights Prior to Exercise of Option. The Options may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. The Options shall be exercisable during the Executive's lifetime only by him. Executive shall not have any rights as a stockholder with respect to the shares of Common Stock optioned hereunder until exercise of the Options and delivery of the shares as herein provided.
7. Adjustment in the Event of Changes Affecting Common Stock. In the event of any change in the outstanding shares of Common Stock that occurs by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to the Options, and the Option Prices, shall be appropriately adjusted by the Committee, whose reasonable determination shall be conclusive, provided, however, that fractional shares shall be rounded to the nearest whole share.
8. No Contract of Employment. Nothing contained in this Agreement shall be construed as a contract of employment between SPX and Executive, or as creating a right of Executive to be continued in the employment of SPX, or as a limitation of SPX's right to discharge Executive with or without cause. Except as expressly provided herein, this Agreement shall not be construed as a term or condition of his employment and, in particular, it shall neither confer upon Executive any additional rights or privileges relative to his existing terms and conditions of employment nor shall it entitle Executive to additional compensation or damages upon any termination of employment.
9. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, legal representatives, successors and assigns. This Agreement may be amended only by further written agreement of the Company and Executive.
10. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

SPX CORPORATION

EXECUTIVE

By: /s/ John B. Blystone

John B. Blystone

/s/ Patrick J. O'Leary

Patrick J. O'Leary

Title: Chairman, President & CEO

[SPX CORPORATION LOGO]

PATRICK J. O'LEARY

STOCK OPTION AWARD

THIS AGREEMENT is made on and as of June 23, 1999, by and between SPX CORPORATION, a Delaware Corporation ("SPX" or the "Company") and PATRICK J. O'LEARY ("Executive").

1. Grant of Options. In recognition of his performance as Vice President-Finance, Treasurer and Chief Financial Officer of the Corporation, and as an inducement to his continuing in the employ of the Company, SPX hereby grants to Executive Options to purchase 500,000 Shares of the Company's Common Stock, par value \$10.00 ("Common Stock") at Option Prices set forth below and in the manner and subject to the terms and conditions hereinafter provided:

Number of Shares -----	Option Price Per Share -----
125,000	\$120.00
125,000	\$145.00
125,000	\$170.00
125,000	\$195.00

These Options are granted to Executive by the Board of Directors of the Company and are in addition to the stock options granted to Executive under the Company's 1992 Stock Compensation Plan. The Options granted under this Agreement are outside of and not granted pursuant to said Plan. To the extent that shares of Common Stock are held by the Company as treasury shares at the time that the Options (or any portion thereof) are exercised, the Company will use treasury shares as the source of the Common Stock issued to the Executive in connection with such exercise. The Board of Directors has delegated to its Compensation Committee (the "Committee") the authority to make such determinations and interpretations of this Agreement as it deems necessary and appropriate to carry out its intent and terms.

2. Nonqualified Replacement Options. This Option is granted with the right to receive "Nonqualified Replacement Options" in accordance with the terms of this Agreement. A Nonqualified Replacement Option shall be granted upon the exercise of the Option (including any Options granted under this paragraph 2) if either (i) previously-owned shares of Mature Common Stock (defined below) are surrendered (whether by delivery or attestation) in payment of the Option Price or tax withholding, or (ii) shares of Common Stock otherwise issuable upon such exercise are withheld to satisfy minimum tax withholding, subject to the following:
- a. The number of shares of Common Stock subject to the Nonqualified Replacement Option shall be the number of shares of Common Stock surrendered or withheld.

- b. The Option Price of the Nonqualified Replacement Option shall be the fair market value of a share of Common Stock on the date the Nonqualified Replacement Option is granted.
- c. The Nonqualified Replacement Option shall be fully vested and shall expire on the Expiration Date set forth in paragraph 3.

Upon exercise, a Nonqualified Replacement Option shall also be eligible to receive a Nonqualified Replacement Option. A Nonqualified Replacement Option will not be granted upon the exercise of an Option, including a Nonqualified Replacement Option, unless the fair market value of a share of Common Stock on the date of exercise is at least 25% higher than the Option Price of such Option or Nonqualified Replacement Option, as applicable. "Mature Shares" means, for purposes of this Agreement, Common Stock that has been acquired by the Executive on the open market or that has been acquired pursuant to an employee benefit arrangement of the Company and held for at least six months. For purposes of this paragraph 2, fair market value shall be determined in accordance with paragraph 4d. For purposes of the following provisions of this Agreement, the term Option shall also refer to Nonqualified Replacement Options.

- 3. Time of Exercise of Options/Vesting. The Options granted hereunder may be exercised in whole or in part at any time and from time to time on or after the Vesting Date and prior to or on the Expiration Date. The Vesting Date is the earliest of: (i) June 23, 2004, (ii) the date on which a "change-of-control" of the Company occurs as defined in the Executive's "Change-of-Control Executive Severance Agreement" dated February 15, 1999, or (iii) the date on which Executive's employment with the Company terminates by reason of his disability or death. The Expiration Date is June 22, 2009, except as otherwise provided herein.
- 4. Manner of Exercise. The Options may be exercised by written notice which shall:
 - a. State the election to exercise the Options and the number of shares and Option Price in respect of which they are being exercised;
 - b. Be signed by Executive or such other person or persons entitled to exercise the Options;
 - c. Be in writing and delivered to SPX's Secretary;
 - d. Be accompanied by payment in full of the Option Price for the shares to be purchased. Payment may be made by: (i) check, bank draft, money order or other cash payment, or (ii) delivery (or deemed delivery by attestation) of previously acquired shares of Common Stock with a fair market value as of the exercise date equal to the aggregate Option Price for the shares to be purchased (or a combination of (i) and (ii)). The fair market value of the Common Stock for this purpose shall be the closing price of a share of Common Stock as reported in the

