

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 June 30, 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 July 30, 1999 -- 31,170,248

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

SPX CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(in millions)
(Unaudited)

	June 30, 1999	December 31, 1998
	-----	-----
ASSETS		
Current assets:		
Cash and equivalents	\$ 49.3	\$ 70.3
Accounts receivable	466.8	458.7
Inventories	289.2	282.1
Deferred income tax assets and refunds	87.1	124.1
Prepaid and other current assets	39.9	40.5
	-----	-----
Total current assets	932.3	975.7
Property, plant and equipment, at cost	828.2	791.1

Accumulated depreciation	(385.0)	(358.0)
	-----	-----
Net property, plant and equipment	443.2	433.1
Goodwill and intangible assets, net	1,187.5	1,219.5
Investment in EGS	81.3	81.5
Other assets	246.5	258.5
	-----	-----
Total assets	\$ 2,890.8	\$ 2,968.3

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Short-term borrowings and current maturities of long-term debt	\$ 142.4	\$ 49.1
Accounts payable	238.0	226.6
Accrued expenses	344.6	396.0
Income taxes payable	13.1	7.7
	-----	-----
Total current liabilities	738.1	679.4
Long-term liabilities	207.4	214.5
Deferred income taxes	231.0	217.4
Long-term debt	1,218.1	1,466.5
Shareholders' equity:		
Common stock	353.0	351.7
Paid-in capital	485.7	481.7
Retained deficit	(40.6)	(113.2)
Common stock in treasury	(259.0)	(286.4)
Unearned compensation	(25.0)	(32.2)
Accumulated other comprehensive income	(17.9)	(11.1)
Total shareholders' equity	496.2	390.5
	-----	-----
Total liabilities and shareholders' equity	\$ 2,890.8	\$ 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 June 30,		Six months Ended June 30,	
	1999	1998	1999	1998
	-----	-----	-----	-----
Revenues	\$ 671.4	\$ 401.7	\$1,318.3	\$ 776.1
Costs and expenses:				
Cost of products sold	446.5	257.0	879.4	505.8
Selling, general and administrative	125.3	96.1	258.1	187.6
Goodwill/intangible amortization	10.4	3.2	21.0	6.1
Special charges	5.5	-	20.1	-
	-----	-----	-----	-----
Operating income	\$ 83.7	\$ 45.4	\$ 139.7	\$ 76.6
Other income (expense), net	8.0	-	38.3	-
Equity in earnings of EGS	8.3	10.0	17.6	20.0
Interest expense, net	(30.0)	(5.4)	(62.1)	(8.6)
	-----	-----	-----	-----
Income before income taxes	\$ 70.0	\$ 50.0	\$ 133.5	\$ 88.0
Provision for income taxes	(28.4)	(19.2)	(61.0)	(33.8)
	-----	-----	-----	-----
Net income	\$ 41.6	\$ 30.8	\$ 72.5	\$ 54.2
Basic income per share	\$ 1.35	\$ 1.68	\$ 2.37	\$ 2.86
Weighted average number of basic common shares outstanding	30.702	18.344	30.588	18.950
Diluted income per share	\$ 1.34	\$ 1.67	\$ 2.35	\$ 2.84
Weighted average number of diluted common shares outstanding	31.083	18.488	30.895	19.082

The accompanying notes are an integral part of these statements.

