

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1999

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

For the transition period from _____ to _____

Commission File Number 1-6948

SPX CORPORATION
(Exact Name of Registrant as Specified in its Charter)Delaware
(State of Incorporation)38-1016240
(I.R.S. Employer Identification No.)700 Terrace Point Drive, Muskegon, Michigan 49443-3301
(Address of Principal Executive Office)

Registrant's Telephone Number including Area Code (616) 724-5000

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

Yes X No

Common shares outstanding April 29, 1999 -- 31,099,177

PART I - FINANCIAL INFORMATION
Item 1. Financial StatementsSPX CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(in millions)
(Unaudited)

	March 31, 1999 -----	December 31, 1998 -----
ASSETS		
Current assets:		
Cash and equivalents	\$ 78.8	\$ 70.3
Accounts receivable	462.1	458.7
Inventories	287.9	282.1
Deferred income tax asset and refunds	89.1	124.1
Prepaid and other current assets	37.2	40.5
	-----	-----
Total current assets	955.1	975.7
Property, plant and equipment, at cost	808.3	791.1

Accumulated depreciation	(372.8)	(358.0)
	-----	-----
Net property, plant and equipment	435.5	433.1
Goodwill and intangible assets, net	1,197.9	1,219.5
Investment in EGS	82.8	81.5
Other assets	260.9	258.5
	-----	-----
Total assets	\$ 2,932.2	\$ 2,968.3
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Short-term borrowings and current maturities of long-term debt	\$ 160.8	\$ 49.1
Accounts payable	235.2	226.6
Accrued expenses	363.1	396.0
Income taxes payable	10.3	7.7
	-----	-----
Total current liabilities	769.4	679.4
Long-term liabilities	207.6	214.5
Deferred income taxes	242.3	217.4
Long-term debt	1,262.9	1,466.5
Shareholders' equity:		
Common stock	352.4	351.7
Paid-in capital	483.7	481.7
Retained deficit	(82.3)	(113.2)
Common stock in treasury	(259.0)	(286.4)
Unearned compensation	(28.4)	(32.2)
Accumulated other comprehensive income	(16.4)	(11.1)
	-----	-----
Total shareholders' equity	450.0	390.5
	-----	-----
Total liabilities and shareholders' equity	\$ 2,932.2	\$ 2,968.3
	=====	=====

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(in millions, except per share amounts)
(Unaudited)

	Three months Ended March 31,	
	1999	1998
Revenues	\$ 646.9	\$ 374.4
Costs and expenses:		
Cost of products sold	432.9	248.8
Selling, general and administrative	133.3	91.5
Goodwill/intangible amortization	10.6	2.9
Special charges	14.1	-
Operating income	\$ 56.0	\$ 31.2
Other income (expense), net	30.3	-
Equity in earnings of EGS	9.3	10.0
Interest expense, net	(32.1)	(3.2)
Income before income taxes	\$ 63.5	\$ 38.0
Provision for income taxes	(32.6)	(14.6)
Net income	\$ 30.9	\$ 23.4
Basic income per share	\$ 1.01	\$ 1.20
Weighted average number of basic common shares outstanding	30.475	19.555
Diluted income per share	\$ 1.01	\$ 1.19
Weighted average number of diluted common shares outstanding	30.707	19.675

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

	Three Months Ended March 31,	
	----- 1999 -----	----- 1998 -----
Cash flows from operating activities:		
Net income	\$ 30.9	\$ 23.4
Adjustments to reconcile net income to net cash from operating activities -		
Special charge	14.1	-
Undistributed earnings of EGS	(1.3)	(10.0)
Gain on business divestitures	(29.0)	-
Deferred income taxes	28.1	4.3
Depreciation	15.9	12.3
Amortization of goodwill and intangibles	10.6	2.9
Pension credits	(6.1)	(4.0)
Other, net	2.0	0.5
Change in assets and liabilities, net of effect from acquisitions and divestitures:		
Accounts receivable	(12.1)	12.1
Inventories	(11.8)	(7.3)
Accounts payable	11.9	0.2
Accrued Expenses	(48.7)	(8.8)
Other, net	18.8	(9.1)
	-----	-----
Net cash from operating activities	23.3	16.5
Cash flows from investing activities:		
Proceeds from business divestitures	64.2	-
Capital expenditures	(26.2)	(10.2)
Other, net	5.2	0.9
	-----	-----
Net cash from investing activities	43.2	(9.3)
Cash flows from financing activities:		
Net borrowings under revolving credit agreement	15.0	-
Net borrowings (payments) under other debt agreements	(106.9)	19.4
Purchases of common stock	-	(16.3)
Common stock issued under stock incentive programs	5.4	0.4
Treasury stock issued to defined benefit plans	28.5	-
Dividends paid	-	(12.7)
	-----	-----
Net cash from financing activities	(58.0)	(9.2)
	-----	-----
Net increase (decrease) in cash and equivalents	8.5	(2.0)
Cash and equivalents, beginning of period	70.3	50.0
	-----	-----
Cash and equivalents, end of period	\$ 78.8	\$ 48.0
	=====	=====

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
MARCH 31, 1999 (Unaudited)
(in millions, except per share data)

1. The interim financial statements reflect the adjustments which are, in the opinion of management, necessary to a fair statement of the results of the interim periods presented. Adjustments are of a normal recurring nature.

The preparation of SPX Corporation's ("SPX" or the "company") consolidated condensed financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated condensed financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The financial information as of March 31, 1999 should be read in conjunction with the consolidated financial statements contained in the company's 1998 Annual Report on Form 10-K.

2. On October 6, 1998 (the "Merger Date"), General Signal Corporation ("GSX") merged into a subsidiary of SPX Corporation (the "Merger"). On an aggregate basis, GSX shareholders received 0.4186 share of SPX common stock and \$18.00 in cash for each share owned of GSX common stock. In total, approximately 18.236 million shares of SPX common stock and \$784.2 in cash were exchanged for the outstanding common stock of GSX. Outstanding restricted stock and stock options of GSX were either redeemed through change of control payments or terminated.

The Merger was accounted for as a reverse acquisition whereby GSX was treated as the acquirer and SPX as the acquiree, because GSX shareholders owned a majority of the company as of the Merger Date and GSX was approximately twice the size of SPX. Purchase accounting was performed on SPX based upon its fair market value at the transaction date. The cash portion of the consideration was accounted for as a dividend by the company.

The fair market value of SPX was based on the average per share value of SPX's common stock near July 17, 1998, the date that the merger agreement was signed. Additionally, since the stock options of SPX continued to be outstanding, the fair value of these options was included in determining the valuation of SPX.

The valuation of SPX was \$776.6. A summary of assets and liabilities acquired, at estimated fair market value was as follows:

Current assets	\$ 357.2
PP&E	174.3
In-process technology	9.0
Goodwill	679.0
Intangibles	276.8
Other assets	13.0

Total assets	1,509.3
Current liabilities	(240.0)
Long-term liabilities	(240.8)
Long-term debt	(251.9)
Fair market value of SPX	\$ 776.6
	=====

The accompanying consolidated financial statements include the results of GSX for all periods and the results of SPX beginning on the Merger Date. The following unaudited 1998 pro forma selected financial data for the three months ended March 31, 1998 reflect the Merger and related financing as if they had occurred as the beginning of 1998. The unaudited pro forma financial data does not purport to represent what the company's results from continuing operations would actually have been had the transactions in fact occurred as of an earlier date, or project the results for any future date or period.

	Three months ended March 31,	
	1999	1998
	(Pro forma)	
Revenues	\$ 646.9	\$ 604.8
Cost of sales	432.9	416.6
Selling, general and administrative	133.3	133.8

Goodwill/intangible amortization	10.6	10.2
Special charges and (gains)	14.1	(12.8)
	-----	-----
Operating income	56.0	57.0
Other (expense) income, net	30.3	0.7
Equity in earnings of EGS	9.3	10.0
Interest expense, net	(32.1)	(27.8)
Income taxes`	(32.6)	(15.7)
	-----	-----
Net income	\$ 30.9	\$ 24.2
	=====	=====
Diluted income per share	\$ 1.01	\$ 0.75
Weighted average number of shares	30.707	32.112

Unless otherwise noted, historical share and earnings per share disclosures have been adjusted to reflect the 0.4186 share of SPX common stock that GSX shareholders received for each share of GSX common stock upon the Merger.

3. The company is comprised of four business segments. Industrial Products and Services includes operations that design, manufacture and market industrial valves, mixers, power transformers, electric motors, laboratory freezers and ovens, industrial furnaces and coal feeders. Major customers include industrial chemical companies, pulp and paper manufacturers, laboratories and utilities. Technical Products and Systems includes operations that design, manufacture and market uninterruptible power supply equipment, fire detection systems, data networking equipment, broadcast antennas, fare collection systems and crystal growing furnaces. Major customers are computer manufacturers and users, construction contractors, municipalities and semiconductor manufacturers. Service Solutions includes operations that design, manufacture and market a wide range of specialty service tools, equipment and services primarily to the motor vehicle industry in North America and Europe. Major customers are franchised dealers of motor vehicle manufacturers, aftermarket vehicle service facilities and independent distributors. Vehicle Components includes operations that design, manufacture and market transmission and steering components for light and heavy duty vehicle markets, principally in North America and Europe. Major customers are vehicle manufacturers and aftermarket private brand distributors.

Revenues by business segment represent sales to unaffiliated customers, no one or group of which accounted for more than 10% of consolidated sales. Intercompany sales among segments are not significant. Operating income (loss) by segment does not include general corporate expenses, special charges and gains or incremental costs to implement previously identified restructuring plans.

