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

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2014, or

o **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 or Other Jurisdiction of Incorporation or Organization)	**38-1016240** (I.R.S. Employer Identification No.)

13320 Ballantyne Corporate Place
Charlotte, NC 28277
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **704-752-4400**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, Par Value $10.00	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

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

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

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

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

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

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

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

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

The aggregate market value of the voting stock held by non-affiliates of the registrant as of June 27, 2014 was $4,461,088,249. The determination of affiliate status for purposes of the foregoing calculation is not necessarily a conclusive determination for other purposes.

The number of shares outstanding of the registrant's common stock as of February 13, 2015 was 40,983,795.

Documents incorporated by reference: Portions of the Registrant's proxy statement for its Annual Meeting to be held on May 8, 2015 are incorporated by reference into Part III of this Annual Report on Form 10-K.

PART I

ITEM 1. Business

(All currency and share amounts are in millions)

Forward-Looking Information

Some of the statements in this document and any documents incorporated by reference, including any statements as to operational and financial projections, constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our businesses' or our industries' actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. Such statements may address our plans, our strategies, our prospects, changes and trends in our business and the markets in which we operate under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") or in other sections of this document. In some cases, you can identify forward-looking statements by terminology such as "may," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "project," "potential" or "continue" or the negative of those terms or other comparable terminology. Particular risks facing us include economic, business and other risks stemming from our planned spin-off transaction, internal operations, legal and regulatory risks, costs of raw materials, pricing pressures, pension funding requirements, integration of acquisitions and changes in the economy. These statements are only predictions. Actual events or results may differ materially because of market conditions in our industries or other factors, and forward-looking statements should not be relied upon as a prediction of actual results. In addition, management's estimates of future operating results are based on our current complement of businesses, which is subject to change as management selects strategic markets.

All the forward-looking statements are qualified in their entirety by reference to the factors discussed in this document under the heading "Risk Factors" and in any documents incorporated by reference that describe risks and factors that could cause results to differ materially from those projected in these forward-looking statements. We caution you that these risk factors may not be exhaustive. We operate in a continually changing business environment and frequently enter into new businesses and product lines. We cannot predict these new risk factors, and we cannot assess the impact, if any, of these new risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, you should not rely on forward-looking statements as a prediction of actual results. We undertake no obligation to update or publicly revise any forward-looking statements to reflect events or circumstances that arise after the date of this document.

Business

We were incorporated in Muskegon, Michigan in 1912 as the Piston Ring Company and adopted our current name in 1988. Since 1968, we have been incorporated under the laws of Delaware, and we have been listed on the New York Stock Exchange since 1972.

Unless otherwise indicated, amounts provided in Part I pertain to continuing operations only (see Note 4 to our consolidated financial statements for information on discontinued operations).

We are a global supplier of highly specialized, engineered solutions with operations in over 35 countries and sales in over 150 countries around the world. Many of our products and innovative solutions are playing a role in helping to meet global demand for power and energy and processed foods and beverages, particularly in emerging markets. Our total revenue in 2014 was $4,721.1, with approximately 27% from sales into emerging markets. Our key products include processing systems and components for the food and beverage industry, pumps, valves and filtration equipment used in oil and gas processing, power transformers used by utility companies, and cooling systems for power generation plants and HVAC applications.

From an end market perspective, in 2014, 43% of our revenues were from sales into power and energy markets, 20% were from sales into food and beverage markets and 20% were from sales into industrial flow markets. Our product and technology offerings are concentrated in flow technology and energy infrastructure.

Our Flow Technology reportable segment accounted for approximately 55% of our revenues in 2014 and serves the food and beverage, oil and gas, power generation and industrial flow markets. Within these markets, we are a leading provider of highly-engineered process equipment. Our core strengths include product breadth, global capabilities and the ability to create custom-engineered solutions for diverse flow processes. Over the past several years, we have strategically expanded our scale, customer relevance and global capabilities in these markets. We believe there are attractive organic and acquisition opportunities to continue to expand our Flow Technology reportable segment.

In addition to our Flow Technology operations, we are also a leading supplier of medium power transformers for the U.S. power transmission and distribution market. Our medium power transformers range from a base rating of 10 Mega Volt Ampere ("MVA") to over 100 MVA and are uniquely designed to meet the requirements of each customer and substation.

We also have leading market positions in thermal heat transfer products for power generation plants. Our primary power generation offerings include cooling systems, large scale stationary and rotating heat exchangers and pollution control systems. We supply these technologies into many types of traditional and alternative power generation facilities. We are well-positioned to benefit from new or retrofit investments in natural gas, coal, nuclear, solar and geothermal power plants.

We focus on a number of operating initiatives, including innovation and new product development, continuous improvement driven by lean methodologies, supply chain management, expansion in emerging markets, information technology infrastructure improvement, and organizational and talent development. These initiatives are designed to, among other things, capture synergies within our businesses to ultimately drive revenues, profit margin and cash flow growth. We believe our businesses are well-positioned for long-term growth based on our operating initiatives, the potential within the current markets served and the potential for expansion into additional markets.

Our Board of Directors and executive management team are committed to creating shareholder value through continued operational improvement, generating profitable growth, narrowing our strategic focus around our Flow Technology end markets and disciplined execution of our capital allocation methodology. As a complement to this strategy, we also focus on environmental sustainability and conducting our business with a high level of ethics and integrity.

On October 29, 2014, we announced that our Board of Directors had unanimously approved a plan for a tax-free spin-off of our Flow Technology reportable segment and our Hydraulic Technologies business, a business currently reported within Industrial Products and Services and Other. The spin-off would create a new stand-alone, publicly-traded company focused on providing highly engineered technologies and services to customers in the global power and energy, food and beverage, and industrial markets. We currently expect the transaction to be completed during the third quarter of 2015.

However, there are no assurances as to when the planned spin-off will be completed, if at all, or if the spin-off will be completed in the form or within the one-time cost range currently contemplated.

Reportable Segments and Other Operating Segments

We aggregate certain of our operating segments into our two reportable segments, Flow Technology and Thermal Equipment and Services, while our remaining operating segments, which do not meet the quantitative threshold criteria of the Segment Reporting Topic of the Financial Accounting Standards Board Codification (the "Codification"), have been combined within our "All Other" category, which we refer to as Industrial Products and Services and Other. Industrial Products and Services and Other is not considered a reportable segment.

The factors considered in determining our aggregated segments are the economic similarity of the businesses, the nature of products sold or services provided, production processes, types of customers and distribution methods. In determining our segments, we apply the threshold criteria of the Segment Reporting Topic of the Codification to operating income or loss of each segment before considering impairment and special charges, pension and postretirement expense, stock-based compensation and other indirect corporate expenses. This is consistent with the way our chief operating decision maker evaluates the results of each segment. For more information on the results of our reportable and other operating segments, including revenues by geographic area, see Note 5 to our consolidated financial statements.

Flow Technology Reportable Segment

Our Flow Technology reportable segment had revenues of $2,596.1, $2,638.0 and $2,682.2 in 2014, 2013 and 2012, respectively, and backlog of $1,149.3 and $1,387.4 as of December 31, 2014 and 2013, respectively. Approximately 87% of the segment's backlog as of December 31, 2014 is expected to be recognized as revenue during 2015. The segment engineers, designs, manufactures and markets products and solutions used to process, blend, filter, dry, meter and transport fluids with a focus on original equipment installation, including turnkey systems, skidded systems and components, as well as comprehensive aftermarket components and support services. Primary component offerings include engineered pumps, valves, mixers, plate heat exchangers, and dehydration and filtration technologies. The segment primarily serves customers in food and beverage, power and energy and industrial end markets. Core brands include SPX Flow Technology, APV, ClydeUnion, Waukesha Cherry-Burrell, M&J Valves, Copes Vulcan, Lightnin, Anhydro, Gerstenberg Schröder, Seital, e&e, Bran&Luebbe, Johnson Pump, Plenty, Hankison, GD Engineering, Dollinger Filtration, Pneumatic Products, Delair, Deltech and Jemaco. Competitors in these diversified end markets include GEA Group AG, Flowserve, Alfa Laval AB, Sulzer, ITT Gould Pumps and IDEX Corporation. Channels to market consist of stocking distributors, manufacturers' representatives and direct sales. The segment continues to focus on innovation and new product development, optimizing its global footprint while taking advantage of cross-product integration opportunities and increasing its competitive position in global end markets. Flow Technology's solutions focus on key business drivers, such as product flexibility, process optimization, sustainability and safety.

Thermal Equipment and Services Reportable Segment

Our Thermal Equipment and Services reportable segment had revenues of $1,329.9, $1,344.2 and $1,490.9 in 2014, 2013 and 2012, respectively, and backlog of $714.1 and $675.4 as of December 31, 2014 and 2013, respectively. Approximately 70% of the segment's backlog as of December 31, 2014 is expected to be recognized as revenue during 2015. Portions of this backlog are long-term in nature, with the related revenues expected to be recorded through 2015 and beyond. The backlog figures as of December 31, 2014 and 2013 exclude approximately $70.0 and $100.0, respectively, of estimated price increases related to cost inflation on our large power projects in South Africa. This reportable segment engineers, designs, manufactures, installs and services thermal heat transfer products. Primary offerings include dry, evaporative and hybrid cooling systems, rotating and stationary heat exchangers and pollution control systems for the power generation, HVAC and industrial markets, as well as boilers and heating and ventilation products for the residential and commercial markets. The primary distribution channels for the Thermal Equipment and Services reportable segment are direct to customers, independent manufacturing representatives, third-party distributors and retailers. The segment serves a global customer base, with a strong presence in North America, Europe and South Africa.

Approximately 44% of the segment's 2014 revenues were from sales to the power generation market. The segment's primary power products and services are sold under the brand names of SPX Cooling Systems, Marley, Balcke-Duerr, Ceramic, Yuba, Ecolaire and Recold, among others, with the major competitors to these product and service lines being GEA Group AG, Hamon & Cie, EvapTech, Inc., Harbin Air Conditioning Co., Baltimore Aircoil Company, Evapco, Inc., Thermal Engineering International, Howden Group Ltd., Siemens AG and Alstom SA.

The segment's boiler products include a complete line of gas and oil fired boilers for heating in residential and commercial applications, as well as ancillary equipment. The segment's primary boiler products competitors are Burnham Holdings, Inc. and Buderus.

The segment's heating and ventilation product line includes (i) baseboard, wall unit and portable heaters, (ii) commercial cabinet and infrared heaters, (iii) thermostats and controls, (iv) air curtains and (v) circulating fans. The segment sells heating and ventilation products under the Berko, Qmark, Farenheat and Leading Edge brand names, with the principal competitors being TPI Corporation, Ouellet, King Electric, Systemair Mfg. LLC, Cadet Manufacturing Company and Dimplex North America Ltd. for heating products and TPI Corporation, Broan-NuTone LLC and Airmaster Fan Company for ventilation products.

The segment's South African subsidiary has a Black Economic Empowerment shareholder, which holds a noncontrolling 25.1% interest in the subsidiary.

Industrial Products and Services and Other

Industrial Products and Services and Other had revenues of $795.1, $791.1 and $721.5 in 2014, 2013 and 2012, respectively, and backlog of $335.9 and $286.1 as of December 31, 2014 and 2013, respectively. Approximately 90% of the segment's backlog as of December 31, 2014 is expected to be recognized as revenue during 2015. Approximately 48% of Industrial Products and Services and Other revenues in 2014 were from the sale of power transformers and related services into the U.S. transmission and distribution market. We are a leading provider of medium transformers (10 - 100 MVA) in the United States. We sell transformers under the Waukesha brand name. Typical customers for this product line are publicly and privately held utilities. Our competitors in this market include ABB Ltd., GE-Prolec, Siemens, Hyundai Power Transformers, Delta Star Inc., Philadelphia Transformer, SGB-SMIT Group, Virginia Transformer Corporation, Howard Industries, Inc., and WEG S.A.

Additionally, Industrial Products and Services and Other comprises operating segments that design, manufacture and market industrial tools and hydraulic units, tower and obstruction lights and monitoring equipment, communications and signal monitoring systems, fare collection systems, and portable cable and pipe locators. The primary distribution channels for Industrial Products and Services and Other are direct to customers, independent manufacturing representatives and third-party distributors.

Acquisitions

We did not acquire any businesses in 2014. However, we regularly review and negotiate potential acquisitions in the ordinary course of business, some of which are or may be material. We plan to evaluate potential acquisitions in the future and we may consider acquisitions of businesses with more than $1,000.0 in annual revenues.

Divestitures

We regularly review and negotiate potential divestitures in the ordinary course of business, some of which are or may be material. As a result of this continuous review, we determined that certain of our businesses would be better strategic fits with other companies or investors. We report businesses or asset groups as discontinued operations when the operations and cash flows of the business or asset group have been or are expected to be eliminated, when we do not expect to have any continuing involvement with the business or asset group after the disposal transaction, and when we have met these additional six criteria:

- Management commits to a plan to divest the business or asset group;
- The business or asset group is available for immediate sale;
- An active program to sell the business or asset group has been initiated;
- The sale of the business or asset group is probable within one year;
- The marketed sales value of the business or asset group is reasonable in relation to its current fair value; and
- It is unlikely that the plan to divest the business or asset group will be significantly altered or withdrawn.

During the fourth quarter of 2014, our Board of Directors unanimously approved a plan for a tax-free spin-off of our Flow Technology reportable segment and our Hydraulic Technologies business, and the creation of a new stand-alone, publicly-traded company focused on providing highly engineered technologies and services to customers in the global power and energy, food and beverage, and industrial markets. In connection with the planned spin-off transaction, we determined that we would no longer pursue the sale of our Flash Technologies business, a business that was previously reported in discontinued operations. Accordingly, we have reclassified the results of operations, assets and liabilities, and cash flows of this business to continuing operations for all periods presented. This business is included within Industrial Products and Services and Other.

The following businesses, which have been sold or for which operations have been terminated, met the requirements described above and therefore have been reported as discontinued operations for all periods presented:

Business	Quarter Discontinued	Quarter of Sale or Termination of Operations
Fenn LLC	Q3 2013	Q3 2014
SPX Precision Components	Q3 2013	Q2 2014
Thermal Product Solutions	Q3 2013	Q1 2014
Broadcast Antenna System business	Q2 2013	Q2 2013
Crystal Growing business	Q1 2013	Q1 2013
TPS Tianyu Equipment Co., Ltd.	Q4 2012	Q4 2012
Weil-McLain (Shandong) Cast-Iron-Boiler Co., Ltd.	Q4 2012	Q4 2012
SPX Service Solutions	Q1 2012	Q4 2012

Joint Ventures

As of December 31, 2013, we had a joint venture, EGS Electrical Group, LLC and Subsidiaries ("EGS"), with Emerson Electric Co., in which we held a 44.5% interest. EGS operates primarily in the United States, Brazil, Canada and France and is engaged in the manufacture of electrical fittings, hazardous location lighting and power conditioning products. We accounted for our investment using the equity method, on a three-month lag basis, and we typically received our share of the joint venture's earnings in cash dividends paid quarterly. On January 7, 2014, we completed the sale of our 44.5% interest in EGS to Emerson Electric Co. for cash proceeds of $574.1. As a result of the sale, we recorded a gain of $491.2 to "Other income (expense), net" and no equity earnings related to this investment during 2014.

We have a joint venture with the Shanghai Electric Group Co., Ltd. ("Shanghai Electric"), in which we hold a 45% interest. Shanghai Electric controls and operates the joint venture, which supplies dry cooling and moisture separator reheater products primarily to the power sector in China. We account for this investment using the equity method. See Note 4 to our consolidated financial statements for additional details.

International Operations

We are a multinational corporation with operations in over 35 countries. Sales outside the United States were $2,487.2, $2,560.0 and $2,663.8 in 2014, 2013 and 2012, respectively.

See Note 5 to our consolidated financial statements for more information on our international operations.

Research and Development

We are actively engaged in research and development programs designed to improve existing products and manufacturing methods and to develop new products to better serve our current and future customers. These efforts encompass certain of our products with divisional engineering teams coordinating their resources. We place particular emphasis on the development of new products that are compatible with, and build upon, our manufacturing and marketing capabilities.

We expensed $51.1, $47.3 and $49.0 in 2014, 2013 and 2012, respectively, of research activities relating to the development and improvement of our products.

Patents/Trademarks

We own approximately 370 domestic and 250 foreign patents, including approximately 20 patents that were issued in 2014, covering a variety of our products and manufacturing methods. We also own a number of registered trademarks. Although in the aggregate our patents and trademarks are of considerable importance in the operation of our business, we do not consider any single patent or trademark to be of such importance that its absence would adversely affect our ability to conduct business as presently constituted. We are both a licensor and licensee of patents. For more information, please refer to "Risk Factors."

Outsourcing and Raw Materials

We manufacture many of the components used in our products; however, our strategy includes outsourcing certain components and sub-assemblies to other companies where strategically and economically beneficial. In instances where we depend on third-party suppliers for outsourced products or components, we are subject to the risk of customer dissatisfaction with the quality or performance of the products we sell due to supplier failure. In addition, business difficulties experienced by a third-party supplier can lead to the interruption of our ability to obtain the outsourced product and ultimately to our inability to supply products to our customers. We believe that we generally will be able to continue to obtain adequate supplies of key products or appropriate substitutes at reasonable costs.

We are subject to increases in the prices of many of our key raw materials, including petroleum-based products, steel and copper. In recent years, we have generally been able to offset increases in raw material costs. Occasionally, we are subject to long-term supplier contracts, which may increase our exposure to pricing fluctuations. We use forward contracts to manage our exposure on forecasted purchases of commodity raw materials ("commodity contracts"). See Note 13 to our consolidated financial statements for further information on commodity contracts.

Due to our diverse products and services, as well as the wide geographic dispersion of our production facilities, we use numerous sources for the raw materials needed in our operations. We are not significantly dependent on any one or a limited number of suppliers, and we have been able to obtain suitable quantities of raw materials at competitive prices.

Competition

Our competitive position cannot be determined accurately in the aggregate or by reportable or operating segment since we and our competitors do not offer all the same product lines or serve all the same markets. In addition, specific reliable comparative figures are not available for many of our competitors. In most product groups, competition comes from numerous concerns, both large and small. The principal methods of competition are service, product performance, technical innovation and price. These methods vary with the type of product sold. We believe we compete effectively on the basis of each of these factors as they apply to the various products and services offered. See "Reportable Segments and Other Operating Segments" above for a discussion of our competitors.

Environmental Matters

See "MD&A — Critical Accounting Policies and Use of Estimates — Contingent Liabilities," "Risk Factors" and Note 14 to our consolidated financial statements for information regarding environmental matters.

Employment

At December 31, 2014, we had over 14,000 employees. Seven domestic collective bargaining agreements covered approximately 1,000 employees. We also had various collective labor arrangements as of that date covering certain non-U.S. employee groups. While we generally have experienced satisfactory labor relations, we are subject to potential union campaigns, work stoppages, union negotiations and other potential labor disputes.

Executive Officers

See Part III, Item 10 of this report for information about our executive officers.

Other Matters

No customer or group of customers that, to our knowledge, are under common control accounted for more than 10% of our consolidated revenues for any period presented.

Our businesses maintain sufficient levels of working capital to support customer requirements, particularly inventory. We believe our businesses' sales and payment terms are generally similar to those of our competitors.

Many of our businesses closely follow changes in the industries and end markets they serve. In addition, certain businesses have seasonal fluctuations. Demand for certain products in our Flow Technology and Thermal Equipment and Services reportable segments is correlated to contract timing on large construction contracts and, in our Thermal Equipment and Services reportable segment, is also driven by seasonal weather patterns, both of which factors may cause significant fluctuations from period to period. Historically, our businesses generally tend to be stronger in the second half of the year.

Our website address is www.spx.com. Information on our website is not incorporated by reference herein. We file reports with the U.S Securities and Exchange Commission ("SEC"), including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and certain amendments to these reports. Copies of these reports are available free of charge on our website as soon as reasonably practicable after we file the reports with the SEC. The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Additionally, you may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

ITEM 1A. Risk Factors

(All currency and share amounts are in millions)

You should consider the risks described below and elsewhere in our documents filed with the SEC before investing in any of our securities. We may amend, supplement or add to the risk factors described below from time to time in future reports filed with the SEC.

We face risks related to our planned spin-off of our flow business.

We have announced our intention to spin-off our Flow Technology reportable segment and our Hydraulic Technologies business, comprising approximately $2,800.0 of our company's total revenues for 2014. Unanticipated developments, including possible delays in obtaining required approvals, uncertainty of the financial markets, and challenges relating to the structure of the transaction or resulting companies, could delay or prevent the planned transaction, or cause it to occur on less favorable terms or conditions than projected. In addition, in connection with the spin-off, we and the new stand-alone company that will result from the spin-off will need to incur new indebtedness to refinance our existing credit facilities. We and the new stand-alone company may be unable to obtain such indebtedness or any indebtedness that we and the new stand-alone company obtain may contain terms that are materially less favorable than the terms of our existing credit facilities. Even if the transaction is completed as and on the timetable currently contemplated, we may not realize some or all projected benefits, or expenses relating to the planned transaction may be significantly higher than projected.

Additionally, the planned transaction requires significant time and attention, which could distract management and other employee attention from the day-to-day operation of our business. Following completion of the transaction, there can be no guarantee the combined value of the common stock of the two publicly-traded companies will equal or exceed the value of our stock had the transaction not occurred.

The planned spin-off of our flow business could result in substantial tax liability to us and our stockholders.

Among the conditions to completing the spin-off will be our receipt of opinions of tax counsel satisfactory to us as to the tax-free treatment of the spin-off and certain related transactions. However, if the factual assumptions or representations upon which the opinions are based are inaccurate or incomplete in any material respect, we will not be able to rely on the opinions. Furthermore, the opinions will not be binding on the Internal Revenue Service ("IRS") or the courts. Accordingly, the IRS or the courts may challenge the conclusions set forth in the opinions and any such challenge could prevail. If, notwithstanding receipt of the opinions, the spin-off or a related transaction is determined to be taxable, we could be subject to a substantial tax liability. In addition, if the spin-off is determined to be taxable, each holder of our common stock who receives shares of the new stand-alone company would generally be treated as receiving a taxable distribution of property in an amount equal to the fair market value of the shares received.

Even if the spin-off otherwise qualifies as a tax-free transaction, the distribution could be taxable to us (but not to our stockholders) in certain circumstances if future significant acquisitions of our stock or the stock of the new stand-alone company are deemed to be part of a plan or series of related transactions that includes the spin-off. In this event, the resulting tax liability would be substantial. In connection with the spin-off, we expect to enter into a tax matters agreement with the new stand-alone company, under which it will agree (i) not to enter into any transaction without our consent that could cause any portion of the spin-off to be taxable to us, and (ii) to indemnify us for any tax liabilities resulting from such a transaction. This obligation and potential tax liability may discourage, delay or prevent a change of control of us or of the new stand-alone company. In addition, we may have to restructure various aspects of the transaction in response to tax considerations, which could subject us to significant additional costs.

Difficulties presented by international economic, political, legal, accounting and business factors could negatively affect our business.

We are an increasingly global company. In 2014, over 50% of our revenues were generated outside the United States. We have placed a particular emphasis on expanding our presence in emerging markets. As part of our strategy, we manage businesses with manufacturing facilities worldwide. Our reliance on non-U.S. revenues and non-U.S. manufacturing bases exposes us to a number of risks, including:

- Significant competition could come from local or long-term participants in non-U.S. markets who may have significantly greater market knowledge and substantially greater resources than we do;
- Local customers may have a preference for locally-produced products;

- Failure to comply with U.S. or non-U.S. laws regulating trade, such as the U.S. Foreign Corrupt Practices Act, and other anti-corruption laws, could result in adverse consequences, including fines, criminal sanctions, or loss of access to markets;

- Credit risk or financial condition of local customers and distributors could affect our ability to market our products or collect receivables;

- Regulatory or political systems or barriers may make it difficult or impossible to enter or remain in new markets. In addition, these barriers may impact our existing businesses, including making it more difficult for them to grow;

- Local political, economic and social conditions, including the possibility of hyperinflationary conditions, political instability, nationalization of private enterprises, or unexpected changes relating to currency could adversely impact our operations;

- Customs and tariffs may make it difficult or impossible for us to move our products or assets across borders in a cost-effective manner;

- Transportation and shipping expenses add cost to our products;

- Complications related to shipping, including delays due to weather, labor action, or customs, may impact our profit margins or lead to lost business;

- Government embargoes or foreign trade restrictions such as anti-dumping duties, as well as the imposition of trade sanctions by the United States or the European Union against a class of products imported from or sold and exported to, or the loss of "normal trade relations" status with, countries in which we conduct business, could significantly increase our cost of products imported into the United States or Europe or reduce our sales and harm our business;

- Environmental and other laws and regulations could increase our costs or limit our ability to run our business;

- Our ability to obtain supplies from foreign vendors and ship products internationally may be impaired during times of crisis or otherwise;

- Local, regional or worldwide hostilities could impact our operations; and

- Distance, language and cultural differences may make it more difficult to manage our business and employees and to effectively market our products and services.

Any of the above factors or other factors affecting social and economic activity in China, South Africa and other emerging markets or affecting the movement of people and products into and from these countries to our major markets, including North America and Europe, could have a significant negative effect on our operations.

Many of the markets in which we operate are cyclical or are subject to industry events, and our results have been and could be affected as a result.

Many of the markets in which we operate are subject to general economic cycles or industry events. In addition, certain of our businesses are subject to market-specific cycles, including, but not limited to:

- The oil and gas, chemical, mining and petrochemical markets;

- Food and beverage markets; and

- The electric power and infrastructure markets.

In addition, contract timing on large construction projects, including food and beverage systems, projects in the oil and gas industries, and cooling systems and towers, may cause significant fluctuations in revenues and profits from period to period.

The businesses of many of our customers, particularly oil and gas companies, chemical companies and general industrial companies, are to varying degrees cyclical and have experienced, and may continue to experience, periodic downturns. Cyclical changes and specific industry events could also affect sales of products in our other businesses. Downturns in the business cycles of our different operations may occur at the same time, which could exacerbate any adverse effects on our business. See "MD&A — Results of Reportable Segments and Other Operating Segments." In addition, certain of our businesses have seasonal fluctuations. Historically, some of our key businesses generally tend to be stronger in the second half of the year.

Cost overruns, inflation, delays and other risks could significantly impact our results, particularly with respect to long-term fixed-price contracts.

A portion of our revenues and earnings is generated through long-term fixed-price contracts, particularly in our Flow Technology and Thermal Equipment and Services reportable segments. We recognize revenues from certain of these contracts using the percentage-of-completion method of accounting whereby revenues and expenses, and thereby profit, in a given period are determined based on our estimates as to the project status and the costs remaining to complete a particular project.

Estimates of total revenues and cost at completion are subject to many variables, including the length of time to complete a contract. In addition, contract delays may negatively impact these estimates and our revenues and earnings results for affected periods.

To the extent that we underestimate the remaining cost to complete a project, we may overstate the revenues and profit in a particular period. Further, certain of these contracts provide for penalties or liquidated damages for failure to timely perform our obligations under the contract, or require that we, at our expense, correct and remedy to the satisfaction of the other party certain defects. Because some of our long-term contracts are at a fixed price, we face the risk that cost overruns or inflation may exceed, erode or eliminate our expected profit margin, or cause us to record a loss on our projects.

Our large power projects in South Africa are an example of these types of long-term-contract-related risks. These projects, which have already experienced significant delays from their initial target completion dates, involve a complex set of contractual relationships among the end customer, the prime contractors, and the various subcontractors and suppliers. Although we believe that our current estimates of costs relating to these projects are reasonable, we cannot assure you that additional costs will not arise as these projects are completed.

Our business depends on capital investment and maintenance expenditures by our customers.

Demand for most of our products and services depends on the level of new capital investment and planned maintenance expenditures by our customers. The level of capital expenditures by our customers fluctuates based on planned expansions, new builds, and repairs, commodity prices, general economic conditions, availability of credit, and expectations of future market behavior. Any of these factors, whether individually or in the aggregate, could have a material adverse effect on our customers and, in turn, our business, financial condition, results of operations and cash flows.

Our customers could be impacted by commodity availability and prices.

A number of factors outside our control, including fluctuating commodity prices, impact the demand for our products. Increased commodity prices may increase our customers' cost of doing business, thus causing them to delay or cancel large capital projects.

On the other hand, declining commodity prices may cause mines, oil refineries, oil and gas extraction fields and other customers to delay or cancel projects relating to the production of such commodities. For example, recent declines in oil prices have led to reduced revenues in the upstream portion of our oil and gas business. Reduced demand for our products and services could result in the delay or cancellation of existing orders or lead to excess manufacturing capacity, which unfavorably impacts our absorption of fixed manufacturing costs. This reduced demand may also erode average selling prices in the relevant market.

The price and availability of raw materials may adversely affect our business.

We are exposed to a variety of risks relating to the price and availability of raw materials. In recent years, we have faced volatility in the prices of many of our key raw materials, including petroleum-based products, steel and copper. Increases in the prices of raw materials or shortages or allocations of materials may have a material adverse effect on our financial position, results of operations or cash flows, as we may not be able to pass cost increases on to our customers, or our sales may be reduced. We are subject to long-term supplier contracts that may increase our exposure to pricing fluctuations.

Credit and counterparty risks could harm our business.

The financial condition of our customers and distributors could affect our ability to market our products or collect receivables.

Our customers may suffer financial difficulties that make them unable to pay for a project when completed, or they may decide not or be unable to pay us, either as a matter of corporate decision-making or in response to changes in local laws and regulations. We cannot assure you that expenses or losses for uncollectible amounts will not have a material adverse effect on our revenues, earnings and cash flows.

In addition, financial difficulties faced by our customers may lead to cancellation or delay of orders.

Failure to protect or unauthorized use of our intellectual property may harm our business.

Despite our efforts to protect our proprietary rights, unauthorized parties or competitors may copy or otherwise obtain and use our products or technology. The steps we have taken may not prevent unauthorized use of our technology or knowledge, particularly in foreign countries where the laws may not protect our proprietary rights to the same extent as in the United States. Costs incurred to defend our rights may be material.

If we are unable to protect our information systems against data corruption, cyber-based attacks or network security breaches, our operations could be disrupted.

We are increasingly dependent on information technology ("IT") networks and systems, including the Internet, to process, transmit and store electronic information. In particular, we depend on such IT infrastructure for electronic communications among our locations around the world and between our personnel and suppliers and customers, and we rely on the systems and services of a variety of vendors to meet our data processing and communication needs. Despite our implementation of security measures, cybersecurity threats, such as malicious software, phishing attacks, computer viruses and attempts to gain authorized access, cannot be completely mitigated. Security breaches of our, our customers' and our vendors' IT infrastructure can create system disruptions, shutdowns or unauthorized disclosure of confidential information, including our intellectual property, trade secrets, customer information or other confidential business information. If we are unable to prevent, detect or adequately respond to such breaches, our operations could be disrupted, our competitiveness could be adversely affected or we may suffer financial damage or loss because of lost or misappropriated information. Such incidents also could require significant management attention and resources and increased costs.

Currency conversion risk could have a material impact on our reported results of business operations.

Our operating results are translated into U.S. dollars for reporting purposes. The strengthening or weakening of the U.S. dollar against other currencies in which we conduct business could result in unfavorable translation effects as the results of transactions in foreign countries are translated into U.S. dollars. Increased strength of the U.S. dollar will increase the effective price of our products sold in U.S. dollars into other countries, which may have a material adverse effect on sales or require us to lower our prices, and also decrease our reported revenues or margins related to sales conducted in foreign currencies to the extent we are unable or determine not to increase local currency prices. Likewise, decreased strength of the U.S. dollar could have a material adverse effect on the cost of materials and products purchased overseas.

Worldwide economic conditions could negatively impact our businesses.

Many of our customers historically have tended to delay large capital projects, including expensive maintenance and upgrades, during economic downturns. Poor macroeconomic conditions could negatively impact our businesses by adversely affecting, among other things, our:

- Revenues;
- Margins;
- Profits;
- Cash flows;
- Customers' orders, including order cancellation activity or delays on existing orders;
- Customers' ability to access credit;
- Customers' ability to pay amounts due to us; and
- Suppliers' and distributors' ability to perform and the availability and costs of materials and subcontracted services.

Our projections for 2015 assume a generally stable economy. If actual economic conditions are inconsistent with this assumption, our performance could underperform our expectations.

We are subject to laws, regulations and potential liability relating to claims, complaints and proceedings, including those relating to environmental and other matters.

We are subject to various laws, ordinances, regulations and other requirements of government authorities in the United States and other nations. With respect to acquisitions, divestitures and continuing operations, we may acquire or retain liabilities of which we are not aware, or which are of a different character or magnitude than expected. Additionally, changes in laws, ordinances, regulations or other governmental policies may significantly increase our expenses and liabilities.

We face environmental exposures including, for example, those relating to discharges from and materials handled as part of our operations, the remediation of soil and groundwater contaminated by petroleum products or hazardous substances or wastes, and the health and safety of our employees. We may be liable for the costs of investigation, removal or remediation of hazardous substances or petroleum products on, under, or in our current or formerly owned or leased properties, or from third-party disposal facilities that we may have used, without regard to whether we knew of, or caused, the presence of the contaminants. The presence of, or failure to properly remediate, these substances may have adverse effects, including, for example, substantial investigative or remedial obligations and limitations on the ability to sell or rent affected property or to borrow funds using affected property as collateral. New or existing environmental matters or changes in environmental laws or policies could lead to material costs for environmental compliance or cleanup. There can be no assurance that these liabilities and costs will not have a material adverse effect on our financial position, results of operations or cash flows.

Numerous claims, complaints and proceedings arising in the ordinary course of business, including those relating to litigation matters (e.g., class actions, derivative lawsuits and contracts, intellectual property and competitive claims), environmental matters, and risk management matters (e.g., product and general liability, automobile, and workers' compensation claims), have been filed or are pending against us and certain of our subsidiaries. From time to time, we face actions by governmental authorities, both in and outside the United States. Additionally, we may become subject to significant claims of which we are currently unaware or the claims of which we are aware may result in our incurring a significantly greater liability than we anticipate. Our insurance may be insufficient or unavailable (e.g., because of insurer insolvency) to protect us against potential loss exposures.

We devote significant time and expense to defend against the various claims, complaints and proceedings brought against us, and we cannot assure you that the expenses or distractions from operating our businesses arising from these defenses will not increase materially.

We cannot assure you that our accruals and right to indemnity and insurance will be sufficient, that recoveries from insurance or indemnification claims will be available or that any of our current or future claims or other matters will not have a material adverse effect on our financial position, results of operations or cash flows.

See "MD&A — Critical Accounting Policies and Use of Estimates — Contingent Liabilities" and Note 14 to our consolidated financial statements for further discussion.

Governmental laws and regulations could negatively affect our business.

Changes in laws and regulations to which we are or may become subject could have a significant negative impact on our business. In addition, we could face material costs and risks if it is determined that we have failed to comply with relevant law and regulation. Failure to comply with U.S. or non-U.S. laws regulating trade, such as the U.S. Foreign Corrupt Practices Act, and other anti-corruption laws, could result in adverse consequences, including fines, criminal sanctions, or loss of access to markets.

In addition, costs associated with regulatory compliance can be difficult to predict. If we underestimate the time or costs required to comply with our legal and regulatory obligations, our actual costs may significantly exceed our projections, which could impact our results of operations.

Changes in tax laws and regulations or other factors could cause our income tax rate to increase, potentially reducing our net income and adversely affecting our cash flows.

As a global manufacturing company, we are subject to taxation in various jurisdictions around the world. In preparing our financial statements, we calculate our effective income tax rate based on current tax laws and regulations and the estimated taxable income within each of these jurisdictions. Our effective income tax rate, however, may be higher due to numerous factors, including changes in tax laws or regulations. An effective income tax rate significantly higher than our expectations could have an adverse effect on our business, results of operations and liquidity.

Officials in some of the jurisdictions in which we do business have proposed, or announced that they are reviewing, tax changes that could potentially increase taxes, and other revenue-raising laws and regulations, including those that may be enacted as a result of the OECD Base Erosion and Profit Splitting project. Any such changes in tax laws or regulations could impose new restrictions, costs or prohibitions on existing practices as well as reduce our net income and adversely affect our cash flows.

The loss of key personnel and an inability to attract and retain qualified employees could have a material adverse effect on our operations.

We are dependent on the continued services of our leadership team. The loss of these personnel without adequate replacement could have a material adverse effect on our operations. Additionally, we need qualified managers and skilled employees with technical and manufacturing industry experience in many locations in order to operate our business successfully. From time to time, there may be a shortage of skilled labor, which may make it more difficult and expensive for us to attract and retain qualified employees. If we were unable to attract and retain sufficient numbers of qualified individuals or our costs to do so were to increase significantly, our operations could be materially adversely affected.

Our indebtedness may affect our business and may restrict our operating flexibility.

At December 31, 2014, we had $1,369.7 in total indebtedness. On that same date, we had $313.2 of available borrowing capacity under our revolving credit facilities, after giving effect to borrowings under the domestic revolving loan facility of $133.0 and $53.8 reserved for outstanding letters of credit, and $70.0 of available borrowing capacity under our trade receivables financing arrangement after giving effect to outstanding borrowings of $10.0. In addition, at December 31, 2014, we had $304.7 of available issuance capacity under our foreign credit instrument facilities after giving effect to $695.3 reserved for outstanding letters of credit. At December 31, 2014, our cash and equivalents balance was $427.6. See MD&A and Note 12 to our consolidated financial statements for further discussion. We may incur additional indebtedness in the future, including indebtedness incurred to finance, or assumed in connection with, acquisitions. We may renegotiate or refinance our senior credit facilities, senior notes or other debt facilities, or enter into additional agreements that have different or more stringent terms. The level of our indebtedness could:

- Impact our ability and the ability of the new stand-alone company that will result from the planned spin-off to obtain new, or refinance existing, indebtedness, as needed in connection with the spin-off, on favorable terms or at all;
- Limit our ability to obtain, or obtain on favorable terms, additional debt financing for working capital, capital expenditures or acquisitions;
- Limit our flexibility in reacting to competitive and other changes in the industry and economic conditions;
- Limit our ability to pay dividends on our common stock;
- Coupled with a substantial decrease in net operating cash flows due to economic developments or adverse developments in our business, make it difficult to meet debt service requirements; and
- Expose us to interest rate fluctuations to the extent existing borrowings are, and any new borrowings may be, at variable rates of interest, which could result in higher interest expense and interest payments in the event of increases in interest rates.

Our ability to make scheduled payments of principal or pay interest on, or to refinance, our indebtedness and to satisfy our other debt obligations will depend upon our future operating performance, which may be affected by general economic, financial, competitive, legislative, regulatory, business and other factors beyond our control. In addition, we cannot assure you that future borrowings or equity financing will be available for the payment or refinancing of our indebtedness. If we are unable to service our indebtedness, whether in the ordinary course of business or upon an acceleration of such indebtedness, we may pursue one or more alternative strategies, such as restructuring or refinancing our indebtedness, selling assets, reducing or delaying capital expenditures, revising implementation of or delaying strategic plans or seeking additional equity capital. Any of these actions could have a material adverse effect on our business, financial condition, results of operations and stock price. In addition, we cannot assure that we would be able to take any of these actions, that these actions would enable us to continue to satisfy our capital requirements, or that these actions would be permitted under the terms of our various debt agreements.

Numerous banks in many countries are syndicate members in our credit facility. Failure of one or more of our larger lenders, or several of our smaller lenders, could significantly reduce availability of our credit, which could harm our liquidity.

We may not be able to finance future needs or adapt our business plan to react to changes in economic or business conditions because of restrictions placed on us by our senior credit facilities and any existing or future instruments governing our other indebtedness.

Our senior credit facilities, the indenture governing our senior notes and agreements governing our other indebtedness contain, or future or revised instruments may contain, various restrictions and covenants that limit our ability to make distributions or other payments to our investors and creditors unless certain financial tests or other criteria are satisfied. We also must comply with certain specified financial ratios and tests. Our subsidiaries may also be subject to restrictions on their ability to make distributions to us. In addition, our senior credit facilities, indenture governing our senior notes and agreements governing our other indebtedness contain or may contain additional affirmative and negative covenants. Material existing restrictions are described more fully in the MD&A and Note 12 to our consolidated financial statements. Each of these restrictions could affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities, such as acquisitions.

If we do not comply with the covenants and restrictions contained in our senior credit facilities, indenture governing our senior notes and agreements governing our other indebtedness, we could default under those agreements, and the debt, together with accrued interest, could be declared due and payable. If we default under our senior credit facilities, the lenders could cause all our outstanding debt obligations under our senior credit facilities to become due and payable or require us to repay the indebtedness under these facilities. If our debt is accelerated, we may not be able to repay or refinance our debt. In addition, any default under our senior credit facilities, indenture governing our senior notes or agreements governing our other indebtedness could lead to an acceleration of debt under other debt instruments that contain cross-acceleration or cross-default provisions. If the indebtedness under our senior credit facilities is accelerated, we may not have sufficient assets to repay amounts due under our senior credit facilities, senior notes or other debt securities then outstanding. Our ability to comply with these provisions of our senior credit facilities, indenture governing our senior notes and agreements governing our other indebtedness will be affected by changes in the economic or business conditions or other events beyond our control. Complying with our covenants may also cause us to take actions that are not favorable to us and may make it more difficult for us to successfully execute our business strategy and compete, including against companies that are not subject to such restrictions.

We operate in highly competitive markets. Our failure to compete effectively could harm our business.

We sell our products in highly competitive markets, which could result in pressure on our profit margins and limit our ability to maintain or increase the market share of our products. We compete on a number of fronts, including on the basis of product offerings, technical capabilities, quality, service and pricing. We have a number of competitors with substantial technological and financial resources, brand recognition and established relationships with global service providers. Some of our competitors have low cost structures, support from local governments, or both. In addition, new competitors may enter the markets in which we participate. Competitors may be able to offer lower prices, additional products or services or a more attractive mix of products or services, or services or other incentives that we cannot or will not match. These competitors may be in a stronger position to respond quickly to new or emerging technologies and may be able to undertake more extensive marketing campaigns, and make more attractive offers to potential customers, employees and strategic partners. In addition, competitive environments in slow-growth markets, to which some of our businesses have exposure, have been inherently more influenced by pricing and domestic and global economic conditions. To remain competitive, we must invest in manufacturing, marketing, customer service and support and our distribution networks. No assurances can be made that we will have sufficient resources to continue to make the investment required to maintain or increase our market share or that our investments will be successful. If we do not compete successfully, our business, financial condition, results of operations and cash flows could be materially adversely affected.

Our strategy to outsource various elements of the products and services we sell subjects us to the business risks of our suppliers and subcontractors, which could have a material adverse impact on our operations.

In areas where we depend on third-party suppliers and subcontractors for outsourced products, components or services, we are subject to the risk of customer dissatisfaction with the quality or performance of the products or services we sell due to supplier or subcontractor failure. In addition, business difficulties experienced by a third-party supplier or subcontractor can lead to the interruption of our ability to obtain outsourced products or services and ultimately our inability to supply products or services to our customers. Third-party supplier and subcontractor business interruptions can include, but are not limited to, work stoppages, union negotiations and other labor disputes. Current economic conditions could also impact the ability of suppliers and subcontractors to access credit and, thus, impair their ability to provide us quality products or services in a timely manner, or at all.

We may not achieve the expected cost savings and other benefits of our acquisitions.

We strive for and expect to achieve cost savings in connection with our acquisitions, including: (i) manufacturing process and supply chain rationalization, (ii) streamlining redundant administrative overhead and support activities, and (iii) restructuring and repositioning sales and marketing organizations to eliminate redundancies. Cost savings expectations are estimates that are inherently difficult to predict and are necessarily speculative in nature, and we cannot assure you that we will achieve expected, or any, cost savings. In addition, we cannot assure you that unforeseen factors will not offset the estimated cost savings or other benefits from our acquisitions. As a result, anticipated benefits could be delayed, differ significantly from our estimates and the other information contained in this report, or not be realized.

Our failure to successfully complete acquisitions could negatively affect us.

We may not be able to consummate desired acquisitions, which could materially impact our growth rate, results of operations, future cash flows and stock price. Our ability to achieve our goals depends upon, among other things, our ability to identify and successfully acquire companies, businesses and product lines, to effectively integrate them and to achieve cost savings. We may also be unable to raise additional funds necessary to consummate these acquisitions. In addition, decreases in our stock price may adversely affect our ability to consummate acquisitions. Competition for acquisitions in our business areas may be significant and result in higher prices for businesses, including businesses that we may target, which may also affect our acquisition rate or benefits achieved from our acquisitions.

Our failure to successfully integrate acquisitions could have a negative effect on our operations; our acquisitions could cause financial difficulties.

Our acquisitions involve a number of risks and present financial, managerial and operational challenges, including:

- Adverse effects on our reported operating results due to charges to earnings, including impairment charges associated with goodwill and other intangibles;
- Diversion of management attention from core business operations;
- Integration of technology, operations, personnel and financial and other systems;
- Increased expenses;
- Increased foreign operations, often with unique issues relating to corporate culture, compliance with legal and regulatory requirements and other challenges;
- Assumption of known and unknown liabilities and exposure to litigation;
- Increased levels of debt or dilution to existing shareholders; and
- Potential disputes with the sellers of acquired businesses, technology, services or products.

In addition, internal controls over financial reporting of acquired companies may not be compliant with required standards. Issues may exist that could rise to the level of significant deficiencies or, in some cases, material weaknesses, particularly with respect to foreign companies or non-public U.S. companies.

Our integration activities may place substantial demands on our management, operational resources and financial and internal control systems. Customer dissatisfaction or performance problems with an acquired business, technology, service or product could also have a material adverse effect on our reputation and business.

Dispositions or our failure to successfully complete dispositions could negatively affect us.

Our dispositions involve a number of risks and present financial, managerial and operational challenges, including diversion of management attention from running our core businesses, increased expense associated with the dispositions, potential disputes with the customers or suppliers of the disposed businesses, potential disputes with the acquirers of the disposed businesses and a potential dilutive effect on our earnings per share.

If dispositions are not completed in a timely manner, there may be a negative effect on our cash flows and/or our ability to execute our strategy. See "Business," "MD&A — Results of Discontinued Operations," and Note 4 to our consolidated financial statements for the status of our divestitures.

Increases in the number of shares of our outstanding common stock could adversely affect our common stock price or dilute our earnings per share.

Sales of a substantial number of shares of common stock into the public market, or the perception that these sales could occur, could have a material adverse effect on our stock price. As of December 31, 2014, we had the ability to issue up to an additional 2.3 shares as restricted stock shares, restricted stock units, or stock options under our 2002 Stock Compensation Plan, as amended in 2006, 2011 and 2012, and our 2006 Non-Employee Directors' Stock Incentive Plan. Additionally, we may issue a significant number of additional shares, in connection with acquisitions or otherwise. We also may issue a significant number of additional shares, either through an existing shelf registration statement or through other mechanisms. Additional shares issued would have a dilutive effect on our earnings per share.

If the fair value of any of our reporting units is insufficient to recover the carrying value of the goodwill and other intangibles of the respective reporting unit, a material non-cash charge to earnings could result.

At December 31, 2014, we had goodwill and other intangible assets, net, of $2,286.4. We conduct annual impairment testing to determine if we will be able to recover all or a portion of the carrying value of goodwill and indefinite-lived intangibles. In addition, we review goodwill and indefinite-lived intangible assets for impairment more frequently if impairment indicators arise. If the fair value is insufficient to recover the carrying value of our goodwill and indefinite-lived intangibles, we may be required to record a material non-cash charge to earnings.

The fair values of our reporting units generally are based on discounted cash flow projections that are believed to be reasonable under current and forecasted circumstances, the results of which form the basis for making judgments about carrying values of the reported net assets of our reporting units. Other considerations are also incorporated, including comparable price multiples. Many of our businesses closely follow changes in the industries and end markets that they serve. Accordingly, we consider estimates and judgments that affect the future cash flow projections, including principal methods of competition such as volume, price, service, product performance and technical innovations and estimates associated with cost reduction initiatives, capacity utilization, and assumptions for inflation and foreign currency changes. We monitor impairment indicators across all of our businesses. Significant changes in market conditions and estimates or judgments used to determine expected future cash flows that indicate a reduction in carrying value may give, and have given, rise to impairments in the period that the change becomes known.

We are subject to work stoppages, union negotiations, labor disputes and other matters associated with our labor force, which may adversely impact our operations and cause us to incur incremental costs.

At December 31, 2014, we had over 14,000 employees. Seven domestic collective bargaining agreements covered approximately 1,000 employees. We also had various collective labor arrangements as of that date covering certain non-U.S. employee groups. We are subject to potential union campaigns, work stoppages, union negotiations and other potential labor disputes. Further, we may be subject to work stoppages, which are beyond our control, at our suppliers or customers.

Our technology is important to our success, and failure to develop new products may result in a significant competitive disadvantage.

We believe the development of our intellectual property rights is critical to the success of our business. In order to maintain our market positions and margins, we need to continually develop and introduce high quality, technologically advanced and cost-effective products on a timely basis, in many cases in multiple jurisdictions around the world. The failure to do so could result in a significant competitive disadvantage.

Cost reduction actions may affect our business.

Cost reduction actions often result in charges against earnings. These charges can vary significantly from period to period and, as a result, we may experience fluctuations in our reported net income and earnings per share due to the timing of restructuring actions.

Our current and planned products may contain defects or errors that are detected only after delivery to customers. If that occurs, our reputation may be harmed and we may face additional costs.

We cannot assure you that our product development, manufacturing and integration testing will be adequate to detect all defects, errors, failures and quality issues that could impact customer satisfaction or result in claims against us with regard to our products. As a result, we may have, and from time to time have had, to replace certain components and/or provide remediation in response to the discovery of defects in products that are shipped. The occurrence of any defects, errors, failures or quality issues could result in cancellation of orders, product returns, diversion of our resources, legal actions by our customers or our customers' end users and other losses to us or to any of our customers or end users, and could also result in the loss of or delay in market acceptance of our products and loss of sales, which would harm our business and adversely affect our revenues and profitability.

Changes in key estimates and assumptions related to our defined benefit pension and postretirement plans, such as discount rates, assumed long-term return on assets, assumed long-term trends of future cost, and accounting and legislative changes, as well as actual investment returns on our pension plan assets and other actuarial factors, could affect our results of operations and cash flows.

We have defined benefit pension and postretirement plans, including both qualified and non-qualified plans, which cover a portion of our salaried and hourly employees and retirees including a portion of our employees and retirees in foreign countries. As of December 31, 2014, these plans were underfunded by $332.7. The determination of funding requirements and pension expense or income associated with these plans involves significant judgment, particularly with respect to discount rates, long-term trends of future costs and other actuarial assumptions. If our assumptions change significantly due to changes in economic, legislative and/or demographic experience or circumstances, our pension and other benefit plans' expense, funded status and our required cash contributions to such plans could be negatively impacted. In addition, returns on plan assets could have a material impact on our pension plans' expense, funded status and our required contributions to the plans. Changes in regulations or law could also significantly impact our obligations. For example, See "MD&A — Critical Accounting Policies and Use of Estimates" for the impact that changes in certain assumptions used in the calculation of our costs and obligations associated with these plans could have on our results of operations and financial position.

Provisions in our corporate documents and Delaware law may delay or prevent a change in control of our company, and accordingly, we may not consummate a transaction that our shareholders consider favorable.

Provisions of our Certificate of Incorporation and By-laws may inhibit changes in control of our company not approved by our Board. These provisions include, for example: a staggered board of directors; a prohibition on shareholder action by written consent; a requirement that special shareholder meetings be called only by our Chairman, President or Board; advance notice requirements for shareholder proposals and nominations; limitations on shareholders' ability to amend, alter or repeal the By-laws; enhanced voting requirements for certain business combinations involving substantial shareholders; the authority of our Board to issue, without shareholder approval, preferred stock with terms determined in its discretion; and limitations on shareholders' ability to remove directors. In addition, we are afforded the protections of Section 203 of the Delaware General Corporation Law, which could have similar effects. In general, Section 203 prohibits us from engaging in a "business combination" with an "interested shareholder" (each as defined in Section 203) for at least three years after the time the person became an interested shareholder unless certain conditions are met. These protective provisions could result in our not consummating a transaction that our shareholders consider favorable or discourage entities from attempting to acquire us, potentially at a significant premium to our then-existing stock price.

ITEM 1B. Unresolved Staff Comments

None.

ITEM 2. Properties

The following is a summary of our principal properties related to continuing operations as of December 31, 2014:

	Location	No. of Facilities	Approximate Square Footage Owned	Approximate Square Footage Leased
			(in millions)	
Flow Technology reportable segment	12 U.S. states and 22 foreign countries	70	3.7	1.8
Thermal Equipment and Services reportable segment	14 U.S. states and 6 foreign countries	33	3.1	2.4
Industrial Products and Services and Other	7 U.S. states and 4 foreign countries	18	1.2	0.5
Total		121	8.0	4.7

In addition to manufacturing plants, we own our corporate office in Charlotte, NC, and lease our Asia Pacific center in Shanghai, China, our European shared service center in Manchester, United Kingdom and various sales, service and other locations throughout the world. We consider these properties, as well as the related machinery and equipment, to be well maintained and suitable and adequate for their intended purposes.

ITEM 3. Legal Proceedings

We are subject to legal proceedings and claims that arise in the normal course of business. In our opinion, these matters are either without merit or of a kind that should not have a material effect individually or in the aggregate on our financial position, results of operations or cash flows; however, we cannot assure you that these proceedings or claims will not have a material effect on our financial position, results of operations or cash flows.

See "Risk Factors," "MD&A — Critical Accounting Policies and Estimates — Contingent Liabilities," and Note 14 to our consolidated financial statements for further discussion of legal proceedings.

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the New York Stock Exchange under the symbol "SPW."

The number of shareholders of record of our common stock as of February 13, 2015 was 3,733.

Set forth below are the high and low sales prices for our common stock as reported on the New York Stock Exchange composite transaction reporting system for each quarterly period during the years 2014 and 2013, together with dividend information.