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

	Six Months Ended June 30,	
	1999	1998
	-----	-----
Cash flows from operating activities:		
Net income	\$ 72.5	\$ 54.2
Adjustments to reconcile net income to net cash from operating activities -		
Special charges	20.1	-
Earnings of EGS, net of distributions	0.2	(20.0)
Gain on business divestitures	(29.0)	-
Deferred income taxes	18.8	12.9
Depreciation	31.2	23.2
Amortization of goodwill and intangibles	21.0	6.1
Pension credits	(12.2)	(9.0)
Other, net	8.1	(0.3)
Change in assets and liabilities, net of effect from acquisitions and divestitures:		
Accounts receivable	(16.8)	6.3
Inventories	(13.1)	(6.7)
Accounts payable	14.7	(14.3)
Accrued expenses	(53.1)	(4.9)
Other, net	22.8	(12.6)
	-----	-----
Net cash from operating activities	85.2	34.9
Cash flows from investing activities:		
Proceeds from business divestitures	64.2	-
Capital expenditures	(54.1)	(24.6)
Other, net	6.6	2.7
	-----	-----
Net cash from investing activities	16.7	(21.9)
Cash flows from financing activities:		
Net payments under revolving credit agreement	(10.0)	-
Net borrowings (payments) under other debt agreements	(145.1)	157.6
Purchases of common stock	-	(159.0)
Common stock issued under stock incentive programs	3.7	3.2
Treasury stock issued to defined benefit plans	28.5	-
Dividends paid	-	(25.3)
	-----	-----
Net cash from financing activities	(122.9)	(23.5)
	-----	-----
Net increase (decrease) in cash and equivalents	(21.0)	(10.5)
Cash and equivalents, beginning of period	70.3	50.0
	-----	-----
Cash and equivalents, end of period	\$ 49.3	\$ 39.5
	=====	=====

The accompanying notes are an integral part of these statements.

SPX CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
June 30, 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 June 30, 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 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 six months ended June 30, 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 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.

	Six months ended June 30,	
	1999	1998
		(Pro forma)
Revenues	\$ 1,318.3	\$ 1,238.2
Cost of sales	879.4	839.5
Selling, general and administrative	258.1	271.4
Goodwill/intangible amortization	21.0	20.7
Special charges and (gains)	20.1	(7.1)
Operating income	\$ 139.7	\$ 113.7
Other (expense) income, net	38.3	1.5
Equity in earnings of EGS	17.6	20.0
Interest expense, net	(62.1)	(57.8)
Income taxes`	(61.0)	(30.8)
Net income	\$ 72.5	\$ 46.6
Diluted income per share	\$ 2.35	\$ 1.48
Weighted average number of shares	30.895	31.423

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 June 30,		Six months ended June 30,	
	1999	1998	1999	1998
Revenues:				
Industrial Products and Services	\$ 207.3	\$ 190.5	\$ 413.1	\$ 371.7
Technical Products and Systems	188.5	179.9	377.7	340.2
Service Solutions (1)	170.3	-	319.9	-
Vehicle Components (1)	105.3	31.3	207.6	64.2
	-----	-----	-----	-----
	\$ 671.4	\$ 401.7	\$1,318.3	\$ 776.1
	=====	=====	=====	=====
Operating income:				
Industrial Products and Services	\$ 35.2	\$ 31.5	\$ 70.3	\$ 54.6
Technical Products and Systems	32.2	16.0	47.8	27.1
Service Solutions	15.0	-	28.2	-
Vehicle Components	14.9	6.7	29.7	13.5
General Corporate (2)	(13.6)	(8.8)	(35.8)	(18.6)
	-----	-----	-----	-----
	\$ 83.7	\$ 45.4	\$ 139.7	\$ 76.6
	=====	=====	=====	=====

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

(2) Includes special charges of \$5.5 for the three months ended June 30, 1999 and \$20.1 for the six months ended June 30, 1999 related primarily to closing costs for two manufacturing facilities and termination benefits for approximately 350 employees.

- 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. Additionally, a \$7.6 gain was recorded in the second quarter of 1999 on the sale of marketable securities obtained in connection with a recent technology acquisition.
- In the second quarter 1999, the company recorded special charges of \$5.5 which included termination benefits (\$2.2) for approximately 100 employees, closing costs for a manufacturing facility (\$0.3 for rental and other holding costs) and other costs associated with the company's overall restructuring initiative (\$3.0). In the first six months of 1999, the company recorded special charges of \$20.1. The first six months charges included termination benefits (\$8.5) for approximately 350 employees, closing costs for two manufacturing facilities (\$1.0 for rental and other holding costs), other costs associated with the company's overall restructuring initiative (\$3.5) and other non-cash asset writedowns (\$7.1). As of June 30, 1999, approximately 130 of these employee terminations had been completed. The facilities are expected to close and the balance of the employee terminations will be completed 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 750 of which were terminated by June 30, 1999 with the remaining expected to be terminated by the end of the third quarter) and \$8.1 for facility closing costs. Fifteen of the facilities were closed as of June 30, 1999 and the balance are expected to close by the end of the third 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	20.1
Charges against reserves	(34.0)(1)