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

	Three months ended March 31,	
	1999	1998
Revenues:		
Industrial Products and Services.....	\$ 205.8	\$ 181.2
Technical Products and Systems.....	189.2	160.3
Service Solutions (1).....	149.6	-
Vehicle Components (1).....	102.3	32.9
	-----	-----
	\$ 646.9	\$ 374.4
	=====	=====
Operating income:		
Industrial Products and Services.....	\$ 35.1	\$ 23.1
Technical Products and Systems.....	15.6	11.1
Service Solutions.....	13.2	-
Vehicle Components.....	14.3	6.8
General Corporate (2).....	(22.2)	(9.8)
	-----	-----
	\$ 56.0	\$ 31.2
	=====	=====

(1) Includes the results of SPX businesses in 1999.

(2) Includes special charges of \$14.1 related primarily to closing costs for a manufacturing facility and termination benefits for approximately 250 employees.

4. On March 29, 1999, the company completed the sale of its Dual-Lite business, which it received from EGS Electrical Group LLC ("EGS") on October 6, 1998 in a partial rescission of the original EGS venture formation in the third quarter of 1997. Additionally, the company completed

the sale of a 50% interest in a Japanese joint venture during the quarter. The company received combined proceeds of \$64.2 and recognized a pre-tax gain of \$29.0 (\$10.4 after-tax). The relatively high effective tax rate of this gain was due to a low tax basis of the operations divested. These operations were not material to the consolidated results.

5. In the first quarter 1999, the company recorded special charges of \$14.1. The first quarter charges included termination benefits (\$6.3) for approximately 250 employees, closing costs for a manufacturing facility (\$0.7 for rental and other holding costs) and other non-cash asset writedowns (\$7.1). The facility is expected to close and the employee termination will be complete by the end of the third quarter of 1999.

Of the approximately 325 hourly and salaried employees who accepted the company's early retirement offer during the fourth quarter of 1998, all such employees were retired by March 31, 1999. Additionally, during the fourth quarter of 1998, the company committed to close eighteen manufacturing, sales and administrative facilities primarily to consolidate various GSX operations. As a result of these actions, the company recorded charges of \$10.1 for severance payments to approximately 800 other employees (approximately 440 of which were terminated by March 31, 1999 with the remaining expected to be terminated by mid-1999) and \$8.1 for facility closing costs. Eleven of the facilities were closed as of March 31, 1999 and the balance are expected to close by the end of the second quarter of 1999. There have been no significant changes to the estimated costs or timing of the company's restructuring initiatives.

A rollforward of the company's special charge, disposition and special item accruals was as follows:

Balance as of December 31, 1998	\$ 39.9
Special charges	14.1
Charges against reserves	(21.7) (1)

Balance as of March 31, 1999	\$ 32.3
	=====

(1) Includes severance related payments of \$10.2, facility holding costs of \$3.0 and other non-cash asset write downs of \$7.1.

6. In 1997, the former GSX Board of Directors approved a stock-buyback program of up to \$300.0. During the first quarter of 1998, 0.170 shares were repurchased under the program for \$16.3. As of April 15, 1998, the program was completed.
7. The company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS No. 130") in 1998. SFAS No. 130 requires certain items of other comprehensive income to be presented as a separate component of shareholders' equity.

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

	Three months ended March 31,	
	1999	1998
Net income	\$30.9	\$23.4
Foreign currency translation adjustments	(5.3)	1.0
	-----	-----
Comprehensive income	\$25.6	\$24.4
	=====	=====

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

	March 31,	December 31,
	1999	1998
Foreign currency translation adjustments	\$14.0	\$ 8.7
Minimum pension liability adjustment, net of tax of \$1.5 in 1999 and 1998	2.4	2.4
	-----	-----
Accumulated other comprehensive income	\$16.4	\$11.1
	=====	=====

8. In the first quarter of 1999, the company issued 0.439 shares of treasury stock to its Retirement Savings Plan and Employee Stock Ownership Plan in exchange for \$28.5 in cash. The proceeds were used to reduce outstanding debt obligations.

9. Inventory consists of the following:

	March 31, 1999	December 31, 1998
Finished goods.....	\$ 118.7	\$ 115.5
Work in process.....	58.9	66.2
Raw material and purchased parts.....	122.7	112.1
	-----	-----
Total FIFO cost.....	300.3	293.8
Excess of FIFO cost over LIFO inventory value...	(12.4)	(11.7)
	-----	-----
	\$ 287.9	\$ 282.1
	=====	=====

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

	Three months ended 1999	March 31, 1998
Numerator:		
Net Income.....	\$ 30.9	\$ 23.4
Denominator (shares in millions):		
Weighted-average shares outstanding.....	30.475	19.555
Effect of dilutive securities:		
Employee stock options.....	0.232	0.078
Restricted stock compensation.....	-	0.042
	-----	-----
Other	0.232	0.120
	-----	-----
Adjusted weighted-average shares and assumed conversions.....	30.707	19.675
	=====	=====

11. The company owns a 44.5% interest in EGS and accounts for its investment in EGS under the equity method of accounting. The company accounts for its investment in EGS on a three-month lag basis. EGS operates primarily in the United States, Canada and Mexico. EGS's results of operations for the periods October 1 to December 31 of 1998 and 1997 were as follows:

	Three months ended 1998	December 31, 1997
		(unaudited)
Net sales.....	\$116.6	\$135.5
Gross margin.....	48.3	52.8
Net income.....	18.0	20.3

EGS' pre-tax income for the quarter ended March 31, 1999 was not materially different than the pre-tax income earned the previous quarter.

The company's equity in earnings of EGS was \$9.3 and \$10.0 for the quarters ended March 31, 1999 and 1998, respectively. The company's recorded investment in EGS at March 31, 1999 was approximately \$119.0 less than its ownership of EGS's net assets at December 31, 1998. This difference is being amortized on a straight-line basis over an estimated economic life of 40 years.

Condensed balance sheet information of EGS as of December 31, 1998 and September 30, 1998 was as follows:

	December 31, 1998	September 30, 1998
		(unaudited)
Current assets.....	\$146.5	\$200.4
Noncurrent assets.....	351.9	364.0
Current liabilities.....	58.0	72.7
Noncurrent liabilities.....	16.0	34.3

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

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

On October 6, 1998, SPX merged with GSX in a reverse acquisition. As a result, the historical financial statements of GSX became the accounting history of the combined company through the third quarter of 1998. Accordingly, the comparison of the historical financial results for the first quarter does not provide a basis for meaningful analysis of the operating trends of the business. Consequently, the following discussion and analysis of "Results of Operations" on a consolidated basis and by segment will focus on a comparison of the 1998 pro forma operating results in addition to the historical actual results.

Results of Operations - First Quarter 1999 vs. First Quarter 1998

Consolidated:

	Three months ended March 31,		Pro forma Three months ended March 31, 1998
	1999	1998	
Revenues	\$ 646.9	\$ 374.4	\$ 604.8
Gross margin	214.0	125.6	188.2
%of revenues	33.1%	33.5%	31.1%
Selling, general and admin expense	133.3	91.5	133.8
%of revenues	20.6%	24.4%	22.1%
Goodwill/intangible amortization	10.6	2.9	10.2
Special charges(gains)	14.1	-	(12.8)
Operating income	56.0	31.2	57.0
Other (expense) income, net	(30.3)	-	0.7
Equity in earnings of EGS	9.3	10.0	10.0
Interest expense, net	(32.1)	(3.2)	(27.8)
Income before income taxes	\$ 63.5	\$ 38.0	\$ 39.9
Provision for income taxes	(32.6)	(14.6)	(15.7)
Net income	\$ 30.9	\$ 23.4	\$ 24.2
Capital expenditures	\$ 26.2	\$ 10.2	\$ 18.5
Depreciation and amortization	26.5	15.2	21.1

Revenues - 1999 revenues increased \$272.5, or 72.8%, from actual 1998, primarily due to the Merger. 1999 revenues increased approximately 7% over pro forma 1998 driven by strength in sales of products in the Industrial Products and Services and Technical Products and Systems segments.

Gross Margin - In 1999, gross margin increased to 33.1% from pro forma gross margin of 31.1% in 1998. The 1999 gross margin increase was primarily driven by the benefits of the restructuring actions underway throughout the business.

During the first quarter, the Company completed the closure of 11 of the 18 manufacturing, sales and administrative facilities that were identified to be closed in the fourth quarter of 1998. Approximately 765 of the 1,000 headcount reductions identified in the fourth quarter 1998 restructuring plan were completed and the company initiated the additional reduction of 250 positions. The restructuring actions are on schedule to achieve the estimated \$100 of annual cost of sales and SG&A savings in 1999. There have been no significant changes to the estimated cost or timing of the company's restructuring initiatives.

Selling, general and administrative expense ("SG&A") - SG&A in 1999 increased to \$133.3 primarily as a result of the Merger. SG&A as a percentage of revenues decreased from 22.1% in pro forma 1998 to 20.6% in 1999. The decrease, as well as the decrease in actual SG&A expense year to year, was a result of increased revenues and cost savings realized from restructuring actions initiated in late 1998. Goodwill/intangible amortization - The increased amortization in 1999 is a result of the Merger.

Special charges - In the first quarter 1999, the company recorded special charges of \$14.1. The first quarter charges included termination benefits (\$6.3) for approximately 250 employees, closing costs for a manufacturing facility (\$0.7 for rental and other holding costs) and other non-cash asset writedowns (\$7.1). The facility is expected to close and the employee termination will be complete by the end of the third quarter of 1999.

Charges for the remaining quarters of 1999 could range from \$10.0 to \$20.0, and would be recognized in the period in which management approves and commits the company to further restructuring actions. Additionally, the remaining quarters of 1999 will include an estimated \$10.0 of incremental costs associated with restructuring actions that were initiated in the fourth quarter of 1998, but did not qualify to be accrued in that period.

In the first quarter pro forma 1998, SPX recognized a net \$12.8 gain on an investment in Echlin Inc.

Other expense (income), net - 1999 primarily includes the \$29.0 gain on the sale of Dual-Lite and the company's 50% investment in a Japanese joint venture.

Interest expense, net - Interest expense, net, increased significantly in 1999 over actual 1998 primarily due to increased debt incurred on the Merger Date as a result of the Merger.