"NYSE-Composite Transactions" section of the Midwest Edition of The Wall Street Journal for the exercise date or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted;

- e. Be accompanied by payment of any Federal, state or local taxes required by law to be withheld by the Company with respect to the exercise of the Options unless other satisfactory arrangements are made between the Company and the Executive to satisfy such withholding obligations; and
- f. Unless a Registration Statement under the Securities Act of 1933 is in effect with respect to the shares of Common Stock to be issued, contain a representation by the Executive or other person or persons entitled to exercise the Options that the shares of Common Stock are being acquired for investment and with no present intention of selling or transferring them and that the person acquiring them will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock exchange upon which the shares may then be listed.

If the Options shall have been exercised in full, this Agreement shall be canceled and retained by the Company, otherwise it shall be appropriately endorsed to reflect partial exercise and returned to the Executive or other person entitled to exercise the Options.

- 5. Termination of Employment for Disability or Death. If without having fully exercised the Options granted hereunder, the Executive's employment with the Company is terminated by reason of disability, then the Vesting Date shall be the date of his termination and the Expiration Date shall be the date 90 days after termination. If without having fully exercised the Options granted hereunder, the Executive's employment with the Company is terminated by reason of death, the Options granted hereunder shall be fully vested and shall be exercisable by the person or persons who shall have acquired the Executive's rights hereunder by will or the laws of descent and distribution and the Expiration Date shall be the earlier of: (i) the date which is twelve months following the date of the Executive's death, or (ii) June 22, 2009.
- 6. Other Termination of Employment. If the Executive's employment with the Company is terminated for reasons other than death or disability and prior to the Vesting Date, this Agreement and the Executive's Options shall terminate. If the Executive's employment with the Company is terminated for reasons other than death or disability and subsequent to the Vesting Date, then the Expiration Date shall be the earlier of: (i) the date which is 90 days following the date of termination of his employment, or (ii) June 22, 2009.
- 7. Rights Prior to Exercise of Option. The Options may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. The Options shall be exercisable during the Executive's lifetime only by him. Executive shall not have any rights as a stockholder with respect to the shares of Common Stock optioned hereunder until exercise of the Options and delivery of the shares as herein provided.

8. Adjustment in the Event of Changes Affecting Common Stock. In the event of any change in the outstanding shares of Common Stock that occurs by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to the Options, and the Option Prices, shall be appropriately adjusted by the Committee, whose reasonable determination shall be conclusive, provided, however, that fractional shares shall be rounded to the nearest whole share.
9. No Contract of Employment. Nothing contained in this Agreement shall be construed as a contract of employment between SPX and Executive, or as creating a right of Executive to be continued in the employment of SPX, or as a limitation of SPX's right to discharge Executive with or without cause. Except as expressly provided herein, this Agreement shall not be construed as a term or condition of his employment and, in particular, it shall neither confer upon Executive any additional rights or privileges relative to his existing terms and conditions of employment nor shall it entitle Executive to additional compensation or damages upon any termination of employment.
10. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, legal representatives, successors and assigns. This Agreement may be amended only by further written agreement of the Company and Executive.
11. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

SPX CORPORATION

EXECUTIVE

By: /s/ John B. Blystone

John B. Blystone

/s/ Patrick J. O'Leary

Patrick J. O'Leary

Title: Chairman, President & CEO

[SPX CORPORATION LOGO]

PATRICK J. O'LEARY

STOCK OPTION AWARD

THIS AGREEMENT is made on and as of August 22, 2000, by and between SPX CORPORATION, a Delaware Corporation ("SPX" or the "Company") and PATRICK J. O'LEARY ("Executive").

- Grant of Options. In recognition of the Executive's performance as Vice President Finance, Treasurer and Chief Financial Officer of the Corporation, and as an inducement to his continuing in the employ of the Company, SPX hereby grants to Executive Options to purchase 500,000 Shares of the Company's Common Stock, par value \$10.00 ("Common Stock") at Option Prices set forth below and in the manner and subject to the terms and conditions hereinafter provided:

Number of Shares -----	Option Price Per Share -----
125,000	\$210.00
125,000	\$240.00
125,000	\$270.00
125,000	\$300.00

These Options are granted to Executive by the Board of Directors of the Company and are in addition to the stock options granted to Executive under the Company's 1992 Stock Compensation Plan. The Options granted under this Agreement are outside of and not granted pursuant to said Plan. To the extent that shares of Common Stock are held by the Company as treasury shares at the time that the Options (or any portion thereof) are exercised, the Company will use treasury shares as the source of the Common Stock

issued to the Executive in connection with such exercise. The Board of Directors has delegated to its Compensation Committee (the "Committee") the authority to make such determinations and interpretations of this Agreement as it deems necessary and appropriate to carry out its intent and terms.

2. Nonqualified Replacement Options. These Options are granted with the right to receive "Nonqualified Replacement Options" in accordance with the terms of this Agreement. A Nonqualified Replacement Option shall be granted upon the exercise of all or any portion of the Options (including exercise of any Nonqualified Replacement Options granted under this paragraph 2) if either (i) previously-owned shares of Mature Common Stock (defined below) are surrendered (whether by delivery or attestation) in payment of the Option Price or tax withholding, or (ii) shares of Common Stock otherwise issuable upon such exercise are withheld to satisfy minimum tax withholding, subject to the following:
 - a. The number of shares of Common Stock subject to the new Nonqualified Replacement Option shall be the number of shares of Common Stock surrendered or withheld.
 - b. The Option Price of the new Nonqualified Replacement Option shall be the fair market value of a share of Common Stock on the date the new Nonqualified Replacement Option is granted.
 - c. The new Nonqualified Replacement Option shall be fully vested immediately upon grant and shall expire on the Expiration Date set forth in paragraph 3.