Balance as of June 30, 1999	\$ 26.0

(1) Includes severance related payments of \$16.9, facility costs of \$5.0 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 six months of 1998, 1.469 shares were repurchased under the program for \$159.0. 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		Six months ended	
	June 30,		June 30,	
	1999	1998	1999	1998
	-----	-----	-----	-----
Net income	\$ 41.6	\$ 30.8	\$ 72.5	\$ 54.2
Foreign currency translation adjustments	(1.5)	(3.7)	(6.8)	(2.7)
	-----	-----	-----	-----
Comprehensive income	\$ 40.1	\$ 27.1	\$ 65.7	\$ 51.5
	=====	=====	=====	=====

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

	June 30,	December 31,
	1999	1998
	-----	-----
Foreign currency translation adjustments	\$ 15.5	\$ 8.7
Minimum pension liability adjustment, net of tax of \$1.5 in 1999 and 1998	2.4	2.4
	-----	-----
Accumulated other comprehensive income	\$ 17.9	\$ 11.1
	=====	=====

8. In the first quarter of 1999, the company issued 0.439 shares of treasury stock at market value 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:

	June 30, 1999	December 31, 1998
Finished goods	\$ 127.5	\$ 115.5
Work in process	61.8	66.2
Raw material and purchased parts	112.3	112.1
Total FIFO cost	301.6	293.8
Excess of FIFO cost over LIFO inventory value	(12.4)	(11.7)
	\$ 289.2	\$ 282.1

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

	Three months ended June 30,	
	1999	1998
Numerator:		
Net Income	\$ 41.6	\$ 30.8
Denominator (shares in millions):		
Weighted-average shares outstanding	30.702	18.344
Effect of dilutive securities:		
Employee stock options	0.381	0.096
Restricted stock compensation	-	0.048
Adjusted weighted-average shares and assumed conversions	31.083	18.488
	Six months ended June 30,	
	1999	1998
Numerator:		
Net Income	\$ 72.5	\$ 54.2
Denominator (shares in millions):		
Weighted-average shares outstanding	30.588	18.950
Effect of dilutive securities:		
Employee stock options	0.307	0.087
Restricted stock compensation	-	0.045
Adjusted weighted-average shares and assumed conversions	30.895	19.082

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 were as follows:

	Three months ended March 31,		Six months ended March 31,	
	1999	1998	1999	1998
Net sales	\$ 112.8	\$ 136.6	\$ 229.4	\$ 272.1
Gross margin	45.5	52.9	93.8	105.7
Pre-tax income	16.5	20.7	35.7	41.6

EGS' pre-tax income for the quarter ended June 30, 1999 was not materially different than the pre-tax income earned the previous quarter.

The company's equity in earnings of EGS was \$8.3 and \$10.0 for the quarters ended June 30, 1999 and 1998, respectively and \$17.6 and \$20.0 for the six months ended June 30, 1999 and 1998, respectively. The company's recorded investment in EGS at June 30, 1999 was approximately \$117.0 less than its ownership of EGS's net assets at March 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 March 31, 1999 and September 30, 1998 was as follows:

	March 31, 1998 ----- (unaudited)	September 30, 1998 -----
Current assets	\$167.3	\$200.4
Noncurrent assets	327.7	364.0
Current liabilities	60.8	72.7
Noncurrent liabilities	33.7	34.3

12. Effective July 30, 1999, the company sold the assets of its Acutex division to Hilite Industries for \$27.0 in cash. The operation manufactures solenoid valves primarily for the vehicle industry and had annual sales of approximately \$45.0. The transaction will be recorded in the third quarter of 1999 and company expects that no material gain or loss will be incurred on the transaction. Additionally, the transaction includes an earnout provision that, subject to the performance of the operation over the balance of 1999, could generate up to \$6.0 of additional proceeds. Such proceeds will be recorded in future quarters only if realized. The results of this operation were not material to the consolidated financial statements of the company. Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition (dollars in millions)

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 six months 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

Consolidated:

	Three months Ended June 30, Pro forma			Six months Ended June 30, Pro forma		
	1999	1998	1998	1999	1998	1998
Revenues	\$671.4	\$401.7	\$633.4	\$1,318.3	\$ 776.1	\$1,238.2
Gross margin	224.9	144.7	210.5	438.9	270.3	398.7
%of revenues	33.5%	36.0%	33.2%	33.3%	34.8%	32.2%
Selling, general and admin expense	125.3	96.1	137.6	258.1	187.6	271.4
%of revenues	18.9%	23.9%	21.7%	19.6%	24.2%	21.9%
Goodwill/intangible amortization	10.4	3.2	10.5	21.0	6.1	20.7
Special charges(gains)	5.5	-	5.7	20.1	-	(7.1)
Operating income	\$ 83.7	\$ 45.4	\$ 56.7	\$ 139.7	\$ 76.6	113.7
Other (expense)income, net	8.0	-	0.8	38.3	-	1.5
Equity in earnings of EGS	8.3	10.0	10.0	17.6	20.0	20.0
Interest expense, net	(30.0)	(5.4)	(30.0)	(62.1)	(8.6)	(57.8)
Income before income taxes	\$ 70.0	\$ 50.0	\$ 37.5	\$ 133.5	\$ 88.0	\$ 77.4
Provision for income taxes	(28.4)	(19.2)	(15.1)	(61.0)	(33.8)	(30.8)
Net income	\$ 41.6	\$ 30.8	\$ 22.4	\$ 72.5	\$ 54.2	\$ 46.6
Capital expenditure	\$ 27.9	\$ 14.4	\$ 20.6	\$ 54.1	\$ 24.6	\$ 39.2
Depreciation and amortization	25.7	14.1	26.7	52.2	29.3	54.2

Second Quarter 1999 vs. Second Quarter 1998

Revenues - 1999 revenues increased \$269.7, or 67.1%, from actual 1998, primarily due to the Merger. 1999 revenues increased 6.0% over pro forma 1998 driven by strength in sales of products in the Technical Products and Systems, Service Solutions, and Vehicle Component segments.

Gross Margin - In 1999, gross margin increased to 33.5% from pro forma gross margin of 33.2% in 1998. The 1999 gross margin increase was primarily driven by the benefits of the restructuring actions underway throughout the business.

During the second quarter, the Company completed the closure of 4 of the 20 manufacturing, sales and administrative facilities that were identified to be closed in the fourth quarter of 1998 and in the first six months of 1999 bringing the total facilities closed to 15 as of June 30, 1999. During the second quarter, approximately 440 headcount reductions were completed bringing the total to approximately 1,205 reductions during the first six months out of the 1,475 headcount reductions identified in the fourth quarter 1998 and in the first six months of 1999. 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 \$125.3 primarily as a result of the Merger. SG&A as a percentage of revenues decreased from 21.7% in pro forma 1998 to 18.9% in 1999. The decrease was a result of increased revenues and lower pro forma expenses due to 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 second quarter 1999, the company recorded special charges of \$5.5. The second quarter charges included termination benefits (\$2.2) for approximately 100 employees, closing costs for a manufacturing facility (\$0.3 for rental and other holding costs) and other costs associated with the company's overall restructuring initiative (\$3.0). The facility is expected to close and the employee termination will be complete by the end of the third quarter of 1999.

In the second quarter pro forma 1998, SPX recognized a \$5.7 charge related to an acquisition offer for Echlin Inc.

Other expense (income), net - 1999 primarily includes a \$7.6 gain on the sale of marketable securities obtained in connection with a recent technology acquisition.

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 second quarter effective income tax rate was 40.5%, which represents the company's anticipated effective tax rate for 1999.

Six Months 1999 vs. Six Months 1998

Revenues - 1999 revenues increased \$542.2, or 69.9%, from actual 1998, primarily due to the Merger. 1999 revenues increased 6.5% over pro forma 1998 driven primarily by strength in sales of products in the Technical Products and Systems segment.

Gross Margin - In 1999, gross margin increased to 33.3% from pro forma gross margin of 32.2% in 1998. The 1999 gross margin increase was primarily driven by the benefits of the restructuring actions underway throughout the business.