Income taxes - The company's effective tax rate from continuing operations was 51.3% and 38.4% in 1999 and 1998, respectively. The relatively high rate in 1999 was due to a low tax basis of the operations divested during the quarter. Excluding the impact of these divestitures, the first quarter effective income tax rate was 40.5%, which represents the company's normal anticipated effective tax rate for 1999.

Capital expenditures - Capital expenditures in 1999 were higher than actual 1998 primarily due to the Merger and significant expenditures for new business information systems. For the year ended December 31, 1999, the company anticipates capital expenditures will be approximately \$100.0.

Segment Review

	Three months ended March 31,		Pro forma Three months ended
	1999	1998	March 31, 1998
Revenues:			
Industrial Products and Services	\$205.8	\$181.2	\$197.9
Technical Products and Systems	189.2	160.3	160.3
Service Solutions	149.6	-	145.7
Vehicle Components	102.3	32.9	100.9
	-----	-----	-----
Total	\$646.9	\$374.4	\$604.8
	=====	=====	=====
Operating Income:			
Industrial Products and Services	\$ 35.1	\$ 23.1	\$ 25.9
Technical Products and Systems	15.6	11.1	11.1
Service Solutions	13.2	-	8.3
Vehicle Components	14.3	6.8	13.9
General Corporate Expenses	(22.2)	(9.8)	(15.0)
	-----	-----	-----
Total	\$ 56.0	\$ 31.2	\$ 44.2
	=====	=====	=====

Industrial Products and Services

Revenues for 1999 increased \$7.9, or 4.0%, over pro forma 1998. The increase over pro forma 1998 was driven by strength in sales of power systems, electric motors and material handling units. The company expects 1999 revenues to continue to be relatively stable with modest growth over pro forma 1998.

Operating Margins increased from 13.1% in pro forma 1998 to 17.1% in 1999 due to the restructuring actions initiated in late 1998.

Operating Income for the remainder of 1999 is expected to continue to improve over pro forma 1998 primarily due to savings associated with the restructuring initiatives.

Technical Products and Systems

Revenues for 1999 were up \$28.9, or 18.0%, over 1998 primarily as a result of strength in sales of building life safety systems, digital TV transmission systems and fare collection systems, as well as the inclusion of Dual-Lite's sales in 1999 until its sale in late March.

The company expects full year 1999 revenues to modestly exceed 1998 revenues due to continuing demand for broadcast antenna systems and fire detection products and recovery in demand for uninterruptible power supply equipment and crystal growing furnaces.

Operating Income in 1999 of \$15.6 was impacted primarily by the increased revenues and cost savings realized from restructuring actions initiated in late

1998.

Operating income in 1999 is expected to continue to improve over 1998 primarily due to savings associated with the restructuring initiatives.

Service Solutions

Revenues increased \$3.9, or 2.7%, over pro forma 1998. Excluding the impact of acquisitions completed in mid-1998 and the discontinuance of a product line in 1998, revenues for existing product lines were relatively flat for the quarter.

Growth in this segment is primarily program driven. Revenue growth in excess of 10% is anticipated for the second quarter of 1999.

Operating Margins improved from 5.7% in pro forma 1998 to 8.8% in 1999. The improvement in operating margins was principally due to the benefits of the restructuring actions initiated in late 1997.

Vehicle Components

Revenues for 1999 were up \$1.4 from pro forma 1998 revenues. The company expects growth to accelerate during the remainder of 1999 due to a combination of new business and the impact of the General Motors strike in 1998.

Operating Margins in 1999 increased from 13.8% in pro forma 1998 to 14.0% in 1999, primarily due to changes in product mix.

General Corporate Expenses

These expenses are not allocated to the business segment level. The increase from actual 1998 to 1999 is due to the 1999 recording of \$14.1 of special charges. The first quarter charges primarily included closing costs for a manufacturing facility and termination benefits for approximately 250 employees. Excluding the \$14.1 of special charges, general corporate expenses decreased \$1.7, or 17.3% from actual 1998 to 1999 as a result of benefits from restructuring actions initiated in late 1998.

Liquidity and Financial Condition

The Company's liquidity needs arise primarily from capital investment in equipment, funding working capital requirements to support business growth initiatives and to meet debt service costs. Management believes that cash flow from operations and the company's credit arrangements will be sufficient to supply funds needed in 1999.

Cash Flow	Three months ended March 31,	
	1999	1998
Cash flow from:		
Operating activities.....	\$ 23.3	\$ 16.5
Investing activities.....	43.2	(9.3)
Financing activities.....	(58.0)	(9.2)
	-----	-----
Net Cash Flow.....	\$ 8.5	\$ (2.0)
	=====	=====

Operating Activities - The principal elements that contributed to the \$6.8 increase in first quarter 1999 cash flow from operating activities were primarily increased earnings after non-cash items, such as deferred income taxes and gains on the divestiture of businesses offset by a larger use of cash related to the change in operating assets and liabilities.

Investing Activities - First quarter 1999 cash flow from investing activities reflected \$64.2 of proceeds from the divestitures of the Dual-Lite business and a Japanese joint venture investment and \$26.2 in capital expenditures. Capital expenditures for 1999 should approximate \$100. Cash flow from investing activities during the first quarter of 1998 primarily reflected \$10.2 of capital expenditures.

Financing Activities - First quarter 1999 cash flow from financing activities consisted primarily of net debt repayments of \$91.9 offset by \$28.5 of proceeds from the issuance of treasury stock to an employee benefit plan. Cash flow from investing activities during the first quarter of 1998 includes \$19.4 in net debt borrowings, \$16.3 in repurchases of common stock and \$12.7 of dividend payments. As of July 17, 1998, the date the Merger was announced, the former GSX discontinued quarterly dividend payments in-line with SPX's policy.

Total Debt

The following summarizes the debt outstanding and unused credit availability, as of March 31, 1999:

	Total Commitment	Amount Outstanding	Unused Credit Availability
Revolving loan	\$ 250.0	\$ 50.0	\$136.0 (1)
Tranche A loan	587.5	587.5	-
Tranche B loan	597.0	597.0	-
Interim loan	100.0	100.0	-
Medium term notes	50.0	50.0	-
Industrial revenue bonds	17.1	17.1	-
Other borrowings	22.1	22.1	-
	-----	-----	-----
Total	\$1,623.7	\$ 1,423.7	\$136.0
	=====	=====	=====

(1) Decreased by \$64.0 of facility letters of credit outstanding at March 31, 1999, which reduce the unused credit availability.

The Revolving loan, Tranche A loan, Tranche B loan and the Interim loan, collectively referred to as the Credit Facility, are secured by substantially all of the assets of the company (excluding EGS) and require the company to maintain certain leverage and interest coverage ratios. The Credit Facility also requires compliance with certain operating covenants which limit, among other things, the incurrence of additional indebtedness by the company and its subsidiaries, sales of assets, the distribution of dividends, capital expenditures, mergers, acquisitions and dissolutions. Under the most restrictive of the financial covenants, the company was required to maintain (as defined) a maximum debt to earnings before income taxes, depreciation and amortization ratio and a minimum interest coverage ratio beginning as of March 31, 1999 and becoming more restrictive thereafter. At March 31, 1999, the company was in compliance with its financial covenants.

Management believes that cash flow from operations and the Credit Facility will be sufficient to meet operating cash needs, including working capital requirements, capital expenditures and debt service costs in 1999. In 2000, the \$100.0 Interim Loan becomes due and the company believes that cash flow from operations, proceeds from certain asset dispositions and the Revolving Loan will be sufficient to service these obligations.

Other Matters

Readiness for Year 2000 - The company utilizes software and related computer technology essential to its operations and to certain products that use two digits rather than four to specify the year, which could result in a date recognition problem with the transition to the year 2000. In 1997, the company established a plan, utilizing both internal and external resources, to assess the potential impact of the year 2000 problem on its systems, including embedded technology, and operations and to implement solutions to address this issue. The company has completed the assessment phase of its year 2000 plan, and is continuing to survey its suppliers and service providers for year 2000 compliance. The company is in the renovation stage of its year 2000 plan and has substantially completed the correction of many critical systems. The target completion date of certain other critical systems is June 30, 1999. Third party compliance and other factors could adversely affect these target dates. The company does not believe the cost to remediate software and computer technologies for the year 2000 problem will exceed \$5.0 in 1999 and \$10.0 in total, which does not include costs to replace certain existing enterprise resource planning systems. The company is in the process of implementing such a new system across several of its businesses. The company estimates that it will spend approximately \$25 in 1999 to acquire and install this new system. There can be no assurances that the costs of remediation and testing will not be material. Moreover, there can be no assurances that the company will not experience material unanticipated costs and/or business interruption due to year 2000 problems in its products, its internal systems, its supply chain or from customer product migration issues. Based upon currently available information, the company believes that the greatest risk associated with the year 2000 problem relates to compliance of third parties including, but not limited to, electrical power and other utilities. A worst case scenario could result in business interruptions, which could have a material effect on the company's operations. The company has sent correspondence to all of its key suppliers in assessing third party compliance as part of its year 2000 plan. The company is developing contingency plans to mitigate the risks associated with the year 2000 problem and expects to complete these plans by July 1999. The statements set forth in the foregoing paragraph are year 2000 readiness disclosures (as defined under the Year 2000 Information and Readiness Act) and shall be treated as such for all purposes permissible under such Act.

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

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

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

Pending Patent Litigation - The company believes that it should ultimately prevail on a pending patent infringement lawsuit which could result in a significant judgement favorable to the company. However, since the amount of the damages cannot be fully quantified until the legal discovery process proceeds further and no assurances can be made as to the final timing and outcome of any litigation, no gain has been recorded. See Note 16 to the consolidated financial statements included in the company's 1998 Annual Report on Form 10-K for further discussion.

Significance of Goodwill and Intangibles - The company had net goodwill and intangibles of \$1,197.9 and shareholders' equity of \$450.0 at March 31, 1999. The company amortizes its goodwill and intangible assets on a straight-line basis over lives ranging from 10 to 40 years. There can be no assurance that circumstances will not change in the future that will affect the useful life or carrying value of the company's goodwill.