However, any other provision of this Agreement notwithstanding, a Nonqualified Replacement Option will not be granted upon the exercise of an Option, including a Nonqualified Replacement Option, unless the fair market value of a share of Common Stock on the date of such exercise is at least 25% higher than the Option Price of the Option or Nonqualified Replacement Option being exercised, as applicable. "Mature Common Stock" means, for purposes of this Agreement, Common Stock that has been acquired by the Executive on the open market or that has been acquired pursuant to an employee benefit arrangement of the Company and held for at least six months. For purposes of this paragraph 2, fair market value shall be determined in accordance with paragraph 5.d., below. For purposes of the following provisions of this Agreement, the term Options shall also refer to Nonqualified Replacement Options granted under this paragraph 2.

3. Time of Exercise of Options/Vesting.

- a. The Options granted hereunder may be exercised in whole or in part at any time and from time to time on or after the Vesting Date and prior to or on the Expiration Date.
- b. The Vesting Date is the earliest of: (i) August 22, 2005, (ii) the date on which a "Change of Control" of the Company occurs as defined in the Executive's "Change of Control Executive Severance Agreement" dated February 15, 1999, or (iii) the date on which the Executive's employment with the Company is terminated by reason of his death or disability. If, prior to the Vesting Date, the Executive's employment with the Company terminates for any reason other than

the Executive's death or disability, this Agreement and all of the Options shall terminate immediately upon such termination of employment.

- c. The Expiration Date is the earliest of (i) August 21, 2010, (ii) the date which is twelve (12) months after the date on which the Executive's employment with the Company is terminated by reason of his death, or (iii) the date which is ninety (90) days after the date on which the Executive's employment with the Company terminates for any reason other than his death; provided, however, that if the Executive dies during that ninety (90)-day period, then the Expiration Date shall be the date which is nine (9) months after the Executive's death.

4. Non-Competition. If the Executive, without the prior written consent of the Company, directly or indirectly owns, manages, operates, controls, becomes employed by or otherwise participates in the management, operation or control of any business which is competitive with the business of the Company or any of its subsidiaries, all of the Executive's rights hereunder as to any unexercised portion of the Options shall be forfeited.

5. Manner of Exercise. The Options may be exercised by written notice which shall:

- a. State the election to exercise the Options and the number of shares and Option Price(s) in respect of which they are being exercised;
- b. Be signed by Executive or such other person or persons entitled to exercise the Options;
- c. Be in writing and delivered to SPX to the attention of its Secretary;

- d. Be accompanied by payment in full of the Option Price for the shares to be purchased and the Executive's copy of this Agreement. Payment may be made by: (i) certified or cashier's check, money order or other cash payment, or (ii) delivery (or deemed delivery by attestation) of Mature Common Stock with a fair market value as of the exercise date equal to the aggregate Option Price for the shares to be purchased (or a combination of (i) and (ii)). The fair market value of the Common Stock for this purpose shall be the closing price of a share of Common Stock as reported in the "NYSE-Composite Transactions" section of the Midwest Edition of The Wall Street Journal for the exercise date or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted;
- e. Be accompanied by payment in cash of any Federal, state or local taxes required by law to be withheld by the Company with respect to the exercise of the Options, unless other satisfactory arrangements are made between the Company and the Executive to satisfy such withholding obligations, which arrangements may include the withholding of shares of Common Stock with a fair market value equal to the minimum statutory payroll and withholding taxes imposed as a result of such exercise; and
- f. Contain representations by the Executive or other person or persons entitled to exercise the Options that the shares of Common Stock are being acquired for investment and with no present intention of selling or transferring them and that the person acquiring them will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock

exchange upon which the shares may then be listed; provided, however, that no such representations shall be required if a registration statement under the Securities Act of 1933 is in effect with respect to the shares of Common Stock to be issued.

As promptly as practicable after receipt of such notice and payment, the Company shall cause to be issued and delivered to the Executive or such other person or persons entitled to exercise the Options, as the case may be, certificates for the shares of Common Stock so purchased, which certificates may, if appropriate, be endorsed with restrictive legends to reflect any applicable restrictions on the transferability of such shares. If the Options shall have been exercised in full, this Agreement shall be canceled and retained by the Company; otherwise it shall be appropriately endorsed to reflect partial exercise and returned to the Executive or other person entitled to exercise the Options.

6. Restrictions on Transfer of Options. Except as otherwise provided below, the Options may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution; and the Options shall be exercisable during the Executive's lifetime only by him. However, the Options may be transferred to members of the Executive's immediate family or to one or more trusts for the benefit of the Executive and/or his immediate family members or to partnerships in which the Executive and/or his immediate family members are the only partners; provided that the Executive does not receive any consideration for such transfer and the Executive provides to the Company such documentation and/or information concerning any such transfer or transferee as the Committee may reasonably require. Any Options

held by transferees permitted under this paragraph 6 shall remain subject to the same terms and conditions that applied immediately prior to such transfer. If without having fully exercised the Options granted hereunder, the Executive dies, the Options remaining outstanding hereunder pursuant to paragraph 3, above, shall be exercisable by the person or persons who shall have acquired the Executive's rights hereunder by will or the laws of descent and distribution and may be exercised for a period ending on the Expiration Date as set forth in paragraph 3, above.