	High	Low	Dividends Declared Per Share
2014:			
4th Quarter	$ 103.27	$ 77.30	$ 0.375
3rd Quarter	111.47	95.03	0.375
2nd Quarter	109.93	94.25	0.375
1st Quarter	109.89	93.16	0.375

	High	Low	Dividends Declared Per Share
2013:			
4th Quarter	$ 100.24	$ 80.98	$ 0.25
3rd Quarter	85.47	71.62	0.25
2nd Quarter	80.87	67.19	0.25
1st Quarter	85.82	69.27	0.25

The actual amount of each quarterly dividend, as well as each declaration date, record date and payment date is subject to the discretion of the Board of Directors, and the target dividend level may be adjusted at the discretion of the Board of Directors. The factors the Board of Directors consider in determining the actual amount of each quarterly dividend include our financial performance and ongoing capital needs, our ability to declare and pay dividends, and other factors deemed relevant.

Issuer Purchases of Equity Securities

The following table summarizes the repurchases of common stock during the three months ended December 31, 2014:

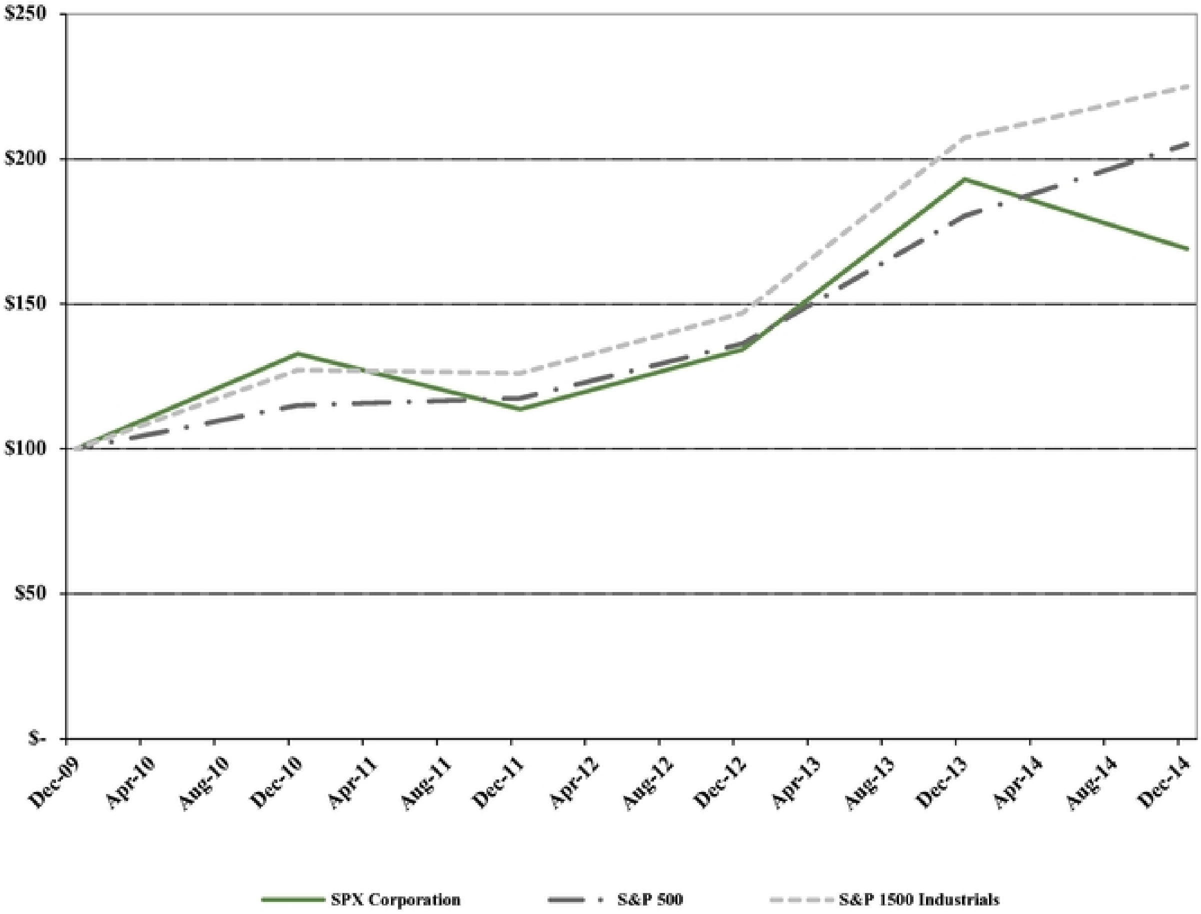
Period	Total Number of Shares Purchased	Average Price Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan or Program(1)	Maximum Approximate Dollar Value of Shares That May Yet be Purchased Under the Plan or Program(1)
9/28/14-10/31/14	700,656(2)	$ 89.85	700,155	
11/1/14-11/30/14	123,327(2)	94.24	123,204	
12/1/14-12/31/14	893(2)	86.14	—	
Total	824,876		823,359	

(1) On December 18, 2013, we entered into a written trading plan under Rule 10b5-1 of the Exchange Act to facilitate the repurchase of up to $500.0 million of shares of our common stock on or before December 31, 2014, in accordance with a share repurchase program authorized by our Board of Directors. During October and November of 2014, we purchased 700,155 and 123,204 shares under the trading plan, respectively, which completed the repurchases authorized under this trading plan.

(2) Includes the surrender to us of 501, 123 and 893 shares of common stock in October, November and December of 2014, respectively, to satisfy tax withholding obligations in connection with the vesting of restricted stock units.

Company Performance

This graph shows a five year comparison of cumulative total returns for SPX, the S&P 500 Index and the S&P Composite 1500 Industrials Index. The graph assumes an initial investment of $100 on December 31, 2009 and the reinvestment of dividends.



	2009	2010	2011	2012	2013	2014
SPX Corporation	$ 100.00	$ 132.82	$ 113.72	$ 134.29	$ 193.00	$ 169.04
S&P 500	100.00	115.06	117.49	136.30	180.44	205.14
S&P 1500 Industrials	100.00	127.24	126.13	146.89	207.39	224.97

ITEM 6. Selected Financial Data

	As of and for the year ended December 31,				
	2014	2013	2012	2011	2010
	(In millions, except per share amounts)				
Summary of Operations					
Revenues[1][2]	$ 4,721.1	$ 4,773.3	$ 4,894.6	$ 4,332.7	$ 3,870.3
Operating income (loss)[2][3][4]	201.9	345.1	(123.9)	254.9	337.0
Other income (expense), net[5][6]	484.6	(11.3)	14.0	(53.6)	(19.6)
Interest expense, net	(61.2)	(104.4)	(108.1)	(91.4)	(81.6)
Loss on early extinguishment of debt[7]	(32.5)	—	—	—	(25.6)
Equity earnings in joint ventures[5]	1.4	42.2	38.6	28.4	30.2
Income (loss) from continuing operations before income taxes	594.2	271.6	(179.4)	138.3	240.4
Income tax (provision) benefit[8]	(214.1)	(60.3)	14.2	5.5	(50.1)
Income (loss) from continuing operations	380.1	211.3	(165.2)	143.8	190.3
Income from discontinued operations, net of tax[6][9]	8.3	1.3	348.4	32.4	34.7
Net income	388.4	212.6	183.2	176.2	225.0
Less: Net income (loss) attributable to noncontrolling interests	(9.5)	2.4	2.8	5.0	(2.8)
Net income attributable to SPX Corporation common shareholders	$ 397.9	$ 210.2	$ 180.4	$ 171.2	$ 227.8
Basic income (loss) per share of common stock:					
Income (loss) from continuing operations	$ 9.19	$ 4.61	$ (3.36)	$ 2.75	$ 3.88
Income from discontinued operations	0.19	0.02	6.97	0.64	0.70
Net income per share	$ 9.38	$ 4.63	$ 3.61	$ 3.39	$ 4.58
Diluted income (loss) per share of common stock:					
Income (loss) from continuing operations	$ 9.05	$ 4.55	$ (3.36)	$ 2.72	$ 3.84
Income from discontinued operations	0.20	0.02	6.97	0.64	0.68
Net income per share	$ 9.25	$ 4.57	$ 3.61	$ 3.36	$ 4.52
Dividends declared per share	$ 1.50	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Other financial data:					
Total assets	$ 5,902.2	$ 6,856.2	$ 7,130.1	$ 7,391.8	$ 5,993.3
Total debt	1,369.7	1,675.6	1,692.0	2,001.1	1,197.6
Other long-term obligations	1,313.4	1,419.8	1,461.8	1,265.5	1,045.6
SPX shareholders' equity	1,817.9	2,158.0	2,224.2	2,184.2	2,043.9
Noncontrolling interests	3.2	14.0	11.3	10.0	6.3
Capital expenditures	61.1	55.1	81.8	145.4	69.6
Depreciation and amortization	109.2	115.1	107.8	83.1	76.7

(1) On December 22, 2011, we completed the acquisition of Clyde Union (Holdings) S.a.r.l. ("Clyde Union") within our Flow Technology reportable segment. Revenues for Clyde Union for the period from January 1, 2011 to the date of acquisition and for 2010, neither of which are included above, totaled $434.2 and $403.4, respectively.

(2) During 2014, we made revisions to expected revenues and costs on our large power projects in South Africa, due primarily to overall project delays and subcontractor challenges, which resulted in a reduction of revenue and operating income of $33.3. See Note 5 to our consolidated financial statements for additional details.

(3) During 2014, 2013, 2012, 2011 and 2010, we recognized income (expense) related to changes in the fair value of plan assets, actuarial gains (losses) and settlement gains (losses) of $(101.5), $0.8, $(149.9), $(38.6) and $1.4, respectively, associated with our pension and postretirement benefit plans.

(4) During 2014, we recorded impairment charges of $11.7 and $8.4 related to the trademarks of certain businesses within our Flow Technology and Thermal Equipment and Services reportable segments, respectively. In addition, during 2014, we recorded an impairment charge of $18.0 related to our Cooling Equipment and Services ("Cooling") reporting unit's investment in the Shanghai Electric — SPX Engineering & Technologies Co., Ltd. joint venture ("Shanghai Electric JV").

During 2013, we recorded impairment charges of $6.7 related to the trademarks of certain businesses within our Flow Technology reportable segment.

During 2012, we recorded impairment charges of $281.4 associated with the goodwill ($270.4) and other long-term assets ($11.0) of our Cooling reporting unit. In addition, we recorded impairment charges of $4.5 related to trademarks for two other businesses within our Thermal Equipment and Services reportable segment.

During 2011, we recorded impairment charges of $28.3, $20.8 of which related to the impairment of goodwill and $7.5 of which related to the impairment of indefinite-lived intangible assets of our SPX Heat Transfer reporting unit within our Thermal Equipment and Services reportable segment.

See Note 8 to our consolidated financial statements for further discussion of impairment charges associated with goodwill and other long-term assets.

(5) During 2014, we completed the sale of our 44.5% interest in EGS to Emerson Electric Co. for cash proceeds of $574.1, which resulted in a pre-tax gain of $491.2. Accordingly, we recognized no equity earnings from this joint venture in 2014. Our equity earnings from this investment totaled $41.9, $39.0, $28.7 and $28.8 in 2013, 2012, 2011 and 2010, respectively.

(6) During 2014, 2013, 2012, 2011 and 2010, we recognized gains (losses) of $(2.4), $0.5, $(0.2), $(37.0) and $(17.3), respectively, associated with foreign currency forward contracts ("FX forward contracts") and currency forward embedded derivatives ("FX embedded derivatives"). The 2011 amount includes a charge of $34.6 related to our hedging a significant portion of the purchase price of the Clyde Union acquisition.

During 2012, we recorded a pre-tax gain of $20.5 associated with the deconsolidation of our dry cooling business in China (see Note 4 to our consolidated financial statements for additional details).

During 2011, we recorded a charge of $19.4 associated with amounts that are deemed uncollectible from an insolvent insurer for certain risk management matters. Of the $19.4 charge, $18.2 was recorded to "Other income (expense), net" and $1.2 to "Gain (loss) on disposition of discontinued operations, net of tax."

(7) During the first quarter of 2014, we completed the redemption of all of our 7.625% senior notes due in December 2014 for a total redemption price of $530.6. As a result of the redemption, we recorded a charge of $32.5 associated with the loss on early extinguishment of debt, which related to premiums paid to redeem the senior notes of $30.6, the write-off of unamortized deferred financing fees of $1.0, and other costs associated with the extinguishment of the senior notes of $0.9.

During 2010, the charge of $25.6 was associated with the loss on early extinguishment of the then-existing interest rate protection agreements and term loan.

(8) During 2014, our income tax provision was impacted by the U.S. income taxes provided in connection with the $491.2 gain on the sale of our interest in EGS and by the following income tax charges: (i) $19.6 related to net increases in valuation allowances recorded against certain foreign deferred income tax assets, including $5.1 for which the related tax benefits are no longer expected to be realized due to legal entity reorganization actions that are required in connection with the planned spin-off transaction previously discussed, (ii) $18.6 related to the repatriation of certain earnings of our non-U.S. subsidiaries and (iii) $6.0 of foreign income taxes related to certain reorganization actions undertaken to facilitate the planned spin-off transaction. The impact of these items was partially offset by the following income tax benefits: (i) $28.6 related to various audit settlements, statute expirations and other adjustments to liabilities for uncertain tax positions, with the most notable being the closure of our U.S. tax examination for the years 2008 through 2011, and (ii) $6.4 of tax benefits related to a loss on an investment in a foreign subsidiary.

During 2013, our income tax provision was favorably impacted by the following benefits: (i) $9.5 related to net reductions in valuation allowances recorded against certain foreign deferred income tax assets; (ii) $6.5 related to various audit settlements and statute expirations; and (iii) $4.1 associated with the Research and Experimentation Credit generated in 2012.

During 2012, our income tax provision was impacted by an income tax benefit of $26.3 associated with the $281.4 impairment charge recorded for our Cooling reporting unit, as the majority of the goodwill for the Cooling reporting unit has no basis for income tax purposes. Additionally, the 2012 income tax provision was negatively impacted by (i) taxes provided of $15.4 on foreign dividends and undistributed earnings that were no longer considered to be indefinitely reinvested; (ii) incremental tax expense of $6.1 associated with the deconsolidation of our dry cooling business in China, as the goodwill allocated to the transaction was not deductible for income tax purposes; and (iii) valuation allowances that were recorded against deferred income tax assets during the year of $5.4. The unfavorable impact of these items was offset partially by income tax benefits of $22.3 associated primarily with audit closures, settlements, statute expirations, and other changes in the accrual for uncertain tax positions, with the most notable being the closure of our German tax examination for the years 2005 through 2009.

During 2011, we adopted an alternative method of allocating certain expenses between foreign and domestic sources for federal income tax purposes. As a result of this election, we determined that it was more likely than not that we would be able to utilize our existing foreign tax credits within the remaining carryforward period. Accordingly, during 2011, we released the valuation allowance on our foreign tax credit carryforwards, resulting in an income tax benefit of $38.5. In addition, during 2011, we recorded income tax benefits of $2.5 associated with the conclusion of a Canadian appeals process and $7.7 of tax credits related to the expansion of our power transformer plant in Waukesha, WI. These tax benefits were offset partially by a $6.9 provision for federal income taxes in connection with our plan to repatriate a portion of the earnings of a foreign subsidiary.

During 2010, we recorded an income tax benefit of $18.2 in connection with the completion of the examinations of our 2006 to 2007 federal income tax returns and a tax benefit of $11.1 related to a reduction in liabilities for uncertain tax positions associated primarily with various foreign and domestic statute expirations and the settlement of state examinations. These benefits were offset partially by a domestic charge of $3.6 associated with the repatriation of foreign earnings.

(9) During 2014, 2013, 2012, 2011 and 2010, we recognized income (expense) related to changes in the fair value of plan assets and actuarial gains (losses), net of tax, of $(2.6), $1.7, $(1.6), $(8.6) and $(0.3), respectively, in "Income (loss) from discontinued operations, net of tax" associated with our pension and postretirement benefit plans.

During 2014, we sold our Thermal Product Solutions, SPX Precision Components, and Fenn LLC businesses, resulting in an aggregate gain of $14.4.

During 2012, we sold our Service Solutions business to Robert Bosch GmbH, resulting in a net gain of $313.4. In addition, we allocated $8.0 of interest expense to discontinued operations during 2012 related to term loan amounts that were required to be repaid in connection with the sale of Service Solutions.

See Note 4 to our consolidated financial statements for additional details regarding our discontinued operations.

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

(All currency and share amounts are in millions)

The following should be read in conjunction with our consolidated financial statements and the related notes. Unless otherwise indicated, amounts provided in Item 7 pertain to continuing operations only (see Note 4 to our consolidated financial statements for information on discontinued operations).

Executive Overview

In 2014, we continued to execute our commitments to improving operational performance, returning capital to shareholders and narrowing our strategic focus around our Flow end markets.

Summarized below is the progress we made in each of these areas during 2014.

Operational Performance

Revenues for 2014 were 1.1% lower than 2013, with the most significant fluctuations related to a decline in sales associated with our large power projects in South Africa, power and energy pumps, and fare collection systems, partially offset by increases in sales of cooling equipment, power transformers and heating and ventilation products. Despite the decline in revenue, aggregate income and the related profit margin for our operating segments increased to $522.1 and 11.1%, respectively, in 2014, compared to $510.1 and 10.7%, respectively, in 2013. Much of the improvement in profitability for our operating segments was the result of cost savings associated with restructuring initiatives implemented within our Flow Technology and Thermal Equipment and Services reportable segments during the second half of 2013 and the first half of 2014, as well as improved operational execution and favorable sales mix within the power and energy, and food and beverage, businesses of our Flow Technology reportable segment. Operating results for 2014 were impacted negatively by a reduction in revenue and income of $33.3 associated with revisions to expected revenues and costs related to our large power projects in South Africa, due primarily to overall project delays and subcontractor challenges. Operating cash flows from continuing operations totaled $81.7 in 2014, compared to $111.6 in 2013. The operating cash flows for 2014 included $235.0 of income tax payments associated with the 2014 sales of our interest in the EGS Electrical Group LLC and Subsidiaries ("EGS") joint venture and our Thermal Product Solutions ("TPS"), SPX Precision Components ("Precision Components") and Fenn LLC ("Fenn") businesses (cash inflows from these dispositions have been included in "Cash flows from investing activities"), while operating cash flows for 2013 included a discretionary pension contribution of $250.0 to the SPX U.S. Pension Plan.

Capital Allocation

Consistent with our disciplined capital allocation methodology, we made the following key capital allocations during 2014:

- $530.6 to repurchase senior notes (see below for additional details);
- $488.8 to repurchase SPX common stock (see below for additional details);
- $61.1 to capital expenditures;
- $60.3 to dividend payments, reflecting a dividend increase implemented in 2014 (from $1.00 per share to $1.50 per share annually); and
- $25.5 to restructuring actions, primarily in our Flow Technology and Thermal Equipment and Services reportable segments.

We remain in a strong financial position, with $427.6 of cash and equivalents and $1,369.7 of total debt at the end of 2014. This compares to cash and equivalents and total debt at the end of 2013 of $691.8 and $1,675.6, respectively.

Divestitures

- Sale of EGS Joint Venture Interest — On January 7, 2014, we completed the sale of our 44.5% interest in the EGS joint venture to Emerson Electric Co. for cash proceeds of $574.1. As a result of the sale, we recorded a gain in 2014 of $491.2 to "Other income (expense), net." See Note 9 to our consolidated financial statements for additional details.
- Sales of TPS, Precision Components and Fenn Businesses — We sold these businesses during 2014 for aggregate cash proceeds of $108.6, resulting in an aggregate gain, net of taxes, of $14.4, which was recorded to "Gain (loss) on disposition of discontinued operations, net of tax." See Note 4 to our consolidated financial statements for additional details.

Additional details on the matters mentioned above and various other matters are discussed below.

Redemption of Senior Notes — On February 11, 2014, we completed the redemption of all our 7.625% senior notes due in December 2014 for a total redemption price of $530.6. As a result of the redemption, we recorded a charge of $32.5 to "Loss on early extinguishment of debt" during 2014, which consisted of premiums paid of $30.6, the write-off of unamortized deferred financing fees of $1.0, and other costs incurred to redeem the notes of $0.9. See Note 12 to our consolidated financial statements for additional details.

Share Repurchases — We repurchased a total of 4.852 shares of our common stock for $488.8 during 2014, which completed the repurchases authorized under the Rule 10b5-1 trading plan entered into on December 18, 2013. See Note 15 to our consolidated financial statements for additional details.

Pension Plan Matters

- Lump-Sum Payment Action for the SPX U.S. Pension Plan — During a designated election period in the first quarter of 2014, we offered approximately 7,100 eligible former employees a voluntary lump-sum payment option in lieu of a future pension benefit under the SPX U.S. Pension Plan (the "U.S. Plan"). Approximately 38%, or $165.2, of the projected liability of the U.S. Plan was settled as a result of the lump-sum payments made to those who accepted the offer. These payments resulted in a settlement loss of $4.6, which has been reflected in net periodic pension benefit expense for 2014. In addition, we recorded an actuarial loss of $14.8 in the first quarter of 2014 resulting from the remeasurement of the assets and obligations of the U.S. Plan, which was required in connection with the lump-sum payment action.

- Partial Annuitization of the SPX U.K. Pension Plan — On December 17, 2014, we executed an agreement to transfer obligations for monthly pension payments to retirees under the SPX U.K. Pension Plan (the "U.K. Plan") to Just Retirement Limited. The U.K. Plan paid Just Retirement Limited 79.2 British Pounds ("GBP") ($123.3 equivalent) to irrevocably assume pension obligations totaling approximately GBP 68.0 ($105.8 equivalent). The partial annuitization of the U.K. Plan resulted in a settlement loss of $15.0, which has been included in net periodic pension benefit expense for 2014.

- We recognize changes in the fair value of plan assets and actuarial gains and losses into earnings in the fourth quarter of each year, unless earlier remeasurement is required, as a component of net periodic benefit expense. In connection with this accounting policy, we recognized a charge to net periodic benefit expense during the fourth quarter of 2014 of $71.9. Such charge resulted from reductions in discount rates and changes to our mortality rate assumptions, partially offset by better than expected returns on our plans' assets.

See Note 10 to our consolidated financial statements for additional details on the above matters.

Impairment Charges — During 2014, we recorded impairment charges of $38.1 related to the following:

- $11.7 and $8.4 related to trademarks of certain businesses within our Flow Technology and Thermal and Equipment and Services reportable segments, respectively; and

- $18.0 related to our Cooling reporting unit's investment in the Shanghai Electric JV.

See Note 8 to our consolidated financial statements for additional details on the above charges.

Planned Spin-Off Transaction

On October 29, 2014, we announced that our Board of Directors had unanimously approved a plan for a tax-free spin-off of our Flow Technology reportable segment and our Hydraulic Technologies business, a business currently reported within Industrial Products and Services and Other. The spin-off would create a new stand-alone, publicly-traded company focused on providing highly engineered technologies and services to customers in the global power and energy, food and beverage, and industrial markets. We currently expect the transaction to be completed during the third quarter of 2015.

One-time costs, net of income taxes, associated with this planned transaction are expected to be in the range of $60.0 to $80.0, inclusive of income taxes on the repatriation of foreign earnings. We incurred the following costs in 2014 related to the above planned transaction:

- Professional services and related transaction support costs of $3.5 (included in "Selling, general and administrative" expense);

- Fees and related transaction costs of $5.0 to obtain the consents required of the holders of our 6.875% senior notes to amend certain provisions to the indenture governing such senior notes, allowing these senior notes to become obligations of the new stand-alone, publicly-traded company mentioned above if, and when, the spin-off transaction is completed (included in "Other income (expense), net");

- U.S. income and foreign withholding taxes of $18.6 as a result of our election in the fourth quarter of 2014 to repatriate certain earnings of our non-U.S. subsidiaries;

- Foreign income taxes of $6.0 related to certain legal entity reorganization actions undertaken to facilitate the planned spin-off transaction; and

- Foreign income taxes provided of $5.1 associated with valuation allowances that have been recorded against deferred income tax assets, as the related tax benefits are no longer expected to be realized due to the legal entity reorganization actions noted above.

In connection with the planned spin-off transaction, we determined that we would no longer pursue the sale of our Flash Technologies business, a business previously reported in discontinued operations. Accordingly, we have reclassified the results of operations, assets and liabilities, and cash flows of this business to continuing operations for all periods presented. This business is included within Industrial Products and Services and Other.

Income Taxes — During 2014, our income tax provision was impacted primarily by U.S. income taxes provided in connection with the $491.2 gain on the sale of our interest in EGS, as well as discrete income tax charges of $9.2. These charges were composed primarily of (i) the $29.7 of aggregate tax charges noted above and (ii) $14.5 related to additional net increases in valuation allowances recorded against certain foreign deferred income tax assets. These charges were partially offset by tax benefits of (i) $28.6 related to various audit settlements, statute expirations and other adjustments to liabilities for uncertain tax positions, and (ii) $6.4 related to a loss on an investment in a foreign subsidiary.

Results of Continuing Operations

Seasonality and Competition — Many of our businesses closely follow changes in the industries and end markets they serve. In addition, certain businesses have seasonal fluctuations. Demand in the oil and gas aftermarket is typically stronger in the second half of the year. Our heating and ventilation products businesses tend to be stronger during the third and fourth quarters, as customer buying habits are driven largely by seasonal weather patterns. Demand for cooling towers, food and beverage systems and related services is highly correlated to timing on large construction contracts, which may cause significant fluctuations in our financial performance from period to period. In aggregate, our businesses generally tend to be stronger in the second half of the year.

Although our businesses operate in highly competitive markets, our competitive position cannot be determined accurately in the aggregate or by segment since our competitors do not offer all the same product lines or serve all the same markets. In addition, specific reliable comparative figures are not available for many of our competitors. In most product groups, competition comes from numerous concerns, both large and small. The principal methods of competition are service, product performance, technical innovation and price. These methods vary with the type of product sold. We believe we compete effectively on the basis of each of these factors. See "Business — Reportable Segments and Other Operating Segments" for a discussion of our competitors.

Non-GAAP Measures — Organic revenue growth (decline) presented herein is defined as revenue growth (decline) excluding the effects of foreign currency fluctuations and acquisitions. We believe this metric is a useful financial measure for investors in evaluating our operating performance for the periods presented, as, when read in conjunction with our revenues, it presents a useful tool to evaluate our ongoing operations and provides investors with a tool they can use to evaluate our management of assets held from period to period. In addition, organic revenue growth (decline) is one of the factors we use in internal evaluations of the overall performance of our business. This metric, however, is not a measure of financial performance under accounting principles generally accepted in the United States ("GAAP"), should not be considered a substitute for net revenue growth (decline) as determined in accordance with GAAP and may not be comparable to similarly titled measures reported by other companies.

The following table provides selected financial information for the years ended December 31, 2014, 2013 and 2012, including the reconciliation of organic revenue decline to net revenue decline:

	Year ended December 31, 2014	2013	2012	2014 vs. 2013%	2013 vs. 2012%
Revenues	$ 4,721.1	$ 4,773.3	$ 4,894.6	(1.1)	(2.5)
Gross profit	1,363.6	1,381.0	1,340.4	(1.3)	3.0
% of revenues	28.9%	28.9%	27.4%		
Selling, general and administrative expense	1,068.7	963.9	1,120.9	10.9	(14.0)
% of revenues	22.6%	20.2%	22.9%		
Intangible amortization	31.8	33.0	34.1	(3.6)	(3.2)
Impairment of goodwill and other long-term assets	38.1	6.7	285.9	*	*
Special charges, net	23.1	32.3	23.4	(28.5)	38.0
Other income (expense), net	484.6	(11.3)	14.0	*	*
Interest expense, net	(61.2)	(104.4)	(108.1)	(41.4)	(3.4)
Loss on early extinguishment of debt	(32.5)	—	—	*	*
Equity earnings in joint ventures	1.4	42.2	38.6	(96.7)	9.3
Income (loss) from continuing operations before income taxes	594.2	271.6	(179.4)	118.8	*
Income tax (provision) benefit	(214.1)	(60.3)	14.2	255.1	*
Income (loss) from continuing operations	380.1	211.3	(165.2)	79.9	*
Components of consolidated revenue decline:					
Organic decline				(0.4)	(1.8)
Foreign currency				(0.7)	(0.8)
Acquisition				—	0.1
Net revenue decline				(1.1)	(2.5)

* Not meaningful for comparison purposes.

Revenues — For 2014, the decrease in revenues, compared to 2013, was due to the strengthening of the U.S. dollar during the period and, to a lesser extent, a decrease in organic revenue. The decrease in organic revenue was attributable primarily to a decrease within our Flow Technology reportable segment, with such decrease generally offset by an increase within our Thermal Equipment and Services reportable segment (see "Results of Reportable Segments and Other Operating Segments" for additional details).

For 2013, the decrease in revenues, compared to 2012, was due to a decline in organic revenues and, to a lesser extent, the impact of a stronger U.S. dollar (primarily versus the South African Rand). The decline in organic revenues was attributable primarily to declines within our Thermal Equipment and Services reportable segment and, to a lesser extent, our Flow Technology reportable segment, partially offset by an increase in sales within Industrial Products and Services and Other (see "Results of Reportable Segments and Other Operating Segments" for additional details).

Gross Profit — The decrease in gross profit, compared to 2013, was primarily due to a decline in revenues. In addition, gross profit and gross profit as a percentage of revenues in 2014 were negatively impacted by (i) revisions to expected revenues and costs on our large power projects in South Africa, which resulted in a reduction of gross profit during 2014 of $33.3 (see Note 5 to our consolidated financial statements for additional details), (ii) lower sales of fare collection systems and (iii) an increased mix of lower margin power transformer sales. These decreases in gross profit and gross profit as a percentage of revenues generally were offset by improved operating execution and favorable sales mix within our Flow Technology reportable segment, as well as cost reductions associated with restructuring initiatives within our Flow Technology and Thermal Equipment and Services reportable segments.

The increase in gross profit and gross profit as a percentage of revenue during 2013, compared to 2012, was primarily the result of improved operating performance within certain European and U.S. locations of our Flow Technology reportable segment, which offset the impact of lower organic revenue for the segment, as well as project execution challenges experienced by the segment's food and beverage business. In addition, gross profit and gross profit as a percentage of revenues were impacted favorably in 2013 by organic revenue growth across all of the businesses within Industrial Products and Services and Other and improved operating execution within our power transformer business.

Selling, General and Administrative ("SG&A") Expense — For 2014, the increase in SG&A expense, compared to 2013, was due primarily to an increase in (i) pension and postretirement expense of $126.2 (an overall increase in pension and postretirement expense of $131.5, with $5.3 included in "Cost of products sold") and, to a lesser extent, (ii) incentive compensation expense of $18.1 and (iii) stock-based compensation of $5.5. These increases were partially offset by the impacts of (i) cost reductions from restructuring actions completed in 2013 and 2014 within our Flow Technology and Thermal Equipment and Services reportable segments and (ii) foreign currency translation.

The increase in pension and postretirement expense reflects an increase in actuarial losses recognized in SG&A of $99.2 (from a gain of $1.0 recognized in 2013 to a loss of $98.2 recognized in 2014), resulting primarily from reductions in discount rates and changes in mortality rate assumptions utilized to measure our pension and postretirement obligations, as well as settlement losses associated with the lump-sum payment action for the U.S. Plan during the first quarter of 2014 and the transfer of the obligations for monthly pension payments to retirees under the U.K. Plan to an insurance company during the fourth quarter of 2014. Increases in pension and postretirement expense were partially offset by favorable plan asset returns, compared to expected rates of return, during 2014.

For 2013, the decrease in SG&A expense, compared to 2012, was due primarily to a decrease in (i) pension and postretirement expense of $166.6 (an overall decrease in pension and postretirement expense of $175.7, with $9.1 included in "Cost of products sold") and (ii) stock-based compensation of $6.0. The decrease in pension and postretirement expense reflects a decrease in actuarial losses recognized in SG&A of $143.4 (from a loss of $142.4 recognized in 2012 to a gain of $1.0 recognized in 2013) and a reduction in expense resulting from a $250.0 discretionary contribution to our domestic qualified pension plan in April of 2013. These decreases in SG&A were offset partially by an increase in incentive compensation in 2013 of $14.7.

Intangible Amortization — For 2014, the decrease in intangible amortization, compared to 2013, was due primarily to the impact of foreign currency translation.

For 2013, the decrease in intangible amortization, compared to 2012, was due primarily to certain intangible assets becoming fully amortized during 2012.

Impairment of Goodwill and Other Long-Term Assets — During 2014, we recorded impairment charges of $11.7 and $8.4 related to the trademarks of certain businesses within our Flow Technology and Thermal Equipment and Services reportable segments, respectively. In addition, during 2014, we recorded an impairment charge of $18.0 related to our Cooling reporting unit's investment in the Shanghai Electric JV.

During 2013, we recorded impairment charges of $6.7 related to the trademarks of certain businesses within our Flow Technology reportable segment.

During 2012, we recorded impairment charges of $281.4 associated with the goodwill ($270.4) and other long-term assets ($11.0) of our Cooling reporting unit. In addition, we recorded impairment charges of $4.5 related to trademarks for two businesses within our Thermal Equipment and Services reportable segment.

See Note 8 to our consolidated financial statements for further discussion of impairment charges.

Special Charges, Net — Special charges, net, related primarily to restructuring initiatives to consolidate manufacturing, distribution, sales and administrative facilities, reduce workforce, and rationalize certain product lines, as well as related asset impairment charges. See Note 6 to our consolidated financial statements for the details of actions taken in 2014, 2013 and 2012. The components of special charges, net, were as follows:

	Year ended December 31,		
	2014	2013	2012
Employee termination costs	$ 19.8	$ 29.2	$ 22.6
Facility consolidation costs	0.9	1.0	2.4
Other cash costs (recoveries), net	0.9	0.1	(4.4)
Non-cash asset write-downs	1.5	2.0	2.8
Total	$ 23.1	$ 32.3	$ 23.4

Other Income (Expense), Net — Other income, net, for 2014 was composed primarily of the gain on sale of our interest in EGS of $491.2 and, to a much lesser extent, investment-related earnings of $9.0 and gains on FX embedded derivatives of $5.4, partially offset by (i) losses on FX forward contracts of $7.8, (ii) a charge of $5.0 to obtain the consents required of the holders of our 6.875% senior notes to amend certain provisions to the indenture governing such senior notes, with such consent obtained in connection with the planned spin-off transaction previously discussed, and (iii) foreign currency transaction losses of $4.7.

Other expense, net, for 2013 was composed primarily of foreign currency transaction losses of $16.1 and losses on FX forward contracts of $0.1, partially offset by gains on FX embedded derivatives of $0.6 and investment-related earnings of $4.2.

Other income, net, for 2012 was composed primarily of a gain of $20.5 associated with the deconsolidation of our dry cooling products business in China, investment-related earnings of $9.9, and gains on FX forward contracts of $0.2, partially offset by foreign currency transaction losses of $12.2 and losses on FX embedded derivatives of $0.4.

Interest Expense, Net — Interest expense, net, includes both interest expense and interest income. The decrease in interest expense, net, during 2014, compared to 2013, was primarily a result of the redemption of all our 7.625% senior notes during the first quarter of 2014 and, to a lesser extent, lower average interest rates and fees related to our senior credit facilities. (See "MD&A — Liquidity and Financial Condition" and Note 12 to our consolidated financial statements for further details pertaining to our 2014 debt activity.)

The decrease in interest expense, net, during 2013, compared to 2012, was primarily the result of a decrease in the average outstanding borrowings on our revolving credit facilities and trade receivables financing arrangement from $162.0 during 2012 to $8.8 during 2013. Interest expense in 2013 included a charge of $1.0 associated with the write-off of deferred financing costs as a result of the amendment of our senior credit facilities.

Loss on Early Extinguishment of Debt — As previously noted, in the first quarter of 2014, we completed the redemption of all our 7.625% senior notes due in December 2014 for a total redemption price of $530.6. As a result of the redemption, we recorded a charge of $32.5 during 2014, which consisted of the premiums paid of $30.6, the write-off of unamortized deferred financing fees of $1.0, and other costs incurred to redeem the notes of $0.9.

Equity Earnings in Joint Ventures — Prior to 2014, our equity earnings in joint ventures were attributable primarily to our investment in EGS. As previously noted, we completed the sale of our investment interest in EGS in January 2014. Accordingly, we recognized no equity earnings from this joint venture during 2014. Our equity earnings from this investment totaled $41.9 and $39.0 during 2013 and 2012, respectively. See Note 9 to our consolidated financial statements for additional information regarding our investment in EGS.

Income Taxes — During 2014, we recorded an income tax provision of $214.1 on $594.2 of pre-tax income from continuing operations, resulting in an effective tax rate of 36.0%. The effective tax rate for 2014 was impacted by the U.S. income taxes provided in connection with the $491.2 gain on the sale of our interest in EGS and by the following income tax charges: (i) $19.6 related to net increases in valuation allowances recorded against certain foreign deferred income tax assets, including $5.1 for which the related tax benefits are no longer expected to be realized due to legal entity reorganization actions required in connection with the planned spin-off transaction previously discussed, (ii) $18.6 related to the repatriation of certain earnings of our non-U.S. subsidiaries and (iii) $6.0 of foreign income taxes related to certain reorganization actions undertaken to facilitate the planned spin-off transaction. The impact of these items was partially offset by the following income tax benefits: (i) $28.6 of tax benefits related to various audit settlements, statute expirations and other adjustments to liabilities for uncertain tax positions, with the most notable being the closure of our U.S. tax examination for the years 2008 through 2011, and (ii) $6.4 of tax benefits related to a loss on an investment in a foreign subsidiary.

During 2013, we recorded an income tax provision of $60.3 on $271.6 of pre-tax income from continuing operations, resulting in an effective tax rate of 22.2%. The effective tax rate for 2013 was impacted favorably by income tax benefits of (i) $9.5 associated with net reductions in valuation allowances recorded against certain foreign deferred income tax assets, (ii) $6.5 recorded in connection with various audit settlements and statute expirations during the period, and (iii) $4.1 related to the Research and Experimentation Credit generated in 2012.

During 2012, we recorded an income tax benefit of $14.2 on a pre-tax loss from continuing operations of $179.4, resulting in an effective tax rate of 7.9%. The effective tax rate for 2012 was impacted by (i) an income tax benefit of $26.3 associated with the $281.4 impairment charge recorded for our Cooling reporting unit's goodwill and other long-term assets, as the majority of the goodwill for the Cooling reporting unit has no basis for income tax purposes, (ii) taxes provided of $15.4 on foreign dividends and undistributed earnings that were no longer considered to be indefinitely reinvested, (iii) incremental tax expense of $6.1 associated with the deconsolidation of our dry cooling business in China, as the goodwill allocated to the transaction was not deductible for income tax purposes, and (iv) valuation allowances that were recorded against deferred income tax assets during the year of $5.4. These income tax charges were offset partially by income tax benefits of $22.3 associated with audit closures, settlements, statute expirations, and other changes in the accrual for uncertain tax positions, with the most notable being the closure of our German tax examination for the years 2005 through 2009.

Results of Discontinued Operations

For 2014, 2013 and 2012, income from discontinued operations and the related income taxes are shown below:

	Year ended December 31,		
	2014	2013	2012
Income from discontinued operations	$ 22.1	$ 3.6	$ 612.7
Income tax provision	(13.8)	(2.3)	(264.3)
Income from discontinued operations, net	$ 8.3	$ 1.3	$ 348.4

For 2014, 2013 and 2012, results of operations from our businesses reported as discontinued operations were as follows:

	Year ended December 31,		
	2014	2013	2012
Revenues	$ 27.7	$ 148.9	$ 1,030.6
Pre-tax income (loss)	(6.1)	7.0	57.1

Discontinued Operations

As part of our operating strategy, we regularly review and negotiate potential divestitures, some of which are or may be material.

We report businesses or asset groups as discontinued operations when, among other things, we terminate the operations of the business or asset group, commit to a plan to divest the business or asset group or actively begin marketing the business or asset group, and the sale of the business or asset group is deemed probable within the next twelve months.

In connection with the planned spin-off transaction previously discussed, we determined that we would no longer pursue the sale of our Flash Technologies business, a business that was previously reported in discontinued operations. Accordingly, we have reclassified the results of operations, assets and liabilities, and cash flows of this business to continuing operations for all periods presented. This business is included within Industrial Products and Services and Other.

The following businesses, which have been sold or for which operations have been terminated, met the above requirements and therefore have been reported as discontinued operations for all periods presented:

Business	Quarter Discontinued	Quarter of Sale or Termination of Operations
Fenn LLC ("Fenn")	Q3 2013	Q3 2014
SPX Precision Components ("Precision Components")	Q3 2013	Q2 2014
Thermal Product Solutions ("TPS")	Q3 2013	Q1 2014
Broadcast Antenna System business ("Dielectric")	Q2 2013	Q2 2013
Crystal Growing business ("Kayex")	Q1 2013	Q1 2013
TPS Tianyu Equipment Co., Ltd. ("Tianyu")	Q4 2012	Q4 2012
Weil-McLain (Shandong) Cast-Iron-Boiler Co., Ltd. ("Weil-McLain Shandong")	Q4 2012	Q4 2012
SPX Service Solutions ("Service Solutions")	Q1 2012	Q4 2012

Fenn — Sold for cash consideration of $3.5 during 2014, resulting in a loss, net of taxes, of $0.4.

Precision Components — Sold for cash consideration of $62.6 during 2014 (inclusive of cash paid of $0.4 associated with the working capital settlement), resulting in a loss, net of taxes, of $6.9.

TPS — Sold for cash consideration of $42.5 during 2014, resulting in a gain, net of taxes, of $21.7.

Dielectric — We sold assets of the business during 2013 for cash consideration of $4.7, resulting in a gain of less than $0.1.

Kayex — We closed the business during 2013. We recorded a gain, net of taxes, of $1.3 during 2013 associated primarily with a gain on the sale of a perpetual license related to certain of the business's intangible assets, which was partially offset by a loss related to severance costs and asset impairment charges. Proceeds from the sale of the perpetual license totaled $6.9.

Tianyu — Sold for cash consideration of one Chinese Yuan ("CNY") (exclusive of cash transferred with the business of $1.1), resulting in a loss, net of taxes, of $1.8 during 2012.

Weil-McLain Shandong — Sold for cash consideration of $2.7 (exclusive of cash transferred with the business of $3.1), resulting in a gain, net of taxes, of $2.2 during 2012. During 2013, we received $1.1 associated with the working capital settlement and reduced the net gain by $0.4. During 2014, we decreased the net gain by $1.1 as a result of revisions to income tax liabilities related to the sale.

Service Solutions — Sold to Robert Bosch GmbH for cash consideration of $1,134.9, resulting in a gain, net of taxes, of $313.4 during 2012. During 2013, we received $0.8 associated with the working capital settlement and reduced the net gain by $0.3, associated primarily with the working capital settlement and revisions to income tax and other liabilities related to the sale. During 2014, we increased the net gain by $2.1, primarily as a result of revisions to income tax liabilities related to the sale.

In addition to the businesses discussed above, we recognized net losses of $2.1, $4.6 and $0.4 during 2014, 2013 and 2012, respectively, resulting from adjustments to gains/losses on dispositions of businesses discontinued prior to 2012.

The final sales price for certain of the divested businesses is subject to adjustment based on working capital existing at the respective closing dates. The working capital figures are subject to agreement with the buyers or, if we cannot come to agreement with the buyers, an arbitration or other dispute-resolution process. Final agreement of the working capital figures with the buyers for certain of these transactions has yet to occur. In addition, changes in estimates associated with liabilities retained in connection with a business divestiture (e.g., income taxes) may occur. It is possible that the sales price and resulting gains/losses on these and other previous divestitures may be materially adjusted in subsequent periods.

Results of Reportable Segments and Other Operating Segments

The following information should be read in conjunction with our consolidated financial statements and related notes. These results exclude the operating results of discontinued operations for all periods presented. See Note 5 to our consolidated financial statements for a description of each of our reportable segments and other operating segments.

Non-GAAP Measures — Throughout the following discussion of reportable and other operating segments, we use "organic revenue" growth (decline) to facilitate explanation of the operating performance of our segments. Organic revenue growth (decline) is a non-GAAP financial measure, and is not a substitute for net revenue growth (decline). Refer to the explanation of this measure and purpose of use by management under "Results of Continuing Operations — Non-GAAP Measures."

Flow Technology Reportable Segment

	Year ended December 31,			2014 vs.	2013 vs.
	2014	2013	2012	2013%	2012%
Revenues	$ 2,596.1	$ 2,638.0	$ 2,682.2	(1.6)	(1.6)
Income	361.9	308.3	285.1	17.4	8.1
% of revenues	13.9%	11.7%	10.6%		
Components of revenue decline:					
Organic decline				(1.3)	(1.5)
Foreign currency				(0.3)	(0.2)
Acquisition				—	0.1
Net revenue decline				(1.6)	(1.6)

Revenues — For 2014, the decrease in revenues, compared to 2013, was due to a decline in organic revenue and, to a lesser extent, the strengthening of the U.S. dollar during the period. The decline in organic revenue was due primarily to lower sales of power and energy pumps, partially offset by increased sales of food and beverage systems.

For 2013, the decrease in revenues, compared to 2012, was due primarily to an organic revenue decline and, to a lesser extent, the strengthening of the U.S. dollar during the period. The decline in organic revenue was due primarily to lower sales of food and beverage systems projects in Asia Pacific and lower sales of Clyde Union's original equipment oil and gas pumps. These declines were offset partially by an increase in sales of valves, closures and other components into oil and gas markets, primarily in North America and Europe, as well as increased food and beverage systems revenues in Europe.

Income — For 2014, income and margin increased, compared to 2013, primarily due to (i) improved operating execution and favorable sales mix associated primarily with the segment's power and energy and food and beverage businesses and (ii) cost reductions associated with restructuring initiatives at various locations in Europe and the United States.

For 2013, income and margin increased, compared to 2012, due to improved operating execution at a number of businesses within the segment, cost reductions associated with restructuring initiatives implemented at Clyde Union, and the increased sales of oil and gas components at our European and U.S. facilities, which more than offset the impact of the organic revenue decline described above, as well as execution challenges on certain large food and beverage systems projects experienced in 2013. In addition, in 2012, income and margin were diluted by $8.1 associated with the excess fair value (over historical cost) of inventory acquired in the Clyde Union transaction and subsequently sold in the first half of 2012.

Backlog — The segment had backlog of $1,149.3 and $1,387.4 as of December 31, 2014 and 2013, respectively. Approximately 87% of the segment's backlog as of December 31, 2014 is expected to be recognized as revenue during 2015.

Thermal Equipment and Services Reportable Segment

	Year Ended December 31,			2014 vs.	2013 vs.
	2014	2013	2012	2013%	2012%
Revenues	$ 1,329.9	$ 1,344.2	$ 1,490.9	(1.1)	(9.8)
Income	52.4	81.9	106.7	(36.0)	(23.2)
% of revenues	3.9%	6.1%	7.2%		
Components of revenue decline:					
Organic growth (decline)				0.9	(7.4)
Foreign currency				(2.0)	(2.4)
Net revenue decline				(1.1)	(9.8)

Revenues — For 2014, the decrease in revenues, compared to 2013, was due to the impact of a stronger U.S. dollar during the period (versus primarily the South African Rand and Euro), partially offset by an increase in organic revenue. The organic revenue growth was the result of increases in sales of cooling equipment in the U.S. and Asia Pacific, as well as heating and ventilation products in the U.S., partially offset by the expected decrease in revenues associated with the large power projects in South Africa.

For 2013, the decrease in revenues, compared to 2012, was due to an organic revenue decline and, to a lesser extent, the impact of a stronger U.S. dollar (primarily versus the South African Rand). The organic revenue decline was due primarily to a decrease in power generation equipment and service sales in North America and Europe, and the expected winding down of our large power projects in South Africa.

Income — For 2014, income and margin decreased, compared to 2013, primarily due to the reduction in income on the large power projects in South Africa of approximately $50.0. The decline in income for these projects resulted from the expected decrease in revenues noted above and revisions to expected revenues and costs on the projects, due to overall project delays and subcontractor challenges, which resulted in a reduction of income during 2014 of $33.3 (see Note 5 to our consolidated financial statements for additional details). This decline in income and margin was offset partially by the impact of cost reductions associated with restructuring initiatives and improved profitability associated with the segment's heating and ventilation products primarily related to the organic revenue growth described above.

For 2013, income and margin decreased, compared to 2012, primarily due to the organic revenue decline described above, offset partially by improved execution and cost reductions associated with restructuring actions initiated in the first half of 2013.

Backlog — The segment had backlog of $714.1 and $675.4 as of December 31, 2014 and 2013, respectively. Approximately 70% of the segment's backlog as of December 31, 2014 is expected to be recognized as revenue during 2015. Portions of this backlog are long-term in nature, with the related revenues expected to be recorded through 2015 and beyond. The backlog figures as of December 31, 2014 and 2013 exclude approximately $70.0 and $100.0, respectively, of estimated price increases related to cost inflation on our large power projects in South Africa.

Industrial Products and Services and Other

	Year Ended December 31,			2014 vs.	2013 vs.
	2014	2013	2012	2013%	2012%
Revenues	$ 795.1	$ 791.1	$ 721.5	0.5	9.6
Income	107.8	119.9	99.3	(10.1)	20.7
% of revenues	13.6%	15.2%	13.8%		
Components of revenue growth:					
Organic growth				0.1	9.6
Foreign currency				0.4	—
Net revenue growth				0.5	9.6

Revenues — For 2014, the increase in revenues, compared to 2013, was due to the strengthening of the U.S. dollar during the period and, to a lesser extent, an increase in organic revenue. The increase in organic revenue was due primarily to an increase in power transformer volume, partially offset by lower sales of fare collection systems and tower and obstruction lights and monitoring equipment.

For 2013, the increase in revenues, compared to 2012, was due primarily to an increase in organic revenue related to increased sales for most of the businesses within the group, with the most significant contributors being power transformers and fare collection systems.

Income — For 2014, income and margin decreased, compared to 2013, primarily due to a decline in fare collection systems sales and profit. Margins were also impacted by the increased mix of lower margin power transformer sales.

For 2013, the increase in income and margin, compared to 2012, was due primarily to leverage on increased sales volumes and improved operating execution at our power transformer business.

Backlog — The segment had backlog of $335.9 and $286.1 as of December 31, 2014 and 2013, respectively. Approximately 90% of the segment's backlog as of December 31, 2014 is expected to be recognized as revenue during 2015.

Corporate Expense and Other Expense (Income)

	Year Ended December 31,			2014 vs.	2013 vs.
	2014	2013	2012	2013%	2012%
Total consolidated revenues	$ 4,721.1	$ 4,773.3	$ 4,894.6	(1.1)	(2.5)
Corporate expense	106.8	110.8	108.8	(3.6)	1.8
% of revenues	2.3%	2.3%	2.2%		
Pension and postretirement expense (income)	113.8	(17.7)	158.0	*	*
Stock-based compensation expense	38.4	32.9	38.9	16.7	(15.4)

* Not meaningful for comparison purposes.

Corporate Expense — Corporate expense generally relates to the cost of our Charlotte, NC corporate headquarters and our Asia Pacific center in Shanghai, China. Corporate expense for 2013 included costs of $7.7 associated with earnings on participant deferred compensation balances, while such earnings were included in "Other income (expense), net" during 2014. The impact of this decline on 2014 corporate expense was offset partially by an increase in incentive compensation expense.

Corporate expense increased during 2013, compared to 2012, due primarily to an increase in the incentive compensation expense.

Pension and Postretirement Expense (Income) — Pension and postretirement expense (income) represents our consolidated expense (income), which we do not allocate for segment reporting purposes. We recognize changes in the fair value of plan assets and actuarial gains and losses in earnings during the fourth quarter of each year, unless earlier remeasurement is required, as a component of net periodic benefit expense. The remaining components of pension and postretirement expense (income), primarily service and interest costs and expected return on plan assets, are recorded on a quarterly basis.

Pension and postretirement expense for 2014 included changes in the fair value of plan assets and actuarial losses of $71.9 that resulted primarily from reductions in discount rates and changes in mortality rate assumptions utilized to measure our pension and postretirement obligations, partially offset by favorable plan asset returns, compared to expected returns during 2014. Pension and postretirement expense also included net losses of $29.6 associated with charges of (i) $19.4 for the lump-sum payment action related to the U.S. Plan during the first quarter of 2014 and (ii) $15.0 related to the premium paid in order to transfer monthly payments to retirees under the U.K. Plan to an insurance company during the fourth quarter of 2014, partially offset by a reduction of $4.8 to the estimated settlement loss that was recorded during the fourth quarter of 2013 in connection with the transfer of the pension obligation for the retirees of the U.S. Plan to an insurance company.

Pension and postretirement income for 2013 included changes in the fair value of plan assets and actuarial gains of $0.8 that resulted primarily from an increase in discount rates during the year, partially offset by the premium paid in order to transfer the monthly payments to retirees under the U.S. Plan to an insurance company. In addition, pension and postretirement income for 2013 was impacted favorably by a discretionary contribution of $250.0 to the U.S. Plan during April 2013.

Pension and postretirement expense for 2012 included changes in the fair value of plan assets and actuarial losses of $149.9, associated primarily with a decrease in discount rates during the year.

See Note 10 to our consolidated financial statements for further details on our pension and postretirement plans.

Stock-based Compensation Expense — Stock-based compensation expense represents our consolidated expense, which we do not allocate for segment reporting purposes. The increase in stock-based compensation expense for 2014, compared to 2013, was primarily the result of an increase in the fair value of the 2014 restricted stock share and restricted stock unit awards, as the weighted-average fair value of the 2014 awards was approximately 41% higher than the 2013 awards.

The decrease in stock-based compensation expense for 2013, compared to 2012, was due primarily to a reduction in stock-based compensation associated with our executive officer group, as well as an increase in forfeitures during 2013.

Liquidity and Financial Condition

Listed below are the cash flows from (used in) operating, investing and financing activities, and discontinued operations, as well as the net change in cash and equivalents for the years ended December 31, 2014, 2013 and 2012.

	Years Ended December 31, 2014	2013	2012
Continuing operations:			
Cash flows from operating activities	$ 81.7	$ 111.6	$ 68.0
Cash flows from (used in) investing activities	519.8	(48.2)	(95.3)
Cash flows used in financing activities	(902.8)	(335.4)	(669.6)
Cash flows from (used in) discontinued operations	102.3	(4.8)	1,127.8
Change in cash and equivalents due to changes in foreign currency exchange rates	(65.2)	(15.5)	2.2
Net change in cash and equivalents	$ (264.2)	$ (292.3)	$ 433.1

2014 Compared to 2013

Operating Activities — Cash flows from operating activities during 2014 included income tax payments, net of refunds, of $314.8 (compared to $50.3 in 2013), including $235.0 related to the sales of our interest in EGS and the TPS, Precision Components and Fenn businesses. Cash flows from operating activities during 2013 included a $250.0 discretionary contribution to the U.S. Plan.

