

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
Under
The Securities Act of 1933

SPX CORPORATION
(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

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

700 Terrace Point Drive
Muskegon, Michigan 49443
(616) 724-5000
(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

James M. Sheridan
Vice President, Administration and General Counsel
700 Terrace Point Drive
Muskegon, Michigan 49443
(616) 724-5000
(Name, address, including zip code, and telephone number,
including area code, of agent for service)

Copies to:

George C. McKann
Gardner, Carton & Douglas
321 North Clark Street
Chicago, Illinois 60610
(312) 644-3000

William R. Kunkel
Skadden, Arps, Slate, Meagher & Flom
333 West Wacker Drive
Chicago, Illinois 60606
(312) 407-0700

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: / /

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box: / /

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER NOTE (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)	AMOUNT OF REGISTRATION FEE (2)
% Senior Subordinated Notes due 2002.....	\$260,000,000	100%	\$260,000,000	\$89,656

(1) Estimated solely for the purpose of calculating the registration fee.
(2) Calculated pursuant to Rule 457.

FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION
PRELIMINARY PROSPECTUS DATED MARCH 25, 1994

PROSPECTUS

[LOGO] \$260,000,000

SPX CORPORATION
% SENIOR SUBORDINATED NOTES DUE 2002

Interest on the % Senior Subordinated Notes due 2002 (the "Notes") of SPX Corporation ("SPX" or the "Company") is payable semi-annually on and of each year, commencing , 1994. The Notes will mature on , 2002. The Notes will be subject to redemption at the option of the Company, in whole or in part, at any time on or after , 1998 at the redemption prices set forth herein, together with accrued and unpaid interest, if any, to the date of redemption. Prior to , 1996, up to 20% of the aggregate principal amount of the Notes outstanding on the date of the Indenture (as defined herein) will be redeemable at the option of the Company from the net proceeds of a Public Equity Offering (as defined herein) at % of the principal amount to be redeemed, together with accrued and unpaid interest, if any, to the date of redemption. Upon a Change of Control (as defined herein), (i) the Company will have the option to redeem the Notes, in whole or in part, at a redemption price equal to the principal amount thereof, together with accrued and unpaid interest, if any, to the date of redemption, plus the Applicable Premium (as defined herein) and (ii) subject to certain conditions, the Company will be required to make an offer to purchase each holder's Notes at 101% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date of purchase. There can be no assurance that the Company will have sufficient funds to satisfy its repurchase obligations upon a Change of Control. Under certain circumstances, the Company may become obligated to offer to repurchase the Notes at 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date of purchase with the net proceeds of certain Asset Sales (as defined herein). See "Description of the Notes."

The Notes will be unsecured senior subordinated obligations of the Company, subordinated in right of payment to all existing and future Senior Indebtedness (as defined herein) of the Company. The Company conducts a significant portion of its operations through subsidiaries, and the Notes will be effectively subordinated to all liabilities of these subsidiaries, including trade payables. As of December 31, 1993, on a pro forma basis after giving effect to the 1993 Transactions and the Refinancing (each as defined herein), including the sale of the Notes offered hereby (the "Offering") and the application of the estimated net proceeds therefrom, the aggregate principal amount of Senior Indebtedness outstanding of the Company and indebtedness and trade payables of the Company's subsidiaries that effectively rank senior to the Notes would have been approximately \$180 million. The Indenture will limit, but not prohibit, the incurrence by the Company of additional Senior Indebtedness or Pari Passu Indebtedness (as defined herein).

SEE "INVESTMENT CONSIDERATIONS" FOR A DISCUSSION OF CERTAIN FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS IN EVALUATING AN INVESTMENT IN THE NOTES.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PRICE TO PUBLIC (1)	UNDERWRITING DISCOUNT (2)	PROCEEDS TO COMPANY (1) (3)
Per Note.....	%	%	%
Total.....	\$	\$	\$

(1) Plus accrued interest, if any, from , 1994.
(2) The Company has agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."
(3) Before deducting expenses payable by the Company estimated at \$.

The Notes are offered by the several Underwriters, subject to prior sale, when, as and if issued by the Company and accepted by the Underwriters, subject to approval of certain legal matters by counsel for the Underwriters and certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery of the Notes will be made in New York, New York on or about , 1994.

MERRILL LYNCH & CO.

DONALDSON, LUFKIN & JENRETTE
SECURITIES
CORPORATION

WERTHEIM SCHRODER & CO.
INCORPORATED

The date of this Prospectus is , 1994.

[Insert Pictures]

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements, including the related notes, appearing elsewhere in this Prospectus. An investment in the Notes involves certain risks which should be considered by prospective purchasers. See "Investment Considerations." Prospective purchasers are urged to read this Prospectus in its entirety. Unless the context otherwise requires, the terms "SPX" and the "Company" refer to SPX Corporation and its consolidated subsidiaries. References herein to "pro forma" information reflect adjustments giving effect to the 1993 Transactions and the Refinancing (as such terms are defined herein).

THE COMPANY

The Company is a global leader in the design, manufacture and marketing of specialty service tools for the franchised dealers of vehicle manufacturers and of piston rings, cylinder sleeves and automatic transmission filters for original equipment manufacturers ("OEMs"). The Company also is a major designer, manufacturer and marketer of electronic engine diagnostic equipment, emission testing equipment, wheel service equipment and other specialty service tools for independent vehicle aftermarket users in North America and Europe. The Company also provides numerous other original equipment components, including die cast parts, valve train components and solenoid valves, to OEMs, and specialty service tools to other non-vehicle markets. In 1993, on a pro forma basis, the Company sold approximately one-third of its products to new vehicle manufacturers, and substantially all of the balance to the vehicle aftermarket.

The Company operates in two principal business segments: specialty service tools and original equipment components. The specialty service tools segment designs, manufactures and markets a wide range of specialty service tools and diagnostic equipment through widely recognized brand names, such as Allen Testproducts, Bear(R), Kent-Moore(R), Lowener, Miller Special Tools, OTC(R), Power Team(R), Robinair(R) and V.L. Churchill. These products include specialty hand-held mechanical tools, gauges, hand-held electronic diagnostic instruments, wheel service equipment, performance test equipment, emission testing equipment, refrigerant recovery and recycling equipment, battery testing equipment, high-pressure hydraulics, engine coolant recovery and recycling systems and air conditioning and refrigeration service equipment. The Company's specialty service tools are primarily sold to the vehicle maintenance and repair market and are used primarily by the OEMs' franchised dealers and other independent service technicians to diagnose and service a wide range of vehicle systems and equipment. The Company's sales of specialty service tools represented approximately 52% of its total sales in 1993, on a pro forma basis.

The original equipment components segment designs, manufactures and markets component parts for vehicles. These parts primarily fall into five product lines: (i) piston and transmission rings, cylinder sleeves and other castings, (ii) precision die castings, (iii) tappets, valve guides and roller rocker arms, (iv) automatic transmission fluid filters and other filter products and (v) solenoid valves. The Company sells these products to OEMs directly and to the replacement parts market ("after-market") through private brand organizations, which include the service divisions of OEMs. The Company's sales of original equipment components represented approximately 46% of its total sales in 1993, on a pro forma basis.

The Company believes that it is a technological leader in the design and manufacture of its principal products and that it is one of the highest quality manufacturers of specialty service tools and original equipment components in its markets. The Company is a "Tier 1" supplier to many OEMs and has received numerous quality awards and certifications from General Motors, Ford, Chrysler and other OEM customers. Suppliers that design, engineer, manufacture and conduct quality control testing are generally referred to as "Tier 1" suppliers.

The Company believes that the markets it serves offer significant growth opportunities for its businesses. The Company's business strategy is to focus on and invest in these core markets for specialty service tools and original equipment components and to expand its leading market positions. The key elements of this strategy include: (i) implementation of structural changes to operations, (ii) operational improvements, (iii) increased specialty service tool offerings and (iv) leveraging of long-term relationships with existing customers.

Implementation of Structural Changes to Operations. In 1993, the Company completed several transactions which increased the Company's revenues by approximately 25% from approximately \$801 million in 1992 to \$1.0 billion on a pro forma basis in 1993. These transactions, described below, were completed in order to increase the Company's product offerings, strengthen its sales and service capabilities and better position the Company to capitalize on prevailing market and industry trends and opportunities.

- Created the Automotive Diagnostics division through the acquisition of Allen Testproducts and its combination with the Company's Bear Automotive business. This new division will enhance the Company's electronic engine diagnostics, emission testing and wheel service equipment capabilities and is expected to result in annualized cost savings to the Company, through consolidation of operations and work force reductions, in excess of \$20 million.
- Created SPX Credit Corporation through the acquisition of the leasing company affiliated with Allen Testproducts and its combination with the Company's existing leasing operations. This business supports the Automotive Diagnostics division by providing customers with a leasing option when purchasing the division's products.
- Divested the Company's aftermarket parts distribution business and the Company's window and door hardware manufacturing business. These divestitures generated approximately \$189 million in net cash proceeds which the Company used to reduce indebtedness and to further invest in its core businesses.
- Acquired the 49% interest in Sealed Power Technologies Limited Partnership ("SPT") held by Riken Corporation ("Riken"), a Japanese corporation (the "SPT Purchase"). SPT represents substantially all of the Company's original equipment components segment.

The foregoing transactions, together with the consolidation of Sealed Power Technologies (Europe) Limited Partnership ("SP Europe") into the Company's financial statements, are referred to herein as the "1993 Transactions."

Operational Improvements. The Company continually explores ways to increase its operational efficiency while maintaining its reputation as a manufacturer of high-quality products. Ongoing programs to meet this objective include the addition of new machinery, consolidation of facilities and other productivity improvements.

Increased Specialty Service Tool Offerings. The market for the Company's specialty service tools has increased as a result of several recent trends: (i) the increase in the frequency of new model introductions by OEMs, (ii) the advance in the engineering, computerization and technological complexity of these new introductions and (iii) the increase in service dollars spent at franchise dealers as a result of extended new vehicle warranty periods. By continuing to strengthen its involvement in the design phase of OEM product development and identifying applications for new and existing specialty service tools, the Company believes it can capitalize on these trends. In addition, the growing number of environmental laws and regulations have created a demand for new technologies and products, including the Company's refrigerant recycling systems and vehicle exhaust emission testing equipment. The Company will continue to aggressively pursue this market by continuing to develop new products and technologies.

Leveraging of Long-Term Relationships With Existing Customers. The trend of OEMs to contract sourcing of components to fewer outside suppliers favors larger, more efficient suppliers with high-quality products. The Company historically has had strong relationships, some of which date back 80 years, with major OEMs, including General Motors, Ford and Chrysler. In addition, the Company believes that its status as a Tier 1 supplier to many OEMs, which permits the Company to assume primary responsibility for the design, engineering, manufacturing and quality control of certain product or product assembly programs, will continue to provide the Company with opportunities to offer products to its customers at a lower cost and afford the Company a competitive advantage in securing new business for both of its business segments.

The Company has international operations located in Australia, Brazil, Canada, France, Germany, Italy, The Netherlands, Singapore, Spain, Switzerland and the United Kingdom. It also has a 70% interest in SP Europe, which has operations in France, Germany and Spain, a 50% interest in two Japanese corporations, a 50% interest in a German corporation and a 40% interest in a Mexican corporation. See "Business--International Operations." In addition, the Company is involved in a joint venture located in the United States and will continue to pursue other joint venture and investment relationships as opportunities inside and outside the United States arise.

THE REFINANCING

The Offering is part of a refinancing plan (the "Refinancing") designed to provide the Company with additional financial and operating flexibility and better position the Company to implement its business strategy. The Refinancing will increase the Company's available cash flow by reducing interest expense and scheduled principal amortization payments. The Company believes the Refinancing will increase its operating flexibility by, among other things, permitting the Company to capitalize on internal and external growth opportunities. The Refinancing consists of the:

- (i) execution of a new credit agreement (the "Bank Credit Agreement") which provides the Company with a \$250 million revolving credit facility (the "Revolving Credit Facility") which, upon consummation of the Offering, will be reduced to provide the Company with up to \$225 million of borrowing capacity;
- (ii) borrowings of approximately \$165 million under the Revolving Credit Facility which, in combination with \$40 million in cash, was used to repay approximately \$205 million of the Company's outstanding indebtedness, and the use of approximately \$65 million of cash to consummate the SPT Purchase for \$39 million and pay prepayment and other fees and expenses relating to these transactions aggregating approximately \$26 million; and
- (iii) sale of \$260 million aggregate principal amount of the Notes offered hereby and the application of the net proceeds therefrom to (a) reduce the outstanding borrowings under the Revolving Credit Facility from approximately \$165 million to approximately \$135 million, (b) repay all outstanding indebtedness of SPT, aggregating approximately \$210 million, and (c) pay approximately \$11 million of certain prepayment fees related to these transactions.

Upon completion of the Refinancing, the Company expects to have approximately \$90 million of remaining borrowing capacity under the Revolving Credit Facility. See "Use of Proceeds."

THE OFFERING

Notes Offered..... \$260,000,000 aggregate principal amount of % Senior Subordinated Notes due 2002.

Maturity Date..... , 2002.

Interest Payment Dates..... and of each year, commencing , 1994.

Mandatory Redemption..... None.

Optional Redemption..... The Notes will be redeemable at the option of the Company, in whole or in part, at any time on or after , 1998 at the redemption prices set forth herein, plus accrued and unpaid interest, if any, to the date of redemption. Prior to , 1996, up to 20% of the aggregate principal amount of the Notes outstanding on the date of the Indenture will be redeemable at the option of the Company from the net proceeds of a Public Equity Offering at % of the principal amount to be redeemed, together with accrued and unpaid interest, if any, to the date of redemption. See "Description of the Notes--Optional Redemption."

Change of Control..... Upon a Change of Control, (i) the Company will have the option to redeem the Notes, in whole or in part, at a redemption price equal to the principal amount thereof, together with accrued and unpaid interest, if any, to the date of redemption, plus the Applicable Premium and (ii) subject to certain conditions, the Company will be required to make an offer to purchase each holder's Notes at 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. See "Description of the Notes--Certain Covenants-- Purchase of Notes Upon Change of Control" and "Investment Considerations--Substantial Indebtedness."

Ranking..... The Notes will be unsecured senior subordinated obligations of the Company, subordinated to all existing and future Senior Indebtedness, which includes borrowings under the Bank Credit Agreement. The Notes will rank pari passu with any existing and future senior subordinated indebtedness of the Company and will rank senior to all other Subordinated Indebtedness (as defined herein). As of December 31, 1993, on a pro forma basis, the aggregate principal amount of Senior Indebtedness outstanding of the Company and indebtedness and trade payables of the Company's subsidiaries that effectively rank senior to the Notes would have been approximately \$180 million. See "Description of the Notes--Subordination."

Restrictive Covenants..... The Indenture pursuant to which the Notes will be issued will contain certain covenants, including, but not limited to, covenants with respect to the following matters: (i) limitation on indebtedness, (ii) limitation on dividends and other restricted payments, (iii) limitation on redemption of capital stock of the Company and of certain subordinated obligations of the Company, (iv) limitation on liens, (v) limitation on disposition of proceeds of asset sales, (vi) restriction on transfer of assets, (vii) limitation on issuance and sale of capital stock by restricted subsidiaries, (viii) limitation on transactions with affiliates, (ix) limitation on dividend and other payment restrictions affecting restricted subsidiaries, (x) limitation on guarantees by restricted subsidiaries, (xi) limitation on certain other subordinated indebtedness

and (xii) restrictions on mergers, consolidations and the transfer of all or substantially all of the assets of the Company to another person. See "Description of the Notes--Certain Covenants."

Use of Proceeds.....

The net proceeds to the Company from the sale of the Notes offered hereby will be used to: (i) reduce the outstanding borrowings under the Revolving Credit Facility from approximately \$165 million to approximately \$135 million, (ii) repay all outstanding indebtedness under SPT's existing credit facilities, aggregating approximately \$109 million, and certain other indebtedness of SPT, aggregating approximately \$1 million, (iii) redeem \$100 million aggregate principal amount of SPT's 14 1/2% Senior Subordinated Debentures due May 15, 1999 (the "SPT Debentures") and (iv) pay approximately \$11 million of certain prepayment fees related to these transactions. See "Use of Proceeds" and "Capitalization."

Absence of Public Market.....

There is no public market for the Notes and the Company does not intend to apply for listing of the Notes on any national securities exchange or for quotation of the Notes on the Nasdaq Stock Market ("Nasdaq"). The Company has been advised by the Underwriters that, following the completion of the initial offering of the Notes, the Underwriters presently intend to make a market in the Notes; however, the Underwriters are under no obligation to do so and may discontinue such market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes or that an active public market for the Notes will develop. If an active public market does not develop, the market price and liquidity of the Notes may be adversely affected.

Prior to making an investment decision, prospective purchasers should consider all of the information set forth in this Prospectus and should evaluate the factors set forth in "Investment Considerations" herein.

SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following table presents summary historical consolidated financial data for the periods indicated. The financial data have been derived from the audited Consolidated Financial Statements of the Company for such periods. The pro forma financial data are derived from financial statements contained elsewhere in this Prospectus. The information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements and related notes thereto included elsewhere or incorporated by reference in this Prospectus. The unaudited pro forma operating data and financial ratios assume that the Refinancing and the 1993 Transactions occurred as of January 1, 1993. The unaudited pro forma balance sheet data assume that the Refinancing occurred as of December 31, 1993. The unaudited pro forma information does not purport to represent what the results of operations or financial position of the Company would actually have been if the Refinancing and the 1993 Transactions had in fact occurred on such dates.

	YEAR ENDED DECEMBER 31,					UNAUDITED PRO FORMA YEAR ENDED DEC. 31, 1993
	1989	1990	1991	1992	1993	
	(dollars in millions)					
OPERATING DATA:						
Revenues.....	\$632.0	\$708.2	\$673.5	\$801.2	\$756.1	\$1,003.7
Costs and expenses:						
Cost of products sold.....	419.1	466.7	461.6	533.2	508.0	752.7
Selling, general and administrative.....	172.1	193.9	194.0	209.9	207.6	210.7
Other, net.....	1.8	1.5	3.1	6.6	7.5	4.2
Restructuring and special charges (1).....	-	-	18.2	-	27.5	27.5
SPT equity losses (2).....	4.7	5.3	8.5	2.4	26.9	-
SP Europe equity losses (3).....	-	-	-	-	21.5	-
Operating income (loss).....	34.3	40.8	(11.9)	49.1	(42.9)	8.6
Interest expense, net.....	9.9	17.7	16.8	15.1	17.8	34.1
(Gain) on sale of businesses (4).....	(8.9)	-	-	-	(105.4)	-
Income (loss) before income taxes and cumulative effect of change in accounting methods and extraordinary loss.....	33.3	23.1	(28.7)	34.0	44.7	(25.5)
Provision (benefit) for income taxes.....	12.7	8.8	(7.1)	13.4	29.5	(3.4)
Income (loss) before cumulative effect of change in accounting methods and extraordinary loss.....	20.6	14.3	(21.6)	20.6	15.2	(22.1)
Cumulative effect of change in accounting methods, net of taxes (5).....	-	-	-	(5.7)	(31.8)	-
Extraordinary loss, net of taxes (6).....	-	-	-	-	(24.0)	-
Discontinued operations, net of taxes.....	57.7	-	-	-	-	-
Net income (loss).....	\$ 78.3	\$ 14.3	\$ (21.6)	\$ 14.9	\$ (40.6)	\$ (22.1)
Ratio of earnings to fixed charges (7).....	4.05x	2.30x	-	2.98x	5.15x	-
FINANCIAL RATIOS AND OTHER DATA:						
EBITDA (8).....	\$ 58.7	\$ 66.0	\$ 38.6	\$ 76.8	\$ 57.4	\$ 77.1
Depreciation.....	16.2	16.0	19.4	19.6	19.1	32.5
Amortization.....	3.5	3.9	4.4	5.7	5.3	8.5
Capital expenditures.....	41.0	26.7	19.4	20.4	15.1	30.6
Ratio of EBITDA to interest expense, net.....	5.93x	3.73x	2.30x	5.09x	3.22x	2.26x
BALANCE SHEET DATA (AT PERIOD END):						
Working capital.....					\$119.4	\$ 180.3
Property, plant and equipment, net.....					198.1	198.1
Total assets.....					1,024.4	932.4
Long-term debt.....					336.2	410.2
Shareholders' equity.....					145.4	145.4

(footnotes on next page)

(footnotes for preceding page)

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- (1) In 1993, the Company recognized a \$27.5 million (\$18.5 million aftertax) restructuring charge to combine its Bear Automotive operation with Allen Testproducts. In 1991, an \$18.2 million (\$14.7 million aftertax) special charge was recorded for organizational and facility consolidation of two operating units, the write off of certain capitalized computer software development costs, charges associated with further globalization of the Company's original equipment components affiliated businesses with an overseas partner, and charges for losses associated with certain project development investments and notes receivable related to previous sales of certain business units.
 - (2) Fiscal years 1989 through 1992 were restated to record the Company's previous 49% share of SPT's income or losses, the effect of amortizing the difference between its investment balance and its share of SPT's initial partnership capital deficit and an adjustment required to record the Company's previous investment in SPT at historical cost. Previously, because SPT indebtedness was non-recourse to the Company, the Company properly did not reflect its share of equity losses of SPT and did not amortize the difference between its investment balance and its share of SPT's initial partnership capital deficit. The cumulative effect of this 1989 through 1992 restatement was a pretax charge of \$15.9 million (or a \$10.1 million aftertax reduction) to previously reported shareholders' equity.
 - (3) Until December 31, 1993, the Company reported that it held a 50% interest in SP Europe. As of December 31, 1993, Riken's pending participation in SP Europe reverted to the Company in connection with the transaction to acquire Riken's 49% interest in SPT. SP Europe had not been previously consolidated due to the Company's deemed temporary control and because non-recourse (to the partners) financing was being pursued. Up to December 31, 1993, the Company carried its investment in SP Europe at zero. Due to the resulting 70% ownership, the Company is recording its share of cumulative losses since the partnership formation in mid-1991 of \$21.5 million.
 - (4) During 1993, the Company divested its aftermarket parts distribution and window and door hardware manufacturing businesses. See "Business--Business Strategy." During 1989, the Company divested five small businesses.
 - (5) In 1993, the Company adopted new accounting methodology for its employee stock ownership plan ("ESOP") and reflected its 49% share of SPT's 1993 adoption of SFAS No. 106 regarding accounting for postretirement benefits other than pensions. In 1992, the Company adopted new accounting methodology for postretirement benefits other than pensions, and income taxes.
 - (6) Reflects costs associated with prepayment of certain Company and SPT indebtedness.
 - (7) For purposes of determining the ratio of earnings to fixed charges, earnings consist of income (loss) before income taxes and cumulative effect of change in accounting methods and extraordinary loss, plus SPT equity losses, SP Europe equity losses and fixed charges. Fixed charges consist of interest expense, net (including amortization of deferred financing costs), and that portion of rental expense estimated to be representative of the interest factor. Earnings were insufficient to cover fixed charges by \$20.2 million in 1991 and by \$25.5 million in pro forma 1993. If the 1993 restructuring charge is excluded from 1993 pro forma earnings, the pro forma 1993 ratio of earnings to fixed charges would have been 1.05x.
 - (8) EBITDA represents operating income (loss) before restructuring and special charges, SPT equity losses, SP Europe equity losses, depreciation and amortization. EBITDA is not presented herein as an alternative measure of operating results, cash flow or liquidity. EBITDA is instead included because it is one measure used by certain investors as an indicator of a company's operating performance and its ability to service its indebtedness.

INVESTMENT CONSIDERATIONS

Prospective purchasers of the Notes should consider carefully the investment considerations set forth below as well as the other information contained in this Prospectus before purchasing the Notes.

SUBSTANTIAL INDEBTEDNESS

The Company will have significant debt service obligations after completion of the Refinancing. On a pro forma basis, assuming that the Refinancing had occurred on December 31, 1993, the Company would have had total outstanding long-term indebtedness (including the current portion thereof) and total shareholders' equity of approximately \$410 million and \$145 million, respectively. See "Capitalization." The Company would have had, subject to certain conditions, up to \$90 million of additional borrowing capacity under the Bank Credit Agreement as of that date.

The Company's indebtedness could have important consequences to holders of the Notes, including the following: (i) the Company's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes may be impaired, (ii) a portion of the Company's cash flow from operations will be dedicated to the payment of principal and interest on its indebtedness, thereby reducing the funds available to the Company for its operations and future business opportunities, (iii) a portion of the Company's borrowings under the Bank Credit Agreement will be at floating rates of interest, which could result in higher interest expense in the event of an increase in interest rates, (iv) such indebtedness contains financial and restrictive covenants which, if violated, may result in an event of default which, if not cured or waived, could have a material adverse effect on the Company, (v) the Company may be more vulnerable to general economic and industry downturns, (vi) the Company's ability to purchase the Notes upon a Change of Control may be impaired and (vii) all of the indebtedness under the Bank Credit Agreement will become due prior to the maturity of the Notes. In addition, the Bank Credit Agreement contains certain covenants which could limit the Company's operating and financial flexibility. See "Description of the Bank Credit Agreement" and "Description of the Notes."

SUBORDINATION OF THE NOTES

The payment of principal of, premium, if any, and interest on, and any other amounts owing in respect of, the Notes will be subordinated to the prior payment in full of all existing and future Senior Indebtedness, which includes indebtedness under the Bank Credit Agreement. As of December 31, 1993, on a pro forma basis, the aggregate principal amount of Senior Indebtedness outstanding of the Company and indebtedness and trade payables of the Company's subsidiaries that effectively rank senior to the Notes would have been approximately \$180 million. In the event of the bankruptcy, liquidation, dissolution, reorganization or other winding up of the Company, the assets of the Company will be available to pay obligations in respect of the Notes only after all Senior Indebtedness has been paid in full, and there may not be sufficient assets remaining to pay amounts due on any or all of the Notes. In addition, the Company may not pay the principal of, premium, if any, or interest on, and any other amounts owing in respect of, the Notes, or purchase, redeem or otherwise retire the Notes, if a default in payment exists with respect to Senior Indebtedness. Under certain circumstances, no payments may be made for a specific period with respect to the principal of, premium, if any, or interest on, and any other amounts owing in respect of, the Notes if a nonpayment default exists with respect to certain Senior Indebtedness, including indebtedness under the Bank Credit Agreement. See "Description of the Notes--Subordination."

The Company conducts a substantial portion of its operations through its subsidiaries, including SPT, and depends, in significant part, on the earnings and cash flow of, and dividends from, such subsidiaries to pay its obligations, including payments of principal of, premium, if any, and interest on the Notes. Any right of the Company and its creditors (including the holders of the Notes) to participate in the assets of any of the Company's subsidiaries upon any liquidation or reorganization of any such subsidiary will be subject to the prior claims of that subsidiary's creditors (except the Company, to the extent it may itself be a creditor of such subsidiary), including trade creditors. Accordingly, the Notes will be effectively subordinated to the claims of creditors of the Company's subsidiaries.

The indebtedness under the Revolving Credit Facility is unsecured, and the Bank Credit Agreement contains a negative covenant limiting the Company's right to grant security interests in its assets. The Notes will not be secured by any assets of the Company, and the Company will have the right under the Indenture to grant security interests in substantially all of its assets to secure Senior Indebtedness. See "Description of the Bank Credit Agreement" and "Description of the Notes."

RECENT LOSSES; FIXED CHARGE COVERAGE

The Company reported a net loss in fiscal year 1993 of \$41 million. Included in this loss was a restructuring charge, and equity losses in SPT and SP Europe aggregating \$57 million aftertax, changes in accounting methods of \$32 million aftertax and an extraordinary loss of \$24 million, offset by an aftertax gain of \$64 million on the sale of two businesses. On a pro forma basis, the Company would have had a net loss of \$22 million in 1993. There can be no assurance that the Company will not continue to have net losses in the future. The Company believes, however, that such losses will not continue and that net income and cash available to it from future operations will be sufficient to enable it to meet debt service requirements of the Notes and other indebtedness. Operating income before restructuring and special charges, SPT equity losses, SP Europe equity losses and depreciation and amortization for the fiscal years ended December 31, 1991, 1992 and 1993 was \$39 million, \$77 million and \$57 million, respectively. If the Company does experience additional net losses for a sustained period, it may be unable to meet such obligations while attempting to withstand competitive pressures or adverse economic conditions.

On a pro forma basis, the Company's earnings before fixed charges would have been inadequate to cover its fixed charges by \$26 million in 1993. If the 1993 restructuring charge of \$28 million is excluded from 1993 pro forma earnings, the pro forma 1993 ratio of earnings to fixed charges would have been 1.05x. However, there can be no assurance that the Company will have earnings before fixed charges sufficient to cover fixed charges in the future, including interest payments on the Notes.

MOTOR VEHICLE INDUSTRY CYCLICALITY

Approximately one-third of the Company's operations are directly related to domestic and foreign motor vehicle production, which is cyclical and dependent on general economic conditions and other factors. Any significant reduction in motor vehicle production would have an adverse effect on the level of the Company's sales to OEMs and the Company's business and financial results. In addition, there is substantial and continuing pressure from the major OEMs to reduce sourcing costs, including costs associated with outside suppliers such as the Company.

RELIANCE ON MAJOR CUSTOMERS

The Company's worldwide sales in 1993 to General Motors, Ford and Chrysler would have constituted approximately 17%, 10% and 8%, respectively, of its consolidated sales on a pro forma basis. No other customers accounted for more than 5% of the Company's consolidated sales in 1993. See "Business--Significant Customers."

Although the Company has had long-standing relationships with General Motors, Ford and Chrysler and sells a variety of products to various divisions of each company, if the Company lost any significant portion of its sales to any of these customers, such loss would have a material adverse effect on the financial condition and results of operations of the Company.

COMPETITION

The Company competes globally with a number of other manufacturers and distributors. Quality, technological innovation and price are the primary elements of competition. These competitors include vertically integrated units of the Company's major OEM customers, as well as a large number of independent domestic and international suppliers. A number of these companies are larger and have greater resources than the Company. A number of the Company's major OEM customers manufacture for their own use products that compete with certain of the Company's products. Although these OEM customers have indicated that

they will continue to rely on outside suppliers, the OEMs could elect to manufacture such products to meet their own requirements or to compete with the Company. There can be no assurance that the Company will not be adversely affected by increased competition in the markets in which it operates. The competitive environment also has changed dramatically over the past few years as the Company's traditional U.S. OEM customers, faced with intense international competition, have expanded their worldwide sourcing of components with the stated objective of better competing with lower-cost imports. As a result, the Company has experienced competition from suppliers in other parts of the world which enjoy certain competitive advantages such as lower labor costs, lower health care costs and, in some cases, export or raw material subsidies.

ABSENCE OF PUBLIC MARKET

There is no public market for the Notes and the Company does not intend to apply for listing of the Notes on any national securities exchange or for quotation of the Notes on Nasdaq. The Company has been advised by the Underwriters that, following the completion of the initial offering of the Notes, the Underwriters presently intend to make a market in the Notes; however, the Underwriters are under no obligation to do so and may discontinue such market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes or that an active public market for the Notes will develop. If an active public market does not develop, the market price and liquidity of the Notes may be adversely affected.

RECENT DEVELOPMENTS

On March 17, 1994, SPX consummated the SPT Purchase by acquiring the 49% ownership interest in SPT owned by Riken for \$39 million. The SPT Purchase was effective as of December 31, 1993. SPT constitutes substantially all of the Company's original equipment components segment.

USE OF PROCEEDS

The proceeds to the Company from the sale of the Notes, net of the estimated discount to the Underwriters and expenses related to the Offering, are estimated to be approximately \$251 million and will be used to: (i) reduce the outstanding borrowings under the Revolving Credit Facility from approximately \$165 million to approximately \$135 million, (ii) repay all outstanding indebtedness under SPT's existing credit facilities, aggregating approximately \$109 million, and certain other indebtedness of SPT, aggregating approximately \$1 million, (iii) redeem \$100 million aggregate principal amount of the SPT Debentures and (iv) pay approximately \$11 million of certain prepayment fees related to these transactions.

Borrowings under the Revolving Credit Facility mature on March 15, 1999, and bear interest, at the Company's option, either at (i) the greater of (x) the rate announced as the corporate base rate of the agent bank and (y) the applicable federal funds rate plus 0.5% or (ii) a Eurodollar rate plus 1%. On March 31, 1994, the interest rate under this facility was %. Borrowings under the Revolving Credit Facility aggregating approximately \$165 million and available cash were used by the Company to repay substantially all of the existing indebtedness of the Company (excluding indebtedness of SPT).

The existing credit facilities of SPT being repaid consist of a term loan facility, under which approximately \$79 million was outstanding as of December 31, 1993, and a revolving loan facility, under which approximately \$30 million was outstanding as of such date. Both credit facilities mature on September 30, 1996 and bear interest at a rate equal to, at the option of SPT, either LIBOR (adjusted for statutory reserves) plus 2 1/4% or an alternate base rate (which approximates the prime lending rate) plus 1 1/4%, which interest rate as of December 31, 1993, was %. However, SPT has entered into hedging arrangements that fix the interest rate on approximately \$70 million of these facilities, as of December 31, 1993, at 11 1/2%.

The SPT Debentures bear interest at the rate of 14 1/2% per annum and mature on May 15, 1999. Upon consummation of the Offering, the Company will deposit sufficient funds in trust with the trustee for the SPT Debentures to redeem the SPT Debentures. Upon such deposit, the indenture relating to the SPT Debentures will be discharged.

The Bank Credit Agreement allows the Company to borrow up to \$225 million under the Revolving Credit Facility upon consummation of the Offering. At such time, the Company expects to have approximately \$90 million of remaining borrowing capacity under the Revolving Credit Facility.

CAPITALIZATION

In connection with the SPT Purchase, the Company entered into the Bank Credit Agreement. The Revolving Credit Facility made available under this agreement provided the Company with borrowing availability of \$250 million, the primary purpose of which was to make additional working capital available and to permit the repayment of certain indebtedness of the Company, which, as a result of the SPT Purchase, could otherwise have been accelerated by the lenders thereof. The Company borrowed approximately \$165 million under the Revolving Credit Facility which, together with \$40 million in cash, the Company used to repay approximately \$205 million of its outstanding indebtedness. In addition, the Company used approximately \$65 million of cash to (i) consummate the SPT Purchase for \$39 million and (ii) pay prepayment and other fees and expenses relating to these transactions amounting to approximately \$26 million. The foregoing transactions are sometimes referred to collectively as the "Initial Transactions."

The Company will use the net proceeds from the Offering to: (i) reduce the outstanding borrowings under the Revolving Credit Facility from \$165 million to \$135 million, (ii) repay all outstanding indebtedness of SPT, aggregating approximately \$210 million and (iii) pay approximately \$11 million of certain prepayment and other fees and expenses related to these transactions. See "Use of Proceeds." The foregoing transactions are sometimes referred to as the "Final Transactions." The Initial Transactions and the Final Transactions collectively constitute the Refinancing.

The following table sets forth the historical consolidated capitalization of the Company and as adjusted to give effect to the Initial Transactions as though consummated as of December 31, 1993 and as further adjusted for the Final Transactions. The table should be read in conjunction with the Consolidated Financial Statements and the notes thereto and "Selected Historical Consolidated Financial Information" included elsewhere in this Prospectus.

	DECEMBER 31, 1993				
	HISTORICAL	INITIAL TRANSACTIONS	AS ADJUSTED	FINAL TRANSACTIONS	PRO FORMA
	(dollars in millions)				
NOTES PAYABLE AND CURRENT MATURITIES OF LONG-TERM DEBT:					
SPX					
Senior notes, 9.72%.....	\$ 5.0	\$ (5.0)	\$ -		\$ -
Bank loans.....	50.0	(50.0)	-		-
Note to Allen Group, 8.0%.....	6.6	(6.6)	-		-
ESOP guarantee.....	2.4	(2.4)	-		-
Other debt.....	3.3	(3.3)	-		-
Total SPX.....	67.3	-	-		-
SPT					
Term bank loan.....	25.4		25.4	\$ (25.4)	-
Mortgage note, 9.625%.....	1.3		1.3	(1.3)	-
Total SPT.....	26.7		26.7		-
Total notes payable and current maturities of long-term debt.....	94.0		26.7		
LONG-TERM DEBT:					
SPX					
Bank Credit Agreement.....	-	165.3	165.3	(30.3)	135.0
Senior notes, 9.72% and 9.58%.....	70.0	(70.0)	-		-
Industrial revenue bonds.....	15.2		15.2		15.2
Note to Allen Group, 8.0%.....	13.1	(13.1)	-		-
ESOP guarantee.....	39.7	(39.7)	-		-
Other debt.....	14.7	(14.7)	-		-
Notes offered hereby.....	-		-	260.0	260.0
Total SPX.....	152.7		180.5		410.2
SPT					
Senior subordinated debentures, 14.5%.....	100.0		100.0	(100.0)	-
Term bank loan.....	53.5		53.5	(53.5)	-
Revolving credit loans.....	30.0		30.0	(30.0)	-
Total SPT.....	183.5		183.5		-
Total long-term debt.....	336.2		364.0		410.2
Total debt.....	430.2		390.7		410.2
SHAREHOLDERS' EQUITY:					
Common stock, par value \$10 per share, 50,000,000 shares authorized; 15,555,835 shares issued.....	155.6		155.6		155.6
Paid-in capital.....	58.9		58.9		58.9
Retained earnings.....	20.3		20.3		20.3
Other.....	(89.4)		(89.4)		(89.4)
Total shareholders' equity.....	145.4		145.4		145.4

Total capitalization.....

\$575.6

\$536.1

\$555.6

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The following Pro Forma Consolidated Financial Statements of the Company are unaudited and are based on the Consolidated Financial Statements of the Company included elsewhere and incorporated by reference in this Prospectus, adjusted to give effect to the Refinancing and the 1993 Transactions.

The Unaudited Condensed Pro Forma Consolidated Statements of Operations for the year ended December 31, 1993 have been adjusted to give effect to the Refinancing and the 1993 Transactions as if such transactions had occurred on January 1, 1993. The Unaudited Condensed Pro Forma Consolidated Balance Sheet at December 31, 1993 has been adjusted to give effect to the Refinancing as if the Refinancing had occurred on December 31, 1993. The pro forma adjustments are based upon available information and certain assumptions that the management of the Company believes are reasonable. The Pro Forma Consolidated Financial Statements do not purport to represent what the Company's financial position or results of operations would actually have been if the transactions had occurred on the dates specified or to project the Company's financial position or results of operations for any future period.

The Pro Forma Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements of the Company and related notes thereto, and other information pertaining to the Company, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," included elsewhere and incorporated by reference in this Prospectus.

UNAUDITED CONDENSED PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS

YEAR ENDED DECEMBER 31, 1993

	HISTORICAL	ATP & AGL (1)	SPR (2)	TRUTH (3)	SP EUROPE (4)	SPT (5)	PRO FORMA ADJUSTMENTS	PRO FORMA
	(dollars in millions)							
Revenues.....	\$756.1	\$ 32.4	\$(137.9)	\$(79.1)	\$ 40.6	\$391.6	\$ -	\$1,003.7
Costs and expenses:								
Cost of products.....	508.0	14.1	(89.5)	(57.5)	44.6	337.8	(6.8) (1) 2.0 (5)	752.7
Selling, general and administrative.....	207.6	20.5	(37.2)	(7.3)	9.1	28.2	(10.2) (1)	210.7
Other, net.....	7.5	-	.2	(.4)	.5	(2.0)	.3 (1) (4.3) (4) 2.4 (5)	4.2
Restructuring charge.....	27.5	-	-	-	-	-	-	27.5
SPT equity losses.....	26.9	-	-	-	-	-	(26.9) (5)	-
SP Europe equity losses.....	21.5	-	-	-	-	-	(21.5) (4)	-
Operating income (loss)....	(42.9)	(2.2)	(11.4)	(13.9)	(13.6)	27.6	65.0	8.6
Interest, net.....	17.8	1.6	-	-	.9	27.1	(13.3) (6)	34.1
(Gain) on sale of businesses.....	(105.4)	-	-	-	-	-	105.4 (7)	-
Income before income taxes.....	44.7	(3.8)	(11.4)	(13.9)	(14.5)	.5	(27.1)	(25.5)
Provision (benefit) for income taxes.....	29.5	-	-	-	-	-	(32.9) (8)	(3.4)
Net income (9).....	\$ 15.2	\$ (3.8)	\$(11.4)	\$(13.9)	\$ (14.5)	\$.5	\$ 5.8	\$ (22.1)

- (1) Historical results of Allen Testproducts ("ATP") and its related leasing company, Allen Group Leasing ("AGL"), through June 10, 1993, the date of acquisition. Pro forma adjustments include a \$6.8 million reduction in cost of products sold resulting primarily from work force reductions; a \$10.2 million reduction in selling, general and administrative resulting primarily from work force reductions; and \$.3 million additional goodwill amortization.
- (2) Results of the Company's aftermarket parts distribution business, Sealed Power Replacement ("SPR"), through October 22, 1993, the date of divestiture.
- (3) Results of the Company's window and door hardware manufacturing business, Truth Hardware ("Truth"), through November 5, 1993, the date of divestiture.
- (4) SP Europe was consolidated as of December 31, 1993. This pro forma adds the results of operations for the full year. Pro forma adjustments include the minority owner's share of losses, \$4.3 million, and \$21.5 million to reverse the Company's share of equity losses as SP Europe is consolidated in the pro forma.
- (5) SPT was consolidated as of December 31, 1993. This pro forma adds the results of operations for the full year. Pro forma adjustments include \$2.0 million of additional depreciation expense resulting from purchase accounting; \$2.4 million to reflect goodwill amortization resulting from purchase accounting; and \$26.9 million to reverse the Company's share of equity losses as SPT is consolidated in the pro forma.
- (6) Adjustment to interest expense, net, to reflect estimated interest expense assuming that the Revolving Credit Facility and the Notes were outstanding on January 1, 1993. Pro forma adjustments also reflect amortization of deferred financing fees.
- (7) Reversal of gain on the sale of SPR and Truth.
- (8) Adjustment to income tax expense to reflect a consolidated effective rate of 39% which was then adjusted for the inability to derive tax benefits from SP Europe losses and the effect of the change in the U.S. federal income tax rate to 35% from 34% on deferred tax assets and liabilities.
- (9) Income (loss) excludes the cumulative effect of changes in accounting methods for ESOP accounting, SPT's 1993 SFAS No. 106 adoption and the 1993 extraordinary loss recorded for the early retirement of indebtedness.

