SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K/A-1

(Mark One)
[X] Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2001, or

[_] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from to

Commission File Number: 1-6948

SPX Corporation
(Exact name of registrant as specified in its charter)

Delaware	38-1016240
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2300 One Wachovia Center
301 South College Street,
Charlotte, NC 28202-6039
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 704-347-6800

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

Title of each class	Name of each exchange on which registered
Common	New York Stock Exchange Pacific Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports 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 [X] No [_]

State the aggregate market value of the voting stock held by non-affiliates of the registrant.

$6,028,348,914 as of March 15, 2002

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

40,814,820 shares as of March 15, 2002

Documents incorporated by reference: Portions of the Registrant's Proxy Statement for its Annual Meeting on April 24, 2002 are incorporated by reference into Part III.

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. [_]

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

SPX CORPORATION AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2001

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

Special Note

Arthur Andersen LLP audited SPX Corporation's financial statements as of December 31, 2001 and 2000 and for each of the three years in the period ending on December 31, 2001 included in this Form 10-K/A. Because SPX's former engagement team leaders have since left Andersen, Andersen did not reissue its report on those financial statements, and a copy of a previously issued report is included herein. Andersen has not consented to the use of such report or to any reference made to their firm in this Form 10-K/A. Andersen was convicted on June 15, 2002 of federal obstruction of justice arising from the government's investigation of Enron Corp. You may have no effective remedy against Andersen in connection with a material misstatement or omission in these financial statements, particularly in the event that Andersen ceases to exist or becomes insolvent as a result of the conviction or other proceedings against Andersen.

Until the Company's consolidated audited financial statements for the fiscal year ending December 31, 2004 become available during the Company's first fiscal quarter of 2005, the SEC's current rules would require us to present or incorporate by reference audited financial statements of SPX for the period SPX was audited by Andersen. Prior to that time the SEC may cease accepting financial statements audited by Andersen, in which case we would be unable to access the public capital markets unless Deloitte & Touche, LLP, the Company's current independent accounting firm, or another independent accounting firm, is able to audit the financial statements originally audited by Andersen. Following the conviction of Andersen, the SEC issued a release stating that Andersen has informed the SEC that it will cease practicing before the SEC by August 31, 2002, unless the SEC determines another date is appropriate. Although the SEC has indicated that in the interim it will continue to accept financial statements audited by Andersen, there is no assurance that the SEC will continue to do so in the future. If the SEC declines to accept financial statements audited by Andersen prior to the filing of the SPX's Form 10-K for the fiscal year ending December 31, 2004, it could impede the Company's access to the capital markets.

Additionally, as a result of the departure of SPX's former engagement team leaders, Andersen is no longer in a position to consent to the inclusion or incorporation by reference in any prospectus of their report on the above-referenced financial statements, and investors in any offerings for which the Company uses their audit report will not be entitled to recovery against them under Section 11 of the Securities Act of 1933 for any material misstatements or omissions in those financial statements.

This is a copy of the audit report previously issued by Arthur Andersen LLP in connection with SPX Corporation's financial statements as of December 31, 2001 and 2000 and for each of the three years in the period ending on December 31, 2001. This audit report has not been reissued by Arthur Andersen LLP in connection with this Form 10-K/A filing.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and Board of Directors of SPX Corporation:

We have audited the accompanying consolidated balance sheets of SPX CORPORATION (a Delaware corporation) AND SUBSIDIARIES as of December 31, 2001 and 2000, and the related consolidated statements of income and comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2001. 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 financial statements of EGS, the investment in which is reflected in the accompanying financial statements using the equity method of accounting (see Note 7), as of and for the year ended September 30, 2000. The statements of EGS, as of and for the year ended September 30, 2000, 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 for 2000, is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the 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 provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of SPX Corporation and Subsidiaries as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

As explained in Notes 1 and 15 to the financial statements, effective January 1, 2001, the Company adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities."

Arthur Andersen LLP

Chicago, Illinois
February 11, 2002

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 as of September 30, 2000, and the related consolidated statements of income, members' equity and comprehensive income, and cash flows for the year then ended. 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 audit. The accompanying consolidated financial statements of EGS Electrical Group, LLC and subsidiaries as of September 30, 1999 were audited by other auditors whose report thereon dated October 29, 1999, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit provides 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, 2000, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

Chicago, Illinois
December 18, 2000

SPX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Year ended December 31, 2001	2000	1999
	(In millions, except per share data)		
Revenues	$4,114.3	$2,678.9	$2,712.3
Costs and expenses:			
Cost of products sold	2,761.6	1,776.7	1,809.8
Selling, general and administrative	775.1	495.2	508.3
Goodwill and intangible amortization	69.4	40.0	42.4
Special charges	87.9	90.9	38.4
Operating income	420.3	276.1	313.4
Gain on issuance of Inrange stock	--	98.0	--
Other income (expense), net	(7.6)	22.2	64.3
Equity earnings in joint ventures	35.0	34.3	34.7
Interest expense, net	(133.7)	(95.0)	(117.6)
Income before income taxes	314.0	335.6	294.8
Income tax expense	(141.0)	(137.3)	(187.3)
Income before extraordinary items	173.0	198.3	107.5
Loss on early extinguishment of debt, net of income taxes	--	(8.8)	(6.0)
Net income	$ 173.0	$ 189.5	$ 101.5
Basic income per share of common stock:			
Income before extraordinary items	$ 4.77	$ 6.44	$ 3.50
Loss on early extinguishment of debt, net of income taxes	--	(0.29)	(0.20)
Net income per share	$ 4.77	$ 6.15	$ 3.30
Weighted average number of common shares outstanding	36.308	30.796	30.765
Diluted earnings per share of common stock:			
Income before extraordinary items	$ 4.67	$ 6.25	$ 3.46
Loss on early extinguishment of debt, net of income taxes	--	(0.28)	(0.19)
Net income per share	$ 4.67	$ 5.97	$ 3.27
Weighted average number of common shares outstanding	37.060	31.751	31.055
Comprehensive income (loss), net of tax:			
Foreign currency translation adjustment	(39.3)	(8.8)	(1.9)
Unrealized loss on qualifying cash flow hedges	(25.6)	--	--
Minimum pension liability adjustment	(2.6)	(1.2)	--
Other comprehensive loss	(67.5)	(10.0)	(1.9)
Net income	173.0	189.5	101.5
Comprehensive income	$ 105.5	$ 179.5	$ 99.6

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2001	December 31, 2000
	(In millions)	
ASSETS		
Current assets:		
Cash and equivalents	$ 460.0	$ 73.7
Accounts receivable, net	976.2	547.7
Inventories, net	625.5	299.6
Prepaid expenses and other current assets	130.7	57.7
Deferred income taxes and refunds	236.6	84.2
Total current assets	2,429.0	1,062.9
PROPERTY, PLANT AND EQUIPMENT:		
Land	50.4	28.0
Buildings and leasehold improvements	418.7	216.0
Machinery and equipment	810.1	640.7
	1,279.2	884.7
Accumulated depreciation and amortization	(439.7)	(392.7)
	839.5	492.0
Goodwill and intangible assets, net	3,061.7	1,211.8
Other assets	749.9	397.9
TOTAL ASSETS	$7,080.1	$3,164.6
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 514.3	$ 289.4
Accrued expenses	856.9	347.7
Current maturities of long-term debt	161.6	137.5
Total current liabilities	1,532.8	774.6
Long-term debt	2,450.8	1,158.1
Deferred income taxes	752.6	403.4
Other long-term liabilities	603.6	192.1
Total long-term liabilities	3,807.0	1,753.6
Minority Interest	25.0	28.2
Shareholders' equity:		
Preferred stock	--	--
Common stock	416.5	357.7
Paid-in capital	1,139.0	492.5
Retained earnings	350.8	177.8
Unearned compensation	--	(9.5)
Accumulated other comprehensive loss	(90.5)	(23.0)
Common stock in treasury	(100.5)	(387.3)
Total shareholders' equity	1,715.3	608.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$7,080.1	$3,164.6

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock	Paid-in Capital	Retained Earnings (Deficit)	Unearned Compensation	Accumulated Other Comprehensive Loss	Common Stock In Treasury
	(In millions)					
Balance at December 31, 1998	$351.7	$ 481.7	$(113.2)	$(32.2)	$(11.1)	$(286.4)
Net Income	--	--	101.5	--	--	--
Exercise of stock options and other incentive plan activity, net of tax	3.2	6.9	--	13.1	--	--
Treasury stock issued	--	1.1	--	--	--	37.9
Translation adjustments	--	--	--	--	(1.9)	--
Balance at December 31, 1999	354.9	489.7	(11.7)	(19.1)	(13.0)	(248.5)
Net Income	--	--	189.5	--	--	--
Exercise of stock options and other incentive plan activity, net of tax	2.8	2.8	--	9.6	--	--
Minimum pension liability adjustment, net of tax	--	--	--	--	(1.2)	--
Treasury stock purchased	--	--	--	--	--	(138.8)
Currency translation adjustments	--	--	--	--	(8.8)	--
Balance at December 31, 2000	357.7	492.5	177.8	(9.5)	(23.0)	(387.3)
Net Income	--	--	173.0	--	--	--
Exercise of stock options and other incentive plan activity, net of tax	3.2	41.2	--	9.5	--	--
Acquisitions:						
UDI	55.0	599.8	--	--	--	283.7
Other	0.6	5.5	--	--	--	3.1
Transition adjustment related to change in accounting for derivative instruments and hedging activities, net of tax	--	--	--	--	5.9	--
Net unrealized loss on qualifying cash flow hedges, net of tax	--	--	--	--	(31.5)	--
Minimum pension liability adjustment, net of tax	--	--	--	--	(2.6)	--
Currency translation adjustments	--	--	--	--	(39.3)	--
Balance at December 31, 2001	$416.5	$1,139.0	$ 350.8	--	$(90.5)	$(100.5)

The accompanying notes are an integral part of these statements.

SPX CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2001	2000	1999
	(In millions)		
Cash flows from (used in) operating activities:			
Net income	$ 173.0	$ 189.5	$ 101.5
Adjustments to reconcile net income to net cash from operating activities:			
Special charge	101.4	103.2	38.4
Equity earnings in joint ventures	--	--	(3.2)
Loss (Gain) on sale of businesses	11.8	--	(55.5)
Extraordinary item, net of tax	--	8.8	6.0
Gain on sale of Inrange stock	--	(98.0)	--
Deferred income taxes	103.4	107.6	68.1
Depreciation	91.5	64.3	63.0
Amortization of goodwill and intangibles	83.4	46.6	42.4
Employee benefits	(34.1)	(38.1)	(27.2)
Other, net	(6.7)	(9.7)	(2.9)
Changes in assets and liabilities, net of effects from acquisitions and divestitures:			
Accounts receivable and other	(66.6)	(46.8)	(54.2)
Inventories	47.0	(15.1)	(28.6)
Accounts payable, accrued expenses and other	43.1	(43.3)	97.0
Accrued restructuring liabilities	(55.0)	(28.8)	(33.0)
Taxes paid on the sale of Best Power	--	(69.0)	--
Net cash from operating activities	492.2	171.2	211.8
Cash flows from (used in) investing activities:			
Proceeds from business divestitures	182.9	--	331.2
Business acquisitions, net of cash acquired	(528.1)	(220.8)	(96.4)
Capital expenditures	(150.0)	(123.3)	(102.0)
Other, net	(22.5)	(10.2)	15.7
Net cash from (used in) investing activities	(517.7)	(354.3)	148.5
Cash flows from (used in) financing activities:			
Net borrowings under revolving credit agreement	--	155.0	30.0
Borrowings under other debt agreements	1,700.1	502.4	--
Payment of long-term debt	(1,333.2)	(484.0)	(430.9)
Proceeds from Issuance of Inrange stock	--	128.2	--
Sale of Treasury stock	--	--	39.0
Purchases of common stock	--	(138.8)	--
Common stock issued under stock incentive programs	44.9	15.2	10.1
Net cash from (used in) financing activities	411.8	178.0	(351.8)
Net change in cash and equivalents	386.3	(5.1)	8.5
Cash and equivalents at beginning of year	73.7	78.8	70.3
Cash and equivalents at end of year	$ 460.0	$ 73.7	$ 78.8
Supplemental disclosure of cash flows information:			
Interest paid	$ 122.0	$ 96.4	$ 120.6
Income taxes paid	$ 35.2	$ 95.5	$ 51.3
Noncash investing and financing activities:			
Fair value of shares issued for acquisitions, including UDI	$ 947.7	--	--

The accompanying notes are an integral part of these statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Our significant accounting and financial policies are described below.

Basis of Presentation -- The preparation of our consolidated financial statements in conformity with generally accepted accounting principles in the United States ("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 and expenses during the reporting period. Actual results could differ from those estimates. Certain prior-year amounts have been reclassified to conform with current-year presentation. These reclassifications had no impact on previously reported results of operations or total stockholders' equity.

Consolidation -- The consolidated financial statements include our accounts after the elimination of intercompany transactions. Investments in unconsolidated companies where we exercise significant influence are accounted for using the equity method.

Cash Equivalents -- We consider our highly liquid money market investments with original maturities of three months or less to be cash equivalents.

Revenue Recognition -- We recognize revenues from product sales upon shipment to the customer, except for revenues from service contracts and long-term maintenance arrangements, which are deferred and recognized on a pro-rata basis over the agreement period, and revenues from certain long-term contracts, which are recognized using the percentage-of-completion method of accounting. Under the percentage-of-completion method, earnings accrue based on the percentage of total costs incurred or total units of products delivered, as contracts progress toward completion. Certain sales to distributors made with return rights and/or price protection features are recognized upon shipment to the customer. Expected returns under these contracts are approximately 0.1% of total revenues, can be reasonably estimated and are accrued for at the time of sale, and either a restocking charge is assessed on a return (up to 25% of sales price), or the customer must issue a replace order before the return is authorized. Amounts billed for shipping and handling are included in revenue. In addition, costs incurred for shipping and handling are recorded in cost of products sold and not netted against amounts billed.

