SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2003

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

For the transition period from ________ to _________

Commission File Number 1-6948

SPX CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware	**38-1016240**
(State of Incorporation)	**(I.R.S. Employer Identification No.)**

13515 Ballantyne Corporate Place, Charlotte, North Carolina 28277
(Address of Principal Executive Office)

Registrant's Telephone Number including Area Code (704) 752-4400

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

x Yes o No

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

x Yes o No

Common shares outstanding May 12, 2003 78,052,677

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

SPX CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
($ in millions)

	March 31, 2003	December 31, 2002
ASSETS		
Current assets:		
Cash and equivalents	$ 398.9	$ 541.3
Accounts receivable, net	957.9	991.8
Inventories, net	667.6	605.2
Deferred income taxes and refunds	225.2	228.7
Other current assets	98.4	91.3
Assets of discontinued operations	206.2	264.0
Total current assets	2,554.2	2,722.3
Property, plant and equipment	1,294.8	1,260.3
Accumulated depreciation	(521.8)	(493.3)
Net property, plant and equipment	773.0	767.0
Goodwill	2,693.5	2,596.0
Intangible assets, net	556.0	530.4
Other assets	468.9	475.8
Total assets	$ 7,045.6	$ 7,091.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 529.6	$ 500.9
Accrued expenses	737.3	790.2
Short-term debt	448.3	251.4
Current maturities of long-term debt	37.5	28.9
Liabilities of discontinued operations	52.9	48.7
Total current liabilities	1,805.6	1,620.1
Long-term debt	2,215.6	2,414.6
Deferred income taxes	606.3	632.2
Other long-term liabilities	716.5	720.5
Total long-term liabilities	3,538.4	3,767.3
Minority interest	12.5	11.7
Shareholders' equity:		
Common stock	870.1	868.0
Paid-in capital	868.7	863.3
Retained earnings	486.6	478.2
Unearned compensation	(44.8)	(46.1)
Accumulated other comprehensive loss	(169.4)	(197.6)
Common stock in treasury	(322.1)	(273.4)
Total shareholders' equity	1,689.1	1,692.4
Total liabilities and shareholders' equity	$ 7,045.6	$ 7,091.5

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(in millions, except per share amounts)

	Three months ended March 31, 2003	Three months ended March 31, 2002
Revenues	$ 1,116.2	$ 1,068.6
Costs and expenses:		
Cost of products sold	785.7	721.3
Selling, general and administrative	222.8	206.4
Intangible amortization	2.3	1.5
Special charges	9.2	6.4
Operating income	96.2	133.0
Other income (expense), net	2.0	(0.8)
Equity earnings in joint ventures	10.0	10.3
Interest expense, net	(45.2)	(36.9)
Income from continuing operations before income taxes	63.0	105.6
Provision for income taxes	(23.3)	(40.9)
Income from continuing operations before change in accounting principle	39.7	64.7
Income (loss) from discontinued operations, net of tax	(31.3)	0.4
Change in accounting principle	—	(148.6)
Net income (loss)	$ 8.4	$ (83.5)
Basic income per share of common stock		
Income from continuing operations before change in accounting principle	$ 0.50	$ 0.80
Income (loss) from discontinued operations	(0.39)	—
Change in accounting principle	—	(1.83)
Net income (loss) per share	$ 0.11	$ (1.03)
Weighted average number of common shares outstanding	79.657	81.294
Diluted income per share of common stock		
Income from continuing operations before change in accounting principle	$ 0.50	$ 0.78
Income (loss) from discontinued operations	(0.39)	—
Change in accounting principle	—	(1.78)
Net income (loss) per share	$ 0.11	$ (1.00)
Weighted average number of common shares outstanding	79.915	83.454

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
($ in millions)

	Three months ended March 31, 2003	Three months ended March 31, 2002
Cash flows from (used in) operating activities:		
Net income (loss)	$ 8.4	$ (83.5)
Loss (income) from discontinued operations	31.3	(0.4)
Change in accounting principle	—	148.6
Income from continuing operations before change in accounting principle	39.7	64.7
Adjustments to reconcile income (loss) to net cash from operating activities		
Special charges	9.2	6.4
Deferred income taxes	6.1	35.2
Depreciation	28.6	24.7
Amortization of intangibles	2.6	1.1
Amortization of original issue discount on LYONs	5.9	5.6
Employee benefits	8.7	(3.5)
Other, net	8.5	(3.6)
Changes in working capital, net of effects from acquisitions and divestitures		
Accounts receivable and other	71.4	68.7
Inventories	(43.0)	(18.0)
Accounts payable, accrued expenses, and other	(57.7)	(109.8)
Changes in working capital securitizations	(1.7)	(9.7)
Cash spending on restructuring actions	(20.9)	(18.1)
Net cash from continuing operations	57.4	43.7
Net cash from (used in) discontinued operations	20.3	(6.8)
Net cash from operating activities	77.7	36.9
Cash flows from (used in) investing activities:		
Proceeds from asset sales	0.5	—
Business acquisitions and investments, net of cash acquired	(157.3)	(40.1)
Capital expenditures	(14.7)	(22.5)
Other, net	—	(7.5)
Net cash used in continuing operations	(171.5)	(70.1)
Net cash used in discontinued operations	(0.5)	(5.0)
Net cash used in investing activities	(172.0)	(75.1)
Cash flows from (used in) financing activities:		
Borrowings under other debt agreements	0.6	—
Payments under other debt agreements	—	(76.3)
Purchases of common stock	(48.7)	—
Common stock issued under stock incentive programs	—	25.3
Common stock issued under exercise of stock warrants	—	20.8
Other, net	—	(15.4)
Net cash used in continuing operations	(48.1)	(45.6)
Net cash used in discontinued operations	—	(1.9)
Net cash used in financing activities	(48.1)	(47.5)
Net decrease in cash and equivalents	(142.4)	(85.7)
Cash and equivalents, beginning of period	541.3	443.0
Cash and equivalents, end of period	$ 398.9	$ 357.3

The accompanying notes are an integral part of these statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2003
(Unaudited)
(in millions, except per share and per LYON data)

(1) BASIS OF PRESENTATION

In our opinion, the accompanying condensed consolidated balance sheets and related interim statements of consolidated income and cash flows include the adjustments (consisting of normal and recurring items) necessary for their fair presentation in conformity with United States generally accepted accounting principles (“GAAP”) and represent our accounts after the elimination of inter-company transactions. Investments in unconsolidated companies where we exercise significant influence are accounted for using the equity method. Preparing financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates. Certain prior period amounts have been reclassified to conform to current quarter presentation, including the results of discontinued operations. The capital accounts, all share data and earnings per share data give effect to the stock split on October 24, 2002, applied retroactively for all periods presented.

Interim results are not necessarily indicative of results for a full year. The information included in this Form 10-Q should be read in conjunction with the Consolidated Financial Statements contained in our 2002 Annual Report on Form 10-K. On April 7, 2003, we announced the sale of our Inrange Technologies Corporation subsidiary (“Inrange”) and closed the sale on May 5, 2003 (see Note 3). The results of Inrange are reported as discontinued operations in our condensed consolidated financial statements. Therefore, unless otherwise indicated, amounts provided in these notes pertain to continuing operations.

(2) NEW ACCOUNTING PRONOUNCEMENTS

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

In June 2001, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 143, “Accounting for Asset Retirement Obligations.” The provisions of SFAS No. 143 require that asset retirement obligations that are identifiable upon acquisition and construction, and during the operating life of a long-lived asset be recorded as a liability using the present value of the estimated cash flows. A corresponding amount would be capitalized as part of the asset’s carrying amount and amortized to expense over the asset’s useful life. We have adopted the provisions of SFAS No. 143 effective January 1, 2003. The adoption of this statement has not had and is not expected to have an impact on our financial position, results of operations or cash flows.

In June 2002, the FASB issued SFAS No. 146, “Accounting for Costs Associated with Exit or Disposal Activities.” The standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. Examples of costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued product lines, plant closings or other exit or disposal activities. Previous accounting guidance was provided by EITF Issue No. 94-3, “Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring).” SFAS No. 146 replaces EITF 94-3 and is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. We frequently engage in strategic restructuring and integration initiatives that include exit and disposal activities. Accordingly, SFAS No. 146 has impacted the timing of recognition of certain restructuring costs, but has not had a material impact on our financial position and results of operations.

In November 2002, the FASB issued Financial Interpretation No. 45 (“FIN 45”), “Guarantor’s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others.” FIN 45 requires that a guarantor must recognize, at the inception of a guarantee, a liability for the fair value of the obligation that it has undertaken in issuing a guarantee. FIN 45 also addresses the disclosure requirements that a guarantor must include in its financial statements for guarantees issued, including matters such as commercial product warranties. The disclosure requirements in this interpretation are effective for financial statements for periods ending after December 15, 2002. The initial recognition and measurement provisions of this interpretation are applicable on a prospective basis to guarantees issued or modified after December 31, 2002. We adopted the recognition provisions of FIN 45 effective January 1, 2003 for guarantees issued or modified after December 31, 2002. The adoption of FIN 45 did not have an impact on our financial position, results of operations or cash flows. See Note 8 for our disclosure on product warranties.

In January 2003, the FASB issued FIN 46, "Consolidation of Variable Interest Entities," an interpretation of Accounting Research Bulletin 51, "Consolidated Financial Statements." FIN 46 requires that unconsolidated variable interest entities be consolidated by their primary beneficiaries and applies immediately to variable interest entities created after January 31, 2003 and to existing entities in the periods beginning after June 15, 2003. Currently, FIN 46 does not impact our financial position or results of operations; however, we will adopt the provisions of FIN 46 if they become applicable to our business.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities". SFAS No. 149 amends SFAS 133 "Accounting for Derivative Instruments and Hedging Activities" and SFAS No. 138 "Accounting for Certain Derivative Instruments and Certain Hedging Activities" and is related to certain derivatives embedded in other contracts and for hedging activities under SFAS 133. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003 and is to be applied prospectively. We are still assessing the impact SFAS No. 149 could have on our financial position, results of operations or cash flows.

(3) ACQUISITIONS AND DIVESTITURES

We continually review each of our businesses pursuant to our "fix, sell or grow" strategy. We use acquisitions as a part of our strategy to acquire access to new technologies, expand our geographic reach, penetrate new markets and leverage our existing product, market, manufacturing or technical expertise. We also may look to place current business assets with other companies if we determine they strategically fit better with another company. Business acquisitions and dispositions for the three months ended March 31, 2003 and 2002 are described below.

Business acquisitions have been accounted for using the purchase method of accounting and, accordingly, the condensed consolidated statements of income include the results of each acquired business since the date of acquisition. The assets acquired and liabilities assumed are recorded at preliminary estimates of fair values as determined by management based on information available. Final purchase price allocations are based on independent appraisals and management estimates. We finalize the allocation of purchase price to the fair value of the assets and liabilities assumed when we obtain information sufficient to complete the allocation, within one year after acquisition.

Acquisitions—2003

During the first quarter, we completed four acquisitions in our Technical Products and Systems segment. Our security and integrated building life-safety systems platform completed two acquisitions, IDenticard Systems, Inc. and Upper Valley Fire Protection Ltd., for an aggregate cash purchase price of $52.8. The acquired companies had combined revenues of $40.6 in the twelve months prior to the respective dates of acquisition. The broadcast and communications systems and services platform completed two acquisitions, Brookstone and Flash Technology, for an aggregate purchase price of $62.1. The acquired companies had combined revenues of $72.9 in the twelve months prior to the respective dates of acquisition.

During the first quarter, our specialty engineered products platform in the Industrial Products and Services segment completed one acquisition for a cash purchase price of $3.2. The acquired company had revenues of $15.7 in the twelve months prior to the date of acquisition.

During the first quarter, our fluid systems platform in the Flow Technology segment completed the acquisition of Hankison International ("Hankison") for a cash purchase price of $35.5. Hankison had revenues of $64.2 in the twelve months prior to the date of acquisition.

These acquisitions are not material individually or in the aggregate.

Acquisitions—2002

During the first quarter, we completed three acquisitions, in our Technical Products and Systems segment, for cash with an aggregate purchase price of $38.2. The acquired companies had aggregate revenues of $46.3 in the twelve months prior to the respective dates of acquisition. These transactions include the acquisition of certain assets and liabilities of Dukane Communications Systems by our security and integrated building life-safety systems platform.

During the first quarter, we completed one acquisition, in the Industrial Products and Services segment, for a purchase price of $13.4, which included the issuance of common stock valued at $11.5. The acquired company had revenues of $9.6 in the twelve months prior to the date of acquisition. The acquisition was made by our power systems platform.

These acquisitions are not material individually or in the aggregate.

Discontinued Operations—2003

As part of our ongoing strategic review process, we evaluated several alternatives for our Inrange Technologies Corporation subsidiary, part of our Technical Products and Systems segment, and concluded that it was a better strategic fit with another company. Therefore, on April 7, 2003, we announced that we had signed a definitive agreement with Computer Network Technology Corporation ("CNT") to sell our ownership of the outstanding shares of Inrange. On May 5, 2003, the sale of Inrange to CNT closed and our portion of the cash proceeds was $149.0, after a $24.5 settlement of an inter-company note payable by us to Inrange.