Investing Activities — The increase in cash flows from investing activities during 2014, compared to 2013, was due primarily to proceeds from the sale of our interest in EGS of $574.1.

Financing Activities — During 2014, net cash used in financing activities of $902.8 was due primarily to the redemption of all our 7.625% senior notes due in December 2014 for $530.6, repurchases of our common stock of $488.8, and dividends paid of $60.3, partially offset by net borrowings on other debt facilities of $191.0. During 2013, net cash used in financing activities of $335.4 was due primarily to repurchases of our common stock of $260.2, dividends paid of $34.7, and net repayments of debt of $20.8.

Discontinued Operations — Cash flows from discontinued operations during 2014 included aggregate cash proceeds related to the sales of the TPS, Precision Components and Fenn businesses of $108.6, as well as operating and other investing cash flows related primarily to these businesses, while cash flows used in discontinued operations during 2013 related primarily to cash flows used in the operations of the previously mentioned businesses as well as those of Kayex and Dielectric, partially offset by the aggregate cash proceeds of $11.6 associated with the sale of assets related to Kayex and Dielectric.

Change in Cash and Equivalents due to Changes in Foreign Currency Exchange Rates — The decrease in cash and equivalents due to foreign currency exchange rates for 2014 of $65.2 reflects primarily a reduction in U.S. dollar equivalent balances of our Euro-denominated cash and equivalents as a result of the strengthening of the U.S. dollar against the Euro during the period, while the related decrease for 2013 of $15.5 reflects primarily a reduction in U.S. dollar equivalent balances of our South African Rand-denominated cash and equivalents as a result of the strengthening of the U.S. dollar against the South African Rand during the period.

2013 Compared to 2012

Operating Activities — Cash flows from operating activities during 2013 included $319.2 of defined benefit pension and postretirement contributions and direct benefit payments, $250.0 of which was a discretionary pension contribution, compared to $64.6 during 2012. Excluding the impact of these contributions, operating cash flows improved significantly on a year-over-year basis due to favorable working capital trends at many of our businesses. For example, Clyde Union's operating cash flows during 2013 totaled approximately $64.0 compared to cash used in operations during 2012 of approximately $100.0, with such cash outflows required in order to fund the business's initial working capital needs.

Investing Activities — The decrease in cash used in investing activities during 2013, compared to 2012, was due primarily to (i) the acquisition of Seital S.r.l. during 2012 for $28.0 (there were no business acquisitions in 2013) and (ii) a reduction in capital expenditures (2013 — $55.1 and 2012 — $81.8).

Financing Activities — During 2013, net cash used in financing activities of $335.4 was due primarily to repurchases of our common stock of $260.2, dividends paid of $34.7, and net repayments of debt of $20.8. During 2012, net cash used in financing activities of $669.6 was due primarily to net repayments of debt of $365.5, repurchases of our common stock of $245.6, and dividends paid of $63.6. The net repayments of debt, including repayments against our term loans of $325.0, and repurchases of common stock, resulted primarily from the proceeds that were received in connection with the sale of our Service Solutions business in December 2012.

Discontinued Operations — Cash flows used in discontinued operations during 2013 related primarily to Kayex, Dielectric, TPS, Precision Components and Fenn, while cash flows from discontinued operations during 2012 related primarily to Service Solutions and the businesses mentioned above. The 2012 figure includes proceeds of $1,134.9 received in connection with the sale of our Service Solutions business in December 2012.

Change in Cash and Equivalents due to Changes in Foreign Currency Exchange Rates — The decrease in cash and equivalents due to foreign currency exchange rates for 2013 of $15.5 reflects primarily a reduction in U.S. dollar equivalent balances of our South African Rand-denominated cash and equivalents as a result of the strengthening of the U.S. dollar against the South African Rand during the period. Changes in foreign currency exchange rates resulted only in a $2.2 increase in cash and equivalents during 2012.

Borrowings

The following summarizes our debt activity (both current and non-current) for the year ended December 31, 2014:

	December 31, 2013	Borrowings	Repayments	Other(4)	December 31, 2014
Domestic revolving loan facility	$ —	$ 472.0	$ (339.0)	$ —	$ 133.0
Term loan	475.0	100.0	—	—	575.0
6.875% senior notes, due in August 2017	600.0	—	—	—	600.0
7.625% senior notes(1)	500.0	—	(500.0)	—	—
Trade receivables financing arrangement(2)	—	91.0	(81.0)	—	10.0
Other indebtedness(3)	100.6	12.7	(64.7)	3.1	51.7
Total debt	1,675.6	$ 675.7	$ (984.7)	$ 3.1	1,369.7
Less: short-term debt	26.9				181.1
Less: current maturities of long-term debt	558.7				30.8
Total long-term debt	$ 1,090.0				$ 1,157.8

(1) As noted below, we completed the redemption of all the 7.625% senior notes during the first quarter of 2014.

(2) Under this arrangement, we can borrow, on a continuous basis, up to $80.0, as available. At December 31, 2014, we had $70.0 of available borrowing capacity under this facility after giving effect to outstanding borrowings of $10.0.

(3) Primarily included capital lease obligations of $13.6 and $73.0 and balances under purchase card programs of $32.1 and $25.4 at December 31, 2014 and 2013, respectively. During 2014, we purchased our corporate headquarters facility for cash consideration of $60.8, resulting in the extinguishment of the related capital lease obligation.

(4) "Other" primarily included debt assumed and foreign currency translation on any debt instruments denominated in currencies other than the U.S. dollar.

Senior Credit Facilities

Our senior credit facilities provide for committed senior secured financing in an aggregate amount of $2,075.0, consisting of the following (each with a final maturity of December 23, 2018):

- A term loan facility of $575.0;
- A domestic revolving credit facility, available for loans and letters of credit, in an aggregate principal amount up to $300.0;
- A global revolving credit facility, available for loans in U.S. Dollars, Euros, GBP and other currencies, in an aggregate principal amount up to the equivalent of $200.0;
- A participation foreign credit instrument facility, available for performance letters of credit and guarantees, in an aggregate principal amount up to the equivalent of $800.0; and
- A bilateral foreign credit instrument facility, available for performance letters of credit and guarantees, in an aggregate principal amount up to the equivalent of $200.0.

The term loan of $575.0 (which includes $100.0 drawn under the facility in the second quarter of 2014) is repayable in quarterly installments of 5.0% annually, beginning with our second fiscal quarter of 2015, with the remaining balance repayable in full on December 23, 2018.

At December 31, 2014, we had $53.8 and $695.3, respectively, of outstanding letters of credit under our revolving credit and our foreign credit instrument facilities of our senior credit agreement. In addition, we had $5.7 of letters of credit outstanding under separate arrangements in China and India.

We also may seek additional commitments, without the consent from the existing lenders, to add an incremental term loan facility and/or increase the commitments in respect of the domestic revolving credit facility, the global revolving credit facility, the participation foreign credit instrument facility and/or the bilateral foreign credit instrument facility by up to an aggregate principal amount not to exceed (x) $1,000.0 or (y) such greater amount that would not cause our Consolidated Senior Secured Leverage Ratio to exceed 2.75 to 1.00.

We are the borrower under all the facilities, and certain of our foreign subsidiaries are borrowers under the foreign credit instrument facilities (and we may in the future designate other subsidiaries to be borrowers under the revolving credit facilities and the foreign credit instrument facilities).

All borrowings and other extensions of credit under our senior credit facilities are subject to the satisfaction of customary conditions, including absence of defaults and accuracy in material respects of representations and warranties.

The letters of credit under the domestic revolving credit facility are stand-by letters of credit requested by any borrower on behalf of itself or any of its subsidiaries or certain joint ventures. The foreign credit instrument facility is used to issue credit instruments, including bank undertakings to support primarily commercial contract performance. We borrow and repay amounts under our revolving credit facilities on a regular basis during the year. During 2014, the average daily amount outstanding under these facilities was approximately $63.6.

The interest rates applicable to loans under our senior credit facilities are, at our option, equal to either (i) an alternate base rate (the higher of (a) the federal funds effective rate plus 0.5%, (b) the prime rate of Bank of America, N.A., and (c) the one-month LIBOR plus 1.0%) or (ii) a reserve-adjusted LIBOR (as defined in the senior credit facilities) for dollars (Eurodollar) plus, in each case, an applicable margin percentage, which varies based on our Consolidated Leverage Ratio (as defined in the credit agreement generally as the ratio of consolidated total debt (excluding the face amount of undrawn letters of credit, bank undertakings or analogous instruments and net of cash and cash equivalents in excess of $50.0) at the date of determination to consolidated adjusted EBITDA for the four fiscal quarters ended on such date). We may elect interest periods of one, two, three or six months for Eurodollar borrowings. The per annum fees charged and the interest rate margins applicable to Eurodollar and alternate base rate loans are as follows:

Consolidated Leverage Ratio	Domestic Revolving Commitment Fee	Global Revolving Commitment Fee	Letter of Credit Fee	Foreign Credit Commitment Fee and Bilateral Foreign Credit Fee	Foreign Credit Instrument Fee and Bilateral Foreign Credit Fee	LIBOR Loans	ABR Loans
Greater than or equal to 3.00 to 1.00	0.35%	0.35%	2.00%	0.35%	1.25%	2.00%	1.00%
Between 2.00 to 1.00 and 3.00 to 1.00	0.30%	0.30%	1.75%	0.30%	1.00%	1.75%	0.75%
Between 1.50 to 1.00 and 2.00 to 1.00	0.275%	0.275%	1.50%	0.275%	0.875%	1.50%	0.50%
Between 1.00 to 1.00 and 1.50 to 1.00	0.25%	0.25%	1.375%	0.25%	0.80%	1.375%	0.375%
Less than 1.00 to 1.00	0.225%	0.225%	1.25%	0.225%	0.75%	1.25%	0.25%

The weighted-average interest rate of outstanding borrowings under our senior credit facilities was approximately 1.6% at December 31, 2014.

Bilateral foreign credit fees and commitments are as specified above, unless otherwise agreed with the bilateral foreign issuing lender. We also pay fronting fees on the outstanding amounts of letters of credit and foreign credit instruments (in the participation facility) at the rates of 0.125% per annum and 0.25% per annum, respectively.

Our senior credit facilities require mandatory prepayments in amounts equal to the net proceeds from the sale or other disposition of, including from any casualty to, or governmental taking of, property in excess of specified values (other than in the ordinary course of business and subject to other exceptions). Mandatory prepayments will be applied to repay, first, any amounts outstanding under the term loans and any other incremental term loans that we may have outstanding in the future, in the manner and order selected by us, and second, after the term loans and any such incremental term loans have been repaid in full, amounts (or cash collateralize letters of credit) outstanding under the global revolving credit facility and the domestic revolving credit facility (without reducing the commitments thereunder). No prepayment is required generally to the extent the net proceeds are reinvested in permitted acquisitions, permitted investments or assets to be used in our business within 360 days of the receipt of such proceeds.

We may voluntarily prepay loans under our senior credit facilities, in whole or in part, without premium or penalty. Any voluntary prepayment of loans will be subject to reimbursement of the lenders' breakage costs in the case of a prepayment of Eurodollar rate borrowings other than on the last day of the relevant interest period.

Indebtedness under our senior credit facilities is guaranteed by:

- Each existing and subsequently acquired or organized domestic material subsidiary, with specified exceptions; and
- SPX Corporation with respect to the obligations of our foreign borrower subsidiaries under the global revolving credit facility, the participation foreign credit instrument facility and the bilateral participation foreign credit instrument facility.

Indebtedness under our senior credit facilities is secured by a first priority pledge and security interest in 100% of the capital stock of our domestic subsidiaries (with certain exceptions) held by us or our domestic subsidiary guarantors and 65% of the capital stock of our material first-tier foreign subsidiaries (with certain exceptions). If our corporate credit rating is less than "Ba2" (or not rated) by Moody's and less than "BB" (or not rated) by S&P, then we and our domestic subsidiary guarantors are required to grant security interests, mortgages and other liens on substantially all of our assets. If our corporate credit rating is "Baa3" or better by Moody's or "BBB–" or better by S&P and no defaults would exist, then all collateral security will be released and the indebtedness under our senior credit facilities will be unsecured.

Our senior credit facilities require that we maintain:

- A Consolidated Interest Coverage Ratio (as defined in the credit agreement generally as the ratio of consolidated adjusted EBITDA for the four fiscal quarters ended on such date to consolidated cash interest expense for such period) as of the last day of any fiscal quarter of at least 3.50 to 1.00; and

- A Consolidated Leverage Ratio as of the last day of any fiscal quarter of not more than 3.25 to 1.00 (or 3.50 to 1.00 for the four fiscal quarters after certain permitted acquisitions).

Our senior credit facilities also contain covenants that, among other things, restrict our ability to incur additional indebtedness, grant liens, make investments, loans, guarantees or advances, make restricted junior payments, including dividends, redemptions of capital stock and voluntary prepayments or repurchase of certain other indebtedness, engage in mergers, acquisitions or sales of assets, enter into sale and leaseback transactions or engage in certain transactions with affiliates and otherwise restrict certain corporate activities. We do not expect these covenants to restrict our liquidity, financial condition or access to capital resources in the foreseeable future. Our senior credit facilities also contain customary representations, warranties, affirmative covenants, and events of default.

We are permitted under our senior credit facilities to repurchase our capital stock and pay cash dividends in an unlimited amount if our Consolidated Leverage Ratio is (after giving pro forma effect to such payments) less than 2.50 to 1.00. If our Consolidated Leverage Ratio is (after giving pro forma effect to such payments) greater than or equal to 2.50 to 1.00, the aggregate amount of such repurchases and dividend declarations cannot exceed (A) $100.0 in any fiscal year plus (B) an additional amount for all such repurchases and dividend declarations made after December 23, 2013 equal to the sum of (i) $300.0 and (ii) a positive amount equal to 50% of cumulative Consolidated Net Income (as defined in the credit agreement generally as consolidated net income subject to certain adjustments solely for the purposes of determining this basket) during the period from July 1, 2011 to the end of the most recent fiscal quarter preceding the date of such repurchase or dividend declaration for which financial statements have been (or were required to be) delivered (or, in case such Consolidated Net Income is a deficit, minus 100% of such deficit).

At December 31, 2014, we were in compliance with all covenant provisions of our senior credit facilities. While the impact of continued market volatility cannot be predicted, we do not expect an impact on our ability to comply with the covenant provisions of our senior credit facilities in the near or long term.

Senior Notes

In August 2010, we issued, in a private placement, $600.0 aggregate principal amount of 6.875% senior unsecured notes that mature in August 2017. The interest payment dates for these notes are March 1 and September 1 of each year. The notes are redeemable, in whole or in part, at any time prior to maturity at a price equal to 100% of the principal amount thereof plus an applicable premium, plus accrued and unpaid interest. If we experience certain types of change of control transactions, we must offer to repurchase the notes at 101% of the aggregate principal amount of the notes repurchased, plus accrued and unpaid interest. These notes are unsecured and rank equally with all our existing and future unsubordinated unsecured senior indebtedness, but are effectively junior to our senior credit facilities. The indenture governing these notes contains covenants that, among other things, limit our ability to incur liens, enter into sale and leaseback transactions and consummate some mergers. During the third quarter of 2011, these senior notes became freely tradable. Payment of the principal, premium, if any, and interest on these notes is guaranteed on a senior unsecured basis by our domestic subsidiaries. The likelihood of having to make payments under the guarantee is considered remote. At December 31, 2014, we were in compliance with all covenants of our 6.875% senior notes. As indicated in Note 4 to our consolidated financial statements, our Board of Directors approved a plan for a tax-free spin-off of our Flow Technology reportable segment and our Hydraulic Technologies business and the creation of a new stand-alone, publicly-traded company. In connection with the planned spin-off transaction, we obtained, in December 2014, consents from the holders of our 6.875% senior notes allowing these senior notes to become obligations of the new stand-alone, publicly traded company if, and when, the spin-off transaction is completed.

In December 2007, we issued, in a private placement, $500.0 aggregate principal amount of 7.625% senior unsecured notes that were to mature in December 2014. On February 11, 2014, we completed the redemption of all the 7.625% senior notes for a total redemption price of $530.6. As a result of the redemption, we recorded a charge of $32.5 to "Loss on early extinguishment of debt" during 2014, which related to premiums paid to redeem the senior notes of $30.6, the write-off of unamortized deferred financing fees of $1.0, and other costs associated with the extinguishment of the senior notes of $0.9.

Other Borrowings and Financing Activities

Certain of our businesses purchase goods and services under purchase card programs allowing for payment beyond their normal payment terms. As of December 31, 2014 and 2013, the participating businesses had $32.1 and $25.4, respectively, outstanding under these arrangements. As these arrangements extend the payment of our businesses' payables beyond their normal payment terms through third-party lending institutions, we have classified these amounts as short-term debt.

We are party to a trade receivables financing agreement, whereby we can borrow, on a continuous basis, up to $80.0. Availability of funds may fluctuate over time given changes in eligible receivable balances, but will not exceed the $80.0 program limit. The facility contains representations, warranties, covenants and indemnities customary for facilities of this type. The facility does not contain any covenants that we view as materially constraining to the activities of our business.

Availability

At December 31, 2014, we had $313.2 of available borrowing capacity under our revolving credit facilities after giving effect to borrowings under the domestic revolving loan facility of $133.0 and $53.8 reserved for outstanding letters of credit, and $70.0 of available borrowing capacity under our trade receivables financing arrangement after giving effect to outstanding borrowings of $10.0 under this arrangement. In addition, at December 31, 2014, we had $304.7 of available issuance capacity under our foreign trade facilities after giving effect to $695.3 reserved for outstanding letters of credit.

Additionally, we have a shelf registration statement for 8.3 shares of common stock that may be issued for acquisitions. In addition, other financing instruments may be used from time to time, including, but not limited to, private placement instruments, operating leases, capital leases and securitizations. We expect that we will continue to access these markets as appropriate to maintain liquidity and to provide sources of funds for general corporate purposes, acquisitions or to refinance existing debt.

At December 31, 2014, we had approximately $1,543.0 of undistributed foreign earnings, including approximately $1,265.0 for which no U.S. federal or state income taxes have been provided. If these earnings were distributed, we would be subject to U.S. income taxes (subject to a reduction for foreign tax credits) and withholding taxes payable to the various foreign countries.

Financial Instruments

We measure our financial assets and liabilities on a recurring basis, and nonfinancial assets and liabilities on a non-recurring basis, at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We utilize market data or assumptions that we believe market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2) or significant unobservable inputs (Level 3).

Our derivative financial assets and liabilities include FX forward contracts, FX embedded derivatives and forward contracts that manage the exposure on forecasted purchases of commodity raw materials ("commodity contracts") that are measured at fair value using observable market inputs such as forward rates, interest rates, our own credit risk and our counterparties' credit risks. Based on these inputs, the derivative assets and liabilities are classified within Level 2 of the valuation hierarchy. Based on our continued ability to enter into forward contracts, we consider the markets for our fair value instruments active.

As of December 31, 2014, there was no significant impact to the fair value of our derivative liabilities due to our own credit risk as the related instruments are collateralized under our senior credit facilities. Similarly, there was no significant impact to the fair value of our derivative assets based on our evaluation of our counterparties' credit risk.

We primarily use the income approach, which uses valuation techniques to convert future amounts to a single present amount. Assets and liabilities measured at fair value on a recurring basis are further discussed below.

Currency Forward Contracts

We manufacture and sell our products in a number of countries and, as a result, are exposed to movements in foreign currency exchange rates. Our objective is to preserve the economic value of non-functional currency-denominated cash flows and to minimize the impact of changes as a result of currency fluctuations. Our principal currency exposures relate to the Euro, South African Rand, CNY and GBP.

From time to time, we enter into FX forward contracts to manage the exposure on contracts with forecasted transactions denominated in non-functional currencies and to manage the risk of transaction gains and losses associated with assets/liabilities denominated in currencies other than the functional currency of certain subsidiaries. In addition, some of our contracts contain FX embedded derivatives, because the currency of exchange is not "clearly and closely" related to the functional currency of either party to the transaction. Certain of our FX forward contracts are designated as cash flow hedges. To the extent these derivatives are effective in offsetting the variability of the hedged cash flows, changes in the derivatives' fair value are not included in current earnings, but are included in accumulated other comprehensive income ("AOCI"). These changes in fair value are reclassified into earnings as a component of revenues or cost of products sold, as applicable, when the forecasted transaction impacts earnings. In addition, if the forecasted transaction is no longer probable, the cumulative change in the derivatives' fair value is recorded as a component of "Other income (expense), net" in the period in which the transaction is no longer considered probable of occurring. To the extent a previously designated hedging transaction is no longer an effective hedge, any ineffectiveness measured in the hedging relationship is recorded in earnings in the period in which it occurs.

We had FX forward contracts with an aggregate notional amount of $298.0 and $191.3 outstanding as of December 31, 2014 and 2013, respectively, with substantially all such contracts scheduled to mature in 2015. We also had FX embedded derivatives with an aggregate notional amount of $246.0 and $145.8 at December 31, 2014 and 2013, respectively, with scheduled maturities of $151.7, $84.0 and $10.3 in 2015, 2016 and years thereafter, respectively. The unrealized losses, net of taxes, recorded in AOCI related to FX forward contracts were $0.3 and $1.0 as of December 31, 2014 and 2013, respectively. We anticipate reclassifying $0.2 of the unrealized loss as of December 31, 2014 to income over the next 12 months, with the remaining $0.1 in 2016. The net gain (loss) recorded in "Other income (expense), net" related to FX forward contracts and FX embedded derivatives totaled $(2.4) in 2014, $0.5 in 2013 and $(0.2) in 2012.

The fair values of our FX forward contracts and FX embedded derivatives as of December 31, 2014 and 2013 were as follows:

	December 31, 2014				December 31, 2013			
	Current Assets	Noncurrent Assets	Current Liabilities	Long-Term Liabilities	Current Assets	Noncurrent Assets	Current Liabilities	Long-Term Liabilities
FX forward contracts	$ —	$ —	$ (4.5)	$ (0.1)	$ 0.9	$ —	$ (0.3)	$ —
FX embedded derivatives	5.1	1.2	(4.7)	(0.9)	0.7	—	(6.5)	(2.1)

Commodity Contracts

From time to time, we enter into commodity contracts to manage the exposure on forecasted purchases of commodity raw materials. At December 31, 2014 and 2013, the outstanding notional amount of commodity contracts was 4.2 and 3.4 pounds of copper, respectively. We designate and account for these contracts as cash flow hedges and, to the extent these commodity contracts are effective in offsetting the variability of the forecasted purchases, the change in fair value is included in AOCI. We reclassify AOCI associated with our commodity contracts to cost of products sold when the forecasted transaction impacts earnings. As of December 31, 2014 and 2013, the fair value of these contracts was $1.4 (current liabilities) and $0.4 (current assets), respectively. The unrealized gain (loss), net of taxes, recorded in AOCI was $(1.0) and $0.2 as of December 31, 2014 and 2013, respectively. We anticipate reclassifying the unrealized loss as of December 31, 2014 to income over the next 12 months.

Investments in Equity Securities

During 2014, we sold all our previously owned available-for-sale securities, which included equity investments traded in active international markets. These securities were measured at fair value using closing stock prices from active markets and were classified within Level 1 of the valuation hierarchy. These assets had a fair value of $3.0 at December 31, 2013, and were sold for cash proceeds of $6.7 in 2014.

We elected to account for certain other investments in equity securities not readily marketable under the fair value option. At December 31, 2014 and 2013, these assets had a fair value of $7.4 and $1.4, respectively, estimated using valuation models, including the Monte-Carlo simulation model.

The table below presents a reconciliation of our investment in equity securities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31, 2014 and 2013, including net unrealized gains (losses) recorded to "Other income (expense), net."

	Reconciliation of Equity Securities using Significant Unobservable Inputs (Level 3)
Balance at December 31, 2012	$ 7.5
Cash consideration received and other	(5.2)
Unrealized losses recorded to earnings	(0.9)
Balance at December 31, 2013	1.4
Unrealized gains recorded to earnings	6.0
Balance at December 31, 2014	$ 7.4

Other Fair Value Financial Assets and Liabilities

The carrying amounts of cash and equivalents and receivables reported in our consolidated balance sheets approximate fair value due to the short maturity of those instruments.

The fair value of our debt instruments (excluding capital leases), based on borrowing rates available to us at December 31, 2014 for similar debt was $1,421.4, compared to our carrying value of $1,356.1.

Concentrations of Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist of cash and equivalents, trade accounts receivable, and foreign currency forward and commodity contracts. These financial instruments, other than trade accounts receivable, are placed with high-quality financial institutions throughout the world. We periodically evaluate the credit standing of these financial institutions.

We maintain cash levels in bank accounts that, at times, may exceed federally-insured limits. We have not experienced significant, and believe we are not exposed to significant risk of, loss in these accounts.

We have credit loss exposure in the event of nonperformance by counterparties to the above financial instruments, but have no other off-balance-sheet credit risk of accounting loss. We anticipate, however, that counterparties will be able to fully satisfy their obligations under the contracts. We do not obtain collateral or other security to support financial instruments subject to credit risk, but we do monitor the credit standing of counterparties.

Concentrations of credit risk arising from trade accounts receivable are due to selling to customers in a particular industry. Credit risks are mitigated by performing ongoing credit evaluations of our customers' financial conditions and obtaining collateral, advance payments, or other security when appropriate. No one customer, or group of customers that to our knowledge are under common control, accounted for more than 10% of our revenues for any period presented.

Cash and Other Commitments

Our senior credit facilities are payable in full on December 23, 2018. Our term loan is repayable in quarterly installments of 5.0% annually, beginning with our second fiscal quarter of 2015, with the remaining balance repayable in full on December 23, 2018.

We use operating leases to finance certain equipment, vehicles and properties. At December 31, 2014, we had $128.9 of future minimum rental payments under operating leases with remaining non-cancelable terms in excess of one year.

In 2003, our Board of Directors approved the implementation of a quarterly dividend program. The actual amount of each quarterly dividend, as well as each declaration date, record date and payment date is subject to the discretion of the Board of Directors, and the target dividend level may be adjusted at the discretion of the Board of Directors. The factors that the Board of Directors consider in determining the actual amount of each quarterly dividend include our financial performance and ongoing capital needs, our ability to declare and pay dividends, and any other factors deemed relevant. During 2014, we declared and paid dividends of $63.2 and $59.8 (excluding dividends paid to noncontrolling interests), respectively, while in 2013 we declared and paid dividends of $45.5 and $34.7, respectively. On February 12, 2014, we implemented a dividend increase effective with the first quarterly dividend payment of 2014. Our annual dividend is now $1.50 per share (previously $1.00 per share), payable quarterly.

Capital expenditures for 2014 totaled $61.1, compared to $55.1 and $81.8 in 2013 and 2012, respectively. Capital expenditures in 2014 related primarily to upgrades to manufacturing facilities, including replacement of equipment, and in information technology. We expect 2015 capital expenditures to approximate $90.0, with a significant portion related to upgrades of manufacturing facilities and information technology. While the impact of continued market volatility cannot be predicted, we believe we have sufficient operating flexibility, cash reserves and funding sources to maintain adequate amounts of liquidity and to meet our future operating cash needs and internal growth opportunities.

In 2014, we made contributions and direct benefit payments of $37.9 to our defined benefit pension and postretirement benefit plans, net of subsidies, which included $2.9 of contributions related to businesses that have been classified as discontinued operations. We expect to make $28.7 of minimum required funding contributions and direct benefit payments in 2015, including $2.0 of contributions that relate to businesses that have been classified as discontinued operations. Our pension plans have not experienced any liquidity difficulties or counterparty defaults due to the volatility in the credit markets. Our pension funds experienced a positive return on assets of approximately 10.0% in 2014. See Note 10 to our consolidated financial statements for further disclosure of expected future contributions and benefit payments.

On a net basis, both from continuing and discontinued operations, we paid $314.8, $50.3 and $59.3 of income taxes for 2014, 2013 and 2012, respectively. In 2014, we made payments of $324.8 associated with the actual and estimated tax liability for federal, state and foreign tax obligations and received refunds of $10.0. The amount of income taxes that we pay annually is dependent on various factors, including the timing of certain deductions. Deductions and the amount of income taxes can and do vary from year to year.

As of December 31, 2014, except as discussed in Note 14 to our consolidated financial statements and in the contractual obligations table below, we did not have any material guarantees, off-balance sheet arrangements or purchase commitments other than the following: (i) $53.8 of certain standby letters of credit outstanding, all of which reduce the available borrowing capacity on our domestic revolving credit facility; (ii) $695.3 of letters of credit outstanding, all of which reduce the available borrowing capacity on our foreign trade facilities; (iii) $5.7 of letters of credit outstanding under separate arrangements in China and India; and (iv) approximately $150.6 of surety bonds. In addition, $52.5 of our standby letters of credit relate to self-insurance or environmental matters.

Our Certificate of Incorporation provides that we indemnify our officers and directors to the fullest extent permitted by the Delaware General Corporation Law for any personal liability in connection with their employment or service with us, subject to limited exceptions. While we maintain insurance for this type of liability, the liability could exceed the amount of the insurance coverage.

We continually review each of our businesses in order to determine their long-term strategic fit. These reviews could result in selected acquisitions to expand an existing business or result in the disposition of an existing business. Additionally, we have stated that we may consider a larger acquisition in the future, with more than $1,000.0 in revenues, if certain criteria are met. In addition, you should read "Risk Factors," "Results for Reportable Segments and Other Operating Segments" included in this MD&A, and "Business" for an understanding of the risks, uncertainties and trends facing our businesses.

Contractual Obligations

The following is a summary of our primary contractual obligations as of December 31, 2014:

	Total	Due Within 1 Year	Due in 1-3 Years	Due in 3-5 Years	Due After 5 Years
Short-term debt obligations	$ 181.1	$ 181.1	$ —	$ —	$ —
Long-term debt obligations	1,188.6	30.8	659.7	494.5	3.6
Pension and postretirement benefit plan contributions and payments(1)	497.2	28.7	108.1	46.5	313.9
Purchase and other contractual obligations(2)	434.5	379.3	55.2	—	—
Future minimum operating lease payments(3)	128.9	36.5	41.6	21.1	29.7
Interest payments	150.4	52.2	88.7	8.8	0.7
Total contractual cash obligations(4)	$ 2,580.7	$ 708.6	$ 953.3	$ 570.9	$ 347.9

(1) Estimated minimum required pension funding and pension and postretirement benefit payments are based on actuarial estimates using current assumptions for, among other things, discount rates, expected long-term rates of return on plan assets (where applicable), rate of compensation increases, and health care cost trend rates. The expected pension contributions for the U.S. plans in 2015 and thereafter reflect the minimum required contributions under the Pension Protection Act of 2006 and the Worker, Retiree, and Employer Recovery Act of 2008. These contributions do not reflect potential voluntary contributions, or additional contributions that may be required in connection with acquisitions, dispositions or related plan mergers. See Note 10 to our consolidated financial statements for additional information on expected future contributions and benefit payments.

(2) Represents contractual commitments to purchase goods and services at specified dates.

(3) Represents rental payments under operating leases with remaining non-cancelable terms in excess of one year.

(4) Contingent obligations, such as environmental accruals and those relating to uncertain tax positions generally do not have specific payment dates and accordingly have been excluded from the above table. We believe that within the next 12 months it is reasonably possible that we could pay approximately $10.0 to $15.0 relating to uncertain tax positions, which includes an estimate for interest and penalties. In addition, the above table does not include potential payments under our derivative financial instruments.

Critical Accounting Policies and Use of Estimates

The preparation of financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. The accounting policies that we believe are most critical to the portrayal of our financial condition and results of operations, and that require our most difficult, subjective or complex judgments in estimating the effect of inherent uncertainties, are listed below. This section should be read in conjunction with Notes 1 and 2 to our consolidated financial statements, which include a detailed discussion of these and other accounting policies.

Long-Term Contract Accounting

Certain of our businesses, primarily within the Flow Technology and Thermal Equipment and Services reportable segments, recognize revenues and profits from long-term construction/installation contracts under the percentage-of-completion method of accounting. The percentage-of-completion method requires estimates of future revenues and costs over the full term of product delivery. We measure the percentage-of-completion principally by the contract costs incurred to date as a percentage of the estimated total costs for that contract at completion. In 2014, 2013 and 2012, we recognized $1,206.4, $1,343.8 and $1,594.7 of revenues under the percentage-of-completion method, respectively.

We record any provision for estimated losses on uncompleted long-term contracts in the period in which the losses are determined. In the case of customer change orders for uncompleted long-term contracts, we include estimated recoveries for work performed in forecasting ultimate profitability on these contracts. Due to uncertainties inherent in the estimation process, it is reasonably possible that completion costs, including those arising from contract penalty provisions and final contract settlements, will be revised during the duration of a contract. These revisions to costs and income are recognized in the period in which the revisions are determined.

Our estimation process for determining revenues and costs for contracts accounted for under the percentage-of-completion method is based upon (i) our historical experience, (ii) the professional judgment and knowledge of our engineers, project managers, and operations and financial professionals, and (iii) an assessment of the key underlying factors (see below) that impact the revenues and costs of our long-term contracts. Each long-term contract is unique, but typically similar enough to other contracts that we can effectively leverage our experience. As our long-term contracts generally range from nine to eighteen months in duration, we typically reassess the estimated revenues and costs of these contracts on a quarterly basis, but may reassess more often as situations warrant. We record changes in estimates of revenues and costs when identified using the cumulative catch-up method prescribed under the Revenue Recognition Topic of the Codification.

We believe the underlying factors used to estimate our costs to complete and percentage-of-completion are sufficiently reliable to provide a reasonable estimate of revenue and profit; however, due to the length of time over which revenue streams are generated and costs are incurred, along with the judgment required in developing the underlying factors, the variability of revenue and cost can be significant. Factors that may affect revenue and costs relating to long-term contracts include, but are not limited to, the following:

- Sales Price Incentives and Sales Price Escalation Clauses — Sales price incentives and sales price escalations that are reasonably assured and reasonably estimable are recorded over the performance period of the contract. Otherwise, these amounts are recorded when awarded.

- Cost Recovery for Product Design Changes and Claims — On occasion, design specifications may change during the course of the contract. Any additional costs arising from these changes may be supported by change orders, or we may submit a claim to the customer. Change orders are accounted for as described above. See below for our accounting policies related to claims.

- Material Availability and Costs — Our estimates of material costs generally are based on existing supplier relationships, adequate availability of materials, prevailing market prices for materials, and, in some cases, long-term supplier contracts. Changes in our supplier relationships, delays in obtaining materials, or changes in material prices can have a significant impact on our cost and profitability estimates.

- Use of Subcontractors — Our arrangements with subcontractors are generally based on fixed prices; however, our estimates of the cost and profitability can be impacted by subcontractor delays, customer claims arising from subcontractor performance issues, or a subcontractor's inability to fulfill its obligations.

- Labor Costs and Anticipated Productivity Levels — Where applicable, we include the impact of labor improvements in our estimation of costs, such as in cases where we expect a favorable learning curve over the duration of the contract. In these cases, if the improvements do not materialize, costs and profitability could be adversely impacted. Additionally, to the extent we are more or less productive than originally anticipated, estimated costs and profitability may also be impacted.

- Effect of Foreign Currency Fluctuations — Fluctuations between currencies in which our long-term contracts are denominated and the currencies under which contract costs are incurred can have an impact on profitability. When the impact on profitability is potentially significant, we may (but generally do not) enter into FX forward contracts or prepay certain vendors for raw materials to manage the potential exposure. See Note 13 to our consolidated financial statements for additional details on our FX forward contracts.

Costs and estimated earnings in excess of billings on uncompleted contracts arise when revenues have been recorded but the amounts have not been billed under the terms of the contracts. These amounts are recoverable from customers upon various measures of performance, including achievement of certain milestones, completion of specified units or completion of the contract.

We periodically make claims against customers, suppliers and subcontractors associated with alleged non-performance and other disputes over contractual terms. Claims related to long-term contracts are recognized as additional revenues or as a reduction of costs only after we have determined that collection is probable and the amount is reasonably estimable. Claims made by us may involve negotiation and, in certain cases, litigation or other dispute-resolution processes. In the event we incur litigation or other dispute-resolution costs in connection with claims, these costs are expensed as incurred, although we may seek to recover these costs. Claims against us are recognized when a loss is considered probable and amounts are reasonably estimable.

Impairment of Goodwill and Indefinite-Lived Intangible Assets

Goodwill and indefinite-lived intangible assets are not amortized, but instead are subject to annual impairment testing. We monitor the results of each of our reporting units as a means of identifying trends and/or matters that may impact their financial results and, thus, be an indicator of a potential impairment. The trends and/or matters that we specifically monitor for each of our reporting units are as follows:

- Significant variances in financial performance (e.g., revenues, earnings and cash flows) in relation to expectations and historical performance;

- Significant changes in end markets or other economic factors;

- Significant changes or planned changes in our use of a reporting unit's assets; and

- Significant changes in customer relationships and competitive conditions.

The identification and measurement of goodwill impairment involves the estimation of the fair value of reporting units. We consider a number of factors, including the input of an independent appraisal firm, in conducting the impairment testing of our reporting units. We perform our impairment testing by comparing the estimated fair value of the reporting unit to the carrying value of the reported net assets, with such testing occurring during the fourth quarter of each year in conjunction with our annual financial planning process (or more frequently if impairment indicators arise), based primarily on events and circumstances existing as of the end of the third quarter. Fair value is generally based on the income approach using a calculation of discounted cash flows, based on the most recent financial projections for the reporting units. The revenue growth rates included in the financial projections are our best estimates based on current and forecasted market conditions, and the profit margin assumptions are projected by each reporting unit based on current cost structure and, when applicable, anticipated net cost reductions.

The calculation of fair value for our reporting units incorporates many assumptions including future growth rates, profit margin and discount factors. Changes in economic and operating conditions impacting these assumptions could result in impairment charges in future periods.

Based on our annual goodwill impairment testing in 2014 and 2013, we determined that the estimated fair value of each of our reporting units exceeded the carrying value of their respective net assets by at least 10% at the end of each year.

We perform our annual trademarks impairment testing during the fourth quarter, or on a more frequent basis if there are indications of potential impairment. The fair values of our trademarks are determined by applying estimated royalty rates to projected revenues, with the resulting cash flows discounted at a rate of return that reflects current market conditions. During 2014, we recorded impairment charges of $11.7 and $8.4 related to the trademarks of certain businesses within our Flow Technology and Thermal Equipment and Services reportable segments, respectively. In addition, during 2014, we recorded an impairment charge of $18.0 related to our Cooling reporting unit's investment in the Shanghai Electric JV. Other changes in the gross values of trademarks and other identifiable intangible assets related primarily to foreign currency translation.

During 2013, we recorded impairment charges of $6.7 related to the trademarks of certain businesses within our Flow Technology reportable segment.

In connection with our annual goodwill impairment testing in 2012, our analysis indicated that the estimated fair value of our Cooling reporting unit was below the carrying value of its net assets. As a result, we estimated the implied fair value of Cooling's goodwill, which resulted in an impairment charge related to such goodwill of $270.4. The impairment charge of $270.4 was composed of (i) a $125.8 difference between the estimated fair value of Cooling compared to the carrying value of its net assets and (ii) an allocation to certain tangible and intangible assets of $144.6 for the estimated increases in fair value for these assets solely for purposes of applying the impairment provisions of the Intangible — Goodwill and Other Topic of the Codification.

In addition to the goodwill impairment charge of $270.4, we recorded an impairment charge of $11.0 in 2012 related to certain long-term assets of our Cooling reporting unit. Lastly, we recorded impairment charges of $4.5 in 2012 related to trademarks for two other businesses within our Thermal Equipment and Services reportable segment.

See Note 8 to our consolidated financial statements for additional details.

Employee Benefit Plans

Defined benefit plans cover a portion of our salaried and hourly paid employees, including certain employees in foreign countries. Additionally, domestic postretirement plans provide health and life insurance benefits for certain retirees and their dependents. We recognize changes in the fair value of plan assets and actuarial gains and losses into earnings during the fourth quarter of each year, unless earlier remeasurement is required, as a component of net periodic benefit expense. The remaining components of pension/postretirement expense, primarily service and interest costs and expected return on plan assets, are recorded on a quarterly basis. See Note 10 to our consolidated financial statements for further discussion of our pension and postretirement benefits.

Our pension plans have not experienced any significant impact on liquidity or counterparty exposure due to the volatility in the credit markets.

The costs and obligations associated with these plans are determined based on actuarial valuations. The critical assumptions used in determining these related expenses and obligations are discount rates and healthcare cost projections. These critical assumptions are calculated based on company data and appropriate market indicators, and are evaluated at least annually by us in consultation with outside actuaries. Other assumptions involving demographic factors such as retirement patterns, mortality, turnover and the rate of increase in compensation levels are evaluated periodically and are updated to reflect our experience and expectations for the future. While management believes that the assumptions used are appropriate, actual results may differ.

The discount rate enables us to state expected future cash flows at a present value on the measurement date. This rate is the yield on high-quality fixed income investments at the measurement date. A lower discount rate increases the present value of benefit obligations and increases pension expense. Including the effects of recognizing actuarial gains and losses into earnings as described above, a 50 basis point decrease in the discount rate for our domestic plans would have increased our 2014 pension expense by approximately $45.0, and a 50 basis point increase in the discount rate would have decreased our 2014 pension expense by approximately $42.0.

The trend in healthcare costs is difficult to estimate, and it can significantly impact our postretirement liabilities and costs. The 2014 healthcare cost trend rate for 2015, which is the weighted-average annual projected rate of increase in the per capita cost of covered benefits, is 6.79%. This rate is assumed to decrease to 5.0% by 2024 and then remain at that level. Including the effects of recognizing actuarial gains and losses into earnings as described above, a 100 basis point increase in the healthcare cost trend rate would have increased our 2014 postretirement expense by approximately $6.9, and a 100 basis point decrease in the healthcare cost trend rate would have decreased our 2014 postretirement expense by approximately $6.1.

See Note 10 to our consolidated financial statements for further information on our pension and postretirement benefit plans.

Income Taxes

We record our income taxes based on the Income Taxes Topic of the Codification, which includes an estimate of the amount of income taxes payable or refundable for the current year and deferred income tax liabilities and assets for the future tax consequences of events that have been recognized in our consolidated financial statements or tax returns.

Deferred tax assets and liabilities reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. We periodically assess the realizability of deferred tax assets and the adequacy of deferred tax liabilities, including the results of local, state, federal or foreign statutory tax audits or estimates and judgments used.

Realization of deferred tax assets involves estimates regarding (1) the timing and amount of the reversal of taxable temporary differences, (2) expected future taxable income, and (3) the impact of tax planning strategies. We believe that it is more likely than not that we will not realize the benefit of certain deferred tax assets and, accordingly, have established a valuation allowance against them. In assessing the need for a valuation allowance, we consider all available positive and negative evidence, including past operating results, projections of future taxable income and the feasibility of and potential changes to ongoing tax planning strategies. The projections of future taxable income include a number of estimates and assumptions regarding our volume, pricing and costs. Although realization is not assured for the remaining deferred tax assets, we believe it is more likely than not that the remaining deferred tax assets will be realized through future taxable earnings or alternative tax strategies. However, deferred tax assets could be reduced in the near term if our estimates of taxable income are significantly reduced or tax strategies are no longer viable.

The amount of income tax that we pay annually is dependent on various factors, including the timing of certain deductions and ongoing audits by federal, state and foreign tax authorities, which may result in proposed adjustments. We perform reviews of our income tax positions on a quarterly basis and accrue for potential uncertain tax positions. Accruals for these uncertain tax positions are recorded based on an expectation as to the timing of when the matter will be resolved. As events change or resolutions occur, these accruals are adjusted, such as in the case of audit settlements with taxing authorities. We believe we have adequately provided for any reasonably foreseeable outcome related to these matters.

Our future results may include favorable or unfavorable adjustments to our estimated tax liabilities due to closure of income tax examinations, statute expirations, new regulatory or judicial pronouncements, changes in tax laws, changes in projected levels of taxable income, future tax planning strategies, or other relevant events. See Note 11 to our consolidated financial statements for additional details regarding our uncertain tax positions.

Contingent Liabilities

Numerous claims, complaints and proceedings arising in the ordinary course of business, including those relating to litigation matters (e.g., class actions, derivative lawsuits and contracts, intellectual property and competitive claims), environmental matters, and risk management matters (e.g., product and general liability, automobile, and workers' compensation claims), have been filed or are pending against us and certain of our subsidiaries. Additionally, we may become subject to significant claims of which we are currently unaware, or the claims of which we are aware may result in us incurring a significantly greater liability than we anticipate. This may also be true in connection with past or future acquisitions. While we maintain property, cargo, auto, product, general liability, environmental, and directors' and officers' liability insurance and have acquired rights under similar policies in connection with acquisitions that we believe cover a portion of these claims, this insurance may be insufficient or unavailable (e.g., because of insurer insolvency) to protect us against potential loss exposures. Also, while we believe we are entitled to indemnification from third parties for some of these claims, these rights may be insufficient or unavailable to protect us against potential loss exposures. We believe, however, that our accruals related to these items are sufficient and that these items and our rights to available insurance and indemnity will be resolved without material effect, individually or in the aggregate, on our financial position, results of operations and cash flows. These accruals, which are determined in accordance with the Contingencies Topic of the Codification, totaled $619.6 (including $575.4 for risk management matters) and $610.1 (including $565.0 for risk management matters) at December 31, 2014 and 2013, respectively. It is reasonably possible that our ultimate liability for these items could exceed the amount of the recorded accruals; however, we believe the estimated amount of any potential additional liability would not have a material effect, individually or in the aggregate, on our financial position, results of operations or cash flows.

We had insurance recovery assets related to risk management matters of $503.7 and $496.7 at December 31, 2014 and 2013, respectively, included in "Other assets" within our consolidated balance sheets.

We believe that we are in substantial compliance with applicable environmental requirements. We are currently involved in various investigatory and remedial actions at our facilities and at third-party waste disposal sites. It is our policy to accrue for estimated losses from legal actions or claims when events exist that make the realization of the losses or expenses probable and they can be reasonably estimated. Our environmental accruals cover anticipated costs, including investigation, remediation, and operation and maintenance of clean-up sites. Accordingly, our estimates may change based on future developments, including new or changes in existing environmental laws or policies, differences in costs required to complete anticipated actions from estimates provided, future findings of investigation or remediation actions, or alteration to the expected remediation plans. We expense costs incurred to investigate and remediate environmental issues unless they extend the economic useful lives of related assets. We record liabilities when it is probable that an obligation has been incurred and the amounts can be reasonably estimated. Our estimates are based primarily on investigations and remediation plans established by independent consultants, regulatory agencies and potentially responsible third parties. It is our policy to realize a change in estimates once it becomes probable and can be reasonably estimated. In determining our accruals, we generally do not discount environmental accruals and do not discount other legal accruals and do not reduce them by anticipated insurance, litigation and other recoveries. We take into account third-party indemnification from financially viable parties in determining our accruals where there is no dispute regarding the right to indemnification.

We are self-insured for certain of our workers' compensation, automobile, product and general liability, disability and health costs, and we believe that we maintain adequate accruals to cover our retained liability. Our accruals for self-insurance liabilities are determined by us, are based on claims filed and an estimate of claims incurred but not yet reported, and generally are not discounted. We consider a number of factors, including third-party actuarial valuations, when making these determinations. We maintain third-party stop-loss insurance policies to cover certain liability costs in excess of predetermined retained amounts; however, this insurance may be insufficient or unavailable (e.g., because of insurer insolvency) to protect us against potential loss exposures. The key assumptions considered in estimating the ultimate cost to settle reported claims and the estimated costs associated with incurred but not yet reported claims include, among other things, our historical and industry claims experience, trends in health care and administrative costs, our current and future risk management programs, and historical lag studies with regard to the timing between when a claim is incurred versus when it is reported.

New Accounting Pronouncements

See Note 3 to our consolidated financial statements for a discussion of recent accounting pronouncements.

ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk

(All currency amounts are in millions)

We are exposed to market risk related to changes in interest rates, foreign currency exchange rates and commodity raw material prices, and we selectively use financial instruments to manage these risks. We do not enter into financial instruments for speculative or trading purposes; however, these instruments may be deemed speculative if the future cash flows originally hedged are no longer probable of occurring as anticipated. Our currency exposures vary, but are primarily concentrated in the Euro, Chinese Yuan, South African Rand and GBP. We generally do not hedge currency translation exposures. Our exposures for commodity raw materials vary, with the highest concentration relating to steel, copper and oil. See Note 13 to our consolidated financial statements for further details.

The following table provides information, as of December 31, 2014, about our primary outstanding debt obligations and presents principal cash flows by expected maturity dates, weighted-average interest rates and fair values.

	Expected Maturity Date							
	2015	2016	2017	2018	2019	Thereafter	Total	Fair Value
6.875% senior notes	$ —	$ —	$ 600.0	$ —	$ —	$ —	$ 600.0	$ 665.3
Average interest rate							6.875%	
Term loan	28.8	28.8	28.8	488.6	—	—	575.0	575.0
Average interest rate							1.531%	
Domestic revolving loan facility	133.0	—	—	—	—	—	133.0	133.0
Average interest rate							1.708%	
Trade receivables financing arrangement	10.0	—	—	—	—	—	10.0	10.0
Average interest rate							1.356%	

We believe that cash and equivalents, cash flows from operations, and availability under revolving credit facilities and our trade receivables financing arrangement will be sufficient to fund working capital needs, planned capital expenditures, dividend payments, other operational cash requirements and required debt service obligations for at least the next 12 months.

We had FX forward contracts with an aggregate notional amount of $298.0 outstanding as of December 31, 2014, with substantially all such contracts scheduled to mature in 2015. The fair value of our open contracts was a net liability of $4.6, with $4.5 recorded as a current liability and $0.1 recorded as a noncurrent liability. We had FX embedded derivatives with an aggregate notional amount of $246.0 outstanding at December 31, 2014, with scheduled maturities of $151.7, $84.0 and $10.3 in 2015, 2016 and years thereafter, respectively. The fair value of the associated embedded derivatives was a net asset of $0.7, with $5.1 recorded as a current asset, $1.2 recorded as a noncurrent asset, $4.7 recorded as a current liability and $0.9 recorded as a noncurrent liability as of December 31, 2014.

We had commodity contracts with an unrealized loss, net of tax, recorded in accumulated other comprehensive income of $1.0 at December 31, 2014. We expect to reclassify the December 31, 2014 unrealized loss to cost of products sold over the next 12 months as the hedged transactions impact earnings. The fair value of these contracts was $1.4 (recorded as a current liability) as of December 31, 2014.

ITEM 8. Financial Statements And Supplementary Data

SPX Corporation and Subsidiaries
Index To Consolidated Financial Statements

December 31, 2014

All schedules are omitted because they are not applicable, not required or because the required information is included in our consolidated financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of SPX Corporation:

We have audited the accompanying Consolidated Balance Sheets of SPX Corporation and subsidiaries (the "Company") as of December 31, 2014 and 2013, and the related Consolidated Statements of Operations, Comprehensive Income, Equity, and Cash Flows for each of the three years in the period ended December 31, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the consolidated financial statements of EGS Electrical Group, LLC and subsidiaries ("EGS") for the fiscal years ended September 30, 2013 and 2012, the Company's investment accounted for by use of the equity method (see Note 9 to the Company's consolidated financial statements). The Company's equity in income of EGS for the fiscal years ended September 30, 2013 and 2012 was $41.9 million and $39.0 million, respectively. The consolidated financial statements of EGS were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for EGS, is based solely on the report of the other auditors.

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

In our opinion, based on our audits and the report of the other auditors, such consolidated financial statements present fairly, in all material respects, the financial position of SPX Corporation and subsidiaries at December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2014, based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 20, 2015 expressed an unqualified opinion on the Company's internal control over financial reporting based on our audit.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 20, 2015

SPX Corporation and Subsidiaries
Consolidated Statements of Operations
(in millions, except per share amounts)

	Year ended December 31, 2014	2013	2012
Revenues	$ 4,721.1	$ 4,773.3	$ 4,894.6
Costs and expenses:			
Cost of products sold	3,357.5	3,392.3	3,554.2
Selling, general and administrative	1,068.7	963.9	1,120.9
Intangible amortization	31.8	33.0	34.1
Impairment of goodwill and other long-term assets	38.1	6.7	285.9
Special charges, net	23.1	32.3	23.4
Operating income (loss)	201.9	345.1	(123.9)
Other income (expense), net	484.6	(11.3)	14.0
Interest expense	(69.8)	(112.6)	(114.4)
Interest income	8.6	8.2	6.3
Loss on early extinguishment of debt	(32.5)	—	—
Equity earnings in joint ventures	1.4	42.2	38.6
Income (loss) from continuing operations before income taxes	594.2	271.6	(179.4)
Income tax (provision) benefit	(214.1)	(60.3)	14.2
Income (loss) from continuing operations	380.1	211.3	(165.2)
Income (loss) from discontinued operations, net of tax	(5.0)	5.3	35.0
Gain (loss) on disposition of discontinued operations, net of tax	13.3	(4.0)	313.4
Income from discontinued operations, net of tax	8.3	1.3	348.4
Net income	388.4	212.6	183.2
Less: Net income (loss) attributable to noncontrolling interests	(9.5)	2.4	2.8
Net income attributable to SPX Corporation common shareholders	$ 397.9	$ 210.2	$ 180.4
Amounts attributable to SPX Corporation common shareholders:			
Income (loss) from continuing operations, net of tax	$ 389.6	$ 209.1	$ (168.2)
Income from discontinued operations, net of tax	8.3	1.1	348.6
Net income	$ 397.9	$ 210.2	$ 180.4
Basic income (loss) per share of common stock:			
Income (loss) from continuing operations attributable to SPX Corporation common shareholders	$ 9.19	$ 4.61	$ (3.36)
Income from discontinued operations attributable to SPX Corporation common shareholders	0.19	0.02	6.97
Net income per share attributable to SPX Corporation common shareholders	$ 9.38	$ 4.63	$ 3.61
Weighted-average number of common shares outstanding — basic	42.400	45.384	50.031
Diluted income (loss) per share of common stock:			
Income (loss) from continuing operations attributable to SPX Corporation common shareholders	$ 9.05	$ 4.55	$ (3.36)
Income from discontinued operations attributable to SPX Corporation common shareholders	0.20	0.02	6.97
Net income per share attributable to SPX Corporation common shareholders	$ 9.25	$ 4.57	$ 3.61
Weighted-average number of common shares outstanding — diluted	43.031	46.006	50.031

The accompanying notes are an integral part of these statements.