During the first six months, the company completed the closure of 15 of the 20 manufacturing, sales and administrative facilities that were identified to be closed in the fourth quarter of 1998 and in the first six months of 1999. Approximately 1,205 of the 1,475 headcount reductions identified in the fourth quarter 1998 and in the first six months of 1999 were completed. 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 \$258.1 primarily as a result of the Merger. SG&A as a percentage of revenues decreased from 21.9% in pro forma 1998 to 19.6% in 1999. The decrease was a result of increased revenues and lower pro forma expenses due to 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 six months of 1999, the company recorded special charges of \$20.1. The charges included termination benefits (\$8.5) for approximately 350 employees, closing costs for two manufacturing facilities (\$1.0 for rental and other holding costs), other costs associated with the company's overall restructuring initiative (\$3.5) and other non-cash asset writedowns (\$7.1). The facilities are expected to close and the employee termination will be complete by the end of the third quarter of 1999.

Special charges for the remaining quarters of 1999 could range from \$15.0 to \$25.0, and would be recognized in the period in which management approves and commits the company to further restructuring actions or when incremental costs associated with restructuring actions that did not qualify to be accrued previously are incurred.

In the first six months pro forma 1998, SPX recognized a net \$7.1 gain on the sale of 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 and a \$7.6 gain on the sale of marketable securities obtained in connection with a recent technology acquisition.

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 was 45.7% 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 six months 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 ending December 31, 1999, the company anticipates capital expenditures will be approximately \$100.0 to \$110.0.

Segment Review

	Three months Ended June 30,			Six months Ended June 30,		
	1999	1998	Pro forma 1998	1999	1998	Pro forma 1998
Revenues:						
Industrial Products and Services	\$207.5	\$190.5	\$208.6	\$ 413.1	\$ 371.7	\$ 406.5
Technical Products and Systems	188.5	179.9	179.9	377.7	340.2	340.2
Service Solutions	170.3	-	152.8	319.9	-	298.5
Vehicle Components	105.3	31.3	92.1	207.6	64.2	193.0
Total	\$671.4	\$401.7	\$633.4	\$1,318.3	\$ 776.1	\$1,238.2
Operating Income:						
Industrial Products and Services	\$ 35.2	\$ 31.5	\$ 34.9	\$ 70.3	\$ 54.6	\$ 60.8
Technical Products and Systems	32.2	16.0	16.0	47.8	27.1	27.1
Service Solutions	15.0	-	12.6	28.2	-	20.9
Vehicle Components	14.9	6.7	12.8	29.2	13.5	26.7
General Corporate Expenses	(13.6)	(8.8)	(19.6)	(35.8)	(18.6)	(21.8)
Total	\$ 83.7	\$ 45.4	\$ 56.7	\$ 139.7	\$ 76.6	\$ 113.7

Second Quarter 1999 vs Second Quarter 1998

Industrial Products and Services

Revenues for 1999 decreased \$1.3, or 0.6%, from pro forma 1998. The decrease from pro forma 1998 was driven by revenue improvements in transformers, motors and lab equipment, offset by lower sales of industrial valves and high-pressure hydraulic equipment. Additionally, 1999 revenues were down due to the closure of certain operations identified in the fourth quarter 1998 restructuring plan.

Operating Margins increased from 16.7% in pro forma 1998 to 17.0% in 1999 due to the restructuring actions initiated in late 1998.

Technical Products and Systems

Revenues for 1999 were up \$8.6, or 4.8%, over 1998 primarily as a result of strength in sales of building life safety systems, digital TV transmission systems and fare collection systems.

Operating Income in 1999 of \$32.2 was impacted primarily by the increased revenues and cost savings realized from restructuring actions initiated in late 1998.

Service Solutions

Revenues increased \$17.4, or 11.4%, 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 up modestly for the quarter.

Operating Margins improved from 8.2% 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 \$13.2 from pro forma 1998 revenues. The increase was driven by increased sales to European manufacturers and the impact of the General Motors strike in 1998.

Operating Margins in 1999 increased from 13.9% in pro forma 1998 to 14.2% 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 \$5.5 of special charges. The second quarter charges primarily included closing costs for a manufacturing facility and termination benefits for approximately 100 employees. Excluding the \$5.5 of special charges, general corporate expenses decreased \$0.7, or 8.0% from actual 1998 to 1999 as a result of benefits from restructuring actions initiated in late 1998.