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

Accounting Pronouncements - Statement of Position 98-1 "Accounting for Computer Software Developed for or Obtained for Internal Use" ("SOP 98-1") provides guidance for accounting for software developed for internal use. SOP 98-1, which the company adopted as of January 1, 1999, did not have a material effect on the company's results of operations and financial position.

Statement of Financial Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities," which will become effective January 2000, establishes accounting and reporting standards for derivative instruments and hedging contracts. It also requires all derivatives to be recognized as either assets or liabilities in the balance sheet at fair value and changes in fair value to be recognized in income. Management is currently analyzing the impact of this statement, but does not anticipate that the effect on the company's results of operations and financial position will be material.

The foregoing discussion in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created thereby. These forward looking statements, which reflect management's current views with respect to future events and financial performance, are subject to certain risks and uncertainties, including but not limited to those matters discussed above. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. Reference is made to the company's 1998 Annual Report on Form 10-K for additional cautionary statements and discussion of certain important factors as they relate to forward looking statements. In addition, management's estimates of future operating results are based on the current compliment of businesses, which is constantly subject to change as management implements its fix, sell or grow strategy.

PART II - OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

(2) None.

(4) None.

(10) (i) Form of Executive Change of Control Agreement for: Messrs O'Leary, Kearney, Riordan, Lison and Ladau dated February 15, 1999.

(10) (ii) Executive Change of Control Agreement for John B. Blystone dated February 15, 1999.

(11) Statement regarding computation of earnings per share. See Note 10 to the Consolidated Financial Statements.

(15) None.

(18) None.

(19) None.

(20) None.

(22) None.

(23) None.

(24) None.

(27) Financial data schedule.

(99) None.

(b) Reports on Form 8-K

None.

SIGNATURES

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

SPX CORPORATION
(Registrant)

Date: May 14, 1999

By /s/ John B. Blystone

John B. Blystone
Chairman, President and
Chief Executive Officer

Date: May 14, 1999

By /s/ Patrick J. O'Leary

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

3-MOS

	DEC-31-1999	
	MAR-31-1999	
		78,800
		0
		485,400
		(23,300)
		287,900
		955,100
		808,300
		(372,800)
		2,932,200
769,400		0
		0
		0
		352,400
		97,600
2,932,200		
		646,900
		646,900
		432,900
		590,900
		(39,600)
		0
		32,100
		63,500
		32,600
30,900		0
		0
		0
		0
		30,900
		1.01
		1.01

EXECUTIVE CHANGE OF CONTROL AGREEMENT
INDIVIDUAL

February 15, 1999

SPX Corporation (the "Company") recognizes that your contribution to its growth and success will be substantial and desires to assure your continued employment. In this regard, the Board of Directors of the Company (the "Board") recognizes that, as is the case with many publicly held corporations, the possibility of a Change of Control (as defined in Section 2, below) may exist and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders.

The Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including yourself, to their assigned duties without distraction, in the face of potentially disturbing circumstances arising from the possibility of a Change of Control.

Further, it is the intent of the Board in adopting this Agreement to assure the Company and its shareholders (i) of continuity of management in the event of any actual or threatened Change of Control and (ii) that key executive employees of the Company will be able to evaluate objectively whether a potential Change of Control is in the best interests of the shareholders.

In order to induce you to remain in the employ of the Company and to advance the interests of the Company and its shareholders by providing you with appropriate financial protection, the Board agrees that you shall receive the severance benefits set forth in this agreement ("Agreement") in the event that your employment is terminated due to a Change of Control.

Executive Severance Agreement
Individual

1. Term of Agreement. This Agreement will become effective on the date hereof (the "Commencement Date") and shall continue in effect through the third anniversary of the Commencement Date (the "Date of Expiration"). However, on that initial Date of Expiration, and on each extended Date of Expiration thereafter, the term of this Agreement will be extended automatically for one additional year unless, not later than six (6) months prior to such Date of Expiration, the Company gives written notice to you that it has elected not to extend this Agreement. However, if a Change of Control occurs during the term of this Agreement, this Agreement will continue in effect for thirty-six (36) months beyond the end of the month in which the Change of Control occurred.
2. Change of Control of the Company. No benefits will be payable under the terms of this Agreement unless a Change of Control of the Company has occurred. A "Change of Control" shall be deemed to have occurred if:
 - (a) Any "Person" (as defined below), excluding for this purpose the Company or any subsidiary of the Company, any employee benefit plan of the Company or of any subsidiary of the Company, or any entity organized, appointed or established for or pursuant to the terms of any such plan which acquires beneficial ownership of common shares of the Company, is or becomes the "Beneficial Owner" (as defined below) of twenty percent (20%) or more of the common shares of the Company then outstanding; provided, however, that no Change of Control shall be deemed to have occurred as the result of an acquisition of common shares of the Company by the Company which, by reducing the number of shares outstanding, increases the proportionate beneficial ownership interest of any Person to twenty percent (20%) or more of the common shares of the Company then outstanding, but any subsequent increase in the beneficial ownership interest of such a Person in common shares of the Company shall be deemed a Change of Control; and provided further that if the Board of Directors of the Company determines in good faith that a Person who has become the Beneficial Owner of common shares of the Company representing twenty percent (20%) or more of the common shares of the Company then outstanding has inadvertently reached that level of ownership interest, and if such Person divests as promptly as practicable a sufficient number of shares of the Company so that the Person no longer has a beneficial ownership interest in twenty percent (20%) or more of the common shares of the Company then outstanding, then no Change of Control shall be deemed to have occurred. For purposes of this paragraph (a), the following terms shall have the meanings set forth below:

(i) "Person" shall mean any individual, firm, limited liability

company, corporation or other entity, and shall include any successor (by merger or otherwise) of any such entity.

(ii) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(iii) A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "beneficially own" any securities:

(A) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly (determined as provided in Rule 13d-3 under the Exchange Act);

(B) which such Person or any of such Person's Affiliates or Associates has (1) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities), or upon the exercise of conversion rights, exchange rights, rights (other than rights under the Company's Rights Agreement dated June 25, 1996 with The Bank of New York, as amended), warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange; or (2) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security if the agreement, arrangement or understanding to vote such security (a) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (b) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

- (C) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities) for the purpose of acquiring, holding, voting (except to the extent contemplated by the proviso to subparagraph (a)(iii)(B)(2), above) or disposing of any securities of the Company.

Notwithstanding anything in this definition of Beneficial Ownership to the contrary, the phrase "then outstanding," when used with reference to a Person's beneficial ownership of securities of the Company, shall mean the number of such securities then issued and outstanding together with the number of such securities not then actually issued and outstanding which such Person would be deemed to own beneficially hereunder.

- (b) During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such two-year period constitute the Board of Directors of the Company and any new director or directors (except for any director designated by a person who has entered into an agreement with the Company to effect a transaction described in paragraph (a), above, or paragraph (c), below) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; or
- (c) Approval by the shareholders of (or if such approval is not required, the consummation of) (i) a plan of complete liquidation of the Company, (ii) an agreement for the sale or disposition of the Company or all or substantially all of the Company's assets, (iii) a plan of merger or consolidation of the Company with any other corporation, or (iv) a similar transaction or series of transactions involving the Company (any transaction described in parts (i) through (iv) of this paragraph (c) being referred to as a "Business Combination"), in each case unless after such a Business Combination the shareholders of the Company immediately prior to the Business Combination continue to own at least eighty percent (80%) of the voting securities of the new (or continued) entity immediately after such Business Combination, in substantially the same proportion as their ownership of the Company immediately prior to such Business Combination.

Any other provision of this Agreement to the contrary notwithstanding, a "Change of Control" shall not include any transaction described in paragraph (a) or (c), above, where, in connection with such transaction, you and/or any party acting in concert with you substantially increase your, his or its, as the case may be, ownership interest in the Company or a successor to the Company (other than through conversion of prior ownership interests in the Company and/or through equity awards received entirely as compensation for past or future personal services).

3. Definitions. The following definitions shall be used in determining whether, under the terms of Section 4 hereof, you are entitled to receive Accrued Benefits and/or Severance Benefits:

- (a) Disability. "Disability" shall mean that, as a result of your incapacity due to physical or mental injury or illness, you shall have been absent from the full-time performance of your duties with the Company for at least six (6) consecutive months and, within thirty (30) calendar days after written notice of suspension is given, you shall not have returned to the full-time performance of your duties.
- (b) Retirement. "Retirement" shall mean your voluntary termination of your employment (other than for Good Reason, as defined below) at a time after you have reached age sixty-five (65).
- (c) Cause. "Cause" shall mean (i) your willful and continued failure to substantially perform your duties with the Company (other than any such failure resulting from Disability or occurring after issuance by you of a Notice of Termination for Good Reason), after a demand for substantial performance is delivered to you that specifically identifies the manner in which the Company believes that you have not substantially performed your duties, and after you have failed to resume substantial performance of your duties on a continuous basis within fourteen (14) calendar days after receiving such demand, (ii) you willfully engaging in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise, or (iii) your having been convicted of a felony which impairs your ability substantially to perform your duties with the Company. For purposes of this paragraph (c), no act, or failure to act, on your part shall be deemed "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that your action or omission was in the best interest of the Company.
- (d) Good Reason. You shall be entitled to terminate your employment for Good Reason. For purpose of this Agreement, "Good Reason" shall mean, without your express written consent, the occurrence within three (3) years following a Change of Control of the Company of any one or more of the following:

- (i) The assignment to you of duties inconsistent with your duties, responsibilities, and the status of your position as of the day prior to the Change of Control of the Company, or a reduction or alteration in the nature or status of your responsibilities from those in effect on the day prior to the Change of Control;
- (ii) A reduction by the Company in your base salary or in your most recent annual target incentive award opportunity as in effect on the date hereof or as the same shall be increased from time to time;
- (iii) The Company's requiring you to be based at a location in excess of two hundred and fifty (250) miles from the location where you are currently based;
- (iv) The failure by the Company to continue in effect the Company's Pension Plan, Retirement Savings Plan, Supplemental Retirement Savings Plan, Supplemental Retirement Plan, Executive EVA Incentive Compensation Plan, Stock Compensation Plan, any plans substituted for the above adopted prior to the Change of Control, or any other of the Company's employee benefit plans, policies, practices or arrangements in which you participate, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) to provide similar benefits has been made with respect to such plan(s); or the failure by the Company to continue your participation therein (or in such substitute or alternative plan) on substantially the same basis, both in terms of the amount of benefits provided and the level of your participation relative to other participants, as existed as of the time of the Change of Control;
- (v) The failure of the Company to reinstate your employment in full (in the same capacity that you were employed, or in a mutually agreeable capacity) in the event that your employment was suspended due to a Disability and, within three years, you request to be reinstated and are ready, willing, and able to adequately perform your employment duties;
- (vi) The termination, replacement, or reassignment of twenty-five percent (25%) or more of the elected officers of the Company existing as of the day prior to a Change of Control, unless the officer is terminated due to death, Disability, or Retirement, or by the Company for Cause, or by the officer other than for Good Reason (all as herein defined);
- (vii) The failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement, as contemplated in Section 5 hereof; and

(viii) Any purported termination by the Company of your employment that is not effected pursuant to a Notice of Termination satisfying the requirements of paragraph (f), below, and for purposes of this Agreement, no such purported termination shall be effective.