In March 2003, we determined that the sale of Inrange was probable, and, accordingly, we have accounted for Inrange as a discontinued operation, in accordance with the provisions of SFAS No. 144, "Accounting for the Impairment and Disposal of Long-lived Assets." The results of Inrange for all periods presented are included in the condensed consolidated financial statements as discontinued operations.

For the three months ended March 31, 2003, total revenues and pre-tax loss from discontinued operations were $40.2 and $8.4, respectively. In the same period in 2002, revenues and pre-tax income were $61.9 and $0.8, respectively. The total loss from discontinued operations, net of tax, for the three months ended March 31, 2003 was $31.3, which reflects an expected loss on the sale of $26.0.

The major classes of assets and liabilities of Inrange, included in the accompanying condensed consolidated balance sheets as of March 31, 2003 and December 31, 2002, respectively, are shown below. The amounts below exclude inter-company balances and may differ from Inrange's publicly issued financial statements to conform to the presentation in our condensed consolidated balance sheets as of March 31, 2003 and December 31, 2002. The goodwill balance as of March 31, 2003 reflects the estimated loss on the sale.

	March 31, 2003	December 31, 2002
Assets:		
Cash and cash equivalents	$ 14.6	$ 14.6
Accounts receivable, net	36.7	61.5
Inventories, net	28.2	27.3
Other current assets	17.2	11.4
Net property, plant and equipment	14.9	17.0
Goodwill and intangibles, net	69.9	107.1
Other assets	24.7	25.1
Assets of discontinued operations	$ 206.2	$ 264.0
Liabilities:		
Accounts payable	$ 13.7	$ 14.4
Accrued expenses and other	39.2	34.3
Liabilities of discontinued operations	$ 52.9	$ 48.7

(4) BUSINESS SEGMENT INFORMATION

We are a global provider of technical products and systems, industrial products and services, flow technology and service solutions. Our businesses are strategically organized by platform within each segment. We offer a diverse collection of products, which include fire detection and building life-safety products, TV and radio broadcast antennas and towers, life science products and services, transformers, compaction equipment, high-tech die castings, dock products and systems, cooling technologies and services, air filtration products, valves, back-flow prevention and fluid handling equipment and metering and mixing solutions. Our products and services also include specialty service tools, diagnostic systems, service equipment and technical information services. Our products are used by a broad array of customers in various industries, including chemical processing, pharmaceuticals, infrastructure, mineral processing, petrochemical, telecommunications, transportation and power generation.

We have aggregated certain operating segments in accordance with the criteria defined in SFAS No. 131, “Disclosures about Segments of an Enterprise and Related Information.” The primary aggregation factors considered in determining the segments were the nature of products sold, production processes and types of customers for these products. In determining our segments, we apply the threshold criteria of SFAS No. 131 to operating income or loss of each segment before considering special charges, including those recorded in cost of products sold. This is consistent with the way our chief operating decision maker evaluates the results of each segment. Our results of operations are reported in four segments: Technical Products and Systems, Industrial Products and Services, Flow Technology and Service Solutions.

Technical Products and Systems

The Technical Products and Systems segment focuses on solving customer problems with complete technology-based systems and services. Our emphasis is on growth through investment in new technology, new product introductions, alliances and acquisitions. The products and services offered by this segment are organized into the following strategic platforms: laboratory and life science products; security and integrated building life-safety systems; broadcast and communication systems and services; and electrical test and measurement solutions.

Industrial Products and Services

The strategy of the Industrial Products and Services segment is to provide “Productivity Solutions for Industry.” This segment emphasizes introducing new related services and products, as well as focusing on the replacement parts and service elements of the segment. The products and services offered by this segment are organized into the following strategic platforms: power systems; compaction equipment; and specialty engineered products.

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. The products and services offered by this segment are organized into the following strategic platforms: cooling technologies and services and fluid systems.

Service Solutions

Service Solutions designs, manufactures and markets 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. The products and services offered by this segment are organized into the following platform: diagnostics, specialty tools and service equipment, technical information and services.

Inter-company sales among segments are not significant. To be consistent with the reporting basis on which management internally evaluates segment performance, segment income excludes special charges, including those recorded in cost of products sold, and general corporate expenses. See Note 5 to the Condensed Consolidated Financial Statements for more detail on special charges by segment.

Financial data for our business segments is as follows:

	Three months ended March 31,	
	2003	2002
Revenues:		
Technical Products and Systems	$ 262.1	$ 242.1
Industrial Products and Services	340.2	384.2
Flow Technology	352.2	279.7
Service Solutions	161.7	162.6
	$ 1,116.2	$ 1,068.6
Segment Income:		
Technical Products and Systems	$ 35.1	$ 43.2
Industrial Products and Services	28.9	55.6
Flow Technology	43.3	39.3
Service Solutions	14.2	15.1
Total Segment Income	121.5	153.2
General Corporate	(16.1)	(13.8)
Special Charges	(9.2)	(6.4)
Consolidated Operating Income	$ 96.2	$ 133.0

(5) SPECIAL CHARGES

As part of our Value Improvement Process â, 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. As a result of our strategic review process, we recorded special charges of $9.2 and $6.4 in the first three months of 2003 and 2002. These special charges were primarily for restructuring initiatives to consolidate manufacturing and sales facilities, reduce our work force and rationalize certain product lines.

The purpose of our restructuring initiatives is to improve profitability, streamline operations, reduce costs and improve efficiency. We estimate that we will achieve operating cost reductions in 2003 and beyond through reduced employee and manufacturing costs and other facility overhead.

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 practices and local laws.

SFAS No. 146, “Accounting for Costs Associated with Exit or Disposal Activities” requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. Examples of costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued product lines, plant closing or other exit or disposal activities. SFAS No. 146 replaces EITF 94-3 and was applied prospectively to all exit or disposal activities initiated after December 31, 2002. We frequently engage in strategic restructuring and integration initiatives that include exit and disposal activities. Accordingly, SFAS No. 146 has impacted the timing of recognition of certain restructuring costs, but does not have a material impact on our financial position and results of operations.

We account for non-cash asset impairments in accordance with SFAS No. 144, “Accounting for the Impairment and Disposal of Long-Lived Assets.” Typically, our non-cash asset impairments arise from business restructuring decisions that lead to the disposition of assets no longer required in the restructured business. For these situations, we recognize an impairment loss when the carrying amount of an asset exceeds the sum of the cash flows expected to result from the use and eventual disposition of the asset. Realization values for assets subject to impairment testing are primarily determined by third-party appraisals, quoted market prices or previous experience. If an impaired asset remains in service at the decision date, the remaining net book value is depreciated until the asset is no longer used in operating activities. When an impaired asset is removed from service, sale of the asset is probable, and the asset is made available for sale, depreciation of the asset is discontinued and the asset is recorded as an asset held for sale.

Special charges for the three month period ended March 31, 2003 and 2002 include the following:

	Three months ended March 31,	
	2003	**2002**
Employee Benefit Costs	$ 6.2	$ 3.4
Facility Consolidation Costs	1.0	0.8
Other Cash Costs	0.1	2.2
Non-Cash Asset Write-downs	1.9	—
Total Special Charges	$ 9.2	$ 6.4

Special Charges—2003

In the first quarter of 2003, we recorded net special charges of $9.2, which included a $0.5 credit due to lower than expected costs to complete certain previously announced work force reduction and facility consolidation actions. We recorded $2.5 in the Technical Products and Systems segment, $1.9 in the Industrial Products and Services segment, $4.5 in the Flow Technology segment, and $0.3 in the Service Solutions segment.

The charges recorded in the first quarter related primarily to employee benefit costs for work force reductions at our cooling technologies and services, specialty engineered products and laboratory and life science products platforms as a result of strategic decisions to close facilities and right size operations. The new restructuring initiatives announced in the first quarter of 2003 will result in the termination of approximately 213 hourly and 109 salaried domestic employees.

In the Technical Products and Systems segment, we recorded $2.5 of charges for the three months ended March 31, 2003. These charges related primarily to employee benefit costs for work force reduction initiatives taken to right-size the operations at our laboratory and life science products platform. In addition, we consolidated product lines at our broadcast and communication systems and services platform and announced the closure of a manufacturing facility at our electrical test and measurement solutions platform. The affected facility is located in Mahwah, NJ. These restructuring actions, which are substantially completed, resulted in the termination of approximately 82 hourly and 41 salaried domestic employees.

In the Industrial Products and Services segment, we recorded $1.9 of charges for the three months ended March 31, 2003. These charges represent primarily employee benefit costs for initiatives taken to right size manufacturing operations at our specialty engineered products platform. These restructuring actions will result in the termination of approximately 69 hourly and 18 salaried domestic employees.

In the Flow Technology segment, we recorded $4.5 of charges for the three months ended March 31, 2003. Of these charges, $2.6 relates to the closure of two manufacturing facilities, located in Eloy, AZ and Ocala, FL, and three sales and administrative offices, located in Santa Rosa, CA, Atlanta, GA and Philadelphia, PA. The actions taken at our fluid systems platform are predominantly for the integration of existing air treatment operations into the recently acquired Hankison operations. The actions taken at our cooling technologies and services platform relate to consolidation of existing cooling technologies facilities into facilities of our recently acquired Balcke operations. These restructuring and integration initiatives resulted in the termination of approximately 62 hourly and 50 salaried domestic employees. In addition, $1.9 of this charge relates to asset impairments as a result of our decision to close a manufacturing facility. As of March 31, 2003, the impaired assets are no longer in service, are classified as current assets in the condensed consolidated balance sheet and are no longer being depreciated.

In the Service Solutions segment, we recorded $0.3 of charges for the three months ended March 31, 2003. These charges relate primarily to as-incurred exit costs associated with the previously announced closure of our Montpelier, OH manufacturing facility.

Special Charges—2002

In the first quarter of 2002, we continued to right size our businesses in order to keep pace with changes in economic and market conditions. Consequently, we recorded special charges related to new and previously announced restructuring and integration activities, which reduced operating income by $6.4. Of this amount, we recorded $0.4 in the Technical Products and Systems segment, $1.9 in the Industrial Products and Services segment, $2.2 in the Flow Technology segment, $0.2 in the Service Solutions segment, and $1.7 at Corporate.

These initiatives reduced domestic hourly and salaried headcount in the Industrial Products and Services and the Flow Technology segments by approximately 72 and 61 employees, respectively. The $1.7 of charges recorded at Corporate was related to previously announced integration actions.

At March 31, 2003, a total of $38.5 of restructuring liabilities remained on the condensed consolidated balance sheet as shown below. With the exception of certain multi-year operating lease obligations and other contractual obligations, we anticipate that the liabilities related to restructuring actions will be paid within one year from the period in which the action was initiated. The following table summarizes the restructuring accrual activity from December 31, 2002 through March 31, 2003:

	Employee Benefit Costs	Facility Consolidation Costs	Other Cash Costs	Total Cash Costs	Non-cash Asset Write-downs	Total Special Charges
Balance at December 31, 2002	$ 30.2	$ 15.8	$ 2.7	$ 48.7		
Special Charges	6.5	1.2	0.1	7.8	$ 1.9	$ 9.7
Adjustments	(0.3)	(0.2)	—	(0.5)		
Cash Payments	(11.5)	(5.9)	(0.1)	(17.5)		
Balance at March 31, 2003	$ 24.9	$ 10.9	$ 2.7	$ 38.5		

(6) INVENTORY

Inventory consists of the following amounts (reduced when necessary to estimated realizable values):

	March 31, 2003	December 31, 2002
Finished goods	$ 310.5	$ 312.1
Work in process	138.3	105.2
Raw material and purchased parts	231.9	201.0
Total FIFO cost	$ 680.7	$ 618.3
Excess of FIFO cost over LIFO inventory value	(13.1)	(13.1)
Total inventory	$ 667.6	$ 605.2

(7) GOODWILL AND OTHER INTANGIBLE ASSETS

The following tables reflect the goodwill and intangible assets as of December 31, 2002. Thereafter, activity reflects the initial allocation of purchase price for acquisitions completed in the first quarter of 2003, subsequent purchase price adjustments for acquisitions completed not more than one year prior to the date of adjustment, currency translation adjustments and amortization. This information is presented first on a consolidated basis and second on a segment basis.

