UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

OR

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 1-12981

AMETEK, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	14-1682544
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)
37 NORTH VALLEY ROAD, PAOLI, PA	19301
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

(610) 647-2121
REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE:

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
COMMON STOCK, $.01 PAR VALUE (VOTING)	NEW YORK STOCK EXCHANGE, PACIFIC EXCHANGE, INC.
7.20% SENIOR NOTES DUE 2008	NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE
(TITLE OF EACH CLASS)

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 []

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO THE BEST OF REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY AMENDMENT TO THIS FORM 10-K. [X]

The aggregate market value of the voting stock held by non-affiliates of the registrant as of February 28, 2001, was $872,680,247.

The number of shares of common stock outstanding as of February 28, 2001, was 32,783,926.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates information by reference from the Proxy Statement for the Annual Meeting of Stockholders on May 22, 2001.

AMETEK, INC.

2000 FORM 10-K ANNUAL REPORT
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PART I

ITEM 1. BUSINESS

GENERAL DEVELOPMENT OF BUSINESS

AMETEK, Inc. ("AMETEK" or the "Company") was incorporated in Delaware in 1986 and is the successor to AMETEK, Inc., which was originally incorporated in Delaware in 1930 under the name of American Machine and Metals, Inc. The Company maintains its principal executive offices in suburban Philadelphia at 37 North Valley Road, Paoli, PA 19301. AMETEK is a leading global manufacturer of electronic instruments and electric motors with operations in North America, Europe, Asia and South America. The Company is listed on the New York Stock Exchange (symbol: AME). AMETEK is a component of the S&P MidCap 400 and the Russell 2000 indices. For the year ended December 31, 2000, the Company achieved $1 billion in sales for the first time. Approximately one-third of 2000 sales were to international markets.

PRODUCTS AND SERVICES

The Company markets its products worldwide through two operating groups, the Electronic Instruments Group ("EIG") and the Electromechanical Group ("EMG"). EIG builds technologically advanced monitoring, testing, and calibration instruments, and display devices for the aerospace, power generation, process and industrial markets. The Company believes that EMG is the world's largest manufacturer of air-moving electric motors for vacuum cleaners and other floor-care products, and is a preeminent producer of brushless air-moving motors for aerospace, mass-transit, medical and computer markets. EMG also produces specialty metals for the electronics, telecommunications, consumer, automotive and other markets. The Company's recently expanded product offering includes switches for telecommunications, and it continues to grow through acquisitions focused on niche markets in instrumentation, technical motors and specialty metals.

COMPETITIVE STRENGTHS

Management believes that the Company has several significant competitive advantages, which assist it in sustaining and enhancing its market positions. The Company's principal strengths include:

Significant Market Share. The Company maintains significant market shares in many of its targeted niche markets, because of its ability to produce and deliver high quality products at a low cost. In the EIG segment, the Company maintains significant positions in many of its niche market segments within the aerospace, power instrument, process, and industrial instrumentation markets. In the EMG segment, the Company is the largest manufacturer of air-moving electric motors for the global floor-care market. Management believes that the Company's significant market share, along with its newest and expanded motor plants, combining advanced technology and lower cost, play key roles in expanding its electromechanical product lines and providing new market opportunities.

Technological and Development Capabilities. AMETEK believes it has certain technological advantages over its competitors, that allow it to maintain leading market positions by developing innovative products. The Company has historically grown its business by extending its technical expertise into the manufacture of customized products for its customers, and through acquisitions. EIG competes in specialized instrumentation markets, including process measurement, heavy-vehicle dashboard and aerospace instruments, primarily on the basis of product innovation. An example of this innovation has been demonstrated with the Company's leverage of its core competency in jet engine temperature sensors to design a flame-sensor system for a broad range of industrial and utility applications including land-based gas turbines. The Company has an established reputation for technological innovation, service and reliability, which has led to successful strategic alliances. EMG focuses on enhancing motor-blower cost-performance through advances in power, efficiency, weight and quieter operation. The Company believes that EMG's technical leadership has helped to create a broad range of product features that have opened new markets, such as outdoor power equipment.