SPX Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
(in millions)

	Year ended December 31,		
	2014	2013	2012
Net income	$ 388.4	$ 212.6	$ 183.2
Other comprehensive income (loss), net:			
Pension liability adjustment, net of tax (provision) benefit of $(5.2), $1.0 and $0.8 in 2014, 2013 and 2012, respectively	9.7	(2.2)	(1.0)
Net unrealized gains (losses) on qualifying cash flow hedges, net of tax (provision) benefit of $0.1, $(1.2) and $(0.4) in 2014, 2013 and 2012, respectively	(0.5)	2.5	1.1
Net unrealized gains (losses) on available-for-sale securities	3.7	(0.6)	(1.6)
Foreign currency translation adjustments	(237.8)	2.4	97.1
Other comprehensive income (loss), net	(224.9)	2.1	95.6
Total comprehensive income	163.5	214.7	278.8
Less: Total comprehensive income (loss) attributable to noncontrolling interests	(9.5)	1.8	3.4
Total comprehensive income attributable to SPX Corporation common shareholders	$ 173.0	$ 212.9	$ 275.4

The accompanying notes are an integral part of these statements.

SPX Corporation and Subsidiaries
Consolidated Balance Sheets
(in millions, except share data)

	December 31, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and equivalents	$ 427.6	$ 691.8
Accounts receivable, net	1,067.4	1,210.4
Inventories, net	497.8	505.9
Other current assets	98.5	104.4
Deferred income taxes	123.8	119.6
Assets of discontinued operations	—	100.9
Total current assets	2,215.1	2,733.0
Property, plant and equipment:		
Land	56.4	46.4
Buildings and leasehold improvements	361.8	387.9
Machinery and equipment	825.9	796.0
	1,244.1	1,230.3
Accumulated depreciation	(573.2)	(533.8)
Property, plant and equipment, net	670.9	696.5
Goodwill	1,455.4	1,549.1
Intangibles, net	831.0	928.3
Other assets	729.8	949.3
TOTAL ASSETS	$ 5,902.2	$ 6,856.2
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 462.0	$ 497.5
Accrued expenses	892.3	990.8
Income taxes payable	43.7	73.1
Short-term debt	181.1	26.9
Current maturities of long-term debt	30.8	558.7
Liabilities of discontinued operations	—	27.4
Total current liabilities	1,609.9	2,174.4
Long-term debt	1,157.8	1,090.0
Deferred and other income taxes	294.9	427.2
Other long-term liabilities	1,018.5	992.6
Total long-term liabilities	2,471.2	2,509.8
Commitments and contingent liabilities (Note 14)		
Equity:		
SPX Corporation shareholders' equity:		
Common stock (100,063,887 and 40,858,006 issued and outstanding at December 31, 2014, respectively, and 99,801,498 and 45,281,329 issued and outstanding at December 31, 2013, respectively)	1,008.2	1,004.5
Paid-in capital	1,600.8	1,571.5
Retained earnings	2,637.8	2,303.1
Accumulated other comprehensive income	62.6	287.5
Common stock in treasury (59,205,881 and 54,520,169 shares at December 31, 2014 and 2013, respectively)	(3,491.5)	(3,008.6)
Total SPX Corporation shareholders' equity	1,817.9	2,158.0
Noncontrolling interests	3.2	14.0
Total equity	1,821.1	2,172.0
TOTAL LIABILITIES AND EQUITY	$ 5,902.2	$ 6,856.2

The accompanying notes are an integral part of these statements.

SPX Corporation and Subsidiaries
Consolidated Statements of Equity
(in millions, except per share amounts)

	Common Stock	Paid-In Capital	Retained Earnings	Accum. Other Comprehensive Income	Common Stock In Treasury	SPX Corporation Shareholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2011	$ 993.6	$ 1,502.2	$ 2,008.9	$ 189.8	$ (2,510.3)	$ 2,184.2	$ 10.0	$ 2,194.2
Net income	—	—	180.4	—	—	180.4	2.8	183.2
Other comprehensive income, net	—	—	—	95.0	—	95.0	0.6	95.6
Dividends declared ($1.00 per share)	—	—	(50.9)	—	—	(50.9)	—	(50.9)
Exercise of stock options and other incentive plan activity	4.4	20.6	—	—	—	25.0	—	25.0
Stock-based compensation expense, including $1.5 related to discontinued operations	—	40.4	—	—	—	40.4	—	40.4
Restricted stock and restricted stock unit vesting, including related tax benefit of $0.5 and net of tax withholdings	0.9	(9.5)	—	—	4.3	(4.3)	—	(4.3)
Common stock repurchases	—	—	—	—	(245.6)	(245.6)	—	(245.6)
Dividends attributable to noncontrolling interests	—	—	—	—	—	—	(0.7)	(0.7)
Other changes in noncontrolling interests	—	—	—	—	—	—	(1.4)	(1.4)
Balance at December 31, 2012	998.9	1,553.7	2,138.4	284.8	(2,751.6)	2,224.2	11.3	2,235.5
Net income	—	—	210.2	—	—	210.2	2.4	212.6
Other comprehensive income (loss), net	—	—	—	2.7	—	2.7	(0.6)	2.1
Dividends declared ($1.00 per share)	—	—	(45.5)	—	—	(45.5)	—	(45.5)
Exercise of stock options and other incentive plan activity	2.2	14.7	—	—	—	16.9	—	16.9
Stock-based compensation expense, including $0.6 related to discontinued operations	—	33.5	—	—	—	33.5	—	33.5
Restricted stock and restricted stock unit vesting, including related tax benefit of $1.7 and net of tax withholdings	3.4	(27.4)	—	—	3.2	(20.8)	—	(20.8)
Common stock repurchases	—	—	—	—	(260.2)	(260.2)	—	(260.2)
Other changes in noncontrolling interests	—	(3.0)	—	—	—	(3.0)	0.9	(2.1)
Balance at December 31, 2013	1,004.5	1,571.5	2,303.1	287.5	(3,008.6)	2,158.0	14.0	2,172.0
Net income (loss)	—	—	397.9	—	—	397.9	(9.5)	388.4
Other comprehensive loss, net	—	—	—	(224.9)	—	(224.9)	—	(224.9)
Dividends declared ($1.50 per share)	—	—	(63.2)	—	—	(63.2)	—	(63.2)
Incentive plan activity	1.6	14.8	—	—	—	16.4	—	16.4
Stock-based compensation expense	—	38.4	—	—	—	38.4	—	38.4
Restricted stock and restricted stock unit vesting, including related tax benefit of $6.7 and net of tax withholdings	2.1	(23.9)	—	—	5.9	(15.9)	—	(15.9)
Common stock repurchases	—	—	—	—	(488.8)	(488.8)	—	(488.8)

Dividends attributable to noncontrolling interests	—	—	—	—	—	—	(0.5)	(0.5)
Other changes in noncontrolling interests	—	—	—	—	—	—	(0.8)	(0.8)
Balance at December 31, 2014	$ 1,008.2	$ 1,600.8	$ 2,637.8	$ 62.6	$ (3,491.5)	$ 1,817.9	$ 3.2	$ 1,821.1

The accompanying notes are an integral part of these statements.

SPX Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(in millions)

	Year ended December 31, 2014	2013	2012
Cash flows from operating activities:			
Net income	$ 388.4	$ 212.6	$ 183.2
Less: Income from discontinued operations, net of tax	8.3	1.3	348.4
Income (loss) from continuing operations	380.1	211.3	(165.2)
Adjustments to reconcile income (loss) from continuing operations to net cash from operating activities			
Special charges, net	23.1	32.3	23.4
Gain on asset sales	(491.1)	—	(20.5)
Impairment of goodwill and other long-term assets	38.1	6.7	285.9
Loss on early extinguishment of debt	32.5	—	—
Deferred and other income taxes	(81.7)	95.8	(36.5)
Depreciation and amortization	109.2	115.1	107.8
Pension and other employee benefits	131.8	(0.1)	176.6
Stock-based compensation	38.4	32.9	38.9
Other, net	1.8	10.4	8.3
Changes in operating assets and liabilities, net of effects from acquisition and divestitures			
Accounts receivable and other assets	61.7	58.3	(213.9)
Inventories	(17.1)	9.6	58.3
Accounts payable, accrued expenses and other	(119.6)	(181.9)	(176.0)
Discretionary pension contribution	—	(250.0)	—
Cash spending on restructuring actions	(25.5)	(28.8)	(19.1)
Net cash from continuing operations	81.7	111.6	68.0
Net cash from (used in) discontinued operations	(5.3)	(6.3)	1.8
Net cash from operating activities	76.4	105.3	69.8
Cash flows from (used in) investing activities:			
Proceeds from asset sales and other, net	581.4	9.8	18.9
(Increase) decrease in restricted cash	(0.5)	—	1.9
Business acquisition and other investments, net of cash acquired	—	(2.9)	(34.3)
Capital expenditures	(61.1)	(55.1)	(81.8)
Net cash from (used in) continuing operations	519.8	(48.2)	(95.3)
Net cash from discontinued operations (includes net cash proceeds from dispositions of $108.6, $13.5 and $1,133.4 in 2014, 2013 and 2012, respectively)	107.6	1.5	1,126.0
Net cash from (used in) investing activities	627.4	(46.7)	1,030.7
Cash flows used in financing activities:			
Repurchase of senior notes (includes premiums paid of $30.6)	(530.6)	—	—
Borrowings under senior credit facilities	572.0	287.0	1,065.0
Repayments under senior credit facilities	(339.0)	(287.0)	(1,421.9)
Borrowings under trade receivables agreement	91.0	35.0	127.3
Repayments under trade receivables agreement	(81.0)	(35.0)	(127.3)
Net repayments under other financing arrangements	(52.0)	(20.8)	(8.6)
Purchases of common stock	(488.8)	(260.2)	(245.6)
Minimum withholdings paid on behalf of employees for net share settlements, net of proceeds from the exercise of employee stock options and other	(12.9)	(16.2)	5.3
Financing fees paid	(0.4)	(5.4)	(0.2)
Change in noncontrolling interest in subsidiary	(0.8)	1.9	—
Dividends paid (includes noncontrolling interest distributions of $0.5 and $0.7 in 2014 and 2012, respectively)	(60.3)	(34.7)	(63.6)
Net cash used in continuing operations	(902.8)	(335.4)	(669.6)
Net cash used in discontinued operations	—	—	—
Net cash used in financing activities	(902.8)	(335.4)	(669.6)
Change in cash and equivalents due to changes in foreign currency exchange rates	(65.2)	(15.5)	2.2
Net change in cash and equivalents	(264.2)	(292.3)	433.1
Consolidated cash and equivalents, beginning of period	691.8	984.1	551.0
Consolidated cash and equivalents, end of period	$ 427.6	$ 691.8	$ 984.1
Cash and equivalents of continuing operations	$ 427.6	$ 691.8	$ 984.1
Supplemental disclosure of cash flow information:			
Interest paid	$ 65.9	$ 102.6	$ 102.0
Income taxes paid, net of refunds of $10.0, $9.4 and $10.3 in 2014, 2013 and 2012, respectively	$ 314.8	$ 50.3	$ 59.3
Non-cash investing and financing activity:			
Debt assumed	$ 0.2	$ 5.0	$ 61.5

The accompanying notes are an integral part of these statements.

(1) Summary of Significant Accounting Policies

Our significant accounting policies are described below, as well as in other Notes that follow.

Basis of Presentation — The consolidated financial statements include SPX Corporation's ("SPX", "our" or "we") accounts prepared in conformity with accounting principles generally accepted in the United States ("GAAP") after the elimination of intercompany transactions. Investments in unconsolidated companies where we exercise significant influence but do not have control are accounted for using the equity method. In determining whether we are the primary beneficiary of a variable interest entity ("VIE"), we perform a qualitative analysis that considers the design of the VIE, the nature of our involvement and the variable interests held by other parties to determine which party has the power to direct the activities of the VIE that most significantly impact the entity's economic performance, and which party has the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. We have interests in VIEs, primarily joint ventures, in which we are the primary beneficiary and others in which we are not. Our VIEs are considered immaterial, individually and in aggregate, to our consolidated financial statements.

We have reclassified certain prior period amounts, including the results of discontinued operations, to conform to the current period presentation. Unless otherwise indicated, amounts provided in these Notes pertain to continuing operations only (see Note 4 for information on discontinued operations).

Foreign Currency Translation and Transactions — The financial statements of our foreign subsidiaries are translated into U.S. dollars in accordance with the Foreign Currency Matters Topic of the Financial Accounting Standards Board Codification ("Codification" or "ASC"). Balance sheet accounts are translated at the current rate at the end of each period and income statement accounts are translated at the average rate for each period. Gains and losses on foreign currency translations are reflected as a separate component of shareholders' equity and other comprehensive income. Foreign currency transaction gains and losses, as well as gains and losses related to foreign currency forward contracts and currency forward embedded derivatives, are included in "Other income (expense), net," with the related net losses totaling $7.1, $15.6 and $12.4 in 2014, 2013 and 2012, respectively.

Cash Equivalents — We consider highly liquid money market investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Revenue Recognition — We recognize revenues from product sales upon shipment to the customer (e.g., FOB shipping point) or upon receipt by the customer (e.g., FOB destination), in accordance with the agreed upon customer terms. Revenues from service contracts and long-term maintenance arrangements are recognized on a straight-line basis over the agreement period. Sales with FOB destination terms are primarily to power transformer industry customers. Sales to distributors with return rights are recognized upon shipment to the distributor with expected returns estimated and accrued at the time of sale. The accrual considers restocking charges for returns and in some cases the distributor must issue a replacement order before the return is authorized. Actual return experience may vary from our estimates. We recognize revenues separately for arrangements with multiple deliverables that meet the criteria for separate units of accounting as defined by the Revenue Recognition Topic of the Codification. The deliverables under these arrangements typically include hardware and software components, installation, maintenance, extended warranties and software upgrades. Amounts allocated to each element are based on its objectively determined fair value, such as the sales price of the product or service when it is sold separately, competitor prices for similar products or our best estimate. The hardware and software components are usually recognized as revenue contemporaneously, as both are required for essential functionality of the products, with the installation being recognized upon completion. Revenues related to maintenance, extended warranties and software upgrades are recognized on a pro-rata basis over the coverage period.

We offer sales incentive programs primarily to effect volume rebates and promotional and advertising allowances. These programs are only significant to one of our business units. The liability for these programs, and the resulting reduction to reported revenues, is determined primarily through trend analysis, historical experience and expectations regarding customer participation.

Amounts billed for shipping and handling are included in revenues. Costs incurred for shipping and handling are recorded in cost of products sold. Taxes assessed by governmental authorities that are directly imposed on a revenue-producing transaction between a seller and a customer are presented on a net basis (excluded from revenues) in our consolidated statements of operations.

(All currency and share amounts are in millions, except per share and par value data)

In addition, certain of our businesses, primarily within the Flow Technology and Thermal Equipment and Services reportable segments, also recognize revenues from long-term construction/installation contracts under the percentage-of-completion method of accounting. The percentage-of-completion is measured principally by the percentage of costs incurred to date for each contract to the estimated total costs for such contract at completion. We recognize revenues for similar short-term contracts using the completed-contract method of accounting.

Provisions for any estimated losses on uncompleted long-term contracts are made in the period in which such losses are determined. In the case of customer change orders for uncompleted long-term contracts, estimated recoveries are included for work performed in forecasting ultimate profitability on certain contracts. Due to uncertainties inherent in the estimation process, it is possible that completion costs, including those arising from contract penalty provisions and final contract settlements, may be revised in the near-term. Such revisions to costs and income are recognized in the period in which the revisions are determined.

Costs and estimated earnings in excess of billings arise when revenues have been recorded but the amounts have not been billed under the terms of the contracts. These amounts are recoverable from customers upon various measures of performance, including achievement of certain milestones, completion of specified units or completion of the contract. Claims related to long-term contracts are recognized as revenue only after we have determined that collection is probable and the amount can be reliably estimated. Claims made by us involve negotiation and, in certain cases, litigation or other dispute-resolution processes. In the event we incur litigation or other dispute-resolution costs in connection with claims, such costs are expensed as incurred, although we may seek to recover these costs. Claims against us are recognized when a loss is considered probable and amounts are reasonably estimable.

We recognized $1,206.4, $1,343.8 and $1,594.7 in revenues under the percentage-of-completion method for the years ended December 31, 2014, 2013 and 2012, respectively. Costs and estimated earnings on uncompleted contracts, from their inception, and related amounts billed as of December 31, 2014 and 2013 were as follows:

	2014	2013
Costs incurred on uncompleted contracts	$ 3,232.6	$ 3,767.4
Estimated earnings to date	591.1	813.2
	3,823.7	4,580.6
Less: Billings to date	(3,765.5)	(4,517.9)
	58.2	62.7
Net costs and estimated earnings in excess of billings assumed in the acquisition of Clyde Union (Holdings) S.A.R.L. ("Clyde Union")	—	4.2
Net costs and estimated earnings in excess of billings	$ 58.2	$ 66.9

These amounts are included in the accompanying consolidated balance sheets at December 31, 2014 and 2013 as shown below. Amounts for billed retainages and receivables to be collected in excess of one year are not significant for the periods presented.

	2014	2013
Costs and estimated earnings in excess of billings(1)	$ 237.1	$ 285.3
Billings in excess of costs and estimated earnings on uncompleted contracts(2)	(178.9)	(218.4)
Net costs and estimated earnings in excess of billings	$ 58.2	$ 66.9

(1) Reported as a component of "Accounts receivable, net."

(2) Reported as a component of "Accrued expenses."

Research and Development Costs — We expense research and development costs as incurred. We charge costs incurred in the research and development of new software included in products to expense until technological feasibility is established. After technological feasibility is established, additional eligible costs are capitalized until the product is available for general release. We amortize these costs over the economic lives of the related products and include the amortization in cost of products sold. We perform periodic reviews of the recoverability of these capitalized software costs. At the time we determine that capitalized amounts are not recoverable based on the estimated cash flows to be generated from the applicable software, we write off any unrecoverable capitalized amounts. We expensed research activities relating to the development and improvement of our products of $51.1, $47.3 and $49.0 in 2014, 2013 and 2012, respectively.

Property, Plant and Equipment — Property, plant and equipment ("PP&E") is stated at cost, less accumulated depreciation. We use the straight-line method for computing depreciation expense over the useful lives of PP&E, which do not exceed 40 years for buildings and range from 3 to 15 years for machinery and equipment. Depreciation expense, including amortization of capital leases, was $77.4, $82.1 and $73.7 for the years ended December 31, 2014, 2013 and 2012, respectively. Leasehold improvements are amortized over the life of the related asset or the life of the lease, whichever is shorter. Interest is capitalized on significant construction or installation projects. Interest capitalized during 2012 totaled $0.5. No interest was capitalized during 2014 or 2013.

Pension and Postretirement — We recognize changes in the fair value of plan assets and actuarial gains and losses in earnings during the fourth quarter of each year, unless earlier remeasurement is required, as a component of net periodic benefit expense and, accordingly, recognize the effects of plan investment performance, interest rate changes, and changes in actuarial assumptions as a component of earnings in the year in which they occur. The remaining components of pension/postretirement expense, primarily service and interest costs and expected return on plan assets, are recorded on a quarterly basis.

Income Taxes — We account for our income taxes based on the requirements of the Income Taxes Topic of the Codification, which includes an estimate of the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our consolidated financial statements or tax returns. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. We periodically assess the realizability of deferred tax assets and the adequacy of deferred tax liabilities, including the results of local, state, federal or foreign statutory tax audits or estimates and judgments used.

Derivative Financial Instruments — We use foreign currency forward contracts ("FX forward contracts") to manage our exposures to fluctuating currency exchange rates, and forward contracts to manage the exposure on forecasted purchases of commodity raw materials ("commodity contracts"). We have used interest rate protection agreements ("Swaps") to manage our exposures to fluctuating interest rate risk on variable rate debt. Derivatives are recorded on the balance sheet and measured at fair value. For derivatives designated as hedges of the fair value of assets or liabilities, the changes in fair values of both the derivatives and the hedged items are recorded in current earnings. For derivatives designated as cash flow hedges, the effective portion of the changes in fair value of the derivatives is recorded in accumulated other comprehensive income ("AOCI") and subsequently recognized in earnings when the hedged items impact earnings. Changes in the fair value of derivatives not designated as hedges, and the ineffective portion of cash flow hedges, are recorded in current earnings. We do not enter into financial instruments for speculative or trading purposes.

For those transactions that are designated as cash flow hedges, on the date the derivative contract is entered into, we document our hedge relationship, including identification of the hedging instruments and the hedged items, as well as our risk management objectives and strategies for undertaking the hedge transaction. We also assess, both at inception and quarterly thereafter, whether such derivatives are highly effective in offsetting changes in the fair value of the hedged item. See Notes 13 and 16 for further information.

Cash flows from hedging activities are included in the same category as the items being hedged, which is primarily operating activities.

(2) Use of Estimates

The preparation of our consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues (e.g., our percentage-of-completion estimates described above) and expenses during the reporting period. We evaluate these estimates and judgments on an ongoing basis and base our estimates on experience, current and expected future conditions, third-party evaluations and various other assumptions that we believe are reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities as well as identifying and assessing the accounting treatment with respect to commitments and contingencies. Actual results may differ from the estimates and assumptions used in the consolidated financial statements and related notes.

(All currency and share amounts are in millions, except per share and par value data)

Listed below are certain significant estimates and assumptions used in the preparation of our consolidated financial statements. Certain other estimates and assumptions are further explained in the related notes.

Accounts Receivable Allowances — We provide allowances for estimated losses on uncollectible accounts based on our historical experience and the evaluation of the likelihood of success in collecting specific customer receivables. In addition, we maintain allowances for customer returns, discounts and invoice pricing discrepancies, with such allowances primarily based on historical experience. Summarized below is the activity for these allowance accounts.

	Year ended December 31,		
	2014	2013	2012
Balance at beginning of year	$ 46.4	$ 50.2	$ 40.8
Allowances provided	30.9	23.8	27.9
Write-offs, net of recoveries, credits issued and other	(40.5)	(27.6)	(18.5)
Balance at end of year	$ 36.8	$ 46.4	$ 50.2

Inventory — We estimate losses for excess and/or obsolete inventory and the net realizable value of inventory based on the aging and historical utilization of the inventory and the evaluation of the likelihood of recovering the inventory costs based on anticipated demand and selling price.

Long-Lived Assets and Intangible Assets Subject to Amortization — We continually review whether events and circumstances subsequent to the acquisition of any long-lived assets, or intangible assets subject to amortization, have occurred that indicate the remaining estimated useful lives of those assets may warrant revision or that the remaining balance of those assets may not be fully recoverable. If events and circumstances indicate that the long-lived assets should be reviewed for possible impairment, we use projections to assess whether future cash flows on an undiscounted basis related to the assets are likely to exceed the related carrying amount. We will record an impairment charge to the extent that the carrying value of the assets exceed their fair values as determined by valuation techniques appropriate in the circumstances, which could include the use of similar projections on a discounted basis.

In determining the estimated useful lives of definite-lived intangibles, we consider the nature, competitive position, life cycle position, and historical and expected future operating cash flows of each acquired asset, as well as our commitment to support these assets through continued investment and legal infringement protection.

Goodwill and Indefinite-Lived Intangible Assets — We test goodwill and indefinite-lived intangible assets for impairment annually during the fourth quarter and continually assess whether a triggering event has occurred to determine whether the carrying value exceeds the implied fair value. The fair value of reporting units is based generally on discounted projected cash flows, but we also consider factors such as comparable industry price multiples. We employ cash flow projections that we believe to be reasonable under current and forecasted circumstances, the results of which form the basis for making judgments about the carrying values of the reported net assets of our reporting units. Many of our businesses closely follow changes in the industries and end markets that they serve. Accordingly, we consider estimates and judgments that affect the future cash flow projections, including principal methods of competition, such as volume, price, service, product performance and technical innovations, as well as estimates associated with cost reduction initiatives, capacity utilization and assumptions for inflation and foreign currency changes. Actual results may differ from these estimates under different assumptions or conditions. See Note 8 for further information, including discussion of impairment charges recorded in 2014, 2013 and 2012.

(All currency and share amounts are in millions, except per share and par value data)

Accrued Expenses — We make estimates and judgments in establishing accruals as required under GAAP. Summarized in the table below are the components of accrued expenses at December 31, 2014 and 2013.

	December 31, 2014	December 31, 2013
Employee benefits	$ 219.6	$ 215.3
Unearned revenue[1]	375.4	460.9
Warranty	38.3	42.4
Other[2]	259.0	272.2
Total	$ 892.3	$ 990.8

(1) Unearned revenue includes billings in excess of costs and estimated earnings on uncompleted contracts accounted for under the percentage-of-completion method of revenue recognition, customer deposits and unearned amounts on service contracts.

(2) Other consists of various items including, among other items, accrued legal costs, interest, restructuring costs and dividends payable, none of which is individually material.

Legal — It is our policy to accrue for estimated losses from legal actions or claims when events exist that make the realization of the losses probable and they can be reasonably estimated. We do not discount legal obligations or reduce them by anticipated insurance recoveries.

Environmental Remediation Costs — We expense costs incurred to investigate and remediate environmental issues unless they extend the economic useful lives of related assets. We record liabilities when it is probable that an obligation has been incurred and the amounts can be reasonably estimated. Our environmental accruals cover anticipated costs, including investigation, remediation and operation and maintenance of clean-up sites. Our estimates are based primarily on investigations and remediation plans established by independent consultants, regulatory agencies and potentially responsible third parties. We generally do not discount environmental obligations or reduce them by anticipated insurance recoveries.

Self-Insurance — We are self-insured for certain of our workers' compensation, automobile, product, general liability, disability and health costs, and we maintain adequate accruals to cover our retained liabilities. Our accruals for self-insurance liabilities are based on claims filed and an estimate of claims incurred but not yet reported, and generally are not discounted. We consider a number of factors, including third-party actuarial valuations, when making these determinations. We maintain third-party stop-loss insurance policies to cover certain liability costs in excess of predetermined retained amounts; however, this insurance may be insufficient or unavailable (e.g., because of insurer insolvency) to protect us against potential loss exposures. The key assumptions considered in estimating the ultimate cost to settle reported claims and the estimated costs associated with incurred but not yet reported claims include, among other things, our historical and industry claims experience, trends in health care and administrative costs, our current and future risk management programs, and historical lag studies with regard to the timing between when a claim is incurred and reported.

Warranty — In the normal course of business, we issue product warranties for specific products and provide for the estimated future warranty cost in the period in which the sale is recorded. We provide for the estimate of warranty cost based on contract terms and historical warranty loss experience that is periodically adjusted for recent actual experience. Because warranty estimates are forecasts that are based on the best available information, claims costs may differ from amounts provided. In addition, due to the seasonal fluctuations at certain of our businesses, the timing of warranty provisions and the usage of warranty accruals can vary period to period. We make adjustments to initial obligations for warranties as changes in the obligations become reasonably estimable. The following is an analysis of our product warranty accrual for the periods presented:

(All currency and share amounts are in millions, except per share and par value data)

	Year ended December 31,		
	2014	2013	2012
Balance at beginning of year	$ 55.1	$ 60.0	$ 55.9
Acquisition	—	—	3.7
Provisions	34.9	31.4	24.9
Usage	(32.0)	(36.4)	(25.0)
Currency translation adjustment	(2.0)	0.1	0.5
Balance at end of year	56.0	55.1	60.0
Less: Current portion of warranty	38.3	42.4	49.9
Non-current portion of warranty	$ 17.7	$ 12.7	$ 10.1

Income Taxes — We perform reviews of our income tax positions on a continuous basis and accrue for potential uncertain tax positions in accordance with the Income Taxes Topic of the Codification. Accruals for these uncertain tax positions are classified as "Income taxes payable" and "Deferred and other income taxes" in the accompanying consolidated balance sheets based on an expectation as to the timing of when the matter will be resolved. As events change or resolutions occur, these accruals are adjusted, such as in the case of audit settlements with taxing authorities. For tax positions where it is more likely than not that a tax benefit will be sustained, we record the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority, assuming such authority has full knowledge of all relevant information. These reviews also entail analyzing the realization of deferred tax assets. When we believe that it is more likely than not that we will not realize a benefit for a deferred tax asset based on all available evidence, we establish a valuation allowance against it.

Employee Benefit Plans — Defined benefit plans cover a portion of our salaried and hourly employees, including certain employees in foreign countries. As discussed in Note 1, we recognize changes in the fair value of plan assets and actuarial gains and losses associated with our pension and postretirement benefit plans in earnings during the fourth quarter of each year, unless earlier remeasurement is required, as a component of net periodic benefit expense. The remaining components of pension/postretirement expense, primarily service and interest costs and expected return on plan assets, are recorded on a quarterly basis. See Note 10 for further discussion of our pension and postretirement benefits.

We derive pension expense from an actuarial calculation based on the defined benefit plans' provisions and our assumptions regarding discount rate and rate of increase in compensation levels. We determine the discount rate for our more significant U.S. plans by matching the expected projected benefit obligation cash flows of the plans to a yield curve that is representative of long-term, high-quality (rated AA or higher) fixed income debt instruments as of the measurement date. For our other plans, we determine the discount rate based on representative bond indices. The rate of increase in compensation levels is established based on our expectations of current and foreseeable future increases in compensation. We also consult with independent actuaries in determining these assumptions.

(3) New Accounting Pronouncements

The following is a summary of new accounting pronouncements that apply or may apply to our business.

In July 2012, the Financial Accounting Standards Board ("FASB") issued an amendment to guidance relating to testing indefinite-lived intangible assets, other than goodwill, for impairment. Under the revised guidance, entities testing such assets for impairment have the option of first performing a qualitative assessment to determine whether it is more likely than not that the carrying amount of an indefinite-lived intangible asset exceeds its fair value. If an entity determines, on the basis of qualitative factors, that it is more likely than not that the indefinite-lived intangible asset is impaired, the entity shall calculate the fair value of the intangible asset and perform the quantitative impairment test in accordance with the Intangibles — Goodwill and Other Topic of the Codification. The amendment was effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. We adopted this guidance on January 1, 2013, with no material impact on our consolidated financial statements.

In February 2013, the FASB issued an amendment to guidance relating to the reporting of reclassifications out of AOCI. This guidance requires companies to present, in one place, information about significant amounts reclassified from AOCI. In addition, for significant items reclassified out of AOCI to net income in their entirety during the reporting period, companies must report the effect of such reclassifications on the respective line items in the statement of operations. For amounts not required to be reclassified to net income in their entirety, companies must reference the disclosures that provide additional detail about those amounts. This amendment was effective for interim and annual reporting periods beginning after December 15, 2012, and must be applied prospectively. We adopted this guidance on January 1, 2013, with the required disclosures included in Note 15.

In March 2013, the FASB issued an amendment to guidance to resolve the diversity in practice relating to a parent entity's accounting for the cumulative translation adjustment ("CTA") upon derecognition of foreign subsidiaries or groups of assets. The amendment requires that any CTA related to the parent entity's investment in a foreign entity be released into earnings when a sale or transfer of the foreign subsidiary or group of assets results in the complete or substantially complete liquidation of the foreign entity. This amendment is effective for interim and annual reporting periods beginning after December 15, 2013, and must be applied prospectively. We adopted this guidance on January 1, 2014, with no material impact on our consolidated financial statements.

In July 2013, the FASB issued an amendment to guidance to resolve the diversity in practice in the presentation of unrecognized tax benefits when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward (collectively, a "carryforward") exists. An unrecognized tax benefit, or portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for the carryforward, except to the extent (i) the carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or (ii) the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose. In these cases, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. This amendment applies to all entities that have unrecognized tax benefits when a carryforward exists at the reporting date. This amendment is effective for interim and annual reporting periods beginning after December 15, 2013 and must be applied prospectively to all unrecognized tax benefits that exist at the effective date, with retrospective application permitted. We adopted this guidance on January 1, 2014, with no material impact on our consolidated financial statements.

In April 2014, the FASB issued an amendment to guidance to change the criteria for determining which disposals of components of an entity can be presented as discontinued operations and to modify related disclosure requirements. Under the amended guidance, a discontinued operation is defined as a disposal of a component or group of components that is disposed of or is classified as held for sale and represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. The amendment states that a "strategic shift" could include a disposal of (i) a major geographical area of operations, (ii) a major line of business, (iii) a major equity method investment, or (iv) other major parts of an entity. The standard no longer precludes presentation as a discontinued operation if there are operations and cash flows of the component that have not been eliminated from the reporting entity's ongoing operations, or there is significant continuing involvement with a component after its disposal. This amendment is effective for interim and annual reporting periods beginning after December 15, 2014 and shall be applied prospectively to new disposals and new classifications of disposal groups as held for sale after the effective date. The impact of the adoption of this amendment on our consolidated financial statements will be based on our future disposal activity.

In May 2014, the FASB issued a new standard on revenue recognition that outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The new standard contains a five-step approach that entities will apply to determine the measurement of revenue and timing of when it is recognized, including (i) identifying the contract(s) with a customer, (ii) identifying the separate performance obligations in the contract, (iii) determining the transaction price, (iv) allocating the transaction price to separate performance obligations, and (v) recognizing revenue when (or as) each performance obligation is satisfied. The new standard requires a number of disclosures intended to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue, and the related cash flows. The disclosures include qualitative and quantitative information about contracts with customers, significant judgments made in applying the revenue guidance, and assets recognized from the costs to obtain or fulfill a contract. The new standard is effective for interim and annual reporting periods beginning after December 15, 2016 and may be applied either retrospectively or through the use of a modified-retrospective method. We are currently evaluating both methods of adoption as well as the effect that this new standard will have on our consolidated financial statements.

(All currency and share amounts are in millions, except per share and par value data)

(4) Acquisitions, Discontinued Operations and Formation of Shanghai Electric JV

We use acquisitions as a part of our strategy to gain access to customer relationships and new technology, expand our geographical reach, penetrate new markets and leverage our existing product, market, manufacturing and technical expertise. Further, as part of our operating strategy, we regularly review and negotiate potential divestitures, some of which are or may be material. As a result of this continuous review, we determined that certain of our businesses would be better strategic fits with other companies or investors. Acquisitions and divestitures for the years ended December 31, 2014, 2013 and 2012 are described below.

The consolidated statements of operations include the results of the acquired business since the date of its acquisition. The assets acquired and liabilities assumed are recorded at estimates of fair values as determined by us based on its information available at the acquisition date. We consider a number of factors, including third-party valuations or appraisals, when making these determinations. We will recognize additional assets or liabilities if new information is obtained during the measurement period about facts and circumstances that existed as of the acquisition date that, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period will not exceed one year from the acquisition date.

There were no acquisitions in 2014 or 2013.

Acquisition — 2012

On March 21, 2012, our Flow Technology reportable segment completed the acquisition of Seital S.r.l. ("Seital"), a supplier of disk centrifuges (separators and clarifiers) to the global food and beverage, biotechnology, pharmaceutical and chemical industries, for a purchase price of $28.8, net of cash acquired of $2.5 and including debt assumed of $0.8. Seital had revenues of approximately $14.0 in the twelve months prior to the date of acquisition. The pro forma effects of the acquisition of Seital were not material, individually or in the aggregate, to our consolidated results of operations.

Discontinued Operations

We report businesses or asset groups as discontinued operations when, among other things, we terminate the operations of the business or asset group, commit to a plan to divest the business or asset group or actively begin marketing the business or asset group, and the sale of the business or asset group is deemed probable within the next twelve months.

During the fourth quarter of 2014, our Board of Directors unanimously approved a plan for a tax-free spin-off of our Flow Technology reportable segment and our Hydraulic Technologies business, and the creation of a new stand-alone, publicly-traded company focused on providing highly engineered technologies and services to customers in the global power and energy, food and beverage, and industrial markets. In connection with the planned spin-off transaction, we determined that we would no longer pursue the sale of our Flash Technologies business, a business that was previously reported in discontinued operations. Accordingly, we have reclassified the results of operations, assets and liabilities, and cash flows of this business to continuing operations for all periods presented. This business is included within Industrial Products and Services and Other.

The following businesses, which have been sold or for which operations have been terminated, met the requirements described above and therefore have been reported as discontinued operations for all periods presented:

Business	Quarter Discontinued	Quarter of Sale or Termination of Operations
Fenn LLC ("Fenn")	Q3 2013	Q3 2014
SPX Precision Components ("Precision Components")	Q3 2013	Q2 2014
Thermal Product Solutions ("TPS")	Q3 2013	Q1 2014
Broadcast Antenna System business ("Dielectric")	Q2 2013	Q2 2013
Crystal Growing business ("Kayex")	Q1 2013	Q1 2013
TPS Tianyu Equipment Co., Ltd. ("Tianyu")	Q4 2012	Q4 2012
Weil-McLain (Shandong) Cast-Iron-Boiler Co., Ltd. ("Weil-McLain Shandong")	Q4 2012	Q4 2012
SPX Service Solutions ("Service Solutions")	Q1 2012	Q4 2012

(All currency and share amounts are in millions, except per share and par value data)

Fenn — Sold for cash consideration of $3.5 during 2014, resulting in a loss, net of taxes, of $0.4.

Precision Components — Sold for cash consideration of $62.6 during 2014 (inclusive of cash paid of $0.4 associated with the working capital settlement), resulting in a loss, net of taxes, of $6.9.

TPS — Sold for cash consideration of $42.5 during 2014, resulting in a gain, net of taxes, of $21.7.

Dielectric — We sold assets of the business during 2013 for cash consideration of $4.7, resulting in a gain of less than $0.1.

Kayex — We closed the business during 2013. We recorded a gain, net of taxes, of $1.3 during 2013 associated primarily with a gain on the sale of a perpetual license related to certain of the business's intangible assets, which was partially offset by a loss related to severance costs and asset impairment charges. Proceeds from the sale of the perpetual license totaled $6.9.

Tianyu — Sold for cash consideration of one Chinese Yuan ("CNY") (exclusive of cash transferred with the business of $1.1), resulting in a loss, net of taxes, of $1.8 during 2012.

Weil-McLain Shandong — Sold for cash consideration of $2.7 (exclusive of cash transferred with the business of $3.1), resulting in a gain, net of taxes, of $2.2 during 2012. During 2013, we received $1.1 associated with the working capital settlement and reduced the net gain by $0.4. During 2014, we decreased the net gain by $1.1 as a result of revisions to income tax liabilities related to the sale.

Service Solutions — Sold to Robert Bosch GmbH for cash consideration of $1,134.9, resulting in a gain, net of taxes, of $313.4 during 2012. During 2013, we received $0.8 associated with the working capital settlement and reduced the net gain by $0.3, associated primarily with the working capital settlement and revisions to income tax and other liabilities related to the sale. During 2014, we increased the net gain by $2.1, primarily as a result of revisions to income tax liabilities related to the sale.

In addition to the businesses discussed above, we recognized net losses of $2.1, $4.6 and $0.4 during 2014, 2013 and 2012, respectively, resulting from adjustments to gains/losses on dispositions of businesses discontinued prior to 2012.

The final sales price for certain of the divested businesses is subject to adjustment based on working capital existing at the respective closing dates. The working capital figures are subject to agreement with the buyers or, if we cannot come to agreement with the buyers, an arbitration or other dispute-resolution process. Final agreement of the working capital figures with the buyers for certain of these transactions has yet to occur. In addition, changes in estimates associated with liabilities retained in connection with a business divestiture (e.g., income taxes) may occur. It is possible that the sales price and resulting gains/losses on these and other previous divestitures may be materially adjusted in subsequent periods.

For 2014, 2013 and 2012, income from discontinued operations and the related income taxes are shown below:

	Year ended December 31,		
	2014	2013	2012
Income from discontinued operations	$ 22.1	$ 3.6	$ 612.7
Income tax provision	(13.8)	(2.3)	(264.3)
Income from discontinued operations, net	$ 8.3	$ 1.3	$ 348.4

For 2014, 2013 and 2012, results of operations from our businesses reported as discontinued operations were as follows:

	Year ended December 31,		
	2014	2013	2012
Revenues	$ 27.7	$ 148.9	$ 1,030.6
Pre-tax income (loss)	(6.1)	7.0	57.1

(All currency and share amounts are in millions, except per share and par value data)

The major classes of assets and liabilities, excluding intercompany balances, of the businesses reported as discontinued operations included in the accompanying consolidated balance sheet as of December 31, 2013 are shown below:

	December 31, 2013
Assets:	
Accounts receivable, net	$ 19.1
Inventories, net	33.9
Other current assets	1.1
Property, plant and equipment, net	12.1
Goodwill and intangibles, net	34.7
Assets of discontinued operations	$ 100.9
Liabilities:	
Accounts payable	$ 10.4
Accrued expenses	17.0
Liabilities of discontinued operations	$ 27.4

Formation of Shanghai Electric JV

On December 30, 2011, we and Shanghai Electric Group Co., Ltd. established Shanghai Electric — SPX Engineering & Technologies Co., Ltd. (the "Shanghai Electric JV"), a joint venture supplying dry cooling and moisture separator reheater products and services to the power sector in China and other selected regions of the world. We contributed and sold certain assets of our dry cooling products business in China to the joint venture in consideration for a 45% ownership interest in the joint venture and cash payments of CNY 96.7, with CNY 51.5 received in January 2012, CNY 25.8 received in December 2012, and the remaining CNY 19.4 received in 2013. In addition, we have licensed our dry cooling and moisture separator reheater technologies to the joint venture, for which we are receiving a royalty. We also are continuing to manufacture dry cooling components in our China factories and have entered into an exclusive supply agreement with the joint venture for these products. Final approval for the transaction was received in January 2012. We determined that this transaction met the deconsolidation criteria of the Consolidation Topic of the Codification, and, thus, recorded a gain for the transaction equal to the estimated fair value of our investment in the joint venture plus any consideration received, less the carrying value of assets contributed and sold to the joint venture. We recorded the net gain associated with this transaction of $20.5 in the first quarter of 2012, with the gain included in "Other income (expense), net."

The Shanghai Electric JV's results of operations and our equity earnings in this investment, as included in our consolidated statements of operations, were not material to any period presented.

(5) Information on Reportable Segments and Other Operating Segments

We are a global supplier of highly specialized, engineered solutions with operations in over 35 countries and sales in over 150 countries around the world. Many of our products and innovative solutions play a role in helping to meet rising global demand for power and energy and processed foods and beverages, particularly in emerging markets. In 2014, an estimated 27% of our revenues were from sales into emerging markets. Our key products include processing systems and equipment for the food and beverage industry, reciprocating pumps used in oil and gas processing, power transformers used by utility companies, and cooling systems for power plants.

We aggregate certain of our operating segments into our two reportable segments, Flow Technology and Thermal Equipment and Services, while our remaining operating segments, which do not meet the quantitative threshold criteria of the Segment Reporting Topic of the Codification, have been combined within our "All Other" category, which we refer to as Industrial Products and Services and Other. The operating segments in this "All Other" category generally serve industrial end-markets. Industrial Products and Services and Other is not considered a reportable segment.

The factors considered in determining our aggregated segments are the economic similarity of the businesses, the nature of products sold or services provided, production processes, types of customers and distribution methods. In determining our segments, we apply the threshold criteria of the Segment Reporting Topic of the Codification to operating income or loss of each segment before considering impairment and special charges, pension and postretirement expense/income, stock-based compensation and other indirect corporate expenses. This is consistent with the way our chief operating decision maker evaluates the results of each segment.

Revenues by reportable segment and our other operating segments and geographic area represent sales to unaffiliated customers, and no one customer or group of customers that, to our knowledge, are under common control accounted for more than 10% of our consolidated revenues for any period presented. Intercompany revenues among reportable segments and our other operating segments are not significant. Identifiable assets by reportable segment and for the other operating segments are those used in the respective operations of each. General corporate assets are principally cash, pension assets, deferred tax assets, certain prepaid expenses, fixed assets, and, as of December 31, 2013, our 44.5% interest in the EGS Electrical Group, LLC and Subsidiaries ("EGS") joint venture (which we sold to Emerson Electric Co. on January 7, 2014). See Note 9 for financial information relating to EGS, as well as details associated with the sale of our interest in the joint venture.

Flow Technology Reportable Segment

Our Flow Technology reportable segment engineers, designs, manufactures and markets products and solutions used to process, blend, filter, dry, meter and transport fluids with a focus on original equipment installation, including turnkey systems, skidded systems and components, as well as comprehensive aftermarket components and support services. Primary component offerings include engineered pumps, valves, mixers, plate heat exchangers, and dehydration and filtration technologies. The segment primarily serves customers in food and beverage, power and energy and industrial end markets. Core brands include SPX Flow Technology, APV, ClydeUnion, e&e, Seital, Lightnin, Waukesha Cherry-Burrell, Anhydro, Bran&Luebbe, Copes-Vulcan, Johnson Pump, M&J Valves, Plenty, Hankison, Gerstenberg Schröder, GD Engineering, Dollinger Filtration, Pneumatic Products, Delair, Deltech and Jemaco. Competitors in these diversified end markets include GEA Group AG, Flowserve, Alfa Laval AB, Sulzer, ITT Gould Pumps and IDEX Corporation. Channels to market consist of stocking distributors, manufacturers' representatives and direct sales. The segment continues to focus on innovation and new product development, optimizing its global footprint while taking advantage of cross-product integration opportunities and increasing its competitive position in global end markets. Flow Technology's solutions focus on key business drivers, such as product flexibility, process optimization, sustainability and safety.

Thermal Equipment and Services Reportable Segment

Our Thermal Equipment and Services reportable segment engineers, designs, manufactures, installs and services thermal heat transfer products. Primary offerings include dry, evaporative and hybrid cooling systems, rotating and stationary heat exchangers and pollution control systems for the power generation, HVAC and industrial markets, as well as boilers and heating and ventilation products for the residential and commercial markets. The primary distribution channels for the Thermal Equipment and Services reportable segment are direct to customers, independent manufacturing representatives, third-party distributors and retailers. The segment serves a global customer base, with a strong presence in North America, Europe and South Africa.

Industrial Products and Services and Other

Industrial Products and Services and Other comprises operating segments that design, manufacture and market power transformers, industrial tools and hydraulic units, tower and obstruction lights and monitoring equipment, communications and signal monitoring systems, fare collection systems, and portable cable and pipe locators. The primary distribution channels for the Industrial Products and Services and Other operating segments are direct to customers, independent manufacturing representatives and third-party distributors.

Corporate Expense

Corporate expense generally relates to the cost of our Charlotte, NC corporate headquarters and our Asia Pacific center in Shanghai, China.

(All currency and share amounts are in millions, except per share and par value data)

Financial data for our reportable segments and other operating segments, including the results of Seital from the date of its acquisition, for the years ended December 31, 2014, 2013 and 2012 were as follows:

	2014	2013	2012
Revenues:			
Flow Technology reportable segment	$ 2,596.1	$ 2,638.0	$ 2,682.2
Thermal Equipment and Services reportable segment[1]	1,329.9	1,344.2	1,490.9
Industrial Products and Services and Other	795.1	791.1	721.5
Total revenues	$ 4,721.1	$ 4,773.3	$ 4,894.6
Income:			
Flow Technology reportable segment	$ 361.9	$ 308.3	$ 285.1
Thermal Equipment and Services reportable segment[1]	52.4	81.9	106.7
Industrial Products and Services and Other	107.8	119.9	99.3
Total income for reportable and other operating segments	522.1	510.1	491.1
Corporate expense	106.8	110.8	108.8
Pension and postretirement expense (income)	113.8	(17.7)	158.0
Stock-based compensation expense	38.4	32.9	38.9
Impairment of goodwill and other long-term assets	38.1	6.7	285.9
Special charges, net	23.1	32.3	23.4
Consolidated operating income (loss)	$ 201.9	$ 345.1	$ (123.9)
Capital expenditures:			
Flow Technology reportable segment	$ 34.8	$ 21.0	$ 25.6
Thermal Equipment and Services reportable segment	9.1	7.2	10.9
Industrial Products and Services and Other	6.9	10.3	19.4
General corporate	10.3	16.6	25.9
Total capital expenditures	$ 61.1	$ 55.1	$ 81.8
Depreciation and amortization:			
Flow Technology reportable segment	$ 62.8	$ 68.3	$ 63.8
Thermal Equipment and Services reportable segment	20.3	22.5	22.0
Industrial Products and Services and Other	15.2	15.9	15.9
General corporate	10.9	8.4	6.1
Total depreciation and amortization	$ 109.2	$ 115.1	$ 107.8
Identifiable assets:			
Flow Technology reportable segment	$ 3,165.7	$ 3,526.8	$ 3,611.2
Thermal Equipment and Services reportable segment	1,391.0	1,338.1	1,445.4
Industrial Products and Services and Other	667.4	684.8	699.3
General corporate	678.1	1,205.6	1,279.1
Discontinued operations	—	100.9	95.1
Total identifiable assets	$ 5,902.2	$ 6,856.2	$ 7,130.1
Geographic Areas:			
Revenues:[2]			
United States	$ 2,233.9	$ 2,213.3	$ 2,230.8
United Kingdom	452.0	499.6	545.2
Germany	311.9	306.2	358.5
China	278.4	235.9	232.3
South Africa	137.3	266.3	322.4
Other	1,307.6	1,252.0	1,205.4
	$ 4,721.1	$ 4,773.3	$ 4,894.6
Tangible Long-Lived Assets:			
United States	$ 956.1	$ 1,260.1	$ 1,156.5
Other	444.6	385.7	310.2
Long-lived assets of continuing operations	1,400.7	1,645.8	1,466.7
Long-lived assets of discontinued operations	—	12.1	12.0
Total tangible long-lived assets	$ 1,400.7	$ 1,657.9	$ 1,478.7

(1) During 2014, the business environment surrounding our large power projects in South Africa became increasingly difficult. In addition, in January 2015, the end customer announced additional schedule delays for completing these projects. Against this background, we have incurred, and expect to incur, additional costs relating to the projects. We believe that a large portion of these costs is reimbursable by our subcontractors on the projects. However, certain of these subcontractors appear to be financially challenged and, as such, their ability to reimburse us is not reasonably assured. In consideration of these additional costs and the associated recoverability risk, we made revisions to expected revenues and costs on our large power projects in South Africa, resulting in a reduction in revenue and segment income during 2014 of $33.3.

(2) Revenues are included in the above geographic areas based on the country that recorded the customer revenue.

(All currency and share amounts are in millions, except per share and par value data)

(6) Special Charges, Net

As part of our business strategy, we periodically right-size and consolidate operations to improve long-term results. Additionally, from time to time, we alter our business model to better serve customer demand, discontinue lower-margin product lines and rationalize and consolidate manufacturing capacity. Our restructuring and integration decisions are based, in part, on discounted cash flows and are designed to achieve our goals of reducing structural footprint and maximizing profitability. As a result of our strategic review process, we recorded net special charges of $23.1 in 2014, $32.3 in 2013 and $23.4 in 2012. These net special charges were primarily related to restructuring initiatives to consolidate manufacturing and sales facilities, reduce workforce, and rationalize certain product lines, as well as asset impairment charges.

The components of the charges have been computed based on actual cash payouts, including severance and other employee benefits based on existing severance policies, local laws, and other estimated exit costs, and our estimate of the realizable value of the affected tangible and intangible assets.

Impairments of long-lived assets, including amortizable intangibles, which represent non-cash asset write-downs, typically arise from business restructuring decisions that lead to the disposition of assets no longer required in the restructured business. For these situations, we recognize a loss when the carrying amount of an asset exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Fair values for assets subject to impairment testing are determined primarily by management, taking into consideration various factors including third-party appraisals, quoted market prices and previous experience. If an asset remains in service at the decision date, the asset is written down to its fair value and the resulting net book value is depreciated over its remaining economic useful life. When we commit to a plan to sell an asset, including the initiation of a plan to locate a buyer, and it is probable that the asset will be sold within one year based on its current condition and sales price, depreciation of the asset is discontinued and the asset is classified as an asset held for sale. The asset is written down to its fair value less any selling costs.

Liabilities for exit costs, including, among other things, severance, other employee benefit costs, and operating lease obligations on idle facilities, are measured initially at their fair value and recorded when incurred.

With the exception of certain multi-year operating lease obligations and other contractual obligations, which are not material to our consolidated financial statements, we anticipate that the liabilities related to restructuring actions will be paid within one year from the period in which the action was initiated.

Special charges for the years ended December 31, 2014, 2013 and 2012 are described in more detail below and in the applicable sections that follow:

	Years Ended December 31,		
	2014	2013	2012
Employee termination costs	$ 19.8	$ 29.2	$ 22.6
Facility consolidation costs	0.9	1.0	2.4
Other cash costs (recoveries), net	0.9	0.1	(4.4)
Non-cash asset write-downs	1.5	2.0	2.8
Total	$ 23.1	$ 32.3	$ 23.4

2014 Charges:

	Employee Termination Costs	Facility Consolidation Costs	Other Cash Costs, Net	Non-Cash Asset Write-downs	Total Special Charges
Flow Technology reportable segment	$ 11.2	$ 0.6	$ 0.5	$ 1.5	$ 13.8
Thermal Equipment and Services reportable segment	5.7	0.3	0.4	—	6.4
Industrial Products and Services and Other	2.3	—	—	—	2.3
Corporate	0.6	—	—	—	0.6
Total	$ 19.8	$ 0.9	$ 0.9	$ 1.5	$ 23.1

(All currency and share amounts are in millions, except per share and par value data)

Flow Technology reportable segment — Charges for 2014 related primarily to severance and other costs associated with restructuring initiatives at various locations in Europe and the U.S. These actions were taken primarily to (i) reduce the cost base of Clyde Union, as we continue to integrate the business into our Flow Technology reportable segment, and (ii) reorganize the food and beverage commercial organization and Johnson Pump management structure in Europe. Once completed, restructuring activities are expected to result in the termination of approximately 100 employees. Charges for 2014 also included asset impairment charges of $1.5 related to tangible long-lived assets in the power and energy, and food and beverage, businesses.