Consolidated:

	Unamortized		Amortized			
	Goodwill	Trademarks/ Tradenames	Patents	Licenses	Other	Total
Weighted average useful life in years			8	11	6	
December 31, 2002 gross balance	$ 2,596.0	$ 479.8	$ 48.4	$ 1.7	$ 10.8	$ 3,136.7
Acquisitions and related adjustments	97.5	26.4	1.2	0.2	0.1	125.4
March 31, 2003 gross balance	$ 2,693.5	$ 506.2	$ 49.6	$ 1.9	$ 10.9	$ 3,262.1
December 31, 2002 accumulated amortization			$ (7.8)	$ (0.6)	$ (1.9)	$ (10.3)
Amortization			(1.5)	(0.1)	(0.7)	(2.3)
March 31, 2003 accumulated amortization			$ (9.3)	$ (0.7)	$ (2.6)	$ (12.6)

Estimated amortization expense:	
For year ended 2003	$ 9.1
For year ended 2004	$ 8.7
For year ended 2005	$ 7.9
For year ended 2006	$ 6.6
For year ended 2007	$ 5.3

Segments:

	Unamortized		Amortized			
	Goodwill	Trademarks/ Tradenames	Patents	Licenses	Other	Total
Technical Products and Systems						
December 31, 2002 gross balance	$ 620.6	$ 85.3	$ 18.0	$ 1.6	$ 5.9	$ 731.4
Acquisitions and related adjustments	84.0	6.4	0.2	0.2	—	90.8
March 31, 2003 gross balance	$ 704.6	$ 91.7	$ 18.2	$ 1.8	$ 5.9	$ 822.2
December 31, 2002 accumulated amortization			$ (3.3)	$ (0.6)	$ (0.4)	$ (4.3)
Amortization			(0.6)	(0.1)	(0.3)	(1.0)
March 31, 2003 accumulated amortization			$ (3.9)	$ (0.7)	$ (0.7)	$ (5.3)
Industrial Products and Services						
December 31, 2002 gross balance	$ 790.1	$ 155.5	$ 13.9	$ 0.1	$ 4.1	$ 963.7
Acquisitions and related adjustments	5.6	9.7	0.7	—	—	16.0
March 31, 2003 gross balance	$ 795.7	$ 165.2	$ 14.6	$ 0.1	$ 4.1	$ 979.7
December 31, 2002 accumulated amortization			$ (2.1)	$ —	$ (1.2)	$ (3.3)
Amortization			(0.3)	—	(0.3)	(0.6)
March 31, 2003 accumulated amortization			$ (2.4)	$ —	$ (1.5)	$ (3.9)
Flow Technology						
December 31, 2002 gross balance	$ 897.8	$ 188.5	$ 15.4	$ —	$ 0.8	$ 1,102.5
Acquisitions and related adjustments	7.8	10.2	0.3	—	0.1	18.4
March 31, 2003 gross balance	$ 905.6	$ 198.7	$ 15.7	$ —	$ 0.9	$ 1,120.9
December 31, 2002 accumulated amortization			$ (1.9)	$ —	$ (0.3)	$ (2.2)
Amortization			(0.5)	—	(0.1)	(0.6)
March 31, 2003 accumulated amortization			$ (2.4)	$ —	$ (0.4)	$ (2.8)
Service Solutions						
December 31, 2002 gross balance	$ 287.5	$ 50.5	$ 1.1	$ —	$ —	$ 339.1
Acquisitions and related adjustments	0.1	0.1	—	—	—	0.2
March 31, 2003 gross balance	$ 287.6	$ 50.6	$ 1.1	$ —	$ —	$ 339.3
December 31, 2002 accumulated amortization			$ (0.5)	$ —	$ —	$ (0.5)
Amortization			(0.1)	—	—	(0.1)
March 31, 2003 accumulated amortization			$ (0.6)	$ —	$ —	$ (0.6)

In accordance with the adoption of the provisions of SFAS No. 142, “Goodwill and Other Intangible Assets”, we were required to test all existing goodwill for impairment as of January 1, 2002 on a reporting unit basis. Step 1 involved comparing the carrying values of the reported net assets of our reporting units to their fair values. Fair value was based on discounted cash flow projections, but we also considered factors such as market capitalization and comparable industry price multiples. The net assets of our automotive filtration systems unit and compact hydraulic power tools unit, both in our Industrial Products and Services segment, had carrying values in excess of their fair values. For these reporting units, we performed Step 2 of the impairment testing provisions.

We engaged an independent valuation and appraisal firm to assist us with the Step 2 testing. The assets and liabilities of our automotive filtration systems unit and our compact hydraulic power tools unit were appraised at their current fair value to calculate implied goodwill for these reporting units. The recorded goodwill exceeded the implied goodwill by $148.6, and, accordingly, this amount was required to be written-off as a transition impairment charge and was recorded as a change in accounting principle. The impaired goodwill was not deductible for income tax purposes.

(8) WARRANTY

In the normal course of business, we issue product warranties for specific product lines and provide for the estimated future warranty cost in the period in which the sale is recorded. We provide for the estimated warranty cost based on contract terms and historical experience. Because warranty estimates are forecasts that are based on the best available information, actual warranty costs may differ from these estimates. Adjustments to initial obligations for warranties are made as changes in the obligations can be estimated. The following is an analysis of our product warranty accrual from December 31, 2002 through March 31, 2003:

Balance as of December 31, 2002	$ 73.4
Acquisitions	0.6
Provisions	7.1
Usage	(11.3)
Balance as of March 31, 2003	$ 69.8

(9) INDEBTEDNESS

	March 31, 2003	December 31, 2002
Revolving loan	$ —	$ —
Tranche A term loan	225.0	225.0
Tranche B term loan	410.3	410.3
Tranche C term loan	683.7	683.7
LYONs, net of unamortized discount of $545.7 and $551.6, respectively	864.1	858.2
7.5% senior notes	500.0	500.0
Other borrowings	18.3	17.7
	2,701.4	2,694.9
Less: short-term debt	(448.3)	(251.4)
Less: current maturities of long-term debt	(37.5)	(28.9)
Total long-term debt	$ 2,215.6	$ 2,414.6

Under our credit facility, aggregate maturities of the term loans are $34.5 in 2004, $45.8 in 2005, $57.0 in 2006, $62.6 in 2007 and $172.6 in 2008. Although no amounts are borrowed under our revolving credit loans at March 31, 2003, any future borrowings under these loans would mature in 2008, when the facility expires, but could be repaid at any time before 2008. 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.

Credit Facility

Under our current credit facility, the term loans bear interest, at our option, at LIBOR plus the Applicable Rate or the ABR plus the Applicable Rate. During the first three months of 2003, interest on the term loans was calculated using LIBOR and we intend to select LIBOR as the borrowing rate in the future. The Applicable Rate for the revolving loans and Tranche A term loan is based upon the Consolidated Leverage Ratio as defined in the credit facility. The Applicable Rate is as follows:

	LIBOR based borrowings	ABR based borrowings
Tranche A term loans and revolving loans	Between 1.75% and 2.25%	Between 0.75% and 1.25%
Tranche B term loans	2.25%	1.25%
Tranche C term loans	2.50%	1.50%

Our $500.0 of revolving loans available under the credit facility is also subject to annual commitment fees between 0.25% and 0.5% on the unused portion of the loans. At March 31, 2003, no amounts were borrowed against the $500.0 revolving loans; however, the aggregate available borrowing capacity was reduced by $101.1 of letters of credit outstanding.

The credit facility is secured by a pledge of 100% of the stock of substantially all of our domestic subsidiaries and 66% of the stock in our foreign subsidiaries and a security interest in substantially all of our assets and all of the assets of our wholly owned domestic subsidiaries (excluding, our interest in the EGS and Door joint ventures).

The credit facility contains covenants, the most restrictive of which are two financial condition covenants. The first financial condition covenant does not permit the Consolidated Leverage Ratio (as defined in the credit facility) on the last day of any period of four consecutive fiscal quarters to exceed 3.25 to 1.00. The second financial condition covenant does not permit the Consolidated Interest Coverage Ratio (as defined in the credit facility) for any period of four consecutive fiscal quarters to be less than 3.50 to 1.00. For the quarter ended March 31, 2003, our Consolidated Leverage Ratio was 2.73 to 1.00 and our Consolidated Interest Coverage Ratio was 6.82 to 1.00.

The credit facility also includes covenant provisions regarding, among other things, indebtedness, liens, investments, guarantees, acquisitions, dispositions, sales and leaseback transactions, restricted payments and transactions with affiliates. We have not paid cash dividends in 2003, and we currently have no plans to pay cash dividends on our common stock. Under the credit facility covenants, our ability to pay cash dividends in a fiscal year is limited to the lesser of $20.0 or 25% of our consolidated net income in the immediate preceding fiscal year, if our consolidated leverage ratio, pro forma for a cash dividend, is greater than 2.5 to 1.0. If this ratio is less than 2.5 to 1.0, we have the ability to pay cash dividends in a fiscal year in an amount up to 25% of our consolidated net income in the immediate preceding fiscal year. Based on available information, we do not expect these covenants to restrict our liquidity, financial condition or access to capital resources in the foreseeable future.

We are permitted to prepay the Tranche A, Tranche B and the Tranche C term loans in whole or in part at any time without penalty or premium. We are not allowed to reborrow any amounts that we repay on the Tranche A, Tranche B or Tranche C term loans.

The final maturity for each loan is as follows:

	Date of Final Maturity
Revolving loans	March 31, 2008
Tranche A term loans	March 31, 2008
Tranche B term loans	September 30, 2009
Tranche C term loans	March 31, 2010

The credit facility also requires scheduled principal payments of the term loans and mandatory prepayments from net proceeds arising in connection with certain asset sales or dispositions and issuances of subordinated debt under certain circumstances.

The revolving loans may be borrowed, prepaid and reborrowed. Letters of credit and swing line loans are also available under the revolving credit facility. The facility provides for the issuance of letters of credit in U.S. Dollars, Euros, and Pounds Sterling at any time during the revolving availability period, in an aggregate amount not exceeding $250.0. Letters of credit issued under this facility reduce the aggregate amount available under the revolving loan commitment.

Liquid Yield Option Notes

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 of $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. In the event that either the February or May LYONs are put to the company or redeemed by the company, the respective imputed interest deduction less the original issue discount of 2.75% would be recaptured at the time of the put or redemption. As a result of the put on May 9, 2003, see below, we are subject to $11.6 of tax recapture on the May LYONs. For the February LYONs, the amount of the total recapture calculated on the first put date would be approximately $48.3 on February 6, 2004.

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 a change in control.

In addition, a holder may surrender for conversion, at the accreted value, a LYON 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)	9.6232	8.8588
Initial Stock Price	$ 50.15	$ 55.40
Initial Accretion Percentage	135%	120%
Accretion Percentage Decline Per Quarter	0.3125%	0.125%
Conversion Trigger Prices—For the Next Twelve Months:		
2003 Second Quarter	$ 84.57	$ 82.01
2003 Third Quarter	$ 84.95	$ 82.49
2003 Fourth Quarter	$ 85.33	$ 82.97
2004 First Quarter	$ 85.71	$ 83.45

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.

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 and none of the contingent conversion tests have been met, accordingly, they are not included in the diluted income per share of common stock calculation. If converted, the February LYONs and May LYONs would be exchanged for a total of 13.2 shares of our common stock. If the LYONs had been converted as of January 1, 2003, the diluted income per share of common stock from continuing operations would have been $0.48 for the three-month period ended March 31, 2003.

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.

On May 9, 2003, 0.387 of the May LYONs were put to us and settled in cash for $236.9, their accreted value as of May 9, 2003. The 0.028 May LYONs that remain outstanding subsequent to the put have an accreted value of $16.9 at March 31, 2003 and are classified as long-term debt. Due to the settlement, we are subject to tax recapture on the majority May LYONs interest deduction. This will result in an income tax payment of approximately $11.6.

SFAS No. 78, "Classification of Obligations That are Callable by the Creditor," requires that obligations, that are by their terms, due upon demand within one year of the balance sheet date, should be considered short-term obligations. Both the May and the February LYONs have a put option date within twelve months of March 31, 2003. Therefore, of the $864.1 total accreted value of the LYONs at March 31, 2003, we have classified $448.3 as short-term debt. We have classified $398.9 as long-term debt as we have the intent and the immediate ability at March 31, 2003, through the availability of our revolving loans, to refinance this amount of any LYONs that may be put to us. We have also classified $16.9 as long-term debt as this is the value, accreted as of March 31, 2003, of May LYONs that were not put to us on May 9, 2003 and are still outstanding. The next put date for the May LYONs is May 9, 2005. In addition to using our revolving loans for the long-term portion of the LYONs, we may use cash, the trade receivable financing agreement that we entered into in April of 2003, or other capital market refinancings to fund the short-term portion of these obligations if they are put to us or reach maturity.

7.5% Senior Notes

On December 27, 2002, we issued $500.0 of 7.5% senior notes pursuant to our universal shelf registration statement, which allows for the issuance of an additional $500.0 of securities after consideration of these notes. These notes mature on January 1, 2013. These notes are unsecured and rank equally with all of our existing and future unsecured senior indebtedness, but are effectively junior to our senior secured debt and obligations of our subsidiaries.