(ix) At any time during the one (1)-year period beginning thirty (30) days following a Change of Control, you shall be entitled to terminate your employment for any reason, and such termination shall be deemed to be for Good Reason for all purposes of this Agreement.

Your right to terminate your employment pursuant to this paragraph (d) shall not be affected by your suspension due to Disability. Your continued employment shall not constitute a waiver of your rights with respect to any circumstance constituting Good Reason hereunder.

- (e) Notice of Termination. Any termination by the Company for Cause or by you for Good Reason shall be communicated by Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provisions so indicated.
- (f) Date of Termination. "Date of Termination" shall mean the date specified in the Notice of Termination where required (but not less than thirty (30) calendar days following delivery of the Notice of Termination, except that termination for Cause may be effective immediately) or in any other case upon ceasing to perform services to the Company; provided that if within twenty (20) calendar days after any Notice of Termination one party notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be the date finally determined to be the Date of Termination, either by written agreement of the parties or by a binding and final arbitration decision. In the event that a dispute exists concerning the Date of Termination, you shall continue to receive your full compensation (including participation in all benefit and insurance plans in which you were participating) in effect when the notice giving rise to the dispute was given, until the Date of Termination is finally determined. In such event, you will be required to reimburse the Company for all compensation received beyond the finally determined Date of Termination either by direct cash reimbursement within thirty (30) calendar days of resolving the conflict or by appropriately reducing your remaining benefits to be received under the terms of this Agreement.
- (g) Earned Bonus Amount. For any year for which the Executive EVA Incentive Compensation Plan (the "EVA Plan") is in effect prior to the year during which a Change of Control occurs, your "Earned Bonus Amount" means your Declared Bonus for that year (as determined under the EVA Plan) multiplied by a fraction the numerator of which is your Bonus Award Earned for that year (as determined under the EVA Plan) and the denominator of which is your Available Bonus for that year (as determined under the EVA Plan). For the year during which a Change of Control occurs and any subsequent year, your "Earned Bonus Amount" means your Declared Bonus for that year (as determined under the EVA Plan).

4. Compensation Upon Termination Following a Change of Control

- (a) Accrued Benefits. In the event that your employment is terminated for any reason during the term of this Agreement, following a Change of Control of the Company (as defined in Section 2 herein), you shall receive your Accrued Benefits through the Date of Termination. For purposes of this Agreement, your "Accrued Benefits" shall include the following:
- (i) All base salary for the time period ending with your Date of Termination, at the rate in effect at the time Notice of Termination is given or on the Date of Termination if no Notice of Termination is required;
 - (ii) A bonus payment equal to one hundred percent (100%) of the greater of (A) your target bonus for the year in which the Date of Termination occurs, prorated based upon the ratio of the number of months (full credit for a partial month) you were employed during that bonus year to the total months in that bonus year, and (B) your Earned Bonus Amount for the year in which the Date of Termination occurs, calculated as if the Date of Termination were the end of that year for purposes of the EVA Plan;
 - (iii) A cash equivalent of all unused vacation to which you were entitled through your Date of Termination;
 - (iv) Reimbursement for any and all monies advanced in connection with your employment for reasonable and necessary expenses incurred by you on behalf of the Company for the time period ending with your Date of Termination;
 - (v) Any and all other cash earned through the Date of Termination and deferred at your election or pursuant to any deferred compensation plan then in effect;
 - (vi) Credited service in the Company's Pension Plan (or its successor) through the Date of Termination for purposes of computing your accrued pension benefit;
 - (vii) All other amounts to which you are entitled under any compensation or benefit plan, program, practice or policy of the Company in effect as of the Date of Termination; and
 - (viii) The payments provided for in paragraphs (i), (ii), (iii), (iv) and (v), above, shall be made not later than the tenth (10th) business day following the Date of Termination; provided, however, that if the amounts of such payments cannot be finally determined on or before such day, the Company shall pay to you on such day an estimate, as determined in good faith by the Company, of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in Section 1274(b)(2)(B) of the Internal Revenue Code of 1986, as amended (the "Code")) as soon as the amount thereof can be determined but in no event later than the thirtieth (30th) calendar day after the Date of Termination. In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to you payable on the tenth (10th) business day after demand by the Company (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code).

- (b) Severance Benefits. In the event that your employment is terminated during the term of this Agreement following a Change of Control of the Company (as described in Section 2 herein), unless your termination is (i) because of your death, Disability, or Retirement; (ii) by the Company for Cause; or (iii) by you other than for Good Reason, you shall receive, in addition to your Accrued Benefits, the Severance Benefits. For purposes of this Agreement, your "Severance Benefits" shall include the following:
- (i) Your annual base salary at the rate in effect immediately prior to the Change of Control of the Company or, if greater, at the rate in effect at the time Notice of Termination is given, or on the Date of Termination if no Notice of Termination is required, multiplied by three (3);
 - (ii) (A) The full amount of your individual Bonus Bank balance under the EVA Plan (or any successor plan) and (B) an amount equal to three (3) times the greatest of (I) the highest of your Earned Bonus Amounts for the three (3) years immediately preceding the year in which the Date of Termination occurs (the "Year of Termination") or (II) your target bonus under the EVA Plan (or any successor plan) for the Year of Termination or (III) your Earned Bonus Amount for the Year of Termination, calculated as if the Date of Termination were the end of that year for purposes of the EVA Plan;
 - (iii) For a three (3)-year period after your Date of Termination, the Company will arrange to provide to you the same health care coverage you had prior to your termination, at the Company's expense, which includes, but is not limited to, hospital, surgical, medical, dental, and dependent coverages. For purposes of the Retirement Plan health care coverage, you will receive the same number of additional years of credited service, for computing your benefit, as normally computed under the terms of the Plan. Health care benefits otherwise receivable by you pursuant to this subparagraph (iii) shall be reduced to the extent comparable benefits are actually received by you from a subsequent employer during the three (3)-year period following your Date of Termination, and any such benefits actually received by you shall be reported to the Company;

- (iv) For a three (3)-year period after your Date of Termination, the Company will arrange to provide to you, at the Company's expense, life insurance coverage in the amount of two (2) times your base salary in effect at your Date of Termination and, at the end of the three (3)-year period, for the remainder of your life the Company will provide to you life insurance coverage in the amount of your base salary in effect at your Date of Termination;
- (v) Under the Company's Pension Plan and Supplemental Retirement Plan for Top Management, you will receive immediate full vesting as of your Date of Termination and receive three (3) additional full years of service credit for computing your accrued retirement benefit under both plans. Further, in computing the accrued retirement benefits under both plans, three (3) years will be added to your actual age, and the definition of "Final Average Pay" (base and bonus) shall be the greater of (A) your highest three (3)-year average or (B) the sum of your actual base salary in effect at your Date of Termination plus the greatest of the bonus amounts described in parts (B)(I), (II) and (III) of subparagraph (ii), above, with the additional benefits, to the extent not payable under the Pension Plan, to be paid through an additional unfunded arrangement at the same time and in the same manner as you have elected under the Pension Plan;
- (vi) Under the Company's Supplemental Retirement Savings Plan, you will receive a cash lump sum payment of the full balance (vested and unvested);
- (vii) Each stock option which you have been granted by the Company and which is not yet vested shall become immediately vested and exercisable and shall continue to be exercisable for the lesser of (A) two (2) years following your Date of Termination or (B) the time remaining until the originally designated expiration date, unless a longer exercise period is provided for in the applicable plan or award agreement;
- (viii) Any contractual restrictions placed on shares of restricted stock which you have been awarded pursuant to the Company's Stock Compensation Plan shall lapse as of your Date of Termination;

(ix) If any portion of the Severance Payments (in the aggregate, "Total Payments") will be subject to the golden parachute "Excise Tax" imposed by Section 4999 of the Code, the Company shall pay to you an additional amount (the "Gross-Up Payment") such that the net amount retained by you after deduction of any Excise Tax (including any related penalties and interest) on the Total Payments (but not any federal, state, or local income tax on the Total Payments), and any federal, state, and local income tax and Excise Tax (including any related penalties and interest) on the Gross-Up Payment, shall be equal to the Total Payments. The determination of whether any Excise Tax will be imposed and of the amount of the Gross-Up Payment will be made by tax counsel selected by the Company's independent auditors and acceptable to you. For purposes of determining whether any of the Total Payments will be subject to the Excise Tax and the amount of such Excise Tax, (A) any other payments or benefit received or to be received by you in connection with a Change of Control of the Company or your termination of employment (whether pursuant to the terms of this Agreement or any other plan, arrangement, or agreement with the Company) shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of Section 280G(b)(1) shall be treated as subject to the Excise Tax, unless in the opinion of such tax counsel such other payments or benefits (in whole or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4)(B) of the Code, and (B) the value of any noncash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. For purposes of determining the amount of the Gross-Up Payment, you shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation for the calendar year in which the Gross-Up Payment is made and state and local income taxes at the highest marginal rates of taxation in the state and locality of your residence (at the time at which the Gross-Up Payment is made) as effective for the calendar year in which the Gross-Up Payment is made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