Thermal Equipment and Services reportable segment — Charges for 2014 related primarily to severance and other costs associated with (i) restructuring actions at our Balcke Duerr and dry cooling businesses primarily in Germany in order to reduce the cost base of the businesses in response to reduced demand for nuclear power products and services in Europe, (ii) the restructuring of a regional sales organization within the boiler products business, and (iii) the closure of a facility in China. Once completed, restructuring activities are expected to result in the termination of approximately 80 employees.

Industrial Products and Services and Other — Charges for 2014 related primarily to costs associated with restructuring initiatives at various locations in the U.S. These actions resulted in the termination of 37 employees.

Corporate — Charges for 2014 related primarily to costs associated with our efforts to better align our corporate overhead structure with the new operational alignment we implemented in the second half of 2013.

Expected charges still to be incurred under actions approved as of December 31, 2014 are approximately $2.0.

2013 Charges:

	Employee Termination Costs	Facility Consolidation Costs	Other Cash Costs (Recoveries), Net	Non-Cash Asset Write-downs	Total Special Charges
Flow Technology reportable segment	$ 11.8	$ 1.0	$ (0.3)	$ 1.7	$ 14.2
Thermal Equipment and Services reportable segment	16.3	—	—	—	16.3
Industrial Products and Services and Other	1.0	—	0.2	—	1.2
Corporate	0.1	—	0.2	0.3	0.6
Total	$ 29.2	$ 1.0	$ 0.1	$ 2.0	$ 32.3

Flow Technology reportable segment — Charges for 2013 related primarily to severance costs associated with (i) restructuring initiatives at Clyde Union locations primarily in the U.K. and the U.S. and (ii) the operational realignment of the segment's reporting structure. These actions were taken primarily to reduce the cost base of Clyde Union, as we continued to integrate the business into our Flow Technology reportable segment, and to further align the segment's operational structure to its key end markets. These activities resulted in the termination of 500 employees. Charges for 2013 also included asset impairment charges of $1.7 related primarily to facilities that were exited in the U.S., Denmark and the U.K.

Thermal Equipment and Services reportable segment — Charges for 2013 related primarily to severance and other costs associated with restructuring actions at our Balcke Duerr and dry cooling businesses in Germany. These actions were taken to reduce the cost base of the businesses in response to reduced demand for nuclear power products and services in Europe. These activities resulted in the termination of 290 employees.

Industrial Products and Services and Other — Charges for 2013 related primarily to costs associated with restructuring initiatives at various locations in the U.S. These actions resulted in the termination of 40 employees.

Corporate — Charges for 2013 related primarily to costs associated with the early termination of two building leases and an asset impairment charge of $0.3.

(All currency and share amounts are in millions, except per share and par value data)

2012 Charges:

	Employee Termination Costs	Facility Consolidation Costs	Other Cash Costs (Recoveries), Net	Non-Cash Asset Write-downs	Total Special Charges
Flow Technology reportable segment	$ 16.2	$ 1.8	$ —	$ 0.9	$ 18.9
Thermal Equipment and Services reportable segment	5.7	0.2	0.1	1.6	7.6
Industrial Products and Services and Other	—	0.3	—	—	0.3
Corporate	0.7	0.1	(4.5)	0.3	(3.4)
Total	$ 22.6	$ 2.4	$ (4.4)	$ 2.8	$ 23.4

Flow Technology reportable segment — Charges for 2012 related primarily to cost reduction initiatives for the segment's components business in Europe and at locations in Canada and Denmark, as well as costs associated with the relocation of the segment's America's Shared Service Center from Des Plaines, IL to Charlotte, NC, the integration of Clyde Union, and the reorganization of the segment's food and beverage systems business, including asset impairment charges of $0.9. These activities resulted in the termination of 271 employees.

Thermal Equipment and Services reportable segment — Charges for 2012 related primarily to costs associated with restructuring initiatives at various locations in China and Europe, including asset impairment charges totaling $1.6, and severance costs associated with transferring certain functions of our boiler and heating products business to a location in Chicago, IL. These activities resulted in the termination of 195 employees.

Industrial Products and Services and Other — Charges for 2012 related primarily to costs associated with the closure of a location within our portable cable and pipe locator business.

Corporate — Charges for 2012 included a gain of $4.8 on the sale of land rights in Shanghai, China, for which the related costs previously had been written-off. This gain was offset partially by costs associated with consolidating certain corporate functions and our legal entity reduction initiative.

The following is an analysis of our restructuring liabilities for the years ended December 31, 2014, 2013 and 2012:

	December 31, 2014	2013	2012
Balance at beginning of year	$ 19.0	$ 16.4	$ 11.0
Special charges[(1)]	21.6	34.7	25.5
Utilization — cash[(2)]	(26.2)	(32.4)	(20.1)
Currency translation adjustment and other	(0.1)	0.3	—
Balance at the end of year	$ 14.3	$ 19.0	$ 16.4

(1) The years ended December 31, 2014, 2013 and 2012 included $0.0, $4.4 and $0.7, respectively, of charges that related to discontinued operations for which we have retained the related liabilities, and excluded $1.5, $2.0 and $3.4, respectively, of non-cash charges that impacted special charges but not the restructuring liabilities, as well as a gain of $4.8 on the sale of land rights in Shanghai, China during the year ended December 31, 2012.

(2) The years ended December 31, 2014, 2013 and 2012 included $0.7, $3.6 and $1.0 of cash utilized to settle retained liabilities of discontinued operations.

(All currency and share amounts are in millions, except per share and par value data)

(7) Inventories, Net

Inventories at December 31, 2014 and 2013 comprised the following:

	December 31, 2014	December 31, 2013
Finished goods	$ 138.2	$ 148.7
Work in process	158.6	165.1
Raw materials and purchased parts	220.5	213.0
Total FIFO cost	517.3	526.8
Excess of FIFO cost over LIFO inventory value	(19.5)	(20.9)
Total inventories	$ 497.8	$ 505.9

Inventories include material, labor and factory overhead costs and are reduced, when necessary, to estimated net realizable values. Certain domestic inventories are valued using the last-in, first-out ("LIFO") method. These inventories were approximately 18% and 19% of total inventory at December 31, 2014 and 2013, respectively. Other inventories are valued using the first-in, first-out ("FIFO") method.

(8) Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill, by reportable segment and our other operating segments for the year ended December 31, 2014, were as follows:

	December 31, 2013	Goodwill Resulting from Business Combinations	Impairments	Foreign Currency Translation and Other	December 31, 2014
Flow Technology reportable segment					
Gross goodwill	$ 1,120.2	$ —	$ —	$ (83.7)	$ 1,036.5
Accumulated impairments	—	—	—	—	—
Goodwill	1,120.2	—	—	(83.7)	1,036.5
Thermal Equipment and Services reportable segment					
Gross goodwill	570.0	—	—	(16.7)	553.3
Accumulated impairments	(399.5)	—	—	8.1	(391.4)
Goodwill	170.5	—	—	(8.6)	161.9
Industrial Products and Services and Other					
Gross goodwill	398.9	—	—	(2.8)	396.1
Accumulated impairments	(140.5)	—	—	1.4	(139.1)
Goodwill	258.4	—	—	(1.4)	257.0
Total					
Gross goodwill	2,089.1	—	—	(103.2)	1,985.9
Accumulated impairments	(540.0)	—	—	9.5	(530.5)
Goodwill	$ 1,549.1	$ —	$ —	$ (93.7)	$ 1,455.4

(All currency and share amounts are in millions, except per share and par value data)

The changes in the carrying amount of goodwill, by reportable segment and our other operating segments for the year ended December 31, 2013, were as follows:

	December 31, 2012	Goodwill Resulting from Business Combinations	Impairments	Foreign Currency Translation and Other	December 31, 2013
Flow Technology reportable segment					
Gross goodwill	$ 1,114.6	$ —	$ —	$ 5.6	$ 1,120.2
Accumulated impairments	—	—	—	—	—
Goodwill	1,114.6	—	—	5.6	1,120.2
Thermal Equipment and Services reportable segment					
Gross goodwill	563.7	—	—	6.3	570.0
Accumulated impairments	(395.7)	—	—	(3.8)	(399.5)
Goodwill	168.0	—	—	2.5	170.5
Industrial Products and Services and Other					
Gross goodwill	399.7	—	—	(0.8)	398.9
Accumulated impairments	(140.4)	—	—	(0.1)	(140.5)
Goodwill	259.3	—	—	(0.9)	258.4
Total					
Gross goodwill	2,078.0	—	—	11.1	2,089.1
Accumulated impairments	(536.1)	—	—	(3.9)	(540.0)
Goodwill	$ 1,541.9	$ —	$ —	$ 7.2	$ 1,549.1

Identifiable intangible assets were as follows:

	December 31, 2014			December 31, 2013		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Intangible assets with determinable lives:						
Customer relationships	$ 388.6	$ (91.7)	$ 296.9	$ 413.4	$ (80.0)	$ 333.4
Technology	183.8	(59.8)	124.0	196.6	(52.7)	143.9
Patents	11.3	(8.8)	2.5	11.5	(8.3)	3.2
Other	28.7	(18.3)	10.4	31.0	(18.6)	12.4
	612.4	(178.6)	433.8	652.5	(159.6)	492.9
Trademarks with indefinite lives	397.2	—	397.2	435.4	—	435.4
Total	$ 1,009.6	$ (178.6)	$ 831.0	$ 1,087.9	$ (159.6)	$ 928.3

Amortization expense was $31.8, $33.0 and $34.1 for the years ended December 31, 2014, 2013 and 2012, respectively. Estimated amortization expense related to these intangible assets is $30.7 in 2015, $30.5 in 2016, $29.8 in 2017, $29.4 in 2018, and $28.0 in 2019.

At December 31, 2014, the net carrying value of intangible assets with determinable lives consisted of $385.1 in the Flow Technology reportable segment, $41.9 in the Thermal Equipment and Services reportable segment, and $6.8 in Industrial Products and Services and Other. Trademarks with indefinite lives consisted of $259.0 in the Flow Technology reportable segment, $117.0 in the Thermal Equipment and Services reportable segment, and $21.2 in Industrial Products and Services and Other.

Consistent with the requirements of the Intangible — Goodwill and Other Topic of the Codification, the fair values of our reporting units generally are estimated using discounted cash flow projections that we believe to be reasonable under current and forecasted circumstances, the results of which form the basis for making judgments about carrying values of the reported net assets of our reporting units. Other considerations are also incorporated, including comparable industry price multiples. Many of our reporting units closely follow changes in the industries and end markets that they serve. Accordingly, we consider estimates and judgments that affect the future cash flow projections, including principal methods of competition such as volume, price, service, product performance and technical innovations and estimates associated with cost improvement initiatives, capacity utilization and assumptions for inflation and foreign currency changes. Any significant change in market conditions and estimates or judgments used to determine expected future cash flows that indicate a reduction in carrying value may give rise to impairment in the period that the change becomes known.

We perform our annual goodwill impairment testing during the fourth quarter in conjunction with our annual financial planning process, with such testing based primarily on events and circumstances existing as of the end of the third quarter. In addition, we test goodwill for impairment on a more frequent basis if there are indications of potential impairment. Based on our annual goodwill impairment testing in 2014 and 2013, we determined that the estimated fair value of each of our reporting units exceeds the carrying value of their respective net assets by at least 10%.

We perform our annual trademarks impairment testing during the fourth quarter, or on a more frequent basis if there are indications of potential impairment. The fair values of our trademarks are determined by applying estimated royalty rates to projected revenues, with the resulting cash flows discounted at a rate of return that reflects current market conditions. The basis for these projected revenues is the annual operating plan for each of the related businesses, which is prepared in the fourth quarter of the preceding year. During the fourth quarter of 2014, we recorded impairment charges of $11.7 and $8.4 related to the trademarks of certain businesses within our Flow Technology and Thermal Equipment and Services reportable segments, respectively. These trademarks generally relate to businesses that serve power and energy markets. Our current revenue projections for these trademarks have been negatively impacted by the uncertainty in the oil markets and the lack of recoverability in the U.S. coal market. In addition, during the fourth quarter of 2014, we recorded an impairment charge of $18.0 related to our Cooling Equipment and Services ("Cooling") reporting unit's investment in the Shanghai Electric JV (see Note 4 for additional discussions of the Shanghai Electric JV). In China, a decline in economic growth, which has impacted demand for power generation, and increased local competition are expected to negatively impact future operating results of the joint venture. Accordingly, we concluded during the fourth quarter of 2014 that the fair value of our investment in the joint venture exceeded the related carrying value, resulting in the aforementioned impairment charge. Other changes in the gross values of trademarks and other identifiable intangible assets related primarily to foreign currency translation.

During 2013, we recorded impairment charges of $6.7 related to the trademarks of certain businesses within our Flow Technology reportable segment.

In connection with our annual goodwill impairment testing in 2012, our analysis indicated that the estimated fair value of our Cooling reporting unit was below the carrying value of its net assets. As a result, we estimated the implied fair value of Cooling's goodwill, which resulted in an impairment charge related to such goodwill of $270.4. The impairment charge of $270.4 was composed of (i) a $125.8 difference between the estimated fair value of Cooling compared to the carrying value of its net assets and (ii) an allocation to certain tangible and intangible assets of $144.6 for the estimated increases in fair value for these assets solely for purposes of applying the impairment provisions of the Intangible — Goodwill and Other Topic of the Codification.

In addition to the goodwill impairment charge of $270.4, we recorded an impairment charge of $11.0 in 2012 related to certain long-term assets of our Cooling reporting unit. Lastly, we recorded impairment charges of $4.5 in 2012 related to trademarks for two other businesses within our Thermal Equipment and Services reportable segment.

(9) Investments in Joint Ventures

As of December 31, 2013, we had a joint venture, EGS, with Emerson Electric Co., in which we held a 44.5% interest. EGS operates primarily in the United States, Brazil, Canada and France, and is engaged in the manufacture of electrical fittings, hazardous location lighting and power conditioning products. We accounted for our investment using the equity method, on a three-month lag basis, and we typically received our share of the joint venture's earnings in cash dividends paid quarterly.

On January 7, 2014, we completed the sale of our 44.5% interest in EGS to Emerson Electric Co. for cash proceeds of $574.1. As a result of the sale, we recorded a gain of $491.2 to "Other income (expense), net" and no equity earnings related to this investment during 2014.

(All currency and share amounts are in millions, except per share and par value data)

EGS's results of operations and selected other information for its fiscal years ended September 30, 2013 and 2012 were as follows:

	2013	2012
Revenues	$ 517.5	$ 527.0
Gross profit	223.3	221.9
Income from continuing operations	89.4	87.9
Net income	89.4	87.9
Capital expenditures	13.3	12.0
Depreciation and amortization	11.0	10.4
Dividends received by SPX	30.3	35.2
Undistributed earnings attributable to SPX Corporation	20.0	8.4
SPX's equity earnings in EGS	41.9	39.0

Condensed balance sheet information of EGS as of September 30, 2013 was as follows:

	2013
Current assets	$ 180.4
Non-current assets	336.4
Current liabilities	108.0
Non-current liabilities	24.0

The carrying value of our investment in EGS was $81.8 at December 31, 2013, and is recorded in "Other assets" in our consolidated balance sheet as of that date.

The financial position, results of operations and cash flows of our other equity method investments are not material, individually or in the aggregate, in relation to our consolidated financial statements.

(10) Employee Benefit Plans

Overview — Defined benefit pension plans cover a portion of our salaried and hourly paid employees, including certain employees in foreign countries. Beginning in 2001, we discontinued providing these pension benefits generally to newly hired employees. In addition, we no longer provide service credits to certain active participants. Of the U.S. employees covered by a defined benefit pension plan and actively accruing a benefit, most are covered by an account balance plan or are part of a collectively bargained plan.

We have domestic postretirement plans that provide health and life insurance benefits to certain retirees and their dependents. Beginning in 2003, we discontinued providing these postretirement benefits generally to newly hired employees. Some of these plans require retiree contributions at varying rates. Not all retirees are eligible to receive these benefits, with eligibility governed by the plan(s) in effect at a particular location.

The plan year-end date for all our plans is December 31.

Transfers of Retiree Pension Obligations and Lump-Sum Offer — In 2013, we executed an agreement to transfer obligations for monthly pension payments to retirees under the SPX U.S. Pension Plan (the "U.S. Plan") to Massachusetts Mutual Life Insurance Company ("Mass Mutual"). Under the agreement, Mass Mutual irrevocably assumed the obligation to make future pension payments to the approximately 16,000 retirees of the U.S. Plan beginning in the second quarter of 2014. The U.S. Plan paid Mass Mutual $663.7 in 2013 to assume obligations totaling approximately $609.0. The partial annuitization of the U.S. Plan resulted in a settlement gain of $4.8, which has been included in net periodic pension benefit expense for 2013. During 2014 the above settlement gain was increased by an additional $4.8 due to refunds by Mass Mutual to the U.S. Plan, with such gain included in net periodic pension benefit expense for 2014. Additionally, during a designated election period in the first quarter of 2014, we offered approximately 7,100 eligible former employees a voluntary lump-sum payment option in lieu of a future pension benefit under the U.S. Plan. Approximately 38%, or $165.2, of the projected benefit obligation of the U.S. Plan was settled as a result of lump-sum payments made to those who accepted the offer. These payments were made during the first quarter of 2014. In connection with the lump-sum payment action, a settlement loss and an actuarial loss of $4.6 and $14.8, respectively, have been recorded to net periodic pension benefit expense, with the actuarial loss resulting from the remeasurement of the assets and obligations of the U.S. Plan.

(All currency and share amounts are in millions, except per share and par value data)

In the fourth quarter of 2014, we executed an agreement to transfer obligations for monthly pension payments to retirees under the SPX U.K. Pension Plan (the "U.K. Plan") to Just Retirement Limited ("Just Retirement"). Under the agreement, Just Retirement irrevocably assumed the obligation to make future pension payments to the approximately 900 retirees of the U.K. Plan beginning in the first quarter of 2015. The U.K. Plan paid Just Retirement 79.2 British Pounds ("GBP") ($123.3 equivalent) in the fourth quarter of 2014 to assume obligations totaling approximately GBP 68.0 ($105.8 equivalent). The partial annuitization of the U.K. Plan resulted in a settlement loss of $15.0, which has been included in net periodic pension benefit expense for 2014.

Defined Benefit Pension Plans

Plan assets — Our investment strategy is based on the long-term growth and protection of principal while mitigating overall risk to ensure that funds are available to pay benefit obligations. The domestic plan assets are invested in a broad range of investment classes, including fixed income securities and domestic and international equities. We engage various investment managers who are regularly evaluated on long-term performance, adherence to investment guidelines and the ability to manage risk commensurate with the investment style and objective for which they were hired. We continuously monitor the value of assets by class and routinely rebalance our portfolio with the goal of meeting our target allocations.

The strategy for bonds emphasizes investment-grade corporate and government debt with maturities matching a portion of the longer duration pension liabilities. The bonds strategy also includes a high yield element, which is generally shorter in duration. The strategy for equity assets is to minimize concentrations of risk by investing primarily in companies in a diversified mix of industries worldwide, while targeting neutrality in exposure to global versus regional markets, fund types and fund managers. A small portion of U.S. plan assets is allocated to private equity partnerships and real estate asset fund investments for diversification, providing opportunities for above market returns.

Allowable investments under the plan agreements include fixed income securities, equity securities, mutual funds, venture capital funds, real estate and cash and equivalents. In addition, investments in futures and option contracts, commodities and other derivatives are allowed in commingled fund allocations managed by professional investment managers. Investments prohibited under the plan agreements include private placements and short selling of stock. No shares of our common stock were held by our defined benefit pension plans as of December 31, 2014 or 2013.

Actual asset allocation percentages of each class of our domestic and foreign pension plan assets as of December 31, 2014 and 2013, along with the targeted asset investment allocation percentages, each of which is based on the midpoint of an allocation range, were as follows:

Domestic Pension Plans

	Actual Allocations		Mid-point of Target Allocation Range
	2014	2013	2014
Fixed income common trust funds	53%	20%	49%
Commingled global fund allocation	12%	15%	18%
Corporate bonds	12%	0%	12%
Global equity common trust funds	11%	25%	10%
Global equities	4%	6%	5%
U.S. Government securities	4%	0%	4%
Short-term investments[1]	3%	33%	0%
Other[2]	1%	1%	2%
Total	100%	100%	100%

(1) Short-term investments are generally invested in actively managed common trust funds or interest-bearing accounts.

(2) Assets included in this class at December 31, 2014 and 2013 are comprised primarily of insurance contracts, private equity and publicly traded real estate trusts.

(All currency and share amounts are in millions, except per share and par value data)

Foreign Pension Plans

	Actual Allocations		Mid-point of Target Allocation Range
	2014	2013	2014
Global equity common trust funds	69%	43%	44%
Fixed income common trust funds	8%	40%	31%
Non-U.S. Government securities	15%	14%	22%
Short-term investments(1)	6%	2%	1%
Other(2)	2%	1%	2%
Total	100%	100%	100%

(1) Short-term investments are generally invested in actively managed common trust funds or interest-bearing accounts.

(2) Assets included in this class comprised primarily insurance contracts.

The fair values of pension plan assets at December 31, 2014, by asset class, were as follows:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset class:				
Debt securities:				
Fixed income common trust funds(1)	$ 178.2	$ 15.1	$ 163.1	$ —
Corporate bonds	36.5	36.5	—	—
Non-U.S. Government securities	28.5	—	28.5	—
U.S. Government securities	12.0	12.0	—	—
Equity securities:				
Global equity common trust funds(2)	162.8	15.0	142.9	4.9
Global equities:				
Finance	2.1	2.1	—	—
Capital equipment	1.9	1.9	—	—
Consumer goods	1.7	1.7	—	—
Materials	1.6	1.6	—	—
Services	0.8	0.8	—	—
Energy	0.2	0.2	—	—
Miscellaneous	4.6	4.6	—	—
Alternative investments:				
Commingled global fund allocations(3)	36.3	10.5	25.8	—
Other:				
Short-term investments(4)	19.7	19.7	—	—
Other(5)	5.5	0.3	—	5.2
Total	$ 492.4	$ 122.0	$ 360.3	$ 10.1

(All currency and share amounts are in millions, except per share and par value data)

The fair values of pension plan assets at December 31, 2013, by asset class, were as follows:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset class:				
Debt securities:				
Fixed income common trust funds[1]	$ 212.2	$ 27.8	$ 184.4	$ —
Non-U.S. Government securities	42.4	—	42.4	—
Equity securities:				
Global equity common trust funds[2]	247.2	37.9	202.5	6.8
Global equities:				
Finance	3.4	3.4	—	—
Capital equipment	4.8	4.8	—	—
Consumer goods	3.2	3.2	—	—
Materials	2.9	2.9	—	—
Services	1.4	1.4	—	—
Energy	1.9	1.9	—	—
Miscellaneous	8.9	8.9	—	—
Alternative investments:				
Commingled global fund allocations[3]	71.5	20.0	51.5	—
Other:				
Short-term investments[4]	163.7	163.7	—	—
Other[5]	6.9	0.5	—	6.4
Total	$ 770.4	$ 276.4	$ 480.8	$ 13.2

(1) This class represents investments in actively managed common trust funds that invest in a variety of fixed income investments, which may include corporate bonds, both U.S. and non-U.S. municipal securities, interest rate swaps, options and futures. The funds are valued at the net asset value per share multiplied by the number of shares held as of the measurement date. The investments are valued based on yields currently available for comparable securities of issuers with similar credit ratings. The Level of the fund(s) (Level 1, 2 or 3) is determined based on the classification of the significant holdings within the fund.

(2) This class represents investments in actively managed common trust funds that invest primarily in equity securities, which may include common stocks, options and futures. The funds are valued at the net asset value per share multiplied by the number of shares held as of the measurement date. The investments are valued based on market values and yields currently available for comparable securities of issuers with similar credit ratings. The Level of the fund(s) (Level 1, 2 or 3) is determined based on the classification of the significant holdings within the fund.

(3) This class represents investments in actively managed common trust funds with investments in both equity and debt securities. The investments may include common stock, corporate bonds, U.S. and non-U.S. municipal securities, interest rate swaps, options and futures. The funds are valued at the net asset value per share multiplied by the number of shares held as of the measurement date. The investments are valued based on market values and yields currently available for comparable securities of issuers with similar credit ratings. The Level of the fund(s) (Level 1, 2 or 3) is determined based on the classification of the significant holdings within the fund.

(4) Short-term investments are valued at $1.00/unit, which approximates fair value. Amounts are generally invested in actively managed common trust funds or interest-bearing accounts.

(5) This category represents investments in insurance contracts, private equity and publicly traded real estate investment trusts. The insurance contracts and private equity investments are valued using unobservable inputs from the fund manager, primarily based on discounted cash flows models.

Our domestic pension plans participate in a securities lending program through J.P. Morgan Chase Bank, National Association. Securities loaned are required to be fully collateralized by cash or other securities. The gross collateral and the related liability to return collateral amounted to $7.0 and $13.7 at December 31, 2014 and 2013, respectively, and have been included within Level 2 of the fair value hierarchy in the tables above.

(All currency and share amounts are in millions, except per share and par value data)

During 2014, there were no significant transfers between Level 1 and Level 2 of the fair value hierarchy. During 2013, the balance of one fixed income common trust fund was transferred from Level 1 to Level 2 of the fair value hierarchy (the fair value of this fund was $16.6 and $69.2 at December 31, 2013 and 2012, respectively), and two fixed income common trust funds were transferred from Level 2 to Level 1 of the fair value hierarchy (the fair values of these funds were $27.6 and $46.3 at December 31, 2013 and 2012, respectively). It is our policy to recognize transfers between levels of the fair value hierarchy at the beginning of the fiscal year.

The following table summarizes changes in the fair value of Level 3 assets for the years ended December 31, 2014 and 2013:

	Global Equity Common Trust Funds	Commingled Global Fund Allocations	Fixed Income Common Trust Funds	Other	Total
Balance at December 31, 2012	$ 29.0	$ 155.6	$ 1.4	$ 7.4	$ 193.4
Transfers from Level 3 to Level 2 assets	—	(105.6)	—	—	(105.6)
Realized gains	—	0.9	—	—	0.9
Unrealized gains (losses) relating to instruments still held at period end	0.4	—	—	(0.1)	0.3
Purchases	3.1	—	—	—	3.1
Sales	(25.7)	(50.9)	(1.4)	(0.9)	(78.9)
Balance at December 31, 2013	6.8	—	—	6.4	13.2
Unrealized gains relating to instruments still held at period end	0.2	—	—	—	0.2
Sales	(2.1)	—	—	(1.2)	(3.3)
Balance at December 31, 2014	$ 4.9	$ —	$ —	$ 5.2	$ 10.1

During 2014, there were no transfers into or out of Level 3 assets. During 2013, the balance of one commingled global fund was transferred from Level 3 to Level 2 of the fair value hierarchy.

Employer Contributions — We currently fund U.S. pension plans in amounts equal to the minimum funding requirements of the Employee Retirement Income Security Act of 1974, plus additional amounts that may be approved from time to time. During 2014, we made no contributions to our qualified domestic pension plans, and direct benefit payments of $10.3 to our non-qualified domestic pension plans. In 2015, we do not expect to make any minimum required funding contributions to our qualified domestic pension plans and expect to make direct benefit payments of $10.5 to our non-qualified domestic pension plans.

Many of our foreign plan obligations are unfunded in accordance with local laws. These plans have no assets and instead are funded by us on a pay as you go basis in the form of direct benefit payments. In 2014, we made contributions of $10.7 to our foreign plans that are funded, which included $2.9 of contributions that relate to businesses that have been classified as discontinued operations. In addition, we made direct benefit payments of $3.2 to our foreign plans that are unfunded. In 2015, we expect to make minimum required funding contributions of $2.8, including $2.0 of contributions that relate to businesses that have been classified as discontinued operations, and $2.6 of direct benefit payments to our foreign pension plans.

Estimated Future Benefit Payments — Following is a summary, as of December 31, 2014, of the estimated future benefit payments for our pension plans in each of the next five fiscal years and in the aggregate for five fiscal years thereafter. Benefit payments are paid from plan assets or directly by us for our non-funded plans. The expected benefit payments are estimated based on the same assumptions used at December 31, 2014 to measure our obligations and include benefits attributable to estimated future employee service.

(All currency and share amounts are in millions, except per share and par value data)

Estimated future benefit payments:
(Domestic and foreign pension plans)

	Domestic Pension Benefits	Foreign Pension Benefits
2015	$ 22.0	$ 6.4
2016	78.7	7.6
2017	19.5	8.4
2018	20.1	9.3
2019	21.2	10.4
Subsequent five years	125.7	53.8

Obligations and Funded Status — The funded status of our pension plans is dependent upon many factors, including returns on invested assets and the level of market interest rates. The combined unfunded status of our pension plans as of December 31, 2014 has increased since December 31, 2013, primarily as a result of (i) lower discount rates being used to value the domestic and foreign plans and (ii) changes in mortality rate assumptions used to value the domestic plans in 2014 compared to 2013. Our non-funded pension plans account for $210.0 of the current underfunded status, as these plans are not required to be funded. The following tables show the domestic and foreign pension plans' funded status and amounts recognized in our consolidated balance sheets:

	Domestic Pension Plans		Foreign Pension Plans	
	2014	2013	2014	2013
Change in projected benefit obligation:				
Projected benefit obligation — beginning of year	$ 568.8	$ 1,345.8	$ 335.6	$ 323.0
Service cost	7.1	7.6	2.6	2.7
Interest cost	19.9	45.6	13.8	13.4
Employee contributions	—	—	0.1	0.2
Actuarial losses (gains)	59.5	(49.8)	55.3	9.6
Settlements(1)	(160.4)	(708.8)	(127.7)	—
Plan amendment	—	—	(0.2)	—
Benefits paid	(39.6)	(71.6)	(16.0)	(14.8)
Foreign exchange and other	—	—	(23.9)	1.5
Projected benefit obligation — end of year	$ 455.3	$ 568.8	$ 239.6	$ 335.6

(1) Settlements in 2013 include $663.7 that the U.S. Plan paid Mass Mutual to irrevocably assume the obligation to make future pension payments to approximately 16,000 retirees of the U.S. Plan beginning in the second quarter of 2014 and other lump sum settlements of $45.1 paid to U.S. Plan participants during 2013.

Settlements of the U.S. Plan in 2014 include (i) $165.2 paid to participants who accepted the voluntary lump-sum payment option offered in the first quarter of 2014, net of (ii) $4.8 refunded by Mass Mutual to the U.S. Plan in 2014 in connection with the partial settlement of the U.S. Plan in 2013. Settlements of the U.K. Plan in 2014 include GBP 79.2 ($123.3 equivalent) that the U.K. Plan paid Just Retirement to irrevocably assume the obligation to make future pension payments to approximately 900 retirees of the U.K. Plan beginning in the first quarter of 2015 and other lump-sum settlements of GBP 2.8 ($4.4 equivalent) paid to participants in connection with provisions of the U.K. Plan.

(All currency and share amounts are in millions, except per share and par value data)

	Domestic Pension Plans		Foreign Pension Plans	
	2014	2013	2014	2013
Change in plan assets:				
Fair value of plan assets — beginning of year	$ 467.3	$ 936.8	$ 303.1	$ 277.0
Actual return on plan assets	28.1	26.7	32.9	19.1
Contributions (employer and employee)	10.3	284.2	10.8	16.8
Settlements	(160.4)	(708.8)	(127.7)	—
Benefits paid	(39.6)	(71.6)	(12.8)	(11.1)
Foreign exchange and other	—	—	(19.6)	1.3
Fair value of plan assets — end of year	$ 305.7	$ 467.3	$ 186.7	$ 303.1
Funded status at year-end	(149.6)	(101.5)	(52.9)	(32.5)
Amounts recognized in the consolidated balance sheets consist of:				
Other assets	$ 3.3	$ 38.2	$ 15.6	$ 36.2
Accrued expenses	(10.3)	(8.9)	(2.4)	(2.7)
Other long-term liabilities	(142.6)	(130.8)	(66.1)	(66.0)
Net amount recognized	$ (149.6)	$ (101.5)	$ (52.9)	$ (32.5)
Amount recognized in accumulated other comprehensive income (pre-tax) consists of — net prior service credits	$ (0.2)	$ (0.1)	$ (0.2)	$ (0.1)

The following is information about our pension plans that had accumulated benefit obligations in excess of the fair value of their plan assets at December 31, 2014 and 2013:

	Domestic Pension Plans		Foreign Pension Plans	
	2014	2013	2014	2013
Projected benefit obligation	$ 153.9	$ 140.5	$ 118.6	$ 117.7
Accumulated benefit obligation	151.0	135.9	115.4	114.3
Fair value of plan assets	1.0	0.9	50.1	49.0

The accumulated benefit obligation for all domestic and foreign pension plans was $442.9 and $236.0, respectively, at December 31, 2014 and $556.1 and $331.7, respectively, at December 31, 2013.

Components of Net Periodic Pension Benefit Expense (Income) — Net periodic pension benefit expense (income) for our domestic and foreign pension plans included the following components:

Domestic Pension Plans

	Year ended December 31,		
	2014	2013	2012
Service cost	$ 7.1	$ 7.6	$ 9.8
Interest cost	19.9	45.6	54.4
Expected return on plan assets	(19.5)	(73.2)	(61.8)
Amortization of unrecognized prior service credits	—	—	(0.6)
Recognized net actuarial losses (gains)[1]	50.9	(3.3)	121.4
Total net periodic pension benefit expense (income)	$ 58.4	$ (23.3)	$ 123.2

(1) Consists primarily of our reported actuarial losses (gains), the difference between actual and expected returns on plan assets, settlement gains (losses) and, to a lesser extent, curtailments.

(All currency and share amounts are in millions, except per share and par value data)

Foreign Pension Plans

	Year ended December 31, 2014	2013	2012
Service cost	$ 2.6	$ 2.7	$ 2.8
Interest cost	13.8	13.4	14.6
Expected return on plan assets	(17.6)	(17.6)	(16.6)
Settlement loss[1]	15.0	—	—
Recognized net actuarial losses[2]	25.0	8.2	23.6
Total net periodic pension benefit expense	38.8	6.7	24.4
Less: Net periodic pension income (expense) of discontinued operations	(3.0)	2.8	(2.1)
Net periodic pension benefit expense of continuing operations	$ 35.8	$ 9.5	$ 22.3

(1) Includes the settlement loss recorded in connection with the transfer of the pension obligation for the retirees of the U.K. Plan to Just Retirement.

(2) Consists of our reported actuarial losses and the difference between actual and expected returns on plan assets.

Assumptions — Actuarial assumptions used in accounting for our domestic and foreign pension plans were as follows:

	Year ended December 31, 2014	2013	2012
Domestic Pension Plans			
Weighted-average actuarial assumptions used in determining net periodic pension expense:			
Discount rate	4.54%	3.85%	4.69%
Rate of increase in compensation levels	3.75%	3.75%	3.75%
Expected long-term rate of return on assets	6.76%	7.25%	7.25%
Weighted-average actuarial assumptions used in determining year-end benefit obligations:			
Discount rate	3.90%	4.77%	3.74%
Rate of increase in compensation levels	3.75%	3.75%	3.75%
Foreign Pension Plans			
Weighted-average actuarial assumptions used in determining net periodic pension expense:			
Discount rate	4.23%	4.35%	5.10%
Rate of increase in compensation levels	3.92%	3.91%	3.92%
Expected long-term rate of return on assets	5.78%	6.45%	6.56%
Weighted-average actuarial assumptions used in determining year-end benefit obligations:			
Discount rate	3.31%	4.23%	4.35%
Rate of increase in compensation levels	3.87%	3.92%	3.91%

We review the pension assumptions annually. Pension income or expense for the year is determined using assumptions as of the beginning of the year (except for the effects of recognizing changes in the fair value of plan assets and actuarial gains and losses in the fourth quarter of each year), while the funded status is determined using assumptions as of the end of the year. We determined assumptions and established them at the respective balance sheet date using the following principles: (i) the expected long-term rate of return on plan assets is established based on forward looking long-term expectations of asset returns over the expected period to fund participant benefits based on the target investment mix of our plans; (ii) the discount rate is determined by matching the expected projected benefit obligation cash flows for each of the plans to a yield curve that is representative of long-term, high-quality (rated AA or higher) fixed income debt instruments as of the measurement date; and (iii) the rate of increase in compensation levels is established based on our expectations of current and foreseeable future increases in compensation. In addition, we consider advice from independent actuaries.

(All currency and share amounts are in millions, except per share and par value data)

Multiemployer Benefit Plans

Upon acquisition of Clyde Union, we assumed participation in a multiemployer benefit plan under the terms of a collective-bargaining agreement that covers Clyde Union's domestic union-represented employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by us may be used to provide benefits to employees of other participating employers;
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and
- If we choose to stop participating in the multiemployer plan, we may be required to pay an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

We participate in the following multiemployer benefit plan:

Pension Fund	EIN Pension Plan Number	Pension Protection Act Zone Status — 2014	Financial Improvement Plan / Rehabilitation Plan Status Pending	2014 Contributions	2013 Contributions	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
IAM	51-6031295-002	Green	No	$ 0.1	$ 0.4	No	August 10, 2017

The contributions made by Clyde Union during 2014 and 2013 were not more than 5% of the total contributions made to the IAM National Pension Fund, National Pension Plan ("IAM"). In 2011, the IAM began applying an election for funding relief which allows the IAM to amortize the investment losses incurred for the plan year ended December 31, 2008 over a period of up to 29 years (as opposed to 15 years that would otherwise have been required). Furthermore, in accordance with the election, the current asset valuation method has been updated to recognize the investment losses incurred during the 2008 plan year over a ten-year period as opposed to the previous period of five years.

Postretirement Benefit Plans

Employer Contributions and Future Benefit Payments — Our postretirement medical plans are unfunded and have no plan assets, but are instead funded by us on a pay as you go basis in the form of direct benefit payments or policy premium payments. In 2014, we made benefit payments of $13.7 (net of federal subsidies of $0.9) to our postretirement benefit plans. Following is a summary, as of December 31, 2014, of the estimated future benefit payments and expected federal subsidies for our postretirement plans in each of the next five fiscal years and in the aggregate for five fiscal years thereafter. The expected benefit payments and federal subsidies are estimated based on the same assumptions used at December 31, 2014 to measure our obligations and include benefits attributable to estimated future employee service.

	Postretirement Payments, net of Subsidies	Postretirement Subsidies
2015	$ 12.8	$ 0.5
2016	12.3	0.5
2017	11.7	0.5
2018	11.1	0.5
2019	10.6	0.5
Subsequent five years	44.4	2.2

(All currency and share amounts are in millions, except per share and par value data)

Obligations and Funded Status — The following tables show the postretirement plans' funded status and amounts recognized in our consolidated balance sheets:

	Postretirement Benefits	
	2014	2013
Change in accumulated postretirement benefit obligation:		
Accumulated postretirement benefit obligation — beginning of year	$ 131.5	$ 148.7
Service cost	0.4	0.5
Interest cost	5.3	4.8
Actuarial losses (gains)	14.2	(7.8)
Benefits paid	(13.7)	(14.7)
Plan amendment	(7.5)	—
Accumulated postretirement benefit obligation — end of year	$ 130.2	$ 131.5
Funded status at year-end	$ (130.2)	$ (131.5)
Amounts recognized in the consolidated balance sheets consist of:		
Accrued expenses	$ (12.6)	$ (13.7)
Other long-term liabilities	(117.6)	(117.8)
Net amount recognized	$ (130.2)	$ (131.5)
Amount recognized in accumulated other comprehensive income (pre-tax) consists of — net prior service credits	$ (7.5)	$ (0.3)

The net periodic postretirement benefit expense (income) included the following components:

	Year ended December 31,		
	2014	2013	2012
Service cost	$ 0.4	$ 0.5	$ 0.5
Interest cost	5.3	4.8	6.1
Amortization of unrecognized prior service credits	(0.3)	(1.4)	(1.4)
Recognized net actuarial losses (gains)	14.2	(7.8)	7.3
Net periodic postretirement benefit expense (income)	$ 19.6	$ (3.9)	$ 12.5

Actuarial assumptions used in accounting for our domestic postretirement plans were as follows:

	Year ended December 31,		
	2014	2013	2012
Assumed health care cost trend rates:			
Health care cost trend rate for next year	6.79%	6.98%	7.13%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2024	2024	2019
Discount rate used in determining net periodic postretirement benefit expense	4.23%	3.37%	4.36%
Discount rate used in determining year-end postretirement benefit obligation	3.55%	4.23%	3.37%

The accumulated postretirement benefit obligation was determined using the terms and conditions of our various plans, together with relevant actuarial assumptions and health care cost trend rates. It is our policy to review the postretirement assumptions annually. The assumptions are determined by us and are established based on our prior experience and our expectations that future rates will decline. In addition, we consider advice from independent actuaries.

Assumed health care cost trend rates can have a significant effect on the amounts reported for the postretirement benefit plans. Including the effects of recognizing actuarial gains and losses into earnings, a one percentage point increase in the assumed health care cost trend rate would have increased our estimated 2014 postretirement expense by $6.9, and a one percentage point decrease in the assumed health care cost trend rate would have decreased our estimated 2014 postretirement expense by $6.1.

(All currency and share amounts are in millions, except per share and par value data)

Defined Contribution Retirement Plans

We maintain a defined contribution retirement plan (the "DC Plan") pursuant to Section 401(k) of the U.S. Internal Revenue Code. Under the DC Plan, eligible U.S. employees may voluntarily contribute up to 50% of their compensation into the DC Plan and we match a portion of participating employees' contributions. Our matching contributions are primarily made in newly issued shares of company common stock and are issued at the prevailing market price. The matching contributions vest with the employee immediately upon the date of the match and there are no restrictions on the resale of common stock held by employees.

Under the DC Plan, we contributed 0.167, 0.206 and 0.266 shares of our common stock to employee accounts in 2014, 2013 and 2012, respectively. Compensation expense is recorded based on the market value of shares as the shares are contributed to employee accounts. We recorded $16.4 in 2014, $15.3 in 2013 and $15.5 in 2012 as compensation expense related to the matching contribution.

Certain collectively-bargained employees participate in the DC Plan with company contributions not being made in company common stock, although company common stock is offered as an investment option under these plans.

We also maintain a Supplemental Retirement Savings Plan ("SRSP"), which permits certain members of our senior management and executive groups to defer eligible compensation in excess of the amounts allowed under the DC Plan. We match a portion of participating employees' deferrals to the extent allowable under the SRSP provisions. The matching contributions vest with the participant immediately. Our funding of the participants' deferrals and our matching contributions are held in certain mutual funds (as allowed under the SRSP), as directed by the participant. The fair values of these assets, which totaled $50.5 and $46.2 at December 31, 2014 and 2013, respectively, are based on quoted prices in active markets for identical assets (Level 1). In addition, the assets under the SRSP are available to the general creditors in the event of our bankruptcy and, thus, are maintained on our consolidated balance sheets within other non-current assets, with a corresponding amount in other long-term liabilities for our obligation to the participants. Lastly, these assets are accounted for as trading securities. During 2014, 2013 and 2012, we recorded compensation expense of $0.6, $0.3 and $0.3, respectively, relating to our matching contributions to the SRSP.

(11) Income Taxes

Income (loss) from continuing operations before income taxes and the (provision for) benefit from income taxes consisted of the following:

	Year ended December 31,		
	2014	2013	2012
Income (loss) from continuing operations:			
United States	$ 474.1	$ 212.7	$ (223.6)
Foreign	120.1	58.9	44.2
	$ 594.2	$ 271.6	$ (179.4)
(Provision for) benefit from income taxes:			
Current:			
United States	$ (261.7)	$ 65.5	$ (1.4)
Foreign	(34.1)	(30.0)	(20.9)
Total current	(295.8)	35.5	(22.3)
Deferred and other:			
United States	111.2	(123.9)	1.2
Foreign	(29.5)	28.1	35.3
Total deferred and other	81.7	(95.8)	36.5
Total (provision) benefit	$ (214.1)	$ (60.3)	$ 14.2

(All currency and share amounts are in millions, except per share and par value data)

The reconciliation of income tax computed at the U.S. federal statutory tax rate to our effective income tax rate was as follows:

	Year ended December 31,		
	2014	**2013**	**2012**
Tax at U.S. federal statutory rate	35.0%	35.0%	35.0%
State and local taxes, net of U.S. federal benefit	1.8	1.5	(0.5)
U.S. credits and exemptions	(1.6)	(3.9)	2.8
Foreign earnings taxed at lower rates	(2.3)	(10.7)	14.0
Audit settlements with taxing authorities	(2.0)	0.2	15.4
Adjustments to uncertain tax positions	(2.1)	0.8	(3.0)
Changes in valuation allowance	6.2	(0.2)	(6.2)
Tax on repatriation of foreign earnings	2.7	(0.5)	(8.4)
Goodwill impairment and basis adjustments	(1.0)	—	(41.8)
Other	(0.7)	—	0.6
	36.0%	22.2%	7.9%

Significant components of our deferred tax assets and liabilities were as follows:

	As of December 31,	
	2014	**2013**
Deferred tax assets:		
NOL and credit carryforwards	$ 266.2	$ 229.8
Pension, other postretirement and postemployment benefits	116.9	95.5
Payroll and compensation	67.5	63.5
Legal, environmental and self-insurance accruals	45.8	42.3
Working capital accruals	34.7	26.8
Other	47.5	45.1
Total deferred tax assets	578.6	503.0
Valuation allowance	(152.9)	(149.3)
Net deferred tax assets	425.7	353.7
Deferred tax liabilities:		
Intangible assets recorded in acquisitions	277.3	285.9
Basis difference in affiliates	184.2	152.1
Accelerated depreciation	64.8	69.3
Other	36.5	25.8
Total deferred tax liabilities	562.8	533.1
	$ (137.1)	$ (179.4)

General Matters

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. We periodically assess deferred tax assets to determine if they are likely to be realized and the adequacy of deferred tax liabilities, incorporating the results of local, state, federal and foreign tax audits in our estimates and judgments.

At December 31, 2014, we had the following tax loss carryforwards available: state tax loss carryforwards of approximately $362.0 and tax losses of various foreign jurisdictions of approximately $874.8. We also had federal and state tax credit carryforwards of $16.9. Of these amounts, approximately $3.9 expire in 2015 and $426.6 expire at various times between 2015 and 2034. The remaining carryforwards have no expiration date.

Realization of deferred tax assets, including those associated with net operating loss and credit carryforwards, is dependent upon generating sufficient taxable income in the appropriate tax jurisdiction. We believe that it is more likely than not that we may not realize the benefit of certain of these deferred tax assets and, accordingly, have established a valuation allowance against certain of these deferred tax assets. Although realization is not assured for the remaining deferred tax assets, we believe it is more likely than not that the deferred tax assets will be realized through future taxable earnings or tax planning strategies. However, deferred tax assets could be reduced in the near term if our estimates of taxable income are significantly reduced or tax planning strategies are no longer viable. The valuation allowance increased by $3.6 in 2014 and increased by $21.2 in 2013. Of the net increase in 2014, $36.5 was recognized as an increase in tax expense from continuing operations. Of the net increase in 2013, $0.5 was recognized as a decrease in tax expense from continuing operations.

The amount of income tax that we pay annually is dependent on various factors, including the timing of certain deductions. These deductions can vary from year to year, and, consequently, the amount of income taxes paid in future years will vary from the amounts paid in prior years.

Undistributed Foreign Earnings

In general, it is our practice and intention to reinvest the earnings of our non-U.S. subsidiaries in those operations. However, in the fourth quarter of 2014, our Board of Directors approved a plan for a tax-free spin-off of our Flow Technology reportable segment and our Hydraulic Technologies business and the creation of a new stand-alone, publicly-traded company. In connection the planned spin-off transaction, we elected to repatriate certain earnings of our non-U.S. subsidiaries during the quarter and provided for U.S. and foreign withholding taxes of $18.6 on such foreign dividends and undistributed earnings that were no longer considered to be indefinitely reinvested.

As of December 31, 2014, we had not recorded a provision for U.S. or foreign withholding taxes on approximately $1,265.0 of the excess of the amount for financial reporting over the tax basis of investments in foreign subsidiaries that are essentially permanent in duration. Generally, such amounts become subject to U.S. taxation upon the remittance of dividends and under certain other circumstances. It is not practicable to estimate the amount of a deferred tax liability related to the undistributed earnings of these foreign subsidiaries, in the event that these earnings are no longer considered to be indefinitely reinvested, due to the hypothetical nature of the calculation.

There are discrete amounts of foreign earnings (approximately $278.0), primarily related to the gain on sale of our Service Solutions business, where we do plan to repatriate the earnings in the future. During 2012, we provided $100.8 of U.S. and foreign withholding taxes on such earnings, with $91.8 of such amount recorded to discontinued operations.

Unrecognized Tax Benefits

As of December 31, 2014, we had gross unrecognized tax benefits of $63.3 (net unrecognized tax benefits of $33.9), of which $33.3, if recognized, would impact our effective tax rate from continuing operations. Similarly, at December 31, 2013 and 2012, we had gross unrecognized tax benefits of $128.4 (net unrecognized tax benefits of $72.9) and $108.4 (net unrecognized tax benefits of $72.5), respectively.

We classify interest and penalties related to unrecognized tax benefits as a component of our income tax provision. As of December 31, 2014, gross accrued interest totaled $5.9 (net accrued interest of $4.9), while the related amounts as of December 31, 2013 and 2012 were $12.4 (net accrued interest of $8.6) and $12.8 (net accrued interest of $8.6), respectively. Our income tax (provision) benefit for the years ended December 31, 2014, 2013 and 2012 included gross interest income of $0.9, $0.2 and $2.9, respectively, resulting from a reduction in our liability for uncertain tax positions. As of December 31, 2014, we had no accrual for penalties included in our unrecognized tax benefits, while the related amount as of December 31, 2013 and 2012 was $7.1. Our income tax (provision) benefit for the year ended December 31, 2014 included a benefit of $7.1 for the reversal of penalties previously accrued, resulting primarily from audit settlements during the year. The years ended December 31, 2013 and 2012 included penalties of $0.0 and $1.5, respectively.

Based on the outcome of certain examinations or as a result of the expiration of statutes of limitations for certain jurisdictions, we believe that within the next 12 months it is reasonably possible that our previously unrecognized tax benefits could decrease by approximately $10.0 to $15.0. The previously unrecognized tax benefits relate to a variety of tax matters relating to deemed income inclusions, transfer pricing and various state matters.

(All currency and share amounts are in millions, except per share and par value data)

The aggregate changes in the balance of unrecognized tax benefits for the years ended December 31, 2014, 2013 and 2012 were as follows:

	Year ended December 31, 2014	2013	2012
Unrecognized tax benefit — opening balance	$ 128.4	$ 108.4	$ 120.4
Gross increases — tax positions in prior period	3.7	0.5	20.6
Gross decreases — tax positions in prior period	(36.9)	(2.3)	(33.9)
Gross increases — tax positions in current period	11.7	28.4	11.2
Settlements	(28.2)	(1.1)	(7.1)
Lapse of statute of limitations	(14.7)	(5.5)	(2.7)
Change due to foreign currency exchange rates	(0.7)	—	(0.1)
Unrecognized tax benefit — ending balance	$ 63.3	$ 128.4	$ 108.4

Other Tax Matters

During 2014, our income tax provision was impacted by the U.S. income taxes provided in connection with the $491.2 gain on the sale of our interest in EGS and by the following income tax charges: (i) $19.6 related to net increases in valuation allowances recorded against certain foreign deferred income tax assets, including $5.1 for which the related tax benefits are no longer expected to be realized due to legal entity reorganization actions that are required in connection with the planned spin-off transaction previously discussed, (ii) $18.6 related to the repatriation of certain earnings of our non-U.S. subsidiaries and (iii) $6.0 of foreign income taxes related to reorganization actions undertaken to facilitate the planned spin-off transaction. The impact of these items was partially offset by the following income tax benefits: (i) $28.6 of tax benefits related to various audit settlements, statute expirations and other adjustments to liabilities for uncertain tax positions, with the most notable being the closure of our U.S. tax examination for the years 2008 through 2011, and (ii) $6.4 of tax benefits related to a loss on an investment in a foreign subsidiary.

During 2013, our income tax provision was impacted by the following income tax benefits: (i) $9.5 related to net reductions in valuation allowances recorded against certain foreign deferred income tax assets; (ii) $6.5 related to various audit settlements and statute expirations; and (iii) $4.1 associated with the Research and Experimentation Credit generated in 2012.

During 2012, our income tax benefit was impacted by: (i) an income tax benefit of $26.3 associated with the $281.4 impairment charge recorded for our Cooling reporting unit, as the majority of the goodwill for the Cooling reporting unit has no basis for income tax purposes; (ii) taxes provided of $15.4 on foreign dividends and undistributed earnings that were no longer considered to be indefinitely reinvested; (iii) incremental tax expense of $6.1 associated with the deconsolidation of our dry cooling business in China, as the goodwill allocated to the transaction was not deductible for income tax purposes; and (iv) valuation allowances that were recorded against deferred income tax assets during the year of $5.4. The unfavorable impact of these items was offset partially by income tax benefits of $22.3 associated with audit closures, settlements, statute expirations, and other changes in the accrual for uncertain tax positions, with the most notable being the closure of our German tax examination for the years 2005 through 2009.

We perform reviews of our income tax positions on a continuous basis and accrue for potential uncertain positions when we determine that an uncertain position meets the criteria of the Income Taxes Topic of the Codification. Accruals for these uncertain tax positions are recorded in "Income taxes payable" and "Deferred and other income taxes" in the accompanying consolidated balance sheets based on the expectation as to the timing of when the matters will be resolved. As events change and resolutions occur, these accruals are adjusted, such as in the case of audit settlements with taxing authorities.

We have filed our federal income tax returns for the 2012 and 2013 tax years and those returns are subject to examination. The IRS is currently examining the 2012 tax return year. With regard to open tax years, we believe any contingencies are adequately provided for.

(All currency and share amounts are in millions, except per share and par value data)

State income tax returns generally are subject to examination for a period of three to five years after filing the respective tax returns. The impact on such tax returns of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states. We have various state income tax returns in the process of examination, administrative appeal or litigation. We believe any uncertain tax positions related to these examinations have been adequately provided for.