UNAUDITED CONDENSED PRO FORMA CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1993

	HISTORICAL	INITIAL TRANSACTIONS	AS ADJUSTED	FINAL TRANSACTIONS	PRO FORMA
(dollars in millions)					
ASSETS:					
Cash and temporary cash investments.....	\$ 117.8	\$ (39.0) (1) (26.6) (2) (39.5) (3)	\$ 12.7		\$ 12.7
Receivables.....	123.1		123.1		123.1
Inventories.....	159.2		159.2		159.2
Other current assets.....	118.1		118.1		118.1
Current assets.....	518.2		413.1		413.1
Property, plant and equipment, net.....	198.1		198.1		198.1
Other long-term assets.....	308.1	4.1 (2)	312.2	\$ 9.0 (4)	321.2
	\$ 1,024.4		\$923.4		\$932.4
LIABILITIES AND SHAREHOLDERS' EQUITY:					
Notes payable and current maturities of long-term debt.....	\$ 94.0	(67.3) (3)	\$ 26.7	(26.7) (5)	\$ -
Accounts payable.....	63.0		63.0		63.0
Accrued liabilities.....	230.0	(39.0) (1) (22.5) (2)	168.5	(10.5) (4)	158.0
Income taxes payable.....	11.8		11.8		11.8
Current liabilities.....	398.8		270.0		232.8
Long-term liabilities.....	123.2		123.2		123.2
Deferred income taxes.....	20.8		20.8		20.8
Long-term debt:					
Existing debt.....	336.2	(137.5) (3)	198.7	(183.5) (5)	15.2
Bank Credit Agreement.....	-	165.3 (3)	165.3	(30.3) (5)	135.0
Notes offered hereby.....	-		-	260.0 (5)	260.0
Total long-term debt.....	336.2		364.0		410.2
Shareholders' equity:					
Common stock.....	155.6		155.6		155.6
Paid-in capital.....	58.9		58.9		58.9
Retained earnings.....	20.3		20.3		20.3
Other.....	(89.4)		(89.4)		(89.4)
Total shareholders' equity.....	145.4		145.4		145.4
	\$ 1,024.4		\$923.4		\$932.4

- (1) Payment to consummate the SPT Purchase.
- (2) Payment of debt extinguishment fees, bank financing fees and organizational fees.
- (3) Borrowings under the Revolving Credit Facility and use of cash to pay existing indebtedness of the Company.
- (4) Payment of fees and expenses related to the Refinancing (including issuance of the Notes).
- (5) Includes issuance of the Notes, payment of existing SPT indebtedness and reduction of amounts outstanding under the Revolving Credit Facility.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following table presents selected historical consolidated financial data for the periods indicated. The financial data have been derived from the audited Consolidated Financial Statements of the Company for such periods. The information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements and related notes thereto included elsewhere or incorporated by reference in this Prospectus.

	YEAR ENDED DECEMBER 31				
	1989	1990	1991	1992	1993
	(dollars in millions)				
OPERATING DATA:					
Revenues.....	\$632.0	\$708.2	\$673.5	\$801.2	\$ 756.1
Costs and expenses:					
Cost of products sold.....	419.1	466.7	461.6	533.2	508.0
Selling, general, and administrative.....	172.1	193.9	194.0	209.9	207.6
Other, net.....	1.8	1.5	3.1	6.6	7.5
Restructuring and special charges (1)....	-	-	18.2	-	27.5
SPT equity losses (2).....	4.7	5.3	8.5	2.4	26.9
SP Europe equity losses (3).....	-	-	-	-	21.5
Operating income (loss).....	34.3	40.8	(11.9)	49.1	(42.9)
Interest expense, net.....	9.9	17.7	16.8	15.1	17.8
(Gain) on sale of businesses (4).....	(8.9)	-	-	-	(105.4)
Income (loss) before income taxes and cumulative effect of change in accounting methods and extraordinary loss.....	33.3	23.1	(28.7)	34.0	44.7
Provision (benefit) for income taxes.....	12.7	8.8	(7.1)	13.4	29.5
Income (loss) before cumulative effect of change in accounting methods and extraordinary loss.....	20.6	14.3	(21.6)	20.6	15.2
Cumulative effect of change in accounting methods, net of taxes (5).....	-	-	-	(5.7)	(31.8)
Extraordinary loss, net of taxes (6).....	-	-	-	-	(24.0)
Discontinued operations, net of taxes.....	57.7	-	-	-	-
Net income (loss).....	\$ 78.3	\$ 14.3	\$ (21.6)	\$ 14.9	\$ (40.6)
Ratio of earnings to fixed charges (7).....	4.05x	2.30x	-	2.98x	5.15x
FINANCIAL RATIOS AND OTHER DATA:					
EBITDA (8).....	\$ 58.7	\$ 66.0	\$ 38.6	\$ 76.8	\$ 57.4
Depreciation.....	16.2	16.0	19.4	19.6	19.1
Amortization.....	3.5	3.9	4.4	5.7	5.3
Capital expenditures.....	41.0	26.7	19.4	20.4	15.1
Ratio of EBITDA to interest expense, net...	5.93x	3.73x	2.30x	5.09x	3.22x
BALANCE SHEET DATA (AT PERIOD END):					
Working capital.....	\$186.1	\$260.7	\$195.1	\$182.2	\$ 119.4
Property, plant and equipment, net.....	109.1	117.9	116.3	116.8	198.1
Total assets.....	574.6	624.1	579.3	560.3	1,024.4
Long-term debt.....	152.7	226.2	199.7	160.3	336.2
Shareholders' equity.....	202.1	210.6	180.7	185.5	145.4

(footnotes on the next page)

(footnotes for preceding page)

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- (1) In 1993, the Company recognized a \$27.5 million (\$18.5 million aftertax) restructuring charge to combine its Bear Automotive operation with Allen Testproducts. In 1991, an \$18.2 million (\$14.7 million aftertax) special charge was recorded for organizational and facility consolidation of two operating units, the write off of certain capitalized computer software development costs, charges associated with further globalization of the Company's original equipment components affiliated businesses with an overseas partner, and charges for possible losses associated with certain project development investments and notes receivable related to previous sales of certain business units.
 - (2) Fiscal years 1989 through 1992 were restated to record the Company's previous 49% share of SPT's income or losses, the effect of amortizing the difference between its investment balance and its share of SPT's initial partnership capital deficit and an adjustment required to record the Company's previous investment in SPT at historical cost. Previously, because SPT indebtedness was non-recourse to the Company, the Company properly did not reflect its share of equity losses of SPT and did not amortize the difference between its investment balance and its share of SPT's initial partnership capital deficit. The cumulative effect of this 1989 through 1992 restatement was a pretax charge of \$15.9 million (or a \$10.1 million aftertax reduction) to previously reported shareholders' equity.
 - (3) Until December 31, 1993, the Company reported that it held a 50% interest in SP Europe. As of December 31, 1993, Riken's pending participation in SP Europe reverted to the Company in connection with the transaction to acquire Riken's 49% interest in SPT. SP Europe had not been previously consolidated due to the Company's deemed temporary control and because non-recourse (to the partners) financing was being pursued. Up to December 31, 1993, the Company carried its investment in SP Europe at zero. Due to the resulting 70% ownership, the Company is recording its share of cumulative losses since the partnership formation in mid-1991 of \$21.5 million.
 - (4) During 1993, the Company divested its aftermarket parts distribution and window and door hardware manufacturing businesses. See "Business--Business Strategy." During 1989, the Company divested five small businesses.
 - (5) In 1993, the Company adopted new accounting methodology for its ESOP and reflected its 49% share of SPT's 1993 adoption of SFAS No. 106 regarding accounting for postretirement benefits other than pensions. In 1992, the Company adopted new accounting methodology for postretirement benefits other than pensions, and income taxes.
 - (6) Reflects costs associated with prepayment of certain Company and SPT indebtedness.
 - (7) For purposes of determining the ratio of earnings to fixed charges, earnings consist of income (loss) before income taxes and cumulative effect of change in accounting methods and extraordinary loss, plus SPT equity losses, SP Europe equity losses and fixed charges. Fixed charges consist of interest expense, net (including amortization of deferred financing costs), and that portion of rental expense estimated to be representative of the interest factor. Earnings were insufficient to cover fixed charges by \$20.2 million in 1991.
 - (8) EBITDA represents operating income (loss) before restructuring and special charges, SPT equity losses, SP Europe equity losses, depreciation and amortization. EBITDA is not presented herein as an alternative measure of operating results, cash flow or liquidity. EBITDA is instead included because it is one measure used by certain investors as an indicator of a company's operating performance and its ability to service its indebtedness.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

FISCAL YEAR ENDED DECEMBER 31, 1993 AS COMPARED TO FISCAL YEAR ENDED DECEMBER 31, 1992

Revenues

The following are revenues by business segment:

	YEAR		INCREASE (DECREASE)	
	1993	1992	AMOUNT	PERCENT
	-----		-----	
	1993	1992		
	-----		-----	
	(dollars in millions)			
Specialty service tools.....	\$503.6	\$539.6	\$ (36.0)	(6.7)%
Original equipment components.....	26.6	15.2	11.4	75.0
SPX Credit Corporation.....	9.0	-	9.0	-
Businesses sold in 1993.....	216.9	246.4	(29.5)	(12.0)
	-----		-----	
Total.....	\$756.1	\$801.2	\$ (45.1)	(5.6)
	-----		-----	

Total revenues for 1993 were lower than 1992 due primarily to lower specialty service tools segment revenues and reduced revenues from businesses which were sold in the fourth quarter of 1993. These declines in revenues were offset by increased revenues in the original equipment components segment and the inclusion of lease financing revenues since June 1993 when the SPX Credit Corporation was formed.

Revenues of the specialty service tools segment were down \$36.0 million principally from reduced sales of refrigerant recovery and recycling systems. In 1992, revenues benefited from \$60.0 million of incremental sales of HFC134a refrigerant recovery and recycling systems to franchised vehicle dealers as many OEMs required their dealers to purchase this equipment. The balance of the specialty service tools segment revenues was up in 1993 due to higher essential tool programs, improved general U.S. economic conditions, increased sales of electronic hand-held diagnostic equipment and the June 1993 acquisition of Allen Testproducts.

Revenues of the original equipment components segment were up significantly from 1992 as more automatic transmissions incorporated the Company's electronic solenoid valve. Management believes that revenues from these valves will continue to increase as more automatic transmissions begin to incorporate these valves. Beginning in 1994, revenues of SPT and SP Europe will be included in this segment. In 1993 and 1992, aggregate revenues for SPT and SP Europe were \$432.1 million and \$404.9 million, respectively.

Gross Profit

Gross profit was \$248.1 million, or 32.8% of revenues, in 1993 compared to \$268.0 million, or 33.5% of revenues, in 1992. The decrease in gross margin in 1993 relates to the reduction in higher margin refrigerant recovery and recycling equipment sales and the related higher manufacturing volumes, certain costs and redundancies incurred during the integration of Bear Automotive and Allen Testproducts and increased sales of solenoid valves which carry a lower gross margin. Inclusion of lease financing revenues increased the gross margin in 1993, as such revenues do not have a related cost of sales. In 1992, the effect of inventory reductions resulted in a \$1.8 million decrease in costs related to LIFO inventory liquidations compared to \$0.5 million in 1993.

Selling, General and Administrative Expense

Selling, general and administrative expense ("SG&A") was \$207.6 million, or 27.5% of revenues, in 1993 compared to \$209.9 million, or 26.2% of revenues, in 1992. In 1993, expense was down from 1992 primarily due to the divestitures of SPR and Truth in the fourth quarter and the impact of the new ESOP accounting method. In 1993, interest on ESOP debt was classified as "interest expense, net" (\$3.9 million), whereas, in 1992, the majority of this amount was included in SG&A. Offsetting these reductions was the acquisition of Allen Testproducts in June, a business with relatively high SG&A as a percentage of revenues.

Operating Income (Loss)

The following is operating income (loss) by business segment:

	YEAR		INCREASE (DECREASE)
	1993	1992	
	(dollars in millions)		
Specialty service tools.....	\$ (11.7)	\$ 51.7	\$ (63.4)
Original equipment components.....	(46.5)	(7.0)	(39.5)
SPX Credit Corporation.....	5.5	-	5.5
Businesses sold in 1993.....	25.2	21.5	3.7
General corporate.....	(15.4)	(17.1)	1.7
Total.....	\$ (42.9)	\$ 49.1	\$ (92.0)

Overall operating income (loss) was significantly reduced by the \$27.5 million restructuring charge recorded in 1993. Excluding this restructuring charge, 1993 operating loss would have been \$15.4 million compared to \$49.1 million of income in 1992. This decrease is associated with lower sales of refrigerant recovery and recycling systems and integration costs at Automotive Diagnostics and SPT and SP Europe equity losses.

The specialty service tools segment incurred an \$11.7 million loss in 1993, which includes a \$27.5 million restructuring charge for the combination of Bear Automotive and Allen Testproducts into the new Automotive Diagnostics division (see the following paragraph). Excluding the restructuring charge, 1993 operating income would have been \$15.8 million compared to \$51.7 million of income in 1992. This decrease is associated with lower sales of refrigerant recovery and recycling systems and other integration costs at Automotive Diagnostics.

The \$27.5 million restructuring charge to combine the businesses into the Automotive Diagnostics division was recorded in the third quarter of 1993. Of the \$27.5 million restructuring charge, approximately \$16.0 million relates to work force reductions and associated costs. The combined businesses started with approximately 2,200 employees. That number was reduced to 1,800 at December 31, 1993 and will be at approximately 1,700 by the end of the second quarter of 1994. The charge also included \$9.3 million of facility duplication and shutdown costs, including the write down of excess assets of \$4.2 million (non-cash). The balance of the reserves at December 31, 1993 was approximately \$14.5 million, which is principally required for remaining work force reduction and facility closing costs.

The original equipment components segment's 1993 operating loss includes SPT equity losses of \$26.9 million and SP Europe equity losses of \$21.5 million. Offsetting these losses, to some extent, were the improved results of the Company's electronic solenoid valve operation.

Interest Expense, Net

Interest expense, net, was \$17.8 million in 1993 compared to \$15.1 million in 1992. Interest costs have been decreasing since 1991 due to favorable interest rates and overall lower average borrowing levels. In 1993, interest expense increased by \$3.9 million when compared to 1992 and 1991 levels as new accounting for the Company's ESOP now recognizes the interest element on the ESOP debt. Prior to 1993, this expense was classified as administrative expense. The interest element on ESOP debt in 1992 and 1991, which was included in administrative expense, was \$4.1 million and \$4.0 million, respectively.

Gain on Sale of Businesses

A \$105.4 million pretax gain on the sale of SPR (\$52.4 million) and Truth (\$53 million) was recorded during the fourth quarter. The operating results of these units were included through their dates of divestiture, October 22, 1993 for SPR, and November 5, 1993 for Truth. The combined aftertax gain was \$64.2 million.

current year costs associated with adoption of SFAS No. 106 -- "Employers' Accounting for Postretirement Benefits Other than Pensions."

Operating Income (Loss)

The following is operating income (loss) by business segment:

	YEAR		
	1992	1991	INCREASE
	(dollars in millions)		
Specialty service tools.....	\$ 51.7	\$ 3.3	\$ 48.4
Original equipment components.....	(7.0)	(15.0)	8.0
Businesses sold in 1993.....	21.5	20.0	1.5
General corporate.....	(17.1)	(20.2)	3.1
Total.....	\$ 49.1	\$ (11.9)	\$ 61.0

Operating losses in 1991 were impacted by an \$18.2 million special charge (discussed below). Excluding this special charge, 1991 operating income would have been \$6.3 million compared to \$49.1 million in 1992. The significant increase was principally due to income related to the incremental sales of refrigerant recovery and recycling systems as well as generally improved sales of specialty service tools.

The specialty service tools segment's 1991 operating income was impacted by a special charge of \$12.5 million related to organizational and facility consolidation of two operating units and the write off of certain capitalized computer software development costs due to conceptual changes in future product offerings. Without the special charge, 1991 operating income would have been \$15.9 million compared to \$51.7 million in 1992. In 1992, operating income increased primarily from approximately \$100 million of incremental sales of refrigerant recovery and recycling systems as well as generally improved sales of specialty service tools.

The original equipment components segment's operating losses decreased due to improvements at the Company's electronic solenoid valve operation and due to reduced SPT equity losses (a \$2.4 million loss in 1992 compared to an \$8.5 million loss in 1991). In addition, 1991 operating losses included a \$2.6 million special charge for the start-up related reduced value of RSV, a joint venture with Riken, which produces solenoid valves for the Asia Pacific Rim market.

General corporate expenses in 1991 included a \$3.0 million special charge related to losses on certain project development investments and notes receivable related to previous business unit sales.

Interest Expense, Net

Interest expense, net, was \$15.1 million in 1992 and \$16.8 million in 1991 due primarily to lower short-term interest rates.

Provision (Benefit) for Income Taxes

The Company's 1992 effective income tax rate was 39.5% compared to a 25.0% benefit in 1991. The 1992 rate represents a normal effective income tax rate. The 1991 rate of benefit was the result of the Company not recognizing a deferred tax benefit on some cost elements included in the special charge recorded that year, as future tax realization was uncertain.

Cumulative Effect of Change in Accounting Methods, Net of Taxes

In 1992, the Company adopted two new accounting methods relating to postretirement benefits other than pensions, and income taxes. See Note 2 to the Consolidated Financial Statements for a detailed explanation of these changes.

LIQUIDITY AND FINANCIAL CONDITION

The Company's liquidity needs arise primarily from making capital investment in new equipment, funding working capital requirements and meeting interest costs.

As a result of the Company's acquisition activity in 1993, the Company will be more leveraged than in the past. This financial leverage will require management to focus on cash flows to meet increased interest costs and to maintain dividends. Management believes that operations and the credit arrangements established will be sufficient to supply the future funds needed by the Company.

Management also believes that improvements in operations accomplished in 1993, coupled with completion of other cost reduction activities begun in 1993, will improve the cash flows of the Company.

Cash Flow

	YEAR		
	1993	1992	1991
	(in millions)		
Cash flows from operating activities.....	\$ 25.3	\$ 67.5	\$ 67.4
Cash flows from investing activities.....	44.3	(24.9)	(34.9)
Cash flows from financing activities.....	38.5	(44.0)	(33.9)
Net cash flow.....	\$108.1	\$ (1.4)	\$ (1.4)

Operating cash flow was significantly lower in 1993 than in 1992 due to lower operating earnings, the cash utilization of the Automotive Diagnostics division restructuring reserve, higher tax payments and increases in the amount of lease receivables.

Cash flows from investing activities in 1993 reflected the net proceeds from the divestiture of SPR and Truth of approximately \$189 million and the purchase of Allen Testproducts and AGL for approximately \$102 million. In addition, 1993 included \$19.9 million of advances to SP Europe prior to its being consolidated into the Company's balance sheet compared to \$3.1 million in 1992. In 1991, the \$12.1 million purchase of Miller Special Tools and \$5.0 million invested in SPT are included.

Cash flows from financing activities reflected \$37.7 million of reduction in indebtedness in 1992 compared to \$44.0 million of additional borrowings in 1993. In 1991, a \$24.2 million reduction in indebtedness was achieved.

The resulting \$108.1 million in 1993 cash flow was reflected in the year-end cash and temporary cash investment balance. A significant portion of this cash balance was utilized during the first quarter of 1994 to complete the SPT Purchase and to refinance certain SPX indebtedness.

After completion of the Refinancing, management believes that the additional availability of borrowings is sufficient to meet operational cash requirements, working capital requirements and capital expenditures planned for 1994.

Capital Expenditures

Capital expenditures were \$15.1 million in 1993, \$20.4 million in 1992 and \$19.4 million in 1991. Management expects to continue to incur incremental capital expenditures to develop new products, improve product and service quality, and expand the business. With the consummation of the SPT Purchase, capital expenditures will increase due to SPT's capital intensity. SPT's capital expenditures, net, were \$17.8 million in 1993, \$12.9 million in 1992 and \$13.1 million in 1991. Capital expenditures planned in 1994 for the Company (including SPT) are approximately \$45 million. Significant projects include expanded cylinder sleeve manufacturing capabilities, an additional solenoid valve production line and a facility expansion at a major manufacturing plant. Management estimates that annual capital expenditures of approximately \$15 million are required to maintain the Company's (including SPT's) current operations.

Acquisitions and Divestitures

After the acquisition and divestiture activity in 1993, management does not foresee any significant acquisitions or divestitures. Flexibility is available under the Bank Credit Agreement and Notes to allow for strategically oriented acquisitions that directly complement the Company's existing businesses.

SEASONALITY, WORKING CAPITAL AND CYCLICALITY

The majority of the Company's revenues is not subject to seasonal variation. Revenues of the original equipment components segment are predominantly dependent upon domestic and foreign vehicle production, which is cyclical, and on general economic conditions and other factors. Revenues of the specialty service tools segment are dependent upon the frequency of new vehicle introductions and the general economic status of vehicle dealers and aftermarket maintenance facilities. These factors can, therefore, affect the Company's working capital requirements. However, because the Company receives production forecasts and new vehicle introduction information from OEMs, the Company is better able to anticipate and manage these requirements. See "Investment Considerations--Motor Vehicle Industry Cyclicity."

IMPACT OF INFLATION

The Company believes that inflation has not had a significant impact on operations during the period of 1991 through 1993 in any of the countries in which the Company operates.

OTHER MATTERS

Accounting Pronouncements. As of the beginning of 1994, the Company must adopt Statement of Financial Accounting Standards, No. 112, "Employers' Accounting for Postemployment Benefits." This standard requires that the cost of benefits provided to former or inactive employees be recognized on the accrual basis of accounting. The Company does not anticipate that this standard will materially impact its financial position or results of operations upon adoption.

Automotive Diagnostics. At December 31, 1993, \$74 million of goodwill relates to the Automotive Diagnostics division (composed of Bear Automotive and Allen Testproducts, which was acquired in 1993). Automotive Diagnostics has incurred significant operating losses in 1993 and in prior years. The Company projects that, in the near future, the cost savings, market synergies and other factors which, in part, will be realized from the Bear Automotive and Allen Testproducts combination will result in non-discounted operating income sufficient to exceed goodwill amortization. However, should such projections require downward revision based on changed events or circumstances, the Automotive Diagnostics division's goodwill may require write down. Although having no cash flow impact, the resulting charge, if any, could materially reduce the Company's future reported results of operations and shareholders' equity. At this time, based upon present information, projections and strategic plans, the Company has concluded that there has been no permanent impairment of the Automotive Diagnostics division's tangible or intangible assets.

Tax Settlement. During the fourth quarter of 1993, the Company settled a dispute with the Internal Revenue Service regarding the Company's tax deferred treatment of the 1989 transaction in which several operating units of the Company were contributed to SPT. The settlement of approximately \$5 million in tax eliminates the IRS contention that one-half of the 1989 transaction was currently taxable. The settlement and interest will be paid during the second quarter of 1994 and is adequately provided for in the Company's deferred income tax accounts.

Actuarial Discount Rate. At year-end 1993, the Company (and SPT) reduced the discount rate used for computation of pension and postretirement benefits to 7.5% from the previous 8.25%. This assumption change had no effect on 1993 results of operations, but will increase expense in the future. The Company does not expect the increase to be material as certain other actuarial assumptions, including salary growth and medical trend rates, were also modified to reflect current experience. The future discount rate is subject to change as long-term interest rates and other such factors warrant.

Environmental. The Company's operations and products are subject to federal, state and local regulatory requirements relating to environmental protection. It is the Company's policy to comply fully with all such applicable requirements. As part of its effort to comply, management has established an ongoing

internal compliance auditing program which has been in place since 1989. Based on current information, management believes that the Company's operations are in substantial compliance with applicable environmental laws and regulations and the Company is not aware of any violation that could have a material adverse effect on the business, financial condition or results of operations of the Company. There can be no assurance, however, that currently unknown matters, new laws and regulations, or stricter interpretations of existing laws and regulations will not materially affect the Company's business or operations in the future. See Note 18 to the Consolidated Financial Statements for a more detailed discussion.

Foreign Net Operating Loss Carryforwards. The Company has foreign net operating loss carryforwards ("NOLs") of approximately \$32.5 million as of December 31, 1993. These NOLs are available to offset applicable future foreign taxable income and, for the most part, expire in years after 1996. These NOLs have been fully reserved through the valuation allowance due to uncertainty regarding the ability to realize these tax assets.

BUSINESS

GENERAL

The Company is a global leader in the design, manufacture and marketing of specialty service tools for the franchised dealers of vehicle manufacturers and of piston rings, cylinder sleeves and automatic transmission filters for OEMs. The Company also is a major designer, manufacturer and marketer of electronic engine diagnostic equipment, emission testing equipment, wheel service equipment and other specialty service tools for independent vehicle aftermarket users in North America and Europe. The Company also provides numerous other original equipment components, including die cast parts, valve train components and solenoid valves, to OEMs, and specialty service tools to other non-vehicle markets.

The Company was organized in 1911 and was known as The Piston Ring Company until 1931, when it changed its name to Sealed Power Corporation. The name was again changed in 1988 to SPX Corporation. The Company's principal executive offices are located at 700 Terrace Point Drive, Muskegon, Michigan 49443, and its telephone number is (616) 724-5000.

INDUSTRY OVERVIEW

The Company serves two broad markets in the vehicle industry. The Company's specialty service tools are sold to the vehicle maintenance and repair market and are used primarily by the OEMs' franchised dealers and other independent service technicians to diagnose and service a wide range of vehicle systems and equipment. As OEMs develop and manufacture new products, corresponding specialty mechanical, electronic and hydraulic tools must be developed to diagnose and service specific problems and aid in the improvement of performance. In the past decade, the vehicle maintenance and repair market increased its demand for specialty service tools as a result of several trends: (i) the increase in the frequency of new model introductions by OEMs, (ii) the advance in the engineering, computerization and technological complexity of these new introductions and (iii) the increase in service dollars spent at franchise dealers as a result of extended new vehicle warranty periods. Sales of specialty service tools which are essential to franchised dealers, the Company's largest group of customers for these products, tend to vary with changes in vehicle design and the number of dealers and are not directly dependent on the volume of vehicles that are produced by OEMs. In addition, environmental and safety regulations have become more stringent and require specially designed diagnostic and other tools to comply with such regulations.

The other broad market served by the Company is the OEM and replacement parts market, to which the Company's original equipment components are sold. The U.S., Canadian and European OEM market is primarily composed of four classes of customers: (i) U.S. manufacturers, principally consisting of General Motors, Ford and Chrysler, but also including other vehicle manufacturers such as Navistar International and Mack Trucks, (ii) foreign companies producing vehicles in North America ("transplants"), (iii) European vehicle manufacturers sourcing the Company's products through integrated assemblies and (iv) vehicle manufacturers producing vehicles outside the United States and Canada ("imports"). OEMs are continuing to reduce the lead-time required to bring new vehicle models to the market and to reduce perceived high internal costs created by their traditional vertically integrated structures by, among other things, turning to independent suppliers for design assistance and production of parts and components. In addition, in order to improve their quality, efficiency and ability to manage their supplier network, OEMs have decreased the number of their suppliers to include those which have consistent product quality, technological expertise and competitive pricing, and are responsive to changes in the marketplace. OEMs additionally assign Tier 1 status to certain of these suppliers in order to transfer responsibility for an entire product program to a supplier. A Tier 1 supplier will often design, engineer, manufacture and conduct quality control procedures for a product or product assembly. The replacement parts market primarily consists of the service organizations of the OEMs, as well as other vehicle parts manufacturers and distributors.

Sales of original equipment components to OEMs are affected, to a large extent, by vehicle production volume which, in turn, is dependent on general economic conditions. Vehicle production has historically been cyclical, and sales of the Company's original equipment components have increased or decreased depending on the existing economic cycle prevailing at the time. Vehicle production increased substantially in 1993 and had a favorable impact on sales of the Company's original equipment components. Replacement parts sales,

on the other hand, depend on the age of vehicles in service and the need for replacement parts. Sales of original equipment components to the replacement parts market historically have been less adversely affected by general business conditions since vehicle owners are more likely to repair vehicles than purchase new ones during recessionary periods. In 1993, the Company sold approximately three-fourths of its original equipment components to OEMs and the remaining one-fourth of such components to the replacement parts market.

BUSINESS STRATEGY

The Company believes that the markets it serves offer significant growth opportunities for its businesses. The Company's business strategy is to focus on and invest in the core markets for specialty service tools and original equipment components and to expand its leading market positions. The key elements of this strategy include: (i) implementation of structural changes to operations, (ii) operational improvements, (iii) increased specialty service tool offerings and (iv) leveraging of long-term relationships with existing customers.

Implementation of Structural Changes to Operations. In 1993, the Company completed several transactions which increased the Company's revenues by approximately 25% from approximately \$801 million in 1992 to \$1.0 billion on a pro forma basis in 1993. These transactions, described below, were completed in order to increase the Company's product offerings, strengthen its sales and service capabilities and better position the Company to capitalize on prevailing market and industry trends and opportunities.

- Created the Automotive Diagnostics division through the acquisition of Allen Testproducts and its combination with the Company's Bear Automotive business. This new division will enhance the Company's electronic engine diagnostics, emission testing and wheel service equipment capabilities and is expected to result in annualized cost savings to the Company through consolidation of operations and work force reductions in excess of \$20 million.
- Created SPX Credit Corporation through the acquisition of the leasing company affiliated with Allen Testproducts and its combination with the Company's existing leasing operations. This business supports the Automotive Diagnostics division by providing customers with a leasing option when purchasing the division's products.
- Divested the Company's aftermarket parts distribution business and the Company's window and door hardware manufacturing business. These divestitures generated approximately \$189 million in net cash proceeds which the Company used to reduce indebtedness and to further invest in its core businesses.
- Acquired the 49% interest in SPT held by Riken. SPT represents substantially all of the Company's original equipment components segment.

Operational Improvements. The Company continually explores ways to increase its operational efficiency while maintaining its reputation as a manufacturer of high-quality products. Ongoing programs to meet this objective involve the addition of new machinery, consolidation of facilities and other productivity improvements. Examples of recent productivity improvements include the addition of a \$25 million automated cylinder sleeve production system which will enable the Company to meet the increasing demand for cast iron sleeves for aluminum block engine programs, which are part of the trend toward lighter weight vehicles. In addition, the Company is consolidating its European casting facilities at a single location which employs improved casting technology. The Company expects this consolidation to enable the Company to increase production with less scrap and maintain better inventory control without any increase in the work force. Both segments of the Company's businesses have received numerous quality awards and certifications from General Motors, Ford, Chrysler and other OEM customers. Most parts supplied by the original equipment components segment to General Motors are supplier-certified, six of SPT's plants which serve Ford have achieved Ford's Q-1 rating and an SPT filter production plant is one of only seven plants worldwide to have achieved Chrysler's Pentastar ratings in every year since the award's establishment. The rating systems of General Motors, Ford and Chrysler are based on evaluations by teams of quality auditors who personally visit the manufacturing facilities in order to determine whether they meet certain standards developed by these OEMs. The standards generally involve the evaluation of quality systems control, delivery, technology, management and price.

Increased Specialty Service Tool Offerings. The market for the Company's specialty service tools has increased as a result of several recent trends: (i) the increase in the frequency of new model introductions by

OEMs, (ii) the advance in the engineering, computerization and technological complexity of these new introductions and (iii) the increase in service dollars spent at franchise dealers as a result of extended new vehicle warranty periods. The Company considers franchised dealers and professional technicians, who benefit most from these trends, to constitute the strongest part of its customer base for specialty service tools. By continuing to strengthen its involvement in the design phase of OEM product development and identifying applications for new and existing specialty service tools, the Company believes it can capitalize on these trends. In addition, the growing number of environmental laws and regulations have created a demand for new technologies and products, including the Company's refrigerant recycling systems and vehicle exhaust emission testing equipment. The Company will continue to aggressively pursue this market by continuing to develop new products and technologies.

Leveraging of Long-Term Relationships with Existing Customers. The trend of OEMs to contract sourcing of components to fewer outside suppliers favors larger, more efficient suppliers with high-quality products. The Company historically has had strong relationships, some of which date back 80 years, with major OEMs, including General Motors, Ford and Chrysler. In addition, because of the long lead time and the high degree of engineering interaction between the OEMs and the Company associated with the development of certain new designs and products, particularly in those cases where the Company is a Tier 1 supplier, the Company at times is the sole source to certain OEMs for engine and transmission parts for particular vehicle models. The Company is capitalizing on these relationships to become more involved in the design, engineering, manufacturing and quality control phases of product and product assembly programs of OEMs. The Company believes its Tier I status will enable it to continue to offer products to its customers at a lower cost and afford itself a competitive advantage in securing new business for both of its business segments.

BUSINESS SEGMENTS

The Company operates in two primary business segments, specialty service tools and original equipment components for the global vehicle industry. It also operates a lease financing business for customers of its electronic engine diagnostic, emission testing and wheel service equipment. The following unaudited pro forma information summarizes the Company's revenues by business segment as if the 1993 Transactions had occurred as of January 1, 1991.

	YEAR ENDED DECEMBER 31					
	1991		1992		1993	
	(dollars in millions)					
Specialty Service Tools.....	\$ 525.3	58%	\$ 606.2	58%	\$ 529.2	52%
Original Equipment Components.....	366.1	40	420.0	40	458.8	46
SPX Credit Corporation.....	15.2	2	16.7	2	15.7	2
Total.....	\$ 906.6	100%	\$1,042.9	100%	\$1,003.7	100%

Specialty Service Tools

The Company's specialty service tools segment designs, manufactures and markets a wide range of specialty service tools and diagnostic equipment primarily for the global vehicle industry and, to some extent, to industries outside of the vehicle industry. The Company markets these products as solutions to service problems and as aids to performance improvements. The design of specialty service tools is critical to their functionality and generally requires close coordination with either the OEM or the ultimate user of the tools or instruments. A tool specially developed for a specific model vehicle often will be suitable for use with that model only, and will require modification for other or subsequently developed models. Therefore, although many of the specialty service tools designed, manufactured and marketed by the Company may perform similar tasks, the Company often redesigns each of these products as new model vehicles are introduced.

The Company's operations which design, manufacture and market specialty service tools are oriented primarily to serve certain customer groups with which these operations have developed strong relationships. Thus, while two or more of the Company's operations may market a substantially similar specialty service tool, each operation will focus its marketing efforts on different customers. In certain circumstances, after the design of a product has been completed and a market established, the Company may outsource all or a portion

of the manufacture or assembly of these products. The Company also sells a broad line of equipment of other manufacturers through franchised dealer equipment programs coordinated with certain vehicle OEMs.

The table below identifies certain of the Company's principal specialty service tool categories, as well as the brand names under which they are marketed. Each such category, however, includes numerous variations and configurations of similar products, since the design thereof depends on customer needs and specific applications. The table does not include all of the Company's specialty service tools, and the Company is continually developing new products for specialty applications.

PRODUCT CATEGORY	BRAND NAME
Mechanical specialty service tools.....	Kent-Moore, OTC, Robinair, Miller Special Tools, Lowener, V.L. Churchill
Electronic specialty service tools.....	Allen Testproducts, Bear, Kent-Moore, OTC, Robinair, V.L. Churchill
Hydraulic specialty service tools, pumps, valves and shop equipment.....	OTC, Power Team
Electronic diagnostic equipment.....	Allen Testproducts, Bear, Kent-Moore, OTC, V.L. Churchill
Emission testing equipment.....	Allen Testproducts, Bear, Kent-Moore, OTC, V.L. Churchill
Engine coolant recovery and recycling equipment.....	Robinair
Refrigerant recovery and recycling equipment.....	Bear, Kent-Moore, OTC, Robinair
Wheel service equipment.....	Bear
Dealer equipment programs.....	Dealer Equipment & Services, Euroline

The Company's specialty service tools segment also is increasing its emphasis on the service aspect of the specialty service tools market. The Company's Dealer Equipment and Services division administers dealer equipment programs in North America and Europe for 14 motor vehicle manufacturers, including General Motors, Hyundai, Mazda, Nissan, Opel, Saab, Saturn, Toyota and Volvo. Under the vehicle manufacturer's identity, the division supplies service equipment and technical support to franchised dealers, develops and distributes equipment catalogs and promotional materials, and helps franchised dealers design, assess and meet their service equipment needs.

The Company markets its specialty service tools to franchised vehicle dealers and other aftermarket service and maintenance organizations or individual professional technicians. Products are sold to franchised dealers under both essential and general programs. Essential programs are those in which the OEM requires its franchised dealers to purchase and maintain the tools for warranty and service work. A portion of the Company's specialty service tools sales is to the stationary, or non-transportation, market, which includes the appliance, refrigeration and air conditioning markets. Sales of specialty service tools are made through direct sales forces and through independent distributorships (which are typically supported by the Company's technical support staff). The specialty service tools segment has manufacturing facilities in the United States and Spain, and sales and marketing operations in Australia, Brazil, Canada, France, Italy, Spain, Switzerland, The Netherlands, the United Kingdom and the United States.

Original Equipment Components

The Company's original equipment components segment designs, manufactures and markets component parts for vehicles. These parts primarily fall into five product lines: (i) piston and transmission rings, cylinder sleeves and other castings, (ii) precision die castings, (iii) tappets, valve guides and roller rocker arms, (iv) automatic transmission fluid filters and other filter products and (v) solenoid valves. Because of the nature of these products and the market in which they are sold, the reputation of the manufacturer and the quality and price of the products are considered significant to their marketing success.

Rings and Sleeves. The Company is the world's largest manufacturer of piston rings. The Company also is among the largest U.S. independent producers of cylinder sleeves for vehicle engines. This product line has benefited from the trend in the vehicle industry to reduce the weight of vehicles in order to increase gas

mileage. This trend has resulted in the development of aluminum engine blocks which require cast iron cylinder sleeves. Vehicle engine blocks made of cast iron do not require a cylinder sleeve. The Company has been successful in obtaining contracts with OEMs for these high volume vehicle cylinder sleeve applications.

Through SP Europe, in which the Company has a 70% interest, the Company offers the European market a leading, fully integrated supplier of vehicle piston rings and cylinder sleeves, with engineering design and testing capabilities and fully integrated manufacturing processes. SP Europe's primary European customers are VW, Federal Mogul, Mahle, Kolbenschmidt, Alcan, Audi, Volvo and Mercedes Benz. SP Europe was created by the Company in 1991 to acquire the European piston ring and cylinder sleeve manufacturing business of TRW. In October 1992, Mahle, a leading European manufacturer of pistons, contributed its Spanish piston ring operation to SP Europe in exchange for a 30% ownership interest.

Die Castings. The Company produces precision aluminum, magnesium and zinc die cast parts for vehicle steering, air conditioning and other systems. The primary products in this line include steering column parts, rack-and-pinion housings and other castings such as components for air conditioning compressors, fuel systems, clutches and transmissions. Sales of the Company's die cast products also have benefited from the trend to decrease the weight of vehicles. The Company's magnesium steering column components, which are lighter and have a higher strength-to-weight ratio than cast iron, are used by many OEMs to accommodate air bag requirements in vehicles. In addition, through a new proprietary die casting method called "Process 2000," which increases the strength of aluminum, the Company has been successful in competing against suppliers of components, such as suspension system components, manufactured from heavier materials.

Valve Train Products. The Company is a major domestic supplier of a variety of valve train components, including tappets, lash adjusters and roller rocker arms. In addition to producing high-quality valve train products, the Company is focusing on providing higher-margin, value-added products to vehicle manufacturers, such as integrated valve train assemblies and subassemblies which reduce engine development time and improve manufacturing efficiency.

Transmission Filters. The Company is the largest global producer of automatic transmission fluid filters. The Company believes its market position and leading automatic transmission filter technology will enable it to capitalize on the growth opportunities in the widespread use of automatic transmissions in North America and the growing acceptance of automatic transmissions in Europe and the Asia Pacific Rim Market.