Research and Development Costs -- Internal research and development costs are expensed as incurred. Costs incurred in the research and development of new software included in products are charged to expense as incurred until technological feasibility is established. After technological feasibility is established, additional costs are capitalized in accordance with SFAS No. 86, "Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed" until the product is available for general release. These costs are amortized over the lesser of three years or the economic life of the related products and the amortization is included in cost of products sold. We perform a periodic review of the recoverability of such capitalized software costs. At the time a determination is made that capitalized amounts are not recoverable based on the estimated cash flows to be generated from the applicable software, any remaining capitalized amounts are written off. We expensed approximately $109.1 of research activities relating to the development and improvement of our products in 2001, $74.5 in 2000 and $76.0 in 1999.

Purchased in-process research and development represents the value assigned in a purchase business combination to research and development projects of the acquired business that were commenced but not yet completed at the date of acquisition, for which technological feasibility has not yet been established and which have no alternative future use in research and development activities or otherwise. Amounts assigned to purchased in-process research and development meeting the above criteria are written off and charged to expense at the date of consummation of the business combination in accordance with GAAP. We wrote-off

$1.6 and $10.0 of in-process research and development in 2001 and 2000, respectively. See Note 5 for more information on these write-offs.

Environmental Remediation Costs -- Costs incurred to investigate and remediate environmental issues are expensed unless they extend the economic useful life of related assets. Liabilities are recorded and expenses are reported 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. Environmental obligations are not discounted and are not reduced by anticipated insurance recoveries.

Property Plant and Equipment -- Property, plant and equipment ("PP&E") are stated at cost, less accumulated depreciation and amortization. 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 three to 15 years for machinery and equipment. Leasehold improvements are amortized over the life of the related asset or the life of the lease, whichever is shorter.

Financial Instruments Policy -- On January 1, 2001, we adopted Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137 and SFAS No.138. These rules require that all derivative instruments be reported in the consolidated financial statements at fair value. Changes in the fair value of derivatives are to be recorded each period in earnings or other comprehensive income, depending on whether the derivative is designated and effective as part of a hedged transaction, and on the type of hedge transaction. Gains or losses on derivative instruments reported in other comprehensive income must be reclassified as earnings in the period in which earnings are affected by the underlying hedged item, and the ineffective portion of all hedges must be recognized in earnings in the current period. These new standards may result in additional volatility in reported earnings, other comprehensive income and accumulated other comprehensive income. See Note 15 for further discussion of the impact of adopting these new standards.

Initially, upon adoption of the new derivative accounting requirements, and prospectively, on the date a derivative contract is entered into, SFAS 133 requires that a qualifying derivative be designated as either (1) a hedge of a recognized asset or liability or an unrecognized firm commitment (a fair value hedge), (2) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability (a cash flow hedge), (3) a hedge of a net investment in a foreign operation (a net investment hedge), or (4) as a natural hedging instrument whose change in fair value is recognized to act as an economic hedge against changes in the values of the hedged item (a natural hedge).

We formally document our hedge relationships, including identification of the hedging instruments and the hedged items, as well as our risk management objectives and strategies for undertaking the hedge transaction. Derivatives are recorded in the balance sheets at fair value in other assets or other liabilities. We also formally assess both at inception and at least quarterly thereafter, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in either the fair value or cash flows of the hedged item.

We use financial instruments to manage our exposures to (1) fluctuating interest rates on variable rate debt and (2) net investments in foreign operations. We use interest rate swaps to reduce the risk of fluctuating interest rates by guaranteeing a known cash flow that will be expended at future dates for the payment of interest. We use a forward foreign exchange transaction to swap euros for dollars to hedge against the devaluation of our net investment in certain foreign operations. This forward foreign exchange transaction reduces the risk of currency fluctuation by guaranteeing a known dollar value for a portion of our investment in foreign operations.

The effective portion of the changes in the fair value of our interest rate swaps, which are designated as cash flow hedges, is recorded in accumulated other comprehensive income. Ineffectiveness is recorded as a component of interest expense. Changes in fair value are assessed quarterly based on dealer quotes. The change in the fair value of our forward foreign exchange transaction, which qualifies as a net investment hedge of a foreign operation, is recorded in the cumulative translation adjustment account within stockholders' equity.

We do not enter into speculative derivatives.

Goodwill and Intangible Assets -- For acquisitions completed prior to July 1, 2001, and through December 31, 2001 we amortized goodwill and intangible assets on a straight-line basis over lives ranging from 10 to 40 years. In determining the estimated useful lives, we considered the nature, competitive position, life cycle position, and historical and expected future operating income of each acquired company, as well as our commitment to support these acquired companies through continued investment in capital expenditures, operational improvements and research and development.

For acquisitions completed after June 30, 2001, the provisions of Statement of Financial Accounting Standards No. 141 "Business Combinations" ("SFAS No. 141") and Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets" ("SFAS No. 142") require us to no longer amortize goodwill and indefinite lived intangible assets. See Note 2 for further discussion on the impact of adopting SFAS No. 141 and SFAS No. 142.

Impairment of long-lived assets and intangibles 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 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 or operating income (before amortization) on a non-discounted basis related to the tested assets is likely to exceed the recorded carrying amount of those assets, to determine if a write-down is appropriate. Should an impairment be identified, a loss would be reported to the extent that the carrying value of the impaired assets exceeds their fair values as determined by valuation techniques appropriate in the circumstances that could include the use of similar projections on a discounted basis.

(2) NEW ACCOUNTING PRONOUNCEMENTS (UNAUDITED)

On July 20, 2001 the Financial Accounting Standards Board issued SFAS No. 141 and SFAS No. 142. These pronouncements change the accounting for business combinations, goodwill, and intangible assets. SFAS No. 141 eliminates the pooling-of-interests method of accounting for business combinations and further clarifies the criteria to recognize intangible assets separately from goodwill. The requirements of SFAS No. 141 are effective for any business combination accounted for by the purchase method that is completed after June 30, 2001. SFAS No. 142 states goodwill and indefinite lived intangible assets are no longer amortized but are reviewed for impairment annually (or more frequently if impairment indicators arise). Separable intangible assets that are not deemed to have an indefinite life will continue to be amortized over their useful lives and assessed for impairment under the provisions of SFAS 121 "Accounting for the Impairment of Long-Lived Assets and for Long Lived Assets to be Disposed Of." During 2001, the amortization provisions of SFAS 142 apply to goodwill and intangible assets acquired after June 30, 2001.

With respect to goodwill and intangible assets acquired prior to July 1, 2001, companies are required to adopt SFAS No. 142 in their fiscal year beginning after December 15, 2001. We are currently evaluating the impact that adoption of the remaining provisions of SFAS No. 142 will have on our financial position and results of operations. Based on historical purchase price allocations and preliminary allocations for business combinations completed prior to June 30, 2001, we estimate that the cessation of goodwill amortization will increase our operating income by approximately $62.0 on an annualized basis when we adopt the accounting pronouncements. We further expect to record a goodwill impairment charge during the first quarter of 2002 in connection with adopting these new provisions. We estimate that this charge will not exceed $150.0.

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 143 "Accounting for Asset Retirement Obligations" ("SFAS No. 143"). The provisions of SFAS No. 143 will change the way companies must recognize and measure retirement obligations that result from the acquisition, construction, development, or normal operation of a long-lived asset. We will adopt the provisions of SFAS No. 143 as required on January 1, 2003 and at this time have not yet assessed the impact that adoption might have on our financial position and results of operations.

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144 "Accounting for the Impairment and Disposal of Long-Lived Assets" (SFAS No. 144"). SFAS No. 144 supersedes Statement of Accounting Standards No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of " ("SFAS No. 121") and also supersedes the provisions of APB Opinion No. 30 "Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual, and Infrequently Occurring Events and Transactions." This statement retains the requirements of SFAS No. 121 to (a) recognize an impairment loss only if the carrying amount of a long-lived asset is not recoverable from its undiscounted cash flow and (b) measure an impairment loss as the difference between the carrying amount and fair value of the asset. SFAS 144 establishes a single model for accounting for long- lived assets to be disposed of by sale. SFAS No. 144 is effective for financial statements issued for fiscal years beginning after December 15, 2001. The provisions of SFAS No. 144 will generally be applied prospectively, and at this time, we estimate that the impact of adopting this statement will not be material.

(3) ACQUISITIONS AND DIVESTITURES

We continually review each of our businesses pursuant to our "fix, sell or grow" strategy. These reviews could result in selected acquisitions to expand an existing business or result in the disposition of an existing business. Business acquisitions and dispositions for the years ended 2001 and 2000 are described below.

Acquisitions--2001

UDI Acquisition:

On May 24, 2001, we completed the acquisition of United Dominion Industries Limited (UDI) in an all-stock transaction valued at $1,066.9 including $128.0 of cash costs related to transaction fees and corporate change in control matters. We issued a total of 9.385 shares (3.890 from treasury) to complete the transaction. We also assumed or refinanced $884.1 of UDI debt bringing the total transaction value to $1,951.0.

UDI, which had sales of $2,366.2 for the twelve months ended December 31, 2000, manufactured products including: electrical test and measurement solutions; cable and pipe locating devices; laboratory testing chambers; industrial ovens; electrodynamic shakers; air filtration and dehydration equipment; material handling devices; electric resistance heaters; soil, asphalt and landfill compactors; specialty farm machinery; pumps; valves; cooling towers; boilers; leak detection equipment; and aerospace components.

The acquisition was accounted for using the purchase method of accounting in accordance with APB 16 and APB 17, and, accordingly, the statements of consolidated income include the results of UDI beginning May 25, 2001. The assets acquired and liabilities assumed were recorded at preliminary estimates of fair values as determined by preliminary independent appraisals and management, based on information currently available and on current assumptions as to future operations. We intend to complete our review and determination of the fair values of the assets acquired and liabilities assumed before May 2002. This review includes finalizing any strategic reviews of the UDI businesses and our plans to integrate the operations of UDI, evaluating the contingent and actual liabilities assumed, and obtaining final appraisals of the tangible and intangible assets acquired. The allocation of the purchase price is subject to revision, and such revision is not expected to be material.

(Dollar and share amounts in millions, except per share amounts)

A preliminary summary of the assets acquired and liabilities assumed in the acquisition follows:

Estimated fair values	
Assets acquired....................	$ 1,956.0
Liabilities assumed................	(1,978.6)
Excess of cost over net assets acquired	1,089.5
Purchase price........................	$ 1,066.9
Less cash acquired....................	(78.4)
Net purchase price....................	$ 988.5

Of the total assets acquired, $402.0 is allocated to identifiable intangible assets, including trademarks and patents, based on a preliminary assessment of fair value.

For financial statement purposes the excess of cost over net assets acquired was amortized by the straight-line method over 40 years from the acquisition date through December 31, 2001. Intangible assets other than goodwill were also amortized over this period according to their respective useful lives varying from 5 to 40 years. We will adopt the provisions of SFAS No. 142 in 2002, and this statement requires that goodwill and indefinite-lived intangibles are no longer amortized but are reviewed for impairment annually. See Note 2 for further discussion of adopting this pronouncement.

As a result of the acquisition of UDI, we have incurred to date integration expenses for the incremental costs to exit and consolidate activities at UDI locations, to involuntarily terminate UDI employees, and for other costs to integrate operating locations and other activities of UDI with SPX. GAAP requires that these acquisition integration expenses, which are not associated with the generation of future revenues and do not benefit activities that will be continued, be reflected as assumed liabilities in the allocation of the purchase price to the net assets acquired. On the other hand, these same principles require that acquisition integration expenses associated with integrating SPX operations into UDI locations must be recorded as expense. These expenses are discussed in Note 5. The components of the acquisition integration liabilities included in the preliminary purchase price allocation for UDI are as follows:

	Workforce Reductions	Noncanceleable Leases	Other	Total
Original costs..............	$ 46.4	$ 9.1	$20.6	$ 76.1
Payments....................	(0.9)	(0.5)	(0.8)	(2.2)
Balance at June 30, 2001.....	45.5	8.6	19.8	73.9
Payments....................	(11.1)	(0.2)	(4.3)	(15.6)
Adjustments.................	5.4	2.0	0.8	8.2
Balance at September 30, 2001	39.8	10.4	16.3	66.5
Payments....................	(13.3)	(0.7)	(6.3)	(20.3)
Adjustments.................	2.6	(1.6)	5.6	6.6
Balance at December 31, 2001.	$ 29.1	$ 8.1	$15.6	$ 52.8

The acquisition integration liabilities are based on our current integration plan which focuses on three key areas of integration: (1) manufacturing process and supply chain rationalization, including plant closings or sales, (2) elimination of redundant administrative overhead and support activities, and (3) restructuring and repositioning sales and marketing organizations to eliminate redundancies in these activities. In total, we expect to close or sell approximately 49 manufacturing, sales and administrative facilities. As of December 31, 2001, 42 facility closures or dispositions have been announced and 34 completed. We expect that additional charges associated with these actions will be incurred in 2002 but we do not expect these to be material.

Excluding businesses sold, we expect to reduce the former UDI workforce by approximately 2,500 employees, of which 2,053 had been reduced at December 31, 2001. Terminated UDI employees who qualify will have their severance benefits paid out of SPX pension plan assets. These special termination benefits are accounted for as early retirement benefits and special termination benefits in accordance with SFAS 87 and SFAS 88. During 2001, $9.1 of pension assets were used to fund employee severance costs and of the remaining $29.1 workforce reduction obligation, we expect that $16.4 of pension assets will be used to fund these severance benefits. Other cash costs primarily represent facility holding costs, supplier cancellation fees, and the relocation of UDI personnel associated with plant closings and product rationalization. We expect that the termination of employees and consolidation of facilities will be substantially complete within one year of the date of acquisition. Anticipated savings from these cost reduction and integration actions are expected to exceed $120.0 on an annualized basis.

Employee reductions associated with sold businesses approximate 838 as of December 31, 2001.

The acquisition of UDI significantly affects the comparison of the 2001 results of operations. The following 2001 and 2000 pro forma results are presented to facilitate a more meaningful analysis for readers. The unaudited pro forma results of operations for the years ended December 31, 2001 and 2000 as if UDI and SPX had been combined as of the beginning of those periods follow.

The pro forma results include estimates and assumptions which management believes are reasonable. However, pro forma results do not include any anticipated cost savings or expenses of the planned integration of UDI and SPX, and are not necessarily indicative of the results which would have occurred if the business combination had been in effect on the dates indicated, or which may result in the future.