The payments provided for in this subparagraph (ix) shall be made not later than thirty (30) calendar days following your Date of Termination; provided, however, that if the amounts of such payments cannot be finally determined on or before such day, the Company shall pay to you on such day an estimate, as determined in good faith by such tax counsel, of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code) as soon as the amount thereof can be determined but in no event later than sixty (60) calendar days after your Date of Termination. In the event that the amount of the estimated payment exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to you payable on the twentieth (20th) calendar day after demand by the Company (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code). Notwithstanding the foregoing, the sixty (60)-day period for deferment of the Gross-Up Payment shall not preempt or otherwise eliminate your right to receive any other payments to which you are entitled under this subparagraph or otherwise under the terms of this Agreement and to receive additional Gross-Up Payments based on such additional payments pursuant to this subparagraph;

- (x) To the full extent permitted by law, the Company shall indemnify you (including the advancement of expenses) for any judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, incurred by you in connection with the defense of any lawsuit or other claim to which you are made a party by reason of being or having been an officer, director or employee of the Company or any of its subsidiaries. In addition, you will be covered by director and officer liability insurance to the maximum extent that such insurance maintained by the Company from time to time covers any officer or director (or former officer or director) of the Company.
- (xi) You will be entitled to receive outplacement services, at the expense of the Company, from a provider reasonably selected by you.
- (xii) The Company also shall pay to you all legal fees and expenses incurred by you as a result of such termination of employment (including all such fees and expenses, if any, incurred in contesting or disputing any such termination or in seeking to obtain or enforce any right or benefit provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Code to any payment or benefit provided hereunder); and
- (xiii) The payments provided in paragraphs (i), (ii), (v) if a lump sum is elected, (vi) and (xii), above, shall be made not later than the tenth (10th) business day following the Date of Termination, provided, however, that if the amounts of such payments cannot be finally determined on or before such day, the Company shall pay to you on such day an estimate, as determined in good faith by the Company, of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code) as soon as the amount thereof can be determined but in no event later than the thirtieth (30th) day after the Date of Termination. In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to you payable on the tenth (10th) business day after demand by the Company (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code). As all of the payments referenced in the first sentence of this subparagraph (xiii) are included for purposes of determining the Gross-Up Payment, the thirty (30)-day period identified above shall not preempt or otherwise eliminate your right to receive any other payments to which you are entitled under the terms of this Agreement and to receive additional Gross-Up Payments based on such additional payments.

- (c) Any provision in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if your employment with the Company is terminated within six (6) months prior to the date on which the Change of Control occurs, and if you reasonably demonstrate that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect the Change of Control, (ii) otherwise arose in connection with or anticipation of the Change of Control, or (iii) would not have occurred or would be less likely to have occurred if the Change of Control were not anticipated, then for all purposes of this Agreement the termination of your employment shall be deemed to have occurred following the Change of Control.
- (d) You shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Section 4 be reduced by any compensation earned by you as the result of employment by another employer after your Date of Termination, or otherwise, with the exception of a reduction in your insurance benefits as provided in Section 4(b)(iii).

5. Successors; Binding Agreements.

- (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or of any division or subsidiary thereof employing you to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle you to compensation from the Company in the same amount and on the same terms to which you would be entitled hereunder if you terminated your employment for Good Reason following a Change of Control, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed your Date of Termination.
- (b) This Agreement shall inure to the benefit of and be enforceable by your personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If you should die while any amount would still be payable to you hereunder if you had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement, to your devisee, legatee or other designee or, if there is no such designee, to your estate.

6. No Funding of Benefits. Nothing herein contained shall require or be deemed to require the Company to segregate, earmark, or otherwise set aside any funds or other assets to provide for any payments to be made hereunder. Your rights under this Agreement shall be solely those of a general creditor of the Company. However, in the event of a Change of Control, the Company may deposit cash or property, or both, equal in value to all or a portion of the benefits anticipated to be payable hereunder into a trust, the assets of which are to be distributed at such times as are otherwise provided for in this Agreement and are subject to the rights of the general creditors of the Company.

7. Withholding of Taxes. The Company may withhold from any amounts payable under this Agreement all federal, state, city, or other taxes as legally shall be required.
8. Notice. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first page of this Agreement.
9. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and such officer as may be specifically designated by the Board. The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Michigan.
10. Employment Rights. This Agreement shall not confer upon you any right to continue in the employ of the Company or its subsidiaries and, except to the extent that benefits may become payable under Section 4, above, shall not in any way affect the right of the Company or its subsidiaries to dismiss or otherwise terminate your employment at any time and for any reason with or without cause.
11. No Vested Interest. Neither you nor your beneficiaries shall have any right, title or interest in any benefit under this Agreement prior to the occurrence of all of the events specified herein as necessary conditions to such right, title or interest.
12. Prior Agreements. This Agreement contains the understanding between the parties hereto with respect to severance benefits in connection with a Change of Control of the Company and supersedes any prior such agreement between the Company (or any predecessor of the Company) and you. If there is any discrepancy or conflict between this Agreement and any plan, policy and program of the Company regarding any term or condition of severance benefits in connection with a Change of Control of the Company, the language of this Agreement shall govern.

13. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.
14. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.
15. Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. However, you shall be entitled to seek in court specific performance of your right, pursuant to Section 3(f), above, to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement.

If this letter properly sets forth our agreement on the subject matter hereof, kindly date, sign and return to the Company the enclosed copy of this letter, which will then constitute our agreement on this subject.

Sincerely,

SPX CORPORATION

By _____
John B. Blystone
Chairman and Chief Executive Officer

Agreed to this _____ day of _____, 1999.

By _____
Individual

February 15, 1999

Mr. John B. Blystone
480 West Circle Drive
Muskegon, MI 49445

SPX Corporation (the "Company") recognizes that your contribution to its growth and success will be substantial and desires to assure your continued employment. In this regard, the Board of Directors of the Company (the "Board") recognizes that, as is the case with many publicly held corporations, the possibility of a Change of Control (as defined in Section 2, below) may exist and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders.

The Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including yourself, to their assigned duties without distraction, in the face of potentially disturbing circumstances arising from the possibility of a Change of Control.

Further, it is the intent of the Board in adopting this Agreement to assure the Company and its shareholders (i) of continuity of management in the event of any actual or threatened Change of Control and (ii) that key executive employees of the Company will be able to evaluate objectively whether a potential Change of Control is in the best interests of the shareholders.

In order to induce you to remain in the employ of the Company and to advance the interests of the Company and its shareholders by providing you with appropriate financial protection, the Board agrees that you shall receive the severance benefits set forth in this agreement ("Agreement") in the event that your employment is terminated due to a Change of Control.

1. Term of Agreement. This Agreement will become effective on the date hereof (the "Commencement Date") and shall continue in effect through the third anniversary of the Commencement Date (the "Date of Expiration"). However, on that initial Date of Expiration, and on each extended Date of Expiration thereafter, the term of this Agreement will be extended automatically for one additional year unless, not later than six (6) months prior to such Date of Expiration, the Company gives written notice to you that it has elected not to extend this Agreement. However, if a Change of Control occurs during the term of this Agreement, this Agreement will continue in effect for thirty-six (36) months beyond the end of the month in which the Change of Control occurred.
2. Change of Control of the Company. No benefits will be payable under the terms of this Agreement unless a Change of Control of the Company has occurred. A "Change of Control" shall be deemed to have occurred if:
 - (a) Any "Person" (as defined below), excluding for this purpose the Company or any subsidiary of the Company, any employee benefit plan of the Company or of any subsidiary of the Company, or any entity organized, appointed or established for or pursuant to the terms of any such plan which acquires beneficial ownership of common shares of the Company, is or becomes the "Beneficial Owner" (as defined below) of twenty percent (20%) or more of the common shares of the Company then outstanding; provided, however, that no Change of Control shall be deemed to have occurred as the result of an acquisition of common shares of the Company by the Company which, by reducing the number of shares outstanding, increases the proportionate beneficial ownership interest of any Person to twenty percent (20%) or more of the common shares of the Company then outstanding, but any subsequent increase in the beneficial ownership interest of such a Person in common shares of the Company shall be deemed a Change of Control; and provided further that if the Board of Directors of the Company determines in good faith that a Person who has become the Beneficial Owner of common shares of the Company representing twenty percent (20%) or more of the common shares of the Company then outstanding has inadvertently reached that level of ownership interest, and if such Person divests as promptly as practicable a sufficient number of shares of the Company so that the Person no longer has a beneficial ownership interest in twenty percent (20%) or more of the common shares of the Company then outstanding, then no Change of Control shall be deemed to have occurred. For purposes of this paragraph (a), the following terms shall have the meanings set forth below:

- (i) "Person" shall mean any individual, firm, limited liability company, corporation or other entity, and shall include any successor (by merger or otherwise) of any such entity.
- (ii) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act").
- (iii) A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "beneficially own" any securities:
 - (A) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly (determined as provided in Rule 13d-3 under the Exchange Act);
 - (B) which such Person or any of such Person's Affiliates or Associates has (1) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities), or upon the exercise of conversion rights, exchange rights, rights (other than rights under the Company's Rights Agreement dated June 25, 1996 with The Bank of New York, as amended), warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange; or (2) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security if the agreement, arrangement or understanding to vote such security (a) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (b) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

- (C) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities) for the purpose of acquiring, holding, voting (except to the extent contemplated by the proviso to subparagraph (a)(iii)(B)(2), above) or disposing of any securities of the Company.