Solenoid Valves. The Company produces solenoid valves and related assemblies for major vehicle transmission manufacturers around the world. Its proprietary solenoid valve products are devices that interface between the electronic signals of a vehicle's on-board computer and the vehicle's hydraulic systems. The Company is using this technology in designing and manufacturing solenoid valves for electronically controlled automatic transmissions and believes that sales of these products will increase as OEMs increase their applications for these devices.

The Company sells its original equipment components to the OEMs directly and to the replacement parts market primarily through a technical sales force. In order to gain entrance to certain foreign markets, the Company participates in several joint ventures located outside the United States. See "--International Operations" below. The Company also participates with Riken in a joint venture located in the United States to serve Japanese transplants. In 1993, on a pro forma basis, approximately three-fourths of the Company's original equipment components were sold to the OEMs and the remaining one-fourth was sold to the replacement parts market. The Company's original equipment components are manufactured in the United States, Germany, France and Spain.

International Operations

In 1993, the Company's total export sales to both affiliated and unaffiliated customers, from the United States, were approximately \$35 million and \$74 million, respectively. SPT's export sales historically have been less than 10% of its total sales. The Company has wholly owned operations located in Australia, Brazil, Canada, France, Germany, Italy, The Netherlands, Singapore, Spain, Switzerland and the United Kingdom. The Company also has a 70% ownership in SP Europe, which is headquartered in Germany.

Additionally, the Company has the following joint venture equity investments:

- - JATEK (50%) -- A Japanese company that sells various products in the Asia Pacific Rim market, including many of the Company's specialty service tools.
- - RSV (50%) -- A Japanese company that utilizes the Company's technology to develop and manufacture solenoid valves for the Asia Pacific Rim market.
- - PROMEC (40%) -- A Mexican company that manufactures and distributes ring and sleeve products in Mexico.
- - IBS Filtran (50%) -- A German company that manufactures and distributes automatic transmission filters to the European market.

The Company also licenses its piston ring technology to a Brazilian vehicle parts manufacturer and has a cross-licensing agreement for piston rings with Riken.

SPX Credit Corporation

SPX Credit Corporation was created through the acquisition of the leasing company affiliated with Allen Testproducts and its combination with the Company's existing leasing operations. This business provides U.S. and Canadian customers of the Company's Automotive Diagnostics division with a leasing option when purchasing electronic diagnostic, emission testing and wheel service equipment. Essentially all of the direct financing leases, which are five years in length or less, are with companies or individuals operating within the vehicle repair industry.

RESEARCH AND DEVELOPMENT

The Company is actively engaged in research and development programs designed to improve existing products and manufacturing methods and to develop new products. These engineering efforts encompass all of the Company's products with divisional engineering teams coordinating their resources.

Particular emphasis has been placed on the development of new products that are compatible with, and build upon, the manufacturing and marketing capabilities of the Company. To assist the Company in meeting customer requirements, computer aided design (CAD) systems that provide rapid integration of computers in mechanical design, model testing and manufacturing control are used extensively.

The Company (excluding SPT) expended \$17.6 million on research activities relating to the development and improvement of its products in 1993, \$14.7 million in 1992 and \$13.1 million in 1991. There was no customer-sponsored research activity in these years. After the SPT Purchase, the Company's research and development expenditures will increase. SPT's research and development expenditures were \$3.4 million in 1993, \$3.8 million in 1992 and \$3.6 million in 1991.

EMPLOYEES

As of December 31, 1993, the Company employed approximately 8,600 persons. Approximately one-third of the Company's production and maintenance employees, who compose approximately 60% of the Company's work force, are covered by collective bargaining agreements with various unions. Management believes the Company has generally enjoyed good relations with its employees.

SIGNIFICANT CUSTOMERS

Sales to General Motors, Ford and Chrysler and their various divisions, dealers and distributors would have accounted for approximately 17%, 10% and 8%, respectively, of the Company's 1993 consolidated net revenues (after giving pro forma effect to the 1993 Transactions). No other customer or group of customers under common control accounted for more than 5% of consolidated sales of the Company in 1993. See "Investment Considerations--Motor Vehicle Industry Cyclicity."

PROPERTIES

United States. The principal properties used by the Company for manufacturing, administration and warehousing consist of 42 separate facilities totaling approximately 3.8 million square feet. These facilities are

located in Georgia, Illinois, Indiana, Kentucky, Michigan, Minnesota, Missouri, Ohio and Pennsylvania. All facilities are owned, except for 11 leased non-manufacturing facilities.

The Company also has 33 distribution and service centers located throughout the United States for distribution and servicing of its specialty service tools. These distribution and service centers aggregate 190,000 square feet and are all leased. No single distribution and service center is material to the Company's business.

International. The Company owns approximately 150,000 square feet and leases approximately 600,000 square feet of manufacturing, administration and distribution facilities in Australia, Brazil, Canada, France, Germany, Italy, The Netherlands, Singapore, Spain, Switzerland and the United Kingdom.

COMPETITION

The Company competes globally with a number of other manufacturers and distributors which produce and sell similar products. Quality, technological innovation and price are the primary elements of competition. These competitors include vertically integrated units of the Company's major OEM customers, as well as a large number of independent domestic and international suppliers. Certain of these companies are larger and have greater resources than the Company. See "Investment Considerations--Competition."

DESCRIPTION OF THE BANK CREDIT AGREEMENT

The principal terms of the Bank Credit Agreement are summarized below. This summary does not purport to be complete, and is qualified in its entirety by reference to the Bank Credit Agreement, a copy of which has been filed as an exhibit to the Registration Statement of which this Prospectus is a part.

On March 24, 1994, the Company entered into the Bank Credit Agreement with The First National Bank of Chicago, as agent (the "Agent") for the banks named therein, which provides for the unsecured Revolving Credit Facility and an unsecured letter of credit facility, both of which mature on March 15, 1999. The Revolving Credit Facility initially permitted the Company to borrow up to \$250 million, approximately \$165 million of which the Company borrowed, together with available cash, to consummate the Initial Transactions. See "Capitalization" and "Pro Forma Consolidated Financial Statements."

Upon the consummation of the Offering, the available credit under the Revolving Credit Facility will be reduced to \$225 million, which includes up to \$20 million under the letter of credit facility. The amount available under the Revolving Credit Facility is reduced further by \$12.5 million on each June 15 and December 15 in 1997 and 1998, as well as by the stated amount of all outstanding letters of credit issued under the letter of credit facility. In addition, the Bank Credit Agreement provides that the credit commitment available under the Revolving Credit Facility is automatically and permanently reduced by the following amounts: (i) 100% of net cash proceeds from sales or dispositions of any property or business that exceeds \$1 million on an annual basis, (ii) 50% of the Company's excess cash flow (but in no event reducing the amount available to less than \$150 million) and (iii) 100% of the proceeds from the sale by the Company of equity securities in excess of \$25 million (but in no event reducing the amount available to less than \$150 million). The Company may, at its election and at any time, permanently reduce the amount available under the Revolving Credit Facility in whole or in part and without penalty in increments of \$5 million.

At the Company's option, interest on amounts borrowed under the Revolving Credit Facility will be payable either at (i) the greater of (x) the rate announced as the corporate base rate of the Agent and (y) the applicable federal funds rate plus 0.5% or (ii) the Eurodollar rate plus 1%. The annual rate of interest under this facility on March 31, 1994 was %. The Revolving Credit Facility obligates the Company to enter into hedging arrangements which fix the interest rate of approximately \$75 million of borrowings thereunder at 8% for an average weighted maturity of at least two years. In addition, the Company is required to pay a commitment fee of 3/8% per annum on the average daily unused portion of the Revolving Credit Facility, as well as certain other customary fees and commissions.

The Bank Credit Agreement contains certain customary covenants, including without limitation reporting and other affirmative covenants of and restrictions (subject to certain exceptions) on the Company (and in most cases the Company's subsidiaries) with respect to: (i) liens and encumbrances, (ii) guarantees, (iii) sale and leaseback transactions, (iv) certain sales of assets, (v) consolidations and mergers, (vi) investments (including investments in subsidiaries), (vii) capital expenditures, (viii) loans and advances, (ix) indebtedness and additional indebtedness, (x) compliance with pension, environmental and other laws, (xi) operating leases, (xii) transactions with subsidiaries and affiliates, (xiii) changes in lines of business, (xiv) hedging of interest rates and (xv) prepayment of other debt. The Bank Credit Agreement also provides that the payment of dividends and certain other restricted payments may be made only if the Company is not in default under the Bank Credit Agreement and, until the Company has received a credit rating of BBB or better by Standard and Poor's Corporation, such payments may not exceed 10% of the Company's consolidated EBITDA during any consecutive 12-month period; provided, however, that irrespective of such limitations, the Company may make dividend payments aggregating up to \$8 million on or before June 30, 1995, and may repurchase the partnership interests of certain SPT managers in an amount not in excess of \$3.0 million. Subject to satisfaction of certain conditions (including obtaining accounts receivable securitization financing and/or non-recourse financing with respect to SPX Credit Corporation in an aggregate amount of \$50 million), the Company may expend up to \$50 million in the aggregate for acquisitions and additional investments during the term of the Bank Credit Agreement, which \$50 million amount may be replenished on a dollar-for-dollar basis in an amount equal to 50% from a portion of the Company's excess cash flow.

The Bank Credit Agreement requires the Company to comply with certain financial covenants and contains certain customary events of default and representations and warranties.

DESCRIPTION OF THE NOTES

The Notes will be issued under an indenture to be dated as of _____, 1994 (the "Indenture"), between the Company and The Bank of New York, as trustee (the "Trustee"). The following summary of the material provisions of the Indenture does not purport to be complete and is subject to, and qualified in its entirety by, reference to the provisions of the Indenture, including the definitions of certain terms contained therein and those terms made part of the Indenture by reference to the Trustee Indenture Act of 1939, as amended, as in effect on the date of the Indenture. The definitions of certain capitalized terms used in the following summary are set forth below under "---Certain Definitions."

GENERAL

The Notes will be unsecured senior subordinated obligations of the Company limited to \$260,000,000 aggregate principal amount. The Notes will be issued only in registered form without coupons, in denominations of \$1,000 and integral multiples thereof. (Section _____) Principal of, premium, if any, and interest on the Notes will be payable, and the Notes will be transferable, at the corporate trust office or agency of the Trustee in The City of New York maintained for such purposes initially at 48 Wall Street, New York, New York 10286. (Section _____) In addition, interest may be paid at the option of the Company by check mailed to the person entitled thereto as shown on the security register. (Section _____) No service charge will be made for any transfer, exchange or redemption of Notes, except in certain circumstances for any tax or other governmental charge that may be imposed in connection therewith. (Section _____)

MATURITY, INTEREST AND PRINCIPAL

The Notes will mature on _____, 2002. Interest on the Notes will accrue at the rate of _____ % per annum and will be payable semi-annually on each _____ and _____, commencing _____, 1994, to the holders of record of the Notes at the close of business on the _____ and _____ immediately preceding such interest payment date. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the original date of issuance (the "Issue Date"). Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. The Notes are not subject to the benefit of any sinking fund.

OPTIONAL REDEMPTION

Optional Redemption. The Notes will be redeemable at the option of the Company, in whole or in part, at any time on or after _____, 1998, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the 12-month period beginning _____ of the years indicated below:

YEAR	REDEMPTION PRICE
1998.....	%
1999.....	%
2000 and thereafter.....	100.00%

Upon the occurrence of a Change of Control prior to _____, 1998, the Notes will be redeemable, in whole or in part, at the option of the Company, upon not less than 30 nor more than 60 days' prior notice to each holder of Notes to be redeemed, at a redemption price equal to the sum of (i) the then outstanding principal amount thereof, plus (ii) accrued and unpaid interest, if any, to the redemption date plus (iii) the Applicable Premium.

In addition, up to 20% of the aggregate principal amount of the Notes outstanding on the Issue Date will be redeemable prior to _____, 1996, at the option of the Company, within 45 days of the sale of Capital Stock in a Public Equity Offering from the net proceeds of such sale at a redemption price equal to _____ % of the principal amount to be redeemed, together with accrued and unpaid interest, if any, thereon to the date of redemption. (Section _____)

Selection and Notice. In the event that less than all of the Notes are to be redeemed at any time, selection of such Notes for redemption will be made by the Trustee in compliance with the requirements

of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not then listed on a national securities exchange, on a pro rata basis, by lot or by such method as the Trustee shall deem fair and appropriate; provided, however, that no Notes of a principal amount of \$1,000 or less shall be redeemed in part. Notice of redemption shall be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address. If any Note is to be redeemed in part only, the notice of redemption that relates to such Note shall state the portion of the principal amount thereof to be redeemed. A new Note in a principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon surrender for cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption unless the Company defaults in the payment of the redemption price. (Sections)

SUBORDINATION

The payment of the principal of, premium, if any, and interest on the Notes will be subordinated, to the extent set forth in the Indenture, in right of payment to the prior payment in full in cash, Cash Equivalents or other acceptable form of payment of all existing and future Senior Indebtedness of the Company, which includes, without limitation, all obligations under the Bank Credit Agreement. The Notes will be unsecured senior subordinated indebtedness of the Company, ranking pari passu with all other existing and future senior subordinated indebtedness of the Company and senior to all future Subordinated Indebtedness of the Company. (Section) The payment of the principal of, premium, if any, and interest on the Notes will be effectively subordinate to the claims of general creditors of the Company's Subsidiaries, including SPT, which are not Guarantors. See "Investment Considerations--Subordination of the Notes." On the date the Notes are issued, none of the Company's Subsidiaries will be Guarantors.

The Indenture will provide that in the event of (a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relating to the Company or its assets, or (b) any liquidation, dissolution or other winding-up of the Company, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (c) any assignment for the benefit of creditors or other marshalling of assets or liabilities of the Company (except a distribution in connection with a consolidation of the Company with, or the merger of the Company into, another corporation or the liquidation or dissolution of the Company following conveyance, transfer or lease of its properties and assets substantially as an entirety to another corporation upon the terms and conditions described below under "--Merger, Sale of Assets, Etc."), holders of all Senior Indebtedness of the Company shall be entitled to receive payment in full in cash, Cash Equivalents or in any other manner acceptable to the holders of Senior Indebtedness of all amounts due or to become due thereon, before the holders of the Notes are entitled to receive any payment or distribution (except for certain permitted equity or subordinated debt securities (the "Permitted Junior Securities")) on account of the principal of, premium, if any, and interest on the Notes. In the event that, notwithstanding the foregoing, after an event described in clause (a), (b) or (c), the Trustee or any holder of the Notes shall have received payment or distribution of assets of the Company of any kind or character (excluding Permitted Junior Securities) before all Senior Indebtedness is paid in full or payment thereof provided for in cash, Cash Equivalents or in any other manner acceptable to the holders of the Senior Indebtedness, then such payment or distribution will be paid over or delivered to the trustee in bankruptcy, receivership, liquidating trustee, custodian, assignee, agent or other person making payment or distribution of assets of the Company for application to the payment of all Senior Indebtedness remaining unpaid to the extent necessary to pay all Senior Indebtedness in full in cash, Cash Equivalents or in any other manner acceptable to the holders of the Senior Indebtedness. (Section)

During the continuance of any default in the payment of principal of, premium, if any, or interest on any Designated Senior Indebtedness when due (whether at final maturity, upon scheduled installment, acceleration or otherwise) (a "Payment Default"), no payment or distribution of any assets of the Company of any kind or character (other than Permitted Junior Securities or payments previously made pursuant to the provisions described under "--Defeasance or Covenant Defeasance of Indenture") shall be made on account of the principal of, premium, if any, and interest on the Notes unless and until such Payment Default has been cured or waived or has ceased to exist or such Designated Senior Indebtedness shall have been discharged or

paid in full in cash, Cash Equivalents or in any other manner acceptable to the holders of the Senior Indebtedness. (Section)

In addition, during the continuance of any other default with respect to any Designated Senior Indebtedness pursuant to which the maturity thereof may be accelerated (a "Non-payment Default"), after receipt by the Trustee from a representative of holders of such Designated Senior Indebtedness of a written notice of such Non-payment Default, no payment or distribution of any assets of the Company of any kind or character (other than Permitted Junior Securities or payments previously made pursuant to the provisions described under "--Defeasance or Covenant Defeasance of Indenture") may be made by the Company on account of the principal of, premium, if any, and interest on the Notes, including for the redemption, purchase or other acquisition of Notes for the period specified below (the "Payment Blockage Period").

The Payment Blockage Period shall commence upon the receipt of notice of a Non-payment Default by the Trustee from a representative of holders of Designated Senior Indebtedness stating that such notice is a payment blockage notice pursuant to the Indenture and shall end on the earliest to occur of the following events: (i) 179 days shall have elapsed since the receipt of such notice (provided such Designated Senior Indebtedness as to which notice was given shall not theretofore have been accelerated), (ii) the date on which such default is cured or waived or ceases to exist (provided that no other Payment Default or Non-payment Default has occurred and is then continuing after giving effect to such cure or waiver), (iii) the date on which such Designated Senior Indebtedness is discharged or paid in full in cash, Cash Equivalents or in any other manner acceptable to holders of the Designated Senior Indebtedness or (iv) the date on which such Payment Blockage Period shall have been terminated by written notice to the Company or the Trustee from the representative of holders of Designated Senior Indebtedness initiating such Payment Blockage Period, after which the Company shall promptly resume making any and all required payments in respect of the Notes, including any missed payments. Only one Payment Blockage Period with respect to the Notes may be commenced within any 360 consecutive day period. No Non-payment Default that existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to the Designated Senior Indebtedness initiating such Payment Blockage Period will be, or can be, made the basis for the commencement of a subsequent Payment Blockage Period, whether or not within a period of 360 consecutive days, unless such default has been cured or waived for a period of not less than 90 consecutive days subsequent to the commencement of such initial Payment Blockage Period. In no event will a Payment Blockage Period extend beyond 179 days from the date of the receipt by the Trustee of the notice and there must be a 181 consecutive day period in any 360 day period during which no Payment Blockage Period is in effect. (Section)

If the Company fails to make any payment on the Notes when due or within any applicable grace period, whether or not on account of the payment blockage provisions referred to above, such failure would constitute an Event of Default under the Indenture and would enable the holders of the Notes to accelerate the maturity thereof. See "--Events of Default."

By reason of such subordination, in the event of liquidation, receivership, reorganization or insolvency, creditors of the Company who are holders of Senior Indebtedness may recover more, ratably, than the holders of the Notes, and funds which would be otherwise payable to the holders of the Notes will be paid to the holders of the Senior Indebtedness to the extent necessary to pay the Senior Indebtedness in full, and the Company may be unable to meet its obligations in full with respect to the Notes.

As of December 31, 1993, on a pro forma basis, after giving effect to the 1993 Transactions and the Refinancing (including the issuance of the Notes and the application of the estimated net proceeds therefrom), the amount of outstanding Senior Indebtedness of the Company would have been approximately \$150 million. Because the Company conducts a substantial portion of its operations through its subsidiaries, including SPT, the claims of creditors of such subsidiaries will have priority with respect to the assets and earnings of such subsidiaries over the claims of creditors of the Company, including holders of the Notes, even though such obligations do not constitute Senior Indebtedness. On a pro forma basis, the Company's subsidiaries had indebtedness for borrowed money and trade payables of approximately \$30 million as of December 31, 1993. See "Description of the Bank Credit Agreement" and "Use of Proceeds." The Indenture will limit, but not prohibit, the incurrence by the Company of additional Indebtedness which is senior or pari

passu in right of payment to the Notes and will prohibit the incurrence by the Company of Indebtedness which is contractually subordinated in right of payment to any Senior Indebtedness of the Company and senior in right of payment to the Notes.

CERTAIN COVENANTS

The Indenture will contain the following covenants, among others:

Limitation on Indebtedness. The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or in any other manner become directly or indirectly liable (in each case, to "incur") for the payment of any Indebtedness (including any Acquired Indebtedness but excluding Permitted Indebtedness); provided, however, that (i) the Company will be permitted to incur Indebtedness (including Acquired Indebtedness), contingently or otherwise, if at the time of such incurrence, and after giving pro forma effect thereto, the Consolidated Fixed Charge Coverage Ratio of the Company and its Restricted Subsidiaries is at least equal to 2.0 to 1.0 through 1996 and 2.25 to 1 thereafter and (ii) in the case of Subordinated Indebtedness, such Indebtedness has no scheduled principal payment on or prior to the Stated Maturity for the final scheduled principal payment of the Notes.

Limitation on Restricted Payments. (a) The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any other distribution or payment on or in respect of Capital Stock of the Company or any payment made to the direct or indirect holders (in their capacities as such) of Capital Stock of the Company (other than dividends or distributions payable solely in Capital Stock (other than Redeemable Capital Stock) or rights to purchase Capital Stock of the Company (other than Redeemable Capital Stock));

(ii) purchase, redeem, defease or otherwise acquire or retire for value, directly or indirectly, any Capital Stock of the Company or any Affiliate of the Company (other than any such Capital Stock of any Wholly Owned Restricted Subsidiary of the Company);

(iii) make any principal payment on, or purchase, defease, repurchase, redeem or otherwise acquire or retire for value, prior to any scheduled maturity (unless within one year of maturity), scheduled repayment, scheduled sinking fund payment or other Stated Maturity, any Subordinated Indebtedness;

(iv) make any Investment (other than any Permitted Investment) in any person, including any Unrestricted Subsidiary (other than in the Company, a Wholly Owned Restricted Subsidiary of the Company or a person that becomes a Wholly Owned Restricted Subsidiary as a result of such Investment); or

(v) declare or pay any dividend or make any other distribution on or in respect of any Capital Stock of any Subsidiary to the direct or indirect holders (in their capacities as such) of Capital Stock of the Subsidiary (other than with respect to Capital Stock held by the Company or any of its Wholly Owned Restricted Subsidiaries) or any purchase, redemption or other acquisition or retirement for value, of any Capital Stock of any Restricted Subsidiary (other than any such Capital Stock held by the Company or any Wholly Owned Restricted Subsidiary);

(such payments, dividends, distributions, purchases, defeasances, repurchases, redemptions, acquisitions, retirements or Investments described in the preceding clauses (i) through (v) are collectively referred to as "Restricted Payments"), unless, at the time of and after giving effect to the proposed Restricted Payment (the amount of any such Restricted Payment, if other than in cash, being as determined by the Board of Directors of the Company, whose determination shall be conclusive and evidenced by a board resolution), (A) no Default or Event of Default shall have occurred and be continuing, (B) the aggregate amount of all Restricted Payments declared or made from and after the date immediately following the Issue Date would not exceed the sum of (1) 50% of the aggregate Consolidated Net Income of the Company accrued on a cumulative basis during the period (treated as one accounting period) beginning on March 31, 1994 and ending on the last day of the fiscal quarter of the Company immediately preceding the date of such proposed Restricted Payment (or, if such aggregate cumulative Consolidated Net Income of the Company for such period shall be a deficit, minus 100% of such deficit) plus (2) the aggregate net cash proceeds received by the Company after the Issue Date from the issuance or sale (other than to any of its Restricted Subsidiaries)

of Capital Stock (excluding Redeemable Capital Stock but including Capital Stock issued upon the conversion of convertible Indebtedness or in exchange for outstanding Indebtedness (to the extent such Indebtedness is originally sold for cash) or from the exercise of options, warrants or rights to purchase Capital Stock (other than Redeemable Capital Stock)) of the Company to any person (other than to a Restricted Subsidiary of the Company) (except, in each case, to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock or Subordinated Indebtedness as set forth below), plus (3) in the case of the disposition or repayment of any Investment constituting a Restricted Payment made after the Issue Date (excluding any Investment made pursuant to clause (v) of the following paragraph or clause (xii) of the definition of "Permitted Investments"), an amount equal to the lesser of the return of capital with respect to such Investment and the cost of such Investment, in either case, less the cost of the disposition of such Investment and (C) the Company could incur \$1.00 of additional Indebtedness under the first paragraph of the "Limitation on Indebtedness" covenant described above. For purposes of the preceding clause (B) (2), the value of the aggregate net proceeds received by the Company upon the issuance of Capital Stock, either upon the conversion of convertible Indebtedness or in exchange for outstanding Indebtedness or upon the exercise of options, warrants or rights will be the net cash proceeds received upon the issuance of such Indebtedness, options, warrants or rights plus the incremental amount received by the Company upon the conversion, exchange or exercise thereof.

(b) None of the foregoing provisions will prohibit: (i) the payment of any dividend within 90 days after the date of its declaration, if at the date of declaration such payment would be permitted by the foregoing paragraph (a); (ii) the redemption, repurchase or other acquisition or retirement of any shares of any class of Capital Stock of the Company or any Restricted Subsidiary of the Company in exchange for (including any such exchange pursuant to a conversion right or privilege in connection with which cash is paid in lieu of fractional shares or scrip), or out of the net cash proceeds of, a substantially concurrent issue and sale of other shares of Capital Stock (other than Redeemable Capital Stock) of the Company to any person (other than to a Restricted Subsidiary of the Company); provided, however, that such net cash proceeds are excluded from clause (B) (2) of the preceding paragraph (a); (iii) any redemption, defeasance, repurchase or other acquisition or retirement for value (each for purposes of this clause, a "refinancing") of Pari Passu Indebtedness or Subordinated Indebtedness by exchange for, or out of the net cash proceeds of, a substantially concurrent issue and sale of (1) Capital Stock (other than Redeemable Capital Stock) of the Company; provided, however, that any such net cash proceeds are excluded from clause (B) (2) of the preceding paragraph (a); or (2) new Indebtedness of the Company so long as such Indebtedness (A) is pari passu with or expressly subordinated in right of payment to the Notes in the same manner and at least to the same extent as the Notes are subordinated to Senior Indebtedness, (B) has a principal amount that does not exceed the principal amount so refinanced plus the amount of any premium required to be paid in connection with such refinancing pursuant to the terms of the Indebtedness refinanced or the amount of any premium reasonably determined by the Company as necessary to accomplish such refinancing, plus the amount of fees and expenses of the Company incurred in connection with such refinancing; provided that for purposes of this clause, the principal amount of any Indebtedness shall be deemed to mean the principal amount thereof or if such Indebtedness provides for an amount less than the principal amount thereof upon a declaration of acceleration thereof, such lesser amount as of the date of determination, (C) has a Stated Maturity for the final scheduled principal payment of such Indebtedness on or later than the Stated Maturity for the final scheduled principal payment of the Notes and (D) has an Average Life to Stated Maturity that equals or exceeds the Average Life to Stated Maturity of the Notes; (iv) the redemption or repurchase of the limited partnership interests of SPT owned by certain employees of SPT on the Issue Date for an aggregate amount not to exceed \$3,000,000; (v) so long as no Default or Event of Default shall have occurred and be continuing, the making of (x) Investments constituting Restricted Payments and (y) other Restricted Payments such that, after giving effect thereto, the sum of the aggregate outstanding amount of such Investments (valued at their cost) referred to in clause (x) made after the Issue Date and the aggregate amount of such other Restricted Payments referred to in clause (y) made after the Issue Date would not exceed \$10,000,000; or (vi) Investments constituting Restricted Payments made as a result of the receipt of non-cash consideration from any Asset Sale made pursuant to and in compliance with the covenant "--Disposition of Proceeds of

Asset Sales." In computing the amount of Restricted Payments for the purposes of clause (B) of the preceding paragraph, Restricted Payments made under (i) and (vi) shall be included. (Section)

Limitation on Liens. The Company will not and will not permit any Restricted Subsidiary to create, incur, assume or suffer to exist any Lien of any kind upon any of its property or assets, now owned or hereafter acquired, to secure any Pari Passu Indebtedness or Subordinated Indebtedness unless prior to or contemporaneously therewith the Notes are secured equally and ratably; provided that (1) if such secured Indebtedness is Pari Passu Indebtedness, the Lien securing such Pari Passu Indebtedness shall rank equally and ratably with the Lien securing the Notes and (2) if such secured Indebtedness is Subordinated Indebtedness, the Lien securing such Subordinated Indebtedness shall be subordinate and junior to the Lien securing the Notes at least to the same extent as such Subordinated Indebtedness is subordinated to the Notes. The foregoing shall not apply to any Lien securing Acquired Indebtedness of the Company; provided that any such Lien only extends to the assets that were subject to such Lien prior to the related acquisition by the Company and was not created, incurred or assumed in contemplation of such transaction. The foregoing shall apply to the incurrence of Indebtedness pursuant to clause (10), (12), (13) or (14) of the definition of "Permitted Indebtedness."

Purchase of Notes upon Change of Control. Upon the occurrence of a Change of Control, the Company shall be obligated to make an Offer to purchase (a "Change of Control Offer") and shall, subject to the provisions described below, purchase, on a business day (the "Change of Control Purchase Date") not more than 60 nor less than 30 days following the occurrence of the Change of Control, all of the then outstanding Notes at a purchase price (the "Change of Control Purchase Price") equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the Change of Control Purchase Date; provided, however, that notwithstanding the occurrence of a Change of Control, the Company shall not be obligated to make a Change of Control Offer in the event that it has exercised its right to redeem all of the Notes as described under "--Optional Redemption" within 30 days after the occurrence of such Change of Control. The Company shall, subject to the provisions described below, be required to purchase all Notes properly tendered into the Change of Control Offer and not withdrawn. Prior to the mailing of the notice to holders provided for below, the Company shall have (x) terminated all commitments and repaid in full all Indebtedness under the Bank Credit Agreement, or offered to terminate such commitments and repay in full such Indebtedness and have in fact terminated the commitments of and repaid all Indebtedness of any lender under the Bank Credit Agreement who accepts such offer or (y) obtained the requisite consents under the Bank Credit Agreement to permit the purchase of the Notes as provided for under this covenant. If a notice has been mailed when such condition precedent has not been satisfied, the Company shall have no obligation to (and shall not) effect the purchase of Notes until such time as such condition precedent is satisfied. Failure to mail the notice on the date specified below or to have satisfied the foregoing condition precedent by the date that the notice is required to be mailed shall in any event constitute a covenant Default under clause (i) of "--Events of Default" herein. The Change of Control Offer is required to remain open for at least 20 business days and until the close of business on the business day immediately prior to the Change of Control Purchase Date. (Section)

In order to effect such Change of Control Offer, the Company shall, not later than the 30th day after the Change of Control, mail to each holder of Notes notice of the Change of Control Offer, which notice shall govern the terms of the Change of Control Offer and shall state, among other things, the procedures that holders of Notes must follow to accept the Change of Control Offer.

If a Change of Control Offer is made, there can be no assurance that the Company will have available funds sufficient to pay the Change of Control Purchase Price for all of the Notes that might be delivered by holders of Notes seeking to accept the Change of Control Offer. The Company shall not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The occurrence of the events constituting a Change of Control under the Indenture will result in an event of default under the Bank Credit Agreement and, thereafter, the lenders will have the right to require

repayment of the borrowing thereunder in full. The Company's obligations under the Bank Credit Agreement represent obligations senior in right of payment to the Notes and the Bank Credit Agreement will not permit the purchase of the Notes absent consent of the lenders thereunder in the event of a Change of Control (although the failure by the Company to comply with its obligations hereunder in the event of a Change of Control would constitute a Default under the Notes).

The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that a Change of Control occurs and the Company is required to purchase Notes as described above. The obligation of the Company to make a Change of Control Offer may deter a third party from acquiring the Company in a transaction which constitutes a Change of Control. (Section)

The use of the term "all or substantially all" in Indenture provisions such as clause (b) of the definition of "Change of Control" and under "--Merger, Sale of Assets, Etc." has no clearly established meaning under New York law (which governs the Indenture) and has been the subject of limited judicial interpretation in few jurisdictions. Accordingly, there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of "all or substantially all" of the assets of a person, which uncertainty should be considered by prospective purchasers of the Notes.

Disposition of Proceeds of Asset Sales. The Company will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Sale unless (i) the Company or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the fair market value, as determined in good faith by the Board of Directors of the Company, of the shares or assets sold or otherwise disposed of and (ii) at least 85% of such consideration consists of cash and Cash Equivalents. To the extent that the Net Cash Proceeds of any Asset Sale are not required to be applied to prepay Senior Indebtedness and thereby permanently reduce the commitments or amounts available to be reborrowed under such Senior Indebtedness as required by the terms thereof, or are not so applied, the Company or a Restricted Subsidiary, as the case may be, may apply the Net Cash Proceeds from such Asset Sale, within 360 days of such Asset Sale, to an investment in properties and assets other than working capital that replace the properties and assets that were the subject of such Asset Sale or in properties and assets other than working capital that will be used in the business of the Company and its Restricted Subsidiaries existing on the Issue Date or in businesses reasonably related thereto ("Replacement Assets") so long as the Company or such Restricted Subsidiary has notified the Trustee in writing within 270 days of such Asset Sale that it has determined to apply the Net Cash Proceeds from such Asset Sale to an investment in such Replacement Assets. Any Net Cash Proceeds from any Asset Sale not applied as provided in the preceding two sentences within 360 days of such Asset Sale constitute "Excess Proceeds" subject to disposition as provided below.

When the aggregate amount of Excess Proceeds equals \$10,000,000 or more, the Company shall apply the Excess Proceeds to the repayment of the Notes and any Pari Passu Indebtedness required to be repurchased under the instrument governing such Pari Passu Indebtedness as follows: (i) the Company shall make an offer to purchase (an "Offer") to all holders of the Notes in accordance with the procedures set forth in the Indenture in the maximum principal amount (expressed as a multiple of \$1,000) of Notes that may be purchased out of an amount (the "Note Amount") equal to the product of such Excess Proceeds multiplied by a fraction, the numerator of which is the outstanding principal amount of the Notes, and the denominator of which is the sum of the outstanding principal amount of the Notes and such Pari Passu Indebtedness (subject to proration in the event such Note Amount is less than the aggregate Offered Price (as defined herein) of all Notes tendered) and (ii) to the extent required by such Pari Passu Indebtedness to permanently reduce the principal amount of such Pari Passu Indebtedness, the Company shall make an offer to purchase or otherwise repurchase or redeem Pari Passu Indebtedness (a "Pari Passu Offer") in an amount (the "Pari Passu Debt Amount") equal to the excess of the Excess Proceeds over the Note Amount; provided that in no event shall the Company be required to make a Pari Passu Offer in a Pari Passu Debt Amount exceeding the principal amount of such Pari Passu Indebtedness plus the amount of any premium required to be paid to repurchase such Pari Passu Indebtedness. The offer price shall be payable in cash in an amount equal to 100% of the principal amount of the Notes plus accrued and unpaid interest, if any (the "Offered Price"), to the date (the "Offer Date") such Offer is consummated, in accordance with the procedures set forth in the

Indenture. To the extent that the aggregate Offered Price of the Notes tendered pursuant to the Offer is less than the Note Amount relating thereto or the aggregate amount of Pari Passu Indebtedness that is purchased is less than the Pari Passu Debt Amount (the amount of such shortfall, if any, in either case constituting a "Deficiency"), the Company shall use such Deficiency in any manner. Upon completion of the purchase of all the Notes tendered pursuant to an Offer and repurchase of the Pari Passu Indebtedness pursuant to a Pari Passu Offer, the amount of Excess Proceeds, if any, shall be reset at zero.

Whenever the Excess Proceeds received by the Company exceed \$5,000,000, such Excess Proceeds shall, prior to the purchase of Notes or any Pari Passu Indebtedness described in the preceding paragraph, be set aside by the Company in a separate account pending (i) deposit with the depositary or a paying agent of the amount required to purchase the Notes or Pari Passu Indebtedness tendered in an Offer or a Pari Passu Offer, respectively, (ii) delivery by the Company of the Offered Price to the holders of the Notes or Pari Passu Indebtedness tendered in an Offer or a Pari Passu Offer, respectively and (iii) application, as set forth in the preceding paragraphs, of Excess Proceeds in the business of the Company and its Restricted Subsidiaries. Such Excess Proceeds may be invested in Cash Equivalents; provided that the maturity date of any such investment shall not be later than (A) in the event the amount of Excess Proceeds equals \$7,000,000 or more, the Offer Date, or (B) in any other event, six months. The Company shall be entitled to any interest or dividends accrued, earned or paid on such Cash Equivalents; provided that the Company shall not be entitled to such interest, and shall not withdraw such interest from the separate account, if an Event of Default has occurred and is continuing.

The Company will not, and will not permit any Restricted Subsidiary to, create or permit to exist or become effective any restriction (other than restrictions existing under (i) Indebtedness as in effect on the Issue Date as such Indebtedness may be refinanced or replaced from time to time or (ii) any Senior Indebtedness existing on the Issue Date or thereafter; provided that such restrictions contained in such refinanced Indebtedness are no less favorable to the holders of Notes than those existing on the date of the Indenture) that would materially impair the ability of the Company to make an Offer to purchase the Notes or, if such Offer is made, to pay for the Notes tendered for purchase.

The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that an Asset Sale occurs and the Company is required to purchase Notes as described above. In the event that the Company is prohibited by provisions of applicable law from purchasing Notes from the holders thereof in an offer to purchase the Notes, the Company need not make such offer so long as such prohibition is in effect. (Section)

Restriction on Transfer of Assets. The Company will not sell, convey, transfer or otherwise dispose of its assets or property to any of its Subsidiaries, except for sales, conveyances, transfers or other dispositions (a) made in the ordinary course of business and (b) made to any Wholly Owned Restricted Subsidiary, if such Wholly Owned Restricted Subsidiary (x) simultaneously with such sale, conveyance, transfer or disposal executes and delivers a supplemental indenture to the Indenture providing for the guarantee of payment of the Notes by such Wholly Owned Restricted Subsidiary and setting forth the terms and conditions pursuant to which the Trustee shall seek payment under such a guarantee (such a guarantee shall be unconditional and shall be subordinated to any guarantee of such Wholly Owned Restricted Subsidiary of Senior Indebtedness of the Company and shall be subordinated to any other Indebtedness of such Wholly Owned Restricted Subsidiary (which is not subordinated to any other Indebtedness of such Wholly Owned Restricted Subsidiary or which is designated by such Wholly Owned Restricted Subsidiary as being senior in right of payment to such guarantee), in each case to the same extent as the Notes are subordinated to the Senior Indebtedness of the Company under the Indenture) and (y) waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any rights against the Company or any other Subsidiary as a result of any payment by such Wholly Owned Restricted Subsidiary under its Guarantee.

Limitation on Issuance and Sale of Capital Stock by Restricted Subsidiaries. The Company (i) will not permit any of its Restricted Subsidiaries to issue any Capital Stock (other than to the Company or a Wholly Owned Restricted Subsidiary of the Company) and (ii) will not permit any person (other than the Company

or a Wholly Owned Restricted Subsidiary of the Company) to own any Capital Stock of any Restricted Subsidiary of the Company other than with respect to the limited partnership interests of SPT owned by certain employees of SPT and with respect to SP Europe, so long as the Company shall own at least 51% of the combined general and limited partnership interests thereof. (Section)

Limitation on Transactions with Affiliates. The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, transfer, disposition, purchase, exchange or lease of assets, property or services) with, or for the benefit of, any Affiliate of the Company (other than a Wholly Owned Restricted Subsidiary of the Company) or any "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of 10% or more of the Company's Common Stock at any time outstanding ("Interested Persons") except (i) on terms that are no less favorable to the Company, or its Restricted Subsidiary, as the case may be, than those which could have been obtained in a comparable transaction or transactions on an arm's-length basis at such time from persons who are not Affiliates of the Company or Interested Persons, (ii) with respect to a transaction or series of transactions involving aggregate payments or value equal to or greater than \$10,000,000, (A) such transaction or series of transactions has been approved by a majority of the disinterested members of the Board of Directors or the Company has obtained a written opinion from a nationally recognized investment banking firm stating that the terms of such transactions or series of transactions are fair to the Company or its Restricted Subsidiary, as the case may be, from a financial point of view, and (B) the Company shall have delivered an officer's certificate to the Trustee certifying that such transaction or series of transactions comply with the preceding clause (i), and (iii) with respect to any transaction or series of transactions involving aggregate payments or value equal to or greater than \$1,000,000 and less than \$10,000,000, the Company shall have complied with the condition set forth in clause (ii)(B) above. This covenant will not restrict the Company from (i) paying reasonable and customary regular fees to directors of the Company who are not employees of the Company, (ii) making loans or advances to employees and officers of the Company and its Restricted Subsidiaries for bona fide business purposes of the Company in the ordinary course of business, (iii) the payment of dividends in respect of the Company or any Restricted Subsidiary permitted under the "--Limitation on Restricted Payments" covenant, or (iv) transactions provided for under agreements in existence on the date of the Indenture and listed on a schedule thereto.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries. The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of the Company to (a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock or any other interest or participation in, or measured by, its profits, (b) pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary of the Company, (c) make loans or advances to the Company or any other Restricted Subsidiary of the Company, (d) transfer any of its properties or assets to the Company or any other Restricted Subsidiary of the Company, or (e) guarantee any Indebtedness of the Company or any other Restricted Subsidiary of the Company, except for such encumbrances or restrictions existing under or by reason of (i) any agreement or other instrument of a person acquired by the Company or any Restricted Subsidiary of the Company in existence at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any person, or the properties or assets of any person, other than the person, or the property or assets of the person, so acquired, (ii) any encumbrance or restriction in the Bank Credit Agreement or any other agreement as in effect on the date of the Indenture and listed on a schedule thereto, and (iii) any encumbrance or restriction pursuant to any agreement that extends, refinances, renews or replaces any agreement described in clause (i) and (ii) above, which is not materially more restrictive or less favorable to the holders of Notes than those existing under the agreement being extended, refinanced, renewed or replaced. (Section)

Limitation on Guarantees by Restricted Subsidiaries. The Company will not permit any Restricted Subsidiary, directly or indirectly, to assume, guarantee or in any other manner become liable with respect to any Indebtedness of the Company or any Guarantor, unless such Restricted Subsidiary is a Guarantor or simultaneously executes and delivers a supplemental indenture providing for the guarantee of payment of the

Notes by such Restricted Subsidiary and waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its guarantee; provided, however, that in the case of any guarantee of any Guarantor with respect to Senior Indebtedness, the guarantee of the payment of the Notes by such Guarantor to be provided in accordance herewith shall be subordinated to the guarantee with respect to such Senior Indebtedness in the same manner and to the same extent as the Notes are subordinated to such Senior Indebtedness. Each guarantee created pursuant to the provisions described above is referred to as a "Guarantee" and the issuer of each such Guarantee, so long as the Guarantee remains outstanding, is referred to as a "Guarantor."