The indenture governing the notes contains a number of covenants that limit our ability and the ability of our subsidiaries, with the exception of an unrestricted subsidiary under the indenture, to incur additional debt, pay dividends and repurchase stock, make other restricted payments, including, without limitation, investments, create liens, enter into sale leaseback transactions, enter into agreements that restrict dividends from subsidiaries, sell or otherwise dispose of assets, including capital stock of subsidiaries, enter into transactions with our affiliates, and enter into mergers or consolidations. As of March 31, 2003, our capacity under the indenture to make restricted payments, which include paying cash dividends, purchasing subordinated debt prior to maturity and making restricted investments was limited to $209.5. The covenants contained in the indenture are subject to a number of qualifications and limitations. Under the indenture, none of our subsidiaries are restricted from paying dividends to us.

Other Financing Agreements

Our compaction equipment platform, part of the Industrial Products and Services segment, utilizes an accounts receivable securitization facility pursuant to which the platform has an agreement to sell, on a revolving basis without recourse, certain qualified receivables, of which $29.6 had been sold under the agreement at March 31, 2003. The agreement allows for the sale of up to $36.5 of certain qualified receivables to an unaffiliated third party entity and continues on an evergreen revolving basis unless we provide a three-month notice under the agreement to discontinue the facility. We expect to utilize the agreement in the foreseeable future. If we did not renew the contract, the impact on our financial condition or cash flows would not be material.

In April 2003, we entered into a three-year trade receivables financing agreement whereby we can borrow, on a continuous basis, up to $130.0. As of May 12, 2003, we have not yet utilized this program.

(10) FINANCIAL INSTRUMENTS

We have entered into interest rate protection agreements ("swaps") to hedge interest rate risk on our variable rate debt portfolio. Our swaps are accounted for as cash flow hedges and as of March 31, 2003, we had outstanding swaps with maturities to November 2009 that effectively convert $1,300.0 of our variable rate debt to a fixed rate of approximately 7%.

As of March 31, 2003, the pre-tax accumulated derivative loss included in accumulated other comprehensive loss was $80.9 and a long-term liability of $80.4 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.

(11) STOCK BASED COMPENSATION AND SHAREHOLDERS' EQUITY

(All option and share amounts are in millions)

Stock Based Compensation

We adopted the disclosure provisions of SFAS No. 148, and the following table illustrates the pro forma effect on net income and income per share for the three months ended March 31, 2003 and 2002 had the fair value recognition provisions of SFAS No. 123 been applied to stock-based employee compensation:

	Three months ended March 31,	
	2003	2002
Net income (loss) — as reported	$ 8.4	$ (83.5)
Add: Stock-based employee compensation expense included in reported net income, net of related tax effect	0.8	—
Deduct: Total stock-based employee compensation expense determined under fair value based method, net of related tax effect		
Awards granted at market value	(11.3)	(9.4)
Awards granted above market value	(4.1)	(3.2)
Net loss — pro forma	$ (6.2)	$ (96.1)
Basic income per share of common stock:		
Income (loss) per share — as reported	$ 0.11	$ (1.03)
Loss per share — pro forma	(0.08)	(1.18)
Diluted income per share of common stock:		
Income (loss) per share — as reported	$ 0.11	$ (1.00)
Loss per share — pro forma	(0.08)	(1.15)
Basic income per share from continuing operations before change in accounting principle:		
Income per share — as reported	$ 0.50	$ 0.80
Income per share — pro forma	0.31	0.65
Diluted income per share from continuing operations before change in accounting principle:		
Income per share — as reported	$ 0.50	$ 0.78
Income per share — pro forma	0.31	0.63

Earnings Per Share

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

	Three months ended March 31,	
	2003	2002
Numerator:		
Income from continuing operations before change in accounting principle	$ 39.7	$ 64.7
Denominator (shares in millions):		
Weighted-average shares outstanding	79.657	81.294
Effect of dilutive securities:		
Employee stock options and warrants	0.258	2.160
Adjusted weighted-average shares and assumed conversions	79.915	83.454

Comprehensive Income (Loss)

The components of comprehensive income (loss), were as follows:

	March 31, 2003	March 31, 2002
Net income (loss)	$ 8.4	$ (83.5)
Foreign currency translation adjustments	27.6	(27.5)
Unrealized losses on qualifying cash flow hedges, net of tax	0.6	13.4
Comprehensive income (loss)	$ 36.6	$ (97.6)

The components of the balance sheet caption accumulated other comprehensive loss are as follows:

	March 31, 2003	December 31, 2002
Foreign currency translation adjustment	$ 111.5	$ 83.9
Unrealized losses on qualifying cash flow hedges, net of tax	(47.9)	(48.5)
Minimum pension liability adjustment, net of tax	(233.0)	(233.0)
Accumulated other comprehensive loss	$ (169.4)	$ (197.6)

Treasury Stock

In the first quarter of 2003, we repurchased 1.5 shares of our common stock on the open market, for cash of $48.7. Under our board approved repurchase program, $201.3 was available for additional repurchases as of March 31, 2003. In addition to the available capacity under the board approved program, our senior note indenture and credit agreement place restrictions on our available capacity; however, that capacity exceeded $201.3 as of March 31, 2003.

(12) OTHER MATTERS

Certain other matters including contingencies are discussed in this Form 10-Q in the " Environmental and Legal Exposure," "Pending Litigation" and "Current Liquidity and Concentration of Credit Risk" portions of the Management's Discussion and Analysis of Financial Condition and Results of Operations.

ITEM 2. **Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A")**
(dollars and shares in millions, except per share and per LYON data)

OVERVIEW

We are a global multi-industry company that is focused on profitably growing a number of platform businesses that have scale and growth potential. We are a multinational corporation with operations in over 20 countries. We have approximately 22,900 employees worldwide. Our strategy is to create market advantages through technology, service and product leadership by expanding our market focus to offer full customer solutions and by building critical mass through strategic acquisitions. Our business strategy is focused on an integrated leadership process that aligns performance measurement, decision support, compensation and communication.

We are a global provider of technical products and systems, industrial products and services, flow technology and service solutions. Our products are used by a broad array of customers in various industries, including chemical processing, pharmaceuticals, infrastructure, mineral processing, petrochemical, telecommunications, transportation and power generation.

CONSOLIDATED RESULTS OF OPERATIONS

The following unaudited information should be read in conjunction with our unaudited Condensed Consolidated Financial Statements and related notes. The results of operations exclude the operating results of discontinued operations for all periods presented.

	Three months ended March 31,	
	2003	2002
Revenues	$ 1,116.2	$ 1,068.6
Gross margin	330.5	347.3
% of revenues	29.6%	32.5%
Selling, general and administrative expense	222.8	206.4
% of revenues	20.0%	19.3%
Intangible amortization	2.3	1.5
Special charges	9.2	6.4
Operating income	96.2	133.0
Other income (expense), net	2.0	(0.8)
Equity earnings in joint ventures	10.0	10.3
Interest expense, net	(45.2)	(36.9)
Income from continuing operations before income taxes	63.0	105.6
Provision for income taxes	(23.3)	(40.9)
Income from continuing operations before change in accounting principle	39.7	64.7
Income (loss) from discontinued operations, net of tax	(31.3)	0.4
Change in accounting principle (1)	—	(148.6)
Net income (loss)	$ 8.4	$ (83.5)
Capital expenditures	$ 14.7	$ 22.5
Depreciation and amortization	31.2	25.8

(1) In 2002, we recorded a charge for a change in accounting principle of $148.6 as a result of adopting the provisions of SFAS No. 142. See Note 7 to the Condensed Consolidated Financial Statements for more detail on this charge.

Consolidated Results of Operations: 2003 compared to 2002

Discontinued Operation – As part of our ongoing strategic review process, we evaluated several alternatives for our Inrange Technologies Corporation subsidiary, part of our Technical Products and Systems segment, and concluded that it was a better strategic fit with another company. Therefore, on April 7, 2003, we announced that we had signed a definitive agreement with Computer Network Technology Corporation ("CNT") that will result in the acquisition by CNT of all of the outstanding shares of Inrange Technologies ("Inrange"). On May 5, 2003, the sale of Inrange to CNT closed and our portion of the cash proceeds was $149.0, after a $24.5 settlement of an inter-company note payable by us to Inrange. We have accounted for the sale of Inrange as a discontinued operation in accordance with SFAS No. 144 "Accounting for the Impairment and Disposal of Long-Lived Assets." Accordingly, the results of Inrange for all periods presented are included in the condensed consolidated financial statements as discontinued operations.

Under SEC rules, making reclassifications to historical financial statements in accordance with SFAS No. 144 requires independent auditors of registrants to perform certain procedures to assure the accuracy of the reclassifications. Due to the sale of Inrange, we are required to reclassify certain amounts in our prior year financial statements to account for Inrange as a discontinued operation. Arthur Andersen LLP audited our financial statements as of December 31, 2001 and December 31, 2000. Because our former audit engagement team members have since left Andersen, Andersen is unable to perform these procedures and reissue its report on those financial statements. Accordingly, we have requested that Deloitte & Touche LLP audit the financial statements originally audited by Andersen for these years. Until such time the audit is complete, this may affect our access to certain types of capital transactions.

Revenues — In the first quarter of 2003, revenues increased by $47.6, or 4.5%, from $1,068.6 in 2002 to $1,116.2. Organic revenues, revenues excluding acquisitions and divestitures, declined 6.8% in the first quarter of 2003 compared to the same period in 2002. Of the 6.8% decline, 6.4% was due to a decline in revenues in the power market. The strength of foreign currencies to the U.S. dollar had a favorable impact on organic revenues of approximately 3%.

Gross margin — In the first quarter, gross margin decreased from 32.5% in 2002 to 29.6% in 2003. The decrease was due primarily to pricing and volume declines at our power systems business, acquisitions completed in 2002 and in the first quarter of 2003 which have historically lower margins than our businesses, lower revenues in our electrical test and measurement solutions platform due primarily to the impact of the lower volumes in telecommunication related products and pricing and operational inefficiencies at our compact hydraulic power tool unit.

Selling, general and administrative expense ("SG&A") — In the first quarter, SG&A increased from $206.4 in 2002 to $222.8 in 2003, a $16.4 increase. The increase was driven primarily by acquisitions completed in 2002 and in the first quarter of 2003 and lower pension income in 2003 compared to 2002.

Special charges — In the first quarter of 2003, we recorded special charges of $9.2 associated primarily with headcount reductions, facility closures and product line consolidation. In 2002, we recorded special charges of $6.4 associated primarily with integration and restructuring actions. We have previously announced that we expect to take charges against earnings in 2003 in connection with implementing additional cost reduction actions and have estimated the range of these charges to be between $80 and $100 million; however, actual charges could be higher or lower than this range. We estimate that our restructuring actions will allow us to achieve operating cost reductions in 2003 and beyond through reduced employee and manufacturing costs and other facility overhead. The estimated period in which we realize savings on our restructuring actions is in the twelve months from the date of completion. For restructuring actions announced in the first three months of 2003, we estimate that cost savings in the twelve months following the date of completion will be approximately $18.5 per year. Estimated cost savings will be realized in cost of products sold and selling, general and administrative expenses.

Other income (expense), net — In the first quarter of 2003, other income was $2.0 compared to other expense of $0.8 in 2002. In 2003, other income mainly represents cash received on the sale of a building.

Interest expense, net — In the first quarter of 2003, interest expense was $45.2 compared to $36.9 in 2002. The increase was due mainly to the $500.0 senior note offering completed in December 2002.

Income taxes — The effective income tax rate for the first quarter of 2003 was 37.0% compared to 38.8% in 2002.

Seasonality, Competition and Trends

Many of our businesses closely follow changes in the industries and end markets that they serve. In addition, certain businesses have seasonal fluctuations. Our Technical Products and Systems and Flow Technology segments tend to be stronger during the third and fourth quarter due to the purchasing patterns of customers. The Industrial Products and Services segment is usually strongest in the second quarter due primarily to the seasonal demand for products at the compaction equipment platform reported in this segment. The Service Solutions segment revenues typically follow program launch timing for diagnostic systems and service equipment, the largest market in this segment. In aggregate, our businesses generally tend to be stronger in the second half of the year, particularly in the fourth quarter. As described in the following section, we expect 2003 operating profits derived from the power generation markets to be approximately $45.0 lower than 2002, which will predominately impact the first half of 2003. Accordingly, we expect reported net income in the second half of 2003 to be stronger than in the first half on a relative basis compared with prior years.

Although our businesses operate in highly competitive markets, our competitive position cannot be determined accurately in the aggregate or by segment since our competitors do not offer all of the same product lines or serve all of the same markets. In addition, specific reliable comparative figures are not available for many of our competitors. In most product groups, competition comes from numerous concerns, both large and small. The principal methods of competition are price, service, product performance and technical innovations. These methods vary with the type of product sold. We believe we can compete effectively on the basis of each of these factors as they apply to the various products we offer.

We define forecasted trends of organic revenues, revenues excluding the impact of acquisitions and dispositions, as follows: ‘Decline’ — Future organic revenues are expected to be below the prior year; ‘Flat’ — Future trends are expected to be flat compared to the prior year; ‘Growth’ — Future organic revenues are expected to be above the prior year.