7. Rights Prior to Exercise of Option. Executive shall not have any rights as a stockholder with respect to the shares of Common Stock subject to this Agreement until exercise of the Options and delivery of the shares as herein provided.
8. Adjustment in the Event of Changes Affecting Common Stock. In the event of any change in the outstanding shares of Common Stock that occurs by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to the Options, and the Option Prices, shall be appropriately adjusted by the Committee, whose reasonable determination shall be conclusive, provided, however, that fractional shares shall be rounded to the nearest whole share.
9. No Contract of Employment. Nothing contained in this Agreement shall be construed as a contract of employment between SPX and Executive, or as creating a right of Executive to be continued in the employment of SPX, or as a limitation of SPX's right to discharge

Executive with or without Cause. Except as expressly provided herein, this Agreement shall not be construed as a term or condition of the Executive's employment and, in particular, it shall neither confer upon the Executive any additional rights or privileges relative to his existing terms and conditions of employment nor entitle the Executive to additional compensation or damages upon any termination of employment.

10. **Binding Effect.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, legal representatives, successors and assigns. This Agreement may be amended only by further written agreement of the Company and Executive.
11. **Construction of Pronouns.** Pronouns in the masculine used in this Agreement shall be construed as either masculine or feminine, as appropriate in the particular context.
12. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan, as applicable to a contract entered into and performed entirely within the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

SPX CORPORATION

EXECUTIVE

/s/ John B. Blystone

/s/ Patrick J. O'Leary

John B. Blystone
Chairman, President and
Chief Executive Officer

Patrick J. O'Leary

[SPX CORPORATION LOGO]

THOMAS J. RIORDAN

STOCK OPTION AWARD

THIS AGREEMENT is made on and as of December 10, 1997, by and between SPX CORPORATION, a Delaware Corporation ("SPX" or the "Company") and THOMAS J. RIORDAN ("Executive").

1. Grant of Options. In recognition of his performance as Vice President of the Corporation and President of the OETEG and ATEG businesses, and as an inducement to his continuing in the employ of the Company, SPX hereby grants to Executive Options to purchase 100,000 Shares of the Company's Common Stock, par value \$10.00 ("Common Stock") at Option Prices set forth below and in the manner and subject to the terms and conditions hereinafter provided:

Number of Shares -----	Option Price Per Share -----
50,000	\$75.00
50,000	\$90.00

These Options are granted to Executive by the Board of Directors of the Company and are in addition to the stock options granted to Executive under the Company's 1992 Stock Compensation Plan. The Options granted under this Agreement are outside of and not granted pursuant to said Plan. To the extent that shares of Common Stock are held by the Company as treasury shares at the time that the Options (or any portion thereof) are exercised, the Company will use treasury shares as the source of the Common Stock issued to the Executive in connection with such exercise. The Board of Directors has delegated to its Compensation Committee (the "Committee") the authority to make such determinations and interpretations of this Agreement as it deems necessary and appropriate to carry out its intent and terms.

2. Time of Exercise of Options/Vesting. The Options granted hereunder may be exercised in whole or in part at any time and from time to time on or after the Vesting Date and prior to or on the Expiration Date. The Vesting Date is the earliest of: (i) December 10, 2002, (ii) the date on which a "change-of-control" of the Company occurs as defined in the Executive's "Change-of-Control Executive Severance Agreement" dated February 26, 1996, or (iii) the date on which Executive's employment with the Company terminates by reason of his disability or death. The Expiration Date is December 9, 2007, except as otherwise provided herein.

3. Manner of Exercise. The Options may be exercised by written notice which shall:

- a. State the election to exercise the Options and the number of shares and Option Price in respect of which they are being exercised;
- b. Be signed by Executive or such other person or persons entitled to exercise the Options;
- c. Be in writing and delivered to SPX's Secretary;
- d. Be accompanied by payment in full of the Option Price for the shares to be purchased. Payment may be made by: (i) check, bank draft, money order or other cash payment, or (ii) delivery (or deemed delivery by attestation) of previously acquired shares of Common Stock with a fair market value as of the exercise date equal to the aggregate Option Price for the shares to be purchased (or a combination of (i) and (ii)). The fair market value of the Common Stock for this purpose shall be the closing price of a share of Common Stock as reported in the "NYSE-Composite Transactions" section of the Midwest Edition of The Wall Street Journal for the exercise date or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted;
- e. Be accompanied by payment of any Federal, state or local taxes required by law to be withheld by the Company with respect to the exercise of the Options unless other satisfactory arrangements are made between the Company and the Executive to satisfy such withholding obligations; and
- f. Unless a Registration Statement under the Securities Act of 1933 is in effect with respect to the shares of Common Stock to be issued, contain a representation by the Executive or other person or persons entitled to exercise the Options that the shares of Common Stock are being acquired for investment and with no present intention of selling or transferring them and that the person acquiring them will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock exchange upon which the shares may then be listed.

If the Options shall have been exercised in full, this Agreement shall be canceled and retained by the Company, otherwise it shall be appropriately endorsed to reflect partial exercise and returned to the Executive or other person entitled to exercise the Options.

4. Termination of Employment for Disability or Death. If without having fully exercised the Options granted hereunder, the Executive's employment with the Company is terminated by reason of disability, then the Vesting Date shall be the date of his termination and the Expiration Date shall be the date 90 days after termination. If without having fully exercised the Options granted hereunder, the Executive's employment with the Company is terminated by reason of death, the Options granted

hereunder shall be fully vested and shall be exercisable by the person or persons who shall have acquired the Executive's rights hereunder by will or the laws of descent and distribution and the Expiration Date shall be the earlier of: (i) the date which is twelve months following the date of the Executive's death, or (ii) December 9, 2007.