Efficient and Low-Cost Manufacturing Operations. The Company's competitive cost position is a significant advantage in growing its businesses and its overall global market share. The Company has established motor plants in China, the Czech Republic, Mexico and Brazil to lower manufacturing costs and achieve strategic proximity to customers, enhancing its ability to increase international sales and market share. Additionally, several electronics instruments businesses are also locating a portion of their manufacturing operations in low cost locales. Furthermore, strategic acquisitions, joint ventures and alliances in Europe, North America and Asia have resulted in additional synergies and cost savings through the consolidation of operations, new product lines and distribution channels, and low-cost manufacturing operations benefiting both operating groups.

Experienced Management Team. Another important component of the Company's recent success has been the continued strength of its management team and its commitment to the performance of the Company. In November 2000, the Board of Directors of the Company announced its President and Chief Executive Officer had been elected as Chairman of the Board of Directors. The election completes the Company's executive management transition, which commenced in 1996. Over the past several years, the Company has made considerable advances in its operational excellence initiatives, including self-directed work teams and expanded colleague participation. AMETEK's senior management has extensive experience in its businesses and is financially committed to the Company's success through Company stock ownership guidelines.

BUSINESS STRATEGY

AMETEK's objectives are to increase the Company's earnings growth and financial returns through a combination of operating and financial strategies. Operational strategies include business acquisitions and cost reduction programs designed to achieve double-digit annual percentage growth in earnings per share and a superior return on total capital. Financial strategies have included public debt issuance, bank debt refinancing, local source financing in certain foreign countries, accounts receivable securitization and share repurchases. AMETEK's strong commitment to continuing earnings growth led the Company to accelerate the implementation of certain cost reduction programs at the end of 1998 and again in the fourth quarter of 2000 to achieve its best-cost objectives.

The Company's long-term growth strategy consists of the following four elements:

Strategic Acquisitions and Alliances. In 2000, acquisitions played an important role in driving the growth of the Company. AMETEK completed two strategic acquisitions in 2000. These businesses, with combined annualized sales of $104 million, extended AMETEK's technology base, market channels and product offerings. In the past two years, the Company has completed six acquisitions with $225 million in annualized sales. Those acquisitions have enhanced AMETEK's position in aerospace and process instruments, electromechanical products, electric power generation instruments and food service controls. Through these and prior acquisitions, the Company's management team has gained considerable experience in successfully acquiring and integrating businesses. The Company intends to continue to pursue strategic acquisitions, both domestically and internationally, to expand and strengthen its product lines, improve its market share positions and increase earnings through sales growth (see Recent Acquisitions).

Global and Market Expansion. AMETEK's largest international presence is in Europe where it holds a leading market position in floorcare motors. The Company's operations in Denmark, Italy, Germany, the Czech Republic and the United Kingdom provide design and engineering capability, product line breadth, enhanced European distribution channels, and lower cost production in Europe. Growth in Mexico, Asia, and South America has resulted from the opening and expansion of low-cost electric motor and instruments plant in Reynosa, Mexico, and motor manufacturing plants in Shanghai, China and near Sao Paulo, Brazil. Coupled with a direct sales and marketing presence in Singapore and the continuing success of AmeKai - the Company's joint venture in China and Taiwan that manufactures low-cost pressure gauges for world markets, AMETEK continues to broaden its geographic market expansion and market penetration.