The platform that experienced organic revenue growth in the quarter is summarized below. Also summarized is the annual forecasted trend based on information available on the date of this report.

Segment	Platform	2003 Annual Forecasted Trend	Comments
Industrial Products and Services	Compaction equipment	Growth	The road construction markets are expected to remain soft and without continued market share gains, organic revenues in this business will be flat. The primary contributor of market share gains is expected to be from growth in the Asian market with the opening of a new manufacturing facility near Shanghai, China in 2002. This platform is highly cyclical by quarter, with the second quarter traditionally the highest revenue period in the year.

Primary platforms that experienced organic revenue declines in the quarter are summarized below. Also summarized are the annual forecasted trends for these platforms based on information available on the date of this report.

Segment	Platform	2003 Annual Forecasted Trend	Comments
Technical Products and Systems	Laboratory and life science products	Growth	Organic revenues declined low double digits in 2002 and low single-digits in the first quarter of 2003, with future organic revenue growth expected for this platform. Capital spending in the laboratory and life science markets is expected to be supplemented with new repository business as well as continued demand for bio-preparation, processing and storage equipment.
	Broadcast and communication systems and services	Growth	This platform experienced low single digit organic growth in 2002, which is expected to continue for the full year of 2003. Organic decline in revenues was experienced in the first quarter of 2003 due primarily to FCC delay in High-Definition TV, or HDTV, roll-out. It is expected that the HDTV roll-out in the U.S. and the ability to provide turnkey systems to customers will support single digit organic revenue growth for the full year of 2003.
	Electrical test and measurement solutions	Decline	Demand for telecommunication line management systems is expected to remain below prior year levels. In addition, demand for automated fare collection systems is highly correlated to contract timing on large municipal contracts, which causes significant fluctuations from quarter to quarter.
Industrial Products and Services	Power systems	Decline	Power generation end markets continue to experience reduced demand and pricing pressures. Accordingly, our power systems platform experienced a sharp decline in revenues in the first quarter of 2003. This trend is expected to continue with revenues expected to decline in this platform by over 30% in 2003 compared to 2002. In 2003, operating profits derived from the power generation markets are expected to decline approximately $45.0.
	Specialty engineered products	Flat	This platform experienced low single digit revenue growth in 2002. In the first quarter organic revenues were flat as increased demand for aerospace defense components and heating and ventilation products offset declines in filtration products, dock systems and compact hydraulic power tools. This platform is expected to perform at similar levels for the full year of 2003. The demand for car and light truck vehicles in the U.S. strongly influences the demand for filtration and die cast products included in this platform and, accordingly, the organic revenues for this platform.
Flow Technology	Fluid systems	Flat	Cyclical demand for short-cycle products in power, chemical and mineral processing and industrial markets is expected to remain soft.
	Cooling technologies and services	Decline	Single digit organic revenue decline was experienced in the first quarter of 2003. Revenue performance is expected to remain soft due to the impact of revenue declines in the U.S. power market offsetting the global demand for cooling technology products and services.
Service Solutions	Specialty tools and technical information and services	Growth	Organic revenues declined by less than 1% in both 2002 and the first quarter of 2003. For the full year of 2003, we expect organic growth in this platform. The primary demand for products in this platform is driven by new vehicle launches, new vehicle technology, such as integrated electronics, and regulatory changes. While the outlook for domestic OEM dealer and aftermarket tools is consistent with the prior year, slightly higher organic revenues are expected due to regulatory changes and new vehicle launches in Europe.

SEGMENT RESULTS OF OPERATIONS

The following unaudited information should be read in conjunction with our unaudited Condensed Consolidated Financial Statements and related notes. The results of operations exclude the operating results of discontinued operations for all periods presented.

	Three months ended March 31, 2003	Three months ended March 31, 2002
Revenues:		
Technical Products and Systems	$ 262.1	$ 242.1
Industrial Products and Services	340.2	384.2
Flow Technology	352.2	279.7
Service Solutions	161.7	162.6
	$ 1,116.2	$ 1,068.6
Segment Income:		
Technical Products and Systems	$ 35.1	$ 43.2
Industrial Products and Services	28.9	55.6
Flow Technology	43.3	39.3
Service Solutions	14.2	15.1
Total Segment Income	121.5	153.2
Corporate Expenses	(16.1)	(13.8)
Special Charges	(9.2)	(6.4)
Consolidated Operating Income	$ 96.2	$ 133.0

Segment Results of Operation: 2003 compared to 2002

Technical Products and Systems

Revenues — Revenues in the first quarter of 2003 increased to $262.1 from $242.1 in the first quarter of 2002, an increase of $20.0. The increase was due mainly to bolt-on acquisitions. Organic revenues in this segment declined low double digits in the first quarter due to delays in the HDTV roll-out in the U.S., lower demand for telecommunication products at our Radiodetection unit, lower revenues in our security and investigations unit due to high corporate spending on these services in 2002 and lower capital spending in laboratory and life science markets in the quarter.

Segment Income — Segment income as a percentage of revenue decreased from 17.8% in 2002 to 13.4% in 2003. The decrease in operating margins was due primarily to the decline in organic revenues in the quarter compared to the same period in 2002 and acquisitions completed in 2002, which have historically lower margins than that of the segment.

Industrial Products and Services

Revenues — In the first quarter, revenues decreased from $384.2 in 2002 to $340.2 in 2003. The decrease was due primarily to the significant decline in the power market. Revenues in our power systems platform declined by approximately $43.6, or an organic decline of over 40%. This trend is expected to continue in the second quarter of 2003 and flatten in the latter half of the year against an already reduced second half of 2002. Organic revenues at our compaction equipment unit grew in the first quarter due to a strong currency and higher revenues than the prior year in Asia.

Segment Income — Segment income as a percentage of revenues declined from 14.5% in 2002 to 8.5% in 2003. Segment income declined due primarily to the power systems market decline compounded with operating inefficiencies at our compact hydraulic power tools unit. The trends in the compact hydraulic power tools unit are likely to continue through mid-2003 and we expect to take further restructuring actions at this unit.

Flow Technology

Revenues — Revenues in the first quarter of 2003 increased to $352.2 from $279.7 in the first quarter of 2002. The increase was due primarily to bolt-on acquisitions completed in 2002 and in the first quarter of 2003. Organic revenues declined low single-digits in the first quarter of 2003 compared to 2002 primarily due to the impact of the power market on our cooling technologies and services platform.

Segment Income — First quarter segment income increased 10.2% to $43.3 in 2003 due to bolt-on acquisitions and cost reduction actions taken across the segment, including integration of acquisitions completed. Segment income as a percentage of revenues was 12.3% in 2003 compared to 14.1% in 2002. The decline in segment income as a percentage of revenues was due primarily to lower margins contributed from the acquisitions of Balcke and Daniel Valves in 2002 and Hankison in 2003.

Service Solutions

Revenues — Revenues in the first quarter of 2003 were $161.7 million compared to $162.6 million in 2002, resulting in an organic revenue decline of approximately 0.6% in the first quarter.

Segment Income — Segment income as a percentage of revenues declined from 9.3% in 2002 to 8.8% in 2003. The decrease in operating margins was due primarily to product mix changes partially offset by the impact of cost reduction initiatives.

LIQUIDITY AND FINANCIAL CONDITION

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

Cash Flow

	Three months ended March 31,	
	2003	**2002**
Cash flows from (used in):		
Operating activities	$ 57.4	$ 43.7
Investing activities	(171.5)	(70.1)
Financing activities	(48.1)	(45.6)
Discontinued operations	19.8	(13.7)
Net change in cash balances	$ (142.4)	$ (85.7)

Operating Activities—In the first quarter of 2003, cash flows from operating activities increased by $13.7 from the first quarter of 2002. When excluding the $34.8 net cash received from a legal award in the first three months of 2002, operating cash flow in the first quarter of 2003 increased $48.5 or 545%. This improvement is attributable to $37.5 year over year improvements in accounts receivable, excluding the 2002 legal award. In addition, cash flow from operations improved in the first quarter of 2003 as cash spent on liabilities acquired from UDI was not as significant as it was in the first quarter of 2002. Cash spending on restructuring actions in the first quarter of 2003 of $20.9, included $3.4 spent on remaining UDI integration liabilities.

Investing Activities—In the first quarter of 2003, we used $171.5 of cash in investing activities compared to a use of $70.1 in 2002. Cash used for business acquisitions was $157.3 in the first three months of 2003 as compared to $40.1 in the first three months of 2002. In the first quarter of 2003, we acquired six companies compared to three companies in the same period in 2002. Capital expenditures were $7.8 lower year over year, partially offsetting the increase in acquisition spending. The quarter over quarter comparison of capital expenditures is impacted by a higher level of capital spending experienced in the first quarter of 2002, which followed the UDI acquisition in mid 2001. In all cases however, we maintain a disciplined capital expenditure program which focuses on deploying capital spending in businesses that are experiencing positive end market momentum.

Financing Activities—In the first quarter of 2003, cash flows used in financing activities were $48.1, primarily due to $48.7 spent to repurchase 1.5 shares of our common stock. In 2002, cash flows used in financing activities were $45.6. This amount included $76.3 of debt payments offset by $46.1 of cash received from the exercise of employee stock options and the exercise of stock warrants. Due to timing, no scheduled debt payments were made in the first three months of 2003. In addition, due to the fact that all stock warrants have been exercised or are expired, no cash was received in the first quarter of 2003 from the exercise of stock warrants.

Indebtedness

The following summarizes the total debt outstanding and credit facility availability, as of March 31, 2003:

	Total Commitment	Amount Outstanding	Unused Credit Availability
Revolving loan (1)	$ 500.0	$ —	$ 398.9
Tranche A loan	225.0	225.0	—
Tranche B loan	410.3	410.3	—
Tranche C loan	683.7	683.7	—
LYONs, net of unamortized discount of $545.7	864.1	864.1	—
7.5% senior notes	500.0	500.0	
Other borrowings	18.3	18.3	—
Total	$ 3,201.4	$ 2,701.4	$ 398.9

(1) Decreased by $101.1 of certain facility letters of credit outstanding at March 31, 2003, which reduce the availability under our revolving loan agreement.

Credit Facility

Under our current credit facility, the term loans bear interest, at our option, at LIBOR plus the Applicable Rate or the ABR plus the Applicable Rate. During the first three months of 2003, interest on the term loans was calculated using LIBOR and we intend to select LIBOR as the borrowing rate in the future. The Applicable Rate for the revolving loans and Tranche A term loan is based upon the Consolidated Leverage Ratio as defined in the credit facility. The Applicable Rate is as follows:

	LIBOR based borrowings	ABR based borrowings
Tranche A term loans and revolving loans	Between 1.75% and 2.25%	Between 0.75% and 1.25%
Tranche B term loans	2.25%	1.25%
Tranche C term loans	2.50%	1.50%

Our $500.0 of revolving loans available under the credit facility is also subject to annual commitment fees between 0.25% and 0.5% on the unused portion of the loans. At March 31, 2003, no amounts were borrowed against the $500.0 revolving loans; however, the aggregate available borrowing capacity was reduced by $101.1 of letters of credit outstanding.

The credit facility is secured by a pledge of 100% of the stock of substantially all of our domestic subsidiaries and 66% of the stock in our foreign subsidiaries and a security interest in substantially all of our assets and all of the assets of our wholly owned domestic subsidiaries (excluding, our interest in the EGS and Door joint ventures).

The credit facility contains covenants, the most restrictive of which are two financial condition covenants. The first financial condition covenant does not permit the Consolidated Leverage Ratio (as defined in the credit facility) on the last day of any period of four consecutive fiscal quarters to exceed 3.25 to 1.00. The second financial condition covenant does not permit the Consolidated Interest Coverage Ratio (as defined in the credit facility) for any period of four consecutive fiscal quarters to be less than 3.50 to 1.00. For the quarter ended March 31, 2003, our Consolidated Leverage Ratio was 2.73 to 1.00 and our Consolidated Interest Coverage Ratio was 6.82 to 1.00.

The credit facility also includes covenant provisions regarding, among other things, indebtedness, liens, investments, guarantees, acquisitions, dispositions, sales and leaseback transactions, restricted payments and transactions with affiliates. We have not paid cash dividends in 2003, and we currently have no plans to pay cash dividends on our common stock. Under the credit facility covenants, our ability to pay cash dividends in a fiscal year is limited to the lesser of $20.0 or 25% of our consolidated net income in the immediate preceding fiscal year, if our consolidated leverage ratio, pro forma for a cash dividend, is greater than 2.5 to 1.0. If this ratio is less than 2.5 to 1.0, we have the ability to pay cash dividends in a fiscal year in an amount up to 25% of our consolidated net income in the immediate preceding fiscal year. Based on available information, we do not expect these covenants to restrict our liquidity, financial condition or access to capital resources in the foreseeable future.

We are permitted to prepay the Tranche A, Tranche B and the Tranche C term loans in whole or in part at any time without penalty or premium. We are not allowed to reborrow any amounts that we repay on the Tranche A, Tranche B or Tranche C term loans.