5. Other Termination of Employment. If the Executive's employment with the Company is terminated for reasons other than death or disability and prior to the Vesting Date, this Agreement and the Executive's Options shall terminate. If the Executive's employment with the Company is terminated for reasons other than death or disability and subsequent to the Vesting Date, then the Expiration Date shall be the earlier of: (i) the date which is 90 days following the date of termination of his employment, or (ii) December 9, 2007.
6. Rights Prior to Exercise of Option. The Options may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. The Options shall be exercisable during the Executive's lifetime only by him. Executive shall not have any rights as a stockholder with respect to the shares of Common Stock optioned hereunder until exercise of the Options and delivery of the shares as herein provided.
7. Adjustment in the Event of Changes Affecting Common Stock. In the event of any change in the outstanding shares of Common Stock that occurs by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to the Options, and the Option Prices, shall be appropriately adjusted by the Committee, whose reasonable determination shall be conclusive, provided, however, that fractional shares shall be rounded to the nearest whole share.
8. No Contract of Employment. Nothing contained in this Agreement shall be construed as a contract of employment between SPX and Executive, or as creating a right of Executive to be continued in the employment of SPX, or as a limitation of SPX's right to discharge Executive with or without cause. Except as expressly provided herein, this Agreement shall not be construed as a term or condition of his employment and, in particular, it shall neither confer upon Executive any additional rights or privileges relative to his existing terms and conditions of employment nor shall it entitle Executive to additional compensation or damages upon any termination of employment.
9. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, legal representatives, successors and assigns. This Agreement may be amended only by further written agreement of the Company and Executive.
10. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

SPX CORPORATION

EXECUTIVE

By: /s/ John B. Blystone

John B. Blystone

/s/ Thomas J. Riordan

THOMAS J. RIORDAN

Title: Chairman, President & CEO

[SPX CORPORATION LOGO]

JOHN B. BLYSTONE

STOCK OPTION AWARD

THIS AGREEMENT is made on and as of February 26, 1997, by and between SPX CORPORATION, a Delaware Corporation ("SPX" or the "Company") and JOHN B. BLYSTONE ("Executive").

1. Grant of Options. In recognition of his performance as Chairman, President, and Chief Executive Officer and pursuant to the terms of his Employment Agreement made and entered into as of January 1, 1997, and executed on February 25, 1997, (the "Employment Agreement"), SPX hereby grants to Executive Options to purchase 1,000,000 Shares of the Company's Common Stock, par value \$10.00 ("Common Stock") at Option Prices set forth below and in the manner and subject to the terms and conditions hereinafter provided:

Number of Shares -----	Option Price Per Share -----
250,000	\$45.75
250,000	\$60.00
250,000	\$75.00
250,000	\$90.00

These Options are granted to Executive by the Board of Directors of the Company pursuant to the terms of the Employment Agreement and are in addition to the stock options granted to Executive under the Company's 1992 Stock Compensation Plan. The Options granted under this Agreement are outside of and not granted pursuant to said Plan. To the extent that shares of Common Stock are held by the Company as treasury shares at the time that the Options (or any portion thereof) are exercised, the Company will use treasury shares as the source of the Common Stock issued to the Executive in connection with such exercise. The Board of Directors has delegated to its Compensation Committee (the "Committee") the authority to make such determinations and interpretations of this Agreement as it deems necessary and appropriate to carry out its intent and terms.

2. Time of Exercise of Options/Vesting. The Options granted hereunder may be exercised in whole or in part at any time and from time to time on or after the Vesting Date and prior to or on the Expiration Date. The Vesting Date is the earliest of: (i) January 1, 2002, (ii) the date on which a "Change of Control" of the Company occurs as defined in the Employment Agreement, or (iii) the Date of Termination as defined in the Employment Agreement in the event the Executive's employment with the Company is terminated by reason of his death or disability or by the Company other than for "Cause" or by the resignation of the Executive for "Good Reason" as those terms are defined in the Employment Agreement. The Expiration Date is the earlier of: (i) December 31, 2006, or (ii) the date which is two years after the Date of Termination as defined in the Employment Agreement. The Options granted hereunder are forfeited in the event the

Executive's employment is terminated by reason of his Discharge For Cause or resignation without Good Reason prior to the Vesting Date.

3. Manner of Exercise. The Options may be exercised by written notice which shall:
- a. State the election to exercise the Options and the number of shares and Option Price in respect of which they are being exercised;
 - b. Be signed by Executive or such other person or persons entitled to exercise the Options;
 - c. Be in writing and delivered to SPX's Secretary;
 - d. Be accompanied by payment in full of the Option Price for the shares to be purchased. Payment may be made by: (i) check, bank draft, money order or other cash payment, or (ii) delivery (or deemed delivery by attestation) of previously acquired shares of Common Stock with a fair market value as of the exercise date equal to the aggregate Option Price for the shares to be purchased (or a combination of (i) and (ii)). The fair market value of the Common Stock for this purpose shall be the closing price of a share of Common Stock as reported in the "NYSE-Composite Transactions" section of the Midwest Edition of The Wall Street Journal for the exercise date or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted;
 - e. Be accompanied by payment of any Federal, state or local taxes required by law to be withheld by the Company with respect to the exercise of the Options unless other satisfactory arrangements are made between the Company and the Executive to satisfy such withholding obligations; and
 - f. Unless a Registration Statement under the Securities Act of 1933 is in effect with respect to the shares of Common Stock to be issued, contain a representation by the Executive or other person or persons entitled to exercise the Options that the shares of Common Stock are being acquired for investment and with no present intention of selling or transferring them and that the person acquiring them will not sell or otherwise transfer the shares except in compliance with all applicable securities laws and requirements of any stock exchange upon which the shares may then be listed.