Six Months 1999 vs Six Months 1998

Industrial Products and Services

Revenues for 1999 increased \$6.6, or 1.6%, over pro forma 1998. The increase over pro forma 1998 was driven by strength in sales of transformers, 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 15.0% in pro forma 1998 to 17.0% 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 \$37.5, or 11.0%, 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 \$47.8 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 \$21.4, or 7.2%, 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 first six months.

Growth in this segment is primarily program driven. Revenue growth of approximately 10% is anticipated for 1999.

Operating Margins improved from 7.0% 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 \$14.6 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. However, the divestiture of the solenoid valve operation in late July with annual sales of approximately \$45 million will offset the revenue growth during the last half of 1999.

Operating Margins in 1999 increased from 13.8% in pro forma 1998 to 14.1% 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 \$20.1 of special charges. The first six months charges primarily included closing costs for two manufacturing facilities and termination benefits for approximately 350 employees. Excluding the \$20.1 of special charges, general corporate expenses decreased \$2.9, or 15.6% 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	Six months ended June 30,	
	1999	1998
	-----	-----
Cash flow from:		
Operating activities.....	\$ 85.2	\$ 34.9
Investing activities.....	16.7	(21.9)
Financing activities.....	(122.9)	(23.5)
	-----	-----
Net Cash Flow.....	\$ (21.0)	\$ (10.5)

Operating Activities - The principal elements that contributed to the \$50.3 increase in first six months 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 six months 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 \$54.1 in capital expenditures. Capital expenditures for 1999 should approximate \$100 to \$110. Cash flow from investing activities during the first six months of 1998 primarily reflected \$24.6 of capital expenditures.

Financing Activities - First six months 1999 cash flow from financing activities consisted primarily of net debt repayments of \$155.1 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 six months of 1998 includes \$157.6 in net debt borrowings, \$159.0 in repurchases of common stock and \$25.3 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 June 30, 1999:

	Total Commitment	Amount Outstanding	Unused Credit Availability
Revolving loan	\$ 250.0	\$ 25.0	\$ 191.7 (1)
Tranche A loan	581.3	581.3	-
Tranche B loan	595.5	595.5	-
Interim loan	75.0	75.0	-
Medium term notes	50.0	50.0	-
Industrial revenue bonds	16.1	16.1	-
Other borrowings	17.6	17.6	-
Total	\$ 1,585.5	\$ 1,360.5	\$ 191.7

(1) Decreased by \$33.3 of facility letters of credit outstanding at June 30, 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 June 30, 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 \$75.0 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. The \$27.0 proceeds from the divestiture of the Acutex division received in July 1999 were used to pay down the Interim loan.

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 and testing stage of its year 2000 plan and has substantially completed the correction of most of its critical systems. The target completion date of certain other critical systems is September 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 has implemented such a new system across many 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 is developing contingency plans to mitigate the risks associated with the year 2000 problem and expects to complete these plans by September 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 \$1,187.5 and shareholders' equity of \$496.2 at June 30, 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") 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, as amended, will become effective January 2001, 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

The company held the Annual Meeting of Shareholders on April 28, 1999 at which shareholders elected two directors to three year terms expiring in 2002 and approved the amendment and restatement of the 1992 Stock Compensation Plan to increase the number of shares reserved for issuance under the Plan from 3,000,000 to 5,000,000.

The results of the voting in connection with the above items were as follows:

Voting on:	For -----	Withheld/Against -----	Abstain -----
Directors	27,152,589	84,905	133,974
Amendment and restatement of shares reserved for issuance under the Plan	20,124,862	7,074,864	171,742

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

(2) None.

(4) None.

(10) None.

(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: August 12, 1999

By /s/ John B. Blystone
John B. Blystone
Chairman, President and
Chief Executive Officer

Date: August 12, 1999

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

6-MOS	DEC-31-1999	
	JUN-30-1999	
		49,300
		0
		489,700
		(22,900)
		289,200
		932,300
		828,200
		(385,000)
		2,890,800
	738,100	
		0
	0	
		0
		353,000
		143,200
2,890,800		
		1,318,300
	1,318,300	
		879,400
		1,178,600
		(38,300)
		0
		62,100
		133,500
		61,000
	72,500	
		0
		0
		0
		72,500
		2.37
		2.35