The final maturity for each loan is as follows:

	Date of Final Maturity
Revolving loans	March 31, 2008
Tranche A term loans	March 31, 2008
Tranche B term loans	September 30, 2009
Tranche C term loans	March 31, 2010

The credit facility also requires scheduled principal payments of the term loans and mandatory prepayments from net proceeds arising in connection with certain asset sales or dispositions and issuances of subordinated debt under certain circumstances.

The revolving loans may be borrowed, prepaid and reborrowed. Letters of credit and swing line loans are also available under the revolving credit facility. The facility provides for the issuance of letters of credit in U.S. Dollars, Euros, and Pounds Sterling at any time during the revolving availability period, in an aggregate amount not exceeding $250.0. Letters of credit issued under this facility reduce the aggregate amount available under the revolving loan commitment.

Liquid Yield Option Notes

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 of $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. In the event that either the February or May LYONs are put to the company or redeemed by the company, the respective imputed interest deduction less the original issue discount of 2.75% would be recaptured at the time of the put or redemption. As a result of the put on May 9, 2003, see below, we are subject to $11.6 of tax recapture on the May LYONs. For the February LYONs, the amount of the recapture calculated on the first put date would be approximately $48.3 on February 6, 2004.

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 a change in control.

In addition, a holder may surrender for conversion, at the accreted value, a LYON 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)	9.6232	8.8588
Initial Stock Price	$ 50.15	$ 55.40
Initial Accretion Percentage	135%	120%
Accretion Percentage Decline Per Quarter	0.3125%	0.125%
Conversion Trigger Prices—For the Next Twelve Months:		
2003 Second Quarter	$ 84.57	$ 82.01
2003 Third Quarter	$ 84.95	$ 82.49
2003 Fourth Quarter	$ 85.33	$ 82.97
2004 First Quarter	$ 85.71	$ 83.45

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.

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 and none of the contingent conversion tests have been met, accordingly, they are not included in the diluted income per share of common stock calculation. If converted, the February LYONs and May LYONs would be exchanged for a total of 13.2 shares of our common stock. If the LYONs had been converted as of January 1, 2003, the diluted income per share of common stock from continuing operations would have been $0.48 for the three-month period ended March 31, 2003.

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.

On May 9, 2003, 0.387 of the May LYONs were put to us and settled in cash for $236.9, their accreted value as of May 9, 2003. The 0.028 May Lyons that remain outstanding subsequent to the put have an accreted value of $16.9 at March 31, 2003 and are classified as long-term debt. Due to the settlement, we are subject to tax recapture on the majority of the May LYONs interest deduction. This will result in an income tax payment of approximately $11.6.

SFAS No. 78, “Classification of Obligations That are Callable by the Creditor,” requires that obligations, that are by their terms, due upon demand within one year of the balance sheet date, should be considered short-term obligations. Both the May and the February LYONs have a put option date within twelve months of March 31, 2003. Therefore, of the $864.1 total accreted value of the LYONs at March 31, 2003, we have classified $448.3 as short-term debt. We have classified $398.9 as long-term debt as we have the intent and the immediate ability at March 31, 2003, through the availability of our revolving loans, to refinance this amount of any LYONs that may be put to us. We have also classified $16.9 as long-term debt as this is the value, accreted as of March 31, 2003, of May LYONs that were not put to us on May 9, 2003 and are still outstanding. The next put date for the May LYONs is May 9, 2005. In addition to using our revolving loans for the long-term portion of the LYONs, we may use cash, the trade receivable financing agreement that we entered into in April of 2003, or other capital market refinancings to fund the short-term portion of these obligations if they are put to us or reach maturity.

7.5% Senior Notes

On December 27, 2002, we issued $500.0 of 7.5% senior notes pursuant to our universal shelf registration statement, which allows for the issuance of an additional $500.0 of securities after consideration of these notes. These notes mature on January 1, 2013. These notes are unsecured and rank equally with all of our existing and future unsecured senior indebtedness, but are effectively junior to our senior secured debt and obligations of our subsidiaries.

The indenture governing the notes contains a number of covenants that limit our ability and the ability of our subsidiaries, with the exception of an unrestricted subsidiary under the indenture, to incur additional debt, pay dividends and repurchase stock, make other restricted payments, including, without limitation, investments, create liens, enter into sale leaseback transactions, enter into agreements that restrict dividends from subsidiaries, sell or otherwise dispose of assets, including capital stock of subsidiaries, enter into transactions with our affiliates, and enter into mergers or consolidations. As of March 31, 2003, our capacity under the indenture to make restricted payments, which include paying cash dividends, purchasing subordinated debt prior to maturity and making restricted investments was limited to $209.5. The covenants contained in the indenture are subject to a number of qualifications and limitations. Under the indenture, none of our subsidiaries are restricted from paying dividends to us.

Other Financing Agreements

Our compaction equipment platform, part of the Industrial Products and Services segment, utilizes an accounts receivable securitization facility pursuant to which the platform has an agreement to sell, on a revolving basis without recourse, certain qualified receivables, of which $29.6 had been sold under the agreement at March 31, 2003. The agreement allows for the sale of up to $36.5 of certain qualified receivables to an unaffiliated third party entity and continues on an evergreen revolving basis unless we provide a three-month notice under the agreement to discontinue the facility. We expect to utilize the agreement in the foreseeable future. If we did not renew the contract, the impact on our financial condition or cash flows would not be material.

In April 2003, we entered into a three-year trade receivables financing agreement whereby we can borrow, on a continuous basis, up to $130.0.   As of May 12, 2003, we have not yet utilized this program.

Financial Derivatives

We have entered into interest rate protection agreements (“swaps”) to hedge interest rate risk on our variable rate debt portfolio. Our swaps are accounted for as cash flow hedges and, as of March 31, 2003, we had outstanding swaps with maturities to November 2009 that effectively convert $1,300.0 of our variable rate debt to a fixed rate of approximately 7%.

As of March 31, 2003, the pre-tax accumulated derivative loss recorded in accumulated other comprehensive loss was $80.9 and a long-term liability of $80.4 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.

Current Liquidity and Concentration of Credit Risk

At March 31, 2003, we had $398.9 of cash available for use and an unused $500.0 revolver under our credit facility. When adjusted by the $101.1 of letters of credit outstanding at March 31, 2003, $398.9 of the revolver was available for use.

We believe that current cash and equivalents, cash flows from operations and our unused revolving credit facility will be sufficient to fund working capital needs, planned capital expenditures, other operational cash requirements, and required debt service obligations. In addition, we have the ability and may elect to refinance the LYONs, if put, with other debt.

We have a shelf registration statement for 8.4 shares of common stock that may be issued for acquisitions and we have filed a shelf registration statement enabling us to sell up to $1,000.0 of securities of which $500.0 has been used for the offering of our 7.5% senior notes in December 2002. The remaining availability under this shelf registration statement may be used in connection with an offering of debt securities and/or common stock for general corporate purposes or for the refinancing of existing debt. In addition, other financing instruments may be used from time to time including but not limited to private placement instruments, operating leases, capital leases, and securitizations. We expect that we will continue to access these markets as appropriate to maintain liquidity and to provide sources of funds for general corporate purposes or to refinance existing debt. In April 2003, we entered into a three-year trade receivables financing agreement whereby we can borrow, on a continuous basis, up to $130.0. As of May 12, 2003, we have not yet utilized this program.

We were in compliance with all covenants included in our capital financing instruments as of March 31, 2003. We have not paid cash dividends in 2003 or 2002, and we have no current plans to pay cash dividends on our common stock.

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 and our interest rate protection agreements 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.

We are exposed to credit losses in the event of nonperformance by counter parties to our interest rate protection agreements, but have no other off-balance-sheet credit risk of accounting loss. We anticipate, however, that counter parties 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 counter parties.

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.

As of March 31, 2003 we had $197.5 of certain standby letters of credit outstanding, of which $101.1 reduce the available borrowing capacity on our revolving loans, and approximately $119.9 of surety bonds. Of the total letters of credit and surety bonds outstanding at March 31, 2003, $141.9 is for commercial bid, performance or warranty arrangements related to sales contracts with customers of which the fees are reimbursed by the customer. In addition, $62.3 of our standby letters of credit relate to self insurance matters and originate from workers compensation, auto, or general liability claims made against us. We account for each of these claims as part of our self-insurance accruals. Except for the previously mentioned matters, we do not have any other material guarantees, off-balance sheet arrangements or purchase commitments.

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

We continually review each of our businesses 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. Additionally, we have stated that we would consider a larger acquisition, more than $1,000.0 in revenues, if certain criteria are met. There can be no assurances that these acquisitions will not have an impact on our capital financing requirements, will be integrated successfully, or that they will not have a negative effect on our operations.

In addition “Factors That May Affect Future Results,” included in Management’s Discussion and Analysis of Financial Condition and Results of Operations in our 2002 Annual Report on Form 10-K, and in any future filings, should be read for an understanding of the risks, uncertainties, and trends facing our businesses.

Other Matters

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. Additionally, we may consider a larger acquisition, more than $1,000.0 in revenues, if certain criteria are met. There can be no assurances that these acquisitions will not have an impact on our capital financing instruments, will be integrated successfully, or that they will not have a negative effect on our operations.

Environmental and Legal Exposure— We are subject to various environmental laws, ordinances, regulations, and other requirements of government authorities in the United States and other nations. These requirements may include, for example, those governing discharges from and materials handled as part of our operations, the remediation of soil and groundwater contaminated by petroleum products or hazardous substances or wastes, and the health and safety of our employees. Under certain of these laws, ordinances or regulations, a current or previous owner or operator of property may be liable for the costs of investigation, removal or remediation of certain hazardous substances or petroleum products on, under, or in its property, without regard to whether the owner or operator knew of, or caused, the presence of the contaminants, and regardless of whether the practices that resulted in the contamination were legal at the time they occurred. The presence of, or failure to remediate properly, these substances may have adverse effects, including, for example, substantial investigative or remedial obligations and limitations on the ability to sell or rent that property or to borrow funds using that property as collateral. Under certain of these laws, ordinances or regulations, a party that disposes of hazardous substances or wastes at a third party disposal facility may also become a responsible party required to share in the costs of site investigation and environmental remediation. In connection with our acquisitions and divestitures, we may assume or retain significant environmental liabilities. Although we perform extensive due diligence with respect to acquisitions, divestitures and continuing operations, there may be environmental liabilities of which we are not aware. Future developments related to new or existing environmental matters or changes in environmental laws or policies could lead to material costs for environmental compliance or cleanup. There can be no assurance that these liabilities and costs will not have a material adverse effect on our results of operations or financial position in the future.

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. During the quarter we realized $5.8 in favorable settlements relating to two customer contract disputes that were settled in the quarter. Additionally, we may become subject to significant claims of which we are currently unaware or the claims that we are unaware of may result in our incurring a significantly greater liability than we anticipate. This may also be true in connection with past or future acquisitions. While we maintain property, cargo, auto, product, general liability, and directors' and officers' liability insurance and have acquired rights under similar policies in connection with these acquisitions that we believe cover a portion of these claims, this insurance may be insufficient or unavailable to protect us against potential loss exposures. In addition, we have been increasing our self-insurance limits over the past several years. While we believe we are entitled to indemnification from third parties for some of these claims, these rights may be insufficient or unavailable to protect us against potential loss exposures.

It is our policy to comply fully with applicable environmental requirements. We are currently involved in various investigatory and remedial actions at our facilities and at third party waste disposal sites. 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. Our estimates are based primarily on investigations and remediation plans developed by independent consultants, regulatory agencies and potentially responsible third parties. Accordingly, our estimates may change based on future developments including new or changes in environmental laws or policies, a difference in costs required to complete anticipated actions from estimates provided, future findings of investigation or remediation actions, or alteration to the expected remediation plans. It is our policy to realize a change in estimates once it becomes probable and can be reasonably estimated. In determining our accruals, we do not discount environmental or other legal accruals and do not reduce them by anticipated insurance recoveries. We do take into account third-party indemnification from financially viable parties in determining our accruals where there is no dispute regarding the right to indemnification. While we believe that our accruals related to environmental, litigation and claims are sufficient and that these items and our rights to available insurance and indemnity will be resolved without material adverse effect on our financial position, results of operations and liquidity, individually or in the aggregate, we cannot assure you that our accruals and right to indemnity and insurance will be sufficient or that these items will be resolved without a material adverse effect on our financial position, results of operations and liquidity, individually or in the aggregate.

Pending Litigation— On or about October 29, 2001, we were served with a complaint by VSI Holdings, Inc., or VSI, 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 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. On November 8, 2002, VSI filed a voluntary petition for bankruptcy protection under Chapter 11 of the US Bankruptcy Code. On January 8, 2003, the litigation was removed to the federal Bankruptcy Court, which thereafter transferred the matter to the US District Court in Detroit. On April 14, 2003, the U.S. District Court entered a scheduling order, which provides for pre trial proceedings to take place throughout this year. Because no reasonable projections can be made as to the final timing and outcome of the litigation, no gain or loss has been recorded. While we believe that we should ultimately prevail on the pending litigation claim with VSI, there can be no assurance that we will be successful in the litigation, and if we are not successful, the outcome could have a material adverse effect on our financial condition and results of operations.