If the Options shall have been exercised in full, this Agreement shall be canceled and retained by the Company, otherwise it shall be appropriately endorsed to reflect partial exercise and returned to the Executive or other person entitled to exercise the Options.

4. Rights Prior to Exercise of Option. The Options may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. The Options shall be exercisable during the Executive's lifetime only by him. If without having fully exercised the Options granted hereunder,

the Executive dies, the Options granted hereunder shall be exercisable by the person or persons who shall have acquired the Executive's rights hereunder by will or the laws of descent and distribution and may be exercised for a period ending on the Expiration Date as set forth in Paragraph 2 above. Executive shall not have any rights as a stockholder with respect to the shares of Common Stock optioned hereunder until exercise of the Options and delivery of the shares as herein provided.

5. Adjustment in Event of Changes Affecting Common Stock. In the event of any change in the outstanding shares of Common Stock that occurs by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to the Options, and the Option Prices, shall be appropriately adjusted by the Committee, whose reasonable determination shall be conclusive, provided, however, that fractional shares shall be rounded to the nearest whole share.
6. No Contract of Employment. Nothing contained in this Agreement shall be construed as a contract of employment between SPX and Executive, or as creating a right of Executive to be continued in the employment of SPX, or as a limitation of SPX's right to discharge Executive with or without cause, such rights being governed exclusively by the Employment Agreement.
7. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, legal representatives, successors and assigns. This Agreement may be amended only by further written agreement of the Company and Executive.
8. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

SPX CORPORATION

EXECUTIVE

By: /s/ Christopher J. Kearney

Christopher J. Kearney

/s/ John B. Blystone

John B. Blystone

Title: Vice President, Secretary and
General Counsel

SPX CORPORATION/PATRICK J. O'LEARY
NONQUALIFIED STOCK OPTION AGREEMENT

THIS AGREEMENT is made as of October 14, 1996, by and between SPX CORPORATION ("SPX") and PATRICK J.O'LEARY ("Executive").

1. Grant of Option. As an inducement to secure Executive's acceptance of the position of Vice President Finance, Treasurer and Chief Financial Officer, SPX hereby grants to Executive an option (the "Option") to purchase 50,000 shares of its common stock, \$10 par value (the "Common Stock") at the purchase price of \$30.125 per share (the "Purchase Price"), in the manner and subject to the conditions hereinafter provided. The Compensation Committee of the Board of Directors of SPX (the "Committee") may make sure determinations and reasonable interpretations with respect to this Option as it deems necessary or advisable.
2. Time of Exercise of Option. This Option may be exercised with respect to up to 25,000 shares at any time six months after the date hereof, an additional 12,500 shares after January 15, 1999, and with respect to all such shares after January 15, 2000, but in no event beyond its expiration date of October 13, 2006.
3. Manner of Exercise. The Option may be exercised by written notice which shall:
 - (a) state the election to exercise the Option and the number of shares in respect of which it is being exercised;
 - (b) be signed by Executive or such other person or persons entitled to exercise the Option;
 - (c) be in writing and delivered to SPX's Secretary; and
 - (d) be accompanied by payment in full of the Purchase Price for the shares to be purchased. Payment may be made by (i) check, bank draft, money order or other cash payment, or (ii) delivery of previously-acquired shares of Common Stock with a fair market value as of the exercise date equal to the Purchase Price (or a combination of (i) and (ii)). The fair market value of the Common Stock for this purpose shall be the closing price of a share of Common Stock as reported in the "NYSE-Composite Transactions" section of the Midwest Edition of The Wall Street Journal for the exercise date or, if no prices are quoted for such date, on the next preceding date on which such prices of Common Stock are so quoted.
4. Termination of Option. This Option is fully vested and not terminable with respect to 25,000 shares. This Option shall terminate with respect to the remaining 25,000 shares immediately if Executive's employment with SPX is terminated prior to January 15, 1999, and with respect to 12,500 shares if his employment is terminated after January 15, 1999, and prior to January 15, 2000. Any unexercised portion of this Option that has not terminated pursuant to the preceding sentences may be exercised by Executive within 12 months after the date on

which Executive's employment relationship terminates, provided that in the event of Executive's death the Option may be exercised only by Executive's legally-appointed executor or administrator or other legal representative.

5. Rights Prior to Exercise of Option. The Option may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. The Option shall be exercisable during the Executive's lifetime only by him. No person shall have any rights as a stockholder with respect to the shares of Common Stock until exercise of the Option and delivery of the shares as herein provided.
6. Adjustment in Event of Happening of Condition. In the event of any change in the outstanding shares of Common Stock that occurs by reason of a stock dividend or split, recapitalization, merger, consolidation, combination, exchange of shares, or other similar corporate change, the aggregate number of shares of Common Stock subject to the Option, and the Purchase Price, shall be appropriately adjusted by the Committee, whose determination shall be conclusive; provided, however, that fractional shares shall be rounded to the nearest whole share.
7. No Contract of Employment. Nothing contained in this Agreement shall be construed as a contract of employment between SPX and Executive, or as a right of Executive to be continued in the employment of SPX or as a limitation of SPX's right to discharge Executive with or without cause. Except as expressly provided herein, this Agreement shall not be construed as a term or condition of his employment and, in particular, it shall neither confer upon Executive any additional rights or privileges over his existing terms and conditions of employment nor shall it entitle Executive to additional compensation or damages upon termination of employment.
8. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, legal representatives, successors and assigns. This Agreement may be amended only by mutual agreement of the Committee and Executive.
9. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written.