Pro forma results reflect the amounts necessary to estimate consolidated interest expense. The consolidated interest expense has been computed on an assumptions that the refinancing of UDI debt will occur entirely under the credit agreement and not through the issuance of publicly traded or privately placed notes. Interest income was not changed from historical amounts and debt issuance costs are amortized over five years. The pro forma assumes the fair values and lives of intangible assets and goodwill as determined by independent appraisals. The pro forma consolidated effective income tax rate is estimated to be 45% excluding special charges and unusual items. The pro forma consolidated effective income tax rate is higher than either of the combined companies due to the impact of estimated non-deductible goodwill amortization and increases in foreign income tax rates due to the acquisition.

(Dollar and share amounts in millions, except per share amounts)

	Twelve months ended December 31, 2001	Twelve months ended December 31, 2000
Net sales	$5,008.7	$5,045.1
Income before extraordinary item (1)	162.0	213.5
Net income	$ 162.0	$ 204.7
Basic income (loss) per share:		
Income before extraordinary item	$ 3.85	$ 5.31
Loss on early extinguishment of debt	--	(0.22)
Net income per share	$ 3.85	$ 5.09
Diluted income (loss) per share:		
Income before extraordinary item	$ 3.78	$ 5.18
Loss on early extinguishment of debt	--	(0.21)
Net income per share	$ 3.78	$ 4.97

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(1) SPX recorded an after-tax loss of $8.8 on the early extinguishment of debt in the first quarter of 2000.

Other Acquisitions -- 2001:

In the Technical Products segment we completed nine acquisitions with an aggregate purchase price of $412.6. In aggregate, these acquisitions had revenues of $302.6 in the year prior to the respective date of acquisition. These acquisitions include Kendro Laboratory Products, L.P. by Revco Technologies, SPX's life-sciences business unit based in Asheville, North Carolina and TCI International and Central Tower by Dielectric Communications, SPX's broadcast antenna and radio frequency transmission systems business unit based in Raymond, Maine. The acquisition of Kendro was completed in July of 2001 for $320.0 in cash and accounted for using the purchase method of accounting under SFAS 141. Accordingly, the purchase price was allocated to the related assets acquired and liabilities assumed based on a preliminary estimate of fair market values at the date of acquisition. Of the total assets acquired, $175.6 has been allocated to goodwill, $38.5 to trademarks and $14.2 to other intangibles based on a preliminary assessment of the fair market values. The allocation of the Kendro purchase price is subject to revision, and such revision is not expected to be material.

In the Industrial Products segment we completed three acquisitions with an aggregate purchase price of $52.3. In aggregate, these acquisitions had revenues of $70.1 in the year prior to the respective date of acquisition. These acquisitions include Carfel by Filtran, SPX's automotive filtration products business unit based in Des Plaines, Illinois.

In the Flow Technology segment we completed three acquisitions with an aggregate purchase price of $29.3. In aggregate, these acquisitions had revenues of $56.8 in the year prior to the respective date of acquisition.

Acquisitions -- 2000

In the Technical Products segment we completed ten acquisitions with an aggregate purchase price of $100.0. In aggregate, these acquisitions had revenues of $67.9 in the year prior to the respective date of acquisition. These acquisitions include Computerm Corporation by Inrange Technologies, SPX's networking technology development business unit based in Lumberton, New Jersey and Ziton SA (Pty) Ltd. by Edwards System Technology, Inc., SPX's life safety systems business unit based in Cheshire, Connecticut.

In the Industrial Products segment we completed five acquisitions with an aggregate purchase price of $81.2. In aggregate, these acquisitions had revenues of $61.7 in the year prior to the respective date of acquisition. These acquisitions include the Fenner Fluid Power Division of Fenner plc by Power Team, SPX's high force industrial tools and hydraulic power systems components business unit based in Rockford, Illinois.

In the Flow Technology segment we completed three acquisitions with an aggregate purchase price of $37.7. In aggregate, these acquisitions had revenues of $33.6 in the year prior to the respective date of acquisition. These acquisitions include Copes-Vulcan by DeZurik, SPX's industrial valve and process control products business unit based in Sartell, Minnesota.

In the Service Solutions segment we completed three acquisitions with an aggregate purchase price of $12.2. In aggregate, these acquisitions had revenues of $9.0 in the year prior to the respective date of acquisition.

Divestitures -- 2001

On August 27, 2001 we sold substantially all of the assets and liabilities of our Marley Pump business, formerly of UDI, for a cash purchase price of $40.0. This business was classified as held-for-sale as of the acquisition date, and accordingly, no gain or loss was recorded on the sale. In 2000, this business had sales of $68.1.

During the fourth quarter of 2001 and in separate transactions, we sold five other businesses, all of which were formerly of UDI, for total consideration of $89.4 in cash and a note of $1.6. These businesses were classified as held-for-sale as of the acquisition date, and accordingly, no gain or loss was recorded on the sale.

On May 18, 2001, we sold substantially all of the assets and liabilities of our GS Electric business for $27.0 in cash and a $5.0 note due in one year from the date of sale. A pre-tax loss of $11.8 was recorded on the sale. In 2000, this business had sales of $75.3.

(4) BUSINESS SEGMENT INFORMATION

In the second quarter of 2001, we began reporting our results of operations in four segments, Technical Products and Systems, Industrial Products and Services, Flow Technology, and Service Solutions. The new structure reflects the acquisition of UDI and aligns financial reporting with the operating structure of the organization. Each segment is described below.

Technical Products and Systems

The Technical Products and Systems segment is focused on solving customer problems with complete technology-based systems. The emphasis is on growth through investment in new technology, new product introductions, alliances, and acquisitions.

This segment includes operating units that design and manufacture networking and switching products for storage; data and telecommunications networks; fire detection and integrated building life-safety systems; TV and radio transmission systems; automated fare collection systems; laboratory centrifuges, incubators, ovens, testing chambers and freezers; electrical test and measurement solutions; cable and pipe locating devices; electrodynamic shakers; industrial ovens and equipment for the manufacture of silicon crystals.

Industrial Products and Services

The strategy of the Industrial Products and Services segment is to provide "Productivity Solutions for Industry". The Industrial Products and Services segment emphasizes introducing new related services and products, as well as focusing on the replacement parts and service elements of the segment.

This segment includes operating units that design, manufacture, and market power transformers, hydraulic systems, high-integrity aluminum and magnesium die-castings, automatic transmission filters, industrial filtration products, dock equipment, material handling devices, electric resistance heaters, soil, asphalt and landfill compactors, specialty farm machinery, as well as components for the aerospace industry.

Flow Technology

The Flow Technology segment designs, manufactures, and markets solutions and products that are used to process or transport fluids and in heat transfer applications.

This segment includes operating units that manufacture pumps and other fluid handling machines, valves, cooling towers, boilers, leak detection equipment, and industrial mixers.

Service Solutions

Service Solutions includes operations that design, manufacture and market a wide range of specialty service tools, hand-held diagnostic systems and service equipment, inspection gauging systems, and technical and training information, primarily to the vehicle franchise dealer industry in North America and Europe. Major customers are franchised dealers of motor vehicle manufacturers, aftermarket vehicle service facilities and independent distributors.

Revenues by business segment represent sales to unaffiliated customers, and no one customer or group of customers under common control accounted for more than 10% of our consolidated sales. Intercompany sales among segments are not significant. Operating income by segment does not include general corporate expenses. Identifiable assets by business segment are those used in company operations in each segment. General corporate assets are principally cash, pension assets, deferred tax assets and certain prepaid expenses.

(Dollar and share amounts in millions, except per share amounts)

Financial data for our business segments are as follows:

	2001	2000	1999
Revenues: (1)			
Technical Products and Systems	$1,137.9	$ 796.8	$ 912.3
Industrial Products and Services	1,391.4	893.3	801.5
Flow Technology	912.5	286.8	298.9
Service Solutions	672.5	702.0	699.6
	$4,114.3	$2,678.9	$2,712.3
Operating income: (1)			
Technical Products and Systems (2)	$ 140.2	$ 145.2	$ 138.9
Industrial Products and Services (3)	170.5	105.4	126.4
Flow Technology (4)	123.3	35.2	23.8
Service Solutions (5)	53.2	36.5	61.7
General Corporate (6)	(66.9)	(46.2)	(37.4)
	$ 420.3	$ 276.1	$ 313.4
Capital expenditures: (1)			
Technical Products and Systems	$ 23.8	$ 20.2	$ 24.7
Industrial Products and Services	75.5	46.9	36.0
Flow Technology	18.2	20.8	9.8
Service Solutions	10.3	13.0	25.1
General Corporate	22.2	22.3	6.4
	$ 150.0	$ 123.3	$ 102.0
Depreciation and amortization: (1)			
Technical Products and Systems	$ 38.9	$ 21.3	$ 27.1
Industrial Products and Services	59.4	43.5	41.5
Flow Technology	33.0	11.5	11.7
Service Solutions	27.8	26.8	23.7
General Corporate	1.8	1.2	1.4
	$ 160.9	$ 104.3	$ 105.4
Identifiable assets:			
Technical Products and Systems	$1,499.5	$ 553.2	$ 431.2
Industrial Products and Services	1,465.9	1,001.8	828.7
Flow Technology	1,567.0	289.9	254.7
Service Solutions	1,285.3	861.9	887.2
General Corporate	1,262.4	457.8	444.2
	$7,080.1	$3,164.6	$2,846.0

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(1) Includes the results of acquisitions from the dates of the respective acquisitions. See Note 3 of the consolidated financial statements for further discussion.

(2) 2001 includes special charges of $38.4, of which $4.9 is including in cost of products sold. 2000 includes $10.0 of special charges. See Note 5 of the consolidated financial statements for further discussion.

(3) Includes special charges of $16.0, of which $1.8 is recorded in cost of products sold. 2000 includes $51.2 of special charges, of which $1.1 is recorded in cost of products sold. See Note 5 of the consolidated financial statements for further discussion.

(Dollar and share amounts in millions, except per share amounts)

(4) Includes special charges of $12.7 in 2001. See Note 5 of the consolidated financial statements for further discussion.

(5) 2001 includes special charges of $15.3, of which $6.8 is recorded in cost of products sold. 2000 includes $32.6 of which $11.2 is recorded in cost of products sold. See Note 5 of the consolidated financial statements for further discussion.

(6) Includes special charges of $19.0 in 2001 and $9.4 of special charges in 2000. See Note 5 of the consolidated financial statements for further discussion.

Geographic Areas:	2001	2000	1999
Revenues -- Unaffiliated Customers:			
United States (1)	$3,428.3	$2,327.7	$2,304.1
Other	686.0	351.2	408.2
	$4,114.3	$2,678.9	$2,712.3
Long Lived Assets:			
United States	$3,872.4	$2,014.3	$1,830.2
Other	778.7	87.4	39.3
	$4,651.1	$2,101.7	$1,869.5

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(1) Included export sales of $497.1 in 2001, $242.8 in 2000, and $247.5 in 1999. No individual foreign country in which we operate accounted for more than 5% of consolidated revenues in 2001, 2000 or 1999.

(5) SPECIAL CHARGES AND OTHER CHARGES

As part of our Value Improvement Process(R), we right-size and consolidate operations to drive results. Additionally, due to our acquisition strategy, from time to time we alter our business model to better serve customer demand, fix or discontinue lower-margin product lines, and rationalize and consolidate manufacturing capacity to maximize EVA(R) improvement. As an outcome of this process, we recorded special charges of $87.9 in 2001, $90.9 in 2000, and $38.4 in 1999. These special charges consist of restructuring initiatives to consolidate manufacturing and sales facilities, rationalize certain product lines, and asset and goodwill impairments. In addition, we recorded charges to cost of products sold of $13.5 in 2001, and $12.3 in 2000 for discontinued product lines and other product changes associated with restructuring initiatives.

The components of the charges have been computed based on actual cash payouts, our estimate of the realizable value of the affected tangible and intangible assets and estimated exit costs including severance and other employee benefits based on existing severance policies and local laws. The purpose of these restructuring initiatives is to improve profitability, streamline operations, reduce costs, and improve efficiency. We estimate that we will achieve operating cost reductions in 2002 and beyond through reduced employee, manufacturing and other facility costs.

EITF No. 94-3 "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)" provides specific requirements as to the appropriate recognition of costs associated with employee termination benefits and other exit costs. Employee termination costs are recognized when, management having the appropriate level of authority to involuntarily terminate employees, approves and commits us to the plan of termination, establishes the benefits that current employees will receive upon termination, and prior to the date of the financial statements, the benefit arrangement is communicated to employees. The communication of the benefit arrangement includes sufficient detail to enable employees to determine the type and amount of benefits they will receive if they are terminated.

(Dollar and share amounts in millions, except per share amounts)

Other exit costs are costs resulting from an exit plan that are not associated with or that do not benefit activities that will be continued. We record that cost if it is not associated with or is not incurred to generate revenues after the exit plan's commitment date, and it meets either of the following criteria: (1) The cost is incremental to other costs that we incur in the conduct of our activities prior to the commitment date and will be incurred as a direct result of the exit plan, or (2) The cost represents amounts that we will incur under a contractual obligation that existed prior to the commitment date and will either continue after the exit plan is completed with no economic benefit to us or be a penalty incurred by us to cancel the contractual obligation.

Special charges for the years ended December 31, 2001, 2000, and 1999 are described in more detail below and in the applicable sections which follow.

	2001 (1)	2000 (2)	1999
Employee termination costs..	$ 23.8	$ 13.9	$16.6
Facility consolidation costs	13.9	16.1	6.5
Other cash costs............	15.2	2.0	--
Non cash asset write-downs..	46.9	61.2	15.3
In-process technology.......	1.6	10.0	--
Total................	$101.4	$103.2	$38.4

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(1) $13.5 of non cash inventory write-downs is recorded in our income statement as a component of cost of products sold.

(2) $12.3 of non cash inventory write-downs is recorded in our income statement as a component of cost of products sold.