Employment—At March 31, 2003, we had approximately 22,900 employees. Approximately 3,400 employees are represented by eighteen domestic collective bargaining units. In addition, we have various foreign collective labor arrangements. We generally have experienced satisfactory labor relations at our various locations; however, on July 8, 2002, a labor contract involving hourly employees at our manufacturer of aerospace components expired without resolution, resulting in an employee strike. The labor contract dispute affected 117 employees. On March 8, 2003, the union employees voted to ratify a new contract, which brought closure to this labor dispute.

Share Repurchases— During the first quarter and through the date of this filing, we repurchased 2.86 shares of our common stock on the open market, for cash of $98.0. Accordingly, under our board approved repurchase program, $152.0 was available for additional repurchases as of the date of this filing. In addition to the available capacity under the board approved program, our senior note indenture and credit agreement place restrictions on our available capacity; however, that capacity exceeded $152.0 as of the date of this filing.

Significance of Goodwill and Intangibles—We had goodwill of $2,693.5, net intangible assets of $556.0 and shareholders' equity of $1,689.1 at March 31, 2003. In accordance with SFAS No. 142, we amortize our definite lived intangible assets on a straight-line basis over lives ranging from 3 to 16 years. There can be no assurance that circumstances will not change in the future that will affect the useful lives or the carrying value of our goodwill and intangible assets. In accordance with our policy, we conduct our annual impairment testing of goodwill and indefinite-lived intangibles in connection with our long-range forecasting process. In addition, goodwill and indefinite-lived intangibles are reviewed for impairment more frequently if impairment indicators arise. Intangible assets that are subject to amortization are reviewed for impairment in accordance with the provisions of SFAS No. 144. Consistent with the requirements of SFAS No. 142, the fair values of our reporting units were based on discounted cash flow projections that are believed to be reasonable under current and forecasted circumstances, the results of which form the basis for making judgments about the carrying values of the reported net assets of our reporting units. Many of our businesses closely follow changes in the industries and end-markets that they serve. Accordingly, estimates and judgments that affect the future cash flow projections including principal methods of competition such as volume, price, service, product performance and technical innovations are considered. Actual results may differ from these estimates under different assumptions or conditions. In addition, we continue to monitor impairment indicators in the industries and markets with cyclical demand and pricing behavior including telecommunications, power systems and compact hydraulic power tools.

Forward-looking Statements

Some of the statements in this document and any documents incorporated by reference constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our businesses or our industries' actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. Such statements include, in particular, statements about our plans, strategies, prospects, changes and trends in our business and the markets in which we operate under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations." In some cases, you can identify forward-looking statements by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential" or "continue" or the negative of those terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially because of market conditions in our industries or other factors. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed in our Annual Report on 10-K under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors That May Affect Future Results" and any documents incorporated by reference that describe risks and factors that could cause results to differ materially from those projected in these forward-looking statements.

We caution you that these risk factors may not be exhaustive. We operate in a continually changing business environment and frequently enter into new businesses and product lines. We cannot predict these new risk factors, and we cannot assess the impact, if any, of these new risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, you should not rely on forward-looking statements as a prediction of actual results. In addition, our estimates of future operating results are based on our current complement of businesses, which is constantly subject to change as we implement our "fix, sell or grow" strategy.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

Management does not believe our exposure to market risk has significantly changed since December 31, 2002 and does not believe that such risks will result in significant adverse impacts to our financial condition or results of operations.

ITEM 4. Controls and Procedures

SPX management, including the Chief Executive Officer and Chief Financial Officer, have conducted an evaluation, which was completed within 90 days of the filing of this Form 10-Q, of the effectiveness of disclosure controls and procedures pursuant to Exchange Act Rule 13a-14(c). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures are effective in ensuring that all material information required to be filed in this quarterly report has been made known to them in a timely fashion and no changes are required at this time.

There have been no significant changes in internal controls, or in factors that could significantly affect internal controls, subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation. There have been no significant deficiencies or material weaknesses in internal controls requiring corrective action, and no corrective actions have been taken.

PART II --OTHER INFORMATION

ITEM 1. Legal Proceedings

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, we may become subject to significant claims of which we are unaware currently or the claims that we are aware of may result in our incurring a significantly greater liability than we anticipate. This may also be true in connection with past or future acquisitions. While we maintain property, cargo, auto, product, general liability, and directors' and officers' liability insurance and have acquired rights under similar policies in connection with our acquisitions that we believe cover a portion of these claims, this insurance may be insufficient or unavailable to protect us against potential loss exposures. In addition, we have been increasing our self-insurance limits over the past several years. While we believe we are entitled to indemnification from third parties for some of these claims, these rights may be insufficient or unavailable to protect us against potential loss exposures.

In our opinion, these matters are either without merit or are of a kind that should not have a material adverse effect individually or in the aggregate on our financial position, results of operations, or cash flows. 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.

On or about October 29, 2001, we were served with a complaint by VSI Holdings, Inc., or VSI, 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 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. On November 8, 2002, VSI filed a voluntary petition for bankruptcy protection under Chapter 11 of the US Bankruptcy Code. On January 8, 2003, the litigation was removed to the federal Bankruptcy Court, which thereafter transferred the matter to the US District Court in Detroit. On April 14, 2003, the U.S. District Court entered a scheduling order, which provides for pre trial proceedings to take place throughout the second half of the year. Because no reasonable projections can be made as to the final timing and outcome of the litigation, no gain or loss has been recorded. While we believe that we should ultimately prevail on the pending litigation claim with VSI, there can be no assurance that we will be successful in the litigation, and if we are not successful, the outcome could have a material adverse effect on our financial condition and results of operations.

On September 19, 2002, a pH meter malfunction at our facility in Stockton, California resulted in the release of caustic into the Stockton Diverting Canal and adverse impacts on local fish. We have received a notice of violation in connection with this incident but no fine has been proposed. However, based on discussions with the enforcement authorities, we do not believe the fine for this incident will be material.

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits

2.1	—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, incorporated herein by reference from our Quarterly Report on Form 10-Q for the quarter ended June 30, 2002 (file no. 1-6948).
3.2	—Amended and Restated By-Laws
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.
4.12	—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.
4.13	—Registration Agreement, dated as of September 1, 1987, 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	—Amendment No. 2 to Rights Agreement dated as of June 26, 2002, incorporated herein by reference

from our Quarterly Report on Form 10-Q for the quarter ended June 30, 2002 (file no. 1-6948).

4.15	—Indenture between SPX Corporation and JPMorgan Chase Bank, as Trustee, dated as of December 27, 2002, incorporated herein by reference from our Current Report on Form 8-K filed on January 3, 2003 (file no. 1-6948).
4.16	—First Supplemental Indenture between SPX Corporation and JPMorgan Chase Bank, as Trustee, dated as of December 27, 2002, incorporated herein by reference from our Current Report on Form 8-K filed on January 3, 2003 (file no. 1-6948).
4.17	—Copies of the instruments with respect to our other long-term debt are available to the Securities and Exchange Commission upon request.
99.1	—Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

On January 3, 2003, we filed a Form 8-K containing the indenture governing our 7.5% senior notes due January 1, 2013 that were issued pursuant to our registration statement on Form S-3.

On February 13, 2003, we filed a Form 8-K containing our press release dated February 12, 2003. This press release contained our fourth quarter 2002 earnings information.

SIGNATURES

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

	SPX CORPORATION (Registrant)	
Date: May 13, 2003	By	/s/ JOHN B. BLYSTONE
		John B. Blystone **Chairman, President and Chief Executive Officer**
Date: May 13, 2003	By	/s/ PATRICK J. O'LEARY
		Patrick J. O'Leary **Vice President Finance,** **Treasurer and Chief Financial Officer**
Date: May 13, 2003	By	/s/ RONALD L. WINOWIECKI
		Ronald L. Winowiecki **Corporate Controller and Chief Accounting Officer**

Certification

I, John B. Blystone, certify that:

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

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

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

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

   a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weakness in internal controls; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 13, 2003

/s/ JOHN B. BLYSTONE

Chairman, President and Chief Executive Officer

Certification

I, Patrick J. O'Leary, certify that:

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

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

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

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

   a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weakness in internal controls; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 13, 2003

/s/ PATRICK J. O'LEARY

Vice President Finance,
Treasurer and Chief Financial Officer

INDEX TO EXHIBITS

Item No.	Description
3.2	—Amended and Restated By-Laws
99.1	—Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

For exhibits not filed herewith, see Item 6 for exhibits
incorporated by reference.

EXHIBIT 3.2

BY-LAWS

OF

SPX CORPORATION

(A Delaware Corporation)

Amended and Restated

Effective as of April 1, 2003

BY-LAWS

OF

SPX CORPORATION
(A Delaware Corporation)

ARTICLE I

Offices

Section 1. The registered office of the corporation shall be in Wilmington, New Castle County, Delaware.

Section 2. The corporation shall have its principal office at 100 Terrace Plaza, Muskegon, Michigan, and it may also have offices at such other places as the board of directors may from time to time determine.

ARTICLE II

Stockholders

Section 1. Annual Meeting. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held on such date as the board of directors shall fix each year. At an annual meeting of stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (a) specified in the notice of meeting, or any supplement thereto, given by or at the direction of the board of directors, (b) otherwise properly brought before the meeting by or at the direction of the board of directors, or (c) otherwise properly brought before an annual meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the secretary of the corporation not less than one hundred and twenty (120) days nor more than one hundred and fifty (150) days prior to the anniversary date of the immediately preceding annual meeting. A stockholder's notice to the secretary of the corporation shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting, (b) the name and address, as they appear on the corporation's stockholder records, of the stockholder proposing such business, (c) the class and number of shares of the corporation which are beneficially owned by the stockholder, and (d) any material interest of the stockholder in such business. Irrespective of anything in these by-laws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 1. The presiding officer of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 1, and if it is so determined, shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

Section 2. Special Meetings. Special meetings of the stockholders may be called only by the chairman, the president or the board of directors pursuant to a resolution approved by a majority of the entire board of directors.

Section 3. Stockholder Action; How Taken. Any action required or permitted to be taken by the stockholders of the corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

Section 4. Place of Meeting. The board of directors may designate any place, either within or without Delaware, as the place of meeting for any annual or special meeting. The place of meeting shall be the principal office of the corporation designated in Section 2 of Article I of these by- laws.

Section 5. Notice of Meetings. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting, or in the case of a merger or consolidation, not less than twenty nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the chairman or the president, or the secretary, or the officer or persons calling the meeting, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mails in a sealed envelope addressed to the stockholder at his address as it appears on the records of the corporation with postage thereon prepaid.

Section 6. Record Date. For the purpose of determining (a) stockholders entitled to notice of or to vote at any meeting of stockholders, or (b) stockholders entitled to receive payment of any dividend, or (c) stockholders for any other purpose, the board of directors may fix in advance a date as the record date for any such determination of stockholders, such date in any case to be not more than sixty days and not less than ten days, or in the case of a merger or consolidation not less than twenty days prior to the date on which the particular action, requiring such determination of stockholders is to be taken.

Section 7. Quorum. The holders of not less than one-third of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute, by the certificate of incorporation or by these by-laws. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the chairman of the meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation or of these by-laws, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 8. Qualifications of Voters. The board of directors may fix a day and hour not more than sixty nor less than ten days prior to the day of holding any meeting of stockholders as the time as of which the stockholders entitled to notice of and to vote at such a meeting shall be determined. Only those persons who were holders of record of voting stock at such time shall b entitled to notice of and to vote at such meeting.

Section 9. Procedure. The order of business and all other matters of procedure at every meeting of stockholders shall be determined by the chairman of the meeting. The board of directors shall appoint two or more inspectors of election to serve at every meeting of stockholders at which directors are to be elected. The chairman of the meeting may adjourn or postpone a meeting of stockholders with or without the approval of the stockholders present and voting.

ARTICLE III

Directors

Section 1. Number, Election and Terms. Except as otherwise fixed pursuant to the provisions of Article Fourth of the certificate of incorporation relating to the rights of the holders of any class or series of stock having a preference over the common stock as to dividends or upon liquidation to elect additional directors under specified circumstances, the number of directors shall be fixed from time to time by the board of directors but shall not be less than three. The directors, other than those who may be elected by the holders of any class or series of stock having a preference over the common stock as to dividends or upon liquidation, shall be classified, with respect to the time for which they severally hold office, into three classes, as near equal in number as possible, as determined by the board of directors, one class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1986, another class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1987 and another class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1988, with the members of each class to hold office until their successors are elected and qualified. At each annual meeting of stockholders, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

The term the "entire board" as used in these by-laws means the total number of directors which the corporation would have if there were no vacancies.