SPX CORPORATION

EXECUTIVE

By: /s/ John B. Blystone

John B. Blystone

/s/ Patrick J. O'Leary

Patrick J. O'Leary

Title: Chairman and Chief Executive Officer

FIRST AMENDMENT

FIRST AMENDMENT, dated as of August 22, 2000, (this "Amendment"), to the Credit Agreement, dated as of October 6, 1998 and as amended and restated as of February 10, 2000 (as so amended and restated, the "Credit Agreement"), among SPX CORPORATION, a Delaware corporation (the "Borrower"), the several banks and other financial institutions or entities parties thereto (the "Lenders"), BANK ONE, NA, as documentation agent, and THE CHASE MANHATTAN BANK, as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

WITNESSETH

WHEREAS, pursuant to the Credit Agreement, the Lenders have agreed to make, and have made, certain loans and other extensions of credit to the Borrower;

WHEREAS, Inrange Technologies Corporation, a Delaware corporation ("Inrange"), is an indirect wholly owned subsidiary of the Borrower and is a Wholly Owned Subsidiary Guarantor (as defined in the Credit Agreement) under the Credit Agreement;

WHEREAS, as a Wholly Owned Subsidiary Guarantor, Inrange has secured the Obligations (as defined in the Credit Agreement) of the Borrower under the Credit Agreement by executing and delivering (a) the Guarantee and Collateral Agreement, dated as of October 6, 1998 and as amended as of February 10, 2000 (as so amended, the "Guarantee and Collateral Agreement"), and (b) the Collateral Agreement, dated as of October 6, 1998 and as amended as of February 10, 2000 (as so amended, the "Shared Collateral Agreement");

WHEREAS, Inrange has filed a registration statement on Form S-1, and amendments thereto, with the Securities and Exchange Commission in connection with the initial public offering (the "IPO") of its Class B Common Stock, par value \$.01 per share (the "Inrange Class B Common Stock" and, together with the Inrange Class A Common Stock, par value \$.01 per share issued to the Borrower, the "Inrange Common Stock");

WHEREAS, pursuant to Section 6.7(c) of the Credit Agreement, Inrange is permitted to issue the Inrange Class B Common Stock and effect the IPO and the transactions contemplated thereby;

WHEREAS, upon consummation of the IPO, Inrange shall cease to be a Wholly Owned Subsidiary (as defined in the Credit Agreement) of the Borrower and Wholly Owned Subsidiary Guarantor under the Credit Agreement and, pursuant to Section 8.15(b) of the Guarantee and Collateral Agreement, Inrange shall be released from its obligations under the Guarantee and Collateral Agreement and, pursuant to Section 7.14(b) of the Shared Collateral Agreement, Inrange shall also be released from its obligations under the Shared Collateral Agreement;

WHEREAS, upon consummation of the IPO, Inrange's Wholly Owned Subsidiaries shall also cease to be Wholly Owned Subsidiaries of the Borrower and Wholly

Owned Subsidiary Guarantors under the Credit Agreement, and pursuant to Section 8.15(b) of the Guarantee and Collateral Agreement, such Subsidiaries (as defined in the Credit Agreement) of Inrange shall be released from their respective obligations under the Guarantee and Collateral Agreement and, pursuant to Section 7.14(b) of the Shared Collateral Agreement, such Subsidiaries of Inrange shall also be released from their respective obligations under the Shared Collateral Agreement; and

WHEREAS, the Borrower has requested that the parties hereto enter into this Amendment in order to permit Inrange and its Subsidiaries to enter into certain transactions.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Defined Terms. Terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

SECTION 2. Amendments to Section 1.1 of the Credit Agreement. Section 1.1 of the Credit Agreement is hereby amended by adding the following new definitions in the appropriate alphabetical order:

"Inrange": Inrange Technologies Corporation, a Delaware corporation.

"Inrange Class A Common Stock": Class A Common Stock, par value \$.01 per share, of Inrange.

"Inrange Class B Common Stock": Class B Common Stock, par value \$.01 per share, of Inrange.

"Inrange Common Stock": the collective reference to Inrange Class B Common Stock and Inrange Class A Common Stock.

"Permitted Subsidiary Acquisition": any acquisition by Inrange or any of its Subsidiaries of all or any portion of the Capital Stock, or all or any portion of the assets, of any Person.

SECTION 3. Amendments to Section 6.5 of the Credit Agreement. Section 6.5 of the Credit Agreement is hereby amended by:

(i) deleting the word "and" from the end of paragraph (h);

(ii) deleting the "." and inserting in lieu thereof "; and" at the end of paragraph (i); and

(iii) adding the following paragraph (j) to Section 6.5 in its entirety as follows:

(j) Permitted Subsidiary Acquisitions; provided that if any portion of the Consideration for such acquisition is payable other than in Inrange

Common Stock, such payment is permitted by any other paragraph of this Section.