At December 31, 2001, a total of $39.2 of restructuring liabilities remained on the consolidated balance sheet. These reserves primarily relate to restructuring actions initiated in 2001, and we anticipate that the actions will be completed within one year of inception. The following table summarizes activity from December 31, 1999 through December 31, 2001:

	Employee Termination Costs	Facility Consolidation Costs	Other Cash Costs	Impairments & Write-Downs	Total
Balance at December 31, 1999	$ 6.5	$ 6.3	$ --	$ --	$ 12.8
Special Charges (2).........	13.9	16.1	2.0	71.2	103.2
Non-Cash Asset Write-Downs..				(71.2)	(71.2)
Cash Payments...............	(10.4)	(16.4)	(2.0)		(28.8)
Balance at December 31, 2000	$ 10.0	$ 6.0	$ --	$ --	$ 16.0
Special Charges (1).........	23.8	13.9	15.2	48.5	101.4
Non-Cash Asset Write-Downs..				(48.5)	(48.5)
Cash Payments...............	(16.5)	(7.6)	(5.6)		(29.7)
Balance at December 31, 2001	$ 17.3	$ 12.3	$ 9.6	$ --	$ 39.2

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(1) $13.5 of inventory write-downs is recorded on our consolidated statement of income as a component of cost products sold. $1.6 of the impairments & write-downs is related to the write-off of in-process research & development.

(2) $12.3 of inventory write-downs is recorded on our consolidated statement of income as a component of cost products sold. $10.0 of the impairments & write-downs is related to the write-off of in-process research & development.

2001 Special Charges

In 2001, we continued to employ the business practices of our Value Improvement Process(R) by announcing and committing to the closure of thirteen manufacturing, sales, and administrative facilities in the United States, Europe, and Asia; by exiting or outsourcing unprofitable or low margin product lines; by consolidating and combining certain businesses; and by continuing to right-size our operations. As of December 31, 2001, we have committed to initiatives that, when fully completed, will reduce headcount by approximately 1,025 hourly and salaried employees primarily located in the United States.

In total, we recorded $101.4 of special charges in 2001 of which $13.5 is recorded as a component of cost of products sold. $71.5 was recorded as a result of restructuring actions, $13.4 was recorded for goodwill and other asset impairments, $14.9 was recorded in connection with the relocation of our corporate headquarters, and we recorded a $1.6 write-off of in-process research and development. Of these charges, $52.8 has or will result in cash out flows.

In the Technical Products and Systems segment, $38.4 of special charges, $4.9 in cost of products sold, has been recorded primarily related to the following: reducing the workforce by approximately 342 employees; facility consolidation costs related to the closure of sales offices, the impairment of an investment held in a supplier; a goodwill impairment; inventory and other asset impairments associated with our data storage networks business exiting the telecom business; and the consolidation of certain operations and product lines from our Lindberg unit into our Lunaire unit. We recorded a $1.6 write-off of in-process research and development associated with the acquisition of Kendro Laboratories. In-process research and development represents the value assigned in a purchase business combination to research and development projects of the acquired business that had commenced but had not yet reached technological feasibility at the date of acquisition and that have no alternative future use.

In the Industrial Products and Services segment, $16.0 of special charges, $1.8 recorded in cost of products sold, has been recorded primarily related to the following: reducing the workforce by approximately 182 employees; facility consolidation costs including the closing of a manufacturing plant in Ohio and in the United Kingdom; and inventory and other asset impairments associated with the outsourcing of certain manufactured components and exiting a product line.

In the Flow Technology segment, $12.7 of special charges has been recorded primarily related to the following: the closure of sales and administrative offices at our industrial mixers business; and the combination of our DeZurik and Copes-Vulcan businesses with two businesses acquired with UDI, Mueller Steam Specialty and CMB, to form what is now called SPX Valves and Controls. The costs associated with this combination include amounts to reduce the workforce by approximately 186 employees, and to consolidate facilities including the closure of a manufacturing location in Minnesota and in Pennsylvania, and two in Asia.

In the Service Solutions segment, $15.3 of special charges, $6.8 recorded in cost of products sold, has been recorded primarily related to the following: reducing the workforce by approximately 315 employees; inventory and other asset impairments associated with exiting the dynometer-based emissions business; and the closure of a sales office in France and in Michigan.

Corporate special charges include $14.9 of costs associated with the relocation of our corporate headquarters to Charlotte, North Carolina. In addition to severance, these costs include non-cancelable lease obligations, facility-holding costs, and asset impairments associated with a lease facility in Muskegon, Michigan. Other special charges of $4.1 include an asset impairment relating to the abandonment of an internet-based software system.

2000 Special Charges

In 2000, we recorded $103.2 of special charges associated with restructuring actions, in-process technology write-offs, asset impairments, and product rationalizations. $12.3 of this charge, which relates to inventory write-downs, is recorded in cost of products sold. In 2000, we committed to and announced the closing of ten manufacturing facilities or sales offices and the reorganization of various sales, engineering and marketing teams that reduced headcount within the Service Solutions, and Industrial Products and Services segments by approximately 708 hourly and salaried employees.

In the Technical Products segment, we recorded a $10.0 write-off of in-process technology associated with Inrange's acquisition of Varcom Corporation.

In the Industrial Products and Services segment, we recorded special charges of $51.2 associated with restructuring initiatives and goodwill impairments; $1.1 of this charge related to inventory write-downs and was recorded in cost of products sold. The restructuring actions primarily consisted of headcount reductions, the consolidation of two facilities into one in our SPX Fluid Power business, the closure of facilities in Pennsylvania, Virginia, and Minnesota, and asset write-downs associated with exiting the bicycle business.

In the Service Solutions segment we recorded special charges of $32.6, of which $11.2 is associated with discontinued product lines associated with restructuring and is recorded in cost of products sold. The remainder of the charges are primarily associated with restructuring actions that reduced headcount, closed two facilities in Michigan, one facility in Ohio, one facility in Brazil, and consolidated several European operations into a facility in Hainburg, Germany.

The 2000 Corporate special charges of $9.4 primarily represent a write-down of an investment in certain software licenses.

1999 Special Charges

During 1999, we committed to and announced that we would close four manufacturing, sales and administrative facilities primarily to consolidate certain operations. As a result of these actions, we recorded charges of $38.4, which included $16.6 for cash severance payments to approximately 209 hourly and 392 salaried employees. Substantially all scheduled terminations and payments were completed by December 31, 2000. We also recorded $13.4 for facility closing costs, including cash holding costs of $3.0 and non-cash asset write-downs of $10.4.

The four affected facilities were in our Industrial Products and Services segment and were located in Ireland, Tennessee, Minnesota, and Ohio.

An additional $8.4 of charges consisted of $4.9 related to the non-cash write off of abandoned system costs and $3.5 of other cash costs incurred during 1999 related to the various restructuring initiatives, primarily for the relocation of employees.

(6) GAIN ON ISSUANCE OF INRANGE STOCK

In September 2000, Inrange Technologies, one of our business units, issued 8.855 shares of its class B common stock for cash in an initial public offering. We own 75.633 shares of Inrange class A common stock. Holders of class B common stock generally have identical rights as class A common stock except for voting and conversion rights. The holders of class A common stock are entitled to five votes per share and the holders of class B common stock are entitled to one vote per share. Holders of class B common stock have no conversion rights. As a result of the initial public offering, we own 89.5% of the total number of outstanding shares of Inrange common stock. We own 100% of the outstanding class A common stock, which represents 98% of the combined voting power of all classes of Inrange voting stock. Proceeds from the offering, based on the offering price of $16.00 per share, net of expenses, were $128.2. We accounted for the proceeds of the offering in accordance with Staff Accounting Bulletin No. 51. "Accounting by the Parent in Consolidation for Sale of Stock in Subsidiary". In accordance with the selected accounting policy, we recorded a pretax gain of $98.0 ($57.6 after-tax) in the third quarter of 2000.

(Dollar and share amounts in millions, except per share amounts)

(7) INVESTMENT IN JOINT VENTURES

In the second quarter of 2001, we entered into a joint venture with Assa Abloy AB for the manufacture, sale and distribution of door products. We contributed our door products business, which was acquired in the UDI acquisition and had sales of $182.3 in 2000. Assa Abloy contributed the Curries Company and Graham Manufacturing Corporation, Assa Abloy's two door product manufacturing entities. As part of the transaction we received $96.0 in cash and a 20% ownership interest in the joint venture, which is being accounted for under the equity method of accounting. We typically receive the majority of our share of this joint venture's earnings in cash dividends. The joint venture agreement includes a put and call agreement that allows for the sale or purchase of our 20% interest in the joint venture, two years after its formation, to Assa Abloy at a pre-determined price. Accordingly, we expect this joint venture to end in June 2003.

We also own a 44.5% interest in EGS, a joint venture with Emerson Electric Co., and account for our investment in EGS under the equity method of accounting, on a three-month lag basis consistent with GAAP. We typically receive the majority of our share of this joint venture's earnings in cash dividends. EGS operates primarily in the United States, Canada and Mexico. EGS's results of operations for its fiscal year ended September 30, 2001, 2000, and 1999 were as follows:

	2001	2000	1999
Net sales...	$458.7	$474.4	$462.6
Gross margin	187.3	189.3	188.1
Net income..	56.5	65.1	67.0

EGS's pretax income for the quarters ended December 31, 2001, 2000 and 1999 was not materially different than the pretax income earned the previous quarter. Our equity earnings in EGS for the year ended December 31, was $30.1 in 2001, $34.3 in 2000, and $34.7 in 1999. Our recorded investment in EGS was less than our ownership of EGS's net assets in the amount of $92.1 at December 31, 2001, $94.5 at December 31, 2000 and in the amount of $96.9 at December 31, 1999. This difference is being amortized on a straight-line basis over an estimated economic life of 40 years.

Condensed balance sheet information of EGS as of September 30, 2001 and 2000 is as follows:

	2001	2000
Current assets........	$145.7	$170.4
Noncurrent assets.....	309.2	318.1
Current liabilities...	67.8	66.6
Noncurrent liabilities	17.2	30.0

(Dollar and share amounts in millions, except per share amounts)

(8) INVENTORIES

	December 31, 2001	December 31, 2000
Finished goods	$265.6	$131.1
Work in process	149.9	65.9
Raw material and purchased parts	224.7	117.7
Total FIFO cost	$640.2	$314.7
Excess of FIFO cost over LIFO inventory value	(14.7)	(15.1)
	$625.5	$299.6

Inventories include material, labor and factory overhead costs and are reduced, when necessary, to estimated realizable values. Certain domestic inventories are valued using the last-in, first-out ("LIFO") method. These inventories were $209.5 at December 31, 2001, and $143.8 at December 31, 2000. All other inventories are valued using the first-in, first-out ("FIFO") method. Progress payments, netted against work in process at year-end, were $12.0 in 2001, and $6.1 in 2000.

(9) GOODWILL AND OTHER INTANGIBLE ASSETS

	December 31, 2001	December 31, 2000
Goodwill	$2,520.6	$1,058.4
Trademarks	463.2	52.4
Other intangibles	272.2	232.3
	3,256.0	1,343.1
Accumulated amortization	(194.3)	(131.3)
	$3,061.7	$1,211.8

Amortization of goodwill and intangibles was $69.4 in 2001, $40.0 in 2000, and $42.4 in 1999.

(10) VALUATION ACCOUNTS

	2001	2000	1999
Allowance for doubtful accounts:			
Balance at beginning of year	$ 16.2	$16.9	$ 18.3
Acquisitions	10.5	--	--
Provisions	19.3	7.9	11.3
Charges	(17.1)	(8.6)	(12.7)
Balance at end of year	$ 28.9	$16.2	$ 16.9

(11) ACCRUED EXPENSES

	December 31, 2001	December 31, 2000
Employee benefits	$237.5	$134.9
Legal, environmental, and self-insurance	167.4	55.1
Warranty	56.5	22.5
Restructuring related accruals	91.7	16.0

Other	303.8	119.2
	$856.9	$347.7

(12) EMPLOYEE BENEFIT PLANS

Defined Benefit Pension and Postretirement Benefit Plans

We have defined benefit pension plans that cover a majority of our salaried and hourly paid employees, including certain employees in foreign countries. The historical SPX plans provided pension benefits that were based on the employees' years of credited service and levels of earnings. Effective January 1, 1999, we amended our SPX pension plan formula to provide benefits using a cash balance program. Under the new cash balance program, participants receive benefits based on a percentage of current salary and interest credits. Effective January 1, 2001 we amended our SPX plan to discontinue providing pension benefits to employees hired after December 31, 2000. We acquired additional pension plans as part of our acquisition of UDI on May 24, 2001. The UDI plans provided pension benefits that were based on employee compensation and years of credited service. Effective January 1, 2002, we have amended the UDI plans to no longer provide service credits to active participants and we have discontinued providing pension benefits under these plans to employees hired after July 1, 2001. We 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. Substantially all plan assets are invested in listed stocks, bonds, real estate, and cash and short-term investments. As of December 31, 2001, plan assets include 0.757 shares of our common stock.

Prior to the acquisition of UDI, plan assets and obligations of our non-North American subsidiaries were not considered material and are not included in the year 2000 disclosure information below. With the acquisition of UDI, we obtained significant European operations that provide pension plans in accordance with local practices. These pension plans are funded in conformity with applicable laws. The plan assets and obligations, as of December 31, 2001, of our non-North American subsidiaries are included in the table below.

We have domestic postretirement plans that provide health and life insurance benefits for certain retirees and their dependents. With the acquisition of UDI we acquired additional postretirement plan obligations that provide similar health and life insurance benefits to certain retirees and their dependents. 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. Certain of our non-North American subsidiaries have similar plans for retirees. Our obligations for such plans are not material and are not included below.