Notwithstanding the foregoing, in the event that a Guarantor is released from all obligations which pursuant to the first sentence of the preceding paragraph obligate it to become a Guarantor, such Guarantor shall be released from all obligations under its Guarantee (provided that the provisions of the first sentence of the preceding paragraph shall apply anew in the event that such Guarantor subsequent to being released incurs any obligations that pursuant to such sentence obligate it to become a Guarantor). In addition, upon any sale or disposition (by merger or otherwise) of any Guarantor by the Company or a Restricted Subsidiary of the Company to any person that is not an Affiliate of the Company or any of its Restricted Subsidiaries which is otherwise in compliance with the terms of the Indenture, such Guarantor will be deemed to be released from all obligations under its Guarantee; provided, however, that each such Guarantor is sold or disposed of in accordance with the "--Disposition of Proceeds of Asset Sales" covenant above; provided further that the foregoing proviso shall not apply to the sale or disposition of a Guarantor in a foreclosure to the extent that such proviso would be inconsistent with the requirements of the Uniform Commercial Code. (Section)

Limitation on Certain Other Subordinated Indebtedness. The Company will not issue, directly or indirectly, any Indebtedness which is subordinated or junior in ranking in any respect to Senior Indebtedness unless such Indebtedness is expressly pari passu with or subordinated in right of payment to the Notes. (Section)

Reporting Requirements. The Company will file, to the extent permitted under the Exchange Act, with the Commission the annual reports, quarterly reports and other documents required to be filed with the Commission pursuant to Sections 13 and 15 of the Exchange Act, whether or not the Company has a class of securities registered under the Exchange Act. The Company will file with the Trustee, and provide to each holder of the Notes, copies of such reports and documents within 15 days after it files them with the Commission or, if filing such documents by the Company with the Commission is not permitted under the Exchange Act, within 15 days after it would otherwise have been required to file such reports and documents if permitted, in each case at the Company's cost. (Section)

MERGER, SALE OF ASSETS, ETC.

The Indenture will provide that the Company will not, in any transaction or series of transactions, merge or consolidate with or into, or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets as an entirety to, any person or persons, and that the Company will not permit any of its Restricted Subsidiaries to enter into any such transaction or series of transactions if such transaction or series of transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the properties and assets of the Company or of the Company and its Restricted Subsidiaries, taken as a whole, to any other person or persons, unless at the time and after giving effect thereto (i) either (A) if the transaction or transactions is a merger or consolidation, the Company shall be the surviving person of such merger or consolidation or (B) (1) the person formed by such consolidation or into which the Company or such Restricted Subsidiary is merged or to which the properties and assets of the Company or such Restricted Subsidiary, as the case may be, substantially as an entirety, are transferred (any such surviving person or transferee person being the "Surviving Entity") shall be a corporation organized and existing under the laws of the United States of America, any state thereof or the District of Columbia and (2) (x) in case of a transaction involving the Company, the Surviving Entity shall expressly assume by a supplemental indenture executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Company under the Notes and the Indenture, and in each case, the Indenture shall remain

in full force and effect or (y) in the case of a transaction involving a Restricted Subsidiary that is a Guarantor, the Surviving Entity shall expressly assume by a supplemental indenture executed and delivered to the Trustee, in form satisfactory to the Trustee, all of the obligations of such Restricted Subsidiary under its Guarantee and related supplemental indenture, and in each case, such Guarantee and supplemental indenture shall remain in full force and effect; (ii) immediately before and immediately after giving effect to such transaction or series of transactions on a pro forma basis (including, without limitation, any Indebtedness incurred or anticipated to be incurred in connection with or in respect of such transaction or series of transactions), no Default or Event of Default shall have occurred and be continuing and the Company, or the Surviving Entity, as the case may be, after giving effect to such transaction or series of transactions on a pro forma basis, could incur \$1.00 of additional Indebtedness under the first paragraph of the "--Limitation on Indebtedness" covenant described above (assuming a market rate of interest with respect to such additional Indebtedness); and (iii) immediately after giving effect to such transaction, the Surviving Entity shall have a Consolidated Net Worth in an amount which is not less than the Consolidated Net Worth of the Company immediately prior to such transaction; provided that a Wholly Owned Restricted Subsidiary may consolidate with, or merge with or into, or convey, transfer or lease all or substantially all its assets to, the Company or another Wholly Owned Restricted Subsidiary. (Section)

In connection with any consolidation, merger, transfer, lease or other disposition contemplated hereby, the Company shall deliver, or cause to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, transfer, lease or other disposition and the supplemental indenture in respect thereof comply with the requirements under the Indenture. In addition, each Guarantor, if any, unless it is the other party to the transaction or unless its Guarantee will be released and discharged in accordance with its terms as a result of the transaction, will be required to confirm, by supplemental indenture, that its Guarantee of the Notes will apply to the obligations of the Company or the Surviving Entity under the Indenture. (Section)

Upon any consolidation or merger or any transfer of all or substantially all of the assets of the Company in accordance with the foregoing, in which the Company is not the continuing corporation, the successor corporation formed by such a consolidation or into which the Company is merged or to which such transfer is made, shall succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture with the same effect as if such successor corporation had been named as the Company therein. (Section)

EVENTS OF DEFAULT

The following will be "Events of Default" under the Indenture:

- (i) default in the payment of the principal of, or premium, if any, when due and payable, on any of the Notes (at its Stated Maturity, upon optional redemption, required purchase or otherwise);
- (ii) default in the payment of an installment of interest on any of the Notes, when due and payable, for 30 days;
- (iii) failure by the Company to comply with its obligations under "--Merger, Sale of Assets, Etc." above;
- (iv) failure by the Company to perform or observe any other term, covenant or agreement contained in the Notes or the Indenture (other than a default specified in clause (i), (ii) or (iii) above) for a period of 30 days after written notice of such failure requiring the Company to remedy the same shall have been given (x) to the Company by the Trustee or (y) to the Company and the Trustee by the holders of 25% in aggregate principal amount of the Notes then outstanding;
- (v) (A) default or defaults under one or more agreements, instruments, mortgages, bonds, debentures or other evidences of Indebtedness under which the Company or any Restricted Subsidiary of the Company then has outstanding indebtedness in excess of \$10,000,000, individually or in the aggregate, and either (i) such Indebtedness is already due and payable in full or (ii) such default or defaults have resulted in the acceleration of the maturity of such Indebtedness, or (B) failure to pay such Indebtedness beyond any

applicable grace period when such Indebtedness has been required to be prepaid or repurchased (other than scheduled required prepayment) prior to the stated maturity of such Indebtedness;

(vi) one or more judgments, orders or decrees of any court or regulatory or administrative agency of competent jurisdiction for the payment of money in excess of \$10,000,000, individually or in the aggregate, shall be entered against the Company or any Restricted Subsidiary of the Company or any of their respective properties and shall not have been discharged or fully bonded, and either (1) any creditor shall have commenced an enforcement proceeding upon such judgment (other than a judgment that is stayed by pending appeal or otherwise) or (2) there shall have been a period of 60 days after the date on which any period for appeal has expired and during which a stay of enforcement of such judgment, order or decree, shall not be in effect;

(vii) any Guarantee ceases to be in full force and effect (other than as provided in the second paragraph under the "Limitation on Guarantees of Restricted Subsidiaries" covenant above) or is declared null and void, or any Guarantor denies that it has any further liability under any Guarantee, or gives notice to such effect (other than by reason of the termination of the Indenture or the release of any such Guarantee in accordance with the Indenture); or

(viii) certain events of bankruptcy, insolvency or reorganization with respect to the Company or any Significant Subsidiary of the Company shall have occurred. (Section)

If an Event of Default (other than as specified in clause (viii) above with respect to the Company or any Significant Subsidiary) shall occur and be continuing, the Trustee, by notice to the Company, or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by notice to the Trustee and the Company, may declare the principal of, premium, if any, and accrued and unpaid interest, if any, on all of the outstanding Notes due and payable immediately, upon which declaration all amounts payable in respect of the Notes shall be immediately due and payable. If an Event of Default specified in clause (viii) above with respect to the Company or any Significant Subsidiary occurs and is continuing, then the principal of, premium, if any, and accrued and unpaid interest, if any, on all of the outstanding Notes shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of Notes. (Section)

After a declaration of acceleration under the Indenture, but before a judgment or decree for payment of money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount of the outstanding Notes, by written notice to the Company and the Trustee, may rescind such declaration and its consequences if: (a) the Company has paid or deposited with the Trustee (i) a sum sufficient to pay such sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel, (ii) all overdue interest on all Notes, (iii) the principal of and premium, if any, on any Notes which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Notes, and (iv) to the extent that payment of such interest is lawful, interest upon overdue interest and overdue principal at the rate borne by the Notes which have become due otherwise than by such declaration of acceleration; (b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and (c) all Events of Default, other than the non-payment of principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived. (Section)

The holders of not less than a majority in aggregate principal amount of the outstanding Notes may on behalf of the holders of all the Notes waive any past defaults under the Indenture except a default in the payment of the principal of, premium, if any, or interest on any Note, or in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each Note outstanding. (Section)

No holder of any of the Notes has any right to institute any proceeding with respect to the Indenture or any remedy thereunder, unless the holders of at least 25% in aggregate principal amount of the outstanding Notes have made written request, and offered reasonable indemnity, to the Trustee to institute such proceeding within 30 days after receipt of such notice and the Trustee, within such 30-day period, has not received directions inconsistent with such written request by holders of a majority in aggregate principal

amount of the outstanding Notes. Such limitations do not apply, however, to a suit instituted by a holder of a Note for the enforcement of the payment of the principal of, premium, if any, or interest on, such Note on or after the respective due dates expressed in such Note. (Sections and)

During the existence of an Event of Default, the Trustee is required to exercise such rights and powers vested in it under the Indenture and use the same degree of care and skill in its exercise thereof as a prudent person would exercise under the circumstances in the conduct of such person's own affairs. Subject to the provisions of the Indenture relating to the duties of the Trustee, whether or not an Event of Default shall occur and be continuing, the Trustee under the Indenture is not under any obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders of the Notes unless such holders shall have offered to the Trustee reasonable security or indemnity. Subject to certain provisions concerning the rights of the Trustee, the holders of a majority in aggregate principal amount of the outstanding Notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee under the Indenture. (Sections and)

If a Default or an Event of Default occurs and is continuing and is known to the Trustee, the Trustee shall mail to each holder of the Notes notice of the Default or Event of Default within 60 days after such occurrence. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, or interest on any Notes, the Trustee may withhold the notice to the holders of such Notes if a committee of its trust officers in good faith determines that withholding the notice is in the interest of the holders of the Notes. (Section)

The Company is required to furnish to the Trustee annual and quarterly statements as to the performance by the Company of its obligations under the Indenture and as to any default in such performance. The Company is also required to notify the Trustee within ten days of any event which is, or after notice or lapse of time or both would become, an Event of Default. (Section)

DEFEASANCE OR COVENANT DEFEASANCE OF INDENTURE

The Company may, at its option and at any time, terminate the obligations of the Company with respect to the outstanding Notes ("defeasance"). Such defeasance means that the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the then outstanding Notes, except for (i) the rights of holders of outstanding Notes to receive payment in respect of the principal of, premium, if any, and interest on such Notes when such payments are due, (ii) the Company's obligations to issue temporary Notes, register the transfer or exchange of any Notes, replace mutilated, destroyed, lost or stolen Notes and maintain an office or agency for receipt of payments in respect of the Notes, (iii) the rights, powers, trusts, duties and immunities of the Trustee, and (iv) the defeasance provisions of the Indenture. In addition, the Company may, at its option and at any time, elect to terminate its obligations with respect to certain covenants that are set forth in the Indenture, some of which are described under "--Certain Covenants" above, and any subsequent failure to comply with such obligations shall not constitute a Default or an Event of Default with respect to the Notes ("covenant defeasance"). (Sections and)

In order to exercise either defeasance or covenant defeasance, (i) the Company must irrevocably deposit with the Trustee, in trust for the benefit of the holders of the Notes, cash in United States dollars, U.S. Government Obligations (as defined in the Indenture), or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest on the outstanding Notes to redemption or maturity, (ii) the Company shall have delivered to the Trustee an opinion of counsel to the effect that the holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred (in the case of defeasance, such opinion must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable federal income tax laws), (iii) no Default or Event of Default shall have occurred and be continuing on the date of such deposit or, insofar as clause (viii) under the first paragraph under "Events of Default" is concerned, at any time during the period ending the 91st day after the

date of deposit, (iv) such defeasance or covenant defeasance shall not cause the Trustee to have a conflicting interest with respect to any securities of the Company, (v) such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a default under, any material agreement or instrument to which the Company is a party or by which the Company is bound, (vi) the Company shall have delivered to the Trustee an opinion of counsel to the effect that (A) the trust funds will not be subject to any rights of holders of other Indebtedness, including, without limitation, those arising under the Indenture and (B) after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, (vii) the Company shall have delivered to the Trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent under the Indenture to either defeasance or covenant defeasance, as the case may be, have been complied with and that no violations under agreements governing any other outstanding Indebtedness would result, (viii) the Company shall have delivered to the Trustee an officers' certificate stating that the deposit was not made by the Company with intent of preferring the holders of the Notes or any Guarantor over the other creditors of the Company or any Guarantor with the intent of defeating, hindering or delaying or defrauding creditors of the Company, any Guarantor or others and (ix) if the Bank Credit Agreement is in effect, the Company shall have delivered to the Trustee any required consent of the lenders under the Bank Credit Agreement to such defeasance or covenant defeasance, as the case may be. (Section)

SATISFACTION AND DISCHARGE

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when (i) either (a) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for which payment has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust) have been delivered to the Trustee for cancellation or (b) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable, and the Company has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit together with irrevocable instructions from the Company directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be, (ii) the Company has paid all other sums payable under the Indenture by the Company, and (iii) the Company has delivered to the Trustee an officers' certificate and an opinion of counsel stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with. (Section)

AMENDMENTS AND WAIVERS

From time to time, the Company, when authorized by a resolution of its Board of Directors, and the Trustee may, without the consent of the holders of any outstanding Notes, amend, waive or supplement the Indenture or the Notes for certain specified purposes, including, among other things, curing ambiguities, defects or inconsistencies, qualifying, or maintaining the qualification of, the Indenture under the Trust Indenture Act of 1939, adding any Subsidiary of the Company as a Guarantor or making any change that does not adversely affect the rights of any holder; provided, however, that the Company has delivered to the Trustee an opinion of counsel stating that such change does not adversely affect the rights of any holder of the Notes. Other amendments and modifications of the Indenture or the Notes may be made by the Company and the Trustee with the consent of the holders of not less than a majority of the aggregate principal amount of the outstanding Notes; provided, however, that no such modification or amendment may, without the consent of the holder of each outstanding Note affected thereby, (i) reduce the principal amount of, extend the fixed maturity of or alter the redemption provisions of, the Notes, (ii) change the currency in which the Notes or any premium or the interest thereon is payable, (iii) reduce the percentage in principal amount of outstanding Notes that must consent to an amendment, supplement or waiver or consent to take any action under the Indenture, the Notes or any Guarantee, (iv) impair the right to institute suit for the enforcement of any payment on or with respect to the Notes, (v) waive a default in payment with respect to the Notes, (vi) amend, change or modify the obligation of the Company to make and consummate a Change of Control

Offer in the event of a Change of Control or make and consummate the offer with respect to any Asset Sale or modify any of the provisions or definitions with respect thereto, (vii) reduce or change the rate or time for payment of interest on the Notes, (viii) modify or change any provision of the Indenture affecting the subordination of the Notes or any Guarantee in a manner adverse to the holders of the Notes, or (ix) release any Guarantor from any of its obligations under its Guarantee or the Indenture other than in compliance with other provisions of the Indenture permitting such release. (Sections)

THE TRUSTEE

The Bank of New York is to be the Trustee under the Indenture and has been appointed by the Company as Registrar and Paying Agent with regard to the Notes.

GOVERNING LAW

The Indenture, the Notes and any Guarantee will be governed by the laws of the State of New York, without regard to the principles of conflicts of law. (Section)

CERTAIN DEFINITIONS

"Acquired Indebtedness" means Indebtedness of a person (a) assumed in connection with an Asset Acquisition from such person or (b) existing at the time such person becomes a Restricted Subsidiary of any other person, other than Indebtedness incurred in connection with, or in contemplation of, such person becoming a Restricted Subsidiary or such acquisition, as the case may be.

"Affiliate" means, with respect to any specified person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For purposes of this definition, "control" when used with respect to any person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative of the foregoing.

"Applicable Premium" means, with respect to a Note, the greater of (i) 1.0% of the then outstanding principal amount of such Note and (ii) the excess of (A) the present value of the required interest and principal payments due on such Note, computed using a discount rate equal to the Treasury Rate plus basis points, over (B) the then outstanding principal amount of such Note; provided, however, that in no event will the Applicable Premium exceed the amount of the applicable redemption price upon an optional redemption less 100%, at any time on or after , 1998.

"Asset Acquisition" means (a) an Investment by the Company or any Subsidiary of the Company in any other person pursuant to which such person shall become a Restricted Subsidiary of the Company, or shall be merged with or into the Company or any Restricted Subsidiary of the Company, or (b) the acquisition by the Company or any Restricted Subsidiary of the Company of the assets of any person which constitute all or substantially all of the assets of such person or any division or line of business of such person.

"Asset Sale" means any sale, issuance, conveyance, transfer, lease or other disposition (including, without limitation, by way of merger or consolidation) to any person other than the Company or a Wholly Owned Restricted Subsidiary of the Company, in one or a series of related transactions of: (a) any Capital Stock of any Restricted Subsidiary of the Company, (b) all or substantially all of the properties and assets of any division or line of business of the Company or any Restricted Subsidiary of the Company or (c) any other properties or assets of the Company or a Restricted Subsidiary (including proprietary brand names, whether registered or otherwise) other than in the ordinary course of business. For the purposes of this definition, the term "Asset Sale" shall not include (i) any sale, issuance, conveyance, transfer, lease or other disposition of properties or assets that is governed by the provisions described under "--Merger, Sale of Assets, Etc.," (ii) sales of assets consisting of obsolete equipment or assets that in the Company's reasonable judgment are either (x) no longer used or (y) no longer useful in the business of the Company or its Restricted Subsidiaries, (iii) any sale, issuance, conveyance, transfer, lease or other disposition of properties or assets, whether in one transaction or a series of related transactions, involving assets with a fair market value determined by the Company to be not in excess of \$500,000, or (iv) sales or financings of receivables pursuant to clause (12), (13) or (14) of the definition of "Permitted Indebtedness."

"Average Life to Stated Maturity" means, with respect to any Indebtedness, as at any date of determination, the quotient obtained by dividing (a) the sum of the products of (i) the number of years from such date to the date or dates of each successive scheduled principal payment (including, without limitation, any sinking fund requirements) of such Indebtedness multiplied by (ii) the amount of each such principal payment by (b) the sum of all such principal payments.

"Bank Credit Agreement" means (a) the Credit Agreement dated as of March 24, 1994 between the Company and the Banks as in effect on the Issue Date and as such agreement may be amended, supplemented or otherwise modified from time to time, and (b) any credit agreement, loan agreement, note purchase agreement, indenture or other agreement, document or instrument refinancing, refunding or otherwise replacing such Agreement or any other agreement deemed a Bank Credit Agreement under clause (a) or (b) hereof.

"Banks" means the lenders from time to time who are parties to the Bank Credit Agreement.

"Capital Stock" means, with respect to any person, any and all shares, interests, participation, rights in or other equivalents or interests in (however designated) such person's capital stock or other equity interests or participation, including general and limited partnership interests, and any rights (other than debt securities convertible into capital stock), warrants or options exchangeable for or convertible into such capital stock.

"Capitalized Lease Obligation" means any obligation to pay rent or other amounts under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed) that is required to be classified and accounted for as a capital lease obligation under GAAP; and, for the purpose of the Indenture, the amount of such obligation at any date shall be the capitalized amount thereof on the balance sheet at such date, determined in accordance with GAAP consistently applied.

"Cash Equivalents" means, at any time : (i) any evidence of Indebtedness with a maturity of 180 days or less issued, or directly and fully guaranteed or insured, by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof); (ii) certificates of deposit, time deposits and bankers' acceptances with a maturity of 180 days or less of any financial institution that is a member of the Federal Reserve System having combined capital and surplus and undivided profits of not less than \$500,000,000; (iii) commercial paper with a maturity of 90 days or less issued by a corporation that is not an Affiliate of the Company or a Subsidiary organized under the laws of any state of the United States or the District of Columbia and rated at least A-1 by S&P or at least P-1 by Moody's or at least an equivalent rating category of another nationally recognized securities rating agency; and (iv) any money market or other deposit accounts issued or offered by any domestic institution in the business of accepting money market accounts or any commercial banking institution described in clause (ii) above.

"Change of Control" means an event as a result of which: (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than 50 % of the total outstanding Voting Stock of the Company; (ii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Company (together with any new directors whose election to such Board or whose nomination for election by the shareholders of the Company was approved by a vote of 66 2/3% of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of such Board of Directors then in office; (iii) the Company consolidates with or merges with or into any person or conveys, transfers or leases all or substantially all of its assets to any person, or any corporation consolidates with or merges into or with the Company in any such event pursuant to a transaction in which the outstanding Voting Stock of the Company is changed into or exchanged for cash, securities or other property, other than any such transaction where the outstanding Voting Stock of the Company is not changed or exchanged at all (except to the extent necessary to reflect a change in the jurisdiction of incorporation of the Company) or where (A) the outstanding Voting Stock of the Company is changed into or exchanged for (x) Voting Stock of the surviving corporation which is not Redeemable Capital Stock or (y) cash, securities and other property (other than Capital Stock of the surviving corporation) in an amount which could be paid by the Company as a Restricted Payment as described under "--Certain Covenants--Limitation on

Restricted Payments" (and such amount shall be treated as a Restricted Payment subject to the provisions in the Indenture described under "--Certain Covenants--Limitation on Restricted Payments") and (B) no "person" or "group" owns immediately after such transaction, directly or indirectly, more than 50 % of the total outstanding Voting Stock of the surviving corporation; or (iv) the Company is liquidated or dissolved or adopts a plan of liquidation or dissolution other than in a transaction which complies with the provisions described under "--Merger, Sale of Assets, Etc."

"Common Stock" means, with respect to any person, any and all shares, interests or other participation in, and other equivalents (however designated and whether voting or nonvoting) of, such person's common stock, whether outstanding at the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common stock.

"Consolidated EBITDA" means, with respect to any person for any period, (i) the sum of, without duplication, the amount for such period, taken as a single accounting period, of (a) Consolidated Net Income, (b) Consolidated Non-cash Charges, (c) Consolidated Interest Expense, (d) Consolidated Income Tax Expense and (e) any increase in the Employee Liabilities of such person and its Restricted Subsidiaries for such period less any decrease in the Employee Liabilities of such period, which have been deducted to arrive at Consolidated Net Income less (ii) non-cash items increasing Consolidated Net Income (other than in the ordinary course of business); provided, however, that if, during such period, such person or any of its Restricted Subsidiaries shall have consummated any Asset Sale or Asset Acquisition, Consolidated EBITDA for such person and its Restricted Subsidiaries for such period shall be adjusted (in the manner set forth in the definition of the term "Consolidated Fixed Charge Coverage Ratio") to give pro forma effect to the Consolidated EBITDA directly attributable to the assets which are the subject of such Asset Sales or Asset Acquisitions during such period.

"Consolidated Fixed Charge Coverage Ratio" means, with respect to any person, the ratio of the aggregate amount of Consolidated EBITDA of such person for the four full fiscal quarters for which financial information in respect thereof is available immediately preceding the date of the transaction (the "Transaction Date") giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio (such four full fiscal quarter period being referred to herein as the "Four Quarter Period") to the aggregate amount of Consolidated Fixed Charges of such person for the Four Quarter Period. In addition to and without limitation of the foregoing, for purposes of this definition "Consolidated EBITDA" and "Consolidated Fixed Charges" shall be calculated after giving effect on a pro forma basis for the period of such calculation to, without duplication, (a) the incurrence of any Indebtedness of such person or any of its Restricted Subsidiaries during the period commencing on the first day of the Four Quarter Period to and including the Transaction Date (the "Reference Period"), including, without limitation, the incurrence of the Indebtedness giving rise to the need to make such calculation, as if such incurrence occurred on the first day of the Reference Period, and (b) any Asset Sales or Asset Acquisitions (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of such person or one of its Restricted Subsidiaries (including any person who becomes a Subsidiary as a result of the Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Indebtedness) occurring during the Reference Period, as if such Asset Sale or Asset Acquisition occurred on the first day of the Reference Period. Furthermore, in calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Consolidated Fixed Charge Coverage Ratio," (i) interest on outstanding Indebtedness determined on a fluctuating basis as of the Transaction Date and which will continue to be so determined thereafter shall be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on the Transaction Date, (ii) if interest on any Indebtedness actually incurred on the Transaction Date may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rates, then the interest rate in effect on the Transaction Date will be deemed to have been in effect during the Reference Period; and (iii) notwithstanding clauses (i) and (ii) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by agreements relating to Interest Rate Protection Obligations, shall be deemed to have accrued at the rate per annum resulting after giving effect to the operation of such agreements. In calculating the Consolidated Fixed Charge Coverage Ratio, and giving pro forma effect to any incurrence of Indebtedness during a Reference Period, pro forma effect shall be given to the use of proceeds thereof to permanently repay or retire Indebtedness.

If such person or any of its Restricted Subsidiaries directly or indirectly guaranteed Indebtedness of a third person, the above clauses shall give effect to the incurrence of such guaranteed Indebtedness as if such person or such Restricted Subsidiary had directly incurred or otherwise assumed such guaranteed Indebtedness.

"Consolidated Fixed Charges" means, with respect to any person for any period, the sum of, without duplication, the amounts for such period of (i) Consolidated Interest Expense and (ii) the aggregate amount of dividends and other distributions paid or accrued during such period in respect of Redeemable Capital Stock of such person and its Restricted Subsidiaries on a consolidated basis; provided, however, that if, during such period, such person or any of its Restricted Subsidiaries shall have made any Asset Sales or Asset Acquisitions, Consolidated Fixed Charges for such person and its Restricted Subsidiaries for such period shall be adjusted (in the manner set forth in the definition of the term "Consolidated Fixed Charge Coverage Ratio") to give pro forma effect to the Consolidated Fixed Charges directly attributable to the assets which are the subject of such Asset Sales or Asset Acquisitions during such period.

"Consolidated Income Tax Expense" means, with respect to any person for any period, the provision for federal, state, local and foreign income taxes of such person and its Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP consistently applied.

"Consolidated Interest Expense" means, with respect to any person for any period, without duplication, the sum of (i) the interest expense of such person and its Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP consistently applied, including, without limitation, (a) any amortization of debt discount, (b) the net cost under Interest Rate Protection Obligations (including any amortization of discounts), (c) the interest portion of any deferred payment obligation which in accordance with GAAP is required to be reflected on an income statement, (d) all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing, (e) all accrued interest and (f) that portion of rental expense estimated to be representative of the interest factor and (ii) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such person and its Restricted Subsidiaries during such period as determined on a consolidated basis in accordance with GAAP consistently applied.

"Consolidated Net Income" means, with respect to any person, for any period, the consolidated net income (or loss) of such person and its Restricted Subsidiaries for such period as determined in accordance with GAAP consistently applied adjusted, to the extent included in calculating such net income, by excluding, without duplication, (i) all extraordinary gains or losses (net of fees and expenses relating to the transaction giving rise thereto) and the non-recurring cumulative effect of accounting changes, (ii) the portion of net income (or loss) of such person and its Restricted Subsidiaries allocable to minority interests in unconsolidated persons to the extent that cash dividends or distributions have not actually been received by such person or one of its Restricted Subsidiaries, (iii) net income (or loss) of any person combined with such person or one of its Restricted Subsidiaries on a "pooling of interests" basis attributable to any period prior to the date of combination, (iv) gains or losses in respect of any Asset Sales by such person or one of its Restricted Subsidiaries (net of fees and expenses relating to the transaction giving rise thereto), on an after-tax basis, (v) the net income of any Restricted Subsidiary of such person to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that income is not at the time permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulations applicable to that Restricted Subsidiary or its stockholders, (vi) gains or losses realized upon the termination of any employee pension benefit plan, on an after-tax basis and (vii) a non-recurring charge relating to the write off of goodwill of the Company's Automotive Diagnostics division, recorded on the Company's consolidated balance sheet in accordance with GAAP, in an aggregate amount not to exceed \$75,000,000.

"Consolidated Net Worth" means, with respect to any person at any date, the consolidated stockholders' equity of such person less the amount, if any, of such stockholders' equity attributable to Redeemable Capital Stock or treasury stock of such person and its Restricted Subsidiaries, as determined in accordance with GAAP consistently applied.

"Consolidated Non-cash Charges" means, with respect to any person for any period, the aggregate depreciation, amortization and other non-cash expenses (including, without limitation, non-cash reserves and

non-cash charges) of such person and its Restricted Subsidiaries reducing Consolidated Net Income of such person and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP consistently applied (but only to the extent such non-cash reserves, expenses and charges did not require an accrual of a reserve for cash disbursements for any future periods).

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"Designated Senior Indebtedness" means (i) all Senior Indebtedness under the Bank Credit Agreement and (ii) any other Senior Indebtedness which (a) at the time of determination exceeds \$25,000,000 in aggregate principal amount and (b) is specifically designated by the Company in the instrument evidencing such Senior Indebtedness as "Designated Senior Indebtedness" by the Company.

"Employee Liabilities" means, with respect to any person, any liability in respect of employee benefits (including, without limitation, liabilities to fund shortfalls in multiemployer post-retirement medical and death benefit plans) that would be reflected on a consolidated balance sheet of such person and its Restricted Subsidiaries prepared in accordance with GAAP.

"Event of Default" has the meaning set forth under "--Events of Default" herein.

"Existing Receivables Financing" means obligations of the Company incurred or issued pursuant to the terms of those certain agreements, each dated as of April 30, 1991, between the Company and each of The First National Bank of Chicago and Falcon Asset Securitization Corporation.

"GAAP" means generally accepted accounting principles in the United States set forth in the Statements of Financial Accounting Standards and Interpretations, Accounting Principles Board Opinions and AICPA Accounting Research Bulletins which are applicable as of the Issue Date.

"Guarantee" has the meaning set forth under "--Limitation on Guarantees by Restricted Subsidiaries" herein.

"guarantee" means, as applied to any obligation, (i) a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation and (ii) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such obligation including, without limiting the foregoing, the payment of amounts drawn down by letters of credit.

"Guarantor" means the issuer at any time of a Guarantee (so long as such Guarantee remains outstanding).

"Incremental Receivables Financing" means obligations of the Company incurred or issued pursuant to an increase in the Existing Receivables Financing or pursuant to a separate securitized receivables facility.

"Indebtedness" means, with respect to any person, without duplication, (a) all liabilities of such person for borrowed money or for the deferred purchase price of property or services, excluding any trade payables and other accrued current liabilities incurred in the ordinary course of business, but including, without limitation, all obligations, contingent or otherwise, of such person in connection with any letters of credit, banker's acceptance or other similar credit transaction, (b) all obligations of such person evidenced by bonds, notes, debentures or other similar instruments, (c) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade accounts payable arising in the ordinary course of business, (d) all Capitalized Lease Obligations of such person, (e) all Indebtedness referred to in the preceding clauses of other persons and all dividends of other persons, the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon property (including, without limitation, accounts and contract rights) owned by such person, even though such person has not assumed or become liable for the payment of such Indebtedness (the amount of such obligations being deemed to be the lesser of the value of such property or asset or the amount of the obligation so secured), (f) all guarantees of Indebtedness referred to in this definition by such person, (g) all

Redeemable Capital Stock valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued dividends, (h) all obligations under or in respect of currency exchange contracts and Interest Rate Protection Obligations of such person (i) repurchase obligations or liabilities of such person with respect to accounts receivable or notes receivable sold by such person, (j) with respect to the Company, obligations incurred under or in connection with the Existing Receivables Financing or any Incremental Receivables Financing, notwithstanding the manner in which such obligations are characterized on a balance sheet of the Company prepared in accordance with GAAP, provided that for purposes of calculating financial covenants hereunder, such obligations shall be included only to the extent such obligations are with recourse to the Company or any of its Restricted Subsidiaries, and (k) with respect to SPX Credit Corporation, obligations incurred under or in connection with any SPX Credit Lease Financing, notwithstanding the manner in which such obligations are characterized on a balance sheet of the Company and its Restricted Subsidiaries prepared in accordance with GAAP, provided that for purposes of calculating financial covenants hereunder, such obligations shall be excluded as Indebtedness, and (l) any amendment, supplement, modification, deferral, renewal, extension or refunding of any liability of the types referred to in clauses (a) through (l) above. For purposes hereof, (x) the "maximum fixed repurchase price" of any Redeemable Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Redeemable Capital stock, such fair market value shall be determined in good faith by the board of directors of the issuer of such Redeemable Capital Stock, and (y) Indebtedness is deemed to be incurred pursuant to a revolving credit facility each time an advance is made thereunder.

"Interest Rate Protection Obligations" means the obligations of any person pursuant to any arrangement with any other person whereby, directly or indirectly, such person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include, without limitation, interest rate swaps, caps, floors, collars and similar agreements.

"Investment" means, with respect to any person, any direct or indirect loan or other extension of credit, advance, guarantee or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition by such person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other person. For the purpose of making any calculations under the Indenture (i) Investment shall include the person's proportionate share of the fair market value of the net assets of any Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary and shall exclude the person's proportionate share of the fair market value of the net assets of any Unrestricted Subsidiary that is designated a Restricted Subsidiary and (ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at fair market value at the time of such transfer; provided that in each case, the fair market value of an asset or property shall be as determined by the Board of Directors of the Company in good faith. For purposes of the Indenture, the change in designation of a Restricted Subsidiary to an Unrestricted Subsidiary shall be an Investment. "Investments" shall exclude extensions of trade credit on commercially reasonable terms consistent with the normal course of business of the Company and the Restricted Subsidiaries.

"Lien" means any mortgage, charge, pledge, lien (statutory or other), security interest, hypothecation, assignment for security, claim, or preference or priority or other encumbrance upon or with respect to any property of any kind. A person shall be deemed to own subject to a Lien any property which such person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Net Cash Proceeds" means, with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the

Company or any Restricted Subsidiary of the Company) net of (i) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel and investment bankers) related to such Asset Sale, (ii) provisions of all taxes payable as a result of such Asset Sale, (iii) amounts required to be paid and which have been paid, or amounts required to be pledged and which are pledged to secure Indebtedness owed to any person (other than the Company or any Restricted Subsidiary of the Company) owning a beneficial interest in the assets subject to the Asset Sale (which, in the case of a Lien, is being pledged to permanently reduce Indebtedness secured by such Lien) and (iv) appropriate amounts to be provided by the Company or any Restricted Subsidiary of the Company, as the case may be, as a reserve required in accordance with GAAP consistently applied against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary of the Company, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an Officers' Certificate delivered to the Trustee.

"Pari Passu Indebtedness" means any Indebtedness of the Company that is pari passu in right of payment to the Notes.

"Permitted Indebtedness" means

(1) Indebtedness of the Company under the Bank Credit Agreement in an aggregate principal amount at any one time outstanding not to exceed \$225,000,000;

(2) Indebtedness of the Company (including, without limitation, Indebtedness under the Bank Credit Agreement in excess of the \$225,000,000 permitted in clause (1) above) that is intended to provide working capital financing or financing for general corporate purposes as long as the incurrence of such Indebtedness would not result in the aggregate outstanding Indebtedness incurred pursuant to this clause (2) being in excess of (i) the sum of (x) 60% of the net aggregate book value of inventory and (y) 85% of the aggregate book value of all accounts receivable (net of bad debt expense) of the Company and its Restricted Subsidiaries on a consolidated basis, at the time such Indebtedness is incurred, as determined in accordance with GAAP minus (ii) \$225,000,000;

(3) Indebtedness of the Company pursuant to the Notes and Indebtedness of any Subsidiary pursuant to a Guarantee;

(4) Indebtedness of the Company outstanding on the date of the Indenture other than Indebtedness pursuant to clauses (1) and (12), (13) and (14) hereof;

(5) Interest Rate Protection Obligations of the Company or any Guarantor covering Indebtedness of the Company or any such Guarantor; provided, however, that (i) any Indebtedness to which any such Interest Rate Protection Obligations relate bears interest at fluctuating interest rates and is otherwise permitted to be incurred under this covenant and (ii) the notional amount of any such Interest Rate Obligations does not exceed the principal amount of the Indebtedness to which such Interest Rate Obligations relates and which Indebtedness either is outstanding at the time the Interest Rate Protection Obligation is incurred or such Indebtedness is incurred within 90 days thereafter;

(6) Indebtedness of a Wholly Owned Restricted Subsidiary of the Company issued to and held by (x) the Company or (y) another Wholly Owned Restricted Subsidiary of the Company; provided, however, any Indebtedness of a Guarantor owing to a Wholly Owned Restricted Subsidiary which is not a Guarantor shall be subordinated in right of payment from and after such time as the obligations under the Guarantee by such Wholly Owned Restricted Subsidiary shall become due and payable (whether at Stated Maturity, by acceleration or otherwise) to the payment and performance of such Wholly Owned Restricted Subsidiary's obligations under its Guarantee; and provided, further, that (a) any disposition, pledge or transfer of any such Indebtedness to a person (other than the Company or a Wholly Owned Restricted Subsidiary) shall be deemed to be an incurrence of such Indebtedness by the obligor not permitted by this clause; and (b) any transaction pursuant to which a Wholly Owned Restricted Subsidiary, which has Indebtedness owing to the Company or any other Wholly Owned Subsidiary, ceases to be a Wholly Owned Subsidiary shall be deemed to be the incurrence of Indebtedness by such Wholly Owned Restricted Subsidiary that is not permitted by this clause;

(7) Indebtedness of the Company issued to and held by a Wholly Owned Restricted Subsidiary of the Company which is unsecured and subordinated in right of payment from and after such time as the Notes shall become due and payable (whether at a Stated Maturity, by acceleration or otherwise) to the payment and performance of the Company's obligations under the Indenture and the Notes; provided, however, that any subsequent transfer of such Indebtedness (other than to the Company or a Wholly Owned Restricted Subsidiary) will be deemed, in each case, to constitute the issuance of such Indebtedness by the Company or of such Indebtedness by such Wholly Owned Restricted Subsidiary that is not permitted by this clause;

(8) Indebtedness of the Company or any Restricted Subsidiary incurred in respect of performance bonds, surety bonds and bankers' acceptances provided in the ordinary course of business in an amount outstanding at any time not to exceed the maximum amount permitted under the Bank Credit Agreement;

(9) Indebtedness of the Company or any Restricted Subsidiary representing Capitalized Lease Obligations or incurred in connection with the acquisition of fixed assets useful and intended to be used in carrying on the business of the Company or any such Restricted Subsidiary as long as the aggregate amount outstanding of such Indebtedness incurred pursuant to this clause would not at any time exceed \$10,000,000;

(10) Indebtedness of the Company or any Restricted Subsidiary arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within five business days of incurrence;

(11) Indebtedness of the Company or any Restricted Subsidiary consisting of guaranties, indemnities or obligations in respect of purchase price adjustments in connection with the acquisition or disposition of assets permitted under the Indenture;

(12) Indebtedness of the Company pursuant to the Existing Receivables Financing;

(13) Indebtedness of the Company pursuant to an Incremental Receivables Financing, so long as (i) at the time such Indebtedness is incurred and after giving effect thereto, no Default or Event of Default has occurred and is continuing, and (ii) the aggregate amount of such Indebtedness permitted under this clause (13) shall not exceed at any one time outstanding an amount equal to (x) \$50,000,000 minus (y) the aggregate amount outstanding under the Existing Receivables Financing minus (z) the aggregate amount of any Indebtedness consisting of an SPX Credit Lease Financing incurred pursuant to clause (14) below;

(14) Indebtedness of SPX Credit Corporation pursuant to an SPX Credit Lease Financing, so long as (i) at the time such Indebtedness is incurred and after giving effect thereto, no Default or Event of Default has occurred and is continuing, and (ii) the aggregate amount of such Indebtedness permitted under this clause (14) shall not exceed at any one time outstanding an amount equal to (x) \$50,000,000 minus (y) the aggregate amount outstanding under the Existing Receivables Financing minus (z) the aggregate amount of any Indebtedness consisting of an Incremental Receivables Financing incurred pursuant to clause (13) above;

(15) (i) Indebtedness of the Company, the proceeds of which are used solely to refinance (whether by amendment, renewal, extension or refunding) Indebtedness of the Company (including all or a portion of the Notes) or any of its Restricted Subsidiaries and (ii) Indebtedness of any Restricted Subsidiary of the Company the proceeds of which are used solely to refinance (whether by amendment, renewal, extension or refunding) Indebtedness of such Restricted Subsidiary, in each case outstanding on the Issue Date and other than the Indebtedness to be refinanced, redeemed or retired as described under "Use of Proceeds" herein; provided, however, that (A) the principal amount of Indebtedness incurred pursuant to this clause (15) (or, if such Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof, the original issue price of such Indebtedness) shall not exceed the sum of the principal amount of Indebtedness so refinanced (or, if the Indebtedness so refinanced provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof, the original issue price of such Indebtedness plus any accretion value attributable thereto since the original issuance of such Indebtedness) plus the amount of any premium required to be paid in connection with such refinancing pursuant to the terms of such Indebtedness or the amount of any premium reasonably determined by the Company as necessary to accomplish such refinancing by means of a tender offer or privately negotiated purchase, plus the amount of expenses in

connection therewith and (B) in the case of any refinancing of Indebtedness that is not Senior Indebtedness, (1) such new Indebtedness is made subordinated to the Notes in the same manner and at least to the same extent as the Indebtedness being refinanced and (2) such new Indebtedness has an Average Life to Stated Maturity and final Stated Maturity of principal that equals or exceeds the Average Life to Stated Maturity and final Stated Maturity of principal, respectively, of the Indebtedness being refinanced; or

(16) Indebtedness of the Company in addition to that described in clauses (1) through (15) above not to exceed \$25,000,000 outstanding at any time in the aggregate.