Subject to the rights of holders of any class or series of stock having a preference over the common stock as to dividends or upon liquidation, nominations for the election of directors may be made by the board of directors or a committee appointed by the board of directors or by any stockholder entitled to vote in the election of directors generally. However, any stockholder entitled to vote in the election of directors generally may nominate one or more persons for election as directors at a meeting only if written notice of such stockholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the secretary of the corporation not later than (a) with respect to an election to be held at an annual meeting of stockholders, one hundred and twenty (120) days prior to the anniversary date of the immediately preceding annual meeting, and (b) with respect to an election to be held at a special meeting of stockholders for the election of directors, the close of business on the tenth day following the date on which notice of such meeting is first given to stockholders. Each such notice shall set forth: (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the stockholder is a holder of record of stock of the corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons, naming such person or persons, pursuant to which the nomination or nominations are to be made by the stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission; and (e) the consent of each nominee to serve as a director of the corporation if so elected. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

Section 2. Newly Created Directorships and Vacancies. Except as otherwise fixed pursuant to the provisions of Article Fourth of the certificate of incorporation relating to the rights of the holders of any class or series of stock having a preference over the common stock as to dividends or upon liquidation to elect directors under specified circumstances, newly created directorships resulting from any increase in the number of directors and any vacancies on the board of directors resulting from death, resignation, disqualification, removal or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the board of directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the board of directors shall shorten the term of any incumbent director.

Section 3. Removal. Subject to the rights of any class or series of stock having a preference over the common stock as to dividends or upon liquidation to elect directors under specified circumstances, any director may be removed from office, for cause, only by the affirmative vote of the holders of 80% of the combined voting power of the then outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class.

Section 4. Regular Meetings. Regular meetings of the board of directors shall be held at such times and place as the board of directors may from time to time determine.

Section 5. Special Meetings. Special meetings of the board of directors may be called by or at the request of the chairman or the president or by any officer of the corporation upon the request of a majority of the entire board. The person or persons authorized to call special meetings of the board of directors may fix any place, either within or without Delaware, as the place for holding any special meeting of the board of directors called by them.

Section 6. Notice. Notice of regular meetings of the board of directors need not be given. Notice of every special meeting of the board of directors shall be given to each director at his usual place of business, or at such other address as shall have been furnished by him for the purpose. Such notice shall be given at least twenty-four hours before the meeting by telephone or by being personally delivered, mailed or telegraphed. Such notice need not include a statement of the business to be transacted at, or the purpose of, any such meeting.

Section 7. Quorum. A majority of the entire Board shall constitute a quorum for the transaction of business at any meeting of the board of directors, provided, that if less than a majority of the entire board is present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors unless the act of a greater number is required by the certificate of incorporation or the by-laws of the corporation.

Section 8. Compensation. Directors who are also full time employees of the corporation shall not receive any compensation for their services as directors but they may be reimbursed for reasonable expenses of attendance. By resolution of the board of directors, all other directors may receive either an annual fee or a fee for each meeting attended, or both, and expenses of attendance, if any, at each regular or special meeting of the board of directors; provided, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 9. Committees. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of two or more of the directors of the corporation, which, to the extent provided in the resolution, shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be determined form time to time by resolution adopted by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Section 10. Director Emeritus. The board of directors may by resolution appoint any former director who has retired from the board of directors as a Director Emeritus. Directors Emeritus may, but are not required to attend all meetings (regular and special) of the board of directors and will receive notice of such meetings; however, they shall not have the right to vote and they shall be excluded from the number of directors for quorum and other purposes. Directors Emeritus shall be appointed for one year terms and may be reappointed for up to two additional one year terms.

ARTICLE IV

Emergency Executive Committee

Section 1. National Emergency-defined. For purposes of this Article, "national emergency" is any period following an attack on the United States or during any nuclear or atomic disaster or during the existence of any catastrophe or similar emergency condition as the results of which communication and travel are disrupted or made unsafe.

Section 2. National Emergency Committee. Whenever, during the existence of a national emergency a quorum of the board of directors cannot readily be convened for action, the business and affairs of the corporation shall be managed by an Executive Committee (the "Committee").

Section 3. Establishment of the Committee, Number of Members. When it is determined in good faith by any two or more directors (including directors appointed pursuant to Section 6 herein) that (1) a national emergency exists, and (2) they are in a position to carry on the management of the business and affairs of the corporation, then they shall constitute themselves, and by these by-laws they are hereby appointed, members of the Committee. The number of members shall be not less than two. An established committee shall increase its membership to include additional directors who are able to serve. Directors (including officers designated "directors" pursuant to Section 6 herein) who have been appointed to the Committee shall remain members until removed due to death, disappearance, or refusal or inability to act. When a quorum of the board of directors (not including officers designated "directors" pursuant to Section 6 herein) becomes available to manage the business and affairs of the corporation, the Committee shall dissolve and re-form as the board of directors pursuant to other sections of these by-laws.

Section 4. Meetings, Notice, Quorum. Unless the Committee establishes rules to the contrary, meetings may be held at any time at the request of any member, with notice given only to such members as it may be feasible to reach at the time and by such means as may be feasible at the time. Members who receive notice shall make a reasonable effort to notify other members of the Committee, but inability to notify other members shall not effect the validity of any decision made at a meeting at which a quorum was present. Any two members constitute a quorum.

Section 5. Powers. The Committee shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation, including, but not by way of limitation, power to call special meetings of stockholders, to change the principal office or declare alternative principal offices, to elect or appoint officers, to declare and fill vacancies on the Committee as circumstances may require, to establish emergency rules, and to authorize the seal of the corporation to be affixed to all papers which may require it.

Section 6. Officers Designated Directors. If no two directors are available to establish the Committee, one or two (depending on the number needed) of the officers of the corporation hereinafter designated are appointed directors and empowered to act as such under this Article. The officers so appointed shall be those available and able to act as members of the committee in the order of rank designated as follows: chairman of the board, vice chairman, president, executive vice president, treasurer, vice presidents (in order of seniority), secretary, assistant treasurers and assistant secretaries (in order of seniority). Seniority of officers shall be determined by, and be the same as, the annual order in which their names are presented to, and acted upon, by the board of directors.

Section 7. Liability of Committee Members to the Corporation and to Third Persons. No director or officer acting in accordance with the provisions of this Article IV shall be liable to the corporation except for willful misconduct.

Section 8. Reliance by Third Persons. Any person may conclusively rely on a determination by the directors or officers of this corporation that a national emergency exists when the reliance is made in good faith. If two or more groups of directors or officers should separately and in good faith establish National Emergency Committees, the decisions of each Committee may be similarly relied on.

Section 9. Re-establishment of Board. The Committee shall make every effort to re-establish the normal existence of the corporation and return management responsibilities to the board of directors. Further, every effort shall be made to combine separately organized Committees or delineate such Committees' authority on a geographical or other basis.

Section 10. Validity of Other Articles of the By-Laws During a National Emergency. The provisions contained in the other Articles of these by-laws shall remain operative during a national emergency unless directly in conflict with this Article IV or action taken pursuant hereto.

ARTICLE V

Officers

Section 1. Number. The officers of the corporation shall be a chairman, a vice-chairman (if elected by the board of directors), a president, an executive vice president (if elected by the board of directors), one or more vice-presidents (the number thereof to be determined by the board of directors), a treasurer, a secretary and such other officers as may be elected in accordance with the provisions of this Article.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at the first meeting of the board of directors held after each annual meeting of stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term.

Section 5. Chairman. The chairman shall preside at all meetings of the stockholders and the board of directors. If so appointed by the board of directors he shall be the chief executive officer of the corporation and shall have those duties and responsibilities described in Section 8 of this Article. He shall perform such other duties as may be prescribed by the board of directors.

Section 6. Vice-Chairman. The vice-chairman (if elected by the board of directors) shall, in the absence of the chairman, preside at all meetings of the stockholders and the board of directors. If so appointed by the board of directors, he shall be either the chief executive officer or the chief operating officer, or both, and shall have those duties and responsibilities described in Sections 8 and 9 of this Article, as the case may be. He shall perform such other duties as may be prescribed by the board of directors and by the chief executive officer if he does not have that position.

Section 7. President. The president shall be either the chief executive officer or the chief operating officer, or both, as determined by the board of directors, and shall have the duties and responsibilities described in Sections 8 and 9 of this Article, as the case may be. In the absence of the chairman and vice-chairman, he shall preside at all meetings of the stockholders and board of directors. He shall perform such other duties as may be prescribed by the board of directors and chief executive officer if he does not have that position.

Section 8. Chief Executive Officer. The chief executive officer of the corporation shall be either the chairman, the vice-chairman or the president as determined by the board of directors. The chief executive officer shall provide overall direction and administration of the business of the corporation, he shall interpret and apply the policies of the board of directors, establish basic policies within which the various corporate activities are carried out, guide and develop long range planning and evaluate activities in terms of objectives. He may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the board of directors, stock certificates of the corporation, any deeds, mortgages, bonds, contracts, or other instruments except in cases where the signing and execution thereof shall be required by law to be otherwise signed or executed, and he may execute proxies on behalf of the corporation with respect to the voting of any shares of stock owned by the corporation. He shall have the power to (1) designate management committees of employees deemed essential in the operations of the corporation, its divisions or subsidiaries, and appoint members thereof, subject to the approval of the board of directors; (2) appoint certain employees of the corporation as vice presidents of one or several divisions or operations of the corporation, subject to the approval of the board of directors, provided however, that any vice president so appointed shall not be an officer of the corporation for any other purpose; and (3) appoint such other agents and employees as in his judgment may be necessary or proper for the transaction of the business of the corporation and in general shall perform all duties incident to the office of the chief executive.

Section 9. Chief Operating Officer. The chief operating officer (if elected by the board of directors) shall be either the vice-chairman or the president as determined by the board of directors. The chief operating officer shall in general be in charge of all operations of the corporation and shall direct and administer the activities of the corporation in accordance with the policies, goals and objectives established by the chief executive officer and the board of directors. In the absence of the chief executive officer, the chief operating officer shall assume his duties and responsibilities.

Section 10. Executive Vice President. The executive vice president (if elected by the board of directors) shall report to either the chief executive officer or the chief operating officer as determined in the corporate organization plan established by the board of directors. He shall direct and coordinate such major activities as shall be delegated to him by his superior officer in accordance with policies established and instructions issued by his superior officer, the chief executive officer, or the board of directors.

Section 11. Vice Presidents. The board of directors may elect one or several vice presidents. Each vice president shall report to either the chief executive officer, the chief operating officer or the executive vice president as determined in the corporate organization plan established by the board of directors. Each vice president shall perform such duties as may be delegated to him by his superior officers and in accordance with the policies established and instructions issued by his superior officer, the chief executive officer or the board of directors. The board of directors may designate any vice president as a senior vice president and a senior vice president shall be senior to all other vice presidents and junior to the executive vice president. In the event there be more than one senior vice president, then seniority shall be determined by and be the same as the annual order in which their names are presented to and acted on by the board of directors.

Section 12. The Treasurer. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the board of directors shall determine. He shall (a) have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VI of these by-laws; (b) in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the chief executive officer, chief operating officer or by the board of directors.

Section 13. The Secretary. The secretary shall: (a) keep the minutes of the stockholders' and the board of directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all stock certificates prior to the issue thereof and to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these by-laws or as required by law; (d) keep a register of the post office address of each stockholder which shall be furnished to the secretary by such stockholder; (e) sign with the chairman, president, or a vice president, stock certificates of the corporation, the issue of which shall have been authorized by resolution of the board of directors; (f) have general charge of the stock transfer books of the corporation; (g) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the chief executive officer, chief operating officer or by the board of directors.

ARTICLE VI

Fiscal Year

The fiscal year of the corporation shall begin on the first day of January in each year and end on the thirty-first day of December in each year.

ARTICLE VII

Seal

The board of directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation the words "Corporate Seal, Delaware".

ARTICLE VIII

Waiver of Notice

Whenever any notice whatever is required to be given under the provisions of these by-laws or under the provisions of the certificate of incorporation or under the provisions of the laws of the state of Delaware, waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE IX

Amendments

Subject to the provisions of the certificate of incorporation, these by-laws may be altered, amended or repealed at any regular meeting of the stockholders, or at any special meeting of stockholders duly called for that purpose, by a majority vote of the shares represented and entitled to vote at such meeting; provided that in the notice of such special meeting notice of such purpose shall be given. Subject to the laws of the State of Delaware, the certificate of incorporation and these by-laws, the board of directors may by a majority vote of those present at any meeting at which a quorum is present amend these by-laws, or enact such other by-laws as in their judgment may be advisable for the regulation of the conduct of the affairs of the corporation.

EXHIBIT 99.1

The following statement is being furnished 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 U.S.C. 1349), each of the undersigned hereby certifies that:

(i) this Quarterly Report on Form 10-Q, for the period ended March 31, 2003, 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 May 2003.

/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 Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to SPX Corporation and will be retained by SPX Corporation and furnished to the Securities and Exchange Commission or its staff upon request.