(Dollar and share amounts in millions, except per share amounts)

The following table shows the pension plans' funded status and amounts recognized in our consolidated balance sheets:

	Pension Benefits		Postretirement Benefits	
	2001	2000	2001	2000
Change in benefit obligation:				
Benefit obligation - beginning of year	$ 708.2	$ 746.9	$ 166.1	$ 146.5
SPX non-North American plans - beginning of year (1)	24.9	--	--	--
Service cost	15.9	12.0	0.2	0.2
Interest cost	65.8	53.3	13.7	12.4
Actuarial (gain) loss	33.2	(29.2)	45.8	31.6
Curtailment (gain) loss	(9.2)	(1.2)	--	--
Special termination benefits	29.3	--	--	--
Plan amendments	9.6	1.2	--	--
Benefits paid	(103.1)	(74.5)	(18.2)	(24.6)
Acquisitions	294.0	--	17.3	--
Foreign exchange	(1.9)	--	--	--
Benefit obligation - end of year	$1,066.7	$ 708.2(1)	$ 224.9	$ 166.1
Change in plan assets:				
Fair value of plan assets - beginning of year	$1,012.7	$ 980.9	$ --	$ --
SPX non-North American plans - beginning of year (1)	24.9	--	--	--
Actual return on plan assets	(20.5)	102.5	--	--
Contributions	6.6	3.8	18.2	24.6
Benefits paid	(102.6)	(74.5)	(18.2)	(24.6)
Acquisitions	232.0	--	--	--
Foreign exchange	(0.3)			
Fair value of plan assets - end of year	$1,152.8	$1,012.7(1)	$ --	$ --
Funded status at year-end	$ 86.1	$ 304.5	$(224.9)	$(166.1)
Unamortized prior service cost	(11.3)	(23.6)	(2.3)	(4.8)
Unrecognized net (gain) loss	119.7	(46.1)	65.2	21.1
Unrecognized transition asset	--	(0.3)	--	--
Prepaid (accrued) benefit cost	$ 194.5	$ 234.5	$(162.0)	$(149.8)
Amount recognized in the balance sheet consists of:				
Other assets	$ 266.4	$ 252.4	$ --	$ --
Accrued expenses and other liabilities	(84.7)	(24.1)	(162.0)	(149.8)
Accumulated other comprehensive income	12.8	6.2	--	--
Net amount recognized	$ 194.5	$ 234.5	$(162.0)	$(149.8)

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(1) As a result of the UDI acquisition on May 24, 2001, the 2001 information includes all plans, including non-North American plans. Prior to 2001, information regarding our non-North American plans was not disclosed, as it was not material.

The pension benefit obligation ("PBO") and unfunded accumulated pension obligation ("ABO") for pension plans' with ABO's in excess of plan assets were $162.4 and $82.6 as of December 31, 2001, and $25.9 and $24.1 as of December 31, 2000.

(Dollar and share amounts in millions, except per share amounts)

A minimum pension liability adjustment is required when the actuarial present value of accumulated benefits exceeds plan assets and accrued pension liabilities. The minimum liability adjustment, less allowable intangible assets, net of tax benefit, is reported as other comprehensive loss and accumulated to $6.2 as of December 31, 2001, and $3.6 as of December 31, 2000.

The funded status of our pension plan declined from December 31, 2000 to December 31, 2001 by $218.4. The change is primarily due to the following: $62.0 due to the addition of the UDI pension plans acquired at May 24, 2001, $75.1 due to participant service and interest costs, net of funding requirements in 2001, $20.5 due to market performance of the plan assets, and $33.2 due to actuarial losses which are primarily due to decreasing the discount rate. In addition, it is expected that $25.5 of plan assets will be used to fund the UDI restructuring program. The funded status of our pension plan did not have any impact on required cash contributions in 2001.

Net periodic pension benefit income for our pension plans included the following components:

	Year Ended December 31,		
	2001	2000	1999
Service cost	$ 15.9	$ 12.0	$ 16.5
Interest cost	65.8	53.0	53.3
Expected gain on assets	(116.5)	(101.7)	(93.7)
Amortization of transition asset	(0.3)	(5.8)	(6.4)
Amortization of unrecognized (gains) losses	(0.7)	(0.8)	0.2
Amortization of unrecognized prior service cost	(1.2)	(1.2)	(1.5)
Net periodic pension benefit income	$ (37.0)	$ (44.5)	$(31.6)
Weighted average actuarial assumptions used were:			
Discount rate	7.17%	7.75%	7.50%
Rate of increase in compensation levels	4.46%	5.00%	5.00%
Expected long-term rate of return on assets	9.84%	10.00%	9.50%

The discount rate and rate of increase in compensation levels for 2001, were used to value our benefit obligation as of December 31, 2001. The expected long-term rate of return on assets was used to calculate the pension benefit income for 2001. The expected long-term rate of return assumption for the 2002 pension income calculation is expected to be approximately 9.45%. It is our policy to review the pension assumptions annually. The assumptions are established at the respective balance sheet date based on consultation with independent actuaries using the following principles: (1) The expected long-term rate of return on plan assets is established based the expectations of asset returns over the expected period to fund participant benefits. In addition, a benchmark study is completed by our independent actuaries against peer companies with similar investment styles. (2) The discount rate is set based on the yield of high quality fixed income investments, commonly defined as fixed income investments with at least a Moody's AA credit rating. (3) The rate of increase in compensation levels is established based on management's expectations of current and foreseeable future increases in compensation.

In accordance with SFAS No. 88 "Employers Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits" we recorded a curtailment gain of $2.8 in 2001, $2.0 in 2000, and $3.5 in 1999. The curtailment gains were primarily the result of a reduction in employees associated with restructuring initiatives. Additionally, we recorded a $25.5 special termination benefit loss and a $4.7 curtailment gain related to severance benefits for UDI employees terminated as part of the UDI integration and paid out of our pension assets. The net settlement charge was not charged to the income statement but was allocated to the purchase price of the UDI acquisition as required by GAAP.

(Dollar and share amounts in millions, except per share amounts)

The net periodic postretirement benefit cost included the following components:

	Year Ended December 31, 2001	2000	1999
Service cost	$ 0.2	$ 0.2	$ 0.6
Interest cost	13.7	12.4	10.4
Amortization of unrecognized (gains)	(2.5)	--	(0.1)
Amortization of unrecognized prior service cost	1.3	(2.6)	(2.6)
Net periodic postretirement costs	$12.7	$10.0	$ 8.3

The accumulated postretirement benefit obligation was determined using the terms 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 established at the respective balance sheet date based on consultation with independent actuaries. The estimated initial annual trend rates as December 31, 2000 were 7.0% for retirees under age 65 and 6.1% for retirees over age 65. As of December 31, 2001, the initial trend rates were increased to 10.0% for retirees over age 65 and 8.0% for retirees under age 65 and will decrease to an ultimate rate of 5.0% in 2007. The discount rates used for 2001 and 2000 were 7.25% and 7.75% respectively.

Assumed health care cost trend rates can have a significant effect on the amounts reported for the other postretirement benefit plans. A one percentage point change in assumed health care cost trend rates would have the following effects:

	1% Increase	1% Decrease
Effect on total of service and interest costs	$ 0.8	$ (0.7)
Effect on postretirement benefit obligation	14.8	(13.4)

Defined Contribution Retirement Plans

We maintain a defined contribution retirement plan (the "Plan") pursuant to Section 401(k) of the U.S. Internal Revenue Code. Under the Plan, eligible U.S. employees may voluntarily contribute up to 17% of their compensation into the Plan and we match a portion of participating employees' contributions. In the first half of 2001, our matching contributions were made with shares of our common stock allocated from the trust of the SPX KSOP plan (the "KSOP"). As of November 7, 2001, there were no remaining unallocated shares in the KSOP trust. Currently, our matching contributions are 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 Plan, we contributed 0.161, 0.156, and 0.211 shares of common stock to employee accounts in 2001, 2000 and 1999 respectively. Compensation expense is recorded based upon the market value of shares as the shares are contributed to employees. We recorded $22.3 in 2001, $17.1 in 2000 and $15.9 in 1999 as compensation expense related to the matching contribution.

(Dollar and share amounts in millions, except per share amounts)

(13) INCOME TAXES

Income from continuing operations before income taxes and the provision for income taxes consisted of the following:

	Year Ended December 31,		
	2001	2000	1999
Income before income taxes:			
United States	$253.0	$328.6	$274.0
Foreign	61.0	7.0	20.8
	$314.0	$335.6	$294.8
Provision for income taxes:			
Current:			
Federal	$ 2.0	$ 58.6	$113.3
Foreign	10.0	7.2	15.0
State	5.8	12.7	17.5
Total current	17.8	78.5	145.8
Deferred:			
Federal	$ 96.1	50.3	37.1
Foreign	7.2	1.0	0.1
State	19.9	7.5	8.3
Total deferred	123.2	58.8	45.5
	141.0	137.3	191.3
Included in early extinguishment of debt	--	(6.2)	(4.0)
Total provision	$141.0	$131.1	$187.3

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

	Year Ended December 31,		
	2001	2000	1999
Tax at U.S. federal statutory rate	35.0%	35.0%	35.0%
State and local taxes, net of U.S. federal benefit	2.9	3.9	3.4
Foreign sales corporation	(1.0)	(0.4)	(0.8)
Goodwill amortization	5.1	3.9	3.1
Foreign rates and foreign dividends	(1.7)	(2.0)	2.5
Change in valuation allowance	4.2	3.1	1.7
Disposition basis differences	1.4	(0.9)	20.9
Other	(1.0)	(1.7)	(2.3)
	44.9%	40.9%	63.5%

(Dollar and share amounts in millions, except per share amounts)

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

	December 31,		
	2001	2000	1999
Deferred tax assets:			
Working capital accruals	$ 55.1	$ 25.1	$ 24.5
Legal, environmental and self-insurance accruals	115.8	47.9	38.9
Restructuring	36.2	15.0	10.2
Other postretirement and postemployment benefits	63.7	61.7	71.6
NOL and credit carryforwards	53.2	28.5	17.2
Payroll and compensation	34.7	19.1	19.4
Other	81.3	45.5	10.3
Total deferred tax assets	440.0	242.8	192.1
Valuation allowance	(53.0)	(28.3)	(16.9)
Net deferred tax assets	387.0	214.5	175.2
Deferred tax liabilities:			
LYONS interest deductions	46.3	--	--
Accelerated depreciation	73.8	54.3	45.7
Pension credits	120.6	98.0	72.5
Unremitted earnings of certain foreign subsidiaries	40.0	--	--
Basis difference in affiliates	318.4	205.7	141.6
Intangibles recorded in acquisitions	274.8	100.1	102.6
Other	29.1	75.6	24.2
Total deferred tax liabilities	903.0	533.7	386.6
	$(516.0)	$(319.2)	$(211.4)

Realization of deferred tax assets associated with the net operating loss and credit carryforwards is dependent upon generating sufficient taxable income prior to their expiration. We believe that there is a risk that certain of these net operating loss and credit carryforwards may expire unused and, accordingly, have established a valuation allowance against them. 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 alternative tax strategies. However, deferred tax assets could be reduced in the near term if our estimates of taxable income during the carryforward period are significantly reduced or alternative tax strategies are no longer viable. The valuation allowance increased by $24.7 in 2001, and $11.4 in 2000.

Undistributed earnings of our foreign subsidiaries amounted to approximately $530.0 at December 31, 2001. As of this date, a preliminary deferred tax estimate of $40.0 has been provided for the foreign earnings of certain UDI subsidiaries acquired as of May 24, 2001. With the exception of these subsidiaries, the remaining foreign earnings are considered indefinitely reinvested. Accordingly, no provision for U.S. federal and state income taxes or foreign withholding taxes has been made. 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. Determination of the amount of unrecognized deferred U.S. income tax liability is not practicable; however, unrecognized foreign tax credit carryovers would be available to reduce some portion of the U.S. liability. Withholding taxes of approximately $17.5 would be payable upon remittance of all previously unremitted earnings at December 31, 2001.

(Dollar and share amounts in millions, except per share amounts)

(14) NOTES PAYABLE AND DEBT

	December 31, 2001	December 31, 2000
Revolving loan	$ --	$ 220.0
Tranche A loan	393.7	525.0
Tranche B loan	490.0	496.3
Tranche C loan	823.0	--
LYONS, net of unamortized discount $574.1	835.7	--
Medium-term notes: $25.0 at 7.1% due 2002	--	25.0
Industrial revenue bonds due 2001-2025	1.0	16.1
Other borrowings	69.0	13.2
	$2,612.4	$1,295.6
Less current maturities of long-term debt	(161.6)	(137.5)
Total Long-Term debt	$2,450.8	$1,158.1

Under our Restated Credit Agreement, aggregate maturities of the senior credit facility are $163.3 in 2003, $125.8 in 2004, $13.3 in 2005, $478.3 in 2006 and $781.5 in 2007. Other borrowings are primarily revolving lines of credit at foreign locations that are refinanced as they come due and therefore are classified as long-term.

Restated Credit Agreement

On January 31, 2001, we amended and restated our Credit Agreement to provide for an additional $300.0 Tranche C term loan. The proceeds were used for acquisitions and to pay down the revolving credit loan balance. We also increased our revolving credit facility by $125.0 to $550.0.

On May 24, 2001, we amended and restated our Credit Agreement ("Restated Credit Agreement") to provide for an additional $530.0 of Tranche C term loan and an additional $50.0 for the revolving credit facility bringing the amount available up to $600.0. The term loan proceeds were used to pay down the acquired debt of United Dominion Industries.

As of December 31, 2001, we had outstanding under our Restated Credit Agreement:

(a) $393.7 of aggregate principal amount of Tranche A term loans (the "Tranche A Term Loans"),

(b) $490.0 of aggregate principal amount of Tranche B term loans (the "Tranche B Term Loans"), and

(c) $823.0 of aggregate principal amount of Tranche C term loans (the "Tranche C Term Loans").

(d) In addition, the agreement provided for a commitment to provide revolving credit loans of up to $600.0 (the "Revolving Loans").

Under the Restated Credit Agreement, the senior bank loans bear interest, at our option, at either the ABR plus the Applicable Rate (the "ABR Loans") or the Eurodollar Rate plus the Applicable Rate (the "Eurodollar Loans").

The ABR is the highest of:

(1) the prime rate of interest in effect;

(2) the three month CD rate in effect plus 1.0%; and

(3) the federal funds effective rate in effect plus 0.5%.

(Dollar and share amounts in millions, except per share amounts)

The Eurodollar Rate is the rate for eurodollar deposits for a period equal to one, two, three or six months appearing on the Dow Jones Market plus a statutory reserve rate as specified in the Credit Agreement.

The Applicable Rate means:

(1) For the Tranche A loans and the revolving loans, the applicable rate is between 0.5% and 1.5% for ABR loans and between 1.5% and 2.5% for Eurodollar Rate borrowings;

(2) For the Tranche B loans, the applicable rate is between 1.25% and 1.5% for ABR loans and between 2.25% and 2.5% for Eurodollar Rate borrowings; and

(3) For the Tranche C loans, the applicable rate is between 1.25% and 1.75% for ABR loans and between 2.25% and 2.75% for Eurodollar Rate borrowings.