Notwithstanding anything in this definition of Beneficial Ownership to the contrary, the phrase "then outstanding," when used with reference to a Person's beneficial ownership of securities of the Company, shall mean the number of such securities then issued and outstanding together with the number of such securities not then actually issued and outstanding which such Person would be deemed to own beneficially hereunder.

- (b) During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such two-year period constitute the Board of Directors of the Company and any new director or directors (except for any director designated by a person who has entered into an agreement with the Company to effect a transaction described in paragraph (a), above, or paragraph (c), below) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; or
- (c) Approval by the shareholders of (or if such approval is not required, the consummation of) (i) a plan of complete liquidation of the Company, (ii) an agreement for the sale or disposition of the Company or all or substantially all of the Company's assets, (iii) a plan of merger or consolidation of the Company with any other corporation, or (iv) a similar transaction or series of transactions involving the Company (any transaction described in parts (i) through (iv) of this paragraph (c) being referred to as a "Business Combination"), in each case unless after such a Business Combination the shareholders of the Company immediately prior to the Business Combination continue to own at least eighty percent (80%) of the voting securities of the new (or continued) entity immediately after such Business Combination, in substantially the same proportion as their ownership of the Company immediately prior to such Business Combination.

Any other provision of this Agreement to the contrary notwithstanding, a "Change of Control" shall not include any transaction described in paragraph (a) or (c), above, where, in connection with such transaction, you and/or any party acting in concert with you substantially increase your, his or its, as the case may be, ownership interest in the Company or a successor to the Company (other than through conversion of prior ownership interests in the Company and/or through equity awards received entirely as compensation for past or future personal services).

3. Definitions. The following definitions shall be used in determining whether, under the terms of Section 4 hereof, you are entitled to receive Accrued Benefits and/or Severance Benefits:

- (a) Disability. "Disability" shall mean that, as a result of your incapacity due to physical or mental injury or illness, you shall have been absent from the full-time performance of your duties with the Company for at least six (6) consecutive months and, within thirty (30) calendar days after written notice of suspension is given, you shall not have returned to the full-time performance of your duties.
- (b) Retirement. "Retirement" shall mean your voluntary termination of your employment (other than for Good Reason, as defined below) at a time after you have reached age sixty-five (65).
- (c) Cause. "Cause" shall mean (i) your willful and continued failure to substantially perform your duties with the Company (other than any such failure resulting from Disability or occurring after issuance by you of a Notice of Termination for Good Reason), after a demand for substantial performance is delivered to you that specifically identifies the manner in which the Company believes that you have not substantially performed your duties, and after you have failed to resume substantial performance of your duties on a continuous basis within fourteen (14) calendar days after receiving such demand, (ii) you willfully engaging in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise, or (iii) your having been convicted of a felony which impairs your ability substantially to perform your duties with the Company. For purposes of this paragraph (c), no act, or failure to act, on your part shall be deemed "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that your action or omission was in the best interest of the Company.
- (d) Good Reason. You shall be entitled to terminate your employment for Good Reason. For purpose of this Agreement, "Good Reason" shall mean, without your express written consent, the occurrence within three (3) years following a Change of Control of the Company of any one or more of the following:

- (i) The assignment to you of duties inconsistent with your duties, responsibilities, and the status of your position as of the day prior to the Change of Control of the Company, or a reduction or alteration in the nature or status of your responsibilities from those in effect on the day prior to the Change of Control;
- (ii) A reduction by the Company in your base salary or in your most recent annual target incentive award opportunity as in effect on the date hereof or as the same shall be increased from time to time;
- (iii) The Company's requiring you to be based at a location in excess of two hundred and fifty (250) miles from the location where you are currently based;
- (iv) The failure by the Company to continue in effect the Company's Pension Plan, Retirement Savings Plan, Supplemental Retirement Savings Plan, Supplemental Retirement Plan, Executive EVA Incentive Compensation Plan, Stock Compensation Plan, any plans substituted for the above adopted prior to the Change of Control, or any other of the Company's employee benefit plans, policies, practices or arrangements in which you participate, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) to provide similar benefits has been made with respect to such plan(s); or the failure by the Company to continue your participation therein (or in such substitute or alternative plan) on substantially the same basis, both in terms of the amount of benefits provided and the level of your participation relative to other participants, as existed as of the time of the Change of Control;
- (v) The failure of the Company to reinstate your employment in full (in the same capacity that you were employed, or in a mutually agreeable capacity) in the event that your employment was suspended due to a Disability and, within three years, you request to be reinstated and are ready, willing, and able to adequately perform your employment duties;
- (vi) The termination, replacement, or reassignment of twenty-five percent (25%) or more of the elected officers of the Company existing as of the day prior to a Change of Control, unless the officer is terminated due to death, Disability, or Retirement, or by the Company for Cause, or by the officer other than for Good Reason (all as herein defined);
- (vii) The failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement, as contemplated in Section 5 hereof; and

(viii) Any purported termination by the Company of your employment that is not effected pursuant to a Notice of Termination satisfying the requirements of paragraph (f), below, and for purposes of this Agreement, no such purported termination shall be effective.

(ix) At any time during the one (1)-year period beginning thirty (30) days following a Change of Control, you shall be entitled to terminate your employment for any reason, and such termination shall be deemed to be for Good Reason for all purposes of this Agreement.

Your right to terminate your employment pursuant to this paragraph (d) shall not be affected by your suspension due to Disability. Your continued employment shall not constitute a waiver of your rights with respect to any circumstance constituting Good Reason hereunder.

(e) Notice of Termination. Any termination by the Company for Cause or by you for Good Reason shall be communicated by Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provisions so indicated.

(f) Date of Termination. "Date of Termination" shall mean the date specified in the Notice of Termination where required (but not less than thirty (30) calendar days following delivery of the Notice of Termination, except that termination for Cause may be effective immediately) or in any other case upon ceasing to perform services to the Company; provided that if within twenty (20) calendar days after any Notice of Termination one party notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be the date finally determined to be the Date of Termination, either by written agreement of the parties or by a binding and final arbitration decision. In the event that a dispute exists concerning the Date of Termination, you shall continue to receive your full compensation (including participation in all benefit and insurance plans in which you were participating) in effect when the notice giving rise to the dispute was given, until the Date of Termination is finally determined. In such event, you will be required to reimburse the Company for all compensation received beyond the finally determined Date of Termination either by direct cash reimbursement within thirty (30) calendar days of resolving the conflict or by appropriately reducing your remaining benefits to be received under the terms of this Agreement.

(g) Earned Bonus Amount. For any year for which the Executive EVA Incentive Compensation Plan (the "EVA Plan") is in effect prior to the year during which a Change of Control occurs, your "Earned Bonus Amount" means your Declared Bonus for that year (as determined under the EVA Plan) multiplied by a fraction the numerator of which is your Bonus Award Earned for that year (as determined under the EVA Plan) and the denominator of which is your Available Bonus for that year (as determined under the EVA Plan). For the year during which a Change of Control occurs and any subsequent year, your "Earned Bonus Amount" means your Declared Bonus for that year (as determined under the EVA Plan).

4. Compensation Upon Termination Following a Change of Control

(a) Accrued Benefits. In the event that your employment is terminated for any reason during the term of this Agreement, following a Change of Control of the Company (as defined in Section 2 herein), you shall receive your Accrued Benefits through the Date of Termination. For purposes of this Agreement, your "Accrued Benefits" shall include the following:

(i) All base salary for the time period ending with your Date of Termination, at the rate in effect at the time Notice of Termination is given or on the Date of Termination if no Notice of Termination is required;

(ii) A bonus payment equal to one hundred percent (100%) of the greater of (A) your target bonus for the year in which the Date of Termination occurs, prorated based upon the ratio of the number of months (full credit for a partial month) you were employed during that bonus year to the total months in that bonus year, and (B) your Earned Bonus Amount for the year in which the Date of Termination occurs, calculated as if the Date of Termination were the end of that year for purposes of the EVA Plan;

(iii) A cash equivalent of all unused vacation to which you were entitled through your Date of Termination;

(iv) Reimbursement for any and all monies advanced in connection with your employment for reasonable and necessary expenses incurred by you on behalf of the Company for the time period ending with your Date of Termination;

(v) Any and all other cash earned through the Date of Termination and deferred at your election or pursuant to any deferred compensation plan then in effect;

(vi) Credited service in the Company's Pension Plan (or its successor) through the Date of Termination for purposes of computing your accrued pension benefit;

(vii) All other amounts to which you are entitled under any compensation or benefit plan, program, practice or policy of the Company in effect as of the Date of Termination; and

(viii) The payments provided for in paragraphs (i), (ii), (iii), (iv) and (v), above, shall be made not later than the tenth (10th) business day following the Date of Termination; provided, however, that if the amounts of such payments cannot be finally determined on or before such day, the Company shall pay to you on such day an estimate, as determined in good faith by the Company, of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in Section 1274(b)(2)(B) of the Internal Revenue Code of 1986, as amended (the "Code")) as soon as the amount thereof can be determined but in no event later than the thirtieth (30th) calendar day after the Date of Termination. In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to you payable on the tenth (10th) business day after demand by the Company (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code).