Any receivables used for the purposes of computing the amount of available Indebtedness under clause (2) above shall not be used or pledged in connection with the incurrence of Indebtedness under clauses (12), (13) and (14) above and vice versa.

"Permitted Investment" means any of the following: (i) Investments by the Company or any Wholly Owned Restricted Subsidiary of the Company in another person, if as a result of such Investment such other person is merged or consolidated with or into, or transfers or conveys all or substantially all of its assets to the Company or such Wholly Owned Restricted Subsidiary; (ii) Investments in short-term obligations of, or fully guaranteed by, the United States of America; (iii) Investments in commercial paper rated "P-1" or better by Moody's or "A-1" or better by S&P; (iv) Investments in certificates of deposit issued by and time deposits with commercial banks (whether domestic or foreign) in excess of \$100,000,000; (v) Investments representing Capital Stock or obligations issued to the Company or any of its Restricted Subsidiaries in settlement of claims against any other person by reason of a composition or readjustment of debt or a reorganization of any debtor of the Company or of such Restricted Subsidiary; (vi) Investments in Cash Equivalents; (vii) loans and advances to employees and officers of the Company and its Restricted Subsidiaries made in compliance with clause (ii) of the second sentence under the covenant "--Limitation on Transactions with Affiliates" described above; (viii) Investments by the Company or a Wholly Owned Restricted Subsidiary in the Capital Stock of a Wholly Owned Restricted Subsidiary; (ix) money market funds organized under the laws of the United States of America or any state thereof that invest substantially all of their assets in any of the types of investments described in clause (ii), (iii), (iv) or (vi) above; (x) Investments in any of the Notes; (xi) receivables owing to the Company or any Restricted Subsidiary created in the ordinary course of business; and (xii) Investments in any person in addition to that described in clauses (i) through (xi) of this definition of "Permitted Investments" not to exceed \$10,000,000 in the aggregate at any time outstanding.

"person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Stock" means, with respect to any person, any and all shares, interests, participation or other equivalents (however designated) of such person's preferred or preference stock whether now outstanding or issued after the Issue Date, and including, without limitation, all classes and series of preferred or preference stock of such person.

"Public Equity Offering" means an underwritten public offering of Capital Stock of the Company pursuant to a registration statement that has been declared effective by the Commission pursuant to the Securities Act (other than a registration statement on Form S-8 or any successor form thereto or otherwise relating to equity securities issuable under any employee benefit plan of such corporate entity); provided that the gross proceeds to the Company therefrom are at least \$50,000,000.

"Redeemable Capital Stock" means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is, or upon the happening of an event or passage of time would be, required to be redeemed prior to any Stated Maturity of the Notes or is redeemable at the option of the holder thereof at any time prior to any Stated Maturity of the Notes, or, at the option of the holder thereof, is convertible into or exchangeable for debt securities at any time prior to any Stated Maturity of the Notes.

"Restricted Payment" has the meaning set forth under "--Limitation on Restricted Payments" covenant above.

"Restricted Subsidiary" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"SPX Credit Lease Financings" means secured or unsecured obligations of SPX Credit Corporation which are in the nature of sales or pledges of undivided interests in a pool of leases of SPX Credit Corporation (including any such leases which have been transferred to SPX Credit Corporation by the Company or any of its other Subsidiaries in the ordinary course of business consistent with past practices) and which are (a) non-recourse to the Company and its other Subsidiaries and (b) otherwise incurred on terms and conditions, including those relating to advance rates, permitted under the Bank Credit Agreement, and (c) permitted under clause (14) of the definition of Permitted Indebtedness.

"S&P" means Standard & Poor's Corporation and its successors.

"Senior Indebtedness" means the principal of, premium, if any, and interest on any Indebtedness of the Company, whether outstanding on the Issue Date or thereafter created, incurred or assumed, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall not be senior in right of payment to the Notes. Without limiting the generality of the foregoing, "Senior Indebtedness" shall also include all obligations of the Company, whether outstanding on the Issue Date or thereafter created, incurred or assumed, under or in respect of the Bank Credit Agreement, whether for principal, interest (including interest accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy laws whether or not allowable in such proceeding), reimbursement of amounts drawn under letters of credit issued or arranged for pursuant thereto, obligations owed to the Banks with respect to Interest Rate Protection Obligations incurred to satisfy the requirements of the Bank Credit Agreement or otherwise and reimbursement of other amounts, guarantees in respect thereof, and all charges, fees, expenses and other amounts in respect of the Bank Credit Agreement incurred by the Banks in respect of the Bank Credit Agreement. Notwithstanding the foregoing, "Senior Indebtedness" shall not include (a) Indebtedness evidenced by the Notes, (b) Indebtedness that is expressly subordinate or junior in right of payment to any Indebtedness of the Company, (c) Indebtedness which, when incurred and without respect to any election under Section 1111(b) of Title 11, United States Code, is by its terms without recourse to the Company, (d) any repurchase, redemption or other obligation in respect of Redeemable Capital Stock, (e) to the extent it might constitute Indebtedness, amounts owing for goods, materials or services purchased in the ordinary course of business or consisting of trade payables or other current liabilities (other than any current liabilities owing under the Bank Credit Agreement or the current portion of any long-term Indebtedness which would constitute Senior Indebtedness but for the operation of this clause (e)), (f) to the extent it might constitute Indebtedness, amounts owed by the Company for compensation to employees or for services rendered to the Company, (g) to the extent it might constitute Indebtedness, any liability for federal, state, local or other taxes owed or owing by the Company, (h) Indebtedness of the Company to a Subsidiary of the Company or any other Affiliate of the Company or any of such Affiliate's Subsidiaries and (i) that portion of any Indebtedness which at the time of issuance is issued in violation of the Indenture.

"Significant Subsidiary" shall have the same meaning as in Rule 1.02(v) of Regulation S-X under the Securities Act, provided that each Guarantor shall in all events be deemed a Significant Subsidiary.

"Stated Maturity" means, when used with respect to any Note or any installment of interest thereon, the date specified in such Note as the fixed date on which any principal of such Note or such installment of interest is due and payable, and when used with respect to any other Indebtedness or any installments of interest thereon, means any date specified in the instrument governing such Indebtedness as the fixed date on which the principal of such Indebtedness, or such installment of interest thereon, is due and payable.

"Subordinated Indebtedness" means, with respect to the Company, Indebtedness of the Company which is expressly subordinated in right of payment to the Notes or, with respect to any Guarantor, Indebtedness of such Guarantor which is expressly subordinated in right of payment to the Guarantee of such Guarantor.

"Subsidiary" means, with respect to any person, (i) a corporation a majority of whose Voting Stock is at the time, directly or indirectly, owned by such person, by one or more Subsidiaries of such person or by such person and one or more Subsidiaries of such person and (ii) an other person (other than a corporation), including, without limitation, a joint venture or partnership, in which such person, one or more Subsidiaries of

such person or such person and one or more Subsidiaries of such person, directly or indirectly, at the date of determination thereof, has at least a majority ownership interest entitled to vote in the election of directors, managers or trustees thereof (or other person performing similar functions). For purposes of this definition, any directors' qualifying shares or investments by foreign nationals mandated by applicable law shall be disregarded in determining the ownership of a Subsidiary.

"Treasury Rate" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available at least two business days prior to the date fixed for redemption of the Notes following a Change of Control (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the then remaining Average Life to Stated Maturity of the Notes; provided, however, that if the Average Life to Stated Maturity of the Notes is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the Average Life to Stated Maturity of the Notes is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"Unrestricted Subsidiary" means any Subsidiary of the Company designated as such by the Company (a) no portion of the Indebtedness or any other obligation (contingent or otherwise) of which (i) is guaranteed by the Company or any other Subsidiary of the Company, (ii) is recourse to or obligates the Company or any other Subsidiary of the Company in any way or (iii) subjects any property or asset of the Company or any other Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, (b) which has no Indebtedness or any other obligation that, if in default in any respect (including a nonpayment default), would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Company or any Restricted Subsidiary to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its Stated Maturity, (c) with which the Company or any other Subsidiary of the Company has no contract, agreement, arrangement, understanding or is subject to an obligation of any kind, whether written or oral, other than a transaction on terms no less favorable to the Company or any other Subsidiary of the Company than those which might be obtained at the time from persons at arm's length who are not Affiliates of the Company, and (d) with which neither the Company nor any other Subsidiary of the Company has any obligation (other than by the terms of the Indenture) (i) to subscribe for additional shares of Capital Stock or other equity interest therein or (ii) to maintain or preserve such Subsidiary's financial condition or to cause such Subsidiary to achieve certain levels of operating results; provided, however, that in no event shall any Guarantor be an Unrestricted Subsidiary. The Company may designate an Unrestricted Subsidiary as a Restricted Subsidiary by written notice to the Trustee under the Indenture; provided, however, that the Company shall not be permitted to designate any Unrestricted Subsidiary as a Restricted Subsidiary unless (A) after giving pro forma effect to such designation, the Company would be permitted to incur \$1.00 of additional Indebtedness (other than Indebtedness permitted under the second paragraph of the "Limitation of Indebtedness" covenant described above) under the Indenture and (B) any Indebtedness or Liens of such Unrestricted Subsidiary would be permitted to be incurred by a Restricted Subsidiary of the Company under the Indenture. A designation of an Unrestricted Subsidiary as a Restricted Subsidiary may not thereafter be rescinded.

"Voting Stock" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of any person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"Wholly Owned Restricted Subsidiary" means (i) any Restricted Subsidiary of the Company of which 100% of the outstanding Capital Stock is owned by the Company or another Wholly Owned Restricted Subsidiary of the Company and (ii) SPT. For purposes of this definition, any directors' qualifying shares or investments by foreign nationals mandated by applicable law shall be disregarded in determining the ownership of a Restricted Subsidiary.

UNDERWRITING

The Underwriters named below have severally agreed to purchase from the Company the principal amount of Notes set forth opposite their respective names:

UNDERWRITER	PRINCIPAL AMOUNT

Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	\$
Donaldson, Lufkin & Jenrette Securities Corporation.....	
Wertheim Schroder & Co. Incorporated.....	

Total.....	\$260,000,000

The purchase agreement between the Company and the several Underwriters provides that the obligations of the Underwriters are subject to certain conditions precedent and that the Underwriters will be obligated to purchase all of the Notes if any are purchased.

The Underwriters have advised the Company that they propose initially to offer the Notes to the public at the offering price set forth on the cover page of this Prospectus, and in part to certain dealers at such price less a concession not in excess of % of the principal amount of the Notes. The Underwriters may allow, and such dealers may reallow, a discount not in excess of % of the principal amount of the Notes to certain other dealers. After the initial public offering of the Notes, the public offering price, concession and discount may be changed.

There is no public market for the Notes and the Company does not intend to apply for listing of the Notes on any national securities exchange or for quotation of the Notes on Nasdaq. The Company has been advised by the Underwriters that, following the completion of the initial offering of the Notes, the Underwriters presently intend to make a market in the Notes; however, the Underwriters are not obligated to do so and may discontinue such market-making activity at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes or that an active public market for the Notes will develop. If an active public market does not develop, the market price and liquidity of the Notes may be adversely affected. See "Investment Considerations--Absence of Public Market."

The Company has agreed to indemnify the Underwriters against certain liabilities, including civil liabilities under the Securities Act of 1933, as amended (the "Act"), and, under certain circumstances, to contribute to payments that the Underwriters may be required to make in respect thereof.

Merrill Lynch, Pierce, Fenner & Smith Incorporated and its affiliates have from time to time provided investment banking services to the Company, including acting as a financial advisor in connection with the SPT Purchase.

LEGAL MATTERS

The validity of the Notes offered hereby will be passed upon for the Company by Gardner, Carton & Douglas, Chicago, Illinois. Certain legal matters will be passed upon for the Underwriters by Skadden, Arps, Slate, Meagher & Flom, Chicago, Illinois. Peter H. Merlin, a partner of Gardner, Carton & Douglas, is a director of the Company. Skadden, Arps, Slate, Meagher & Flom also represented the Company in connection with the SPT Purchase and certain related matters.

EXPERTS

The audited financial statements and schedules included or incorporated by reference in this Prospectus have been audited by Arthur Andersen & Co., independent public accountants, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said report.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information filed by the Company can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and at the following regional offices of the Commission: 14th Floor, Northwestern Atrium Center, 500 West Madison Street, Chicago, Illinois 60661; and 13th Floor, Seven World Trade Center, New York, New York 10048. Copies of such material can be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. Such reports, proxy statements and other information also can be inspected at the offices of The New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005, and at the offices of the Pacific Stock Exchange, 301 Pine Street, San Francisco, California 94104 and 618 South Spring Street, Los Angeles, California 90014.

The Company has filed with the Commission a registration statement on Form S-3 (together with all amendments, the "Registration Statement") under the Act with respect to the Notes. This Prospectus, which constitutes a part of the Registration Statement, does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. Statements made in this Prospectus as to the contents of any contract, agreement or other document referred to are not necessarily complete; with respect to each such contract, agreement or other document filed as an exhibit or schedule to the Registration Statement, reference is made to the exhibit or schedule, as applicable, for a more complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference. For further information pertaining to the Company and the Notes, reference is made to the Registration Statement and the exhibits and schedules thereto, which may be examined or copied at the locations described above.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company's Annual Report on Form 10-K for the year ended December 31, 1993, which was previously filed by the Company with the Commission under the Exchange Act, is incorporated herein by reference.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the respective dates of filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated herein by reference, or contained in this Prospectus, shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated herein by reference modified or superseded such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person to whom a copy of this Prospectus is delivered, upon the written or oral request of such person, a copy of any or all of the documents referred to above which have been or may be incorporated by reference in this Prospectus, other than certain exhibits to such documents. Requests should be directed to James M. Sheridan, Vice President, Administration and General Counsel, SPX Corporation, 700 Terrace Point Drive, Muskegon, Michigan 49443, (616) 724-5000.

SPX CORPORATION AND SUBSIDIARIES
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DECEMBER 31, 1993

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and Board of Directors of
SPX Corporation:

We have audited the accompanying consolidated balance sheets of SPX CORPORATION (a Delaware corporation) AND SUBSIDIARIES as of December 31, 1993 and 1992, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SPX Corporation and subsidiaries as of December 31, 1993 and 1992, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles.

As discussed in Note 2 to the consolidated financial statements, effective January 1, 1993, the company changed its method of accounting for its Employee Stock Ownership Plan and Sealed Power Technologies Limited Partnership changed its method of accounting for postretirement benefits other than pensions and effective January 1, 1992, the company changed its methods of accounting for postretirement benefits other than pensions and for income taxes.

ARTHUR ANDERSEN & CO.

Chicago, Illinois,
March 25, 1994.

SPX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	DECEMBER 31	
	1993	1992
	(DOLLARS IN THOUSANDS)	
CURRENT ASSETS:		
Cash and temporary cash investments.....	\$ 117,843	\$ 9,729
Receivables (Note 12).....	123,081	84,931
Lease finance receivables-current portion (Note 21).....	33,834	-
Inventories (Note 13).....	159,223	171,622
Deferred income tax asset and refunds (Note 14).....	54,489	18,601
Prepaid and other current assets.....	29,726	22,796
	-----	-----
Total current assets.....	\$ 518,196	\$307,679
INVESTMENTS (Note 15).....	13,446	2,156
PROPERTY, PLANT, AND EQUIPMENT, at cost (Note 16).....	\$ 367,832	\$218,105
Less: Accumulated depreciation.....	169,687	101,310
	-----	-----
Net property, plant, and equipment.....	\$ 198,145	\$116,795
OTHER ASSETS.....	39,452	38,835
LEASE FINANCE RECEIVABLES -- LONG-TERM (Note 21).....	51,013	-
COSTS IN EXCESS OF NET ASSETS OF BUSINESSES ACQUIRED (Note 17).....	204,149	94,863
	-----	-----
TOTAL ASSETS.....	\$1,024,401	\$560,328
	-----	-----
CURRENT LIABILITIES:		
Notes payable and current maturities of long-term debt (Note 19).....	\$ 93,975	\$ 13,999
Accounts payable.....	62,968	49,956
Accrued liabilities (Note 27).....	229,998	54,177
Income taxes payable (Note 14).....	11,864	7,375
	-----	-----
Total current liabilities.....	\$ 398,805	\$125,507
LONG-TERM LIABILITIES (Note 10).....	123,235	18,931
SPT EQUITY LOSSES IN EXCESS OF INVESTMENT (Note 5).....	-	15,904
DEFERRED INCOME TAXES (Note 14).....	20,787	54,176
COMMITMENTS AND CONTINGENCIES (Note 18).....	-	-
LONG-TERM DEBT (Note 19).....	336,187	160,320
SHAREHOLDERS' EQUITY:		
Preferred stock, no par value, authorized 3,000,000 shares; no shares issued (Note 20).....	-	-
Common stock, \$10 par value, authorized 50,000,000 shares; issued 15,555,835 in 1993 and 15,535,978 in 1992 (Note 20).....	155,558	155,360
Paid in capital.....	58,926	60,199
Retained earnings.....	20,282	65,732
	-----	-----
Total shareholders' equity.....	\$ 234,766	\$281,291
LESS: Common stock held in treasury (Note 20).....	50,000	50,000
Unearned compensation -- ESOP (Note 10).....	35,900	44,181
Minority interest (Note 9).....	1,080	-
Cumulative translation adjustments.....	2,399	1,620
	-----	-----
Total shareholders' equity.....	\$ 145,387	\$185,490
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....	\$1,024,401	\$560,328
	-----	-----

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	YEARS ENDED DECEMBER 31		
	1993	1992	1991
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)		
REVENUES (Note 3).....	\$ 756,145	\$ 801,169	\$ 673,468
COSTS AND EXPENSES:			
Cost of products sold.....	508,032	533,169	461,626
Selling, general, and administrative expense.....	207,607	209,945	193,943
Other expense, net.....	7,524	6,594	3,046
Restructuring and special charges (Note 9).....	27,500	--	18,200
SPT equity losses (Note 5).....	26,845	2,407	8,532
SP Europe equity loss (Note 15).....	21,500	--	--
OPERATING INCOME (LOSS).....	\$ (42,863)	\$ 49,054	\$ (11,879)
Interest expense, net.....	17,882	15,061	16,853
(Gain) on sale of businesses (Note 6).....	(105,400)	--	--
INCOME (LOSS) BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING METHODS AND EXTRAORDINARY LOSS.....	\$ 44,655	\$ 33,993	\$ (28,732)
PROVISION (BENEFIT) FOR INCOME TAXES (Note 14).....	\$ 29,455	\$ 13,433	\$ (7,172)
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING METHODS AND EXTRAORDINARY LOSS.....	\$ 15,200	\$ 20,560	\$ (21,560)
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING METHODS, NET OF TAXES (Note 2).....	\$ (31,800)	\$ (5,700)	\$ --
EXTRAORDINARY LOSS, NET OF TAXES (Note 8).....	\$ (24,000)	\$ --	\$ --
NET INCOME (LOSS).....	\$ (40,600)	\$ 14,860	\$ (21,560)
INCOME (LOSS) PER SHARE OF COMMON STOCK:			
Before cumulative effect of change in accounting methods and extraordinary loss.....	\$ 1.20	\$ 1.48	\$ (1.56)
Cumulative effect of change in accounting methods, net of taxes.....	(2.52)	(0.41)	--
Extraordinary loss, net of taxes.....	(1.90)	--	--
Net income (loss).....	\$ (3.22)	\$ 1.07	\$ (1.56)
Weighted average number of common shares outstanding (Note 1).....	12,604,000	13,856,000	13,828,000

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	COMMON STOCK \$10 PAR VALUE	PAID IN CAPITAL	RETAINED EARNINGS	OTHER
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)			
PREVIOUSLY REPORTED BALANCE, DECEMBER 31, 1990.....	\$ 154,585	\$ 59,976	\$ 93,453	\$ (91,530)
1989 and 1990 restatement (Note 5).....	--	--	(6,378)	--
	-----	-----	-----	-----
RESTATE BALANCE, DECEMBER 31, 1990.....	\$ 154,585	\$ 59,976	\$ 87,075	\$ (91,530)
Net loss.....	--	--	(21,560)	--
Cash dividends (\$.70 per share).....	--	--	(9,679)	--
Earned ESOP shares.....	--	--	--	1,823
Tax benefit on dividends paid to ESOP trust.....	--	--	378	--
Translation adjustment.....	--	--	--	(492)
Vesting of restricted stock.....	--	--	--	113
Issuance of restricted stock.....	120	32	--	(152)
	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1991.....	\$ 154,705	\$ 60,008	\$ 56,214	\$ (90,238)
Net income.....	--	--	14,860	--
Cash dividends (\$.40 per share).....	--	--	(5,541)	--
Net shares sold under stock option plans.....	655	191	--	--
Earned ESOP shares.....	--	--	--	2,044
Tax benefit on dividends paid to ESOP trust.....	--	--	199	--
Translation adjustment.....	--	--	--	(7,742)
Vesting of restricted stock.....	--	--	--	135
	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1992.....	\$ 155,360	\$ 60,199	\$ 65,732	\$ (95,801)
Net loss.....	--	--	(40,600)	--
Cash dividends (\$.40 per share).....	--	--	(5,040)	--
Net shares sold under stock option plans.....	198	82	--	--
Earned ESOP shares.....	--	(1,355)	--	3,046
Tax benefit on dividends paid to ESOP trust.....	--	--	190	--
Minority interest in SP Europe.....	--	--	--	(1,080)
Translation adjustment.....	--	--	--	(779)
Cumulative effect of change in ESOP accounting method, net of taxes (Note 2).....	--	--	--	5,100
Vesting of restricted stock.....	--	--	--	135
	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1993.....	\$ 155,558	\$ 58,926	\$ 20,282	\$ (89,379)
	-----	-----	-----	-----

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEARS ENDED DECEMBER 31		
	1993	1992	1991
	-----	-----	-----
	(IN THOUSANDS)		
CASH FLOWS FROM OPERATING ACTIVITIES: (Note 22).....	\$ 25,285	\$ 67,489	\$ 67,449
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for purchase of Miller Tools.....	\$ --	\$ --	\$ (12,100)
Investment in SPT.....	--	--	(5,000)
Investment in SP Europe.....	(19,900)	(3,117)	(1,272)
Investment in RSV.....	--	(2,618)	--
Payments for purchase of ATP and AGL.....	(101,957)	--	--
Payments for purchase of Lowener GmbH.....	(7,014)	--	--
Net proceeds from sale of SPR division.....	117,516	--	--
Net proceeds from sale of Truth division.....	71,562	--	--
Capital expenditures.....	(15,116)	(20,351)	(19,428)
Sale of property, plant and equipment, net.....	(797)	1,169	2,874
	-----	-----	-----
Net cash provided (used) for investing activities.....	\$ 44,294	\$ (24,917)	\$ (34,926)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net (payments) borrowings under line of credit agreement...	\$ (17,000)	\$ (19,000)	\$ (20,000)
Long-term borrowings.....	19,937	--	--
Payments of long-term debt.....	(12,207)	(16,544)	(4,493)
Increase (decrease) in notes payable and current maturities of long-term debt.....	53,283	(2,141)	244
Dividends paid.....	(5,040)	(5,541)	(9,679)
	-----	-----	-----
Net cash provided (used) for financing activities.....	\$ 38,973	\$ (43,226)	\$ (33,928)
	-----	-----	-----
Net cash provided (used).....	\$108,552	\$ (654)	\$ (1,405)
	-----	-----	-----
Effect of exchange rate changes on cash.....	\$ (438)	\$ (757)	\$ --
	-----	-----	-----
Net increase (decrease) in cash and temporary cash investments.....	\$108,114	\$ (1,411)	\$ (1,405)
Cash and temporary cash investments, beginning of period...	9,729	11,140	12,545
	-----	-----	-----
Cash and temporary cash investments, end of period.....	\$117,843	\$ 9,729	\$ 11,140
	-----	-----	-----
Supplemental disclosure of cash flows information:			
Cash payments for interest.....	\$ 18,347	\$ 16,124	\$ 16,425
Cash payments (refunds), net for income taxes.....	\$ 40,454	\$ 110	\$ (2,040)

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1993

(1) BASIS OF PRESENTATION AND SUMMARY OF ACCOUNTING POLICIES

The accounting and financial policies which affect significant elements of the consolidated financial statements of SPX Corporation (the "company") and which are not apparent on the face of the statements, or in other notes to the consolidated financial statements, are described below.

Restatement -- As a result of the company's purchase of Riken Corporation's interest in Sealed Power Technologies Limited Partnership ("SPT") as of December 31, 1993, prior years' consolidated financial statements have been restated to reflect the company's 49% share of SPT's earnings or losses for prior years (see Note 5).

Consolidation -- The consolidated financial statements include the accounts of the company and all of its majority-owned subsidiaries after the elimination of all significant intercompany accounts and transactions.

Foreign Currency Translation -- Translation of significant subsidiaries results in unrealized translation adjustments being reflected as cumulative translation adjustment in shareholders' equity.

Lease Finance Income Recognition -- The company's lease financing operation, SPX Credit Corporation, uses the direct financing method of accounting for leases. Under this method, the excess of future lease payments and estimated residual value over the cost of equipment leased is recorded as unearned income and is recognized over the life of the lease by the effective interest method.

Deferred Service Revenue -- Revenue from service contracts and long-term maintenance arrangements has been deferred and will be recognized as revenue on a pro rata basis over the agreement periods.

Research and Development Costs -- The company expenses currently all costs for development of products. Research and development costs were \$17.6 million in 1993, \$14.7 million in 1992, and \$13.1 million in 1991.

Earnings Per Share -- Primary earnings per share is computed by dividing net income by the weighted average number of common shares outstanding. Common shares outstanding includes issued shares less shares held in treasury and, in 1993, unallocated and uncommitted shares held by the ESOP trust. The exclusion of unallocated and uncommitted shares held by the ESOP trust in 1993 is due to the company's adoption of Statement of Position 93-6 (see Note 2). Prior to 1993, unallocated and uncommitted shares held by the ESOP trust were included in weighted average number of common shares outstanding used for calculating earnings per share. Average weighted unallocated and uncommitted shares in the ESOP trust were 1,361,000 shares at the end of 1992 and 1,476,000 shares at the end of 1991. The potential dilutive effect from the exercise of stock options is not material.

(2) CHANGES IN ACCOUNTING METHODS

In 1993 and 1992, the company adopted three new accounting methods relating to its Employee Stock Ownership Plan ("ESOP"), postretirement benefits, and income taxes. The effect of the change to these new accounting methods has been reflected in the consolidated statements of income as "Cumulative effect of change in accounting methods, net of taxes."

Effective January 1, 1993, the company elected to adopt new accounting for its ESOP in accordance with Statement of Position 93-6 of the Accounting Standards Division of the American Institute of Certified Public Accountants, issued in November of 1993. As part of this change, the company recorded a one time cumulative charge of \$5.1 million pretax, or \$3.3 million after tax. This charge recognizes the cumulative difference of expense since the inception of the ESOP until January 1, 1993 to reflect the shares allocated method of accounting for ESOPs. As the company adopted this accounting change in the fourth quarter of 1993, previously reported 1993 quarterly information has been restated to reflect the change effective January 1, 1993. See Note 10 for further discussion of the effect of this change.

Effective January 1, 1993, SPT adopted Statement of Financial Accounting Standards (SFAS) No. 106 -- "Employers' Accounting for Postretirement Benefits Other Than Pensions", using the immediate recognition transition option. SFAS No. 106 requires recognition, during the employees' service with the company, of the cost of their retiree health and life insurance benefits. At that date, the full accumulated postretirement benefit obligation was \$89.5 million pretax. The company recorded its 49% share of this transition obligation, \$28.5 million, net of deferred taxes of \$15.4 million in the first quarter.

Effective January 1, 1992, the company adopted SFAS No. 106 using the immediate recognition transition option. At January 1, 1992, the accumulated postretirement benefit obligation was \$16.8 million and was recorded as a pretax transition obligation. The decrease in net earnings and shareholders' equity was \$10.7 million after a deferred tax benefit of \$6.1 million.

Effective January 1, 1992, the company adopted Statement of Financial Accounting Standards (SFAS) No. 109 -- "Accounting for Income Taxes." Under SFAS No. 109, deferred tax balances are stated at tax rates expected to be in effect when taxes are actually paid or recovered. The cumulative effect of adoption as of January 1, 1992 was a \$5.0 million after tax benefit.

As of the beginning of 1994, the company must adopt Statement of Financial Accounting Standards, No. 112, "Employers' Accounting for Postemployment Benefits." This standard requires that the cost of benefits provided to former or inactive employees be

SPX CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1993

(2) CHANGES IN ACCOUNTING METHODS (CONTINUED)

recognized on the accrual basis of accounting. The company does not anticipate that this standard will materially impact its financial position or results of operations upon adoption.

(3) SEGMENT AND GEOGRAPHIC INFORMATION

The company is comprised of three business segments. Specialty Service Tools includes operations that design, manufacture and market a wide range of specialty service tools and diagnostic equipment primarily to the global motor vehicle industry. Original Equipment Components includes operations that design, manufacture and market component parts for light and heavy duty vehicle markets. SPX Credit Corporation, a lease financing operation, provides Specialty Service Tools customers with a leasing option for purchasing more expensive diagnostic testing, emission testing, and wheel service equipment. SPX Credit Corporation was created with the purchase of Allen Group Leasing in June of 1993.

BUSINESS SEGMENTS	1993	1992	1991

(IN THOUSANDS)			
Revenues:			
Specialty Service Tools.....	\$ 503,600	\$539,619	\$430,074
Original Equipment Components.....	26,657	15,154	7,764
SPX Credit Corporation.....	8,974	--	--
Businesses sold in 1993.....	216,914	246,396	235,630
	-----	-----	-----
Total.....	\$ 756,145	\$801,169	\$673,468
	-----	-----	-----
Operating income (loss):			
Specialty Service Tools (a).....	\$ (11,748)	\$ 51,680	\$ 3,302
Original Equipment Components (b).....	(46,477)	(7,053)	(14,946)
SPX Credit Corporation.....	5,483	--	--
Businesses sold in 1993.....	25,249	21,531	20,005
General corporate expenses.....	(15,370)	(17,104)	(20,240)
	-----	-----	-----
Total.....	\$ (42,863)	\$ 49,054	\$ (11,879)
	-----	-----	-----
Identifiable Assets:			
Specialty Service Tools.....	\$ 383,295	\$347,763	\$355,736
Original Equipment Components (Note 5).....	343,816	21,771	19,301
SPX Credit Corporation.....	85,165	--	--
Businesses sold in 1993.....	--	110,450	124,157
General corporate (c).....	212,125	80,344	80,149
	-----	-----	-----
Total.....	\$1,024,401	\$560,328	\$579,343
	-----	-----	-----
Capital expenditures:			
Specialty Service Tools.....	\$ 7,479	\$ 6,823	\$ 10,515
Original Equipment Components.....	1,014	3,944	3,477
SPX Credit Corporation.....	--	--	--
Businesses sold in 1993.....	6,439	9,584	4,975
General corporate.....	184	--	461
	-----	-----	-----
Total.....	\$ 15,116	\$ 20,351	\$ 19,428
	-----	-----	-----
Depreciation and amortization:			
Specialty Service Tools.....	\$ 14,485	\$ 14,960	\$ 15,312
Original Equipment Components.....	1,796	1,487	1,160
SPX Credit Corporation.....	--	--	--
Businesses sold in 1993.....	7,462	8,383	6,966
General corporate.....	627	447	333
	-----	-----	-----
Total.....	\$ 24,370	\$ 25,277	\$ 23,771
	-----	-----	-----

(a) 1993 includes a \$27.5 million restructuring charge to merge Allen Testproducts and Bear Automotive into Automotive Diagnostics.

(b) 1993 includes \$26.9 million of SPT equity losses and \$21.5 million of SP Europe equity losses.

(c) Increase in 1993 was primarily the additional \$108.1 million in cash resulting from the SPR and Truth divestitures.

SPX CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1993

(3) SEGMENT AND GEOGRAPHIC INFORMATION (CONTINUED)

Revenues by business segment represent sales to unconsolidated customers. Intercompany sales between segments are not significant. Operating income (loss) by segment does not include general unallocated corporate expense, interest expense, income taxes and extraordinary items.

Identifiable assets by business segment are those used in company operations in each segment. General corporate assets are principally cash, deferred tax assets, prepaid pension and prepaid health care expenses.

Information about the company's operations in different geographic areas is as follows:

GEOGRAPHIC AREAS:	1993	1992	1991
-----	-----	-----	-----
	(IN THOUSANDS)		
Revenues -- Unaffiliated customers:			
United States (a).....	\$ 637,143	\$679,875	\$544,103
Other North America.....	21,719	24,593	25,623
Other.....	97,283	96,701	103,742
Total.....	\$ 756,145	\$801,169	\$673,468
Revenues -- Between affiliated customers:			
United States.....	\$ 34,934	\$ 33,757	\$ 34,406
Other North America.....	--	--	36
Other.....	1,708	312	229
Eliminations.....	(36,642)	(34,069)	(34,671)
Total.....	\$ --	\$ --	\$ --
Operating income (loss):			
United States (b).....	\$ (19,549)	\$ 47,304	\$ (17,084)
Other North America.....	(192)	1,878	531
Other (c).....	(23,122)	(128)	4,674
Total.....	\$ (42,863)	\$ 49,054	\$ (11,879)
Total assets:			
United States (Note 5).....	\$ 893,172	\$466,995	\$479,458
Other North America.....	8,591	10,121	11,423
Other (d).....	122,638	83,212	88,462
Total.....	\$1,024,401	\$560,328	\$579,343

(a) Included in the United States revenues are export sales to unconsolidated customers of \$74.4 million in 1993, \$64.0 million in 1992 and \$55.4 million in 1991.

(b) 1993 includes a \$27.5 million restructuring charge to merge Allen Testproducts and Bear Automotive into Automotive Diagnostics and a \$26.9 million of SPT equity losses.

(c) 1993 includes \$21.5 million of SP Europe equity losses.

(d) 1993 includes assets resulting from the consolidation of SP Europe and assets acquired in the Lowener purchase during the third quarter.

Approximately 9% in 1993, 13% in 1992 and 9% in 1991 of the company's consolidated sales were made to General Motors Corporation and its various divisions, dealers and distributors. No other customer or group of customers under common control accounted for more than 10% of consolidated sales for any of these years. With the effect of the consolidation of SPT, the percentage sales to General Motors will increase in the future. SPT's sales to General Motors were 25% in 1993, 27% in 1992 and 31% in 1991. SPT's sales to Ford Motor Company and its various divisions, dealers and distributors were 23% in 1993, 20% in 1992 and 15% in 1991. With the consolidation of SPT, sales to Ford should exceed 10% of consolidated sales in the future.

(4) ACQUISITION--ALLEN TESTPRODUCTS AND ALLEN GROUP LEASING

On June 10, 1993, the company acquired the Allen Testproducts division ("ATP") and its related leasing company, Allen Group Leasing ("AGL"), from the Allen Group, Inc. for \$102 million. ATP is a manufacturer and marketer of vehicular test and service equipment. This acquisition has been recorded using the purchase method of accounting, and the results of ATP and AGL have been included in the company's consolidated statement of income since June 10, 1993. The purchase price has been allocated to the fair values of the net assets of ATP and AGL. The purchase price allocations recorded are based upon estimates available and may be revised at a

SPX CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1993

(4) ACQUISITION--ALLEN TESTPRODUCTS AND ALLEN GROUP LEASING (CONTINUED)

later date. The excess of the purchase price over the estimated fair value of the net assets acquired of \$16.3 million has been recorded as costs in excess of net assets acquired and is being amortized over the remaining life of goodwill from the 1988 acquisition of Bear Automotive (approximately 35 years). The purchase price allocation was as follows (in millions of dollars):

Current assets.....	\$ 37.7
Property, plant & equipment.....	7.5
Leasing assets.....	75.8
Cost in excess of net assets acquired.....	16.3
Liabilities.....	(35.3)

Total.....	\$102.0

Financing was obtained by a \$50 million note with two banks, a \$19.7 million, three year, 8%, note from the seller and the balance by utilizing the company's existing revolving credit line.

The acquired businesses have been combined with the company's Bear Automotive division to form a single business unit called Automotive Diagnostics. In the third quarter of 1993, the company recorded a pretax \$27.5 million restructuring charge to provide for substantial reduction in work force and facilities related to the combination. The restructuring charge was \$18.5 million aftertax.

(5) ACQUISITION--SEALED POWER TECHNOLOGIES LIMITED PARTNERSHIP ("SPT")

Effective December 31, 1993, the company acquired Riken Corporation's 49% interest in SPT for \$39 million. Additionally, SPT will redeem the 2% management interest in SPT for \$2.7 million. The company previously owned 49% of SPT. Accordingly, the net assets of SPT have been included in the accompanying consolidated balance sheet as of December 31, 1993. Prior to this acquisition, the company accounted for its investment using the equity method. Beginning in the first quarter of 1994, the results of operations of SPT will be reflected in the company's consolidated statements of income and cash flows.

SPT designs and manufactures engine parts, castings and filters for the automotive and heavy duty original equipment manufacturers ("OEM") and the aftermarket. SPT was created in 1989 when the company contributed the Sealed Power, Contech, Filtran and Hy-Lift divisions to the newly created limited partnership. SPT obtained nonrecourse financing through a combination of bank debt and a public offering of subordinated debentures. In exchange for the net assets of the divisions contributed, the company received \$245 million in cash from the partnership and a 49% interest in the partnership. As the debt incurred by SPT to fund this transaction was nonrecourse to the company, the company previously recorded a pretax \$91 million gain in 1989, in accordance with guidance prescribed by Emerging Issues Task Force pronouncement 89-7. The cash distribution to the company resulted in an initial partnership capital deficit. SPT has had cumulative losses since its inception and, up to December 31, 1993, the company had carried its investment in SPT at zero. Because the SPT debt was nonrecourse, the company properly did not reflect its share of the equity losses of SPT and did not amortize the difference between its investment balance and its share of SPT's initial partnership capital deficit in its previously reported financial statements.

As a result of the acquisition of the remaining 51% of SPT, as of December 31, 1993, the company accounted for this transaction as follows:

1. The company recorded this acquisition using step acquisition accounting. Step acquisition accounting requires that when the company previously did not record its share of SPT's losses because the company's investment was zero and now, as a result of additional ownership, consolidates SPT, the company must retroactively reflect its share of SPT losses not previously recorded. Accordingly, the financial statements for the 1993 quarters and prior years were restated to record the company's previous 49% share of SPT's income or losses, the effect of amortizing the difference between its investment balance and its share of SPT's initial partnership capital deficit and an adjustment required to record the company's previous investment in SPT at historical cost.
2. The 51% of SPT's net assets acquired has been included in the accompanying consolidated balance sheet at December 31, 1993 at estimated fair value based upon preliminary information which may be revised at a later date. The excess of the purchase price (including the acquired equity deficit of \$87.9 million) over the estimated fair values of the net assets acquired was \$97.1 million and has been recorded as costs in excess of net assets acquired and will be amortized over 40 years.