New Product Development. The Company seeks to improve its current market position and enter complementary markets through its product development programs. In the EIG segment, the Company applies concurrent engineering to develop specialized products for the markets in which it competes. In 2000

EIG was selected by a major customer to provide the engine sensor suite for a new jet engine. The new jet engine is undergoing detailed design using concurrent engineering. After testing in 2002, it is scheduled for certification by the U.S. Federal Aviation Administration in 2003. EIG's new Dycor(R) CG 1100-RTP oxygen analyzer was developed specifically for the semiconductor industry's latest rapid thermal processing (RTP) silicon wafer fabrication systems. The new Dycor analyzer improves process yields and maximizes RTP equipment throughput by detecting oxygen contamination at the parts-per-million level and allowing continued wafer production as soon as the oxygen content is at acceptable operating levels. EIG introduced a new hydrogen sulfide analyzer in 2000 completing a suite of advanced monitoring tools for the natural gas industry. The new analyzer offers an economical solution for identifying potentially costly off-spec gas and represents a significant advance over previous technologies. During 2000, EMG added to its INFIN-A-TEK(R) family of switched-reluctance vacuum motors with a new two-stage vacuum blower that complements the INFIN-A-TEK vacuum motor introduced in 1999. EMG now offers a family of INFIN-A-TEK motors for a range of floor-care equipment and other applications that currently use series universal vacuum motors, such as material handling devices. EMG also is one of the world's premier producers of advanced brushless direct-current (DC) motors and motor-blowers. EMG brushless motors are used in aerospace, military, business machine, mass-transit, and medical applications. During 2000, EMG extended its line of compact motors.

Operational Excellence. The Company seeks to further improve its current market position and maintain its low cost position through a continuation of its operational excellence strategy. The Company believes its dedication to focusing on flow manufacturing, participative management culture, operating efficiency and asset management increases the Company's manufacturing quality, return on operating assets and customer satisfaction while significantly shortening production cycle times and lowering its operating and administrative costs. This strategy has served to strengthen the Company's competitive position across its business lines. Operational excellence is the keystone strategy for improving the Company's profit margins, and it has assisted in successfully achieving synergies from the integration of acquired companies.

International alliances such as AmeKai in China and Taiwan have provided further low-cost international manufacturing sources. The Company's focus on team-based, demand flow manufacturing and participative management also enabled it to complete a motor production consolidation in Europe, plant expansions in Brazil, China, and Mexico, and other cost-reduction initiatives.

2000 OVERVIEW

OPERATING PERFORMANCE

In 2000, AMETEK achieved record sales in excess of $1 billion. It also achieved its seventh consecutive year of double-digit percentage growth in income and diluted earnings per share from continuing operations. Acquisitions, growth in certain key markets and cost reduction initiatives were the primary contributors to this strong performance.

The Company set records for operating income, net income, and diluted earnings per share from continuing operations in 2000.

SHARE REPURCHASE PROGRAM

Under the Company's current $50 million share repurchase authorization, approximately $27 million is available for share repurchases. During 2000, the Company purchased 83,500 shares of its common stock.

RECENT ACQUISITIONS

In August 2000, the Company acquired the assets of certain businesses of Prestolite Electric Incorporated ("Prestolite") for approximately $61 million in cash. Prestolite manufactures switches, industrial battery chargers and direct-current (DC) motors. The acquisition is now part of EMG.

In September 2000, the Company acquired the assets of Rochester Instruments Systems ("RiS") along with the power instrumentation product line of a related United Kingdom based company for approximately $20 million in cash. RiS is a leading supplier of measurement instruments for the electric power generation and distribution market. The acquisition is now part of EIG.

FINANCIAL INFORMATION ABOUT OPERATING SEGMENTS, FOREIGN OPERATIONS, AND EXPORT SALES

Reportable segment and geographic information is shown on pages 41 through 43 this report.

One of the Company's four growth strategies is global and market expansion, which is subject to certain risks that are inherent in conducting business outside the United States. Those include fluctuation in currency exchange rates and controls, restrictions on the movement of funds, import and export controls, and other economic, political and regulatory policies of the countries in which business is conducted. The Company's high level of foreign sales has resulted from a combination of export sales of products manufactured in the United States, sales from overseas operations, and sales resulting from strategic alliances.

NARRATIVE DESCRIPTION OF BUSINESS PRODUCTS AND SERVICES

The products and markets of each operating segment are described below:

EIG

EIG applies its specialized market focus and superior technology to produce monitoring, calibration, and display instruments for the aerospace, power, process, and industrial markets.