We have various foreign income tax returns under examination. The most significant of these are in Denmark for the 2006, 2007, 2009, and 2010 tax years and South Africa for the 2005 to 2010 tax years. We believe that any uncertain tax positions related to these examinations have been adequately provided for.

An unfavorable resolution of one or more of the above matters could have a material adverse effect on our results of operations or cash flows in the quarter and year in which an adjustment is recorded or the tax is due or paid. As audits and examinations are still in process or we have not yet reached the final stages of the appeals process, the timing of the ultimate resolution and any payments that may be required for the above matters cannot be determined at this time.

(12) Indebtedness

The following summarizes our debt activity (both current and non-current) for the year ended December 31, 2014:

	December 31, 2013	Borrowings	Repayments	Other[4]	December 31, 2014
Domestic revolving loan facility	$ —	$ 472.0	$ (339.0)	$ —	$ 133.0
Term loan	475.0	100.0	—	—	575.0
6.875% senior notes, due in August 2017	600.0	—	—	—	600.0
7.625% senior notes[1]	500.0	—	(500.0)	—	—
Trade receivables financing arrangement[2]	—	91.0	(81.0)	—	10.0
Other indebtedness[3]	100.6	12.7	(64.7)	3.1	51.7
Total debt	1,675.6	$ 675.7	$ (984.7)	$ 3.1	1,369.7
Less: short-term debt	26.9				181.1
Less: current maturities of long-term debt	558.7				30.8
Total long-term debt	$ 1,090.0				$ 1,157.8

(1) As noted below, we completed the redemption of all the 7.625% senior notes during the first quarter of 2014.

(2) Under this arrangement, we can borrow, on a continuous basis, up to $80.0, as available. At December 31, 2014, we had $70.0 of available borrowing capacity under this facility after giving effect to outstanding borrowings of $10.0.

(3) Primarily included capital lease obligations of $13.6 and $73.0 and balances under purchase card programs of $32.1 and $25.4 at December 31, 2014 and 2013, respectively. During 2014, we purchased our corporate headquarters facility for cash consideration of $60.8, resulting in the extinguishment of the related capital lease obligation.

(4) "Other" primarily included debt assumed and foreign currency translation on any debt instruments denominated in currencies other than the U.S. dollar.

Maturities of long-term debt payable during each of the five years subsequent to December 31, 2014 are $30.8, $30.0, $629.7, $493.8 and $0.7, respectively.

Senior Credit Facilities

Our senior credit facilities provide for committed senior secured financing in an aggregate amount of $2,075.0, consisting of the following (each with a final maturity of December 23, 2018):

- A term loan facility of $575.0;

- A domestic revolving credit facility, available for loans and letters of credit, in an aggregate principal amount up to $300.0;
- A global revolving credit facility, available for loans in U.S. Dollars, Euros, GBP and other currencies, in an aggregate principal amount up to the equivalent of $200.0;
- A participation foreign credit instrument facility, available for performance letters of credit and guarantees, in an aggregate principal amount up to the equivalent of $800.0; and
- A bilateral foreign credit instrument facility, available for performance letters of credit and guarantees, in an aggregate principal amount up to the equivalent of $200.0.

The term loan of $575.0 (which includes $100.0 drawn under the facility in the second quarter of 2014) is repayable in quarterly installments of 5.0% annually, beginning with our second fiscal quarter of 2015, with the remaining balance repayable in full on December 23, 2018.

Our senior credit facilities require that we maintain:

- A Consolidated Interest Coverage Ratio (as defined in the credit agreement generally as the ratio of consolidated adjusted EBITDA for the four fiscal quarters ended on such date to consolidated cash interest expense for such period) as of the last day of any fiscal quarter of at least 3.50 to 1.00; and
- A Consolidated Leverage Ratio (as defined in the credit agreement generally as the ratio of consolidated total debt (excluding the face amount of undrawn letters of credit, bank undertakings or analogous instruments and net of cash and cash equivalents in excess of $50.0) as of the last day of any fiscal quarter to consolidated adjusted EBITDA for the four quarters ended on such date) as of the last day of any fiscal quarter of not more than 3.25 to 1.00 (or 3.50 to 1.00 for the four fiscal quarters after certain permitted acquisitions).

Our senior credit facilities also contain covenants that, among other things, restrict our ability to incur additional indebtedness, grant liens, make investments, loans, guarantees or advances, make restricted junior payments, including dividends, redemptions of capital stock and voluntary prepayments or repurchase of certain other indebtedness, engage in mergers, acquisitions or sales of assets, enter into sale and leaseback transactions or engage in certain transactions with affiliates and otherwise restrict certain corporate activities. We do not expect these covenants to restrict our liquidity, financial condition or access to capital resources in the foreseeable future. Our senior credit facilities also contain customary representations, warranties, affirmative covenants, and events of default.

We are permitted under our senior credit facilities to repurchase our capital stock and pay cash dividends in an unlimited amount if our Consolidated Leverage Ratio is (after giving pro forma effect to such payments) less than 2.50 to 1.00. If our Consolidated Leverage Ratio is (after giving pro forma effect to such payments) greater than or equal to 2.50 to 1.00, the aggregate amount of such repurchases and dividend declarations cannot exceed (A) $100.0 in any fiscal year plus (B) an additional amount for all such repurchases and dividend declarations made after December 23, 2013 equal to the sum of (i) $300.0 and (ii) a positive amount equal to 50% of cumulative Consolidated Net Income (as defined in the credit agreement generally as consolidated net income subject to certain adjustments solely for the purposes of determining this basket) during the period from July 1, 2011 to the end of the most recent fiscal quarter preceding the date of such repurchase or dividend declaration for which financial statements have been (or were required to be) delivered (or, in case such Consolidated Net Income is a deficit, minus 100% of such deficit).

At December 31, 2014, we had $313.2 of available borrowing capacity under our revolving credit facilities after giving effect to borrowings under the domestic revolving loan facility of $133.0 and $53.8 reserved for outstanding letters of credit. In addition, at December 31, 2014, we had $304.7 of available issuance capacity under our foreign credit instrument facilities after giving effect to $695.3 reserved for outstanding letters of credit.

We also may seek additional commitments, without the consent from the existing lenders, to add an incremental term loan facility and/or increase the commitments in respect of the domestic revolving credit facility, the global revolving credit facility, the participation foreign credit instrument facility and/or the bilateral foreign credit instrument facility by up to an aggregate principal amount not to exceed (x) $1,000.0 or (y) such greater amount that would not cause our Consolidated Senior Secured Leverage Ratio to exceed 2.75 to 1.00.

We are the borrower under all the facilities, and certain of our foreign subsidiaries are borrowers under the foreign credit instrument facilities (and we may in the future designate other subsidiaries to be borrowers under the revolving credit facilities and the foreign credit instrument facilities).

(All currency and share amounts are in millions, except per share and par value data)

All borrowings and other extensions of credit under our senior credit facilities are subject to the satisfaction of customary conditions, including absence of defaults and accuracy in material respects of representations and warranties.

The letters of credit under the domestic revolving credit facility are stand-by letters of credit requested by any borrower on behalf of itself or any of its subsidiaries or certain joint ventures. The foreign credit instrument facility is used to issue credit instruments, including bank undertakings to support primarily commercial contract performance.

The interest rates applicable to loans under our senior credit facilities are, at our option, equal to either (i) an alternate base rate (the higher of (a) the federal funds effective rate plus 0.5%, (b) the prime rate of Bank of America, N.A., and (c) the one-month LIBOR plus 1.0%) or (ii) a reserve-adjusted LIBOR (as defined in the senior credit facilities) for dollars (Eurodollars) plus, in each case, an applicable margin percentage, which varies based on our Consolidated Leverage Ratio. We may elect interest periods of one, two, three or six months for Eurodollar borrowings. The per annum fees charged and the interest rate margins applicable to Eurodollar and alternate base rate loans are as follows:

Consolidated Leverage Ratio	Domestic Revolving Commitment Fee	Global Revolving Commitment Fee	Letter of Credit Fee	Foreign Credit Commitment Fee and Bilateral Foreign Credit Fee	Foreign Credit Instrument Fee and Bilateral Foreign Credit Fee	LIBOR Loans	ABR Loans
Greater than or equal to 3.00 to 1.00	0.35%	0.35%	2.00%	0.35%	1.25%	2.00%	1.00%
Between 2.00 to 1.00 and 3.00 to 1.00	0.30%	0.30%	1.75%	0.30%	1.00%	1.75%	0.75%
Between 1.50 to 1.00 and 2.00 to 1.00	0.275%	0.275%	1.50%	0.275%	0.875%	1.50%	0.50%
Between 1.00 to 1.00 and 1.50 to 1.00	0.25%	0.25%	1.375%	0.25%	0.80%	1.375%	0.375%
Less than 1.00 to 1.00	0.225%	0.225%	1.25%	0.225%	0.75%	1.25%	0.25%

The weighted-average interest rate of outstanding borrowings under our senior credit facilities was approximately 1.6% at December 31, 2014.

Bilateral foreign credit fees and commitments are as specified above, unless otherwise agreed with the bilateral foreign issuing lender. We also pay fronting fees on the outstanding amounts of letters of credit and foreign credit instruments (in the participation facility) at the rates of 0.125% per annum and 0.25% per annum, respectively.

Our senior credit facilities require mandatory prepayments in amounts equal to the net proceeds from the sale or other disposition of, including from any casualty to, or governmental taking of, property in excess of specified values (other than in the ordinary course of business and subject to other exceptions). Mandatory prepayments will be applied to repay, first, any amounts outstanding under the term loans and any other incremental term loans that we may have outstanding in the future, in the manner and order selected by us, and second, after the term loans and any such incremental term loans have been repaid in full, amounts (or cash collateralize letters of credit) outstanding under the global revolving credit facility and the domestic revolving credit facility (without reducing the commitments thereunder). No prepayment is required generally to the extent the net proceeds are reinvested in permitted acquisitions, permitted investments or assets to be used in our business within 360 days of the receipt of such proceeds.

We may voluntarily prepay loans under our senior credit facilities, in whole or in part, without premium or penalty. Any voluntary prepayment of loans will be subject to reimbursement of the lenders' breakage costs in the case of a prepayment of Eurodollar rate borrowings other than on the last day of the relevant interest period.

Indebtedness under our senior credit facilities is guaranteed by:

- Each existing and subsequently acquired or organized domestic material subsidiary, with specified exceptions; and
- SPX Corporation with respect to the obligations of our foreign borrower subsidiaries under the global revolving credit facility, the participation foreign credit instrument facility and the bilateral participation foreign credit instrument facility.

Indebtedness under our senior credit facilities is secured by a first priority pledge and security interest in 100% of the capital stock of our domestic subsidiaries (with certain exceptions) held by us or our domestic subsidiary guarantors and 65% of the capital stock of our material first-tier foreign subsidiaries (with certain exceptions). If our corporate credit rating is less than "Ba2" (or not rated) by Moody's and less than "BB" (or not rated) by S&P, then we and our domestic subsidiary guarantors are required to grant security interests, mortgages and other liens on substantially all of our assets. If our corporate credit rating is "Baa3" or better by Moody's or "BBB–" or better by S&P and no defaults would exist, then all collateral security will be released and the indebtedness under our senior credit facilities will be unsecured.

At December 31, 2014, we were in compliance with all covenants of our senior credit facilities.

Senior Notes

In August 2010, we issued, in a private placement, $600.0 aggregate principal amount of 6.875% senior unsecured notes that mature in August 2017. We used the proceeds from the offering to repay the remaining balance under the term loan of our then-existing senior credit facilities of $562.5, to pay $26.9 of termination costs (including $2.6 of accrued interest) for Swaps related to the then-existing term loan, and the remainder to pay the majority of the financing costs incurred in connection with the offering. The interest payment dates for these notes are March 1 and September 1 of each year. The notes are redeemable, in whole or in part, at any time prior to maturity at a price equal to 100% of the principal amount thereof plus an applicable premium, plus accrued and unpaid interest. If we experience certain types of change of control transactions, we must offer to repurchase the notes at 101% of the aggregate principal amount of the notes repurchased, plus accrued and unpaid interest. These notes are unsecured and rank equally with all our existing and future unsubordinated unsecured senior indebtedness, but are effectively junior to our senior credit facilities. The indenture governing these notes contains covenants that, among other things, limit our ability to incur liens, enter into sale and leaseback transactions and consummate some mergers. During the third quarter of 2011, these senior notes became freely tradable. Payment of the principal, premium, if any, and interest on these notes is guaranteed on a senior unsecured basis by our domestic subsidiaries. The likelihood of having to make payments under the guarantee is considered remote. At December 31, 2014, we were in compliance with all covenants of our 6.875% senior notes. As indicated in Note 4, our Board of Directors approved a plan for a tax-free spin-off of our Flow Technology reportable segment and our Hydraulic Technologies business and the creation of a new stand-alone, publicly-traded company. In connection with the planned spin-off transaction, we obtained, in December 2014, consents from the holders of our 6.875% senior notes allowing these senior notes to become obligations of the new stand-alone, publicly-traded company if, and when, the spin-off transaction is completed. In obtaining these consents, we incurred fees and related transaction costs of $5.0, which have been recorded to "Other income (expense), net" in the accompanying consolidated statement of operations for 2014.

In December 2007, we issued, in a private placement, $500.0 aggregate principal amount of 7.625% senior unsecured notes that were to mature in December 2014. We used the net proceeds from the offering for general corporate purposes, including the financing of our acquisition of APV. The notes were redeemable, in whole, or in part, at any time prior to maturity at a price equal to 100% of the principal amount thereof plus a premium, plus accrued and unpaid interest. On February 11, 2014, we completed the redemption of all the 7.625% senior notes for a total redemption price of $530.6. As a result of the redemption, we recorded a charge of $32.5 to "Loss on early extinguishment of debt" during 2014, which related to premiums paid to redeem the senior notes of $30.6, the write-off of unamortized deferred financing fees of $1.0, and other costs associated with the extinguishment of the senior notes of $0.9.

Other Borrowings and Financing Activities

Certain of our businesses purchase goods and services under purchase card programs allowing for payment beyond their normal payment terms. As of December 31, 2014 and 2013, the participating businesses had $32.1 and $25.4, respectively, outstanding under these arrangements. As these arrangements extend the payment of our businesses' payables beyond their normal payment terms through third-party lending institutions, we have classified these amounts as short-term debt.

We are party to a trade receivables financing agreement, whereby we can borrow, on a continuous basis, up to $80.0. Availability of funds may fluctuate over time given changes in eligible receivable balances, but will not exceed the $80.0 program limit. The facility contains representations, warranties, covenants and indemnities customary for facilities of this type. The facility does not contain any covenants that we view as materially constraining to the activities of our business.

At December 31, 2014, we had $5.7 of letters of credit outstanding under separate arrangements in China and India.

(13) Derivative Financial Instruments

Currency Forward Contracts

We manufacture and sell our products in a number of countries and, as a result, are exposed to movements in foreign currency exchange rates. Our objective is to preserve the economic value of non-functional currency-denominated cash flows and to minimize the impact of changes as a result of currency fluctuations. Our principal currency exposures relate to the Euro, South African Rand, CNY and GBP.

From time to time, we enter into forward contracts to manage the exposure on contracts with forecasted transactions denominated in non-functional currencies and to manage the risk of transaction gains and losses associated with assets/liabilities denominated in currencies other than the functional currency of certain subsidiaries ("FX forward contracts"). In addition, some of our contracts contain currency forward embedded derivatives ("FX embedded derivatives"), because the currency of exchange is not "clearly and closely" related to the functional currency of either party to the transaction. Certain of our FX forward contracts are designated as cash flow hedges. To the extent these derivatives are effective in offsetting the variability of the hedged cash flows, changes in the derivatives' fair value are not included in current earnings, but are included in AOCI. These changes in fair value are reclassified into earnings as a component of revenues or cost of products sold, as applicable, when the forecasted transaction impacts earnings. In addition, if the forecasted transaction is no longer probable, the cumulative change in the derivatives' fair value is recorded as a component of "Other income (expense), net" in the period in which the transaction is no longer considered probable of occurring. To the extent a previously designated hedging transaction is no longer an effective hedge, any ineffectiveness measured in the hedging relationship is recorded in earnings in the period in which it occurs.

We had FX forward contracts with an aggregate notional amount of $298.0 and $191.3 outstanding as of December 31, 2014 and 2013, respectively, with substantially all such contracts scheduled to mature in 2015. We also had FX embedded derivatives with an aggregate notional amount of $246.0 and $145.8 at December 31, 2014 and 2013, respectively, with scheduled maturities of $151.7, $84.0 and $10.3 in 2015, 2016 and years thereafter, respectively. The unrealized losses, net of taxes, recorded in AOCI related to FX forward contracts were $0.3 and $1.0 as of December 31, 2014 and 2013, respectively. We anticipate reclassifying $0.2 of the unrealized loss as of December 31, 2014 to income over the next 12 months, with the remaining $0.1 in 2016. The net gain (loss) recorded in "Other income (expense), net" related to FX forward contracts and FX embedded derivatives totaled $(2.4) in 2014, $0.5 in 2013 and $(0.2) in 2012.

Commodity Contracts

From time to time, we enter into commodity contracts to manage the exposure on forecasted purchases of commodity raw materials. At December 31, 2014 and 2013, the outstanding notional amount of commodity contracts was 4.2 and 3.4 pounds of copper, respectively. We designate and account for these contracts as cash flow hedges and, to the extent these commodity contracts are effective in offsetting the variability of the forecasted purchases, the change in fair value is included in AOCI. We reclassify AOCI associated with our commodity contracts to cost of products sold when the forecasted transaction impacts earnings. As of December 31, 2014 and 2013, the fair value of these contracts was $1.4 (current liabilities) and $0.4 (current assets), respectively. The unrealized gain (loss), net of taxes, recorded in AOCI was $(1.0) and $0.2 as of December 31, 2014 and 2013, respectively. We anticipate reclassifying the unrealized loss as of December 31, 2014 to income over the next 12 months.

(All currency and share amounts are in millions, except per share and par value data)

The following summarizes the gross and net fair values of our FX forward and commodity contracts by counterparty at December 31, 2014 and 2013:

	December 31, 2014			December 31, 2013		
	Gross Assets	Gross Liabilities	Net Assets / Liabilities	Gross Assets	Gross Liabilities	Net Assets / Liabilities
FX Forward Contracts:						
Counterparty A	$ —	$ (0.1)	$ (0.1)	$ 0.7	$ (0.1)	$ 0.6
Counterparty B	0.3	(3.5)	(3.2)	0.1	(0.4)	(0.3)
Aggregate of other counterparties	0.5	(1.8)	(1.3)	0.3	—	0.3
Totals[1]	$ 0.8	$ (5.4)	$ (4.6)	$ 1.1	$ (0.5)	$ 0.6
Commodity Contracts:						
Counterparty A[2]	$ —	$ (1.4)	$ (1.4)	$ 0.4	$ —	$ 0.4

(1) We enter into arrangements designed to provide the right of setoff in the event of counterparty default or insolvency, and have elected to offset the fair values of our qualifying financial instruments in our consolidated balance sheets. Amounts presented in our consolidated balance sheets are as follows:

	December 31, 2014	December 31, 2013
Designated as hedging instruments:		
Other current assets	$ —	$ 0.3
Accrued expenses	(0.1)	—
Other long-term liabilities	(0.1)	—
	(0.2)	0.3
Not designated as hedging instruments:		
Other current assets	—	0.6
Accrued expenses	(4.4)	(0.3)
	(4.4)	0.3
Net fair value of FX forward contracts	$ (4.6)	$ 0.6

(2) Related contracts are designated as hedging instruments. Net amounts at December 31, 2014 and 2013 are recorded in "Accrued expenses" and "Other current assets," respectively.

The following summarizes the fair value of our FX embedded derivative instruments, which are not designated as hedging instruments, and the related balance sheet classification as of December 31, 2014 and 2013:

Balance Sheet Classification	December 31, 2014	December 31, 2013
Other current assets	$ 5.1	$ 0.7
Other assets	1.2	—
Accrued expenses	(4.7)	(6.5)
Other long-term liabilities	(0.9)	(2.1)
	$ 0.7	$ (7.9)

(All currency and share amounts are in millions, except per share and par value data)

The following summarizes the pre-tax gain (loss) recognized in AOCI resulting from derivative financial instruments designated as cash flow hedging relationships for the years ended December 31, 2014, 2013 and 2012:

	Year ended December 31,		
	2014	2013	2012
FX forward contracts	$ 0.4	$ (0.3)	$ (0.4)
Commodity contracts	(2.5)	(1.2)	0.4
	$ (2.1)	$ (1.5)	$ —

The following summarizes the pre-tax gain (loss) related to derivative financial instruments designated as cash flow hedging relationships reclassified from AOCI to income through "Revenues" for FX forward contracts and "Cost of products sold" for commodity contracts for the years ended December 31, 2014, 2013 and 2012:

	Year ended December 31,		
	2014	2013(1)	2012(1)
FX forward contracts	$ (0.8)	$ (4.0)	$ (0.7)
Commodity contracts	(0.7)	(1.3)	(0.8)
	$ (1.5)	$ (5.3)	$ (1.5)

(1) For the years ended December 31, 2013 and 2012, losses of $0.2 and $0.4, respectively, were recognized in "Other income (expense), net" relating to derivative ineffectiveness and amounts excluded from effectiveness testing.

The following summarizes the gain (loss) recognized in "Other income (expense), net" for the years ended December 31, 2014, 2013 and 2012 related to derivative financial instruments not designated as cash flow hedging relationships:

	Year ended December 31,		
	2014	2013	2012
FX forward contracts	$ (7.8)	$ 0.1	$ 0.6
FX embedded derivatives	5.4	0.6	(0.4)
	$ (2.4)	$ 0.7	$ 0.2

Concentrations of Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist of cash and equivalents, trade accounts receivable, and foreign currency forward and commodity contracts. These financial instruments, other than trade accounts receivable, are placed with high-quality financial institutions throughout the world. We periodically evaluate the credit standing of these financial institutions.

We maintain cash levels in bank accounts that, at times, may exceed federally-insured limits. We have not experienced, and believe we are not exposed to significant risk of, loss in these accounts.

We have credit loss exposure in the event of nonperformance by counterparties to the above financial instruments, but have no other off-balance-sheet credit risk of accounting loss. We anticipate, however, that counterparties will be able to fully satisfy their obligations under the contracts. We do not obtain collateral or other security to support financial instruments subject to credit risk, but we do monitor the credit standing of counterparties.

Concentrations of credit risk arising from trade accounts receivable are due to selling to customers in a particular industry. We mitigate our credit risks by performing ongoing credit evaluations of our customers' financial conditions and obtaining collateral, advance payments, or other security when appropriate. No one customer, or group of customers that to our knowledge are under common control, accounted for more than 10% of our revenues for any period presented.

(All currency and share amounts are in millions, except per share and par value data)

(14) Commitments, Contingent Liabilities and Other Matters

Leases

We lease certain manufacturing facilities, offices, sales and service locations, machinery and equipment, vehicles and office equipment under various leasing programs accounted for as operating and capital leases, some of which include scheduled rent increases stated in the lease agreement. We do not have any significant leases that require rental payments based on contingent events nor have we received any significant lease incentive payments.

Operating Leases

The future minimum rental payments under operating leases with remaining non-cancelable terms in excess of one year are:

Year Ending December 31,	
2015	$ 36.5
2016	24.7
2017	16.9
2018	12.1
2019	9.0
Thereafter	29.7
Total minimum payments	$ 128.9

Total operating lease expense, inclusive of rent based on scheduled rent increases and rent holidays recognized on a straight-line basis, was $56.5 in 2014, $58.3 in 2013 and $60.8 in 2012.

Capital Leases

Future minimum lease payments under capital lease obligations are:

Year Ending December 31,	
2015	$ 3.4
2016	1.8
2017	1.5
2018	5.3
2019	0.8
Thereafter	4.2
Total minimum payments	17.0
Less: interest	(3.4)
Capital lease obligations as of December 31, 2014	13.6
Less: current maturities as of December 31, 2014	(2.0)
Long-term portion as of December 31, 2014	$ 11.6

Our current and long-term capital lease obligations as of December 31, 2013 were $58.7 and $14.3, respectively.

(All currency and share amounts are in millions, except per share and par value data)

Assets held through capital lease agreements at December 31, 2014 and 2013 comprise the following:

	December 31, 2014	December 31, 2013
Buildings	$ 17.4	$ 70.3
Machinery and equipment	12.5	12.7
Land	—	6.0
Other	3.3	3.6
Total	33.2	92.6
Less: accumulated depreciation	(11.5)	(11.4)
Net book value	$ 21.7	$ 81.2

General

Numerous claims, complaints and proceedings arising in the ordinary course of business, including those relating to litigation matters (e.g., class actions, derivative lawsuits and contracts, intellectual property and competitive claims), environmental matters, and risk management matters (e.g., product and general liability, automobile, and workers' compensation claims), have been filed or are pending against us and certain of our subsidiaries. Additionally, we may become subject to significant claims of which we are currently unaware, or the claims of which we are aware may result in us incurring a significantly greater liability than we anticipate. This may also be true in connection with past or future acquisitions. While we maintain property, cargo, auto, product, general liability, environmental, and directors' and officers' liability insurance and have acquired rights under similar policies in connection with acquisitions that we believe cover a portion of these claims, this insurance may be insufficient or unavailable (e.g., because of insurer insolvency) to protect us against potential loss exposures. Also, while we believe we are entitled to indemnification from third parties for some of these claims, these rights may be insufficient or unavailable to protect us against potential loss exposures. We believe, however, that our accruals related to these items are sufficient and that these items and our rights to available insurance and indemnity will be resolved without material effect, individually or in the aggregate, on our financial position, results of operations and cash flows. These accruals, which are determined in accordance with the Contingencies Topic of the Codification, totaled $619.6 (including $575.4 for risk management matters) and $610.1 (including $565.0 for risk management matters) at December 31, 2014 and 2013, respectively. Of these amounts, $571.5 and $561.8 are included in "Other long-term liabilities" within our consolidated balance sheets at December 31, 2014 and 2013, respectively, with the remainder included in "Accrued expenses." It is reasonably possible that our ultimate liability for these items could exceed the amount of the recorded accruals; however, we believe the estimated amount of any potential additional liability would not have a material effect, individually or in the aggregate, on our financial position, results of operations or cash flows.

We had insurance recovery assets related to risk management matters of $503.7 and $496.7 at December 31, 2014 and 2013, respectively, included in "Other assets" within our consolidated balance sheets.

Litigation Matters

As discussed in Note 5, the business environment surrounding our large power projects in South Africa has become increasingly difficult, and the projects have experienced significant delays. In addition, the projects involve a complex set of contractual relationships among the end customer, the prime contractors, various subcontractors (including us and our subcontractors), and various suppliers. We are currently involved in a number of claim disputes with the prime contractors (our immediate customers) and with certain of our subcontractors relating to delay, additional costs, and performance issues. We believe that, in the accompanying consolidated financial statements, we have adequately provided for those claims against us where our liability is probable and reasonably estimable. Although it is reasonably possible that our liability for certain of these claims could exceed the amount of our recorded accruals, we do not believe that the estimated amount of any potential additional liability would have a material effect, individually or in the aggregate, on our consolidated financial statements.

We are subject to other legal matters that arise in the normal course of business. We believe these matters are either without merit or of a kind that should not have a material effect, individually or in the aggregate, on our financial position, results of operations or cash flows.

Environmental Matters

Our operations and properties are subject to federal, state, local and foreign regulatory requirements relating to environmental protection. It is our policy to comply fully with all applicable requirements. As part of our effort to comply, we have a comprehensive environmental compliance program that includes environmental audits conducted by internal and external independent professionals, as well as regular communications with our operating units regarding environmental compliance requirements and anticipated regulations. Based on current information, we believe that our operations are in substantial compliance with applicable environmental laws and regulations, and we are not aware of any violations that could have a material effect, individually or in the aggregate, on our business, financial condition, and results of operations or cash flows. As of December 31, 2014, we had liabilities for site investigation and/or remediation at 91 sites (94 sites at December 31, 2013) that we own or control. In addition, while we believe that we maintain adequate accruals to cover the costs of site investigation and/or remediation, we cannot provide assurance that new matters, developments, laws and regulations, or stricter interpretations of existing laws and regulations will not materially affect our business or operations in the future.

Our environmental accruals cover anticipated costs, including investigation, remediation, and operation and maintenance of clean-up sites. Our estimates are based primarily on investigations and remediation plans established by independent consultants, regulatory agencies and potentially responsible third parties. Accordingly, our estimates may change based on future developments, including new or changes in existing environmental laws or policies, differences in costs required to complete anticipated actions from estimates provided, future findings of investigation or remediation actions, or alteration to the expected remediation plans. It is our policy to revise an estimate once it becomes probable and the amount of change can be reasonably estimated. We generally do not discount our environmental accruals and do not reduce them by anticipated insurance recoveries. We take into account third-party indemnification from financially viable parties in determining our accruals where there is no dispute regarding the right to indemnification.

In the case of contamination at offsite, third-party disposal sites, as of December 31, 2014, we have been notified that we are potentially responsible and have received other notices of potential liability pursuant to various environmental laws at 28 sites (23 sites at December 31, 2013) at which the liability has not been settled, of which 9 sites (6 sites at December 31, 2013) have been active in the past few years. These laws may impose liability on certain persons that are considered jointly and severally liable for the costs of investigation and remediation of hazardous substances present at these sites, regardless of fault or legality of the original disposal. These persons include the present or former owners or operators of the site and companies that generated, disposed of or arranged for the disposal of hazardous substances at the site. We are considered a "de minimis" potentially responsible party at most of the sites, and we estimate that our aggregate liability, if any, related to these sites is not material to our consolidated financial statements. We conduct extensive environmental due diligence with respect to potential acquisitions, including environmental site assessments and such further testing as we may deem warranted. If an environmental matter is identified, we estimate the cost and either establish a liability, purchase insurance or obtain an indemnity from a financially sound seller; however, in connection with our acquisitions or dispositions, we may assume or retain significant environmental liabilities, some of which we may be unaware. The potential costs related to these environmental matters and the possible impact on future operations are uncertain due in part to the complexity of government laws and regulations and their interpretations, the varying costs and effectiveness of various clean-up technologies, the uncertain level of insurance or other types of recovery, and the questionable level of our responsibility. We record a liability when it is both probable and the amount can be reasonably estimated.

In our opinion, after considering accruals established for such purposes, the cost of remedial actions for compliance with the present laws and regulations governing the protection of the environment is not expected to have a material impact, individually or in the aggregate, on our financial position, results of operations or cash flows.

Risk Management Matters

We are self-insured for certain of our workers' compensation, automobile, product and general liability, disability and health costs, and we believe that we maintain adequate accruals to cover our retained liability. Our accruals for risk management matters are determined by us, are based on claims filed and estimates of claims incurred but not yet reported, and generally are not discounted. We consider a number of factors, including third-party actuarial valuations, when making these determinations. We maintain third-party stop-loss insurance policies to cover certain liability costs in excess of predetermined retained amounts. This insurance may be insufficient or unavailable (e.g., because of insurer insolvency) to protect us against loss exposure.

Collaborative Arrangements

Collaborative arrangements are defined as a contractual arrangement in which the parties are (1) active participants to the arrangements and (2) exposed to significant risks and rewards that depend on the commercial success of the endeavor. Costs incurred and revenues generated from transactions with third parties are required to be reported by the collaborators on the appropriate line item in their respective statements of operations.

We enter into consortium arrangements for certain projects within our Thermal Equipment and Services reportable segment. Under such arrangements, each consortium member is responsible for performing certain discrete items of work within the total scope of the contracted work and the consortium expires when all contractual obligations are completed. The revenues for these discrete items of work are defined in the contract with the project owner and each consortium member bearing the profitability risk associated with its own work. Our consortium arrangements typically provide that each consortium member assumes responsibility for its share of any damages or losses associated with the project; however, the use of a consortium arrangement typically results in joint and several liability for the consortium members. If responsibility cannot be determined or a consortium member defaults, then the consortium members are responsible according to their share of the contract value. Within our consolidated financial statements, we account for our share of the revenues and profits under the consortium arrangements. As of December 31, 2014, our share of the aggregate contract value on open consortium arrangements was $65.2 (of which approximately 87% had been recognized as revenue), and the aggregate contract value on open consortium arrangements was $291.1. As of December 31, 2013, our share of the aggregate contract value on open consortium arrangements was $139.3 (of which approximately 87% had been recognized as revenue), and the aggregate contract value on open consortium arrangements was $433.8. At December 31, 2014 and 2013, we recorded liabilities of $0.7 and $1.7, respectively, representing the estimated fair value of our potential obligation under the joint and several liability provisions associated with the consortium arrangements.

Executive Agreements

The Board of Directors has approved employment agreements for six of our executives. These agreements have rolling terms of either one or two years and specify the executive's current compensation, benefits and perquisites, and other employment rights and responsibilities. In addition, one executive officer has an outstanding non-interest bearing 20-year relocation home loan totaling $1.5 granted in connection with the 2001 move of our corporate headquarters. In the event of the death or permanent disability of the employee or a change in control of SPX, we will forgive the note and pay the employee or his estate an amount equal to the employee's tax liability as a result of the loan forgiveness. All ten of our executives have change-of-control agreements, covering each executive's entitlements upon a change in control of the company.

(All currency and share amounts are in millions, except per share and par value data)

(15) Shareholders' Equity and Stock-Based Compensation

Income Per Share

The following table sets forth the computations of the components used for the calculation of basic and diluted income per share:

	Year ended December 31, 2014	2013	2012
Numerator:			
Income (loss) from continuing operations	$ 380.1	$ 211.3	$ (165.2)
Less: Net income (loss) attributable to noncontrolling interests	(9.5)	2.2	3.0
Income (loss) from continuing operations attributable to SPX Corporation common shareholders for calculating basic and diluted income per share	$ 389.6	$ 209.1	$ (168.2)
Income from discontinued operations	$ 8.3	$ 1.3	$ 348.4
Less: Net income (loss) attributable to noncontrolling interest	—	0.2	(0.2)
Income from discontinued operations attributable to SPX Corporation common shareholders for calculating basic and diluted income per share	$ 8.3	$ 1.1	$ 348.6
Denominator:			
Weighted-average number of common shares used in basic income per share	42.400	45.384	50.031
Dilutive securities — Employee stock options, restricted stock shares and restricted stock units	0.631	0.622	—
Weighted-average number of common shares and dilutive securities used in diluted income per share	43.031	46.006	50.031

There were no stock options outstanding during the year ended December 31, 2014, and all stock options outstanding were included in the computation of diluted income per share for the year ended December 31, 2013. The total number of stock options not included in the computation of diluted income per share because their exercise price was greater than the average market price of common shares was 0.003 for the year ended December 31, 2012. The total number of unvested restricted stock shares and restricted stock units that were not included in the computation of diluted income per share because required market thresholds for vesting (as discussed below) were not met was 0.226, 0.647 and 1.031 at December 31, 2014, 2013 and 2012, respectively.

(All currency and share amounts are in millions, except per share and par value data)

Common Stock and Treasury Stock

At December 31, 2014, we had 200.0 authorized shares of common stock (par value $10.00). Common shares issued, treasury shares and shares outstanding are summarized in the table below.

	Common Stock Issued	Treasury Stock	Shares Outstanding
Balance at December 31, 2011	98.702	(47.629)	51.073
Stock options exercised	0.174	—	0.174
Share repurchases	—	(3.606)	(3.606)
Restricted stock shares and restricted stock units	0.311	0.085	0.396
Other	0.267	—	0.267
Balance at December 31, 2012	99.454	(51.150)	48.304
Stock options exercised	0.008	—	0.008
Share repurchases	—	(3.493)	(3.493)
Restricted stock shares and restricted stock units	0.133	0.123	0.256
Other	0.206	—	0.206
Balance at December 31, 2013	99.801	(54.520)	45.281
Share repurchases	—	(4.852)	(4.852)
Restricted stock shares and restricted stock units	0.096	0.166	0.262
Other	0.167	—	0.167
Balance at December 31, 2014	100.064	(59.206)	40.858

Stock-Based Compensation

Under the 2002 Stock Compensation Plan, as amended in 2006, 2011 and 2012, up to 2.305 shares of our common stock were available for grant at December 31, 2014. The 2002 Stock Compensation Plan permits the issuance of new shares or shares from treasury upon the exercise of options, vesting of restricted stock units, or granting of restricted stock shares. Each share of restricted stock and restricted stock unit granted reduces availability by two shares.

During the years ended December 31, 2014, 2013 and 2012, we classified excess tax benefits from stock-based compensation of $9.7, $6.3 and $3.8, respectively, as financing cash flows and included such amounts in "Minimum withholdings paid on behalf of employees for net share settlements, net of proceeds from the exercise of employee stock options and other" within our consolidated statements of cash flows.

Restricted stock shares or restricted stock units may be granted to certain eligible employees or non-employee directors in accordance with applicable equity compensation plan documents and agreements. Subject to participants' continued employment and other plan terms and conditions, the restrictions lapse and awards generally vest over a period of time, generally one or three years. In some instances, such as death, disability, or retirement, stock may vest concurrently with or following an employee's termination. A substantial portion of the restricted stock shares and restricted stock unit awards vest based on performance thresholds, while the remaining portion vest based on the passage of time since grant date.

Eligible employees received target performance awards in 2014 and 2013 in which the employee can earn between 25% and 125% of the target performance award in the event the award meets the required vesting criteria. Vesting for the 2014 and 2013 target performance awards is based on SPX shareholder return versus the S&P Composite 1500 Industrials Index over three-year periods ending December 31, 2016 and December 31, 2015, respectively.

Each eligible non-officer employee also received awards in 2014, 2013 and 2012 that vest ratably over three years, subject only to the passage of time. Officers received awards in 2014 and 2013 that vest ratably over three years, subject to an internal performance metric.

Vesting for the 2012 target performance awards was based on the SPX shareholder return versus the S&P 500 Index. On each vesting date, we compared the SPX shareholder return to the performance of the S&P 500 Index for the prior year and for the cumulative period since the date of the grant. If SPX outperformed the S&P 500 Index for the prior year, the one-third portion of the grant associated with that year vested. If SPX outperformed the S&P 500 Index for the cumulative period, any unvested portion of the grant that was subject to vesting on or prior to the vesting date vested.

(All currency and share amounts are in millions, except per share and par value data)

We grant restricted stock shares to non-employee directors under the 2006 Non-Employee Directors' Stock Incentive Plan (the "Directors' Plan") and the 2002 Stock Compensation Plan. Under the Directors' Plan, up to 0.022 shares of our common stock were available for grant at December 31, 2014. The 2014 and 2013 restricted stock grants to non-employee directors generally vest over a one-year vesting period.

The 2012 restricted stock grants to non-employee directors had a three-year vesting period based on SPX shareholder return versus the S&P 500 Index, and were subject to the same company performance thresholds as the employee 2012 awards described above.

Restricted stock shares and restricted stock units that do not vest within the applicable vesting period are forfeited.

Stock options may be granted to key employees in the form of incentive stock options or nonqualified stock options. The option price per share may be no less than the fair market value of our common stock at the close of business the day prior to the date of grant. Upon exercise, the employee has the option to surrender previously owned shares at current value in payment of the exercise price and/or for withholding tax obligations. As of December 31, 2014, we had not granted options to any of our employees since 2004, and there were no options outstanding as of December 31, 2014 and 2013.

The recognition of compensation expense for share-based awards, including stock options, is based on their grant date fair values. The fair value of each award is amortized over the lesser of the award's requisite or derived service period, which is generally up to three years. There was no stock option expense for the years ended December 31, 2014, 2013 and 2012. Compensation expense within income from continuing operations related to restricted stock shares and restricted stock units totaled $38.4, $32.9 and $38.9 for the years ended December 31, 2014, 2013 and 2012, respectively, with the related tax benefit being $14.1, $12.1 and $14.8 for the years ended December 31, 2014, 2013 and 2012, respectively.

We use the Monte Carlo simulation model valuation technique to determine fair value of our restricted stock shares and restricted stock units as they contain a "market condition." The Monte Carlo simulation model utilizes multiple input variables that determine the probability of satisfying the market condition stipulated in the award and calculates the fair value of each restricted stock share and restricted stock unit award. We used the following assumptions in determining the fair value of the awards granted on the dates indicated below:

	Annual Expected Stock Price Volatility	Annual Expected Dividend Yield	Risk-free Interest Rate	Correlation Between Total Shareholder Return for SPX and the Applicable S&P Index
January 2, 2014:				
SPX Corporation	33.7%	1.02%	0.76%	0.7631
S&P Composite 1500 Industrials Index	19.9%	n/a	0.76%	
April 1, 2013:				
SPX Corporation	35.5%	1.29%	0.33%	0.7668
S&P Composite 1500 Industrials Index	21.2%	n/a	0.33%	
January 2, 2013:				
SPX Corporation	36.3%	1.42%	0.37%	0.7778
S&P Composite 1500 Industrials Index	22.4%	n/a	0.37%	
January 3, 2012:				
SPX Corporation	44.3%	1.60%	0.44%	0.7365
S&P 500 Index	23.1%	n/a	0.44%	

Annual expected stock price volatility is based on the three-year historical volatility. The annual expected dividend yield is based on annual expected dividend payments and the stock price on the date of grant. The average risk-free interest rate is based on the one-year through three-year daily treasury yield curve rate as of the grant date.

(All currency and share amounts are in millions, except per share and par value data)

Restricted Stock Share and Restricted Stock Unit Awards

The following table summarizes the restricted stock share and restricted stock unit activity from December 31, 2011 through December 31, 2014:

	Unvested Restricted Stock Shares and Restricted Stock Units	Weighted-Average Grant-Date Fair Value Per Share
Outstanding at December 31, 2011	1.440	$ 54.38
Granted	0.823	50.64
Vested	(0.264)	39.75
Forfeited	(0.064)	57.77
Outstanding at December 31, 2012	1.935	54.70
Granted	0.652	61.66
Vested	(0.754)	54.34
Forfeited	(0.296)	52.20
Outstanding at December 31, 2013	1.537	58.39
Granted	0.519	86.99
Vested	(0.604)	59.49
Forfeited	(0.284)	63.76
Outstanding at December 31, 2014	1.168	69.22

As of December 31, 2014, there was $22.1 of unrecognized compensation cost related to restricted stock share and restricted stock unit compensation arrangements. We expect this cost to be recognized over a weighted-average period of 1.7 years.

Stock Options

The following table shows stock option activity from December 31, 2011 through December 31, 2013. There was no stock option activity during the year ended December 31, 2014.

	Shares	Weighted-Average Exercise Price
Options outstanding and exercisable at December 31, 2011	0.364	$ 54.87
Exercised	(0.174)	39.58
Terminated	(0.177)	69.42
Options outstanding and exercisable at December 31, 2012	0.013	62.45
Exercised	(0.008)	50.79
Terminated	(0.005)	85.36
Options outstanding and exercisable at December 31, 2013	—	—

The aggregate intrinsic value (market value of stock less the option exercise price) of options exercised during the years ended December 31, 2013 and 2012 was $0.4 and $5.9, respectively.

(All currency and share amounts are in millions, except per share and par value data)

Accumulated Other Comprehensive Income

The changes in the components of accumulated other comprehensive income, net of tax, for the year ended December 31, 2014 were as follows:

	Foreign Currency Translation Adjustment	Net Unrealized Losses on Qualifying Cash Flow Hedges[1]	Net Unrealized Losses on Available-for-Sale Securities	Pension and Postretirement Liability Adjustment and Other[2]	Total
Balance at December 31, 2013	$ 296.8	$ (0.8)	$ (3.7)	$ (4.8)	$ 287.5
Other comprehensive income (loss) before reclassifications	(237.8)	(1.6)	3.6	4.9	(230.9)
Amounts reclassified from accumulated other comprehensive income	—	1.1	0.1	4.8	6.0
Current-period other comprehensive income (loss)	(237.8)	(0.5)	3.7	9.7	(224.9)
Balance at December 31, 2014	$ 59.0	$ (1.3)	$ —	$ 4.9	$ 62.6

(1) Net of tax benefit of $1.1 and $1.0 as of December 31, 2014 and 2013, respectively.

(2) Net of tax (provision) benefit of $(3.0) and $2.2 as of December 31, 2014 and 2013, respectively. The balance as of December 31, 2014 includes unamortized prior service credits. The balance as of December 31, 2013 primarily includes $(5.0), net of tax, related to our share of the pension liability adjustment for EGS as of December 31, 2013. In connection with the sale of our interest in EGS during 2014, as described in Note 9, we recognized our share of the pension liability adjustment for EGS as a component of the gain on the sale of our investment interest.

The changes in the components of accumulated other comprehensive income, net of tax, for the year ended December 31, 2013 were as follows:

	Foreign Currency Translation Adjustment	Net Unrealized Losses on Qualifying Cash Flow Hedges[1]	Net Unrealized Losses on Available-for-Sale Securities	Pension and Postretirement Liability Adjustment and Other[2]	Total
Balance at December 31, 2012	$ 293.8	$ (3.3)	$ (3.1)	$ (2.6)	$ 284.8
Other comprehensive income (loss) before reclassifications	3.0	(1.0)	(0.6)	(1.2)	0.2
Amounts reclassified from accumulated other comprehensive income	—	3.5	—	(1.0)	2.5
Current-period other comprehensive income (loss)	3.0	2.5	(0.6)	(2.2)	2.7
Balance at December 31, 2013	$ 296.8	$ (0.8)	$ (3.7)	$ (4.8)	$ 287.5

(1) Net of tax benefit of $1.0 and $2.5 as of December 31, 2013 and 2012, respectively.

(2) Net of tax benefit of $2.2 and $1.2 as of December 31, 2013 and 2012, respectively. Includes $(5.0) and $(3.8), net of tax, related to our share of the pension liability adjustment for EGS as of December 31, 2013 and 2012, respectively, and $0.2 and $1.2, net of tax, of unamortized prior service credits as of December 31, 2013 and 2012, respectively.

(All currency and share amounts are in millions, except per share and par value data)

The following summarizes amounts reclassified from each component of accumulated comprehensive income for the years ended December 31, 2014 and 2013:

	Amount Reclassified from AOCI Year ended December 31, 2014	2013	Affected Line Items in the Consolidated Statements of Operations
Losses on qualifying cash flow hedges:			
FX forward contracts	$ 0.8	$ 4.0	Revenues
Commodity contracts	0.7	1.3	Cost of products sold
Pre-tax	1.5	5.3	
Income taxes	(0.4)	(1.8)	
	$ 1.1	$ 3.5	
Pension and postretirement items:			
Recognition of our share of the pension liability adjustment for EGS	$ 7.4	$ —	Other income (expense), net
Amortization of unrecognized prior service credits	—	(0.1)	Cost of products sold
Amortization of unrecognized prior service credits	(0.3)	(1.3)	Selling, general and administrative
Pre-tax	7.1	(1.4)	
Income taxes	(2.3)	0.4	
	$ 4.8	$ (1.0)	

Common Stock in Treasury

On February 16, 2012, we entered into a written trading plan under Rule 10b5-1 of the Exchange Act ("Rule 10b5-1"), to facilitate the repurchase of up to $350.0 of shares of our common stock on or before February 14, 2013, in accordance with a share repurchase program authorized by our Board of Directors. During 2012, we repurchased 3.606 shares of our common stock for $245.6. During January 2013, we repurchased 1.514 shares of our common stock for $104.4, which completed the repurchases authorized under this trading plan. In addition, we repurchased 1.864 shares of our common stock on the open market for $144.6 during the year ended December 31, 2013.

On December 18, 2013, we entered into a written trading plan under Rule 10b5-1 to facilitate the repurchase of up to $500.0 of shares of our common stock on or before December 31, 2014, in accordance with a share repurchase program authorized by our Board of Directors. We repurchased 0.115 shares of our common stock for $11.2 under this trading plan during December 2013. During 2014, we repurchased 4.852 shares of our common stock for $488.8, which completed the repurchases authorized under this trading plan.

During the years ended December 31, 2014, 2013 and 2012, "Common stock in treasury" was decreased by the settlement of restricted stock units issued from treasury stock of $13.8, $14.2 and $6.1, respectively, and increased by $7.9, $11.0 and $1.8, respectively, for common stock that was surrendered by recipients of restricted stock as a means of funding the related minimum income tax withholding requirements.

Dividends

In February 2014, we implemented a dividend increase effective with the first quarterly dividend payment of 2014. Our annual dividend is now $1.50 per share (previously $1.00 per share), payable quarterly. Dividends declared totaled $63.2, $45.5 and $50.9 for the years ended December 31, 2014, 2013 and 2012, respectively.

Preferred Stock

None of our 3.0 shares of authorized no par value preferred stock was outstanding at December 31, 2014, 2013 or 2012.

(16) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. Preference is given to observable inputs. These two types of inputs create the following fair value hierarchy:

- Level 1 — Quoted prices for identical instruments in active markets.
- Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3 — Significant inputs to the valuation model are unobservable.

There were no changes during the periods presented to the valuation techniques we use to measure asset and liability fair values on a recurring basis. Except as previously discussed in Note 10, there were no transfers between the three levels of the fair value hierarchy for the periods presented.

The following section describes the valuation methodologies we use to measure different financial instruments at fair value on a recurring basis.

Derivative Financial Instruments

Our financial derivative assets and liabilities include FX forward contracts, FX embedded derivatives and commodity contracts, valued using valuation models based on observable market inputs such as forward rates, interest rates, our own credit risk and the credit risk of our counterparties, which comprise investment-grade financial institutions. Based on these inputs, the derivative assets and liabilities are classified within Level 2 of the valuation hierarchy. We have not made any adjustments to the inputs obtained from the independent sources. Based on our continued ability to enter into forward contracts, we consider the markets for our fair value instruments active. We primarily use the income approach, which uses valuation techniques to convert future amounts to a single present amount.

As of December 31, 2014, there had been no significant impact to the fair value of our derivative liabilities due to our own credit risk, as the related instruments are collateralized under our senior credit facilities. Similarly, there had been no significant impact to the fair value of our derivative assets based on our evaluation of our counterparties' credit risks.

Investments in Equity Securities

During 2014, we sold all our previously owned available-for-sale securities, which included equity investments traded in active international markets. These securities were measured at fair value using closing stock prices from active markets and were classified within Level 1 of the valuation hierarchy. These assets had a fair market value of $3.0 at December 31, 2013, and were sold for cash proceeds of $6.7 in 2014.

Certain of our investments in equity securities that are not readily marketable are accounted for under the fair value option and are classified as Level 3 assets in the fair value hierarchy, with such values determined by multidimensional pricing models. These models consider market activity based on modeling of securities with similar credit quality, duration, yield and structure. A variety of inputs are used, including benchmark yields, reported trades, non-binding broker/dealer quotes, issuer spread and reference data including market research publications. Market indicators, industry and economic events are also considered. We have not made any adjustments to the inputs obtained from the independent sources. At December 31, 2014 and 2013, these assets had a fair value of $7.4 and $1.4, respectively, which are estimated using various valuation models, including the Monte Carlo simulation model.

(All currency and share amounts are in millions, except per share and par value data)

Assets and liabilities measured at fair value on a recurring basis include the following as of December 31, 2014:

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Other current assets — FX embedded derivatives	$ —	$ 5.1	$ —
Other assets — FX embedded derivatives and investment in equity securities	—	1.2	7.4
Accrued expenses — FX forward contracts, FX embedded derivatives and commodity contracts	—	10.6	—
Other long-term liabilities — FX embedded derivatives and FX forward contracts	—	1.0	—

Assets and liabilities measured at fair value on a recurring basis include the following as of December 31, 2013:

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Other current assets — FX embedded derivatives, FX forward contracts and commodity contracts	$ —	$ 2.0	$ —
Other assets — Investments in equity securities	3.0	—	1.4
Accrued expenses — FX forward contracts and FX embedded derivatives	—	6.8	—
Other long-term liabilities — FX embedded derivatives	—	2.1	—

The table below presents a reconciliation of our investment in equity securities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31, 2014 and 2013, including net unrealized gains (losses) recorded to "Other income (expense), net."

	Reconciliation of Equity Securities using Significant Unobservable Inputs (Level 3)
Balance at December 31, 2012	$ 7.5
Cash consideration received and other	(5.2)
Unrealized losses recorded to earnings	(0.9)
Balance at December 31, 2013	1.4
Unrealized gains recorded to earnings	6.0
Balance at December 31, 2014	$ 7.4

Goodwill, Indefinite-Lived Intangible and Other Long-Lived Assets

Certain of our non-financial assets are subject to impairment analysis, including long-lived assets, indefinite-lived intangible assets and goodwill. We review the carrying amounts of such assets whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable or at least annually for indefinite-lived intangible assets and goodwill. Any resulting asset impairment would require that the instrument be recorded at its fair value. As of December 31, 2014, and with the exception of the impairment charges noted below, we did not have any significant non-financial assets or liabilities that are required to be measured at fair value on a recurring or non-recurring basis.

During 2014 and 2013, we recorded impairment charges of $20.1 and $6.7, respectively, related to the trademarks of certain businesses within our Flow Technology and Thermal Equipment and Services reportable segments as we determined that the fair values of the trademarks were less than the carrying values. The fair values of the trademarks were determined by applying estimated royalty rates to projected revenues, with the resulting cash flows discounted at a rate of return that reflected current market conditions (unobservable inputs — Level 3).

(All currency and share amounts are in millions, except per share and par value data)

In addition, during 2014 we recorded an impairment charge of $18.0 related to our Cooling reporting unit's investment in the Shanghai Electric JV as we determined that the fair value of the investment was less than its carrying value. The fair value of the investment was based upon weighting the income and market approaches, utilizing estimated cash flows and a terminal value discounted at a rate of return that reflects the relative risk of the cash flows (unobservable inputs — Level 3).

During 2012, we determined that the fair value of our Cooling reporting unit was less than the carrying value of its net assets (see Note 8). The fair value of our Cooling reporting unit was based upon weighting the income and market approaches, utilizing estimated cash flows and a terminal value discounted at a rate of return that reflects the relative risk of the cash flows, as well as valuation multiples derived from comparable publically-traded companies that were applied to the historical and projected operating results of the Cooling reporting unit (unobservable inputs — Level 3). We then allocated the fair value to the assets and liabilities of Cooling, which resulted in an implied value for the reporting unit's goodwill. Based on such implied value, we recorded an impairment charge related to Cooling's goodwill of $270.4. In addition, we recorded an impairment charge related to other long-term assets at Cooling of $11.0. Lastly, we recorded impairment charges of $4.5 related to trademarks for two other businesses within our Thermal Equipment and Services reportable segment. The fair values of the trademarks were determined by applying estimated royalty rates to projected revenues, with the resulting cash flows discounted at a rate of return that reflected current market conditions (unobservable inputs — Level 3).