SPX CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1993

(5) ACQUISITION--SEALED POWER TECHNOLOGIES LIMITED PARTNERSHIP ("SPT")
 (CONTINUED)

A summary of the purchase price allocation is as follows (in millions of dollars):

	EXISTING 49%	ACQUIRED 51%	TOTAL
	-----	-----	-----
Current assets.....	\$ 37.5	\$ 39.2	\$ 76.7
Property, plant & equipment.....	44.8	66.6	111.4
Other assets.....	6.7	7.0	13.7
Cost in excess of net assets acquired.....	--	97.1	97.1
Current liabilities.....	(26.2)	(27.2)	(53.4)
Deferred income taxes.....	--	16.0	16.0
Long term liabilities.....	(47.7)	(49.8)	(97.5)
Debt.....	(103.0)	(107.2)	(210.2)
	-----	-----	-----
Subtotal.....	(87.9)	41.7	(46.2)
SPT equity losses in excess of investment*.....		--	87.9
		-----	-----
Purchase Price.....		\$ 41.7	\$ 41.7
		-----	-----

* Represents the cumulative restatement of equity losses, including the company's 49% share of the 1993 SPT adoption of SFAS No. 106, recorded by the company prior to the consolidation of the net assets of SPT at December 31, 1993.

(6) DIVESTITURES

During 1993, the company sold its Sealed Power Replacement and Truth divisions.

Sealed Power Replacement ("SPR") -- On October 22, 1993, the company sold SPR to Federal-Mogul Corporation for approximately \$141 million in cash. SPR distributes engine and undervehicle parts into the U.S. and Canadian aftermarket. Net proceeds, after income taxes, were approximately \$117.5 million. The company recorded a pretax gain of \$52.4 million after transaction and facility reduction expenses, or \$32.4 million aftertax. The proceeds were used to reduce a portion of the company's debt and the excess invested in short term investments.

Truth -- On November 5, 1993, the company sold Truth to Danks America Corporation, an affiliate of FKI Industries, Inc. for approximately \$92.5 million in cash. In addition, the company will receive an annual royalty ranging from 1.0% to 1.5% of Truth's annual sales for a five year period following the closing (cumulatively not to exceed \$7.5 million) which will be recorded as income as received. Truth manufactures and markets window and door hardware primarily in the U.S. and Canada. Net proceeds, after income taxes, were approximately \$71.6 million. The company recorded a pretax gain of \$53.0 million after transaction expenses, or \$31.8 million aftertax. The proceeds were invested in short term investments.

The final proceeds for these divestitures are based upon the closing balance sheet of each business which are being completed. Any changes in proceeds as a result of adjustments to the closing balance sheets are not expected to be material.

(7) PRO FORMA RESULTS OF OPERATIONS (UNAUDITED)

The accompanying consolidated statements of income include the results of operations of Allen Testproducts ("ATP") and Allen Group Leasing ("AGL") from the date of acquisition, June 10, 1993, the results of the Sealed Power Replacement ("SPR") division through the date of disposition, October 22, 1993, the results of the Truth division through the date of disposition, November 5, 1993, the company's 49% share of the earnings or losses of SPT, and the equity losses of SP Europe. The following 1993 unaudited pro forma selected financial data reflects the acquisition of ATP and AGL and related restructuring, the divestiture of the SPR and Truth divisions, the acquisition of 51% of SPT, and the consolidation of SP Europe as if they had occurred as of January 1, 1993. Pro forma adjustments are described below. The 1992 pro forma assumes that these transactions occurred as of January 1, 1992 and comparable pro forma adjustments were made.

SPX CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1993

(7) PRO FORMA RESULTS OF OPERATIONS (UNAUDITED) (CONTINUED)

	1993 HISTORICAL	ATP & AGL (a)	DIVESTITURES (b)	SP EUROPE (c)	SPT (d)	PRO FORMA ADJUST	1993 PRO FORMA	1992 PRO FORMA
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)								
Revenues.....	\$756.1	\$32.4	\$ (217.0)	\$ 40.6	\$391.6	\$ --	\$1,003.7	\$1,042.9
Cost and expenses:								
Cost of products.....	508.0	14.1	(147.0)	44.6	337.8	(6.8) (a) 2.0 (d)	752.7	746.4
SG&A.....	207.6	20.5	(44.5)	9.1	28.2	(10.2) (a)	210.7	223.6
Other, net.....	7.5	--	(.2)	.5	(2.0)	.3 (a) (4.3) (c) 2.4 (d)	4.2	1.7
Restructuring charge.....	27.5	--	--	--	--	--	27.5	--
SPT equity losses.....	26.9	--	--	--	--	(26.9) (d)	--	--
SP Europe equity losses....	21.5	--	--	--	--	(21.5) (c)	--	--
Operating income (loss).....	(42.9)	(2.2)	(25.3)	(13.6)	27.6	65.0	8.6	71.2
Interest, net.....	17.8	1.6	--	.9	27.1	(5.8) (e)	41.6	45.8
(Gain) on sale of business units.....	(105.4)	--	--	--	--	105.4 (f)	--	--
Income before income taxes...	44.7	(3.8)	(25.3)	(14.5)	.5	(34.6)	(33.0)	25.4
Provision (benefit) for income taxes.....	29.5	--	--	--	--	(35.8) (g)	(6.3)	13.6
Income (loss) (h).....	\$ 15.2	\$ (3.8)	\$ (25.3)	\$ (14.5)	\$.5	\$ 1.2	\$ (26.7)	\$ 11.8
Income (loss) per share.....	\$ 1.20						\$ (2.12)	\$ 0.85
Weight average number of common shares outstanding.....	12.6						12.6	13.9

- (a) Historical results of ATP and AGL through June 10, 1993, the date of acquisition. Pro forma adjustments include a \$6.8 million reduction in cost of products sold resulting from primarily work force reductions; a \$10.2 million reduction in SG&A resulting from primarily work force reductions; and \$0.3 million of additional goodwill amortization.
- (b) SPR and Truth were divested during the fourth quarter of 1993. This represents the results of operations through the date of divestiture.
- (c) SP Europe was consolidated as of December 31, 1993. This pro forma adds the results of operations for the full year. Pro forma adjustments include reflecting the minority owner's share of losses, \$4.3 million, and \$21.5 million to reverse the Company's share of equity losses as SP Europe is consolidated in the pro forma.
- (d) SPT was consolidated as of December 31, 1993. This pro forma adds the results of operations for the full year. Pro forma adjustments include \$2.0 million of additional depreciation expense resulting from purchase accounting; \$26.9 million to reverse the company's share of equity losses as SPT is consolidated in the pro forma; and \$2.4 million to reflect goodwill amortization resulting from purchase accounting.
- (e) Adjustment to interest expense, net to reflect the financing to purchase ATP and AGL and 51% of SPT and to reflect the net proceeds from the sale of SPR and Truth. Proceeds in excess of expenditures are assumed to have reduced outstanding revolving credit, short-term notes and notes payable to The Allen Group. Any excess was then assumed to be invested in short-term investments.
- (f) Reversal of gain on the sale of the SPR and Truth divisions.
- (g) Adjustment to income tax expense to reflect a consolidated effective rate of 39%, which was then adjusted for the inability to tax benefit SP Europe losses and the effect of the change in U.S. federal income tax rate to 35% from 34% on deferred tax assets and liabilities.
- (h) Income (loss) excludes cumulative effect of changes in accounting methods for ESOP accounting and SPT's 1993 SFAS No. 106 adoption and the 1993 extraordinary loss recorded for the early retirement of indebtedness.

The unaudited pro forma selected results of operations does not purport to represent what the company's results of operations would actually have been had the above transactions in fact occurred as of January 1, 1993, or January 1, 1992, or project the results of operations for any future date or period.

SPX CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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(8) EXTRAORDINARY LOSS

During the fourth quarter of 1993, the company determined to refinance both SPX and SPT debt. As a result, the company recorded an extraordinary charge of \$37.0 million (\$24.0 million after taxes) for extinguishment costs associated with the early retirement of \$415 million (principal amount) of debt expected to be refinanced. The aggregate amount to retire this debt, including existing unamortized debt placement fees, will be \$452 million. See Note 23 for further discussion of the refinancing.

(9) RESTRUCTURING AND SPECIAL CHARGES

1993 -- During 1993, the company recorded a \$27.5 million restructuring charge for the costs required to merge the Bear Automotive division with Allen Testproducts, acquired in June of 1993. This charge was recorded in the third quarter. Of the \$27.5 million restructuring charge, approximately \$16 million relates to work force reductions and associated costs. The combined businesses started with approximately 2,200 employees. That number was reduced to approximately 1,800 employees at December 31, 1993 and will be at approximately 1,700 employees by the end of the second quarter of 1994. The charge also included \$9.3 million of facility duplication and shutdown costs, including the write down of excess assets of \$4.2 million (non-cash). The balance of the reserves at December 31, 1993 is approximately \$14.5 million, which is principally required for remaining work force reduction and facility closing costs.

1991 -- In the third quarter of 1991, the company recorded a pretax special charge of \$18.2 million which included; a \$6.0 million charge associated with organizational and facility consolidation of two operating units which included employment reductions and facility closings; a \$6.5 million charge-off of certain capitalized computer software development costs due to conceptual changes in future product offerings whereby these costs are more appropriately characterized as general software development; a \$1.4 million net charge associated with consummation of two transactions with an overseas partner that relate to further globalization of the company's automotive original equipment affiliated businesses; and a \$4.3 million charge for losses, resulting principally from recessionary conditions, on certain project development investments and notes receivable related to previous sales of certain business units.

(10) EMPLOYEE BENEFIT PLANS

DEFINED BENEFIT PENSION PLANS

The company has defined benefit pension plans which cover substantially all domestic employees. These plans provide pension benefits that are principally based on the employees' years of credited service and levels of earnings. Contributions in excess of pension expense are considered prepayments for financial accounting purposes. The company has determined that foreign defined pension plans are immaterial to the consolidated financial statements.

Net periodic pension cost (benefit) included the following components:

	1993	1992	1991
	-----	-----	-----
			(in thousands)
Service cost-benefits earned during the period.....	\$ 4,585	\$ 3,973	\$ 3,577
Interest cost on projected benefit obligation.....	6,852	6,088	5,743
Actual gain on assets.....	(19,633)	(9,363)	(27,778)
Net amortization and deferral.....	8,440	(1,136)	18,320
	-----	-----	-----
Net periodic pension cost (benefit).....	\$ 244	\$ (438)	\$ (138)
	-----	-----	-----
Actuarial assumptions used:			
Discount rates.....	7.5%	8.25%	8.25%
Rates of increase in compensation levels.....	5.0	5.5	5.5
Expected long-term rate of return on assets.....	9.5	9.5	9.5

SPX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1993

(10) EMPLOYEE BENEFIT PLANS (CONTINUED)

Plan assets principally consist of equity and fixed income security investments. The following table sets forth the plans' funded status and amounts recognized in the company's consolidated balance sheets as Other Assets for its U.S. pension plans (in thousands):

	DECEMBER 31, 1993		DECEMBER 31, 1992	
	ASSETS EXCEED ACCUMULATED BENEFITS	ACCUMULATED BENEFITS EXCEED ASSETS	ASSETS EXCEED ACCUMULATED BENEFITS	ACCUMULATED BENEFITS EXCEED ASSETS
Actuarial present value of benefit obligations:				
Vested benefit obligation.....	\$ 151,217	\$ 6,570	\$ 67,876	\$ --
Accumulated benefit obligation.....	\$ 172,068	\$ 7,395	\$ 70,661	\$ --
Projected benefit obligation.....	\$ 200,249	\$ 7,395	\$ 87,604	\$ --
Plan assets at fair value.....	242,429	6,297	118,939	--
Projected benefit obligation less (greater) than plan assets.....	\$ 42,180	\$ (1,098)	\$ 31,335	\$ --
Unrecognized net (gain) loss.....	(31,893)	34	(19,031)	--
Prior service cost not yet recognized in net periodic pension cost.....	10,183	607	1,909	--
Unrecognized net asset at January 1, 1985.....	(220)	34	(407)	--
Prepaid pension cost recognized in the consolidated balance sheets.....	\$ 20,250	\$ (423)	\$ 13,806	\$ --

The significant increase in pension benefit obligations, assets and prepaid pension cost was due to the consolidation of SPT as of December 31, 1993.

As part of the divestitures of the SPR and Truth divisions, the company recorded curtailment gains of \$4.1 million. These gains have been included in the gain recognized on the sale of these divisions.

POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE

Prior to 1992, postretirement health care and life insurance benefits were recognized as expense when claims or premiums were paid. In 1992, the company adopted SFAS No. 106. These costs totaled \$958,000 in 1991. The following summarizes the 1993 and 1992 expense for postretirement health and life insurance (in thousands):

	1993	1992
Recognition of transition obligation.....	\$ --	\$16,829
Benefit cost for service during the the year--net of employee contributions.....	317	315
Net amortization and deferral.....	(64)	--
Interest cost on accumulated post-retirement benefit obligation.....	1,338	1,306
Postretirement benefit cost.....	\$ 1,591	\$18,450

The accumulated postretirement benefit obligation was actuarially determined based on assumptions regarding the discount rate and health care trend rates. The health care trend assumption applies to postretirement medical and dental benefits. Different trend rates are used for pre-age 65 and post-age 65 medical claims and for expected dental claims. The trend rate used for the medical plan was 15% initially, grading to a 6% ultimate rate by 1% each year for pre-65 claims; and 10.5% grading to 6% by .5% each year for post-age 65 claims. The trend rate for the dental plan was 6% each year. The liability was discounted using a 7.5% interest rate. Increasing the health care trend rate by one percentage point would increase the accumulated postretirement benefit obligation by \$.7 million and would increase the 1993 postretirement benefit cost by \$.1 million.

SPX CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1993

(10) EMPLOYEE BENEFIT PLANS (CONTINUED)

The following table summarizes the accumulated benefit obligation (in thousands):

	DECEMBER 31, 1993	DECEMBER 31, 1992
Accumulated postretirement benefits obligation ("APBO") Retirees.....	\$ 56,084	\$ 11,708
Actives fully eligible.....	9,399	1,463
	-----	-----
APBO fully eligible.....	65,483	13,171
Actives not fully eligible.....	24,112	3,271
	-----	-----
Total APBO.....	\$ 89,595	\$ 16,442
Assets.....	(845)	--
	-----	-----
Unfunded status.....	\$ 88,750	\$ 16,442
Unrecognized:		
Prior service cost.....	27,498	1,000
Net gain (loss).....	(2,492)	--
	-----	-----
Accrued APBO included in long-term liabilities.....	\$ 113,756	\$ 17,442
	-----	-----

The significant increase in accumulated postretirement benefits obligation was due to the consolidation of SPT as of December 31, 1993. SPT adopted SFAS No. 106 in 1993.

EMPLOYEE STOCK OWNERSHIP PLAN ("ESOP")

In June 1989, the company established an ESOP, which includes substantially all domestic employees not covered by collective bargaining agreements. The ESOP borrowed \$50 million, which is guaranteed by the company, and used the proceeds to purchase 1,746,725 shares of common stock issued directly by the company. Employees vest in these shares based upon a predetermined formula. Employees may vote allocated shares directly, while the ESOP trustee will vote the unallocated shares proportionally on the same basis as the allocated shares were voted. During 1993, 1992 and 1991, 114,588, 114,735 and 114,870 shares were allocated to the employees, leaving 1,246,346 unallocated shares in the ESOP trust at December 31, 1993. The fair market value of these unallocated shares was \$22.1 million at December 31, 1993. The company's contributions to the ESOP trust were as follows (in thousands of dollars):

	1993	1992	1991
Compensation expense.....	\$1,925	\$5,548	\$4,840
Interest expense.....	3,902	--	--
Dividends.....	--	590	1,113
Principal payment.....	288	--	--
	-----	-----	-----
Total.....	\$6,115	\$6,138	\$5,953
	-----	-----	-----

With the change in ESOP accounting in 1993, compensation expense is now measured using the fair market value when the shares are committed to the employee. Interest expense represents the actual interest paid by the ESOP trust and any dividends paid on unallocated shares in the trust are recorded as direct debt principal payments rather than as dividends.

OTHER

The company provides defined contribution pension plans for substantially all employees not covered by defined benefit pension plans. Collectively, the company's contributions to these plans were \$683,000 in 1993, \$848,000 in 1992 and \$580,000 in 1991.

The company provides a Retirement Savings Plan for eligible employees. Employees can contribute up to 15% of their earnings with the company matching a portion of the amount up to 6% of their earnings. The company's contribution to this plan was \$875,000 in 1993, \$715,000 in 1992 and \$725,000 in 1991. Starting in 1994, the company matching contribution will consist of unallocated ESOP shares.

SPX CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1993

(11) RELATED PARTY TRANSACTIONS

Since the creation of SPT on May 30, 1989, the company has continued to provide certain administrative and insurance services to SPT. The costs associated with these services are identified and recovered from the partnership.

In addition, the company's former Sealed Power Replacement division purchased replacement engine parts, principally piston rings, cylinder sleeves and valve lifters from SPT at arm's-length prices. Purchases from the partnership during 1993 through October 22 (date of sale of SPR), 1992 and 1991 were \$21.5 million, \$27.8 million and \$27.0 million, respectively.

(12) RECEIVABLES

Changes in the reserve for losses on receivables were as follows:

	1993	1992	1991
	-----	-----	-----
	(IN THOUSANDS)		
Balance at beginning of year.....	\$10,789	\$ 9,541	\$ 9,521
Recorded in acquisition of SPT and due to consolidation of SP Europe.....	747	--	--
Amount charged to income.....	3,609	3,788	2,876
	-----	-----	-----
Accounts written off, net of recoveries.....	\$15,145	\$13,329	\$12,397
Reduction resulting from sale of SPR and	(2,398)	(2,495)	(2,878)
Truth divisions.....	(3,588)	--	--
Reclassifications and other.....	18	(45)	22
	-----	-----	-----
Balance at end of year.....	\$ 9,177	\$10,789	\$ 9,541
	-----	-----	-----

The company has a three year agreement, expiring in April 1994, with a financial institution whereby the company agreed to sell undivided fractional interests in designated pools of domestic trade accounts receivable, in an amount not to exceed \$30 million. In order to maintain the balance in the designated pools of trade accounts receivable sold, the company sells participating interests in new receivables as existing receivables are collected. At December 31, 1993 and 1992, the company had sold \$25.9 million and \$30 million of trade accounts receivable under this program. Under the terms of this agreement, the company is obligated to pay fees which approximate the purchasers' cost of issuing a like amount in commercial paper plus certain administrative costs. The amount of such fees in 1993 and 1992 were \$1,215,000 and \$1,465,000 respectively. These fees are included in other expense, net.

(13) INVENTORIES

Domestic inventories, amounting to \$122.6 and \$141.3 million at December 31, 1993 and 1992, respectively, are based on the last-in, first-out (LIFO) method. Such inventories, if priced on the first-in, first-out (FIFO) method, would have been approximately \$17.7 and \$34.8 million greater at December 31, 1993 and 1992, respectively. During 1993 and 1992, certain inventory quantities were reduced resulting in liquidations of LIFO inventory quantities carried at lower costs prevailing in prior years. The effect was to increase net income in 1993 by \$455,000 and in 1992 by \$1.8 million. Foreign inventories are valued at FIFO costs. None of the inventories exceed realizable values.

The components of inventory at year-end were as follows:

	1993	1992
	-----	-----
	(IN THOUSANDS)	
Finished products.....	\$ 94,478	\$128,043
Work in process.....	29,324	16,835
Raw materials and supplies.....	35,421	26,744
	-----	-----
	\$159,223	\$171,622
	-----	-----

SPX CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1993

(14) INCOME TAXES

The provision (benefit) for income taxes consists of the following (in thousands):

	1993	1992	1991
U.S. Federal:			
Current.....	\$32,817	\$ 8,180	\$(4,925)
Deferred.....	(9,521)	2,217	(4,842)
State.....	4,411	1,363	1,060
Foreign.....	1,748	1,673	1,535
	\$29,455	\$13,433	\$(7,172)

A reconciliation of the effective rate for income taxes shown in the consolidated statements of income with the U.S. statutory rate of 35% in 1993 and 34% in 1992 and 1991 is shown below:

	1993	1992	1991
Amount computed at statutory rate.....	35.0%	34.0%	(34.0)%
Increase (decrease) in taxes resulting from:			
U.S. rate change on net deferred taxes.....	2.0	--	--
Tax credits and incentives.....	(0.5)	(0.6)	(1.6)
Foreign losses not tax benefited.....	22.8	6.1	3.1
Foreign tax rates less than the statutory rate.....	(1.8)	(1.1)	(1.9)
State income taxes, net of federal income tax benefit.....	5.8	2.5	2.8
Amortization of goodwill and other acquisition costs.....	3.6	3.2	4.0
Tax benefit of the Foreign Sales Corporation.....	(2.0)	(3.1)	(3.4)
Special charge items not tax benefited.....	--	--	8.6
Other, net.....	1.1	(1.5)	(2.6)
	66.0%	39.5%	(25.0)%

No provision has been made for income and withholding taxes which would become payable upon distribution of the undistributed earnings of foreign subsidiaries and affiliates. It is the company's present intention to permanently reinvest these earnings in its foreign operations. The amount of undistributed earnings which have been reinvested in foreign subsidiaries and affiliates at December 31, 1993, was \$26.7 million. It is not practical to determine the hypothetical U.S. federal income tax liability if all such earnings were remitted, but distribution as dividends at the end of 1993 would have resulted in payment of withholding taxes of approximately \$1.4 million.

The following summarizes the detail of the deferred income tax provision (benefit) for 1991, which has not been restated in accordance with SFAS No. 109:

	1991
	(IN THOUSANDS)
Receivable reserves.....	\$ (110)
Inventories.....	(568)
Depreciation.....	306
Health and medical costs.....	(170)
Pension.....	146
Employee benefit programs.....	(342)
Special charge.....	(3,191)
Other, net.....	459
	\$ (3,470)

SPX CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1993

(14) INCOME TAXES (CONTINUED)

The components of the net deferred income tax assets (liabilities) were as follows:

	DECEMBER 31, 1993	DECEMBER 31, 1992
	(IN THOUSANDS)	
Deferred income tax asset:		
Receivables reserve.....	\$ 6,736	\$ 3,088
Inventory.....	5,835	7,505
Debt extinguishment reserves.....	13,000	--
Compensation and benefit-related.....	3,004	1,100
Restructuring reserves.....	4,226	--
Divestiture-related reserves.....	5,580	--
Workers' compensation.....	1,708	1,270
Warranty reserve.....	2,216	2,786
Other liabilities.....	6,584	(175)
	\$ 48,889	\$ 15,574
Current deferred tax asset.....		
Non-current deferred tax:		
Depreciation.....	\$ (24,300)	\$ (13,570)
Postretirement health and life.....	38,900	6,300
Book basis investment greater than tax basis investment in affiliates.....	(31,400)	(46,906)
Other.....	(3,987)	--
Net operating loss carryforwards.....	14,700	4,800
Capital loss carryforwards.....	--	8,900
Valuation allowance.....	(14,700)	(13,700)
	\$ (20,787)	\$ (54,176)
Non-current deferred tax liability.....		
Net deferred tax asset (liability).....	\$ 28,102	\$ (38,602)

Included on the consolidated balance sheets are U.S. federal income tax refunds of \$5.6 million in 1993 and \$3.0 million in 1992.

At December 31, 1993, the company has net operating loss carryforwards attributable to foreign operations of approximately \$32.5 million that are available to offset future taxable income. These loss carryforwards expire as follows: \$.6 million in 1994, \$0 in 1995, \$0 in 1996, \$2.4 million in 1997, \$1.5 million in 1998 and \$28.0 million thereafter. During 1993, the company utilized \$2.8 million of net operating loss carryforwards attributable to foreign operations, resulting in tax benefits of \$1.2 million. The deferred tax asset related to the net operating loss carryforwards have been reserved in the valuation allowance.

During the fourth quarter of 1993, the company settled a dispute with the Internal Revenue Service regarding the company's tax deferred treatment of the 1989 transaction in which several operating units were contributed to SPT. The settlement of approximately \$5 million in tax eliminates the IRS contention that one half of the 1989 transaction was currently taxable. The settlement and interest will be paid during the second quarter of 1994 and is adequately provided for in the company's deferred income tax accounts.

(15) INVESTMENTS

As of December 31, 1993, investments, as shown on the consolidated balance sheet, include equity investments in non-majority owned subsidiaries. These investments include the company's 50% owned interest in a U.S. joint venture, two 50% owned interests in joint ventures in Japan, a 40% interest in a Mexican company and a 50% interest in a German company. All of these investments are accounted for using the equity method. These investments, both individually and collectively, are not material to the company's consolidated financial statements.

Until December 31, 1993, the company held a 49% interest in SPT. The pro rata share of earnings or losses and the amortization of the company's investment in SPT is reflected as "SPT equity losses" on the consolidated statements of income (see Note 5).

Until December 31, 1993, the company reported that it held a 50% interest in SP Europe. As of December 31, 1993, Riken's pending 20% participation in SP Europe reverted to the company in connection with the transaction to acquire Riken's 49% interest in SPT. SP Europe had not been previously consolidated due to the company's deemed temporary control and because nonrecourse (to the partners)

SPX CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1993

(15) INVESTMENTS (CONTINUED)

financing was being pursued. Up to December 31, 1993, the company carried its investment in SP Europe at zero. Due to the resulting 70% ownership, the company is recording its share of cumulative losses since the partnership formation in mid-1991 of \$21.5 million. As of December 31, 1993, the balance sheet of this partnership is included in the consolidated financial statements, reflecting the company's 70% ownership and Mahle GmbH's 30% minority interest. Beginning in the first quarter of 1994, results of operations of SP Europe will be reflected in the consolidated statements of income and cash flows.

(16) PROPERTY, PLANT, AND EQUIPMENT AND RELATED ACCUMULATED DEPRECIATION

The company uses principally the straight line method for computing depreciation expense over the useful lives of the property, plant and equipment. For income tax purposes, the company uses accelerated methods where permitted. Asset additions and improvements are added to the property accounts while maintenance and repairs, which do not renew or extend the lives of the respective assets, are expensed currently. Upon sale or retirement of depreciable properties, the related cost and accumulated depreciation are removed from the property accounts. The net gain or loss on disposition of property is reflected in income.

Changes in property, plant, and equipment accounts and in related accumulated depreciation for the three years ended December 31, 1993 were as follows:

PROPERTY, PLANT & EQUIPMENT, AT COST	LAND	BLDGS.	MACHINERY AND CONSTRUCTION		TOTAL
			EQUIPMENT	IN PROGRESS	
(IN THOUSANDS)					
BALANCE AT DECEMBER 31, 1990.....	\$ 6,586	\$50,378	\$123,392	\$ 6,398	\$186,754
Additions, at cost.....	245	4,362	14,788	33	19,428
Retirements, at cost.....	(1,283)	(699)	(2,380)	--	(4,362)
Reclassifications and other.....	699	63	(454)	--	308
BALANCE AT DECEMBER 31, 1991.....	\$ 6,247	\$54,104	\$135,346	\$ 6,431	\$202,128
Additions, at cost.....	18	2,314	18,415	(396)	20,351
Retirements, at cost.....	(48)	(515)	(5,376)	--	(5,939)
Reclassifications and other.....	280	2,417	(1,132)	--	1,565
BALANCE AT DECEMBER 31, 1992.....	\$ 6,497	\$58,320	\$147,253	\$ 6,035	\$218,105
Additions, at cost.....	840	1,920	10,998	1,358	15,116
Recorded in acquisitions of ATP and SPT and due to consolidation of SP Europe.....	4,551	40,552	169,903	1,253	216,259
Assets sold in connection with divestiture of units.....	(1,174)	(15,280)	(55,241)	(3,325)	(75,020)
Retirements, at cost.....	(15)	(502)	(5,541)	--	(6,058)
Reclassifications and other.....	81	(474)	448	(625)	(570)
BALANCE AT DECEMBER 31, 1993.....	\$10,780	\$84,536	\$267,820	\$ 4,696	\$367,832

ACCUMULATED DEPRECIATION	BLDGS.	MACHINERY AND EQUIPMENT		TOTAL
		EQUIPMENT		
(IN THOUSANDS)				
BALANCE AT DECEMBER 31, 1990.....	\$10,797	\$ 58,045		\$ 68,842
Additions-charged to income.....	2,443	16,449		18,892
Deductions-retirements, renewals, transfers, dispositions and replacements...	(43)	(2,086)		(2,129)
Reclassifications and other.....	226	(22)		204
BALANCE AT DECEMBER 31, 1991.....	\$13,423	\$ 72,386		\$ 85,809
Additions-charged to income.....	3,196	16,393		19,589
Deductions-retirements, renewals, transfers, dispositions and replacements...	(201)	(4,549)		(4,750)
Reclassifications and other.....	1,156	(494)		662
BALANCE AT DECEMBER 31, 1992.....	\$17,574	\$ 83,736		\$101,310
Additions-charged to income.....	2,611	16,476		19,087
Additions-carryover basis in SPT.....	15,810	75,661		91,471
Deductions-retirements, renewals, transfers, dispositions and replacements...	(245)	(2,782)		(3,027)
Deductions-assets sold in connection with divestitures of units.....	(4,499)	(34,508)		(39,007)
Reclassifications and other.....	--	(147)		(147)
BALANCE AT DECEMBER 31, 1993.....	\$31,251	\$138,436		\$169,687

SPX CORPORATION AND SUBSIDIARIES
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DECEMBER 31, 1993

(17) COSTS IN EXCESS OF NET ASSETS OF BUSINESSES ACQUIRED

At December 31, 1993 and 1992, total costs in excess of net assets of businesses acquired were \$223.3 and \$113.2 million, respectively, and accumulated amortization of costs in excess of net assets of businesses acquired was \$19.2 and \$18.3 million, respectively. The increase is attributable to the acquisition of ATP and AGL, \$16.3 million, and the acquisition of 51% of SPT, \$97.1 million. Amortization was \$3.4 million in 1993, \$3.4 million in 1992 and \$3.1 million in 1991.

The company amortizes costs in excess of the net assets of businesses ("goodwill") acquired on a straight-line method over the estimated periods benefitted, not to exceed 40 years. After an acquisition, the company continually reviews whether subsequent events and circumstances have occurred that indicate the remaining estimated useful life of goodwill may warrant revision or that the remaining balance of goodwill may not be recoverable. If events and circumstances indicate that goodwill related to a particular business should be reviewed for possible impairment, the company uses projections to assess whether future operating income on a non-discounted basis (before goodwill amortization) of the unit is likely to exceed the goodwill amortization over the remaining life of the goodwill, to determine whether a writedown of goodwill to recoverable value is appropriate.

At December 31, 1993, \$74 million of goodwill relates to the Automotive Diagnostics division (which is composed of Bear Automotive and Allen Testproducts, which was acquired in 1993). This division has incurred significant operating losses in 1993 and in prior years. The company projects that, in the near future, the cost savings, market synergies and other factors which, in part, will be realized from the Bear Automotive and Allen Testproducts combination will result in non-discounted operating income sufficient to exceed goodwill amortization. However, should such projections require downward revision based on changed events or circumstances, this division's goodwill may require writedown. Although having no cash flow impact, the resulting charge, if any, could materially reduce the company's future reported results of operations and shareholders' equity. At this time, based upon present information, projections and strategic plans, the company has concluded that there has been no permanent impairment of the Automotive Diagnostics division's tangible or intangible assets.

(18) COMMITMENTS AND CONTINGENT LIABILITIES

The company leases certain offices, warehouses and equipment under lease agreements which expire at various dates through 2006. Future minimum rental commitments under non-cancelable operating leases are \$10.9 million for 1994, \$8.8 million for 1995, \$6.3 million for 1996, \$4.0 million for 1997, \$2.9 million for 1998 and aggregate \$14.5 million thereafter. Rentals on these leases were approximately \$12.9 million in 1993, \$9.3 million in 1992 and \$10.8 million in 1991.

Certain claims, including environmental matters, suits and complaints arising in the ordinary course of business, have been filed or are pending against the company. In the opinion of management, all such matters are without merit or are of such kind, or involve such amounts, as would not have a significant effect on the financial position or results of operations of the company if disposed of unfavorably. Additionally, the company has insurance to minimize its exposures of this nature.

The company's operations and products are subject to federal, state and local regulatory requirements relating to environmental protection. It is the company's policy to comply fully with all such applicable requirements. As part of its effort to comply, management has established an ongoing internal compliance auditing program which has been in place since 1989. Based on current information, management believes that the company's operations are in substantial compliance with applicable environmental laws and regulations and the company is not aware of any violation that could have a material adverse effect on the business, financial condition or results of operations of the company. There can be no assurance, however, that currently unknown matters, new laws and regulations, or stricter interpretations of existing laws and regulations will not materially affect the company's business or operations in the future.

The company is also subject to potential liability for the costs of environmental remediation. This liability may be based upon the ownership or operation of industrial facilities where contamination may be found as well as contribution to contamination existing at offsite, non-owned facilities. These offsite remediation costs cannot be quantified with any degree of certainty. At this time, management can estimate the environmental remediation costs only in terms of possibilities and probabilities based on available information.

The company is involved as a potentially responsible party ("PRP") under the Comprehensive, Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended, or similar state superfund statutes in eight active proceedings involving off-site waste disposal facilities. At three of these sites it has been established that the company is a de minimis contributor. A determination has not been made with respect to the remaining five sites, but the company believes that it will be found to be a de minimis contributor at three of them. Based on information available to the company, which in most cases includes estimates from PRPs and/or federal or state regulatory agencies for the investigation, clean up costs at these sites, data related to the

quantities and characteristics of materials generated at or shipped to each site, the company believes that the costs for each site are not material and in total the anticipated clean up costs of current PRP actions would not have a material adverse effect on the company's financial condition or operations.

In the case of contamination existing upon properties owned or controlled by the company, the company has established reserves which it deems adequate to meet its current remediation obligations.

There can be no assurance that the company will not be required to pay environmental compliance costs or incur liabilities that may be material in amount due to matters which arise in the future or are not currently known to the company.

During 1988, the company's Board of Directors adopted executive severance agreements which create certain liabilities in the event of the termination of the covered executives following a change of control of the company. The aggregate commitment under these executive severance agreements should all 7 covered employees be terminated is approximately \$10 million.

SPX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1993

(19) NOTES PAYABLE AND DEBT

The following table summarizes the company's current and long-term debt obligations as they existed at December 31, 1993 and 1992. During the first quarter of 1994, the company significantly restructured this debt. Refer to Note 23 for further explanation of this subsequent refinancing.

	1993	1992
	-----	-----
(IN THOUSANDS)		
SPX		
Senior Notes, 9.72%, due in annual installments from 1994 through 2000.....	\$ 53,000	\$ 53,000
Senior Notes, 9.58%, \$5 million due in 1993, the remainder due in 1995.....	22,000	27,000
Revolving Credit Loans.....	--	17,000
Industrial Revenue Bonds, with interest rates established monthly based on an index of short-term municipal bond interest rates, due 2010 to 2025.....	15,200	15,200
Note to Allen Group, 8.0%, due in annual installments from 1994 through 1996.....	19,737	--
Bank loans, LIBOR plus 7/8%, due May 1994.....	50,000	--
Long-Term Debt -- ESOP Guarantee.....	42,062	44,275
Other.....	17,957	17,844
	-----	-----
Total SPX debt.....	\$219,956	\$174,319
	-----	-----
SPT		
Senior subordinated debentures, 14.5%, due May 15, 1999, with mandatory sinking fund payment of \$50 million on May 15, 1998.....	\$100,000	\$ --
Term bank loan, with interest rates established periodically based on prime or LIBOR rates, due in varying quarterly installments through September 30, 1996.....	78,863	--
Revolving Credit Loans.....	30,000	--
Other.....	1,343	--
	-----	-----
Total SPT debt.....	\$210,206	\$ --
	-----	-----
Total Consolidated debt.....	\$430,162	\$174,319
Less current maturities.....	93,975	13,999
	-----	-----
Total Long-Term Debt.....	\$336,187	\$160,320
	-----	-----

Aggregate maturities of total debt are as follows before the debt refinancing described in Note 23:

	SPX	SPT	TOTAL
	-----	-----	-----
(IN THOUSANDS)			
1994.....	\$67,275	\$26,700	\$ 93,975
1995.....	43,700	28,900	72,600
1996.....	9,500	54,600	64,100
1997.....	11,200	--	11,200
1998.....	3,400	50,000	53,400
Thereafter.....	84,881	50,006	134,887

SPX

Revolving credit loans, under revolving credit agreements dated July 1, 1991 as amended, aggregating \$75 million with five banks, have terms of one year. During the period of the revolving credit loans, the borrowings will bear interest at negotiated rates not to exceed prime. The company has agreed to pay the banks commitment fees of 3/8% per annum of the unused portion of the credit commitments. The credit agreements do not require the company to maintain any additional balances at the participating banks, and the agreements can be reduced in amount or terminated at any time at the option of the company. At December 31, 1993, the company had unused lines of revolving credit of \$75 million. This facility was replaced by a new revolving credit agreement dated March 1994 (see Note 23).

The company has guaranteed a note purchase agreement with certain insurance companies under its ESOP. This loan bears interest at 9.04%. Principal is payable in fifteen annual installments commencing June 1990. The company's semiannual contributions to the

SPX CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1993

(19) NOTES PAYABLE AND DEBT (CONTINUED)

ESOP trust enable the trust to make interest and principal payments. Additionally, dividends on the ESOP's unallocated shares are used to make interest and principal payments and are deductible for income tax purposes. Dividends on unallocated shares were \$545,000 in 1993, \$590,000 in 1992 and \$1,113,000 in 1991. Beginning in 1993, as a result of new ESOP accounting, these dividends are no longer reflected as dividends in the consolidated financial statements and are accounted for as direct principal payments. This facility will be terminated by the end of March 1994 and will be replaced by the new revolving credit agreement.

The company is subject to a number of restrictive covenants under the various debt agreements. At December 31, 1993 without consideration of the availability of the new revolving credit agreement, the company is in default on the following restrictive covenants due to the consolidation of SP Europe and the purchase of Riken's 49% ownership interest in SPT; (a) the company is required to maintain a consolidated fixed charge ratio of 1.5 to 1.0, at December 31, 1993 it is .54 to 1.0, (b) the company is required to maintain consolidated net tangible assets of at least 160% of consolidated funded indebtedness, at December 31, 1993 it is 122%, (c) the company will not declare dividends that exceed the sum of \$40 million plus cumulative consolidated net income since May 31, 1989, at December 31, 1993, cumulative dividends exceeded the limitation by \$32 million, and (d) the company is required to maintain consolidated current assets of at least 150% of current liabilities, at December 31, 1993 it was 130%. These restrictive covenant defaults pertain to the \$53 million of senior notes, the \$22 million of senior notes, the \$75 million revolving credit line, the \$19.7 million note to the Allen Group, Inc. and the guaranteed \$42.1 million ESOP note and make the debt payable on demand should the conditions of default continue after notification. However, in March 1994, the company obtained a new revolving credit facility of \$250 million and will utilize this facility to repay this defaulted debt (see Note 23). As the new credit facility expires in 1999, the debt existing at December 31, 1993 has been classified as long-term.

Included in interest expense, net, was \$1.5 million in 1993, \$0.5 million in 1992 and \$0.5 million in 1991 of interest income.

SPT

The Term Bank Loan and the Revolving Credit Loans are provided by a syndicate of ten banks. SPT has unused available credit of up to \$25 million on the revolving credit agreement as of December 31, 1993, subject to receivable and inventory balances. Additionally, \$16 million of financing is available through the Deferred Term Loan Facility under the Bank Credit Agreement to make payments on borrowings under the Term Loan Facility should funds not be sufficient to make scheduled amortization payments due under the Term Loan Facility. SPT also has \$5 million available on a swingline loan facility used to manage daily cash receipts and disbursements. Loans under this facility are payable in 5 days. Management believes the facilities are adequate to cover the 1994 financing requirements of SPT.

SPT has entered into hedging arrangements which fix the interest rate of approximately \$70 million of the bank borrowings at 11 1/2% for a period ranging from one to three years. The unhedged bank loans bear interest at 1 1/4% over the prime rate or 2 1/4% over the LIBOR rate. The rates are set, at SPT's option, for various periods up to one year in length. Substantially all of SPT's assets are pledged as collateral for loans under the Bank Credit Agreement.