SECTION 4. Amendments to Section 6.7 of the Credit Agreement. Section 6.7 of the Credit Agreement is hereby amended by:

- (i) deleting the word "and" from the end of paragraph (b);
- (ii) deleting the "." and inserting in lieu thereof ";" at the end of paragraph (c); and
- (iii) adding the following paragraphs (d), (e), (f), (g) and (h) to Section 6.7 in their respective entireties as follows:

(d) issuances by Inrange of shares of Inrange Class B Common Stock in a Permitted Subsidiary Acquisition;

(e) issuances by Inrange, upon completion of the initial public offering of its Class B Common Stock (the "IPO"), to management and employees of the Borrower, Inrange or any of their Subsidiaries, of options to acquire up to 7,105,700 shares of Inrange Class B Common Stock, and issuances of Inrange Class B Common Stock pursuant to the exercise by such Persons, at an exercise price equal to the IPO price per share, of such options;

(f) issuances by Inrange to directors, management and employees of, and consultants and other providers of services to, the Borrower, Inrange or any of their Subsidiaries, in each case in exchange for non-cash consideration provided by such Persons in the form of goods or services, of (i) Inrange Common Stock, provided that the aggregate fair market value of such Inrange Common Stock (determined as of the date such Inrange Common Stock is issued) does not exceed \$10,000,000 in any fiscal year of the Borrower, and (ii) options and warrants to acquire Inrange Common Stock and issuances of Inrange Common Stock pursuant to the exercise of such options and warrants, at an exercise price of not less than 85% of the fair market value of such Inrange Common Stock (determined as of the date of the grant of such options or warrants), provided that the aggregate number of shares of Inrange Common Stock covered by options and warrants granted in any fiscal year of the Borrower shall not exceed 1,500,000 (as adjusted for stock splits, stock dividends, reverse stock splits and similar events);

(g) issuances by Inrange, prior to August 15, 2000, to directors and management of the Borrower, of options to acquire up to 1,331,000 shares of Inrange Class B Common Stock, and issuances of Inrange Class B Common Stock pursuant to the exercise by such Persons, at an exercise price of \$13.00 per share, of such options; and

(h) Dispositions by the Borrower of shares of Inrange Common Stock held by the Borrower in exchange for shares of the Borrower's Capital Stock in a redemption or repurchase transaction that is otherwise expressly permitted by this Agreement.

SECTION 5. Conditions to Effectiveness. This Amendment shall become effective on the date (the "Amendment Effective Date") on which the Administrative Agent shall have received (a) an executed counterpart of this Amendment from the Borrower and (b) executed Lender Consent Letters (or facsimile transmissions thereof) from the Required Lenders consenting to the execution of this Amendment by the Administrative Agent.

SECTION 6. Representations and Warranties. The representations and warranties made by the Loan Parties in the Loan Documents are true and correct on and as of the Amendment Effective Date, before and after giving effect to the effectiveness of this Amendment, as if made on and as of the Amendment Effective Date.

SECTION 7. Payment of Expenses. The Borrower agrees to pay or reimburse the Administrative Agent for all of its out-of-pocket costs and reasonable expenses incurred in connection with this Amendment and any other documents prepared in connection herewith and the transactions contemplated hereby, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent.

SECTION 8. Certificate as to Consolidated EBITDA. For purposes of Section 8.15(b) of the Guarantee and Collateral Agreement and Section 7.14(b) of the Shared Collateral Agreement, the Borrower agrees, as promptly as reasonably practicable following the consummation of the IPO, to furnish to the Administrative Agent a certificate of a Financial Officer of the Borrower setting forth reasonably detailed calculations as to the aggregate Consolidated EBITDA for the most recently completed period of four consecutive fiscal quarters for which financial statements have been delivered pursuant to Section 5.1 of the Credit Agreement (determined at the time of the IPO) that is attributable to Inrange and its Subsidiaries.

SECTION 9. Reference to and Effect on the Loan Documents. On and after the Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents. Except as expressly amended herein, all of the provisions of the Credit Agreement and the other Loan Documents are and shall remain in full force and effect in accordance with the terms thereof and are hereby in all respects ratified and confirmed.

SECTION 10. Counterparts. This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Amendment by facsimile transmission shall be effective as

delivery of a manually executed counterpart hereof. A set of the copies of this Amendment signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

SECTION 11. Governing Law. This Amendment and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

SPX CORPORATION

By: /s/ Patrick J. O'Leary

Name: Patrick J. O'Leary
Title: Chief Financial Officer

THE CHASE MANHATTAN BANK, as
Administrative Agent

By: /s/ Julie S. Long

Name: Julie S. Long
Title: Vice President

LENDER CONSENT LETTER

SPX CORPORATION CREDIT AGREEMENT
DATED AS OF OCTOBER 6, 1998,
AS AMENDED AND RESTATED AS OF FEBRUARY 10, 2000

To: The Chase Manhattan Bank, as Administrative Agent
270 Park Avenue
New York, New York 10017

Ladies and Gentlemen:

Reference is made to the Credit Agreement, dated as of October 6, 1998 and as amended and restated as of February 10, 2000 (as so amended and restated, the "Credit Agreement"), among SPX Corporation (the "Borrower"), the Lenders parties thereto, Bank One, NA, as Documentation Agent, and The Chase Manhattan Bank, as Administrative Agent. Unless otherwise defined herein, capitalized terms used herein and defined in the Credit Agreement are so used as so defined.

The Borrower has requested certain amendments and modifications to the Credit Agreement on the terms described in the First Amendment with respect to the Credit Agreement in the form attached hereto as Exhibit A (the "First Amendment").

Pursuant to Section 9.2(b) of the Credit Agreement, the undersigned Lender hereby consents to the execution by the Administrative Agent of the First Amendment.

Very truly yours,

(NAME OF LENDER)

By: -----
Name:
Title:

Dated as of August 22, 2000

9-MOS
 DEC-31-2000
 DEC-31-2000
 SEP-30-2000
 46,600
 0
 531,500
 (16,100)
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 (400,400)
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 781,400
 0
 0
 357,600
 293,500
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 70,600
 252,600
 103,600
 149,000
 0
 (8,800)
 0
 140,200
 4.54
 4.40