Indebtedness and Other

The estimated fair values of other financial liabilities (excluding capital leases) not measured at fair value on a recurring basis as of December 31, 2014 and 2013 were as follows:

	December 31, 2014		December 31, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Senior notes	$ 600.0	$ 665.3	$ 1,100.0	$ 1,214.3
Term loan	575.0	575.0	475.0	475.0
Other indebtedness	181.1	181.1	27.6	27.6

The following methods and assumptions were used in estimating the fair value of these financial instruments:

- The fair values of the senior notes and term loan were determined using Level 2 inputs within the fair value hierarchy and were based on quoted market prices for the same or similar instruments or on current rates offered to us for debt with similar maturities, subordination and credit default expectations.

- The fair value of our other indebtedness approximates carrying value due primarily to the short-term nature of these instruments.

The carrying amounts of cash and equivalents and receivables reported in our consolidated balance sheets approximate fair value due to the short maturity of those instruments.

(All currency and share amounts are in millions, except per share and par value data)

(17) Quarterly Results (Unaudited)

	First[3]		Second		Third		Fourth[3]	
	2014	2013	2014	2013	2014	2013	2014	2013
Operating revenues	$ 1,077.1	$ 1,100.8	$ 1,195.1	$ 1,180.9	$ 1,171.2	$ 1,162.7	$ 1,277.7	$ 1,328.9
Gross profit	301.5	297.3	347.2	338.5	347.4	344.0	367.5	401.2
Income (loss) from continuing operations, net of tax[1]	296.7	16.1	56.7	43.5	66.7	66.6	(40.0)	85.1
Income (loss) from discontinued operations, net of tax[2]	21.1	(6.1)	(6.7)	3.7	(2.9)	1.9	(3.2)	1.8
Net income (loss)	317.8	10.0	50.0	47.2	63.8	68.5	(43.2)	86.9
Less: Net income (loss) attributable to noncontrolling interests	(0.4)	1.3	(1.2)	2.0	0.3	(0.8)	(8.2)	(0.1)
Net income (loss) attributable to SPX Corporation common shareholders	$ 318.2	$ 8.7	$ 51.2	$ 45.2	$ 63.5	$ 69.3	$ (35.0)	$ 87.0
Basic income (loss) per share of common stock:								
Continuing operations, net of tax	$ 6.72	$ 0.32	$ 1.34	$ 0.91	$ 1.59	$ 1.51	$ (0.78)	$ 1.90
Discontinued operations, net of tax	0.47	(0.13)	(0.15)	0.08	(0.07)	0.04	(0.08)	0.04
Net income (loss)	$ 7.19	$ 0.19	$ 1.19	$ 0.99	$ 1.52	$ 1.55	$ (0.86)	$ 1.94
Diluted income (loss) per share of common stock:								
Continuing operations, net of tax	$ 6.59	$ 0.32	$ 1.32	$ 0.90	$ 1.57	$ 1.50	$ (0.78)	$ 1.87
Discontinued operations, net of tax	0.47	(0.14)	(0.15)	0.08	(0.07)	0.04	(0.08)	0.04
Net income (loss)	$ 7.06	$ 0.18	$ 1.17	$ 0.98	$ 1.50	$ 1.54	$ (0.86)	$ 1.91

Note: The sum of the quarters' income per share may not equal the full year per share amounts.

(1) As discussed in Note 9, during the first quarter of 2014, we completed the sale of our 44.5% interest in EGS to Emerson Electric Co. for cash proceeds of $574.1, which resulted in a pre-tax gain of $491.2.

As discussed in Note 12, we completed the redemption of all our 7.625% senior notes during the first quarter of 2014. As a result of the redemption, we recorded a pre-tax charge of $32.5 during that quarter.

During the first quarter of 2014, we recognized a pre-tax loss of $15.3 related to settlement losses and changes in the fair value of plan assets and actuarial losses, which resulted primarily from the lump-sum payment action associated with the U.S. Plan that took place during the quarter (see Note 10 for further details).

During the second and fourth quarters of 2014, we revised our estimates of revenues and costs associated with the large power projects in South Africa within our Thermal Equipment and Services reportable segment. As a result of these revisions, pre-tax income from continuing operations for the second and fourth quarters of 2014 was reduced by $8.3 and $25.0, respectively. These revisions were primarily due to overall project delays and subcontractor challenges. See Note 5 for additional details.

During the fourth quarters of 2014 and 2013, we recognized pre-tax gains (losses) of $(86.3) and $0.8, respectively, related to changes in the fair value of plan assets, actuarial gains (losses) associated with our pension and postretirement benefit plans and settlement gains (losses) associated with the partial annuitization of the U.K. and U.S. Plans. The income tax (provision) benefit associated with these gains (losses) was $27.2 and $(1.7), respectively.

During the fourth quarter of 2014, we recorded impairment charges of $20.1 related to the trademarks of certain businesses within our Flow Technology and Thermal Equipment and Services reportable segments, and $18.0 related to our Cooling reporting unit's investment in the Shanghai Electric JV. During the fourth quarter of 2013, we recorded impairment charges of $4.7 related to the trademarks of certain businesses within our Flow Technology reportable segment.

During the fourth quarter of 2014, we recorded income tax charges of $29.7 associated with (i) $18.6 of U.S. taxes provided as a result of our election during the quarter to repatriate certain earnings of our non-U.S. subsidiaries, (ii) $6.0 of foreign taxes provided in connection with certain legal entity reorganization actions that are being undertaken to facilitate the planned spin-off transaction, and (iii) $5.1 of valuation allowances that have been recorded against certain foreign deferred income tax assets as a result of the legal entity reorganization noted above. These charges were offset partially by a reduction in income tax liabilities of $18.3 resulting from various audit settlements and statute expirations during the quarter, with the most notable being the closure of our U.S. tax examinations for the years 2008 through 2011.

(2) As discussed in Note 4, we sold TPS for cash consideration of $42.5 during the first quarter of 2014. The sale resulted in a gain, net of taxes, of $21.5 during that quarter. The net gain on sale of TPS was increased by $0.2 in subsequent quarters of 2014, related to revisions of certain liabilities associated with the sale.

(3) We establish actual interim closing dates using a fiscal calendar, which requires our businesses to close their books on the Saturday closest to the end of the first calendar quarter, with the second and third quarters being 91 days in length. Our fourth quarter ends on December 31. The interim closing dates for the first, second and third quarters of 2014 were March 29, June 28 and September 27, compared to the respective March 30, June 29 and September 28, 2013 dates. This practice only affects the quarterly reporting periods and not the annual reporting period. We had one less day in the first quarter of 2014 and one more day in the fourth quarter of 2014 than in the respective 2013 periods.

ITEM 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

None.

ITEM 9A. Controls and Procedures

Disclosure Controls and Procedures

SPX management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of disclosure controls and procedures, pursuant to Exchange Act Rule 13a-15(b), as of December 31, 2014. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

In connection with the evaluation by SPX management, including the Chief Executive Officer and Chief Financial Officer, of our internal control over financial reporting, pursuant to Exchange Act Rule 13a-15(d), no changes during the quarter ended December 31, 2014 were identified that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control framework and processes were designed to provide reasonable assurance to management and the Board of Directors regarding the reliability of financial reporting and the preparation of our consolidated financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Our internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded properly to allow for the preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and Directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changing conditions, effectiveness of internal control over financial reporting may vary over time.

Management assessed the effectiveness of our internal control over financial reporting and concluded that, as of December 31, 2014, such internal control was effective at the reasonable assurance level described above. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control — Integrated Framework (2013)*.

The effectiveness of our internal control over financial reporting as of December 31, 2014 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report included in this Form 10-K.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of SPX Corporation:

We have audited the internal control over financial reporting of SPX Corporation and subsidiaries (the "Company") as of December 31, 2014, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and; (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2014 of the Company and our report dated February 20, 2015 expressed an unqualified opinion on those financial statements.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 20, 2015

ITEM 9B. Other Information

Not applicable.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

a) Directors of the company.

This information is included in our definitive proxy statement for the 2015 Annual Meeting of Stockholders under the heading "Election of Directors" and is incorporated herein by reference.

b) Executive Officers of the company.

Christopher J. Kearney, 59, was named Chairman of the Board in May 2007, and President, Chief Executive Officer and a director in December 2004. He joined SPX in February 1997 as Vice President, Secretary and General Counsel and an officer of the company. He had previously served as Senior Vice President and General Counsel of Grimes Aerospace Company. Mr. Kearney is a director of Nucor Corporation and Polypore International, Inc.

Jeremy W. Smeltser, 40, is Vice President and Chief Financial Officer. Previously he served in various roles for SPX, most recently as Vice President and Chief Financial Officer, Flow Technology, and became an officer of the company in April 2009. He joined SPX in 2002 from Ernst & Young LLP, where he was an audit manager in Tampa, Florida. Prior to that, he held various positions with Arthur Andersen LLP, in Tampa, Florida, and Chicago, Illinois, focused primarily on assurance services for global manufacturing clients.

Robert B. Foreman, 57, was named Executive Vice President, Human Resources and Asia Pacific in December 2005 and Executive Vice President, Global Business Systems and Services in June 2008. He joined SPX Corporation in April 1999 as Vice President, Human Resources and an officer of the company. Previously, he spent 14 years with PepsiCo, most recently serving as Vice President Human Resources for Frito-Lay International.

David A. Kowalski, 56, was named President, Global Manufacturing Operations, in August 2013. He joined SPX in 1999 as the Vice President and General Manager of Tools and Equipment at Service Solutions and was named President of Service Solutions in 2004. He became the segment President, Test and Measurement, and an officer of the company in August 2005, and President, Industrial Products and Services and Other, in August 2011. Before joining SPX, he held positions with American National Can Company, J.I. Case, Picker International and Warner Swasey.

Kevin L. Lilly, 62, was named Vice President, Secretary and General Counsel and an officer of the company in December 2005 and Senior Vice President in December 2006. Mr. Lilly joined SPX in 2003 as General Counsel for the company's publicly traded subsidiary, Inrange Technologies Corporation. After the sale of Inrange, he was Group General Counsel for the technical and industrial systems businesses and Associate General Counsel for SPX business operations. Previously, Mr. Lilly served as partner at Archer & Greiner, partner at Jamieson, Moore, Peskin & Spicer, and Staff Attorney for the United States Court of Appeals for the Seventh Circuit in Chicago.

J. Michael Whitted, 43, is Vice President, Corporate Development, for SPX Corporation. He joined SPX Corporation in June 2001 and became an officer of the company in April 2009. Prior to joining SPX Corporation, Mr. Whitted was a Vice President at Bear Stearns and held a series of positions with investment banking firms, including CIBC World Markets and Bankers Trust.

Eugene J. Lowe III, 47, was named President, Thermal Equipment and Services segment, in February 2013 and was appointed an officer of the company in December 2014. He joined SPX Corporation as the Vice President, Marketing and Business Development, for the Thermal Equipment and Services segment in 2008 and has served as the President of the company's global evaporative cooling business since 2010. Prior to joining SPX Corporation, Mr. Lowe held positions with Milliken, Bain & Company and Lazard Technology Partners.

Marc G. Michael, 51, is President, Flow Technology — Food and Beverage, and was appointed an officer of the company in December 2014. He joined SPX Corporation in 2003 and prior to his current position, he held various senior positions within the company, including President of the company's global evaporative and dry cooling businesses and President of Flow Technology's EMEA region. Prior to joining SPX Corporation, Mr. Michael held positions at General Electric and TDK Corporation.

Anthony A. Renzi, 66, is President, Flow Technology — Power and Energy, and was appointed an officer of the company in December 2014. He joined SPX Corporation in 2003 and prior to his current position, he held various senior positions within the company, including President, SPX Dehydration and Filtration; President, SPX Process Equipment; President, APV; Senior Vice President, Global Operations; and President, Flow Technology — ClydeUnion and Americas region. Prior to joining SPX Corporation, Mr. Renzi held positions at James Burn International, Clopay, Breed Technologies, Sundstrand and General Electric.

David J. Wilson, 46, is President, Flow Technology — Industrial, and was appointed an officer of the company in December 2014. He joined SPX Corporation in 1998 and prior to his current position, he held various senior positions within the company, including President, Asia Pacific region for both Flow Technology and the company's Service Solutions business, and Vice President, Business Development, for the Thermal Equipment and Services segment. Prior to joining SPX Corporation, Mr. Wilson held operating and engineering leadership positions at Polaroid Corporation.

c) Section 16(a) Beneficial Ownership Reporting Compliance.

This information is included in our definitive proxy statement for the 2015 Annual Meeting of Stockholders under the heading "Section 16(a) Beneficial Ownership Reporting Compliance" and is incorporated herein by reference.

d) Code of Ethics.

This information is included in our definitive proxy statement for the 2015 Annual Meeting of Stockholders under the heading "Corporate Governance" and is incorporated herein by reference.

e) Information regarding our Audit Committee and Nominating and Governance Committee is set forth in our definitive proxy statement for the 2015 Annual Meeting of Stockholders under the headings "Corporate Governance" and "Board Committees" and is incorporated herein by reference.

ITEM 11. Executive Compensation

This information is included in our definitive proxy statement for the 2015 Annual Meeting of Stockholders under the headings "Executive Compensation" and "Director Compensation" and is incorporated herein by reference.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

This information is included in our definitive proxy statement for the 2015 Annual Meeting of Stockholders under the headings "Ownership of Common Stock" and "Equity Compensation Plan Information" and is incorporated herein by reference.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

This information is included in our definitive proxy statement for the 2015 Annual Meeting of Stockholders under the heading "Corporate Governance" and is incorporated herein by reference.

ITEM 14. Principal Accountant Fees and Services

This information is included in our definitive proxy statement for the 2015 Annual Meeting of Stockholders under the heading "Ratification of the Appointment of Independent Public Accountants" and is incorporated herein by reference.

PART IV

ITEM 15. Exhibits and Financial Statement Schedules

The following documents are filed as part of this Form 10-K:

1. All financial statements. See Index to Consolidated Financial Statements on page 48 of this Form 10-K.
2. Financial Statement Schedules. None required. See page 48 of this Form 10-K.
3. Exhibits. See Index to Exhibits.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 20th day of February, 2015.

SPX CORPORATION
(Registrant)

By /s/ JEREMY W. SMELTSER

Jeremy W. Smeltser
Vice President
and Chief Financial Officer

POWER OF ATTORNEY

The undersigned officers and directors of SPX Corporation hereby severally constitute Christopher J. Kearney and Jeremy W. Smeltser and each of them singly our true and lawful attorneys, with full power to them and each of them singly, to sign for us in our names in the capacities indicated below the Annual Report on Form 10-K filed herewith and any and all amendments thereto, and generally do all such things in our name and on our behalf in our capacities as officers and directors to enable SPX Corporation to comply with the provisions of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any one of them on the Annual Report on Form 10-K and any and all amendments thereto.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on this 20th day of February, 2015.

/s/ CHRISTOPHER J. KEARNEY	/s/ JEREMY W. SMELTSER
Christopher J. Kearney Chairman of the Board, President and Chief Executive Officer	Jeremy W. Smeltser Vice President and Chief Financial Officer
/s/ MICHAEL J. MANCUSO	/s/ PATRICK D. CAMPBELL
Michael J. Mancuso Director	Patrick D. Campbell Director
/s/ DAVID V. SINGER	/s/ EMERSON U. FULLWOOD
David V. Singer Director	Emerson U. Fullwood Director
/s/ MICHAEL A. REILLY	/s/ TERRY S. LISENBY
Michael A. Reilly Vice President, Corporate Controller and Chief Accounting Officer	Terry S. Lisenby Director
	/s/ ROBERT F. HULL, JR.
	Robert F. Hull, Jr. Director

INDEX TO EXHIBITS

Item No.		Description
3.1	—	Restated Certificate of Incorporation, as amended, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended June 30, 2002 (file no. 1-6948).
3.2	—	Certificate of Ownership and Merger dated April 25, 1988, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 1988 (file no. 1-6948).
3.3	—	By-Laws as amended and restated effective February 20, 2013, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended March 30, 2013 (file no. 1-6948).
4.1	—	Indenture between SPX Corporation and JPMorgan Chase Bank, as Trustee, dated as of December 27, 2002, incorporated herein by reference from our Current Report on Form 8-K filed on January 3, 2003 (file no. 1-6948).
4.2	—	Indenture, dated as of December 13, 2007 between SPX Corporation, the Initial Subsidiary Guarantors, and U.S. Bank National Association, a national banking association, as trustee, incorporated herein by reference from our Current Report on Form 8-K filed on December 19, 2007 (file no. 1-6948).
4.3	—	Indenture, dated as of August 16, 2010 between SPX Corporation, the Initial Subsidiary Guarantors, and U.S. Bank National Association, a national banking association, as trustee, incorporated herein by reference from our Current Report on Form 8-K filed on August 17, 2010 (file no. 1-6948).
4.4	—	First Supplemental Indenture, dated as of January 23, 2014, among SPX Corporation, the Additional Guarantors (as defined therein) and U.S. Bank National Association, as Trustee, to the Indenture dated as of December 13, 2007, incorporated herein by reference from our Current Report on Form 8-K filed on January 24, 2014 (file no. 1-6948).
4.5	—	Second Supplemental Indenture, dated as of January 23, 2014, among SPX Corporation, the Subsidiary Guarantors (as defined therein) and U.S. Bank National Association, as Trustee, to the Indenture dated as of December 13, 2007, incorporated herein by reference from our Current Report on Form 8-K filed on January 24, 2014 (file no. 1-6948).
4.6	—	First Supplemental Indenture, dated as of January 23 2014, among SPX Corporation, the Additional Guarantors (as defined therein) and U.S. Bank National Association, as Trustee, to the Indenture dated as of August 16, 2010, incorporated herein by reference from our Current Report on Form 8-K filed on January 24, 2014 (file no. 1-6948).
4.7	—	Second Supplemental Indenture, dated as of November 7, 2014, among SPX Corporation, the Subsidiary Guarantors (as defined therein) and U.S. Bank National Association, as Trustee, to the Indenture, dated as of August 16, 2010, incorporated herein by reference from our Current Report on Form 8-K filed on November 10, 2014 (file no. 1-6948).
*10.1	—	Form of Loan Note (Primary Residence) for certain executive officers, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2001 (file no. 1-6948).
*10.2	—	SPX Corporation Executive Long-Term Disability Plan, incorporated herein by reference from our Current Report on Form 8-K filed on December 19, 2005 (file no. 1-6948).
*10.3	—	Amendment to SPX Corporation 2002 Stock Compensation Plan, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2005 (file no. 1-6948).
*10.4	—	Form of SPX Corporation Confidentiality and Non-Competition Agreement for Executive Officers, incorporated herein by reference from our Current Report on Form 8-K filed on October 6, 2006 (file no. 1-6948).
*10.5	—	SPX Corporation 2002 Stock Compensation Plan (As Amended and Restated Effective February 21, 2006), incorporated herein by reference to Appendix C of our definitive proxy statement for our 2006 Annual Meeting of Stockholders, filed April 3, 2006 (file no. 1-6948).
*10.6	—	SPX Corporation Executive Annual Bonus Plan, incorporated herein by reference to Appendix B of our definitive proxy statement for our 2011 Annual Meeting of Stockholders, filed March 23, 2011 (file no. 1-6948).

Item No.		Description
*10.7	—	SPX Corporation 2006 Non-Employee Directors' Stock Incentive Plan, incorporated herein by reference to Appendix E of our definitive proxy statement for our 2006 Annual Meeting of Stockholders, filed April 3, 2006 (file no. 1-6948).
*10.8	—	Amendment to the SPX Corporation 2006 Non-Employee Directors' Stock Incentive Plan, incorporated herein by reference to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 (file no. 1-6948).
*10.9	—	SPX Corporation Supplemental Retirement Savings Plan, as Amended and Restated May 31, 2008, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended June 28, 2008 (file no. 1-6948).
*10.10	—	SPX Corporation Supplemental Individual Account Retirement Plan, as amended and restated December 31, 2008, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2008 (file no. 1-6948).
*10.11	—	SPX Corporation 1997 Non-Employee Directors' Compensation Plan, as amended and restated December 17, 2008, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2008 (file no. 1-6948).
*10.12	—	Amended and restated Employment Agreement between SPX Corporation and Christopher J. Kearney, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2008 (file no. 1-6948).
*10.13	—	Amended and restated Employment Agreement between SPX Corporation and Robert B. Foreman, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2008 (file no. 1-6948).
*10.14	—	Amended and restated Employment Agreement between SPX Corporation and David A. Kowalski, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2008 (file no. 1-6948).
*10.15	—	Amended and restated Employment Agreement between SPX Corporation and Kevin L. Lilly, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2008 (file no. 1-6948).
*10.16	—	Amended and restated Executive Change of Control Agreement between SPX Corporation and Christopher J. Kearney, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2008 (file no. 1-6948).
*10.17	—	Amended and restated Executive Change of Control Agreement between SPX Corporation and Robert B. Foreman, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2008 (file no. 1-6948).
*10.18	—	Amended and restated Executive Change of Control Agreement between SPX Corporation and David A. Kowalski, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2008 (file no. 1-6948).
*10.19	—	Amended and restated Executive Change of Control Agreement between SPX Corporation and Kevin L. Lilly, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2008 (file no. 1-6948).
*10.20	—	SPX Corporation Supplemental Retirement Plan for Top Management, as amended and restated April 22, 2009, incorporated herein by reference to our Quarterly Report on Form 10-Q for the quarter ended June 27, 2009 (file no. 1-6948).
*10.21	—	Employment Agreement between SPX Corporation and Jeremy W. Smeltser, incorporated herein by reference to our Quarterly Report on Form 10-Q for the quarter ended June 27, 2009 (file no. 1-6948).
*10.22	—	Employment Agreement between SPX Corporation and J. Michael Whitted, incorporated herein by reference to our Quarterly Report on Form 10-Q for the quarter ended June 27, 2009 (file no. 1-6948).
*10.23	—	Change of Control Agreement between SPX Corporation and Jeremy W. Smeltser, incorporated herein by reference to our Quarterly Report on Form 10-Q for the quarter ended June 27, 2009 (file no. 1-6948).

Item No.		Description
*10.24	—	Change of Control Agreement between SPX Corporation and J. Michael Whitted, incorporated herein by reference to our Quarterly Report on Form 10-Q for the quarter ended June 27, 2009 (file no. 1-6948).
*10.25	—	Amendment to Change of Control Agreement between SPX Corporation and J. Michael Whitted, incorporated herein by reference to our Quarterly Report on Form 10-Q for the quarter ended June 27, 2009 (file no. 1-6948).
*10.26	—	Form of Restricted Stock Agreement under the SPX Corporation 2006 Non-Employee Directors' Stock Incentive Plan, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2010 (file no. 1-6948).
*10.27	—	Form of Restricted Stock Agreement under the SPX Corporation 2002 Stock Compensation Plan, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2010 (file no. 1-6948).
*10.28	—	Amendment to the SPX Corporation 1997 Non-Employee Directors' Compensation Plan, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2010 (file no. 1-6948).
*10.29	—	Amendment to the SPX Corporation Supplemental Retirement Savings Plan, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2010 (file no. 1-6948).
*10.30	—	SPX Corporation 2002 Stock Compensation Plan (As Amended and Restated effective May 6, 2011), incorporated herein by reference to Appendix A of our definitive proxy statement for our 2011 Annual Meeting of Stockholders, filed March 23, 2011 (file no. 1-6948).
*10.31	—	Form of Restricted Stock Agreement under the SPX Corporation 2002 Stock Compensation Plan, incorporated herein by reference from our Current Report on Form 8-K filed on May 11, 2011 (file no. 1-6948).
10.32	—	Share Purchase Agreement relating to the sale and purchase of the whole of the issued share capital of Clyde Union (Holdings), dated August 24, 2011, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended October 1, 2011 (file no. 1-6948).
10.33	—	Deed of Amendment to the Share Purchase Agreement relating to the sale and purchase of the whole of the issued share capital of Clyde Union (Holdings), dated November 1, 2011, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2011 (file no. 1-6948).
10.34	—	Deed of Amendment to the Share Purchase Agreement relating to the sale and purchase of the whole of the issued share capital of Clyde Union (Holdings), dated December 22, 2011 incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended October 1, 2011 (file no. 1-6948).
*10.35	—	2002 Stock Compensation Plan (As Amended and Restated), incorporated herein by reference to Appendix A of our definitive proxy statement for our 2012 Annual Meeting of Stockholders, filed March 22, 2012 (file no. 1-6948).
10.36	—	Purchase and Sale Agreement by and between SPX Corporation and Robert Bosch GmbH, dated as of January 23, 2012, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (file no. 1-6948).
*10.37	—	Form of Performance-based Restricted Stock Agreement under the SPX Corporation 2002 Stock Compensation Plan, incorporated herein by reference from our Current Report on Form 8-K filed on January 4, 2013 (file no. 1-6948).
*10.38	—	Form of Performance-based Restricted Stock Agreement under the SPX Corporation 2002 Stock Compensation Plan, incorporated herein by reference from our Current Report on Form 8-K filed on January 4, 2013 (file no. 1-6948).
*10.39	—	Form of Time-based Restricted Stock Agreement for Non-Employee Directors under the SPX Corporation 2002 Stock Compensation Plan, incorporated herein by reference from our Current Report on Form 8-K filed on January 4, 2013 (file no. 1-6948).
10.40	—	Amendment No. 1 to Purchase and Sale Agreement by and between SPX Corporation and Robert Bosch GmbH, dated as of October 26, 2012, incorporated herein by reference from our Current Report on Form 8-K filed on December 3, 2012 (file no. 1-6948)

Item No.		Description
10.41	—	Amendment No. 2 to Purchase and Sale Agreement by and between SPX Corporation and Robert Bosch GmbH, dated as of November 27, 2012, incorporated herein by reference from our Current Report on Form 8-K filed on December 3, 2012 (file no. 1-6948)
*10.42	—	Change of Control Agreement between Christopher J. Kearney and SPX Corporation, as amended and restated December 2, 2013, incorporated herein by reference from our Current Report on Form 8-K filed on December 5, 2013 (file no. 1-6948).
*10.43	—	Change of Control Agreement between Jeremy W. Smeltser and SPX Corporation, as amended and restated December 2, 2013, incorporated herein by reference from our Current Report on Form 8-K filed on December 5, 2013 (file no. 1-6948).
*10.44	—	Change of Control Agreement between Robert B. Foreman and SPX Corporation, as amended and restated December 2, 2013, incorporated herein by reference from our Current Report on Form 8-K filed on December 5, 2013 (file no. 1-6948).
*10.45	—	Change of Control Agreement between David A. Kowalski and SPX Corporation, as amended and restated December 2, 2013, incorporated herein by reference from our Current Report on Form 8-K filed on December 5, 2013 (file no. 1-6948).
*10.46	—	Change of Control Agreement between Kevin L. Lilly and SPX Corporation, as amended and restated December 2, 2013, incorporated herein by reference from our Current Report on Form 8-K filed on December 5, 2013 (file no. 1-6948).
*10.47	—	Change of Control Agreement between J. Michael Whitted and SPX Corporation, as amended and restated December 2, 2013, incorporated herein by reference from our Current Report on Form 8-K filed on December 5, 2013 (file no. 1-6948).
*10.48	—	Form of Waiver of Certain Employment Agreement Provisions by each of Christopher J. Kearney, Jeremy W. Smeltser, Robert B. Foreman, David A. Kowalski, Kevin L. Lilly, and J. Michael Whitted, dated December 2, 2013, incorporated herein by reference from our Current Report on Form 8-K filed on December 5, 2013 (file no. 1-6948).
*10.49	—	Form of Internal Performance-based Restricted Stock Agreement under the SPX Corporation 2002 Stock Compensation Plan, approved in 2013, incorporated herein by reference from our Current Report on Form 8-K filed on December 5, 2013 (file no. 1-6948).
*10.50	—	Form of External Performance-Based Restricted Stock Agreement under the SPX Corporation 2002 Stock Compensation Plan, approved in 2013, incorporated herein by reference from our Current Report on Form 8-K filed on December 5, 2013 (file no. 1-6948).
10.51	—	Limited Liability Company Interest Purchase Agreement, dated December 3, 2013, by and among EGS Electrical Group LLC, Emerson Electric Co., SPX Corporation, and SPX Holding, Inc., incorporated herein by reference from our Current Report on Form 8-K filed on December 4, 2013 (file no.1-6948).
10.52	—	Amended and Restated Credit Agreement, dated as of December 23, 2013, among SPX Corporation, the Foreign Subsidiary Borrowers party thereto, Bank of America, N.A., as Administrative Agent, Deutsche Bank AG Deutschlandgeschäft Branch, as Foreign Trade Facility Agent, and the lenders party thereto, incorporated herein by reference from our Current Report on Form 8-K filed on December 26, 2013 (file no.1-6948).
10.53	—	Cooperation Agreement among SPX Corporation and Relational Investors, LLC, and certain of its affiliates and associates, dated as of January 14, 2014, incorporated herein by reference from our Current Report on Form 8-K filed on January 14, 2014 (file no. 1-6948).
*10.54	—	Amendment to the SPX Corporation Supplemental Retirement Savings Plan, incorporated herein by reference from our Current Report on Form 8-K filed on March 3, 2014 (file no. 1-6948).
*10.55	—	Amendment to the SPX Corporation Supplemental Individual Account Retirement Plan, incorporated herein by reference from our Current Report on Form 8-K filed on March 3, 2014 (file no. 1-6948).
*10.56	—	Amendment to the SPX Corporation Supplemental Retirement Plan for Top Management, incorporated herein by reference from our Current Report on Form 8-K filed on March 3, 2014 (file no. 1-6948).

Item No.		Description
*10.57	—	Form of Time-Based Restricted Stock Agreement for Non-Employee Directors under the SPX Corporation 2002 Stock Compensation Plan, incorporated herein by reference from our Current Report on Form 8-K filed on April 30, 2014 (file no. 1-6948).
*10.58	—	Form of Performance-Based Restricted Stock Agreement under the SPX Corporation 2002 Stock Compensation Plan, incorporated herein by reference from our Current Report on Form 8-K filed on December 30, 2014 (file no. 1-6948).
*10.59	—	Form of Stock Option Agreement under the SPX Corporation 2002 Stock Compensation Plan, incorporated herein by reference from our Current Report on Form 8-K filed on December 30, 2014 (file no. 1-6948).
*10.60	—	Form of Change of Control Agreement between each of Eugene J. Lowe III, Marc G. Michael, Anthony A. Renzi, and David J. Wilson, and SPX Corporation.
11.1	—	Statement regarding computation of earnings per share. See Consolidated Statements of Operations on page 50 of this Form 10-K.
21.1	—	Subsidiaries.
23.1	—	Consent of Independent Registered Public Accounting Firm — Deloitte & Touche LLP.
23.2	—	Consent of Independent Registered Public Accounting Firm — KPMG LLP.
24.1	—	Power of Attorney on page 116 of this Form 10-K.
31.1	—	Rule 13a-14(a) Certification.
31.2	—	Rule 13a-14(a) Certification.
32.1	—	Section 1350 Certifications.
99.1	—	EGS Electrical Group, LLC and Subsidiaries (A Limited Liability Company) audited consolidated financial statements as of September 30, 2013 and for the years ended September 30, 2013 and 2012.
101.1	—	SPX Corporation financial information from its Form 10-K for the fiscal year ended December 31, 2014, formatted in XBRL, including: (i) Consolidated Statements of Operations for the years ended December 31, 2014, 2013 and 2012; (ii) Consolidated Statements of Comprehensive Income for the years ended December 31, 2014, 2013 and 2012; (iii) Consolidated Balance Sheets as of December 31, 2014 and 2013; (iv) Consolidated Statements of Equity for the years ended December 31, 2014, 2013 and 2012; (v) Consolidated Statements of Cash Flows for the years ended December 31, 2014, 2013 and 2012; and (vi) Notes to Consolidated Financial Statements.

* Denotes management contract or compensatory plan or arrangement.

EXHIBIT 10.60

Form of Change of Control Agreement between each of Eugene J. Lowe III, Marc G. Michael, Anthony A. Renzi, and David J. Wilson, and SPX Corporation

[Date]

[Name]
13320 Ballantyne Corporate Place
Charlotte, NC 28277

Dear :

SPX Corporation (the "Company") recognizes that your contribution to its growth and success have been and will continue to be substantial and desires to assure your continued employment. In this regard, the Board of Directors of the Company (the "Board") recognizes that, as is the case with many publicly held corporations, the possibility of a Change of Control (as defined in Section 2, below) may exist and that such possibility, and the uncertainty and questions that it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders.

The Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including you, to their assigned duties without distraction in the face of potentially disruptive circumstances arising from the possibility of a Change of Control.

Further, it is the intent of the Board in adopting this agreement (the "Agreement") to assure the Company and its shareholders (i) of continuity of management in the event of any actual or threatened Change of Control and (ii) that key executive employees of the Company will be able to evaluate objectively whether a potential Change of Control is in the best interests of the shareholders.

In order to induce you to remain in the employ of the Company and to advance the interests of the Company and its shareholders by providing you with appropriate financial protection, the Board agrees that you shall receive the severance benefits set forth in this Agreement in the event that you separate from service due to a Change of Control as specifically provided in the remainder of this Agreement. For purposes of this Agreement, your employment with the Company shall be deemed to be terminated when you have a "Separation from Service" within the meaning of Section 409A of the Internal Revenue Code of 1986 (the "Code"), and references to your termination of employment shall be deemed to refer to a Separation from Service.

1. Term of Agreement. This Agreement will become effective on **[date]** (the "Effective Date"), and shall continue in effect through the second (2nd) anniversary of the Effective Date (the "Term"); provided, however, that this Agreement shall remain in effect and the Term shall be extended automatically from year to year thereafter for one (1) additional year unless, not later than six (6) months prior to the second (2nd) anniversary of the Effective Date, or any subsequent anniversary of the Effective Date, the Company gives written notice to you that it has elected not to extend this Agreement. Notwithstanding anything in this Section 1 to the contrary, if a Change of Control occurs during the Term of this Agreement, the Term of this Agreement shall be extended automatically to the second (2nd) anniversary of the Change of Control.

2. Change of Control of the Company. No benefits will be payable under the terms of this Agreement unless a Change of Control of the Company has occurred. A "Change of Control" shall be deemed to have occurred if:

(a) Any "Person" (as defined below), excluding for this purpose the Company or any subsidiary of the Company, any employee benefit plan of the Company or of any subsidiary of the Company, or any entity organized, appointed or established for or pursuant to the terms of any such plan that acquires beneficial ownership of common shares of the Company, is or becomes the "Beneficial Owner" (as defined below) of twenty-five percent (25%) or more of the common shares of the Company then outstanding; provided, however, that no Change of Control shall be deemed to have occurred as the result of an acquisition of common shares of the Company by the Company which, by reducing the number of shares outstanding, increases the proportionate beneficial ownership interest of any Person to twenty-five percent (25%) or more of the common shares of the Company then outstanding, but any subsequent increase in the beneficial ownership interest of such a Person in common shares of the Company shall be deemed a Change of Control; and provided further that if the Board determines in good faith that a Person who has become the Beneficial Owner of common shares of the Company representing twenty-five percent (25%) or more of the common shares of the Company then outstanding has inadvertently reached that level of ownership interest, and if such Person divests as promptly as practicable a sufficient number of shares of the Company so that the Person no longer has a beneficial ownership interest in twenty-five percent (25%) or more of the common shares of the Company then outstanding, then no Change of Control shall be deemed to have occurred. For purposes of this Section 2(a), the following terms shall have the meanings set forth below:

(i) "Person" shall mean any individual, firm, limited liability company, corporation or other entity, and shall include any successor (by merger or otherwise) of any such entity.

(ii) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(iii) A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "beneficially own" any securities:

(A) that such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly (determined as provided in Rule 13d-3 under the Exchange Act);

(B) that such Person or any of such Person's Affiliates or Associates has (1) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a *bona fide* public offering of securities), or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange; or (2) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security if the agreement, arrangement or understanding to vote such security (a) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (b) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(C) that are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a *bona fide* public offering of securities) for the purpose of acquiring, holding, voting (except to the extent contemplated by the proviso to Section 2(a)(iii)(B)(2) above) or disposing of any securities of the Company.

Notwithstanding anything in this definition of Beneficial Ownership to the contrary, the phrase "then outstanding," when used with reference to a Person's beneficial ownership of securities of the Company, shall mean the number of such securities then issued and outstanding together with the number of such securities not then actually issued and outstanding that such Person would be deemed to own beneficially hereunder.

(b) During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such two (2)-year period constitute the Board and any new director or directors (except for any director designated by a person who has entered into an agreement with the Company to effect a transaction described in Section 2(a), above, or Section 2(c), below) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; or

(c) The consummation of: (i) a plan of complete liquidation of the Company, (ii) an agreement for the sale or disposition of the Company or all or substantially all of the Company's assets, (iii) a plan of merger or consolidation of the Company with any other corporation, or (iv) a similar transaction or series of transactions involving the Company (any transaction described in parts (i) through (iv) of this Section 2(c) being referred to as a "Business Combination"), in each case unless after such a Business Combination the shareholders of the Company immediately prior to the Business Combination continue to own at least seventy-five percent (75%) of the voting securities of the new (or continued) entity immediately after such Business Combination, in substantially the same proportion as their ownership of the Company immediately prior to such Business Combination.

Notwithstanding any provision in this Agreement to the contrary, a "Change of Control" shall not include any transaction described in Section 2(a) or (c), above, where, in connection with such transaction, you and/or any party acting in concert with you substantially increase your, his or its, as the case may be, ownership interest in the Company or a successor to the Company (other than through conversion of prior ownership interests in the Company and/or through equity awards received entirely as compensation for past or future personal services).

For the avoidance of doubt, the Spinoff (as defined hereafter), if it occurs, will not constitute a Change of Control under this Agreement. For purposes of this Agreement, the "Spinoff" means the Company's proposed tax-free spin-off of its "Flow" business into a new standalone, publicly-traded company ("Flowco"), as announced on October 29, 2014.

3. Definitions. The following definitions shall be used in determining whether, under the terms of Section 4 hereof, you are entitled to receive Accrued Benefits and/or Severance Benefits:

(a) Disability. For purposes of this Agreement, "Disability" shall mean, in the written opinion of a qualified physician selected by the Company, you are by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, (x) unable to engage in any substantial gainful activity, or (y) receiving income replacement benefits for a period of not less than three (3) months under a Company disability plan.

(b) Retirement. "Retirement" shall mean your voluntary separation from service (other than for Good Reason, as defined below) at a time after you have reached age sixty-five (65).

(c) Cause. "Cause" shall mean (i) your willful and continued failure to substantially perform your duties with the Company (other than any such failure resulting from Disability or occurring after issuance by you of a Notice of Termination for Good Reason), after a demand for substantial performance is delivered to you that specifically identifies the manner in which the Company believes that you have not substantially performed your duties, and after you have failed to resume

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substantial performance of your duties on a continuous basis within fourteen (14) calendar days after receiving such demand, (ii) you willfully engage in conduct that is demonstrably and materially injurious to the Company, monetarily or otherwise, or (iii) your having been convicted of (or pleaded *nolo contendere* to) a felony that impairs your ability substantially to perform your duties with the Company. In addition, your employment shall be deemed to have terminated for Cause if, within 12 months after your employment has terminated, facts and circumstances are discovered that would have justified a termination for Cause.

The Company shall make any decision that Cause exists in good faith. For purposes of this Agreement, no act or failure to act on your part shall be considered "willful" unless it is done, or omitted to be done, by you in bad faith or without reasonable belief that your action or omission was in the best interests of the Company or any successor or affiliate. Any act, or failure to act, on your part, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company or any successor or affiliate shall be conclusively presumed to be done, or omitted to be done, in good faith and in the best interests of the Company or any successor or affiliate thereof.

(d) Good Reason. You shall be entitled to terminate your employment for Good Reason. For purposes of this Agreement, "Good Reason" shall mean, without your express written consent, the occurrence within two (2) years following a Change of Control of the Company of any one (1) or more of the following:

(i) A material reduction or alteration in your duties and responsibilities, or the status of your position from those in effect on the day prior to the Change of Control;

(ii) A material reduction by the Company in your base salary or in your most recent annual target incentive award opportunity as in effect on the date hereof or as the same shall be increased from time to time;

(iii) The Company's requiring you to be based at a location in excess of fifty (50) miles from the location where you are currently based;

(iv) The failure by the Company to continue in effect the Company's employee benefit plans, policies, practices or arrangements in which you participate prior to the Change of Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) to provide similar benefits has been made with respect to such plan(s); or the failure by the Company to continue your participation therein (or in such substitute or alternative plan) on substantially the same basis, both in terms of the amount of benefits provided and the level of your participation relative to other participants, as existed as of the time of the Change of Control;

(v) The failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement, as contemplated in Section 5 hereof; and

(vi) Any purported termination by the Company of your employment that is not effected pursuant to a Notice of Termination which substantially satisfies the requirements of Section 3(f), below, and for purposes of this Agreement, no such purported termination shall be effective.

Your right to separate from service pursuant to this Section 3(d) shall not be affected by your suspension due to Disability. Your continued employment shall not constitute a waiver of your rights with respect to any circumstance constituting Good Reason hereunder, except that you must provide notice to the Company of the existence of the condition described in above within a period not to exceed ninety (90) calendar days of the initial existence of the condition, and the Company

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will have a period of at least thirty (30) calendar days following the notice during which it may remedy the condition.

(e) Notice of Termination. Any termination by the Company for Cause or by you for Good Reason shall be communicated by Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice that shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provisions so indicated.

(f) Date of Termination. "Date of Termination" shall mean the date specified in the Notice of Termination where required (but not less than thirty (30) calendar days following delivery of the Notice of Termination, except that termination for Cause may be effective immediately) or in any other case upon ceasing to perform services to the Company; provided that if within twenty (20) calendar days after any Notice of Termination one party notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be the date finally determined to be the Date of Termination, either by written agreement of the parties or by a binding and final arbitration decision. In the event that a dispute exists concerning the Date of Termination, you shall continue to receive your full compensation (including participation in all benefit and insurance plans in which you were participating) in effect when the notice giving rise to the dispute was given, until the Date of Termination is finally determined. In such event, you will be required to reimburse the Company for all compensation received beyond the finally determined Date of Termination either by direct cash reimbursement within thirty (30) calendar days of resolving the conflict or by appropriately reducing your remaining benefits to be received under the terms of this Agreement.

(g) Earned Bonus Amount. For any year prior to the year during which a Change of Control occurs, your "Earned Bonus Amount" means your actual bonus for that year. For the year during which a Change of Control occurs, your "Earned Bonus Amount" means your total potential bonus for the year as determined under the 2005 Executive Bonus Plan or applicable successor bonus plan (the "Bonus Plan"), according to the business performance metric achieved, and prorated to reflect your length of service during the Bonus Plan year. For any year following the year during which a Change of Control occurs, your "Earned Bonus Amount" means the greater of (i) your actual bonus for the year prior to the year during which the Change of Control occurs and (ii) your total potential bonus for the year as determined under the Bonus Plan, according to the business performance metric achieved, and prorated to reflect your length of service during the Bonus Plan year.

4. Compensation Upon Separation from Service Following a Change of Control.

(a) Accrued Benefits. In the event that you separate from service for any reason during the Term of this Agreement following a Change of Control of the Company, you shall receive your Accrued Benefits through the Date of Termination to the extent unpaid. For purposes of this Agreement, your "Accrued Benefits" shall include the following:

(i) All base salary for the time period ending with your Date of Termination, at the rate in effect at the time Notice of Termination is given or on the Date of Termination if no Notice of Termination is required;

(ii) A bonus payment equal to one hundred percent (100%) of the greater of (A) your target bonus for the year in which the Date of Termination occurs (the "Year of Termination"), prorated based upon the ratio of the number of months (full credit for a partial month) you were employed during that bonus year to the total months in that bonus year, and (B) your Earned Bonus Amount for the Year of Termination, calculated as if the Date of Termination were the end of that year for purposes of the Bonus Plan;

(iii) A cash equivalent of all unused vacation to which you were entitled through your Date of Termination;

(iv) Reimbursement for any and all monies advanced in connection with your employment for reasonable and necessary expenses incurred by you on behalf of the Company for the time period ending with your Date of Termination (as evidenced and determined in accordance with applicable Company policy); and

(v) All other amounts to which you are entitled under any compensation or benefit plan, program, practice or policy of the Company in effect as of the Date of Termination.

(vi) Subject to Sections 4(e) and 4(f), the payments provided for in Section 4(a)(i), (ii), (iii), and (iv) above shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than thirty (30) calendar days) following your Date of Termination. If the total amount of annual bonus is not determinable on that date, the Company shall pay the amount of bonus that is determinable and the remainder shall be paid in a lump sum cash payment at the time such bonuses are paid generally and in all events no later than the two and one-half (2½) months following the end of the calendar year in which the bonus is earned.

(b) Severance Benefits. In the event that you separate from service during the Term of this Agreement following a Change of Control, unless your separation from service is (i) because of your death, Disability, or Retirement; (ii) a termination by the Company for Cause; or (iii) a termination by you other than for Good Reason, you shall receive, in addition to your Accrued Benefits, the Severance Benefits. For purposes of this Agreement, your "Severance Benefits" shall include the following:

(i) Your annual base salary at the rate in effect immediately prior to the Change of Control of the Company or, if greater, at the rate in effect at the time Notice of Termination is given, or on the Date of Termination if no Notice of Termination is required, multiplied by two (2);

(ii) An amount equal to two (2) times the greatest of (A) the highest of your Earned Bonus Amounts for the three (3) years immediately preceding the Year of Termination or (B) your target bonus under the Bonus Plan for the Year of Termination or (C) your Earned Bonus Amount for the Year of Termination, calculated as if the Date of Termination were the end of that year for purposes of the Bonus Plan;

(iii) For a two (2) -year period after your Date of Termination, the Company will arrange to provide to you the same group health care coverage you had prior to your Date of Termination, at the Company's expense, which includes, but is not limited to, hospital, surgical, medical, dental, and dependent coverages, provided you timely apply and you and your dependents remain eligible for the coverage, and provided further that such continued coverage does not result in adverse tax or monetary penalties to the Company (or other applicable adverse effects to the Company based on coverage discrimination rules then in effect). Nothing herein shall be construed to extend the period of time over which COBRA continuation coverage shall be provided to you or your dependents beyond that mandated by law (that is, the coverage under this Section 4(b)(iii) will be concurrent with, and not consecutive to, the coverage period mandated by law). Health care benefits otherwise receivable by you pursuant to this Section 4(b)(iii) shall be discontinued to the extent comparable benefits are actually received by you from a subsequent employer (including an employer of your spouse) during the two (2) -year period following your Date of Termination, and any such benefits actually received by you shall be reported to the Company. To the extent the provision of health care benefits receivable by you pursuant to this Section 4(b)(iii) extends beyond the COBRA continuation period, such benefits will be provided in accordance with the requirements

of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions);

(iv) For a two (2) -year period after your Date of Termination, the Company will arrange to provide to you, at the Company's expense, life insurance coverage in the amount of two (2) times your base salary in effect at your Date of Termination and, at the end of the two (2)-year period, for the remainder of your life the Company will provide to you life insurance coverage in the amount of your base salary in effect at your Date of Termination provided that such coverage will be provided in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions;

(v) Each stock option that you have been granted by the Company and that is not yet vested shall become immediately vested and exercisable and shall continue to be exercisable for the lesser of (A) two (2) years following your Date of Termination or (B) the time remaining until the originally designated expiration date, unless a longer exercise period is provided for in the applicable plan or award agreement;

(vi) Any contractual restrictions placed on shares of restricted stock or other equity-based compensation awards that you have been awarded pursuant to the Company's 2002 Stock Compensation Plan, as amended, and any similar or successor equity compensation plan adopted or maintained by the Company, shall lapse as of your Date of Termination;

(vii) In the event that a Change of Control occurs and payments are made under this Section 4(b), and a final determination is made by legislation, regulation, ruling, or court decision directed to you or the Company that the aggregate amount of any payments made to you under this Agreement and any other agreement, plan, program, or policy of the Company in connection with, on account of, or as a result of, such Change of Control (the "Total Payments") will be subject to an excise tax under the provisions of Code

Section 4999, or any successor section thereof ("Excise Tax"), the Total Payments shall be reduced (beginning with those amounts that are exempt from Code Section 409A and then from amounts that are subject to Code Section 409A, beginning with the amounts scheduled to be paid furthest from the first date of the Total Payments) so that the maximum amount of the Total Payments (after reduction) shall be one dollar ($1.00) less than the amount that would cause the Total Payments to be subject to the Excise Tax; provided, however, that the Total Payments shall only be reduced to the extent that the after-tax value of amounts received by you after application of the above reduction would exceed the after-tax value of the Total Payments received without application of such reduction. For this purpose, the after-tax value of an amount shall be determined taking into account all federal, state, and local income, employment, and excise taxes applicable to such amount. In making any determination as to whether the Total Payments would be subject to an Excise Tax, consideration shall be given to whether any portion of the Total Payments could reasonably be considered, based on the relevant facts and circumstances, to be reasonable compensation for services rendered (whether before or after the consummation of the applicable Change of Control).

(A) In the event that upon any audit by the Internal Revenue Service, or by a state or local taxing authority, of the Total Payments, a change is formally determined to be required in the amount of taxes paid by, or Total Payments made to, you, appropriate adjustments will be made under this Agreement such that the net amount that is payable to you after taking into account the provisions of Code Section 4999 will reflect the intent of the parties as expressed in this Section 4(b)(vii). You shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require payment of an Excise Tax or an additional Excise Tax on the Total Payments (a "Claim"). Such notification

shall be given as soon as practicable but no later than ten (10) business days after you are informed in writing of such Claim and shall apprise the Company of the nature of such Claim and the date on which such Claim is requested to be paid. You shall not pay such Claim prior to the expiration of the thirty (30)-calendar day period following the date on which you give such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such Claim is due). If the Company notifies you in writing prior to the expiration of such period that it desires to contest such Claim, you shall: (1) give the Company any information reasonably requested by the Company relating to such Claim, (2) take such action in connection with contesting such Claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such Claim by an attorney reasonably selected by the Company, (3) cooperate with the Company in good faith in order to contest effectively such Claim, and (4) permit the Company to participate in any proceedings relating to such Claim; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold you harmless, on an after-tax basis, for any Excise Tax, additional Excise Tax, or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this paragraph, the Company, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such Claim and may, at its sole option, either direct you to pay the tax claimed and sue for a refund or contest the Claim in any permissible manner, and you agree to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one (1) or more appellate courts, as the Company shall determine, provided, however, that if the Company directs you to pay such Claim and sue for a refund, the Company shall advance the amount of such payment to you on an interest-free basis or, if such an advance is not permissible under applicable law, pay the amount of such payment to you as additional compensation, and shall indemnify and hold you harmless, on an after-tax basis, from any Excise Tax, additional Excise Tax, or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or additional compensation; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of you with respect to which such contested amount is claimed to be due is limited solely to such contested amount. The Company shall reimburse any fees and expenses provided for under this Section 4(b)(vii) on or before the last day of your taxable year following the taxable year in which the fee or expense was incurred, and in accordance with the other requirements of Code Section 409A and Treasury Regulation § 1.409A-3(i)(1)(v) (or any similar or successor provisions).

(B) If, after your receipt of an amount advanced or paid by the Company pursuant to the immediately preceding paragraph, you become entitled to receive any refund with respect to such Claim, you shall (subject to the Company's compliance with the requirements of the immediately preceding paragraph) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after your receipt of an amount advanced by the Company pursuant to the immediately preceding paragraph, a determination is made that you shall not be entitled to any refund with respect to such Claim and the Company does not notify you in writing of its intent to contest such denial of refund prior to the expiration of thirty (30)

calendar days after such determination, then such advance shall be forgiven and shall not be required to be repaid.

(viii) To the full extent permitted by law, the Company shall indemnify you (including the advancement of expenses) for any judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, incurred by you in connection with the defense of any lawsuit or other claim to which you are made a party by reason of being or having been an officer, director or employee of the Company or any of its subsidiaries. In addition, you will be covered by director and officer liability insurance to the maximum extent that such insurance maintained by the Company from time to time covers any officer or director (or former officer or director) of the Company. Any costs and expenses that are to be paid or reimbursed pursuant to the preceding provisions of this Section 4(b)(viii) shall be reimbursed in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions).

(ix) The Company will pay the expense of outplacement services from a provider reasonably selected by you and acceptable to the Company, up to a maximum of $35,000. Such outplacement services must be incurred by you no later than the first anniversary of your separation from service.

(x) To the extent that you prevail in any contest or dispute with respect to any interpretation, enforcement or defense of your rights under this Agreement by litigation or otherwise, the Company shall pay to you or reimburse you for all legal fees and expenses incurred by you as a result of such contest or dispute (including all such fees and expenses, if any, incurred in contesting or disputing any separation from service or in seeking to obtain or enforce any right or benefit provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Code Section 4999 to any payment or benefit provided hereunder, as described in Section 4(b)(vii) above), provided that such fees and expenses that are to be paid or reimbursed pursuant to the preceding provisions of this Section 4(b)(x) shall be reimbursed in accordance with the requirements of Code Section 409A and Treasury Regulation §1.409A-3(i)(1)(iv) (or any similar or successor provisions); and

(xi) Subject to Sections 4(e) and 4(f) and except as otherwise provided in this Agreement, the payments provided in Sections 4(b)(i) and (ii) shall be made in a lump sum cash payment as soon as administratively practicable (but in no event more than thirty (30) calendar days) following your separation from service. If the total amount of annual bonus is not determinable on that date, the Company shall pay the amount of bonus that is determinable and the remainder shall be paid in a lump sum cash payment at the time such bonuses are paid generally and in all events no later the two and one-half (2½) months following the end of the calendar year in which the bonus is earned.