SPT is subject to a number of restrictive covenants under the Bank Credit Agreement, as amended, and the Indenture related to the subordinated debentures. Under the most restrictive of these covenants as of year-end, SPT must: (a) meet a fixed charge coverage ratio of 1.10 to 1; (b) meet a cash interest expense coverage ratio of 1.90 to 1; (c) meet a current ratio of 1.5 to 1; and (d) limit capital expenditures for the year ended December 31, 1993 to \$18 million. At year-end, SPT's actual fixed charge ratio was 1.12 to 1; its cash interest expense coverage ratio was 2.04 to 1; its current ratio was 1.5 to 1 and net capital expenditures were approximately \$17.8 million. The cash interest expense coverage ratio becomes more restrictive in future periods. The covenants also restrict distributions to the partners.

Financing costs incurred by SPT were being amortized over the life of the respective borrowings. Amortization of \$1.2 million was recorded in 1993, 1992 and 1991 with the remaining \$3.9 million written off as part of the debt extinguishment charge (see Note 8).

At December 31, 1993, substantially all of SPT's assets are pledged as collateral under SPT's bank credit agreements. The distribution of these assets, as well as partnership distributions, to the company from SPT are restricted. The company's planned second quarter issuance of \$260 million of senior subordinated notes and concurrent payment to the SPT lenders will remove this restriction. Should the notes not be issued, the SPT indebtedness will remain in place, including the restrictions.

SPX CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1993

(20) CAPITAL STOCK

Authorized shares of common stock (par value \$10.00) total 50,000,000 shares. Common shares issued and outstanding are summarized in the table below.

SHARES OF COMMON STOCK	DECEMBER 31		
	1993	1992	1991
	(IN THOUSANDS)		
Issued.....	15,556	15,536	15,471
In treasury.....	(1,633)	(1,633)	(1,633)
Outstanding.....	13,923	13,903	13,838
ESOP trust -- unallocated.....	1,246	1,361	1,476

The company's treasury stock was purchased in the last half of 1989 at an average cost of \$30 5/8 per share using \$50 million of proceeds from the creation of the company's leveraged ESOP.

The company has 3,000,000 shares of preferred stock, no par value, authorized, but no shares have been issued.

In June 1989, the company established an employee stock ownership plan (ESOP). 1,746,725 shares of common stock were issued to the ESOP trust in exchange for \$50 million. These shares were issued at market value (\$28 5/8 per share) and the appropriate amounts are included in common stock and paid in capital.

The company restated, amended and renamed its 1982 Stock Option Plan to the 1992 Stock Compensation Plan, effective December 15, 1992. Under the new Stock Compensation Plan, up to 700,000 shares of the company's common stock may be granted to key employees with those shares still available for use under the 1982 Stock Option Plan being carried forward and forming a part of the 700,000 shares. Awards of incentive stock options, nonqualified stock options, stock appreciation rights (SAR's), performance units and restricted stock may be made under the Plan although no more than 200,000 shares may be granted in the form of restricted stock. The Plan also authorizes the granting of stock options to directors.

Stock options may be granted to key employees in the form of incentive stock options or nonqualified stock options at an option price per share of no less than the fair market value of the common stock of the company on the date of grant. The options become exercisable six months after the date of the grant and expire no later than 10 years from the date of grant (or 10 years and 1 day with respect to nonqualified stock options).

SAR's may be granted to key employees either in conjunction with the awarding of nonqualified stock options or on a stand-alone basis. The SAR's entitle the holder to receive a cash payment equal to the excess of the fair market value of a share of common stock of the company over the exercise price of the right at the date of exercise of the right.

Performance units, which are equivalent to a share of common stock, may be granted to key employees and may be earned, in whole or in part, dependent upon the attainment of performance goals established at the time of grant.

Restricted stock may be granted to key individuals to recognize or foster extraordinary performance, promotion, recruitment or retention. At the time of the grant, restrictions are placed on ownership of the shares for a stated period of time during which a participant will not be able to dispose of the restricted shares. Upon lapse of the restriction period, complete ownership is vested in the participant and the shares become freely transferable.

SPX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1993

(20) CAPITAL STOCK (CONTINUED)

A summary of common stock options, SAR's, and restricted stock issued under the company's Stock Compensation Plan is as follows:

	1993	1992	1991
Stock Options:			
Outstanding at beginning of year.....	877,140	735,818	634,729
Granted.....	148,400	215,750	281,350
Exercised.....	(21,903)	(74,428)	--
Surrendered/canceled.....	(79,337)	--	(180,261)
Outstanding at end of year.....	924,300	877,140	735,818
Price of options exercised and outstanding.....	\$ 11.38- 28.00	\$ 11.38- 28.00	\$ 11.38- 28.00
Restricted stock granted during year.....	--	--	12,000
Shares reserved and available for future grants.....	442,387	511,450	74,375
Stock Appreciation Rights:			
Outstanding at beginning of year.....	--	--	171,100
Granted.....	--	--	--
Exercised.....	--	--	--
Surrendered/canceled.....	--	--	(171,100)
Outstanding at end of year.....	--	--	--

Preferred stock is issuable in series with the Board of Directors having the authority to determine, among other things, the stated value of each series, dividend rate, conversion rights and preferences in liquidation or redemption.

On June 25, 1986, the company entered into a Rights Agreement which was amended and restated as of October 20, 1988. Pursuant to the Rights Agreement, in July 1986, the company issued a dividend of one preferred stock purchase right on each outstanding share of common stock. Each right entitles the holder, upon the occurrence of certain events, to purchase one one-hundredth of a share of a new series of junior participating preferred stock for \$100. Furthermore, if the company is involved in a merger or other business combination at any time after the rights become exercisable, the rights will entitle the holder to buy the number of shares of common stock of the acquiring company having a market value of twice the then current exercise price of each right. Alternatively, if a 20% or more shareholder acquires the company by means of a reverse merger in which the company and its stock survive, or engages in self-dealing transactions with the company, or if any person acquires 20% or more of the company's common stock, then each right not owned by a 20% or more shareholder will become exercisable for the number of shares of common stock of the company having a market value of twice the then current exercise price of each right. The rights, which do not have voting rights, expire on July 15, 1996, and may be redeemed by the company at a price of \$.05 per right at any time prior to their expiration.

(21) SPX CREDIT CORPORATION

In June of 1993, the company acquired Allen Group Leasing from The Allen Group Inc. (see Note 4). The company's SP Financial division was merged with this lease financing unit and has been renamed SPX Credit Corporation ("SPX CC"). SPX CC provides direct financing leasing alternatives to primarily electronic diagnostic, emissions testing, and wheel service equipment customers in the United States and Canada.

SPX CC purchases equipment for lease to others from the company's Specialty Service Tools divisions, its sole supplier, at prices comparable to those to third parties. The aggregate cost of equipment purchased from Specialty Service Tools divisions amounted to approximately \$16.0 million in 1993. The company's Specialty Service Tools divisions charge a commission representing an origination fee for providing leases and for the cost of services provided to SPX CC with respect to the negotiation and consummation of new leases in the amount of \$521,000 for 1993 (since the acquisition). SPX CC has an agreement with Specialty Service Tools divisions for the repurchase of repossessed equipment at amounts determined to approximate realizable value by the Specialty Service Tools divisions. In 1993 (since the acquisition), approximately \$5.8 million of equipment was repurchased under this agreement.

SPX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1993

(21) SPX CREDIT CORPORATION (CONTINUED)

Information regarding lease receivables included in the consolidated balance sheets is as follows (amounts in thousands):

DECEMBER 31, 1993	CURRENT	LONG-TERM	TOTAL
Direct financing lease receivables.....	\$ 36,661	\$ 60,263	\$ 96,924
Residual value of lease equipment.....	469	2,862	3,331
Other leasing assets.....	9,159	192	9,351
Unearned lease finance income.....	(10,427)	(10,825)	(21,252)
Allowance for credit losses.....	(2,028)	(1,479)	(3,507)
	-----	-----	-----
	\$ 33,834	\$ 51,013	\$ 84,847
	-----	-----	-----

The aggregate maturities of direct financing lease receivables as of December 31, 1993 were \$36.7 million in 1994, \$28.4 million in 1995, \$18.0 million in 1996, \$10.3 million in 1997 and \$3.5 million in 1998.

Essentially all of SPX CC's direct financing lease receivables are with companies or individuals operating within the automotive repair industry, including automotive dealerships, garages and similar repair and inspection facilities, and approximately one-third of lease receivables are with lessees located in the state of California.

The company has a program whereby certain lease receivables are sold to financial institutions with limited recourse. In the event of default by a lessee, the financial institution has recourse equal to their net lease receivable. In return, the company receives the collateralized lease equipment. In 1993, 1992 and 1991, \$5,613,000, \$21,390,000 and \$18,705,000 of gross lease receivables were sold to financial institutions generating revenues of \$846,000, \$1,386,000 and \$2,936,000. At December 31, 1993 and 1992, financial institutions held lease receivables, which are subject to limited recourse, of \$42,766,000 and \$49,235,000. Correspondingly, allowances for recourse liabilities, net of recoverable value, were \$3,743,000 and \$2,225,000 at December 31, 1993 and 1992.

(22) CASH FLOWS FROM OPERATING ACTIVITIES

The following provides supplementary information comprising the company's cash flows from operating activities:

	YEARS ENDED DECEMBER 31,		
	1993	1992	1991
	-----	-----	-----
	(IN THOUSANDS)		
Cash flows from operating activities:			
Net income (loss) from operating activities.....	\$ (40,600)	\$ 14,860	\$ (21,560)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities --			
Cumulative effect of change in accounting methods.....	31,800	5,700	--
Extraordinary loss.....	24,000	--	--
Depreciation and amortization.....	24,370	25,277	23,771
SPT equity losses.....	26,845	2,407	8,532
SP Europe equity losses.....	21,500	--	--
Increase (decrease) in deferred income taxes.....	(15,306)	7,644	(5,286)
(Increase) decrease in receivables.....	(15,523)	(1,061)	30,842
Decrease in inventories.....	11,609	2,560	22,800
(Increase) decrease in prepaid and other current assets.....	2,136	(1,380)	(848)
Increase (decrease) in accounts payable.....	(1,623)	3,945	307
Decrease in accrued liabilities.....	(7,238)	(787)	(6,172)
Increase in income taxes payable.....	4,529	4,457	52
Increase in lease finance receivables.....	(9,154)	--	--
Gain on sale of businesses, net of taxes.....	(64,200)	--	--
Restructuring and special charges.....	27,500	--	18,200
Increase in long-term liabilities.....	6,803	2,131	--
Other, net.....	(2,163)	1,736	(3,189)
	-----	-----	-----
Net cash provided by operating activities.....	\$ 25,285	\$ 67,489	\$ 67,449
	-----	-----	-----

SPX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1993

(23) SUBSEQUENT EVENT -- REFINANCING

Late in the fourth quarter of 1993, the company determined that virtually all existing SPX and SPT debt should be refinanced in anticipation of the purchase of Riken's 49% interest in SPT, due to favorable prevailing interest rates, scheduled and accelerated debt maturities, and to maintain the flexibility of the company to grow through internal investments and acquisitions. The plan of refinancing (the "Refinancing") includes two elements, a new \$225 million revolving bank facility and the issuance of \$260 million of senior subordinated notes. The Refinancing is expected to be completed by the end of the second quarter of 1994.

In March of 1994, the first portion of the Refinancing was completed when the company closed a \$250 million revolving credit facility with First National Bank of Chicago, as agent for a syndicate of banks. This revolving credit facility bears interest at LIBOR plus 1.0% or the prime rate (at the company's option) and expires in 1999. Upon completion of the senior subordinated note offering, this revolving credit facility is to be reduced to \$225 million of maximum availability. Proceeds from this revolving credit facility will be used to extinguish SPX debt as follows: Senior Notes aggregating \$75 million, the \$19.7 million note to the Allen Group, the company's ESOP trust's note of \$42.1 million and \$68 million of miscellaneous debt, much of which was technically in default of covenant provisions. Also, \$15.2 million of letters of credit securing the Industrial Revenue Bonds were renegotiated.

By June 30, 1994, the company expects to have completed its \$260 million offering of senior subordinated notes. These notes are anticipated to bear interest at a rate of approximately 10% and will be due in or after the year 2002. At that time, the proceeds will be used to retire existing SPT borrowings, including the \$100 million of 14.5% senior subordinated debentures, the Term Bank Loan, and the revolving credit loans. Excess proceeds will be used to pay down the company's new revolving credit facility at that time.

The revolving credit agreement contains covenants, the most restrictive of which are as follows: (a) maintain a leverage ratio of 78% in 1994, declining on a graduated scale to 65% in 1999, (b) maintain an interest expense coverage ratio of 2.0 to 1.0 in 1994 rising on a graduated scale to 3.5 to 1.0 in 1998 and thereafter, (c) maintenance of a fixed charge coverage ratio, as defined in the revolving credit agreement, of 1.75 to 1.0 in 1994 and 1995, and 2.0 to 1.0 thereafter, and (d) dividends are limited to \$8 million for the five quarters starting with the first quarter of 1994, and are limited to 10% of operating income plus depreciation and amortization (EBITDA) thereafter. The revolving credit agreement also limits capital expenditures, investments, and transactions with affiliates.

If the company does not issue senior subordinated notes, provisions have been made so that the revolving credit facility will remain at \$250 million and the rate of interest would become LIBOR plus 1.5% or the prime rate plus .5% (at the company's option) and the facility would be secured by substantially all of SPX's assets. Also, the existing SPT debt would remain outstanding in its current form, including security interests in SPT's assets. The financial covenants, the most restrictive of which, will require the company (excluding SPT) to: (a) maintain a leverage ratio of 55% in 1994 and 1995, and 50% thereafter, (b) maintain an interest expense coverage ratio of 3.0 to 1.0 in 1994, 4.0 to 1.0 in 1995 and 5.0 to 1.0 thereafter, (c) maintenance of a fixed charge coverage ratio, as defined in the revolving credit agreement, of 2.0 to 1.0 in 1994, 1995 and 1996 and 2.25 to 1.0 thereafter, and (d) dividends declared before March 31, 1995 and paid before June 30, 1995 are limited to \$8 million, and thereafter are limited to 10% of operating income plus depreciation and amortization (EBITDA) during the preceding twelve months. The revolving credit agreement also limits capital expenditures, investments, transactions with affiliates, and transactions with SPT.

SPX CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1993

(24) SEALED POWER TECHNOLOGIES -- SELECTED FINANCIAL INFORMATION

As discussed in Note 5, the company consolidated SPT's balance sheet at December 31, 1993. The company's 49% share of SPT's results of operations has been recognized on the equity method of accounting. Selected historical financial information on SPT is as follows:

	1993	1992	1991
	-----	-----	-----
	(IN MILLIONS)		
OPERATING DATA:			
Revenues.....	\$391.6	\$355.2	\$319.8
Gross profit.....	53.8	56.9	45.3
Selling, distribution, & administrative expenses.....	28.2	26.7	24.0
Other (income), net.....	(2.0)	(2.8)	(2.0)
	-----	-----	-----
Earnings before interest.....	\$ 27.6	\$ 33.0	\$ 23.3
Interest expense, net.....	27.1	29.3	32.1
	-----	-----	-----
Income (loss) before cumulative effect of change in accounting method.....	\$.5	\$ 3.7	\$ (8.8)
Cumulative effect of change in accounting method*.....	(89.5)	--	--
	-----	-----	-----
Income (loss).....	\$ (89.0)	\$ 3.7	\$ (8.8)
	-----	-----	-----
Depreciation and amortization.....	20.4	19.1	18.7
Capital expenditures, net.....	17.8	12.9	13.1
Research and development.....	3.4	3.8	3.6
Pension expense.....	.1	--	.2
Lease rental expense.....	.9	.9	9
Incremental SFAS No. 106 expense.....	6.1	--	--
BALANCE SHEET DATA (AT PERIOD END):			
Current assets.....	\$ 76.7	\$ 74.6	\$ 73.0
Net property, plant and equipment.....	91.4	91.1	94.4
Other assets.....	13.7	15.1	17.3
	-----	-----	-----
	\$181.8	\$180.8	\$184.7
	-----	-----	-----
Current liabilities.....	\$ 80.0	\$ 66.6	\$ 57.6
Long-term liabilities*.....	97.5	3.0	--
Long-term debt.....	183.5	199.1	218.7
Partners' capital (deficit).....	(179.2)	(87.9)	(91.6)
	-----	-----	-----
	\$181.8	\$180.8	\$184.7
	-----	-----	-----

* In 1993, SPT adopted SFAS No. 106, "Employers Accounting for Postretirement Benefits other than Pensions."

(25) FAIR VALUE OF FINANCIAL INSTRUMENTS

Statement of Financial Accounting Standards No. 107, "Disclosure about Fair Value of Financial Instruments" requires disclosure of an estimate of the fair value of certain financial instruments. The following methods and assumptions were used by the company in estimating its fair value disclosures:

Cash and temporary cash investments: The carrying amount reported on the consolidated balance sheet approximates its fair value.

Lease Finance Receivables: The carrying amount, which is net of deferred future lease finance income and reserves for credit losses, approximates fair value.

Notes payable and current maturities of long-term debt and Long-term debt: The fair value of the company's debt either approximates its carrying value or represents the carrying value plus the early extinguishment costs to be paid in the first quarter of 1994 or to be paid during the second quarter of 1994.

Interest rate swaps: The fair value represents the early extinguishment costs required to terminate the arrangement in 1994.

Letters of Credit: The company utilizes letters of credit to back certain financing instruments and insurance policies. The Letters of Credit reflect fair value as a condition of their underlying purpose and are subject to fees competitively determined in the marketplace.

SPX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1993

(25) FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The carrying amounts and fair values of the company's financial instruments at December 31, 1993 are as follows (amounts in thousands):

	CARRYING AMOUNT	FAIR VALUE
	-----	-----
Cash and temporary cash investments.....	\$117,843	\$ 117,843
Lease finance receivables.....	84,847	84,847
Notes payable and current maturities of long-term debt and long-term debt.....	(430,162)	(457,662)
Off-Balance Sheet Financial Instruments:		
Interest rate swaps.....	--	(4,500)
Letters of Credit.....	--	(44,700)

(26) QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The first three quarters of 1993 and each quarter of the years 1992 and 1991 have been restated to reflect the company's previous 49% share of SPT income or losses and the effect of amortizing the difference between its investment balance and its share of SPT's initial partnership capital deficit. The first three quarters of 1993 have also been restated to reflect new accounting for the company's ESOP.

	1993				
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL YEAR

	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)				
Revenues.....	\$179,164	\$212,548	\$195,079	\$169,354	\$756,145
Gross profit.....	57,388	70,848	65,265	54,612	248,113
Income (loss) before cumulative effect of change in accounting methods and extraordinary loss.....	357	5,428	(20,256)*	29,671**	15,200
Cumulative effect of change in accounting method, net of taxes.....	(31,800)	--	--	--	(31,800)
Extraordinary loss, net of taxes.....	--	--	--	(24,000)	(24,000)
Net income (loss).....	(31,443)	5,428	(20,256)	5,671	(40,600)
Income (loss) per share:					
Before cumulative effect of change in accounting method and extraordinary loss, net of taxes.....	\$ 0.02	\$ 0.43	\$ (1.61)*	\$ 2.34**	\$ 1.20
Cumulative effect of change in accounting method, net of taxes.....	(2.52)	--	--	--	(2.52)
Extraordinary loss, net of taxes.....	--	--	--	(1.90)	(1.90)
Net income (loss).....	\$ (2.50)	\$ 0.43	\$ (1.61)	\$ 0.44	\$ (3.22)

* Includes a pretax restructuring charge of \$27.5 million, \$18.5 million aftertax and \$1.47 per share.

** Includes SP Europe equity losses, \$21.5 million after tax and \$1.71 per share. Also includes a pretax gain on the sale of businesses of \$105.4 million, \$64.2 million aftertax and \$5.07 per share.

	1992				
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL YEAR

	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)				
Revenues.....	\$175,230	\$217,627	\$237,262	\$171,050	\$801,169
Gross profit.....	58,716	75,166	76,365	57,753	268,000
Income before cumulative effect of change in accounting methods.....	948	8,366	9,289	1,957	20,560
Cumulative effect of change in accounting methods, net of taxes.....	(5,700)	--	--	--	(5,700)
Net income (loss).....	(4,752)	8,366	9,289	1,957	14,860
Income (loss) per share:					
Before cumulative effect of change in accounting methods.....	\$.07	\$.60	\$.67	\$.14	\$ 1.48
Cumulative effect of change in accounting methods, net of taxes.....	(.41)	--	--	--	(.41)
Net income (loss).....	\$ (.34)	\$.60	\$.67	\$.14	\$ 1.07

SPX CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1993

(26) QUARTERLY RESULTS OF OPERATIONS (UNAUDITED) (CONTINUED)

	1991				
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL YEAR
	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)				
Revenues.....	\$156,731	\$177,513	\$172,000	\$167,224	\$673,468
Gross profit.....	51,570	59,117	52,275	48,880	211,842
Net income (loss).....	(4,460)	2,769	(16,539)*	(3,327)	(21,557)
Net income (loss) per share.....	\$ (.32)	\$.20	\$ (1.20)*	\$ (.24)	\$ (1.56)

* Includes a pretax special charge of \$18.2 million, \$14.7 million aftertax and \$1.06 per share.

(27) SUPPLEMENTARY FINANCIAL INFORMATION

PROFIT AND LOSS

	CHARGED TO COSTS AND EXPENSES		
	1993	1992	1991
	(IN THOUSANDS)		
Maintenance and repairs.....	\$ 7,539	\$ 9,643	\$ 6,254
Depreciation and amortization.....	24,370	25,277	23,771
Payroll taxes.....	14,705	12,039	10,244
Advertising.....	5,821	6,151	6,278
Research and development costs.....	17,569	14,718	13,113

BALANCE SHEET

	1993	1992
	-----	-----
	(IN THOUSANDS)	
Accrued payrolls.....	\$27,554	\$12,200
Warranty reserve.....	7,060	8,300
Automotive Diagnostics restructuring reserve.....	14,533	--
Debt extinguishment reserves.....	32,000	--
Amount payable for SPT acquisition.....	41,700	--

The inside front cover and inside back cover of the Prospectus include pictures of certain of the Company's products. Set forth below are the captions accompanying these pictures:

SPX is the world's leading producer and marketer of specialty service tools for the repair and maintenance of motor vehicles. Specialty tools, like those pictured, are essential for performing warranty repair and maintenance work by franchised dealers.

Hand-held scan tools, like the Company's Monitor Series, and the DRB III (pictured), enable professional vehicle technicians to quickly diagnose problems in today's complex vehicle electronic systems.

SPX is a world leader in designing, producing and marketing engine performance test, wheel service, and emissions testing equipment. Pictured are Bear 400 and Allen Testproducts SEA engine analyzers. The Bear 400 is PC-based, while the Allen Testproducts SEA uses dedicated electronic circuitry. These products solve difficult engine performance problems in today's complex vehicles.

The Company is a global leader in specialty tools and equipment for the repair and maintenance of stationary and mobile air conditioning and refrigeration equipment, and for servicing engine coolant systems. Pictured are several models of the Company's patented system for the recovery and recycling of environmentally harmful refrigerants.

SPX is the world's largest producer of automatic transmission fluid filters, and the market leader in automatic transmission filter technology. Filters, such as those shown, are marketed to vehicle manufacturers. They are also sold to aftermarket customers such as dealer service organizations, private brand manufacturers, rebuilders, repackagers, and quick-lube franchise organizations.

SPX is the world's leading supplier of pulse-width modulated solenoid valves, and an emerging producer of on/off linear force motor solenoid valves.

These complex die-castings are used in automotive steering, climate control, and suspension systems. SPX produces these die-castings for North American and European vehicular original equipment manufacturers.

Through manufacturing facilities in North America and Europe, SPX is the world's largest piston ring manufacturer. It is also among the leading U.S. and European producers of cylinder liners.

 NO DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY UNDERWRITER. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF OR THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE SUCH DATE.

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 [LOGO]

\$260,000,000

SPX CORPORATION

% SENIOR SUBORDINATED
 NOTES DUE 2002

 PROSPECTUS

MERRILL LYNCH & CO.
 DONALDSON, LUFKIN & JENRETTE
 SECURITIES CORPORATION

INCORPORATED
 WERTHEIM SCHRODER & CO.

, 1994

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Securities and Exchange Commission Registration Fee.....	\$89,656
Printing and Engraving Expenses.....	*
Legal Fees and Expenses.....	*
Accounting Fees and Expenses.....	*
Blue Sky Fees and Expenses.....	*
NASD Filing Fee.....	*
Trustee's Fees and Expenses.....	*
Rating Agency Fees.....	*
Miscellaneous.....	*

Total.....	\$ *

* To be completed by Amendment.

All amounts are estimated except for the Securities and Exchange Commission Registration Fee and the NASD Filing Fee.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the Delaware General Corporation Law provides that the Company may, and in some circumstances must, indemnify the directors and officers of the Company against liabilities and expenses incurred by any such person by reason of the fact that such person was serving in such capacity, subject to certain limitations and conditions therein set forth. Substantially similar provisions that require such indemnification are contained in Article Thirteen of the Company's Restated Certificate of Incorporation. Article Thirteen of the Company's Restated Certificate of Incorporation also contains provisions limiting the liability of the Company's directors in certain instances. In addition, the Company has purchased insurance as permitted by Delaware law on behalf of directors, officers, employees or agents, which may cover liabilities under the Securities Act of 1933, as amended (the "Act").

Reference is made to the Underwriting Agreement filed as Exhibit 1 hereto which provides for indemnification against certain liabilities, including liabilities under the Act.

ITEM 16. EXHIBITS

The following exhibits are filed as part of this Registration Statement:

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS

1	Form of Purchase Agreement.
4*	Form of Indenture (including Form of Note).
5*	Opinion of Gardner, Carton & Douglas as to legality of the Notes.
12*	Computation of Ratio of Earnings to Fixed Charges.
23.1	Consent of Arthur Andersen & Co.
23.2*	Consent of Gardner, Carton & Douglas (included in Exhibit 5).
24	Powers of Attorney of directors and certain officers of the Company are included on the signature page.
25	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of The Bank of New York, as Trustee under the Indenture.

* To be filed by Amendment.

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes:

(1) That, for purposes of determining any liability under the Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) That, for the purpose of determining any liability under the Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) That, for purposes of determining any liability under the Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions of Item 15, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing this Registration Statement on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Muskegon, State of Michigan, on March 25, 1994.

SPX CORPORATION

/s/ DALE A. JOHNSON

By:

Chairman and Chief Executive
Officer

POWER OF ATTORNEY

The undersigned officers and directors of SPX Corporation hereby severally constitute Dale A. Johnson, R. Budd Werner or James M. Sheridan and each of them singly our true and lawful attorneys with full power to them and each of them singly, to sign for us, in our names in the capacities indicated below, any and all amendments to this Registration Statement, and generally to do all such things in our name and on our behalf in our capacities as officers and directors to enable SPX Corporation to comply with the provisions of the Securities Act of 1933, as amended, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any one of them, to said amendments to this Registration Statement.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities indicated on March 25, 1994.

SIGNATURE

TITLE

SIGNATURE	TITLE
----- /s/ DALE A. JOHNSON	Chairman and Chief Executive Officer;
----- Dale A. Johnson	Director
/s/ CURTIS T. ATKISSON, JR.	President and Chief Operating Officer; Director
----- Curtis T. Atkisson, Jr.	
/s/ R. BUDD WERNER	Vice President and Chief Financial and Accounting Officer
----- R. Budd Werner	Officer
/s/ J. KERMIT CAMPBELL	Director
----- J. Kermit Campbell	
/s/ FRANK A. EHMANN	Director
----- Frank A. Ehmann	
/s/ EDWARD D. HOPKINS	Director
----- Edward D. Hopkins	
/s/ CHARLES E. JOHNSON II	Director
----- Charles E. Johnson II	

SIGNATURE

TITLE

/s/ REUBEN W. KAPLAN

Director

Reuben W. Kaplan

/s/ RONALD L. KERBER

Director

Ronald L. Kerber

/s/ PETER H. MERLIN

Director

Peter H. Merlin

/s/ DAVID P. WILLIAMS

Director

David P. Williams

EXHIBIT INDEX

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23.2*	Consent of Gardner, Carton & Douglas (included in Exhibit 5).....	
24	Powers of Attorney of directors and certain officers of the Company are included on the signature page.....	
25	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of The Bank of New York, as Trustee under the Indenture.....	

*To be filed by Amendment.

SPX CORPORATION
(a Delaware corporation)

\$260,000,000

___% Senior Subordinated Notes due 2002

PURCHASE AGREEMENT

_____, 1994

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION
WERTHEIM SCHRODER & CO. INCORPORATED
c/o Merrill Lynch & Co.
Merrill Lynch World Headquarters
North Tower
World Financial Center
New York, New York 10281-1305

Ladies and Gentlemen:

SPX Corporation, a Delaware corporation (the "Company"), confirms its agreements with each of you (collectively, the "Underwriters," which term shall also include any underwriter substituted as hereinafter provided in Section 10), with respect to the sale by the Company and the purchase by the Underwriters, acting severally and not jointly, of \$260,000,000 principal amount of its ___% Senior Subordinated Notes due 2002 (the "Securities") in the aggregate principal amounts as are set forth in Schedule A hereto opposite each of your names, except as may otherwise be provided in the Pricing Agreement, as hereinafter defined. The Securities are to be issued pursuant to an indenture dated as of _____, 1994 (said indenture, together with all exhibits thereto, is referred to herein as the "Indenture") between the Company and The Bank of New York, as trustee (the "Trustee").

Prior to the purchase and public offering of the Securities by the several Underwriters, the Company

and the Underwriters shall enter into an agreement substantially in the form of Exhibit A hereto (the "Pricing Agreement"). The Pricing Agreement may take the form of an exchange of any standard form of written telecommunication between the Company and the Underwriters and shall specify such applicable information as is indicated in Exhibit A hereto. The offering of the Securities will be governed by this Agreement, as supplemented by the Pricing Agreement. From and after the date of the execution and delivery of the Pricing Agreement, this Agreement shall be deemed to incorporate the Pricing Agreement.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (No. 33-_____) and a related preliminary prospectus for the registration of the Securities under the Securities Act of 1933, as amended (the "1933 Act"), and either (A) has prepared and proposes to file, prior to the effective date of such registration statement, an amendment to such registration statement, including a final prospectus, or (B) if the Company has elected to rely upon Rule 430A ("Rule 430A") of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations"), will prepare and file a prospectus, in accordance with the provisions of Rule 430A and Rule 424(b) ("Rule 424(b)") of the 1933 Act Regulations, promptly after execution and delivery of the Pricing Agreement. The information, if any, included in such prospectus that was omitted from any prospectus included in such registration statement at the time it becomes effective but that is deemed, pursuant to Rule 430A(b), to be part of such registration statement at the time it becomes effective is referred to herein as the "Rule 430A Information." Each form of prospectus used before the time such registration statement becomes effective, and any form of prospectus that omits the Rule 430A Information that is used after such effectiveness and prior to the execution and delivery of the Pricing Agreement is herein called a "preliminary prospectus." Such registration statement (as amended, if applicable) and the prospectus constituting a part thereof (including in each case all documents incorporated or deemed to be incorporated by reference therein and the Rule 430A Information, if any, deemed to be part thereof, as from time to time amended or supplemented pursuant to the 1933 Act, the Securities Exchange Act of 1934, as amended (the "1934

Act"), or otherwise, are hereinafter referred to as the "Registration Statement" and the "Prospectus," respectively, except that if the final prospectus first furnished to the Underwriters after the execution of the Pricing Agreement for use in connection with the offering of the Securities differs from the Prospectus included in the Registration Statement at the time it becomes effective (whether or not such prospectus is required to be filed pursuant to Rule 424(b)), the term "Prospectus" shall refer to the final prospectus first furnished to the Underwriters for such use. All references in this Agreement to financial statements and schedules and other information which is "contained," "included" or "stated" in the Registration Statement or the Prospectus (and all other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which is or is deemed to be incorporated by reference in the Registration Statement or the Prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the Registration Statement or the Prospectus shall be deemed to mean and include the filing of any document under the 1934 Act which is or is deemed to be incorporated by reference in the Registration Statement or the Prospectus, as the case may be.

The Company understands that the Underwriters propose to make a public offering of the Securities as soon as the Underwriters deem advisable after the Registration Statement becomes effective, the Pricing Agreement has been executed and delivered and the Indenture has been qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act").

Capitalized terms used herein and not otherwise defined are used herein as defined in the Indenture.

Section 1. Representations and Warranties.

(a) The Company represents and warrants to each Underwriter as of the date hereof and as of the date of the Pricing Agreement (such latter date being hereinafter referred to as the "Representation Date") as follows:

(i) At the time the Registration Statement becomes effective and at the

Representation Date, the Registration Statement will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and the requirements of the 1939 Act and the rules and regulations of the Commission under the 1939 Act (the "1939 Act Regulations") and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Prospectus, at the Representation Date and at the Closing Time referred to in Section 2 hereof, will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and the 1939 Act and the 1939 Act Regulations and will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement or Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter expressly for use in the Registration Statement or Prospectus.

(ii) The accountants who certified the financial statements and supporting schedules included in the Registration Statement are independent public accountants as required by the 1933 Act and the 1933 Act Regulations.

(iii) The financial statements included or incorporated by reference in the Registration Statement and the Prospectus present fairly the consolidated financial position, results of operations and cash flows of the Company and its consolidated subsidiaries as of the dates indicated and for the periods specified; except as otherwise specifically stated in the Registration Statement, said financial statements have been prepared in

conformity with generally accepted accounting principles applied on a consistent basis; and the supporting schedules included in the Registration Statement present fairly the information required to be stated therein. The selected financial data included in the Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited consolidated financial statements included in the Registration Statement. The ratio of earnings to fixed charges and the pro forma financial information (including the notes thereto) included in the Registration Statement and the Prospectus (A) present fairly the information shown therein, (B) have been prepared in accordance with applicable requirements of Regulation S-X promulgated under the 1934 Act, and (C) have been properly computed on the bases described therein. The assumptions used in the preparation of the pro forma financial statements and other pro forma financial information included in the Registration Statement and the Prospectus are reasonable and the adjustments used therein are appropriate to give effect to the transactions or circumstances referred to therein.

(iv) Since the respective dates as of which information is given in the Registration Statement and the Prospectus, except as otherwise specifically stated therein, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, properties, assets, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, (B) there have been no transactions entered into by the Company or any of its subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries considered as one enterprise and (C) there has been no dividend or distribution of any kind declared, paid or made by the Company or any of its subsidiaries on any class of its capital stock.

(v) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware with all requisite power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus and to enter into and perform its obligations under this Agreement and the Pricing Agreement; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business or otherwise, except where the failure to so qualify would not have a material adverse effect on the condition, financial or otherwise, or the earnings, properties, assets, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise.

(vi) Each subsidiary of the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has all requisite power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus and is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business or otherwise, except where the failure to so qualify would not have a material adverse effect on the condition, financial or otherwise, or the earnings, properties, assets, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise; all of the issued and outstanding capital stock of each such subsidiary has been duly authorized and validly issued, is fully paid and non-assessable and, except as specifically set forth in the Registration Statement or Prospectus, is owned by the Company, directly or through subsidiaries,

free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity.

(vii) The authorized, issued and outstanding capital stock of the Company is as specifically set forth in the Prospectus under "Capitalization" (except for subsequent issuances, if any, pursuant to employee benefit plans as described in the Prospectus; the shares of issued and outstanding capital stock have been duly authorized and validly issued and are fully paid and non-assessable; and none of the outstanding shares of capital stock of the Company were issued in violation of the preemptive rights of any stockholder of the Company.

(viii) Neither the Company nor any of its subsidiaries is (A) in violation of its charter or by-laws, (B) in violation of any law, rule, judgment, order or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its subsidiaries or any of their respective properties or assets, where such violation would have a material adverse effect on the condition, financial or otherwise, on the earnings, properties, assets, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise or (C) in default (and no event has occurred which, with notice or lapse of time or both, would constitute a default) in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any of its subsidiaries is subject, which defaults, singly or in the aggregate, might reasonably be expected to result in a material adverse change in the condition, financial or otherwise, or in the earnings, properties, assets, business affairs or

business prospects of the Company and its subsidiaries considered as one enterprise; and the execution, delivery and performance of this Agreement, the Pricing Agreement and the Indenture and the issuance and delivery of the Securities and the consummation of the transactions contemplated herein and therein and compliance by the Company with its obligations hereunder and thereunder have been duly authorized by all necessary corporate action and will not conflict with or constitute a breach of, or default (or an event, which with notice or lapse of time or both would constitute a default) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such action result in any violation of the provisions of the charter or by-laws of the Company or any of its subsidiaries or any applicable law, rule, regulation, judgment, order or decree of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its subsidiaries or any of their respective properties or assets.

(ix) No labor dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is threatened or imminent; and the Company has no knowledge of any existing or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or contractors that might reasonably be expected to result in any material adverse change in the condition, financial or otherwise, or in the earnings, properties, assets, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise.

(x) The Company and its subsidiaries own or possess, or can acquire on reasonable terms, the patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names (collectively, "patent and proprietary rights") presently employed by them in connection with the business now operated by them, and neither the Company nor any of its subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any patent or proprietary rights, or of any facts that would render any patent and proprietary rights invalid or inadequate to protect the interest of the Company or any of its subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, might reasonably be expected to result in any material adverse change in the condition, financial or otherwise, or in the earnings, properties, assets, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise.

(xi) There is no action, suit or proceeding before or by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company or any of its subsidiaries, which is required to be disclosed in the Registration Statement (other than as disclosed therein); other than as disclosed in the Registration Statement, there is no action, suit or proceeding before or by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company or any of its subsidiaries, which might reasonably be expected to result in any material adverse change in or effect on the condition, financial or otherwise, or in the earnings, properties,

assets, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, or which might reasonably be expected to adversely affect the consummation of this Agreement; all pending legal or governmental proceedings to which the Company or any subsidiary is a party or of which any of their respective property or assets is the subject which are not described in the Registration Statement, including ordinary routine litigation incidental to the business, are, considered in the aggregate, not material; and there are no contracts or documents of the Company or any of its subsidiaries which are required to be filed as exhibits to the Registration Statement by the 1933 Act or by the 1933 Act Regulations which have not been so filed.

(xii) No authorization, approval or consent of any court or governmental authority or agency is necessary in connection with the offering or sale of the Securities hereunder, except such as may be required under the 1933 Act or the 1933 Act Regulations or state securities laws and the qualification of the Indenture under the 1939 Act.

(xiii) The Company and its subsidiaries possess such certificates, authorizations, approvals, orders, licenses and permits issued by the appropriate local, state, federal or foreign regulatory agencies or bodies necessary to own or lease their properties and to conduct the business now operated by them, except where the failure to so possess such certificates, authorizations, approvals, orders, licenses or permits would not, singly or in the aggregate, have a material adverse effect on the condition, financial or otherwise, or on the earnings, properties, assets, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authoriza-

tion, approval, order, license or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would materially and adversely affect the condition, financial or otherwise, or the earnings, properties, assets, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise.

(xiv) This Agreement has been, and, at the Representation Date, the Pricing Agreement will have been, duly authorized, executed and delivered by the Company.

(xv) There are no persons with registration or other similar rights to have any securities registered pursuant to the Registration Statement or otherwise registered by the Company under the 1933 Act.

(xvi) No default or event of default with respect to any Senior Indebtedness (as such term is defined in the Indenture) entitling the holders thereof to accelerate the maturity thereof exists or will exist as a result of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, and each of the Company and its subsidiaries has duly performed or observed all material obligations, agreements, covenants or conditions contained in any contract, indenture, mortgage, agreement or instrument relating to any Senior Indebtedness.

(xvii) All United States federal income tax returns of the Company and each of its subsidiaries required by law to be filed have been filed and all taxes shown by said returns or otherwise assessed which are due and payable have been paid, except assessments against which appeals have been or will be promptly taken or as to which adequate reserves have been provided. The United States Federal income tax returns of the Company and its subsidiaries on a consolidated basis through the fiscal year ended December 31, 1987 have been settled and no assessment in connec-

tion therewith has been made against the Company. The Company and its subsidiaries have filed all other tax returns which are required to have been filed by them pursuant to applicable state, local or other law except insofar as the failure to file such returns, singly or in the aggregate, would not have a material adverse effect on the condition, financial or otherwise, or on the earnings, properties, assets, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, and have paid all taxes due pursuant to said returns or pursuant to any assessment received by the Company or its subsidiaries, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided. The charges, accruals and reserves on the consolidated books of the Company in respect of any income and corporation tax liability for any years not finally determined are adequate to meet any assessments or re-assessments for additional income tax for any years not finally determined, except to the extent of any inadequacy which would not have a material adverse effect on the condition, financial or otherwise, or on the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise.

(xviii) The Company and its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(xix) The Company is, and immediately after the Closing Time will be, Solvent. As used herein, the term "Solvent" means, with respect to the Company on a particular date, that on such date (A) the fair market value of the assets of the Company is greater than the total amount of liabilities (including contingent liabilities) of the Company, (B) the present fair saleable value of the assets of the Company is greater than the amount that will be required to pay the probable liabilities of the Company on its debts as they become absolute and matured, (C) the Company is able to realize upon its assets and pay its debts and other liabilities, including contingent obligations, as they mature and (D) the Company does not have unreasonably small capital.