- (b) Severance Benefits. In the event that your employment is terminated during the term of this Agreement following a Change of Control of the Company (as described in Section 2 herein), unless your termination is (i) because of your death, Disability, or Retirement; (ii) by the Company for Cause; or (iii) by you other than for Good Reason, you shall receive, in addition to your Accrued Benefits, the Severance Benefits. For purposes of this Agreement, your "Severance Benefits" shall include the following:
- (i) Your annual base salary at the rate in effect immediately prior to the Change of Control of the Company or, if greater, at the rate in effect at the time Notice of Termination is given, or on the Date of Termination if no Notice of Termination is required, multiplied by three (3);
 - (ii) (A) The full amount of your individual Bonus Bank balance under the EVA Plan (or any successor plan) and (B) an amount equal to three (3) times the greatest of (I) the highest of your Earned Bonus Amounts for the three (3) years immediately preceding the year in which the Date of Termination occurs (the "Year of Termination") or (II) your target bonus under the EVA Plan (or any successor plan) for the Year of Termination or (III) your Earned Bonus Amount for the Year of Termination, calculated as if the Date of Termination were the end of that year for purposes of the EVA Plan;
 - (iii) For a three (3)-year period after your Date of Termination, the Company will arrange to provide to you the same health care coverage you had prior to your termination, at the Company's expense, which includes, but is not limited to, hospital, surgical, medical, dental, and dependent coverages. For purposes of the Retirement Plan health care coverage, you will receive the same number of additional years of credited service, for computing your benefit, as normally computed under the terms of the Plan. Health care benefits otherwise receivable by you pursuant to this subparagraph (iii) shall be reduced to the extent comparable benefits are actually received by you from a subsequent employer during the three (3)-year period following your Date of Termination, and any such benefits actually received by you shall be reported to the Company;
 - (iv) For a three (3)-year period after your Date of Termination, the Company will arrange to provide to you, at the Company's expense, life insurance coverage in the amount of two (2) times your base salary in effect at your Date of Termination and, at the end of the three (3)-year period, for the remainder of your life the Company will provide to you life insurance coverage in the amount of your base salary in effect at your Date of Termination;

- (v) Under the Company's Pension Plan and Supplemental Retirement Plan for Top Management, you will receive immediate full vesting as of your Date of Termination and receive three (3) additional full years of service credit for computing your accrued retirement benefit under both plans. Further, in computing the accrued retirement benefits under both plans, three (3) years will be added to your actual age, and the definition of "Final Average Pay" (base and bonus) shall be the greater of (A) your highest three (3)-year average or (B) the sum of your actual base salary in effect at your Date of Termination plus the greatest of the bonus amounts described in parts (B)(I), (II) and (III) of subparagraph (ii), above, with the additional benefits, to the extent not payable under the Pension Plan, to be paid through an additional unfunded arrangement at the same time and in the same manner as you have elected under the Pension Plan;
- (vi) Under the Company's Supplemental Retirement Savings Plan, you will receive a cash lump sum payment of the full balance (vested and unvested);
- (vii) Each stock option which you have been granted by the Company and which is not yet vested shall become immediately vested and exercisable and shall continue to be exercisable for the lesser of (A) two (2) years following your Date of Termination or (B) the time remaining until the originally designated expiration date, unless a longer exercise period is provided for in the applicable plan or award agreement;
- (viii) Any contractual restrictions placed on shares of restricted stock which you have been awarded pursuant to the Company's Stock Compensation Plan shall lapse as of your Date of Termination;

(ix) If any portion of the Severance Payments (in the aggregate, "Total Payments") will be subject to the golden parachute "Excise Tax" imposed by Section 4999 of the Code, the Company shall pay to you an additional amount (the "Gross-Up Payment") such that the net amount retained by you after deduction of any Excise Tax (including any related penalties and interest) on the Total Payments (but not any federal, state, or local income tax on the Total Payments), and any federal, state, and local income tax and Excise Tax (including any related penalties and interest) on the Gross-Up Payment, shall be equal to the Total Payments. The determination of whether any Excise Tax will be imposed and of the amount of the Gross-Up Payment will be made by tax counsel selected by the Company's independent auditors and acceptable to you. For purposes of determining whether any of the Total Payments will be subject to the Excise Tax and the amount of such Excise Tax, (A) any other payments or benefit received or to be received by you in connection with a Change of Control of the Company or your termination of employment (whether pursuant to the terms of this Agreement or any other plan, arrangement, or agreement with the Company) shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of Section 280G(b)(1) shall be treated as subject to the Excise Tax, unless in the opinion of such tax counsel such other payments or benefits (in whole or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4)(B) of the Code, and (B) the value of any noncash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. For purposes of determining the amount of the Gross-Up Payment, you shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation for the calendar year in which the Gross-Up Payment is made and state and local income taxes at the highest marginal rates of taxation in the state and locality of your residence (at the time at which the Gross-Up Payment is made) as effective for the calendar year in which the Gross-Up Payment is made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

The payments provided for in this subparagraph (ix) shall be made not later than thirty (30) calendar days following your Date of Termination; provided, however, that if the amounts of such payments cannot be finally determined on or before such day, the Company shall pay to you on such day an estimate, as determined in good faith by such tax counsel, of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code) as soon as the amount thereof can be determined but in no event later than sixty (60) calendar days after your Date of Termination. In the event that the amount of the estimated payment exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to you payable on the twentieth (20th) calendar day after demand by the Company (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code). Notwithstanding the foregoing, the sixty (60)-day period for deferment of the Gross-Up Payment shall not preempt or otherwise eliminate your right to receive any other payments to which you are entitled under this subparagraph or otherwise under the terms of this Agreement and to receive additional Gross-Up Payments based on such additional payments pursuant to this subparagraph;

- (x) To the full extent permitted by law, the Company shall indemnify you (including the advancement of expenses) for any judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, incurred by you in connection with the defense of any lawsuit or other claim to which you are made a party by reason of being or having been an officer, director or employee of the Company or any of its subsidiaries. In addition, you will be covered by director and officer liability insurance to the maximum extent that such insurance maintained by the Company from time to time covers any officer or director (or former officer or director) of the Company.
- (xi) You will be entitled to receive outplacement services, at the expense of the Company, from a provider reasonably selected by you.
- (xii) The Company also shall pay to you all legal fees and expenses incurred by you as a result of such termination of employment (including all such fees and expenses, if any, incurred in contesting or disputing any such termination or in seeking to obtain or enforce any right or benefit provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Code to any payment or benefit provided hereunder); and
- (xiii) The payments provided in paragraphs (i), (ii), (v) if a lump sum is elected, (vi) and (xii), above, shall be made not later than the tenth (10th) business day following the Date of Termination, provided, however, that if the amounts of such payments cannot be finally determined on or before such day, the Company shall pay to you on such day an estimate, as determined in good faith by the Company, of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code) as soon as the amount thereof can be determined but in no event later than the thirtieth (30th) day after the Date of Termination. In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to you payable on the tenth (10th) business day after demand by the Company (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code). As all of the payments referenced in the first sentence of this subparagraph (xiii) are included for purposes of determining the Gross-Up Payment, the thirty (30)-day period identified above shall not preempt or otherwise eliminate your right to receive any other payments to which you are entitled under the terms of this Agreement and to receive additional Gross-Up Payments based on such additional payments.

- (c) Any provision in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if your employment with the Company is terminated within six (6) months prior to the date on which the Change of Control occurs, and if you reasonably demonstrate that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect the Change of Control, (ii) otherwise arose in connection with or anticipation of the Change of Control, or (iii) would not have occurred or would be less likely to have occurred if the Change of Control were not anticipated, then for all purposes of this Agreement the termination of your employment shall be deemed to have occurred following the Change of Control.
- (d) You shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any payment provided for in this Section 4 be reduced by any compensation earned by you as the result of employment by another employer after your Date of Termination, or otherwise, with the exception of a reduction in your insurance benefits as provided in Section 4(b)(iii).

5. Successors; Binding Agreements.

- (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or of any division or subsidiary thereof employing you to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle you to compensation from the Company in the same amount and on the same terms to which you would be entitled hereunder if you terminated your employment for Good Reason following a Change of Control, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed your Date of Termination.
- (b) This Agreement shall inure to the benefit of and be enforceable by your personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If you should die while any amount would still be payable to you hereunder if you had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement, to your devisee, legatee or other designee or, if there is no such designee, to your estate.

6. No Funding of Benefits. Nothing herein contained shall require or be deemed to require the Company to segregate, earmark, or otherwise set aside any funds or other assets to provide for any payments to be made hereunder. Your rights under this Agreement shall be solely those of a general creditor of the Company. However, in the event of a Change of Control, the Company may deposit cash or property, or both, equal in value to all or a portion of the benefits anticipated to be payable hereunder into a trust, the assets of which are to be distributed at such times as are otherwise provided for in this Agreement and are subject to the rights of the general creditors of the Company.

7. Withholding of Taxes. The Company may withhold from any amounts payable under this Agreement all federal, state, city, or other taxes as legally shall be required.

8. Notice. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first page of this Agreement.

9. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and such officer as may be specifically designated by the Board. The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Michigan.

10. Employment Rights. This Agreement shall not confer upon you any right to continue in the employ of the Company or its subsidiaries and, except to the extent that benefits may become payable under Section 4, above, shall

not in any way affect the right of the Company or its subsidiaries to dismiss or otherwise terminate your employment at any time and for any reason with or without cause.

11. No Vested Interest. Neither you nor your beneficiaries shall have any right, title or interest in any benefit under this Agreement prior to the occurrence of all of the events specified herein as necessary conditions to such right, title or interest.
12. Prior Agreements. This Agreement contains the understanding between the parties hereto with respect to severance benefits in connection with a Change of Control of the Company and supersedes any prior such agreement between the Company (or any predecessor of the Company) and you, except that your Employment Agreement dated as of January 1, 1997, remains in full force and effect and is modified by this Agreement only in the respects and to the extent that this Agreement provides greater benefits or protection for you than does your Employment Agreement. If there is any discrepancy or conflict between this Agreement and any plan, policy and program of the Company (other than your Employment Agreement) regarding any term or condition of severance benefits in connection with a Change of Control of the Company, the language of this Agreement shall govern.
13. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.
14. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.
15. Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. However, you shall be entitled to seek in court specific performance of your right, pursuant to Section 3(f), above, to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement.

If this letter properly sets forth our agreement on the subject matter hereof, kindly date, sign and return to the Company the enclosed copy of this letter, which will then constitute our agreement on this subject.

Sincerely,

SPX CORPORATION

By /s/ Christopher J. Kearney
Christopher J. Kearney
Vice President, Secretary and
General Counsel

Agreed to this 15th day of February, 1999.

By /s/ John B. Blystone
John B. Blystone