(c) Notwithstanding any provision in this Agreement to the contrary, if a Change of Control occurs and you separate from service other than for Cause within six (6) months prior to the date on which the Change of Control occurs and you assert in writing to the Board within thirty (30) calendar days following the Change of Control that such separation from service (i) was at the request of a third party who had taken steps reasonably calculated to effect the Change of Control, (ii) otherwise arose in connection with or anticipation of the Change of Control, or (iii) would not have occurred if the Change of Control were not anticipated, then for all purposes of this Agreement your separation from service shall be deemed to have occurred following the Change of Control and any payments owed to you hereunder as a result of such Change of Control shall be paid to you within sixty (60) calendar days following the Change of Control, unless the Board determines in good faith that your separation from service (i) was not at the request of a third party who had taken steps reasonably calculated to effect the Change of Control, (ii) did not otherwise

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arise in connection with or anticipation of the Change of Control, and (iii) would have occurred if the Change of Control were not anticipated.

(d) You shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Section 4 be reduced by any compensation earned by you as the result of employment by another employer after your Date of Termination, or otherwise, with the exception of a reduction in your insurance benefits as provided in Section 4(b)(iii), and as provided in Section 13.

(e) If, at the time you become entitled to your Accrued Benefits and your Severance Benefits under this Section 4, you are a "specified employee" (as defined under Code Section 409A), then, notwithstanding any provision in this Agreement to the contrary, the following provisions shall apply.

(i) None of your Accrued Benefits and Severance Benefits considered deferred compensation under Code Section 409A and not subject to an exception or exemption thereunder shall be paid to you until the date that is six (6) months after your separation from service or, if earlier, the date of your death (the "Six-Month Delay Rule"). Any such Accrued Benefits and Severance Benefits that would otherwise have been paid to you during this six-month period (the "Six-Month Delay") shall instead be aggregated and paid (without interest) to you no later than ten (10) calendar days following the date that is six (6) months after your separation from service. Any Accrued Benefits and Severance Benefits to which you are entitled to be paid under this Section 4 after the date that is six (6) months after your separation from service shall be paid to you in accordance with the applicable terms of Section 4.

(ii) During the Six-Month Delay, the Company will pay to you the applicable payments set forth in this Section 4, to the extent any of the following exceptions to the Six-Month Delay Rule apply:

(A) the short-term deferral rule of Code Section 409A and Treasury Regulation §1.409A-1(b)(4) (or any similar or successor provisions) (including with the treatment of each payment as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii)) (or any similar or successor provisions),

(B) payments permitted under the separation pay exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(iii) (or any similar or successor provisions), and

(C) payments permitted under the limited payments exception of Code Section 409A and Treasury Regulation §1.409A-1(b)(9)(v)(D) (or any similar or successor provisions),

provided that the amount paid under this Section 4(e)(ii) will count toward, and will not be in addition to, the total payment amount required to be made to you by the Company under this Section 4 on account of your separation from service and any applicable Company benefit plan.

(f) The Company shall deliver to you a form general release and waiver of claims in favor of the Company that is acceptable to the Company (the "Release") as soon as administratively feasible following your separation from service, but no later than thirty (30) calendar days following such date. Notwithstanding any provision in this Agreement to the contrary, no payments pursuant to Section 4(a)(ii) or Section 4(b) shall be made prior to the date that both (i) you have delivered an original, signed Release to the Company and (ii) the revocability period (if any) has elapsed; provided, however, that any payments that would otherwise have been made prior to such date but for the fact that you had not yet delivered an original, signed Release (or the revocability period had not yet elapsed) shall be made as soon as administratively practicable but not later than the seventy-fourth (74th) calendar day following your separation from service. If you do not deliver an original, signed Release to the Company within ten (10) business days (or longer if required by applicable law) after receipt of the same from the Company, (i) your rights shall be limited to those made available to you under Section 4(a) above (excluding Section 4(a)(ii)), and (ii) the Company shall have no obligation to pay or provide to you any amount or benefits described in Section 4(a)(ii) or Section 4(b), or any other monies on account of your separation from service. Notwithstanding any language in this Agreement to the contrary, if the seventy-fourth (74th) calendar day following the date of your termination occurs in a different calendar year than the calendar year of your date of termination, then the payment of any Severance Benefits subject to Code Section 409A shall be made no earlier than January 1 of the calendar year following the year in which your date of termination occurred.

5. Successors; Binding Agreements.

(a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or of any division or subsidiary thereof employing you to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, for the avoidance of doubt, (i) if the Spinoff occurs and your employment following the Spinoff is with Flowco, the Company shall assign this Agreement to Flowco, with Flowco expressly assuming and agreeing to perform this Agreement in the same manner and to the same extent that the Company would be required to perform this Agreement if no such assignment and assumption had taken place, but (ii) if the Spinoff occurs and your employment following the Spinoff is with the Company, the Company will continue to be bound by this Agreement and Flowco will not be required to assume and agree to perform this Agreement. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle you to compensation from the Company in the same amount and on the same terms to which you would be entitled hereunder if you terminated your employment for Good Reason following a Change of Control, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed your Date of Termination.

(b) This Agreement shall inure to the benefit of and be enforceable by your personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If you should die while any amount would still be payable to you hereunder if you had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement, to your devisee, legatee or other designee or, if there is no such designee, to your estate.

6. No Funding of Benefits. Nothing herein contained shall require or be deemed to require the Company to segregate, earmark, or otherwise set aside any funds or other assets to provide for any payments to be made hereunder. Your rights under this Agreement shall be solely those of a general creditor of the Company. However, in the event of a Change of Control, the Company may deposit cash or property, or both, equal in value to all or a portion of the benefits anticipated to be payable hereunder into a trust, the assets of which are to be distributed at such times as are otherwise provided for in this Agreement and are subject to the rights of the general creditors of the Company. The Company also may deposit additional amounts to cover any administrative fees and expenses associated with the trust.

7. Withholding of Taxes. The Company may withhold from any amounts payable under this Agreement all federal, state, city, or other taxes as legally shall be required. The Company may, at its option (a) require you to pay to the Company in cash such amount as may be required to satisfy such withholding obligations or (b) make other satisfactory arrangements with you to satisfy such withholding obligations.

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8. Notice. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first page of this Agreement.

9. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and such officer as may be specifically designated by the Board. The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Delaware. The Company and you agree that the jurisdiction and venue for any disputes arising under, or any action brought to enforce, or otherwise relating to, this Agreement shall be exclusively in the courts in the State of North Carolina, Mecklenburg County, including the Federal Courts located therein or responsible therefor (should Federal jurisdiction exist), and the Company and you hereby submit and consent to said jurisdiction and venue.

10. Employment Rights. This Agreement shall not confer upon you any right to continue in the employ of the Company or its subsidiaries and, except to the extent that benefits may become payable under Section 4, above, shall not in any way affect the right of the Company or its subsidiaries to dismiss or otherwise terminate your employment at any time and for any reason with or without Cause.

11. No Vested Interest. Neither you nor your estate shall have any right, title or interest in any benefit under this Agreement prior to the occurrence of all of the events specified herein as necessary conditions to such right, title or interest.

12. Prior Agreements. This Agreement contains the understanding between the parties hereto with respect to severance benefits in connection with a Change of Control of the Company and supersedes any prior such agreement between the Company (or any predecessor of the Company) and you. If there is any discrepancy or conflict between this Agreement and any plan, policy and program of the Company regarding any term or condition of severance benefits in connection with a Change of Control of the Company, the language of this Agreement shall govern.

13. Coordination with Other Arrangements. Payments and benefits under this Agreement shall be in lieu of any severance payments or benefits provided to you under any other severance pay plan, policy or arrangement of or with the Company.

14. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

15. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

16. Dispute Resolution. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in accordance with the rules of the American Arbitration Association ("AAA") then in effect, in Charlotte, North Carolina in accordance with the AAA's National Rules for the Resolution of Employment Disputes. Judgment may be entered on the arbitrator's award in any court having jurisdiction. However, you shall be entitled to seek in court specific performance of your right, pursuant to Section 3(f), above, to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. You acknowledge that by accepting this arbitration provision you are waiving any right to a jury trial in the event of a covered dispute. The arbitrator may, but is not required to, order that the prevailing party shall be entitled to recover from the losing party its attorneys' fees and costs incurred in any arbitration arising out of this Agreement. The arbitrator will have the right only to interpret and apply the provisions of this Agreement and may not change any of its provisions. The arbitrator will permit reasonable pre-hearing discovery of facts, to the extent necessary to establish a claim or a defense to a claim, subject to supervision by the arbitrator. The determination of the arbitrator will be conclusive and binding upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The arbitrator will give written notice to the parties stating the arbitrator's determination, and will furnish to each party a signed copy of such

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determination. Any arbitration or action pursuant to this Section 16 will be governed by and construed in accordance with the substantive laws of the State of Delaware and, where applicable, federal law, without giving effect to the principles of conflict of laws of Delaware. The Company will not be required to seek or participate in arbitration regarding any actual or threatened breach of any applicable non-compete, non-solicitation, confidentiality or similar restrictive covenants applicable to you, but may pursue its remedies in a court of competent jurisdiction.

17. Code Section 409A Compliance. To the extent any provision of this Agreement or action by the Company would subject you to liability for interest or additional taxes under Code Section 409A, it will be deemed null and void, to the extent permitted by law and deemed advisable by the Company. It is intended that this Agreement will comply with Code Section 409A, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions, and this Agreement shall be administered accordingly, and interpreted and construed on a basis consistent with such intent. Each payment under Section 4 of this Agreement or any Company benefit plan is intended to be treated as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation §1.409A-2(b)(2)(iii) (or any similar or successor provisions). This Agreement may be amended to the extent necessary (including retroactively) by the Company in order to preserve compliance with Code Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for your compensation and benefits.

18. Payments to Estate. The executor of your estate shall be entitled to receive all amounts owing to you at the time of death under this Agreement in full settlement and satisfaction of all claims and demands on your behalf. Such payments shall be in addition to any other death benefits of the Company and in full settlement and satisfaction of all severance benefit payments provided for in this Agreement. In the event of your death or a judicial determination of your incompetence, reference in this Agreement to "you" will be deemed to refer, where appropriate, to your estate or other legal representative.

If this letter properly sets forth our agreement on the subject matter hereof, kindly date, sign and return to the Company the enclosed copy of this letter, which will then constitute our agreement on this subject.

EXECUTIVE ACCEPTANCE	**SPX CORPORATION**
	By: ______________________
[Name]	Christopher J. Kearney
	Its: Chairman, President and Chief Executive Officer
	Date: ______________________

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Exhibit 21.1

Entity Name	Domestic Jurisdiction
Administraciones Directas Interactive Especializadas, S.C.	Mexico
Anhydro (Hong Kong) Limited	Hong Kong
Anhydro China Co., Ltd.	China
Anhydro North America, Inc.	Delaware
APV (China) Co., Ltd.	China
APV Benelux B.V.	Netherlands
APV Benelux NV	Belgium
APV Hill and Mills (Malaysia) Sdn Bhd	Malaysia
APV Middle East Limited	Saudi Arabia
APV Overseas Holdings Limited	United Kingdom
Balcke-Duerr Italiana, S.r.l.	Italy
Balcke-Dürr GmbH	Germany
Balcke-Dürr Polska Sp. Z o.o.	Poland
Ballantyne Company	Cayman Islands
Ballantyne Holding Company	Cayman Islands
Ballantyne Holdings LLC.	California
BDT Limited	India
Carnoustie Finance Limited	United Kingdom
Clyde Pumps India Pvt Limited	India
Clyde Pumps Limited	United Kingdom
Clyde Pumps, Inc.	Delaware
Clyde Union (France) S.A.S.	France
Clyde Union (Holdings) Limited	Scotland
Clyde Union (Holdings) S.á.r.l.	Luxembourg
Clyde Union (Indonesia) (Holdings) Limited	Scotland
Clyde Union (US) Inc.	Delaware
Clyde Union Canada Limited	Canada
Clyde Union China Holdings Limited	Scotland
Clyde Union DB Limited	United Kingdom
Clyde Union Inc.	Michigan
Clyde Union Limited	Scotland
Clyde Union Middle East LLC.	United Arab Emirates
Clyde Union Pumps Middle East FZE	United Arab Emirates
Clyde Union Pumps Technology (Beijing) Co. Limited	China
Clyde Union S.á.r.l.	Luxembourg
Clyde Union S.A.S.	France
Clyde Union South East Asia Pte. Ltd.	Singapore
DBT Technologies (Pty) Ltd.	South Africa
Delaney Holdings Co.	Delaware
Dormant Radio Australia Pty Ltd.	Australia
Drysdale & Company Limited	Scotland
Fairbanks Morse Pump Corporation	Kansas
Fastighets AB Klädeshandlaren	Sweden
Flash Technology, LLC	Delaware
General Signal (China) Co., Ltd.	China
General Signal India Private Limited	India
General Signal Ireland B.V.	Netherlands
Genfare Holdings, LLC	Delaware
Girdlestone Pumps Limited	Scotland
Hangzhou Kayex Zheda Electromechanical Co., Ltd.	China
Heat Transfer Services Pte Ltd.	Singapore
Invensys Philippines, Inc.	Philippines
Johnson Pumps of America, Inc.	Delaware
Johnston Ballantyne Holdings Limited	United Kingdom
Jurubatech Technologia Automotiva Ltda.	Brazil
Kayex China Holdings, Inc.	Delaware

Entity Name	Domestic Jurisdiction
Kayex Holdings LLC.	Delaware
Kent-Moore Brasil Indústria e Comércio Ltda.	Brazil
Kiawah Holding Company	Cayman Islands
Marley Canadian Inc.	Canada
Marley Cooling Tower (Holdings) Limited	United Kingdom
Marley Engineered Products (Shanghai) Co. Ltd.	China
Marley Engineered Products LLC.	Delaware
Marley Mexicana S.A. de C.V.	Mexico
Mather & Platt Machinery Limited	Scotland
MCT Services LLC.	Delaware
Medinah Holding Company	Cayman Islands
Medinah Holding GmbH	Germany
Merion Finance S.á.r.l.	Luxembourg
Muirfield Finance Company Limited	United Kingdom
Newlands Junior College Limited	Scotland
Oakmont Finance S.á.r.l.	Luxembourg
Pinehurst Holding Company	Cayman Islands
PT Barata David Brown Gear Industries	Indonesia
PT. Clyde Union Pumps Indonesia	Indonesia
Radiodetection (Canada) Ltd.	Canada
Radiodetection (China) Limited	Hong Kong
Radiodetection Australia Pty Limited	Australia
Radiodetection B.V.	Netherlands
Radiodetection Limited	United Kingdom
Radiodetection S.á.r.l.	France
S & N International, L.L.C.	Delaware
S & N Pump Company	Texas
S & N Pump Middle East, LLC.	Texas
S&N Pump (Africa) Ltda	Angola
S&N Pump and Rewind Limited	United Kingdom
Seminole Holding Company	Cayman Islands
Shinnecock Holding Company	Cayman Islands
South Eastern Europe Services Limited	United Kingdom
SPX (China) Industrial Manufacturing Center Co., Ltd.	China
SPX (Guangzhou) Cooling Technologies Co., Ltd.	China
SPX (Shanghai) Flow Technology Co., Ltd.	China
SPX (Tianjin) Cooling Technologies Co. Ltd.	China
SPX Canada Co.	Canada
SPX Chile Limitada	Chile
SPX Clyde Luxembourg S.á. r. l.	Luxembourg
SPX Clyde UK Limited	United Kingdom
SPX Cooling Technologies (Beijing) Co. Ltd.	China
SPX Cooling Technologies (Zhangjiakou) Co. Ltd.	China
SPX Cooling Technologies Belgium SPRL.	Belgium
SPX Cooling Technologies Canada, Inc.	Canada
SPX Cooling Technologies France SAS	France
SPX Cooling Technologies GmbH	Germany
SPX Cooling Technologies Leipzig GmbH	Germany
SPX Cooling Technologies Malaysia Sdn Bhd	Malaysia
SPX Cooling Technologies Singapore Pte. Ltd.	Singapore
SPX Cooling Technologies UK Limited	United Kingdom
SPX Cooling Technologies, Inc.	Delaware
SPX Corporation (China) Co., Ltd.	China
SPX Corporation (Shanghai) Co., Ltd.	China
SPX Denmark Holdings ApS.	Denmark
SPX Europe Shared Services Limited	United Kingdom
SPX Flow Technology (India) Private Limited	India
SPX Flow Technology (Pty) Limited	South Africa

Entity Name	Domestic Jurisdiction
SPX Flow Technology (Thailand) Limited	Thailand
SPX Flow Technology Argentina S.A.	Argentina
SPX Flow Technology Assen B.V.	Netherlands
SPX Flow Technology Australia Pty Ltd.	Australia
SPX Flow Technology Belgium NV	Belgium
SPX Flow Technology Canada Inc.	Canada
SPX Flow Technology Copenhagen A/S	Denmark
SPX Flow Technology Crawley Limited	United Kingdom
SPX Flow Technology Danmark A/S	Denmark
SPX Flow Technology do Brasil Industria e Comercio Ltda.	Brazil
SPX Flow Technology Dublin Limited	Ireland
SPX Flow Technology Etten-Leur B.V.	Netherlands
SPX Flow Technology Finland Oy	Finland
SPX Flow Technology Hanse GmbH	Germany
SPX Flow Technology Hong Kong Limited	Hong Kong
SPX Flow Technology Hungary Kft. (SPX Flow Technology Hungary Mérnöki és Képviseleti Kft.)	Hungary
SPX Flow Technology Ibérica S.A.	Spain
SPX Flow Technology Italia S.p.A.	Italy
SPX Flow Technology Japan, Inc.	Japan
SPX Flow Technology Kerry Limited	Ireland
SPX Flow Technology Korea Co., Ltd.	South Korea
SPX Flow Technology Limited	United Kingdom
SPX Flow Technology London Limited	United Kingdom
SPX Flow Technology Mexico S.A. de C.V.	Mexico
SPX Flow Technology Moers GmbH	Germany
SPX Flow Technology New Zealand Limited	New Zealand
SPX Flow Technology Norderstedt GmbH	Germany
SPX Flow Technology Norway AS	Norway
SPX Flow Technology Poland sp. Z.o.o.	Poland
SPX Flow Technology Rosista GmbH	Germany
SPX Flow Technology s.r.o.	Czech Republic
SPX Flow Technology Santorso S.r.l.	Italy
SPX Flow Technology SAS	France
SPX Flow Technology Singapore Pte. Ltd.	Singapore
SPX Flow Technology Sverige AB	Sweden
SPX Flow Technology Sweden AB	Sweden
SPX Flow Technology Systems, Inc.	Delaware
SPX Flow Technology Unna GmbH	Germany
SPX Flow Technology USA, Inc.	Delaware
SPX Flow Technology Warendorf GmbH	Germany
SPX France Holdings SAS	France
SPX Heat Transfer LLC	Delaware
SPX Holding HK Limited	Hong Kong
SPX Holding Inc.	Connecticut
SPX India Private Limited	India
SPX Industrial Equipment Manufacturing (Suzhou) Co., Ltd.	China
SPX International (Thailand) Limited	Thailand
SPX International e.G.	Germany
SPX International Holding GmbH	Germany
SPX International Limited	United Kingdom
SPX International Management LLC.	Delaware
SPX Korea Co., Ltd.	Korea
SPX Latin America Corporation	Delaware
SPX Luxembourg Acquisition Company S.á.r.l.	Luxembourg
SPX Luxembourg Holding Company S.á.r.l.	Luxembourg
SPX Middle East FZE	United Arab Emirates
SPX Netherlands B.V.	Netherlands
SPX Pension Trust Company Limited	United Kingdom

Entity Name	Domestic Jurisdiction
SPX Process Equipment Pty Ltd.	Australia
SPX Receivables, LLC.	Delaware
SPX Russia Limited	Russia
SPX Serviços Industriais Ltda.	Brazil
SPX Singapore Pte. Ltd.	Singapore
SPX Technologies (Pty) Ltd.	Republic of South Africa
SPX Transformer Solutions, Inc.	Wisconsin
SPX U.L.M. GmbH	Germany
SPX UK Holding Limited	United Kingdom
TCI International, Inc.	Delaware
The Harland Engineering Co. Limited	Scotland
The Marley Company LLC.	Delaware
The Marley-Wylain Company	Delaware
Torque Tension Systems (Asia Pacific) Pty Limited	Australia
Torque Tension Systems (SEA) SDN. BHD	Malaysia
Torque Tension Systems Limited	United Kingdom
Turnberry Rubicon Limited	Scotland
Turnberry Rubicon, Limited Partnership	Scotland
U.D.I. Mauritius Limited	Mauritius
UD-RD Holding Company Limited	United Kingdom
Union Pump Limited	United Kingdom
United Dominion Industries Corporation	Canada
Valhalla Holding Company	Cayman Islands
Vokes Limited	United Kingdom
Wuxi Balcke Durr Technologies Company, Ltd.	China
XCel Erectors, Inc.	Delaware

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Exhibit 21.1

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statement No. 333-68650 on Form S-4 and Nos. 33-24043, 333-29843, 333-29851, 333-29855, 333-61766, 333-69250, 333-69252, 333-70245, 333-82645, 333-82647, 333-106897, 333-109112, 333-139351, 333-139352 and 333-186817 all on Form S-8 of our reports dated February 20, 2015, relating to the consolidated financial statements of SPX Corporation and subsidiaries (the "Company") and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Company for the year ended December 31, 2014.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina
February 20, 2015

EXHIBIT 23.2

Consent of Independent Registered Public Accounting Firm

The Board of Members
EGS Electrical Group, LLC:

We consent to the incorporation by reference in the registration statements (No. 333-68650) on Form S-4 and (Nos. 33-24043, 333-29843, 333-29851, 333-29855, 333-61766, 333-69250, 333-69252, 333-70245, 333-82645, 333-82647, 333-106897, 333-109112, 333-139351, 333-139352 and 333-186817) on Form S-8 of SPX Corporation of our report dated January 22, 2014, with respect to the consolidated balance sheet of EGS Electrical Group, LLC and subsidiaries as of September 30, 2013, and the related consolidated statements of comprehensive income, members' equity and comprehensive income, and cash flows for each of the years in the two-year period ended September 30, 2013, which report appears in the December 31, 2014 annual report on Form 10-K of SPX Corporation.

/s/ KPMG LLP

Chicago, Illinois
February 20, 2015

EXHIBIT 31.1

Certification

I, Christopher J. Kearney, certify that:

1. I have reviewed this annual report on Form 10-K of SPX Corporation;

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

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

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

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

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date: February 20, 2015	/s/ CHRISTOPHER J. KEARNEY
	President and Chief Executive Officer

EXHIBIT 31.2

Certification

I, Jeremy W. Smeltser, certify that:

1. I have reviewed this annual report on Form 10-K of SPX Corporation;

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

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

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

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

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date: February 20, 2015

/s/ JEREMY W. SMELTSER

Vice President
and Chief Financial Officer

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EXHIBIT 32.1

The following statement is being made to the U.S. Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.

Securities and Exchange Commission
100 F. Street N.E.
Washington, DC 20549

Re: SPX Corporation

Ladies and Gentlemen:

In accordance with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), each of the undersigned hereby certifies that:

(i) this Annual Report on Form 10-K, for the year ended December 31, 2014, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(ii) the information contained in this report fairly presents, in all material respects, the financial condition and results of operations of SPX Corporation.

Dated as of this 20th day of February, 2015.

/s/ CHRISTOPHER J. KEARNEY	/s/ JEREMY W. SMELTSER
Christopher J. Kearney President and Chief Executive Officer	Jeremy W. Smeltser Vice President and Chief Financial Officer

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EXHIBIT 32.1

Exhibit 99.1

EGS ELECTRICAL GROUP, LLC
AND SUBSIDIARIES
(A Limited Liability Company)

Consolidated Financial Statements

September 30, 2013

(With Independent Auditors' Report Thereon)

Independent Auditors' Report

The Board of Members
EGS Electrical Group, LLC:

We have audited the accompanying consolidated balance sheet of EGS Electrical Group, LLC and subsidiaries (the Company) as of September 30, 2013, and the related consolidated statements of comprehensive income, members' equity and comprehensive income, and cash flows for each of the years in the two-year period ended September 30, 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of EGS Electrical Group, LLC and subsidiaries as of September 30, 2013, and the results of their operations and their cash flows for each of the years in the two-year period ended September 30, 2013, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Chicago, Illinois
January 22, 2014

EGS ELECTRICAL GROUP, LLC
AND SUBSIDIARIES
(A Limited Liability Company)

Consolidated Balance Sheet

September 30, 2013

(Dollars in thousands)

	2013
Assets	
Current assets:	
Cash and cash equivalents	$ 32,503
Accounts receivable, less allowance of $12,012	77,601
Due from members	1,739
Inventories:	
Finished goods	29,976
Work in progress	12,281
Raw materials	15,265
Total inventories	57,522
Prepaid expenses	2,016
Deferred income taxes	3,335
Other current assets	5,713
Total current assets	180,429

Property, plant, and equipment:		
Land		4,162
Buildings and improvements		29,745
Machinery and equipment		153,107
Construction in progress		4,993
Total property, plant, and equipment		192,007
Less accumulated depreciation		128,370
Property, plant, and equipment, net		63,637
Goodwill		260,699
Other intangibles — gross		18,962
Accumulated amortization		(8,047)
Net other intangibles		10,915
Other assets		1,133
Total assets	$	516,813

See accompanying notes to consolidated financial statements.

Liabilities and Members' Equity		2013
Current liabilities:		
Trade accounts payable	$	58,998
Due to members		20,093
Accrued employee compensation		6,343
Accrued sales rebates		7,647
Accrued expenses		14,934
Total current liabilities		108,015
Deferred income taxes		10,141
Other liabilities		13,837
Total liabilities		131,993
Members' equity:		
Members' capital		369,596
Accumulated other comprehensive income		15,224
Total members' equity		384,820
Total liabilities and members' equity	$	516,813

EGS ELECTRICAL GROUP, LLC
AND SUBSIDIARIES
(A Limited Liability Company)

Consolidated Statements of Comprehensive Income

Years ended September 30, 2013 and 2012

(Dollars in thousands)

		2013	2012
Net sales	$	517,491	526,990
Costs and expenses:			
Cost of goods sold		294,235	305,051
Selling, general, and administrative expenses		116,735	116,920
Related-party management fees		3,460	3,590
Other deductions, net		7,041	3,196

Interest expense, net	1,493	843
Total costs and expenses	422,964	429,600
Income before income tax expense	94,527	97,390
Income tax expense	5,083	9,532
Net income	89,444	87,858
Other comprehensive income		
Foreign currency translation adjustments	(2,593)	(314)
Defined benefit pension plans:		
Past service cost arising during the period	(16)	742
Actuarial gain/loss arising during the period	12,664	(5,057)
Other comprehensive income	10,055	(4,629)
Comprehensive income	$ 99,499	83,229

See accompanying notes to consolidated financial statements.

EGS ELECTRICAL GROUP, LLC
AND SUBSIDIARIES
(A Limited Liability Company)

Consolidated Statements of Members' Equity and Comprehensive Income

Years ended September 30, 2013 and 2012

(Dollars in thousands)

	Members' capital	Retained earnings	Accumulated other comprehensive income (loss)	Total
Balance at September 30, 2011	$ 354,353	—	9,798	364,151
Comprehensive income:				
Net income	—	87,858	—	87,858
Cumulative translation adjustment	—	—	(314)	(314)
Pension and postretirement adjustments	—	—	(4,315)	(4,315)
Total comprehensive income — 2012				83,229
Member's contribution, stock-based compensation	939	—	—	939
Distributions to members	12,858	(87,858)	—	(75,000)
Balance at September 30, 2012	368,150	—	5,169	373,319
Comprehensive income:				
Net income	—	89,444	—	89,444
Cumulative translation adjustment	—	—	(2,593)	(2,593)
Pension and postretirement adjustments	—	—	12,648	12,648
Total comprehensive income — 2013				99,499
Member's contribution, stock-based compensation	1,976	—	—	1,976
Distributions to members	(530)	(89,444)	—	(89,974)
Balance at September 30, 2013	$ 369,596	—	15,224	384,820

See accompanying notes to consolidated financial statements.

EGS ELECTRICAL GROUP, LLC
AND SUBSIDIARIES
(A Limited Liability Company)

Consolidated Statements of Cash Flows

Years ended September 30, 2013 and 2012

(Dollars in thousands)

	2013	2012
Cash flows from operating activities:		
Net income	$ 89,444	87,858
Adjustment to reconcile net income to net cash provided by operating activities:		
Loss (gain) on sales of property, plant, and equipment	518	—
Depreciation and amortization	10,952	10,367
Deferred income taxes	4,115	(921)
Stock-based compensation expense	1,976	939
Changes in assets and liabilities:		
Accounts receivable, net of allowances	(1,342)	(2,426)
Inventories	5,756	(4,035)
Other current assets	1,411	(1,459)
Other assets	3,111	5,610
Payables	5,501	13,817
Accrued expenses	(1,297)	1,297
Other liabilities	(6,655)	536
Net cash provided by operating activities	113,490	111,583
Cash flows from investing activities:		
Capital expenditures	(13,273)	(12,045)
Proceeds from disposition of property, plant, and equipment	2,914	502
Acquisitions/other	—	(176)
Net cash used in investing activities	(10,359)	(11,719)
Cash flows from financing activities:		
Distribution to members	(89,974)	(75,000)
Intercompany loan (borrowings/(repayments))	(11,625)	(22,817)
Net cash used in financing activities	(101,599)	(97,817)
Net increase in cash and cash equivalents	1,532	2,047
Effect of exchange rate changes on cash and cash equivalents	(4,056)	(1,749)
Cash and cash equivalents at beginning of year	35,027	34,729
Cash and cash equivalents at end of year	$ 32,503	35,027
Supplemental cash flow data:		
Cash paid for:		
Interest	$ 2,456	2,057
Income taxes	8,505	13,275

See accompanying notes to consolidated financial statements.

EGS ELECTRICAL GROUP, LLC
AND SUBSIDIARIES
(A Limited Liability Company)

Notes to Consolidated Financial Statements

September 30, 2013

(Dollars in thousands)

(1) Summary of Significant Accounting Policies

(a) Description of Business

EGS Electrical Group, LLC (EGS) was created on September 15, 1997 by combining the electrical groups of Emerson Electric Co. (Emerson) and General Signal, Inc. (General Signal). Emerson originally held 52.5% of members' units and General Signal held 47.5%. General Signal subsequently merged with SPX Corporation (SPX), with SPX becoming the minority member. As of September 30, 2013, and during each of the years in the two-year period then ended, Emerson owned 55.5% of members' units and SPX owned the remaining 44.5%. On January 7, 2014, Emerson acquired SPX's interest in EGS for approximately $574,100.

EGS and subsidiaries (the Company) operate offices, plants, and warehouses in six U.S. states and eight international countries and are engaged in the manufacture of electrical fittings, enclosures, controls, and industrial lighting; transformers, power conditioning, power protection, and power supplies; resistance wire electrical heating cable and pipe tracing cable; and a variety of electrical heating products. Approximately 38% of the Company's assets were located outside the United States of America as of September 30, 2013, primarily in Brazil, Canada, France, and China. International sales, primarily in Brazil, Canada, and France, represented 21% and 21%, of the Company's total revenues for the years ended September 30, 2013 and 2012, respectively.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of EGS and its controlled affiliates. All significant intercompany transactions, profits, and balances are eliminated in consolidation. The Company has no involvement with variable interest entities.

The functional currency of the Company's non-U.S. subsidiaries located in Brazil, France, Mexico Distribution Center, Canada, and China is the local currency. The functional currency of the Company's non-U.S. subsidiary located in Romania is the euro. The functional currency of the Company's subsidiaries located in Mexico and Singapore are the U.S. dollar. Adjustments resulting from the translation of consolidated financial statements are reflected as a separate component of accumulated other comprehensive income (loss).

The Company has evaluated subsequent events through January 22, 2014, the date on which the consolidated financial statements were issued.

(c) Cash Equivalents

Cash equivalents consist principally of $26,832 of cash swept to an Emerson-controlled account, but available on demand to the Company as of September 30, 2013. The Company has a credit balance in the cash account related to outstanding checks that have not been funded by Emerson of $14,138 as of September 30, 2013. This balance has been reclassified to Trade accounts payable on the accompanying balance sheet.

(Continued)

(d) Trade Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. Amounts collected on accounts receivable are included in net cash provided by operating activities in the consolidated statements of cash flows. Allowances provided against accounts receivable are for doubtful accounts and adjustments to reduce amounts recorded to net realizable value as a result of estimated sales returns and pricing adjustments. The allowances for doubtful accounts, and other adjustments to reduce accounts receivable to net realizable value, are the Company's best estimate of the amount of probable credit losses in the Company's accounts receivable as of the balance sheet date. The Company determines the allowances based on historical write-off experience and specific analysis of certain individual balances. Account balances are charged off against the allowances after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance-sheet credit exposure related to its customers. The Company's bad debt expense for the years ended September 30, 2013 and 2012 was $15 and $22, respectively.

(e) Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method for all inventories.

(f) Property, Plant, and Equipment

The Company records investments in land, buildings, and improvements, and machinery and equipment at cost.

Depreciation on plant and equipment is calculated on the straight-line method over the estimated useful lives of the assets. Useful lives are 3–12 years for machinery and equipment, and 30–40 years for buildings and improvements. Total depreciation expense during the years ended September 30, 2013 and 2012 was $8,853 and $8,204, respectively.

(g) Goodwill and Other Intangible Assets

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in a purchase business combination. All goodwill is assigned to the reporting unit that acquires the business. A reporting unit is a business unit one level below the operating segment if discrete financial information for that business unit is prepared and regularly reviewed by the segment manager. The Company conducts a formal impairment test of goodwill on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. The Company performs its test as of September 30 of each year using a discounted cash flow analysis that requires that certain assumptions and estimates be made. No impairment of goodwill was identified through the performance of the annual impairment tests during the years ended September 30, 2013 and 2012.

Intangible assets determined to have an indefinite useful life are not amortized, but are instead tested for impairment on an annual basis. Intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment.

(h) Impairment of Long-Lived Assets

Long-lived assets such as property, plant, and equipment and purchased intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If events or circumstances indicate that the long-lived assets should be reviewed for possible impairment, the Company uses projections to assess whether future cash flows on a nondiscounted basis related to the tested assets is likely to exceed the recorded carrying amount of those assets, to determine whether a write-down is appropriate. Should an impairment be identified, a loss would be recorded to the extent that the carrying value of the impaired assets exceeds their fair value as determined by valuation techniques appropriate in the circumstance, which could include the use of similar projections on a discounted basis. No such events or circumstances were identified during the years ended September 30, 2013 and 2012.

(i) Income Taxes

The Company does not pay U.S. federal income taxes, except for its wholly owned Domestic C Corporation subsidiary. Federal taxes are generally paid by the members of EGS. The Company does pay some state income taxes in those states that do not follow the federal treatment of a Limited Liability Corporation (LLC) and foreign taxes are paid on income attributable to the foreign entities. Income taxes paid during the years ended September 30, 2013 and 2012, were $8,505 and $13,275, respectively.

(j) Financial Instruments

The Company accounts for derivatives and hedging activities in accordance with Accounting Standards Codification (ASC or the Codification) Topic 815, *Derivatives and Hedging*, as amended (ASC 815), which requires entities to recognize all derivative instruments as either assets or liabilities in the consolidated balance sheets at their respective fair values. For derivative instruments designated as a cash flow hedge, the gain or loss on the derivative is deferred as a separate component of accumulated other comprehensive income (loss) until recognized in earnings with the underlying hedged item. For derivative instruments designated as a fair value hedge, the gain or loss on the derivative and the offsetting gain or loss on the hedged item are recognized immediately in earnings.

For derivative instruments that do not qualify for hedge accounting, the fair value of the derivative instrument is recorded as an asset or liability on the consolidated balance sheets, with changes in fair value recorded in the consolidated statements of income.

(k) Warranty

The Company’s product warranties are competitive for the markets in which it operates. Warranty generally extends for a period of one year from the date of sale. Provisions for warranty are primarily determined based on historical warranty costs as a percentage of sales adjusted for specific problems that may arise. Product warranty expense is less than 1% of sales.

(l) Stock-Based Compensation

Stock-based compensation awards and options to purchase common stock of Emerson are issued to certain employees of the Company. Compensation expense is recognized at fair value over the service periods based on the number of awards expected to be ultimately earned.

(Dollars in thousands)

This expense is recorded in the Company's consolidated statements of income with a corresponding credit to equity, representing Emerson's capital contribution. Stock-based compensation was $1,976 and $939 for the years ended September 30, 2013 and 2012, respectively.

(m) Revenue Recognition

The Company recognizes all of its revenues through the sale of manufactured products and records sales as products are shipped, title and risk of loss passes to the customer, and collection is reasonably assured. Allowances, based on historical experience, are made for anticipated returns of products and sales discounts at the time products are sold.

Sales taxes are collected from customers and remitted to governmental authorities and are accounted for on a net basis and, therefore, are excluded from revenues in the consolidated statements of income.

The Company records amounts billed to a customer for shipping and handling fees in a sales transaction as revenue. These shipping and handling costs were $1,806 and $1,881 for the years ended September 30, 2013 and 2012, respectively.

(n) Use of Estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period to prepare these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Significant items subject to such estimates and assumptions include the useful life of fixed assets, useful life of intangibles, allowance for doubtful accounts and sales returns, valuation of deferred tax assets, valuation of derivatives, fixed assets, inventory, and reserves for employee benefit obligations, income tax uncertainties, and other contingencies. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions. Actual results could differ from those estimates.

(Continued)

(o) Research and Development

Research and development costs are charged to expense as incurred. These costs were $4,600 and $6,096, for the years ended September 30, 2013 and 2012, respectively.

(p) Other Deductions, Net

Other deductions, net are summarized as follows:

		2013	2012
Intangible amortization	$	1,393	1,556
Litigation costs		(25)	14
Rationalization of operations		1,701	1,998
Translation loss (gain)		1	549
Transaction loss		2,113	2,074
Losses/(gains) on sale of assets		(518)	157
Fair value hedging loss (gain)		2,632	(3,091)
Other		(256)	(61)
Total	$	7,041	3,196

Rationalization of operations expense reflects costs associated with the Company's efforts to continually improve operational efficiency. Rationalization expense primarily consists of severance and other compensation payments as a result of moving facilities to best cost locations and curtailing/downsizing operations because of changing economic conditions.

(q) Other Liabilities

Other liabilities are summarized as follows:

		2013
Minimum pension liability	$	7,264
Minimum retiree medical		3,361
Termination indemnities		1,205
Other		2,007
Total other liabilities	$	13,837

EGS ELECTRICAL GROUP, LLC
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(A Limited Liability Company)

Notes to Consolidated Financial Statements

September 30, 2013

(Dollars in thousands)

(r) Comprehensive Income

Comprehensive income is primarily composed of net earnings plus changes in foreign currency translation and pension and postretirement. Accumulated other comprehensive income (loss) consists of foreign currency translation adjustments of $20,643 and pension and postretirement charges of $(5,419) at September 30, 2013.

(s) Fair Value Measurements

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

· Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

· Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

· Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The carrying value approximates fair value for cash and cash equivalents, accounts receivable, due from members, trade accounts payable, derivatives, and due to members.

(t) Pension and Other Postretirement Plans

The Company has a noncontributory defined-benefit pension plan covering substantially all of its U.S. employees upon their retirement. The benefits are based on age, years of service, and the level of compensation during the five years before retirement. The Company also sponsors a defined-benefit healthcare plan for substantially all retirees and full-time employees hired prior to the establishment of the joint venture.

The Company records annual amounts relating to its pension and postretirement plans based on calculations that incorporate various actuarial and other assumptions, including discount rates, mortality, assumed rates of return, compensation increases, turnover rates, and healthcare cost trend rates. The Company reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The effect of modifications to those assumptions is recorded in accumulated other comprehensive income and amortized to net periodic cost over future periods using the corridor method. The Company believes

(Continued)

EGS ELECTRICAL GROUP, LLC
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Notes to Consolidated Financial Statements

September 30, 2013

(Dollars in thousands)

that the assumptions utilized in recording its obligations under its plans are reasonable based on its experience and market conditions.

The net periodic costs are recognized as employees render the services necessary to earn the postretirement benefits.

(u) Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Recoveries of environmental remediation costs from third parties that are probable of realization are separately recorded as assets, and are not offset against the related environmental liability.

Accruals for estimated losses from environmental remediation obligations generally are recognized no later than completion of the remedial feasibility study. Such accruals are adjusted as further information develops or circumstances change. Costs of expected future expenditures for environmental remediation obligations are not discounted to their present value.

(v) Recently Issued Accounting Standards

In December 2011, the FASB issued ASU No. 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities*. ASU No. 2011-11 requires an entity to disclose information about offsetting and related arrangements to enable users of financial statements to understand the effect of those arrangements on its financial position, and to allow investors to better compare financial statements prepared under U.S. GAAP with financial statements prepared under International Financial Reporting Standards (IFRS). The new standard is effective for annual periods beginning January 1, 2013, and interim periods within those annual periods. Retrospective application is required. The Company will implement the provisions of ASU No. 2011-11 as of October 1, 2014.

In September 2011, the FASB issued ASU No. 2011-08, *Intangibles — Goodwill and other (Topic 350): Testing Goodwill for Impairment*. This ASU permits an entity to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. If an entity concludes it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it need not perform the two-step impairment test. The ASU is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption is permitted. The Company implemented the provisions of ASU No. 2011-08 as of October 1, 2012.

In June 2011, the FASB issued ASU No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*. Under this ASU, an entity will have the option to present the components of net income and comprehensive income in either one or two consecutive financial statements. The

(Continued)

ASU eliminates the option in U.S. GAAP to present other comprehensive income in the statement of changes in equity. An entity should apply the ASU retrospectively. For a nonpublic entity, the ASU is effective for fiscal years ending after December 15, 2012, and interim and annual periods thereafter. Early adoption is permitted. In December 2011, the FASB decided to defer the effective date of those changes in ASU No. 2011-05 that relate only to the presentation of reclassification adjustments in the consolidated statement of income by issuing ASU No. 2011-12, *Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05.* The Company implemented the provisions of ASU No. 2011-05 by presenting the components of net income and the components of other comprehensive income in a single continuous statement of comprehensive income.

In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. The new standard does not extend the use of fair value but, rather, provides guidance about how fair value should be applied where it already is required or permitted under IFRS or U.S. GAAP. For U.S. GAAP, most of the changes are clarifications of existing guidance or wording changes to align with IFRS. A nonpublic entity is required to apply the ASU prospectively for annual periods beginning after December 15, 2011. The Company's adoption of ASU No. 2011-04 in 2013 did not have a material impact on its consolidated financial statements.

(2) Related-Party Transactions

The Company has entered into a service agreement with Emerson for corporate management services. For the years ended September 30, 2013 and 2012, the management fee for such services was a fixed percentage of net sales and was $3,460 and $3,590, respectively. In addition, the Company participates in Emerson-sponsored programs for services, such as insurance, freight, benefits administration, legal, workers' compensation, tax consultation, and other administrative support.

The amount paid for these services for the years ended September 30, 2013 and 2012, was $27,000 and $31,480, respectively, and is recorded as a component of selling, general, and administrative expenses in the consolidated statements of income. Additionally, at September 30, 2013, the Company had payables to Emerson totaling $20,093, and receivables from Emerson of $1,739. The Company and its subsidiaries have cash pool arrangements with Emerson throughout the world. Net interest received from these cash pool arrangements and other related-party transactions for the fiscal years ended September 30, 2013 and 2012, was $125 and $177, respectively.

The Company's borrowings from Brazilian subsidiaries of Emerson was $4,106 as of September 30, 2013. The interest rates are reset every three months and are based on interbank rates currently at 9.5%. Interest paid on these loans was approximately $570 in 2013.

(Dollars in thousands)

(3) Financial Instruments

The Company selectively uses derivative financial instruments to manage commodity prices and currency exchange risk. The Company does not hold derivatives for trading purposes. No credit loss is anticipated as the counterparties to these agreements are major financial institutions with high credit ratings.

As part of its hedging strategy, the Company utilizes forward exchange contracts to minimize the impact of currency and commodity price fluctuations on transactions, cash flows, and firm commitments. The Company had $291 of open foreign currency contracts as of September 30, 2013.

(4) Retirement Plans

The Company has pension plans and other postretirement benefit plans covering substantially all of its employees. The Company's pension and retiree healthcare and life insurance benefit plans are described below.

Pension and other postretirement benefit costs included the following components for 2013 and 2012:

	Pension Benefits		Other postretirement benefits	
	2013	2012	2013	2012
Service cost	$ 2,578	2,074	62	93
Interest cost	2,749	2,555	137	211
Expected return on plan assets	(3,498)	(2,767)	—	—
Amortization of net loss	2,613	1,962	(175)	(188)
Amortization of prior service costs	118	118	(133)	(58)
Curtailment charge	—	—	—	—
Net periodic pension and other postretirement benefit costs	$ 4,560	3,942	(109)	58

A reconciliation of the changes in the plans' benefit obligations and fair value of assets for the year ended September 30, 2013 and a statement of the funded status as of September 30, 2013 for the Company's domestic benefit plans follows:

	Pension benefits 2013	Other Post-Retirement Benefits 2013
Reconciliation of benefit obligation:		
Projected benefit obligation at October 1	$ 66,900	4,307
Service cost	2,578	62
Interest cost	2,749	137
Plan amendments	—	—
Actuarial loss (gain)	(8,162)	(553)
Benefit payments	(1,498)	(227)
Projected benefit obligation at September 30	$ 62,567	3,726

(Dollars in thousands)

Reconciliation of fair value of plan assets:		
Fair value of plan assets at October 1	$ 47,349	—
Actual return on plan assets	5,130	—
Employer contributions	4,261	227
Benefit payments	(1,498)	(227)
Fair value of plan assets at September 30	$ 55,242	—

(Continued)

	Pension benefits 2013	Other Postretirement Benefits 2013
Funded status:		
Benefit obligations	$ 62,567	3,726
Assets	55,242	—
Funded status	$ 7,325	3,726
Amounts recognized in the statement of financial position:		
Current liability	$ 61	365
Noncurrent liability	7,264	3,361
Total amount recognized	$ 7,325	3,726
Amounts recognized in accumulated other comprehensive income:		
Net actuarial loss (gain)	$ 6,955	(1,334)
Prior service cost (credit)	188	(389)
Total	$ 7,143	(1,723)
Accumulated benefit obligation	$ 58,241	N/A

The measurement date for the Company’s pension and other postretirement plans is September 30.

(Continued)

Prior service costs are amortized on a straight-line basis over the average remaining service period of active participants. Accumulated gains and losses in excess of 10% of the greater of the projected benefit obligation or the market-related value of assets are amortized over the remaining service period of active plan participants.

	Pension Benefits 2013	Pension Benefits 2012
Weighted average assumptions used to determine net pension expense:		
Discount rate	4.00%	4.75%
Expected return on plan assets	7.50	7.50
Rate of compensation increase	3.50	3.00
Weighted average assumptions used to determine pension benefit obligations:		

Discount rate	4.75	4.00
Rate of compensation increase	3.25	3.50
Weighted average assumptions used to determine net postretirement expense:		
Discount rate	3.25	4.25
Weighted average assumptions used to determine postretirement benefit obligations:		
Discount rate	4.00	3.25

The estimated amounts that will be amortized from "Accumulated other comprehensive income" at September 30, 2013 into net periodic benefit cost in fiscal year 2014 are as follows:

	Pension benefits	Other postretirement benefits
Actuarial loss (gain)	$ 942	(247)
Prior service cost (credit)	84	(133)
Total	$ 1,026	(380)

The primary objectives for the investment of pension plan assets are to secure participant retirement benefits, while earning a reasonable rate of return. Plan assets are invested consistent with the provisions of

(Continued)

prudence and diversification rules of the Employee Retirement Income Security Act and with a long-term investment horizon. The expected return on plan assets assumption is determined by reviewing the investment return of the plans for the past 10 years and the historical return (since 1926) of an asset mix approximating the plan's current asset allocation and evaluating these returns in relation to expectations of various investment organizations to determine whether long-term future returns are expected to differ significantly from the past. The Company's pension plan asset allocations are as follows:

	Pension Benefits		
	2013	2012	Target
Asset category:			
Equity securities	62%	61%	60%
Debt securities	38	39	40
	100%	100%	100%

The Company estimates that future benefit payments for the pension plans will be as follows: $1,832 in 2014, $2,086 in 2015, $2,353 in 2016, $2,672 in 2017, $2,987 in 2018, and $18,628 in total over the five years 2019 through 2023. In 2014, the Company expects to contribute $4,200 to the pension plans.

The Company's postretirement benefit obligations were determined using discount rates of 4.00% and 3.25%, for 2013 and 2012, respectively. The healthcare cost trend rate for 2013 and 2012 was 7.00% and 7.50%, declining to 5.00% in the year 2018, respectively. The healthcare cost trend rate assumption has a significant effect on the amounts reported. A 1.00% increase in the assumed healthcare cost trend rate would increase the benefit obligation by $8 at September 30, 2013 and a 1.00% increase in the assumed healthcare trend rate would increase the service and interest costs by $1. A 1.00% decrease in the assumed healthcare trend rate would decrease the service and interest cost components by $1 and decrease the net postretirement healthcare benefit obligation by $9 at September 30, 2013.

The Company monitors the cost of healthcare and life insurance benefit plans and reserves the right to make additional changes or terminate these benefits in the future. The Company estimates that future benefit payments for postretirement benefits will be as follows: $365 in 2014, $372 in 2015, $382 in 2016, $360 in 2017, $333 in 2018, and $1,468 in total over the five years 2019 through 2023.

In addition, the Company sponsors defined-contribution (401(k)) plans to which it contributed $702 and $1,078 in 2013 and 2012, respectively.

(Continued)

(Dollars in thousands)

The Company's assets in its pension plans are reported at fair value. The fair value of these assets as of September 30, 2013 measurement date were as follows:

		Fair value of measurements at September 30, 2013 Pension benefits – plan assets		
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset category:				
Equity securities:				
U.S. large cap (a)	$ 34,429	34,429	—	—
Fixed income securities:				
U.S. Treasuries (b)	20,813	20,813	—	—
Total	$ 55,242	55,242	—	—

(a) This category comprises low cost equity index funds not actively managed that track the S&P 500.

(b) This category comprises low cost bond index funds not actively managed that track the Treasury bond index.

(5) Income Taxes

For the years ended September 30, 2013 and 2012, income before income tax expense consists of the following:

	2013	2012
United States	$ 84,049	77,942
Foreign	10,478	19,448
	$ 94,527	97,390

(Continued)

A reconciliation of the statutory federal income tax rate to the Company's effective tax rate is as follows:

	2013	2012
Statutory federal income tax rate	35%	35%
Decrease in tax rate resulting from:		
LLC Election	(35)%	(35)%
State income taxes	1.0%	1.0%
Foreign taxes	2.8	5.8
Domestic Corporation subsidiary	1.6	3.0
Effective tax rate	5.4%	9.8%

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(Continued)

(Dollars in thousands)

Significant temporary differences at September 30, 2013 are summarized as follows:

		2013
Net current deferred tax assets attributable to:		
Reserve for employee welfare	$	362
Reserve for inventory obsolescence		367
Reserve for miscellaneous business taxes		477
Reserve for pension/profit sharing expense		242
Reserve for vacation pay		501
Other		1,386
Net deferred tax assets	$	3,335
Net noncurrent deferred tax liabilities attributable to:		
Goodwill	$	(8,625)
Customer relationships		(3,041)
Net operating loss		1,315
Other		210
Net deferred tax liabilities	$	(10,141)

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax asset will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Based upon the level of historical taxable income and projections for future taxable income, management believes it is more likely than not the Company will realize the benefits of the deferred tax assets. Accordingly, no deferred tax asset valuation allowance was recorded as of September 30, 2013.

The members of the LLC generally pay the federal income taxes of the LLC. The gross book basis of the liabilities and assets of the LLC as of September 30, 2013 is approximately $10,948 greater than the tax basis for the same liabilities and assets.

Beginning with the adoption of ASC Topic 740, *Income Taxes*, as of October 1, 2007, the Company recognizes the effects of income taxes positions only if those positions are more likely than not of being sustained. Changes in recognition measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties related to unrecognized tax benefits as a component of the provision for income taxes.

The Company is subject to U.S. federal income tax at its wholly owned Domestic C Corporation, state income tax in multiple state tax jurisdictions, and foreign income tax in a number of foreign tax jurisdictions. The Company has no U.S. federal returns under review at September 30, 2013. The status of

(Continued)

state and non-U.S. tax examinations varies by numerous legal entities and jurisdictions in which the Company operates.

The Company has not recognized a deferred tax liability for the undistributed earnings of its foreign operations that arose in 2013 and prior years as the Company considers these earnings to be indefinitely reinvested.

(6) Leases

The Company has various lease agreements for offices, distribution, and manufacturing centers. These obligations have various terms extending through 2020. Rent expense was $7,437 and $7,246 for 2013 and 2012, respectively.

Future minimum lease payments as of September 30, 2013, under agreements classified as operating leases with noncancelable terms in excess of one year for the years 2014 through 2018 are $2,836, $620, $548, $287, and $229, respectively. There are no lease obligations thereafter.

(Dollars in thousands)

(7) **Commitments and Contingencies**

The Company is involved in various claims and legal actions arising in the ordinary course of business for which there is a range of possible outcomes. The Company accrues for such liabilities when it is probable that future costs (including legal fees and expenses) will be incurred and such costs can be reasonably estimated.

The Company believes that at September 30, 2013, there were no known contingent liabilities that will have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity.

(8) **Goodwill and Other Intangible Assets**

(a) Intangible Assets

	September 30, 2013		
	Gross carrying amount	Weighted average amortization period	Amortization expense
Amortizing intangible assets:			
Customer list	$ 10,779	10 years	$ 1,212
Trademarks	2,571	15 years	181
Capitalized software	5,612	8 years	731
Total	$ 18,962		$ 2,124

(Continued)

Accumulated amortization for amortizing intangible assets was $8,047 as of September 30, 2013. Estimated amortization expense for the next five years is: $2,053 in 2014, $2,271 in 2015, $2,489 in 2016, $2,089 in 2017, and $2,053 in 2018.

(b) Goodwill

The change in the carrying amount of goodwill for the year ended September 30, 2013 is as follows:

	2013
Balance as of October 1:	
Goodwill	$ 261,543
Foreign currency translation	(844)
Balance as of September 30	$ 260,699