The revolving loans are also subject to annual commitment fees of 0.25% to 0.5% on the unused portion of the facility. The variable margins and commitment fees are based on certain financial measurements as defined in the Restated Credit Agreement.

The Tranche A term loans, the Tranche B term loans and Tranche C term loans are subject to mandatory prepayment upon the occurrence of certain events, such as certain asset sales and the incurrence of specified indebtedness, and are also subject to mandatory prepayment out of excess cash flow. We may voluntarily repay the Tranche A terms loans, the Tranche B term loans and the Tranche C term loans in whole or in part at any time without penalty or premium. We are not permitted to reborrow any amounts that we repay on the Tranche A term loans, the Tranche B term loans or the Tranche C term loans. The maturity for each loan is as follows:

	Date of Maturity
Revolving loans (currently un-borrowed)	September 30, 2004
Tranche A term loans..................	September 30, 2004
Tranche B term loans..................	December 31, 2006
Tranche C term loans..................	December 31, 2007

The revolving loans may be borrowed, prepaid and reborrowed. Letters of credit and swingline loans are also available under the revolving credit facility. On the date of the closing of the restated credit agreement, the entirety of the revolving loans was available and no revolving loans were outstanding. The facility provides for the issuance of letters of credit at any time during the revolving availability period, in an aggregate amount not exceeding $250.0. Standby letters of credit issued under this facility reduce the aggregate amount available under the revolving loan commitment. As of December 31, 2001, we had $51.7 of outstanding letters of credit.

The restated credit facility is secured by substantially all of our and our domestic subsidiaries' assets (excluding, however, the assets of Inrange Technologies Corporation and our interest in our EGS and Door joint ventures) and requires us to maintain certain leverage and interest coverage ratios. Our obligations under the Restated Credit Agreement are guaranteed by substantially all of our wholly owned domestic subsidiaries. The facility is secured by a pledge of 100% of the stock of substantially all of our domestic subsidiaries and 66% of the stock of our foreign subsidiaries and a security interest in all of our assets and all of the assets of substantially all of our wholly owned domestic subsidiaries.

Under the most restrictive of the financial covenants contained in the Restated Credit Agreement, we are required to maintain (as defined) a maximum debt to earnings before interest, taxes, depreciation and amortization ratio and a minimum interest coverage ratio. The Restated Credit Agreement also contains operating covenants, which limit, among other things, additional indebtedness, the sale of assets, the distribution of dividends, mergers, acquisitions and dissolutions and share repurchases, are less restrictive than those of the old credit facility. At December 31, 2001, we were in compliance with all covenants.

February & May Liquid Yield Option Notes (in millions, except per LYONs amounts)

On February 6, 2001, we issued Liquid Yield Option(TM) Notes ("February LYONs") at an original price of $579.12 per $1,000 principal amount at maturity, which represents an aggregate initial issue price of $576.1 and an aggregate principal amount of $994.8 due at maturity on February 6, 2021. On May 9, 2001, we issued Liquid Yield Option/TM/ Notes ("May LYONs") at an original price of $579.12 per $1,000 principal amount at maturity, which represents an aggregate initial issue price including the over allotment exercised by the original purchaser of $240.3 and an aggregate principal amount $415.0 due at maturity on May 9, 2021.

The LYONs have a yield to maturity of 2.75% per year, computed on a semi-annual bond equivalent basis, calculated from the date of issuance. We will not pay cash interest on the LYONs prior to maturity unless contingent interest becomes payable. The LYONs are unsecured and unsubordinated obligations and are debt instruments subject to United States federal income tax contingent payment debt regulations. Even if we do not pay any cash interest on the LYONs, bondholders are required to include interest in their gross income for United States federal income tax purposes. This imputed interest, also referred to as tax original issue discount, accrues at a rate equal to 9.625% on the February LYONs and 8.75% on the May LYONs. The rate at which the tax original issue discount accrues for United States federal income tax purposes exceeds the stated yield of 2.75% for the accrued original issue discount.

The LYONs are subject to conversion to SPX common shares only if certain contingencies are met. These contingencies include:

(1) Our average stock price exceeding predetermined accretive values of SPX's stock price each quarter (see below);

(2) During any period in which the credit rating assigned to the LYONs by either Moody's or Standard & Poor's is at or below a specified level;

(3) Upon the occurrence of certain corporate transactions, including change in control.

In addition, a holder may surrender for conversion a LYON call for redemption even if it is not otherwise convertible at such time. The conversion rights based on predetermined accretive values of SPX's stock include, but are not limited to, the following provisions:

	February LYONs	May LYONs
Initial Conversion Rate (shares of common stock per LYON)	4.8116	4.4294
Initial Stock Price	$100.30	$110.80
Initial Accretion Percentage	135%	120%
Accretion Percentage Decline Per Quarter	0.3125%	0.125%
Conversion Trigger Prices - Next Twelve Months:		
2002 First Quarter	$165.39	$159.35
2002 Second Quarter	$166.13	$160.27
2002 Third Quarter	$166.88	$161.20
2002 Fourth Quarter	$167.63	$162.14

Holders may surrender LYONs for conversion into shares of common stock in any calendar quarter, if, as of the last day of the preceding calendar quarter, the closing sale price of our common stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of such preceding calendar quarter is more than the specified percentage, beginning at 135% and declining 0.3125% per quarter thereafter for the February LYONs, beginning at 120% and declining 0.125% per quarter thereafter for the May LYONs, of the accreted conversion price per share of common stock on the last trading day of such preceding calendar quarter. The accreted conversion price per share as of any day will equal the issue price of a LYON plus the accrued original issue discount to that day, divided by the number of shares of common stock issuable upon conversion of a LYON on that day. If converted, the February LYONs and May LYONs would be exchanged for 4.787 and 1.838 shares of common stock, respectively.

We may redeem all or a portion of the February LYONs for cash at any time on or after February 6, 2006 at predetermined redemption prices. February LYONs holders may require us to purchase all or a portion of their LYONs on February 6, 2004 for $628.57 per LYON, February 6, 2006 for $663.86 per LYON, or February 6, 2011 for $761.00 per LYON. We may redeem all or a portion of the May LYONs for cash at any time on or after May 9, 2005. May LYONs holders may require us to purchase all or a portion of their LYONs on May 9, 2003 for $611.63 per LYON, May 9, 2005 for $645.97 per LYON or May 9, 2009 for $720.55 per LYON. For either the February LYONs or May LYONs, we may choose to pay the purchase price in cash, shares of common stock or a combination of cash and common stock. Under GAAP, the LYONs are not included in the diluted income per share of common stock calculation unless a LYON is expected to be converted for stock or one of the three contingent conversion tests summarized above are met. If the LYONs were to be put, we expect to settle them for cash, accordingly, they are not included in the diluted income per share of common stock calculation.

Other Financing Agreements

Our BOMAG business, part of the Industrial Products and Services segment, uses two forms of working capital financing arrangements;

- An accounts receivable securitization facility pursuant to which the unit has an agreement to sell up to $36.5, on a revolving basis without recourse, certain qualified receivables, of which $33.5 had been sold under the agreement at December 31, 2001, with the proceeds used for general purposes or invested in cash. The sale is reflected as a reduction of accounts receivable and as operating cash flows. Discount fees associated with this program are included in selling, general and administrative expenses. The amount sold under this facility was $36.5 when we acquired this business with the acquisition of UDI on May 24, 2001. The agreement continues on an ongoing basis to the end of 2002, with a notice period of three months. We expect to utilize the agreement up to the contract date at which time we will evaluate the facility based on overall cost and our treasury strategy in Europe, where the facility resides.

- A vendor financing program pursuant to which the unit has an agreement to assign, on a revolving basis, certain qualified accounts payable for up to 180 day terms. At December 31, 2001, $21.5 of these accounts payable had been assigned under the agreement, with the proceeds used for general purposes or invested in cash. The transaction is reflected as an increase in accounts payable and as operating cash flows. Fees associated with this program are included in selling, general, and administrative expenses. The balance outstanding under this program was $24.9 when we acquired this business with the acquisition of UDI on May 24, 2001. We expect that we will not renew these notes as they come due in 2002 and expect the program to be fully discontinued by the end of the second quarter.

Early Extinguishment of Debt

In July of 2001, we defeased our $25.0 Medium-Term Notes. No gain or loss was recorded in connection with this transaction.

In the first quarter of 2000, we paid down our existing Tranche B debt of $412.5 and revolver of $50.0, recorded an extraordinary loss of $15.0 pre-tax ($8.8 after-tax, or $0.28 per share), and replaced the existing credit facility with a new $1,487.5 credit facility.

(15) FINANCIAL INSTRUMENTS

Financial Derivatives

On January 1, 2001, we adopted Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137 and SFAS No. 138. In accordance with the provisions of SFAS No. 133, we recorded a transition adjustment upon adoption of the standard to recognize the fair value of our interest rate swaps and recognize previously deferred gains as a component of other comprehensive income. The pre-tax impact of this adjustment was to increase other comprehensive income by $9.9 and increase other assets by $9.9.

We have entered into various interest rate protection agreements ("Swaps") to reduce the potential impact of increases in interest rates on floating rate long-term debt. As of December 31, 2001, we have twelve outstanding Swaps that effectively convert $1,700.0 of our floating rate debt to a fixed rate, based upon LIBOR, of approximately 7.47%. These Swaps are accounted for as cash flow hedges, and expire at various dates the longest expiring in November 2004. Fair value is based on quotes from swap dealers. During the fourth quarter of 2001, we recorded a pre-tax gain of $10.1 in other comprehensive income related to these swaps. As of December 31, 2001, the pre-tax accumulated derivative loss in accumulated other comprehensive loss was $42.6 and a liability of $44.7 has been recorded to recognize the fair value of these swaps. The ineffective portion of these swaps has been recognized in earnings as a component of interest expense and is not material. We do not enter into financial instruments for speculative or trading purposes.

At December 31, 2001, we have a foreign exchange contract to hedge the foreign currency exposure of our net investment in certain Euro denominated operations. This foreign exchange transaction swaps a notional amount of $100.0 for 118.0 Euros in June 2004. This is a qualifying economic hedge of our net investment in these foreign operations, and accordingly, the $4.3 loss on this transaction, as of December 31, 2001, has been recorded in the cumulative translation adjustment account.

Fair Value of Financial Instruments

The carrying amount of cash and equivalents and receivables reported on the consolidated balance sheets approximates their fair value because of the short maturity of those instruments.

The fair value of our debt instruments, based on borrowing rates available to us at each year-end for similar debt, is not materially different than its carrying value.

As collateral for performance on contracts and as credit guarantees to banks and insurers, we are contingently liable under standby letters of credit in the amount of $51.7 at December 31, 2001, and $31.0 at December 31, 2000. We pay fees to various banks for these letters of credit that were 2.20% per annum of their face value at December 31, 2001. If we were required to obtain replacement standby letters of credit as of December 31, 2001 for those currently outstanding, we believe that the replacement costs would not significantly vary from the present fee structure.

(Dollar and share amounts in millions, except per share amounts)

Concentrations of Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist of cash and temporary investments, trade accounts receivable and interest rate protection agreements.

Cash and temporary investments are placed with various high-quality financial institutions throughout the world, and exposure is limited at any one institution. We periodically evaluate the credit standing of these financial institutions.

Concentrations of credit risk arising from trade accounts receivable are due to selling to a large number of customers in a particular industry. We perform ongoing credit evaluations of our customers' financial conditions and obtain collateral or other security when appropriate. No one customer accounts for more than 10% of our revenues.

We are exposed to credit losses in the event of nonperformance by counterparties to our interest rate protection agreements, 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.

(16) COMMITMENTS AND CONTINGENT LIABILITIES

Leases

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

Year Ending December 31,	
2002	$ 45.8
2003	36.8
2004	27.8
2005	20.0
2006	16.0
Thereafter	43.8
Total minimum payments	$190.2

Total lease expense was $41.0 in 2001, $20.5 in 2000, and $25.2 in 1999.

General

Numerous claims, complaints and proceedings arising in the ordinary course of business, including but not limited to those relating to environmental matters, competitive issues, contract issues, intellectual property matters, personal injury and product liability claims, and workers' compensation have been filed or are pending against us and certain of our subsidiaries. Additionally, in connection with our acquisitions, we may become subject to significant claims of which we were unaware at the time of the acquisition or the claims that we were aware of may result in our incurring a significantly greater liability than we anticipated. We maintain property, cargo, auto, product, general liability, and directors' and officers' liability insurance to protect us against potential loss exposures. We expect this insurance to cover a portion of these claims. In addition, we believe we are entitled to indemnification from third parties for some of these claims.

In our opinion, these matters are either without merit or are of a kind as should not have a material adverse effect individually and in the aggregate on our financial position, results of operations, or cash flows if disposed of unfavorably. However, we cannot assure you that recoveries from insurance or indemnification claims will be available or that any of these claims or other matters will not have a material adverse effect on our financial position, results of operations or cash flows.

It is our policy to comply fully with applicable environmental requirements. An estimate of loss, including expenses, from legal actions or claims is accrued when events exist that make the loss or expenses probable and we can reasonably estimate them. Our environmental accruals cover anticipated costs, including investigation, remediation, and operation and maintenance of clean-up sites. We do not discount environmental or other legal accruals do not reduce them by anticipated insurance recoveries. We believe that our accruals related to environmental, litigation, and claims are sufficient and that these items will be resolved without material effect on our financial position, results of operations and liquidity, individually and in the aggregate.

Litigation Matters

It is our policy to accrue for estimated losses from legal actions or claims, including legal expenses, when events exist that make the realization of the loss or expenses probable and they can be reasonably estimated.