(xx) The Indenture has been duly authorized by the Company and, at Closing Time, will have been duly qualified under the 1939 Act and duly executed and delivered by the Company and will constitute a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be subject to (A) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting creditor's rights generally and (B) general equitable principles (regardless of whether such enforcement may be sought in a proceeding at law or in equity).

(xxi) The Securities have been duly authorized and, at ClosingTime, will have been duly executed by the Company, and, when authenticated in the manner provided for in the Indenture and delivered against payment of the purchase price therefor specified in the Pricing Agreement, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms and entitled to the benefits provided by the Indenture, except as the enforcement thereof may be subject to (A) bankruptcy, insolven-

cy, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally and (B) general equitable principles (regardless of whether such enforcement may be sought in a proceeding at law or in equity), and will be in the form contemplated by the Indenture. In the event a Guarantor (as defined in the Indenture) shall execute and deliver a Guarantee (as defined in the Indenture) pursuant to and in accordance with Section of the Indenture, said Guarantee will, at the time of delivery, have been duly authorized, executed and delivered by the Guarantor and will be substantially in the form of the Senior Subordinated Guarantee included as Exhibit to the Indenture.

(xxii) The Securities and the Indenture will conform in all material respects to the respective statements relating thereto contained in the Prospectus and will be in substantially the respective forms filed or incorporated by reference, as the case may be, as exhibits to the Registration Statement.

(xxiii) The Securities rank and will rank on a parity with all Senior Subordinated Indebtedness (as such term is defined in the Indenture) of the Company that is outstanding on the date hereof or that may be incurred hereafter, and senior to all Subordinated Indebtedness (as such term is defined in the Indenture) of the Company that is outstanding on the date hereof or that may be incurred hereafter.

(xxiv) Neither the Company nor any agent acting on its behalf has taken or will take any action that might cause this Agreement or sale of the Securities to violate Regulation G, T, U or X of the Board of Governors of the Federal Reserve System, in each case as in effect on the date hereof, or as the same may hereafter be in effect, on the Closing Date.

(xxv) The Company has not taken, directly or indirectly, any action designed to, or that might be reasonably expected to, cause or result in stabilization or manipulation of the price of the Securities.

(xxvi) The Company and each of its subsidiaries has good and marketable title to all real and personal property described in the Prospectus as being owned by it and good title to a leasehold estate in the real and personal property described in the Prospectus as being leased by it, free and clear of all liens, charges, encumbrances or restrictions, except, in each case, as described in the Prospectus or to the extent the failure to have such title or the existence of such liens, charges, encumbrances or restrictions does not result in a material adverse effect upon the condition, financial or otherwise, or on the earnings, properties, assets, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise.

(xxvii) Except as described in the Registration Statement and the Prospectus, (A) the operations of the Company and its subsidiaries have been and are now in compliance in all material respects with all applicable laws, (B) the Company and its subsidiaries have obtained all material environmental, health and safety permits, licenses and approvals necessary for their operation as presently conducted, (C) all such permits, licenses and approvals are in full force and effect and the Company and its subsidiaries are in compliance in all material respects with the terms and conditions thereof, (D) with respect to any property currently or formerly owned, leased or operated by the Company or any of its subsidiaries, to the best of the Company's knowledge, the Company or such subsidiary is not subject to any material judicial or administrative proceedings or any material order from or agreement with any governmental authority, and neither the Company nor any of its

subsidiaries has knowledge of any pending or threatened investigation by any governmental authority, relating to any material violation or alleged material violation of any environmental law, any release or threatened release of a hazardous substance into the environment, or any remedial action that may be necessary in connection with any such violation or release, and (E) to the best of the Company's knowledge there is no basis for any material claim, action, suit or investigation with respect to any environmental law.

(xxviii) The documents incorporated or deemed to be incorporated by reference in the Prospectus, at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission under the 1934 Act (the "1934 Act Regulations") and, when read together with the other information in the Prospectus, at the time the Registration Statement and any amendments thereto became or become effective, did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(xxix) The Company is not an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

Any certificate signed by any officer of the Company or any of its subsidiaries and delivered to the Underwriters or to counsel for the Underwriters shall be deemed a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

Section 2. Sale and Delivery to Underwriters;

Closing.

(a) On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to each Underwriter, severally and not jointly, and each Underwriter, severally and not jointly, agrees to purchase from the Company, at the price set forth in the Pricing Agreement, the aggregate principal amount of the Securities set forth in Schedule A opposite the name of such Underwriter (except as otherwise provided in the Pricing Agreement), plus any additional principal amount of Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof. If the Company elects to rely on Rule 430A, Schedule A may be attached to the Pricing Agreement.

(1) If the Company has elected not to rely upon Rule 430A, the initial public offering price and the purchase price to be paid by the several Underwriters for the Securities and certain other principal terms of the Securities, including the interest rate, have each been determined and set forth in the Pricing Agreement, dated the date hereof, and an amendment to the Registration Statement and the Prospectus containing such price information will be filed before the Registration Statement becomes effective.

(2) If the Company has elected to rely upon Rule 430A, the initial public offering price of the Securities, the purchase price to be paid by the several Underwriters for the Securities and certain other principal terms of the Securities, including the interest rate, shall be agreed upon and set forth in the Pricing Agreement. In the event that such prices, interest rate and terms have not been agreed upon and the Pricing Agreement has not been executed and delivered by all parties thereto by the close of business on the fourth business day following the date of this Agreement, this Agreement shall terminate forthwith, without liability of any party to any other party, unless otherwise agreed to by the Company and the Underwriters, except that Sections 6 and 7 shall remain in effect.

(b) Payment of the purchase price for, and delivery of, the Securities shall be made at the offices of Skadden, Arps, Slate, Meagher & Flom, 333 West Wacker Drive, Chicago, Illinois 60606, or at such other place as shall be agreed upon by the Underwriters and the Company, at 10:00 A.M. (Chicago time) on the fifth business day (unless postponed in accordance with the provisions of Section 10) following the date the Registration Statement becomes effective (or, if the Company has elected to rely upon Rule 430A, the fifth business day after execution of the Pricing Agreement), or such other time not later than ten business days after such date as shall be agreed upon by the Underwriters and the Company (such time and date of payment and delivery being herein called "Closing Time"). Payment shall be made to the Company by certified or official bank check or checks drawn in New York Clearing House funds or similar next-day funds payable to the order of the Company against delivery to the Underwriters for the respective accounts of the Underwriters of the Securities to be purchased by them. The Securities shall be in such denominations (\$1,000 or integral multiples thereof) and registered in such names as the Underwriters may request in writing at least two business days before the Closing Time. The Securities will be made available for examination and packaging by the Underwriters not later than 10:00 A.M. on the last business day prior to the Closing Time.

Section 3. Covenants of the Company. The Company covenants with each Underwriter as follows:

(a) The Company will notify the Underwriters immediately, and confirm the notice in writing, (i) of the effectiveness of the Registration Statement and any amendment thereto (including any post-effective amendment), (ii) of the receipt of any comments from the Commission, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any order preventing or suspending the use of any preliminary prospectus or the initiation of any proceedings for any such purpose, (v) of the suspension of the qualification of the Securities for offering or sale in any jurisdiction and (vi) the initiation or threatening of any proceedings for any such

purposes of which the Company becomes aware. The Company will make every reasonable effort to prevent the issuance of any stop order or any order preventing or suspending the use of any preliminary prospectus or suspending such qualification, and, in the event of the issuance of a stop order or any order preventing or suspending the use of any preliminary prospectus or suspending such qualifications, to make every reasonable effort to promptly obtain the lifting thereof.

(b) The Company will give the Underwriters notice of its intention to file or prepare any amendment to the Registration Statement (including any post-effective amendment) or any amendment or supplement to the Prospectus (including any revised prospectus) which the Company proposes for use by the Underwriters in connection with the offering of the Securities which differs from the prospectus on file at the Commission at the time the Registration Statement becomes effective, whether or not such revised prospectus is required to be filed pursuant to Rule 424(b), whether pursuant to the 1933 Act, the 1934 Act or otherwise, will furnish the Underwriters with copies of any such amendment or supplement a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file any such amendment or supplement or use any such prospectus to which the Underwriters or counsel for the Underwriters shall reasonably object.

(c) The Company will deliver to the Underwriters and counsel for the Underwriters two (2) signed copies of the Registration Statement as originally filed and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated or deemed to be incorporated by reference therein) and will also deliver to the Underwriters as many conformed copies of the Registration Statement as originally filed and of each amendment thereto (without exhibits) as the Underwriters may reasonably request.

(d) The Company will furnish to each Underwriter, from time to time during the period when the Prospectus is required to be delivered under the

1933 Act or the 1934 Act, such number of copies of the Prospectus (as amended or supplemented) as such Underwriter may reasonably request for the purposes contemplated by the 1933 Act or the 1934 Act or the respective applicable rules and regulations of the Commission thereunder.

(e) If any event shall occur as a result of which it is necessary, in the opinion of counsel for the Underwriters, to amend or supplement the Prospectus in order to make the Prospectus not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Company will forthwith amend or supplement the Prospectus (in form and substance reasonably satisfactory to counsel for the Underwriters) so that, as so amended or supplemented, the Prospectus will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time it is delivered to a purchaser, not misleading, and the Company will furnish to the Underwriters a reasonable number of copies of such amendment or supplement.

(f) The Company will endeavor, in cooperation with the Underwriters, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions of the United States as the Underwriters may designate; provided, however, that the Company shall not be obligated to qualify as a foreign corporation in any jurisdiction in which it is not so qualified, consent to general service of process in any such jurisdiction or subject itself to taxation in any such jurisdiction. In each jurisdiction in which the Securities have been so qualified, the Company will file such statements and reports as may be required by the laws of such jurisdiction to continue such qualification in effect for a period of not less than one year from the effective date of the Registration Statement.

(g) The Company will make generally available to its security holders (and shall deliver to the Underwriters) as soon as practicable, but not later than 50 days after the close of the period covered thereby, an earnings statement (in form satisfying the provisions of Section 11(a) of the 1933 Act and complying with the provisions of Rule 158 of the 1933 Act Regulations) covering a twelve-month period beginning not later than the first day of the Company's fiscal quarter next fol-

lowing the "effective date" (as defined in said Rule 158) of the Registration Statement.

(h) If, at the time that the Registration Statement becomes effective, any information shall have been omitted therefrom in reliance upon Rule 430A of the 1933 Act Regulations, then immediately following the execution of the Pricing Agreement, the Company will prepare, and file or transmit for filing with the Commission in accordance with such Rule 430A and Rule 424(b) of the 1933 Act Regulations, copies of an amended Prospectus, or, if required by such Rule 430A, a post-effective amendment to the Registration Statement (including an amended Prospectus), containing all information so omitted.

(i) The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the Prospectus under "Use of Proceeds."

(j) The Company, during the period when the Prospectus is required to be delivered under the 1933 Act or the 1934 Act, will file all documents required to be filed with the Commission pursuant to Section 13, 14 or 15 of the 1934 Act within the time periods required by the 1934 Act and the 1934 Act Regulations.

(k) Until five years after the Closing Time, the Company will furnish to you copies of all annual reports, quarterly reports and current reports filed with the Commission on Forms 10-K, 10-Q and 8-K, or such other similar forms as may be designated by the Commission, and such other documents, reports and information as shall be furnished by the Company to its stockholders generally.

(l) The Company has complied and will comply with all the provisions of Florida H.B. 1771, codified as Section 517.075 of the Florida statutes, and all regulations promulgated thereunder relating to issuers doing business in Cuba.

(m) For a period of 180 days following the date of this Agreement, the Company will not, without your prior written consent, offer or sell, or enter into any agreement to sell, any debt securities issued or

guaranteed by the Company with a maturity of more than one year in any public offering (other than the Securities).

(n) The Company will not take, directly or indirectly, any action designed to, or that might be reasonably expected to, cause or result in stabilization or manipulation of the price of the Securities.

Section 4. Payment of Expenses. The Company will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the printing and filing of the Registration Statement as originally filed and of each amendment thereto, any preliminary prospectus and any "Blue Sky" memoranda, (ii) the typesetting, printing and distribution of this Agreement, the Pricing Agreement and the Indenture, (iii) the preparation, printing, issuance and delivery of the Securities to the Underwriters, and the fees and expenses of the Trustee (including the fees and disbursements of counsel for the Trustee), (iv) the fees and disbursements of the Company's counsel, accountants and any other experts or advisors retained by the Company, (v) the qualification of the Securities under securities laws in accordance with the provisions of Section 3(f) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation of the Blue Sky Survey, (vi) the printing and delivery to the Underwriters of copies of the Registration Statement as originally filed and of each amendment thereto, of each preliminary prospectus, and of the Prospectus and any amendments or supplements thereto, (vii) the printing and delivery to the Underwriters of copies of the Blue Sky Survey, (viii) the fee of any filing for review of the offering with the National Association of Securities Dealers, Inc. relating to the Securities (including the reasonable fees, disbursements and charges of counsel for the Underwriters in connection therewith), (ix) the fees and expenses incurred in connection with the rating of the Securities by rating agencies, (x) advertising relating to the offering of the Securities (other than as shall have been specifically approved by the Underwriters to be paid for by the Underwriters) and (xi) expenses of the Company in connection with any meetings with prospective investors in the Securities.

If this Agreement is terminated by the Underwriters in accordance with the provisions of Section 5 or Section 9(a) (i) hereof, the Company shall reimburse the Underwriters for all of their out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriters.

Section 5. Conditions of Underwriters' Obligations. The obligations of the Underwriters hereunder are subject to the accuracy of the several representations and warranties of the Company herein contained, to the accuracy of statements of the Company or any of its subsidiaries made in any certificate pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following further conditions:

(a) The Registration Statement shall have become effective not later than 5:30 P.M. on the date hereof, or with the consent of the Underwriters, at a later time and date, not later, however, than 5:30 P.M. on the first business day following the date hereof, or at such later time and date as you may approve in writing; and at the Closing Time, no stop order suspending the effectiveness of the Registration Statement shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission and any request on the part of the Commission for additional information shall have been complied with to the satisfaction of counsel for the Underwriters. If the Company has elected to rely upon Rule 430A, a Prospectus containing the Rule 430A Information shall have been filed with the Commission in accordance with Rule 424(b) and prior to Closing Time the Company shall have provided evidence satisfactory to the Underwriters of such timely filing, or a post-effective amendment providing such information shall have been promptly filed and declared effective in accordance with the requirements of Rule 430A.

(b) At Closing Time, the Underwriters shall have received:

(1) The favorable opinion, dated as of Closing Time, of Gardner, Carton & Douglas, counsel to the Company, in form and substance reasonably satisfactory to counsel for the Underwriters, to the effect that:

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware.

(ii) The Company has the requisite corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and to enter into and perform its obligations under this Agreement, the Pricing Agreement and the Indenture.

(iii) The Securities have been duly authorized by the Company and, when executed by the Company and authenticated by the Trustee in the manner provided in the Indenture (assuming the due authorization, execution and delivery of the Indenture by the Trustee) and delivered against payment of the purchase price therefor specified in the Pricing Agreement, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms and entitled to the benefits of the Indenture, except as the enforcement thereof may be subject to (A) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting creditor's rights generally and (B) general equitable principles (regardless of whether such enforcement may be sought in a proceeding at law or in equity).

(iv) The Indenture has (A) been duly and validly authorized, executed and delivered by the Company and (B) is duly qualified under the 1939 Act, and (assuming the due authorization, execution and delivery by the Trustee), constitutes the valid and binding agreement of the Company, enforceable in accordance with its terms, except as the enforcement thereof may be subject to (1) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (2) general equitable principles (regardless of

whether such enforcement may be sought in a proceeding at law or in equity).

(v) This Agreement and the Pricing Agreement have each been duly authorized by all requisite corporate action, executed and delivered by the Company.

(vi) The Registration Statement is effective under the 1933 Act and, to their knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued under the 1933 Act or proceeding therefor initiated or threatened by the Commission.

(vii) At the time the Registration Statement became effective and at the Representation Date, the Registration Statement (other than the Statement of Eligibility and Qualification of the Trustee on Form T-1 and the financial statements and supporting schedules included therein, as to which no opinion need be rendered) complied as to form in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations.

(viii) Each document filed pursuant to the 1934 Act (other than the operating statistics, financial statements and supporting schedules and other financial data included therein, as to which no opinion need be rendered) and incorporated or deemed to be incorporated by reference in the Prospectus complied when so filed as to form in all material respects with the 1934 Act and the 1934 Act Regulations.

(ix) The Securities and the Indenture conform in all material respects to the descriptions thereof contained in the Prospectus.

(x) To their knowledge, there are no legal or governmental actions, suits or proceedings of any nature pending or threatened which are required to be disclosed

in the Registration Statement, other than those disclosed therein.

(xi) To their knowledge, there are no contracts, indentures, mortgages, loan agreements, notes, leases or other arrangements or documents required to be described or referred to in the Registration Statement or to be filed as exhibits thereto other than those described or referred to therein or filed or incorporated by reference as exhibits thereto; the descriptions thereof or references thereto are correct in all material respects.

(xii) To their knowledge, no default with respect to any Senior Indebtedness entitling the holders thereof to accelerate the maturity thereof exists or will exist as a result of the execution and delivery of this Agreement or the Refinancing (as defined in the Prospectus) or the consummation of the transactions contemplated hereby or thereby.

(xiii) No authorization, approval, consent or order of any court or governmental authority or agency is required in connection with the sale of the Securities to the Underwriters, except such as may be required under the 1933 Act, the 1933 Act Regulations or state securities law and the qualification of the Indenture under the 1939 Act; and the execution, delivery and performance of this Agreement, the Pricing Agreement, the Indenture and issuance and delivery of the Securities and the consummation of the transactions contemplated herein and therein and compliance by the Company with its obligations hereunder and thereunder will not conflict with or constitute a breach of, or default (or event which, with notice or lapse of time or both, would constitute a default) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to any indenture, mortgage, loan agreement, note, material lease or contract or other material

instrument, known to such counsel after due inquiry, to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company is subject, nor will such action result in any violation of the provisions of the articles of incorporation or by-laws of the Company, or any applicable law, administrative regulation or administrative or court decree, order or judgment.

(xiv) The authorized, issued and outstanding capital stock of the Company is as set forth in the Prospectus under "Capitalization" (except for subsequent issuances, if any, pursuant to employee benefit plans described in the Prospectus); the shares of issued and outstanding common stock of the Company have been duly authorized, validly issued and are fully paid and non-assessable.

(xv) To their knowledge, the Company is not an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

(2) The favorable opinion, dated as of Closing Time, of James M. Sheridan, Vice President-Administration and General Counsel of the Company, in form and substance reasonably satisfactory to counsel for the Underwriters, to the effect that:

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware.

(ii) The Company has the requisite corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and to enter into and perform its obligations under this Agreement, the Pricing Agreement and the Indenture.

(iii) To such counsel's knowledge, the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, except where the failure to qualify would not have a material adverse effect on the condition, financial or otherwise, or the earnings, properties, assets or business affairs of the Company and its subsidiaries considered as one enterprise.

(iv) Each subsidiary of the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and, to such counsel's knowledge, is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, except where the failure to qualify would not have a material adverse effect on the condition, financial or otherwise, or the earnings, properties, assets or business affairs of the Company and its subsidiaries considered as one enterprise; all the issued and outstanding capital stock of each such subsidiary has been duly authorized and validly issued, is fully paid and non-assessable and, to such counsel's knowledge is owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity.

(v) The authorized, issued and outstanding capital stock of the Company is as set forth in the Prospectus under "Capitalization" (except for subsequent issuances, if any, pursuant to employee benefit plans described in the Prospectus); the shares of issued and outstanding capital stock of the Company have been duly authorized, validly issued and are fully paid and non-assessable.

(vi) The Registration Statement is effective under the 1933 Act and, to such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued under the 1933 Act or proceeding therefor initiated or threatened by the Commission.

(vii) Each document filed pursuant to the 1934 Act (other than the operating statistics, financial statements and supporting schedules and other financial data included therein, as to which no opinion need be rendered) and incorporated or deemed to be incorporated by reference in the Prospectus complied when so filed as to form in all material respects with the 1934 Act and the 1934 Act Regulations.

(viii) To such counsel's knowledge, there are no legal or governmental actions, suits or proceedings of any nature pending or threatened which are required to be disclosed in the Registration Statement, other than those disclosed therein, and all pending legal or governmental actions, suits or proceedings of any nature to which the Company or any subsidiary is a party or to which any of their property or assets is subject which are not described in the Registration Statement, including ordinary routine litigation incidental to the business, are, considered in the aggregate, not material.

(ix) To such counsel's knowledge, there are no contracts, indentures, mortgages, loan agreements, notes, leases or other arrangements or documents required to be described or referred to in the Registration Statement or to be filed as exhibits thereto other than those described or referred to therein or filed or incorporated by reference as exhibits thereto; the descriptions thereof or references thereto are correct in all material respects, and no default exists in the due performance or observance of any material obligation thereunder.

(x) To such counsel's knowledge, no default with respect to any Senior Indebtedness entitling the holders thereof to accelerate the maturity thereof exists or will exist as a result of the execution and delivery of this Agreement or the Refinancing or the consummation of the transactions contemplated hereby and thereby, and the Company has duly performed or observed all material obligations, agreements, covenants, or conditions contained in any contract, indenture, mortgage, agreement or instrument relating to any Senior Indebtedness.

(xi) No authorization, approval, consent or order of any court or governmental authority or agency is required in connection with the sale of the Securities to the Underwriters, except such as may be required under the 1933 Act, the 1933 Act Regulations or state securities law and the qualification of the Indenture under the 1939 Act; and the execution, delivery and performance of this Agreement, the Pricing Agreement, the Indenture and the issuance and delivery of Securities and the consummation of the transactions contemplated herein and therein and compliance by the Company with its obligations hereunder and thereunder will not conflict with or constitute a breach of, or default (or event which, with notice or lapse of time or both, would constitute a default) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to any indenture, mortgage, loan agreement, note, material lease or contract or other material instrument, known to such counsel after due inquiry, to which the Company or any of its subsidiaries is a party or by which it or any of them is bound, or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such action result in any violation of the provisions of the articles of incorporation or by-laws of the Company, or any applicable law, administrative regulation or administrative or court decree.

(3) The favorable opinion, dated as of Closing Time, of Skadden, Arps, Slate, Meagher & Flom, counsel for the Underwriters, with respect to the incorporation and legal existence of the Company, the Notes, this Agreement, the Indenture, the Registration Statement, the Prospectus and such other related matters as you may require.

(4) In giving their opinions required by subsections (b) (1), (b) (2) and (b) (3), respectively, of this Section, Gardner, Carton & Douglas, James M. Sheridan and Skadden, Arps, Slate, Meagher & Flom shall each additionally state that nothing has come to their attention that would lead them to believe that the Registration Statement (except for the Trustee's Statement of Eligibility and Qualification under the 1939 Act and the financial statements and schedules and other financial data included or incorporated by reference therein, as to which counsel need make no statement), at the time it became effective or at the Representation Date, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus (except for the Trustee's Statement of Eligibility and Qualification under the 1939 Act and the financial statements and schedules and other financial data included or incorporated by reference therein, as to which counsel need make no statement), at the Representation Date or at Closing Time, included an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) At the Closing Time, (i) the Registration Statement and the Prospectus, as they may then be amended or supplemented, shall contain all statements that are required to be stated therein under the 1933 Act and the 1933 Act Regulations and in all material respects shall conform to the requirements of the 1933 Act and the

1933 Act Regulations and the 1939 Act and the 1939 Act Regulations, the Company shall have complied in all material respects with Rule 430A (if it shall have elected to rely thereon) and neither the Registration Statement nor the Prospectus, as they may then be amended or supplemented, shall contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) there shall not have been, since the respective dates as of which information is given in the Registration Statement, any material adverse change in the condition, financial or otherwise, earnings, properties, assets, business affairs or business prospects of the Company and its subsidiaries, considered as one enterprise, whether or not arising in the ordinary course of business, (iii) no action, suit or proceeding shall be pending, or, to the knowledge of the Company, threatened against the Company or its subsidiaries that would be required to be set forth in the Prospectus other than as set forth therein and no proceedings shall be pending or, to the knowledge of the Company, threatened against the Company or its subsidiaries before or by any government, governmental instrumentality or court, domestic or foreign, that might reasonably be expected to result in any material adverse change in the condition, financial or otherwise, earnings, properties, assets, business affairs or business prospects of the Company and its subsidiaries, considered as one enterprise, other than as set forth in the Prospectus, (iv) the Company shall have complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time, (v) no event of default shall exist under any contract, indenture, mortgage, loan agreement, note, lease or other agreement or instrument constituting Senior Indebtedness (as defined in the Indenture) and (vi) the other representations and warranties of the Company set forth in Section 1(a) shall be accurate as though expressly made at and as of the Closing Time. At the Closing Time, you shall have received a certificate of the President and the Secretary of the Company, dated as of the Closing Time, to such effect.

(d) At the time of the execution of this Agreement, the Underwriters shall have received from Arthur Andersen & Co. a letter dated such date, in form and substance satisfactory to the Underwriters, to the effect that (i) they are independent public accountants

with respect to the Company and its subsidiaries within the meaning of the 1933 Act and the 1933 Act Regulations; (ii) it is their opinion that the financial statements and supporting schedules included in the Registration Statement and covered by their opinions included therein comply as to form in all material respects with the applicable accounting requirements of the 1933 Act and the 1933 Act Regulations and the 1934 Act and 1934 Act Regulations; (iii) based upon limited procedures set forth in detail in such letter, nothing has come to their attention which causes them to believe that at a specified date not more than five days prior to the date of this Agreement, there has been any change in the capital stock of the Company or any increase in the consolidated long-term debt of the Company and its subsidiaries or any decrease in consolidated net current assets or net assets as compared with the amounts shown in the December 31, 1993 balance sheet included in the Registration Statement or, during the period from December 31, 1993 to a specified date not more than five days prior to the date of this Agreement, there were any decreases, as compared with the corresponding period in the preceding year, in consolidated revenues, net income or net income per share of the Company and its subsidiaries, except in all instances for changes, increases or decreases which the Registration Statement and the Prospectus disclose have occurred or may occur; (iv) they do not express any opinion on the Pro Forma Consolidated Financial Information (the "Pro Forma Information") included in the Registration Statement or on the pro forma adjustments applied to the historical amounts included in the Pro Forma Information; however, for purposes of such letter they have: (A) read the Pro Forma Information; (B) made inquiries of certain officials of the Company who have responsibility for financial and accounting matters about the basis for their determination of the pro forma adjustments and whether the Pro Forma Information above complies in form in all material respects with the applicable accounting requirements of Rule 11-02 of Regulation S-X; and (C) proved the arithmetic accuracy of the application of the pro forma adjustments to the historical amounts in the Pro Forma Information; and on the basis of such procedures, and such other inquiries and procedures as may be specified in such letter, nothing came to their attention that caused them to believe that the Pro Forma Information included in the Registration Statement does not comply in form in all material respects with the

applicable requirements of Rule 11-02 of Regulation S-X and that the pro forma adjustments have not been properly applied to the historical amounts in the compilation of the statement; and (v) in addition to the examination referred to in their opinions and the limited procedures referred to in clause (iii) above, they have carried out certain specified procedures, not constituting an audit, with respect to certain amounts, percentages and financial information which are included in the Registration Statement and Prospectus and which are specified by the Underwriters, and have found such amounts, percentages and financial information to be in agreement with the relevant accounting, financial and other records of the Company and its subsidiaries identified in such letter, excluding any questions of legal interpretation.

(e) At Closing Time, the Underwriters shall have received from Arthur Andersen & Co. a letter, dated as of Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (d) of this Section, except that the specified date referred to shall be a date not more than five days prior to Closing Time and, if the Company has elected to rely on Rule 430A, to the further effect that they have carried out procedures as specified in clause (v) of subsection (d) of this Section with respect to certain amounts, percentages and financial information specified by the Underwriters and deemed to be a part of the Registration Statement pursuant to Rule 430(A)(b) and have found such amounts, percentages and financial information to be in agreement with the records specified in such clause (v).

(f) At Closing Time, counsel for the Underwriters shall have been furnished with such documents and opinions as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Securities herein contemplated and related proceedings, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Securities as herein contemplated and all opinions and certificates mentioned above or elsewhere in this Agreement shall be satisfactory in form and substance to the Underwriters and counsel for the Underwriters.

(g) At Closing Time, the Securities shall be rated at least [] by Moody's Investors Service, Inc. and [] by Standard & Poor's Corporation, and the Company shall have delivered to the Underwriters a letter, dated the Closing Time, from each such rating agency, or other evidence satisfactory to the Underwriters, confirming that the Securities have such ratings; and since the date of this Agreement, there shall not have occurred a downgrading in the rating assigned to the Securities by any nationally recognized securities rating agency, and no such securities rating agency shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of the Securities.

(h) On or prior to the Closing Time, (i) the Initial Transactions (as defined in the Registration Statement) contemplated by the Registration Statement under "Capitalization" shall have been finally completed, (ii) the Company shall have repaid or cause to be repaid all amounts outstanding or otherwise due and owing (whether principal, premium, interest or other fees or charges) under the Credit Agreement dated as of May 30, 1989, among SPT, the banks named therein and Chemical Bank, as Agent, and (iii) SPT shall have issued an irrevocable Notice of Redemption with respect to the SPT Debentures (as defined in the Registration Statement) pursuant to the Indenture and shall have irrevocably deposited with the Trustee as trust funds in trust an amount sufficient to satisfy and discharge its obligations under the Indenture pursuant to the terms thereof.

If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the Underwriters by notice to the Company at any time at or prior to Closing Time, and such termination shall be without liability of any party to any other party except as provided in Section 4 hereof. Notwithstanding any such termination, the provisions of Sections 6, 7 and 8 hereof shall remain in effect.

Section 6. Indemnification.

(a) The Company agrees to indemnify and hold harmless each Underwriter, its directors, officers and employees and each person, if any, who controls any

Underwriter within the meaning of Section 15 of the 1933 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), including the Rule 430A Information, if applicable, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including, subject to Section 6(c) hereof, the fees and disbursements of one counsel chosen by the Underwriters), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission,

to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by any Underwriter expressly for use in the Registration Statement (or any amendment thereto), including the Rule 430A Information, or in any preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

(b) Each Underwriter severally agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto) or any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by such Underwriter expressly for use in the Registration Statement (or any amendment thereto) or such preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

(c) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability that it may have otherwise than on account of this indemnity agreement. An indemnifying party may participate at its own expense in the defense of any such action. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel for all indemnified parties separate from their own counsel in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances.

Section 7. Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 6 hereof is for any reason held to be unenforceable by the indemnified parties although applicable in accordance with its terms, the Company and the Underwriters shall contribute to the aggregate losses, liability, claims, damages and expenses of the nature contemplated by said indemnity agreement incurred by the Company and one or more of the Underwriters, as incurred, in such proportions that (a) the Underwriters are responsible for that portion represented by the percentage that the underwriting discount appearing on the cover page of the Prospectus bears to the initial public offering price appearing thereon and (b) the Company is responsible for the balance; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section, each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as the Company.

Section 8. Representations, Warranties and Agreements to Survive Delivery. All representations, warranties and agreements contained in this Agreement and the Pricing Agreement, or contained in certificates of officers of the Company submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or controlling person, or by or on behalf of the Company, and shall survive delivery of the Securities to the Underwriters.

Section 9. Termination of Agreement.

(a) The Underwriters may terminate this Agreement, by notice to the Company, at any time at or prior to Closing Time (i) if there has been, since the date of this Agreement or since the respective dates as of which information is given in the Registration State-

ment, any material adverse change in the condition, financial or otherwise, or in the earnings, properties, assets, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States or elsewhere or any outbreak of hostilities or escalation thereof or other calamity or crisis, the effect of which is such as to make it, in the judgment of the Underwriters, impracticable to market the Securities or to enforce contracts for the sale of the Securities, or (iii) if trading in any securities of the Company has been suspended by the Commission, or if trading generally on either the New York Stock Exchange or the American Stock Exchange or in the over-the-counter market has been suspended, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for securities have been required, by either of said exchanges or by order of the Commission or any other governmental authority, or if a banking moratorium has been declared by either federal, New York or Illinois authorities.

(b) If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof. Notwithstanding any such termination, the provisions of Sections 6, 7 and 8 hereof shall remain in effect.

(c) This Agreement may also terminate pursuant to the provisions of Section 10(b) with the effect stated in such section.

Section 10. Default by One or More of the Underwriters. If one or more of the Underwriters shall fail at Closing Time to purchase the Securities which it or they are obligated to purchase under this Agreement and the Pricing Agreement (the "Defaulted Securities"), the Underwriters shall have the right but not the obligation, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Underwriters shall not have completed such arrangements within such 24-hour period, then:

(a) if the number of Defaulted Securities does not exceed 10% of the number of Securities, the non-defaulting Underwriters shall be obligated to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Underwriters, or

(b) if the number of Defaulted Securities exceeds 10% of the number of Securities, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter.

No action taken pursuant to this Section shall relieve any defaulting Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement, either the Underwriters or the Company shall have the right to postpone Closing Time for a period not exceeding seven days in order to effect any required changes in the Registration Statement or Prospectus or in any other documents or arrangements. As used herein, the term "Underwriter" includes any person substituted for a Underwriter under this Section 10.

Section 11. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriters shall be directed to the Underwriters c/o Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch World Headquarters, North Tower, World Financial Center, New York, New York 10281-1201 and at 233 S. Wacker Drive, 55th Floor, Chicago, Illinois 60606, attention of Brad F. England, Managing Director; notices to the Company shall be directed to it at 700 Terrace Point Drive, Muskegon, Michigan 49443- 3301, attention of James M. Sheridan.

Section 12. Parties. This Agreement and the Pricing Agreement shall each inure to the benefit of and be binding upon the Underwriters and the Company and their respective successors. Nothing expressed or mentioned in this Agreement or the Pricing Agreement is intended or shall be construed to give any person, firm

or corporation, other than the Underwriters and the Company and their respective successors and the controlling persons and officers, directors and trustees referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or the Pricing Agreement or any provision herein or therein contained. This Agreement and the Pricing Agreement and all conditions and provisions hereof and thereof are intended to be for the sole and exclusive benefit of the Underwriters and the Company and their respective successors, and said controlling persons and officers, directors and trustees and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of any Securities from any Underwriter shall be deemed to be a successor by reason merely of such purchase.

Section 13. Governing Law and Time. This Agreement and the Pricing Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed in said State. Except as otherwise set forth herein, specified times of day refer to New York City time.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Underwriters and the Company in accordance with its terms.

Very truly yours,

SPX CORPORATION

By: _____
Name:
Title:

CONFIRMED AND ACCEPTED,
as of the date first above written:

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION
WERTHEIM SCHRODER & CO. INCORPORATED

By: Merrill Lynch, Pierce, Fenner & Smith Incorporated

By: _____
Name:
Title:

SCHEDULE A

Name of Underwriter -----	Aggregate Principal Amount of Securities -----
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$
Donaldson, Lufkin & Jenrette Securities Corporation	
Wertheim Schroder & Co. Incorporated	
Total	\$ ----- -----

SPX CORPORATION
(a Delaware corporation)

\$260,000,000

___% Senior Subordinated Notes due 2002

PRICING AGREEMENT

_____, 1994

MERRILL LYNCH & CO.

Merrill Lynch, Pierce, Fenner & Smith Incorporated
DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION
WERTHEIM SCHRODER & CO. INCORPORATED
c/o Merrill Lynch & Co.
Merrill Lynch World Headquarters
North Tower
World Financial Center
New York, New York 10281-1305

Ladies and Gentlemen:

Reference is made to the Purchase Agreement, dated _____
_____, 1994 (the "Purchase Agreement"), between SPX Corporation and you, relating
to the purchase by you of \$260,000,000 principal amount of the Company's ___%
Senior Subordinated Notes due 2002 (the "Securities").

Pursuant to Section 2 of the Purchase Agreement, the Company
agrees with you as follows:

1. The initial public offering price for the
Securities, determined as provided in said Section 2, shall be ___% of the
principal amount thereof, plus accrued interest, if any, from the date of
issuance.

2. The purchase price for the Securities to be paid by the Underwriters shall be ___% of the principal amount thereof.

3. The interest rate on the Securities shall be ___% per annum.

4. The Securities will mature on _____, 2002.

5. The redemption prices to be supplied on page of the Prospectus (and correspondingly in the Indenture) shall be:

Year ----	Redemption Price -----
1998	%
1999	%
2001 and thereafter	100 %

The Company represents and warrants to the Underwriters that the representations and warranties of the Company set forth in Section 1 of the Purchase Agreement are accurate as though expressly made at and of the date hereof.

This Agreement shall be governed by the laws of the State of New York.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement between the Underwriters and the Company in accordance with its terms.

Very truly yours,

SPX CORPORATION

By _____
Title

CONFIRMED AND ACCEPTED:
as of the date first above written:

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION
WERTHEIM SCHRODER & CO. INCORPORATED

By: Merrill Lynch, Pierce, Fenner & Smith Incorporated

By: _____
Title: Director

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report dated March 25, 1994, included in this Form S-3 Registration Statement of SPX Corporation and to all references to Arthur Andersen & Co., included in or made part of this filing.

ARTHUR ANDERSEN & CO.

Chicago, Illinois,
March 25, 1994

FORM T-1
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(B)(2) / /

THE BANK OF NEW YORK
(Exact name of trustee as specified in its charter)

NEW YORK	13-5160382
(State of incorporation if not a U.S. national bank)	(I.R.S. employer identification no.)
48 WALL STREET, NEW YORK, N.Y.	10286
(Address of principal executive offices)	(Zip code)

SPX CORPORATION
(Exact name of obligor as specified in its charter)

DELAWARE	38-1016240
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
700 TERRACE POINT DRIVE	49443
Muskegon, Michigan	(Zip code)
(Address of principal executive offices)	

% SENIOR SUBORDINATED NOTES DUE 2004
(Title of the indenture securities)

1. General information. Furnish the following information as to the Trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

NAME ----	ADDRESS -----
Superintendent of Banks of the State of New York.....	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York.....	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation.....	Washington, D.C. 20549
New York Clearing House Association.....	New York, New York

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None. (See Note on page 3.)

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and Rule 24 of the Commission's Rules of Practice.

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

NOTE

Inasmuch as this Form T-1 is filed prior to the ascertainment by the Trustee of all facts on which to base a responsive answer to Item 2, the answer to said Item is based on incomplete information.

Item 2 may, however, be considered as correct unless amended by an amendment to this Form T-1.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 15th day of March, 1994

THE BANK OF NEW YORK

By: /S/ S.D. MINEO
Name: S.D. Mineo
Title: Vice President

CONSOLIDATED REPORT OF CONDITION OF
THE BANK OF NEW YORK
OF 48 WALL STREET, NEW YORK, N.Y. 10286
AND FOREIGN AND DOMESTIC SUBSIDIARIES,

a member of the Federal Reserve System, at the close of business December 31, 1993, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

	DOLLAR AMOUNTS IN THOUSANDS -----
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin.....	\$ 4,393,393
Interest-bearing balances.....	652,315
Securities.....	3,809,834
Federal funds sold in domestic offices of the bank.....	331,075
Loans and lease financing receivables:	
Loans and leases, net of unearned income.....	23,708,678
LESS: Allowance for loan and lease losses.....	773,597
LESS: Allocated transfer risk reserve.....	28,427
Loans and leases, net of unearned income, allowance, and reserve.....	22,906,654
Assets held in trading accounts.....	851,615
Premises and fixed assets (including capitalized leases).....	657,247
Other real estate owned.....	60,806
Investments in unconsolidated subsidiaries and associated companies.....	170,378
Customers liability to this bank on acceptances outstanding.....	885,751
Intangible assets.....	42,689
Other assets.....	1,326,362
Total assets.....	\$ 36,088,119 -----
LIABILITIES	
Deposits:	
In domestic offices.....	\$ 19,486,153
Noninterest-bearing.....	7,388,636
Interest-bearing.....	12,097,517
In foreign offices. Edge and Agreement subsidiaries and IBFs.....	8,230,444
Noninterest-bearing.....	53,571
Interest-bearing.....	8,176,873
Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:	
Federal funds purchased.....	1,207,881
Securities sold under agreements to repurchase.....	350,492
Demand notes issued to the U.S. Treasury.....	300,000
Other borrowed money.....	530,559
Bank's liability on acceptances executed and outstanding.....	897,899
Subordinated notes and debentures.....	1,064,780
Other liabilities.....	1,139,025
Total liabilities.....	33,207,233 -----
EQUITY CAPITAL	
Perpetual preferred stock and related surplus.....	75,000
Common stock.....	942,284
Surplus.....	525,666
Undivided profits and capital reserves.....	1,342,860
Cumulative foreign currency translation adjustments.....	(4,924)
Total equity capital.....	2,880,886 -----
Total liabilities, limited-life preferred stock, and equity capital.....	\$ 36,088,119 -----

I, Robert E. Keilman, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

Robert E. Keilman

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

J. Carter Baco
Alan R. Griffith
Samuel F. Chevalier

Directors