On December 27, 2001 we received a favorable arbitration award associated with the patent infringement claim against Snap-On. The claim dates back to April 11, 1996, when we were named as a defendant in an action filed in Federal Court for the Northern District of Illinois. Snap-on Incorporated, Snap-on Tools Company and Snap-on Technologies, Inc. v. Ronald J. Ortiz and SPX Corporation, No. 96C2138, U.S. District Court for the Northern District of Illinois. The complaint contained seventeen counts, fifteen of which were directed to us. Of the fifteen counts, seven were related to the hiring in 1992 of a former officer of Sun Electric Corporation, five contained allegations of patent infringement and three sought a declaration of invalidity of patents held by us. On June 28, 1996, we filed an eight count counterclaim, containing three counts of patent infringement and five counts for declaration of invalidity of patents held by the plaintiffs. These patents pertain to certain features related to performance test equipment manufactured by Sun, Snap-on and us. In 2001, the case was moved into binding arbitration and on December 27, 2001, the arbitrator ruled in our favor.

In October, 2001, we were served with a complaint by VSI Holdings, Inc., in the 6th Judicial Circuit Court of the State of Michigan, seeking enforcement of a merger agreement that we had terminated. In its complaint, VSI asked the court to require us to complete the $197.0 million acquisition of VSI, and/or award damages to VSI and its shareholders. We do not believe the suit has merit and are defending the claim vigorously. On December 26, 2001, we filed our answer denying VSI's allegations, raising affirmative defenses, and asserting a counterclaim against VSI for breach of contract. We believe we should ultimately prevail on this litigation. However, since the amount of the damages cannot be fully quantified until the legal discovery process proceeds further and no assurances can be made as to the final timing and outcome of any litigation, no gain or loss has been recorded. If we are not successful, the outcome could have a material adverse effect on our financial condition and results of operations.

In the fourth quarter of 2001, we recorded the net gain related to the favorable Snap-On arbitration award as well as expenses associated with certain commercial legal matters, including the VSI contract litigation. Accordingly, in total we recognized a $15.6 net gain that reduced selling, general, and administrative expenses.

General Signal Power Systems ("Best Power"), a subsidiary of General Signal Corporation, a subsidiary of SPX Corporation, filed suit against American Power Conversion Corporation ("APC") in the United States District Court for the Western District of Wisconsin alleging five counts of patent infringement and three counts of false advertising. Best Power was seeking to enjoin further manufacture, sale and distribution of certain models of APC's MATRIX, SMART-UPS and BACKUPS products and further publication of false advertising along with an award of damages (which may be trebled based on an allegation of willful infringement) and attorneys fees and costs for APC's patent infringements and false advertising. We sold our Best Power business to Invensys, plc., but retained ownership of the Best Power patents and control of the litigation. The litigation was resolved in the second quarter of 2000 with a settlement in our favor. We recorded a gain of $23.2, net of legal costs and other related expenses.

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 and 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 violation that could have a material adverse effect on our business, financial condition, results of operations or cash flows. We have liabilities for site investigation and/or remediation at 89 sites that we own or control. While we believe that we maintain adequate reserves to cover the costs of site investigation and/or remediation, there can be no assurance, however, that currently unknown matters, new laws and regulations, or stricter interpretations of existing laws and regulations will not materially affect our business or operations in the future.

In the case of contamination at offsite, non-owned facilities, we have been notified that we are potentially responsible and have received other notices of potential liability pursuant to various environmental laws at 35 sites of which only nine 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. The persons include the present or former owner or operator of the site and companies that generated, disposed of or arranged for the disposal of hazardous substances at the site. We are considered a "deminimis" potentially responsible party at most of the sites and we estimate the aggregate probable remaining liability at these sites is immaterial.

In connection with our acquisitions and divestitures, we may assume or retain significant environmental liabilities some of which we may not be aware. In particular, we assumed additional environmental liabilities in connection with the UDI acquisition. 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 clean-up technologies, the uncertain level of insurance or other types of recovery, and the questionable level of our responsibility. In our opinion, after considering reserves established for such purposes, remedial actions for compliance with the present laws and regulations governing the protection of the environment are not expected to have a material adverse impact on our business, financial condition, results of operations or cash flows.

Self-Insurance

We are primarily self-insured for workers' compensation, automobile, product, and general liability costs and we believe that we maintain adequate reserves to cover our retained liability. Our reserve for self-insurance liability is determined actuarially, based on claims filed and an estimate of claims incurred but not yet reported. We maintain third party stop-loss insurance policies to cover all liability costs in excess of predetermined amounts.

Executive Severance Agreements

As of December 31, 2001, we have made relocation home loans to three of our executive officers, which total an aggregate principal amount of $4.5. Our Board of Directors has adopted executive severance agreements, which create certain liabilities in the event of the termination of seven covered executives following a change of control. The total commitment under the executive severance agreements should all seven employees be terminated is approximately $43.5, which includes the forgiveness of the relocation home loans.

(Dollar and share amounts in millions, except per share amounts)

(17) SHAREHOLDERS' EQUITY

Preferred Stock

None of our 3.0 shares of authorized, no par value preferred stock were outstanding at December 31, 2001 and 2000.

Common Stock, Treasury Stock and Unallocated KSOP

At December 31, 2001, we had 100.0 authorized shares of common stock (par value $10.00). Common shares issued, treasury shares, shares held in the KSOP trust, and shares outstanding are summarized in the table below.

	Common Stock Issued	Treasury Stock	Unallocated KSOP Trust	Shares Outstanding
Balance at December 31, 1999	35.490	(4.017)	(0.305)	31.168
Repurchase of Treasury Stock (1)	--	(1.301)	--	(1.301)
Stock Options Exercised	0.290	--	--	0.290
Other Activity	--	--	0.165	0.165
Balance at December 31, 2000	35.780	(5.318)	(0.140)	30.322
Acquisition of UDI	5.496	3.889	--	9.385
Stock Options Exercised	0.597	--	--	0.597
Other Activity	(0.219)	0.168	0.140	0.089
Balance at December 31, 2001	41.654	(1.261)	--	40.393

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(1) On February 10, 2000, our Board of Directors announced an increase in the share repurchase program for up to $250.0. In 2000, we repurchased shares of stock in the open market for a total consideration of $138.8.

Warrants

As of December 31, 2001, we have 0.366 million outstanding warrants exercisable for 0.366 shares of our common stock. These warrants were originally issued in 1987 by GCA Corporation, a company acquired by General Signal Corporation in 1988. As a result of the acquisition of GCA by General Signal and the subsequent acquisition of General Signal by us, the warrants now represent the right to purchase shares of our common stock. The warrants represent the right to purchase an aggregate of 0.366 shares of our common stock at an exercise price of $94.51 per share. Warrants to purchase 0.296 shares will expire on April 23, 2002, and warrants to purchase 0.070 shares will expire on September 1, 2002. Any cash proceeds received by us in connection with exercises of the warrants will be used for general corporate purposes.

SPX Stock Compensation Plans

Under the 1992 Stock Compensation Plan, as amended in October 1998, April 2000 and April 2001, up to 10.0 shares of our common stock may be granted to key employees and 5.7 of these shares were available for grant at December 31, 2001.

Stock options may be granted to key employees in the form of incentive stock options or nonqualified stock options, vest 50% after two years and 100% after three years, and expire no later than 10 years from the date of grant. The option price per share may be no less than the fair market value of our common stock on the date of grant. Upon exercise, the employee has the option to surrender shares at current value in payment of the exercise price and/or for withholding tax obligations, and, subject to certain restrictions, may receive a reload option having an exercise price equal to the current market value for the number of shares so surrendered. The reload option expires at the same time that the exercised option would have expired.

(Dollar and share amounts in millions, except per share amounts)

No SARs or performance units have been granted under this plan.

Restricted stock may be granted to key individuals to recognize or foster extraordinary performance, promotion, recruitment or retention. At the time of the grant, restrictions are placed on ownership of the shares for a stated period of time during which a participant will not be able to dispose of the restricted shares. Upon lapse of the restriction period, complete ownership is vested in the participant and the shares become freely transferable. At December 31, 2001, no restricted shares were outstanding.

Special Option Awards

During 2001, 0.100 stock options were awarded to key members of our senior management team. The options were awarded under the 1992 Stock Compensation Plan, vest 100% after 5 years and expire no later than 10 years from the date of grant. These options have exercise prices as follows: 0.025 options have an exercise price of $122.00, 0.025 options have an exercise price of $145.00, 0.025 options have an exercise price of $170.00, and 0.025 options have an exercise price of $195.00.

At December 31, 2001, 5.7 of the outstanding options were granted outside of the 1992 Stock Compensation Plan.

During 2000, 2.5 stock options were awarded to key members of our senior management team. The options were not included in the 1992 Stock Compensation Plan. The options vest after five years and expire no later than ten years from the date of grant. These options have exercise prices as follows: 0.625 options have an exercise price of $210.00, 0.625 options have an exercise price of $240.00, 0.625 options have an exercise price of $270.00, 0.625 options have an exercise price of $300.00.

Stock Incentive Programs

The following table shows stock option activity from December 31, 1999 through December 31, 2001:

	Shares	Options Weighted Average Exercise Price
Options outstanding at December 31, 1999	4.818	$ 95.06
Granted	3.431	171.40
Exercised	(0.290)	114.99
Terminated	(0.390)	--
Options outstanding at December 31, 2000	7.569	$150.86
Assumed in Acquisition of UDI	0.534	86.79
Granted	1.245	108.29
Exercised	(0.597)	73.84
Terminated	(0.039)	--
Options outstanding at December 31, 2001	8.712	$146.52
Exercisable at December 31, 2001	1.114	$ 90.80
Exercisable at December 31, 2000	0.471	96.18
Exercisable at December 31, 1999	0.953	69.06

(Dollar and share amounts in millions, except per share amounts)

Stock options outstanding and exercisable at December 31, 2001 and related weighted average price and life information follows:

	Options Outstanding			Exercisable Options	
Range of Exercise Prices	Shares	Remaining Life-Years (Wtd. Ave)	Exercise Price (Wtd. Ave)	Shares	Exercise Price (Wtd. Ave)
$ 17.00-$ 40.00	0.088	6.10	$ 34.84	0.088	$ 34.84
$ 41.00-$ 60.00	0.689	5.46	54.14	0.037	53.52
$ 61.00-$ 90.00	2.343	6.70	77.81	0.484	74.16
$ 91.00-$120.00	1.621	8.09	104.61	0.359	102.83
$121.00-$180.00	1.006	7.79	155.93	0.146	159.88
$181.00-$300.00	2.965	8.54	245.35	--	--

Pro Forma Results --"Accounting for Stock-Based Compensation" (SFAS No. 123)

We have adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"). Accordingly, no compensation cost has been recognized for stock options issued. Had compensation cost for our stock options been determined based on the fair value at the grant date for awards in 2001, 2000 and 1999 consistent with the accounting provisions of SFAS No. 123, our net income and income per share would have resulted in the pro forma amounts indicated below:

	2001	2000	1999
Net income -- as reported.......	$173.0	$189.5	$101.5
Net income -- pro forma.........	134.3	168.9	96.4
Basic:			
Income per share -- as reported	$ 4.77	$ 6.15	$ 3.30
Income per share -- pro forma..	3.69	5.48	3.14
Diluted:			
Income per share -- as reported	$ 4.67	$ 5.97	$ 3.27
Income per share -- pro forma..	3.62	5.32	3.11

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

Year of Grant	Dividend Yield	Expected Volatility	Risk Free Interest Rate	Expected Vesting %	Expected Option Life
2001.....	0.00%	0.444	4.72%	90%	6 Years
2000.....	0.00%	0.415	4.99%	75%	6 Years
1999.....	0.00%	0.335	5.67%	75%	6 Years

The weighted-average fair value of options granted was $48.56 during 2001, $59.52 during 2000, and $23.49 during 1999.

Shareholder Rights Plan

Pursuant to our Shareholder Rights Agreement, each share of our common stock carries one preferred stock purchase right. Each right entitles the holder, upon the occurrence of certain events, to purchase one one-thousandth of a share of a new series of junior participating preferred stock for $200.00 per share. Furthermore, if we are involved in a merger or other business combination at any time after the rights become exercisable, the rights will entitle the holder to buy the number of shares of common stock of the acquiring company having a market value of twice the then current exercise price of each right. Alternatively, if a 20% or more shareholder acquires us by means of a reverse merger in which the company and its stock survive, or engages in self-dealing transactions with us, or if any person acquires 20% or more of our common stock, then each right not owned by a 20% or more shareholder will become exercisable for the number of shares of our common stock having a market value of twice the then current exercise price of each right. The rights, which do not have voting rights, expire on June 25, 2006, and we may redeem them at a price of $.01 per right at any time prior to any person or affiliated group of persons acquiring 20% or more of our common stock.

Earnings Per Share

The following table sets forth the computation of diluted earnings per share:

	Year Ended December 31,		
	2001	2000	1999
Numerator:			
Income available to common shareholders	$ 173.0	$ 189.5	$ 101.5
Denominator (shares in millions):			
Weighted-average shares outstanding	36.308	30.796	30.765
Effect of dilutive securities:			
Employee stock options	0.752	0.955	0.290
Adjusted weighted-average shares and assumed conversions	37.060	31.751	31.055

(Dollar and share amounts in millions, except per share amounts)

(18) QUARTERLY RESULTS (UNAUDITED)

	First		Second		Third		Fourth	
	2001	2000	2001	2000	2001	2000	2001	2000
Revenues	$680.4	$627.8	$910.1	$695.1	$1,216.7	$645.1	$1,307.1	$710.9
Gross margin	217.1	206.2	286.7	233.3	399.8	221.8	449.1	240.9
Income from continuing operations	35.4(1)	37.8	13.4(2)	48.5(3)	59.2(4)	62.7(5)	65.0(6)	49.3(7)
Extraordinary item, net of tax.	--	(8.8)	--	--	--	--	--	--
Net income	$ 35.4	$ 29.0	$ 13.4	$ 48.5	$ 59.2	$ 62.7	$ 65.0	$ 49.3
Basic income per share of common stock:								
Continuing operations	$ 1.17	$ 1.22	$ 0.38	$ 1.57	$ 1.48	$ 2.03	$ 1.61	$ 1.61
Extraordinary item, net of tax	--	(0.28)	--	--	--	--	--	--
Net income	$ 1.17	$ 0.94	$ 0.38	$ 1.57	$ 1.48	$ 2.03	$ 1.61	$ 1.61
Diluted income per share of common stock:								
Continuing operations	$ 1.14	$ 1.20	$ 0.37	$ 1.53	$ 1.45	$ 1.94	$ 1.58	$ 1.56
Extraordinary item, net of tax	--	(0.28)	--	--	--	--	--	--
Net income	$ 1.14	$ 0.92	$ 0.37	$ 1.53	$ 1.45	$ 1.94	$ 1.58	$ 1.56

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Note: The sum of the quarters' earnings per share may not equal the full year per share amounts.

(1) Included $3.4 of special charges associated with restructuring initiatives. See Note 5 to the consolidated financial statements for further discussion.

(2) Included $40.5 of special charges associated with restructuring initiatives, asset write-downs, and costs associated with the relocation of our corporate office to Charlotte, North Carolina. We also recorded a $13.5 charge to cost of products sold associated with discontinued product lines and other product changes. See Note 5 to the consolidated financial statements for further discussion.

(3) Included a $23.2 gain related to settlement of the APC patent infringement suit. See Note 16 to the consolidated financial statements for further discussion. Amount also includes $21.7 of special charges associated with restructuring initiatives, asset write-downs and goodwill impairments. See Note 5 to the consolidated financial statements for further discussion.

(4) Included $4.0 of special charges associated with restructuring initiatives announced in previous periods and an asset write-down. See Note 5 to the consolidated financial statements for further discussion.

(5) Included a $98.0 gain on the initial public offering of Inrange Technologies common stock. See Note 6 to the consolidated financial statements. We also recorded $63.8 of special charges primarily associated with restructuring initiatives and a $12.3 charge to cost of products sold associated with discontinued product lines and other product changes. See Note 5 to the consolidated financial statements for further discussion.

(6) Included a $15.6 net gain primarily related to a favorable arbitration award associated with a patent infringement claim against Snap-On. See Note 16 to the consolidated financial statements for further discussion. Amount also includes $40.0 of special charges associated with restructuring initiatives, an asset write-down, and a goodwill impairment. See Note 5 to the consolidated financial statements for further discussion.

(7) Included $5.4 of special charges associated with restructuring initiatives. See Note 5 to the consolidated financial statements for further discussion.

PART IV

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

(a) The following documents are filed, or incorporated by reference, as part of this Form 10-K:

1. All financial statements. See Index to Consolidated Financial Statements on page 50 of this Form 10-K.

2. Financial Statement Schedules. None required. See page 50 of this Form 10-K.

3. Exhibits. See Index to Exhibits.

(b) Reports on Form 8-K.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized, on this 13th day of August, 2002.

SPX CORPORATION
(Registrant)

By: /s/ PATRICK J. O'LEARY

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

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 13th day of August, 2002.

/s/ JOHN B. BLYSTONE ---------------------------------- John B. Blystone Chairman, President and Chief Executive Officer	/s/ PATRICK J. O'LEARY ---------------------------------- Patrick J. O'Leary Vice President Finance, Treasurer and Chief Financial Officer
/s/ RONALD L. WINOWIECKI ---------------------------------- Ronald L. Winowiecki Corporate Controller and Chief Accounting Officer	* ---------------------------------- J. Kermit Campbell Director
* ---------------------------------- Sarah R. Coffin Director	* ---------------------------------- Frank A. Ehmann Director
* ---------------------------------- Emerson U. Fullwood Director	* ---------------------------------- Charles E. Johnson II Director
* ---------------------------------- David P. Williams Director	

*By: /s/ PATRICK J. O'LEARY

Attorney-in-fact

INDEX TO EXHIBITS

Item No.		Description
2.1	--	Agreement and Plan of Merger among SPX Corporation, SAC Corp. and General Signal Corporation, dated as of July 19, 1998, incorporated herein by reference from our Form S-4 Registration Statement (No. 333-60853) filed on July 20, 1998.
2.2	--	Merger Agreement, dated March 10, 2001 between SPX Corporation and United Dominion Industries Limited, incorporated herein by reference from our Current Report on Form 8-K filed on March 15, 2001 (file no. 1-6948).
3.1	--	Restated Certificate of Incorporation, as amended, dated June 12, 1998, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended June 30, 1998 (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 through October 25, 1995, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 1995 (file no. 1-6948).
4.1	--	Indenture between SPX Corporation and The Chase Manhattan Bank, dated as of February 6, 2001, incorporated herein by reference from our Form S-3 Registration Statement (No. 333-56364) filed on February 28, 2001.
4.2	--	Form of Liquid Yield Option(TM) Note due 2021 (Zero Coupon-Senior), incorporated herein by reference from our Form S-3 Registration Statement (No. 333-56364) filed on February 28, 2001.
4.3	--	Registration Rights Agreement dated as of February 6, 2001, by and between SPX Corporation and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, incorporated herein by reference from our Form S-3 Registration Statement (No. 333-56364) filed on February 28, 2001.
4.4	--	Rights Agreement, dated as of June 25, 1996 between SPX Corporation and The Bank of New York, as Rights Agent, relating to Rights to purchase preferred stock under certain circumstances, incorporated herein by reference from our Registration Statement on Form 8-A filed on June 26, 1996 (file no. 1-6948).
4.5	--	Amendment No. 1 to Rights Agreement, effective October 22, 1997, between SPX Corporation and The Bank of New York, incorporated herein by reference from our Registration Statement on Form 8-A filed on January 9, 1998 (file no. 1-6948).
4.6	--	Indenture between SPX Corporation and The Chase Manhattan Bank, dated as of May 9, 2001, incorporated herein by reference from our Form S-3 Registration Statement (No. 333-68648) filed on August 29, 2001.
4.7	--	Form of Liquid Yield Option(TM) Note due 2021 (Zero Coupon-Senior), incorporated herein by reference from our Form S-3 Registration Statement (No. 333-68648) filed on August 29, 2001.
4.8	--	Registration Rights Agreement dated as of May 9, 2001, by and between SPX Corporation and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, incorporated herein by reference from our Form S-3 Registration Statement (No. 333-68648) filed on August 29, 2001.
4.9	--	Form of Senior Indenture, incorporated herein by reference from our Form S-3 Registration Statement (No. 333-68652) filed on August 29, 2001.
4.10	--	Form of Subordinated Indenture, incorporated herein by reference from our Form S-3 Registration Statement (No. 333-68652) filed on August 29, 2001.
4.11	--	Form of Debt Security, incorporated herein by reference from our Form S-3 Registration Statement (No. 333-68652) filed on August 29, 2001.

Item No.		Description
4.12	--	Warrant Agreement, dated as of April 23, 1987 (the "Warrant Agreement") among GCA Corporation, The Hallwood Group Incorporated and the banks and insurance companies set forth therein, incorporated herein by reference from our Form S-3 Registration Statement (No. 333-76978) filed on January 18, 2002.
4.13	--	Warrant Agreement, dated as of September 1, 1987 (the "Zeiss Warrant Agreement") between GCA Corporation and Carl Zeiss, Inc., incorporated herein by reference from our Form S-3 Registration Statement (No. 333-76978) filed on January 18, 2002.
4.14	--	Registration Agreement, dated as of April 23, 1987, among GCA Corporation, the banks and insurance companies set forth therein and Carl Zeiss, Inc., incorporated herein by reference from our Form S-3 Registration Statement (No. 333-76978) filed on January 18, 2002.
4.15	--	Registration Agreement, dated as of September 1, 1987, among GCA Corporation and Carl Zeiss, Inc., incorporated herein by reference from our Form S-3 Registration Statement (No. 333-76978) filed on January 18, 2002.
4.16	--	Form of Warrant Certificate pursuant to the Warrant Agreement, incorporated herein by reference from our Form S-3 Registration Statement (No. 333-76978) filed on January 18, 2002.
4.17	--	Form of Warrant Certificate for Carl Zeiss, Inc. pursuant to the Zeiss Warrant Agreement, incorporated herein by reference from our Form S-3 Registration Statement (No. 333-76978) filed on January 18, 2002.
4.18	--	Copies of the instruments with respect to our other long-term debt are available to the Securities and Exchange Commission upon request.
*10.1	--	SPX Corporation Retirement Plan for Directors, as amended and restated, incorporated herein by reference from our Amendment No. 1 on Form 8 to the Annual Report on Form 10-K for the year ended December 31, 1988 (file no. 1-6948).
*10.2	--	SPX Corporation Excess Benefit Plan No. 3, as amended and restated, incorporated herein by reference from our Amendment No. 1 on Form 8 to the Annual Report on Form 10-K for the year ended December 31, 1988 (file no. 1-6948).
*10.3	--	SPX Corporation 1992 Stock Compensation Plan, as amended, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 2000 (file no. 1-6948).
*10.4	--	SPX Corporation Supplemental Employee Stock Ownership Plan, incorporated herein by reference from our Annual Report on Form 10-K for the year ended December 31, 1990 (file no. 1-6948).
*10.5	--	Employment agreement, and related Nonqualified Stock Option Agreement and Restricted Shares Agreement, between SPX Corporation and John B. Blystone dated as November 24, 1995, incorporated herein by reference to our Annual Report on Form 10-K for the year ended December 31, 1995 (file no. 1-6948).
*10.6	--	Employment agreement between SPX Corporation and John B. Blystone dated as January 1, 1997, incorporated herein by reference to our Annual Report on Form 10-K for the year ended December 31, 1996 (file no. 1-6948).
*10.7	--	SPX Corporation 1997 Non-Employee Director's Compensation Plan, incorporated herein by reference from Exhibit A to the Proxy Statement contained in our Schedule 14A filed on March 25, 1997 (file no. 1-6948).
*10.8	--	Form of Executive Change of Control Agreement for certain executive officers, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended March 31, 1999 (file no. 1-6948).

Item No.		Description
*10.9	--	Executive Change of Control Agreement for John B. Blystone dated February 15, 1999 incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended March 31, 1999 (file no. 1-6948).
*10.10	--	Stock Option Award dated as of August 22, 2000 between SPX Corporation and Thomas J. Riordan, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (file no. 1-6948).
*10.11	--	Stock Option Award dated as of June 23, 1999 between SPX Corporation and John B. Blystone, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (file no. 1-6948).
*10.12	--	Stock Option Award dated as of August 22, 2000 between SPX Corporation and John B. Blystone, incorporated herein by reference from our Quarterly Report on Form 10-Q, for the quarter ended September 30, 2000 (file no. 1-6948).
*10.13	--	Stock Option Award dated as of May 10, 1999 between SPX Corporation and Robert B. Foreman, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (file no. 1-6948).
*10.14	--	Stock Option Award dated as of August 22, 2000 between SPX Corporation and Robert B. Foreman, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (file no. 1-6948).
*10.15	--	Stock Option Award dated as of August 26, 1998 between SPX Corporation and Christopher J. Kearney, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (file no. 1-6948).
*10.16	--	Stock Option Award dated as of August 22, 2000 between SPX Corporation and Christopher J. Kearney, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (file no. 1-6948).
*10.17	--	Stock Option Award dated as of August 22, 2000 between SPX Corporation and Lewis M. Kling, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (file no. 1-6948).
*10.18	--	Stock Option Award dated as of April 23, 1997 between SPX Corporation and Patrick J. O'Leary, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (file no. 1-6948).
*10.19	--	Stock Option Award dated as of June 23, 1999 between SPX Corporation and Patrick J. O'Leary, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (file no. 1-6948).
*10.20	--	Stock Option Award dated as of August 22, 2000 between SPX Corporation and Patrick J. O'Leary, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (file no. 1-6948).
*10.21	--	Stock Option Award dated as of December 10, 1997 between SPX Corporation and Thomas J. Riordan, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (file no. 1-6948).
*10.22	--	Stock Option Award dated as of February 26, 1997 between SPX Corporation and John B. Blystone, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (file no. 1-6948).

Item No.		Description
*10.23	--	Nonqualified Stock Option Agreement dated as of October 14, 1996 between SPX Corporation and Patrick J. O'Leary, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000 (file no. 1-6948).
10.24	--	Amended and Restated Credit Agreement dated as of May 24, 2001 among SPX Corporation, the lenders party thereto, Bank One, NA as documentation agent, and the Chase Manhattan Bank, as administrative agent, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended June 30, 2001 (file no. 1-6948).
*10.25	--	SPX Corporation Supplemental Retirement Plan for Top Management, as amended and restated January 1, 2002.+
*10.26	--	Form of Loan Note (Primary Residence) for certain executive officers.+
*10.27	--	Amended and Restated Deferred Compensation Plan of United Dominion Industries, Inc., effective as of May 24, 2001.+
11.1	--	Statement regarding computation of earnings per share. See Consolidated Statements of Income, page 52 of this Form 10-K.+
21.1	--	Subsidiaries.+
23.1	--	Consent of Arthur Andersen LLP+
23.2	--	Consent of KPMG LLP.
24.1	--	Power of Attorney (included on signature page.)+
99.1	--	Letter regarding independent public accountants.+
99.2	--	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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* Denotes management contract or compensatory plan or arrangement.
+ Previously filed.

EXHIBIT 23.2

CONSENT OF KPMG LLP

The Board of Members
EGS Electrical Group, LLC:

We consent to the incorporation by reference in the registration statements on Form S-3 (Nos. 333-56364, 333-68652, 333-68648, 333-76978, and 333-86538), on Form S-4 (No. 333-68650) and on Form S-8 (Nos. 33-24043, 333-29843, 333-29851, 333-29857, 333-29855, 333-38443, 333-70245, 333-82645, 333-82647, 333-61766, 333-69250, and 333-69252) of SPX Corporation of our report dated December 18, 2000, with respect to the consolidated balance sheet of EGS Electrical Group, LLC and subsidiaries as of September 30, 2000, and the related consolidated statements of income, members' equity and comprehensive income, and cash flows for the year ended September 30, 2000, which report appears in the annual report on Form 10-K/A-1 of SPX Corporation for the year ended December 31, 2001.

/s/ KPMG LLP

Chicago, Illinois
August 12, 2002

EXHIBIT 99.2

The following statement is being made to the Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1349), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.

Securities and Exchange Commission
450 Fifth Street, NW
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 USC 1349), each of the undersigned hereby certifies that:

(i) this Amendment on Form 10-K/A to our Annual Report on Form 10-K, for the year ended December 31, 2001, 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 13th day of August, 2002.

/s/ John B. Blystone	/s/ Patrick J. O'Leary
John B. Blystone Chairman, President and Chief Executive Officer	Patrick J. O'Leary Vice President, Finance, Treasurer and and Chief Financial Officer