EIG's growth is based on the four corporate strategies. EIG designs products for specific customer applications, which are significantly different from, or technologically ahead of competitive products. EIG has reduced costs by implementing operational improvements, achieving acquisition synergies, improving supply chain management, and workforce reductions. EIG is among the leaders in many of the specialized markets it serves, including aerospace fuel-flow meters, heavy-vehicle instrument panels, oxygen analyzers, level measurement products, power instruments, and pressure gauges. About 26% of the 2000 sales were to markets outside the United States.

EIG employs approximately 3,800 people, of which approximately 500 are covered by collective bargaining agreements. It has 27 manufacturing facilities: 21 in the United States, 5 in Europe and one in Canada.

Aerospace and Power Instruments Market and Product Lines

Approximately 37% of EIG revenues are from the sale of aerospace and power instruments. Aerospace products include airborne data systems, turbine engine temperature measurement products, vibration-monitoring systems, indicators and displays, fuel and fluid measurement products and sensors, switches, cable harnesses and transducers. Its customers are the leading producers of airframes and jet engines for commercial airlines and aircraft operators. EIG serves all segments of commercial aerospace, including helicopters, business jets, commuter aircraft, and commercial airliners. It also serves, in a limited capacity, the aerospace aftermarket. Customer support includes parts warehousing and maintenance programs. Aerospace products are designed to customer specifications at design centers in Sellersville, PA, Wilmington, MA, and Costa Mesa, CA, and are manufactured to stringent operational and reliability requirements. Manufacturing operations are located in Binghamton, NY, Wilmington, MA, and Costa Mesa, CA. A repair and maintenance facility is located near Seattle, WA.

The aerospace business operates in specialized markets, where its products have a technological and/or cost advantage. Its 50 plus years of experience as an aerospace supplier and its long-standing customer relationships with global commercial aircraft OEMs are significant competitive advantages. Among other aircraft, its newest products are in service on the Boeing 777 airliner, the Bombardier Global Express business jet and the Agusta 109 helicopter. Recent acquisitions have complemented and expanded EIG's core sensor and transducer product line used in a wide range of industrial and aerospace applications.

The September 2000 acquisition of Rochester Instruments complements and expands EIG's position in electric power instruments, which includes a full suite of instrumentation for gas turbines derived from core technology and is being developed by the Company for the aerospace industry. Power instruments include power transducers and meters, event and transient recorders, annunicators, and alarm monitoring systems to measure, monitor and record variables in the generation and distribution of electric power.

Process Instruments Market and Product Lines

Approximately 31% of EIG sales are process measurement, industrial, and analytical instruments. These include pressure gauges and transducers; oxygen, moisture, combustion and liquid analyzers, and emission monitors; electronic pressure sensors and transmitters. The focus is on the process industry, which includes refinery and petrochemical plants, power generation, specialty gas, water and waste treatment, natural gas distribution, and semiconductor fabrication, servicing the industrial process control and air emissions monitoring markets, as well as products providing for monitoring sulfur emissions, where AMETEK is already a world leader. The acquisition of Drexelbrook and Patriot Sensors in 1999 expands AMETEK's level measurement instrumentation business. Drexelbrook and Patriot Sensors operate as separate units of a new division within EIG - AMETEK Sensor Technology. EIG is one of the leaders in the North American pressure gauge market, which has been adversely affected by low-cost offshore products. EIG has addressed this issue through a 50%-owned joint venture that manufactures low-cost pressure gauges in China and Taiwan, where the joint venture also markets those products. EIG is refocusing its domestic manufacturing on more advanced pressure measurement products.

Industrial Instrumentation Markets and Product Lines

Approximately 32% of EIG sales are to the industrial instrumentation market. EIG's Mansfield & Green product line which was combined with the Chatillon and Lloyd Instruments product lines to form the Test and Calibration Instruments (T&CI) division, is well-positioned for global expansion in the $800 million force measurement market. T&CI manufactures a comprehensive line of force-measurement and material testing devices in the United States and Europe, including hand-held gauges, electronic instruments and test stands. It also provides analytical software and support services. T&CI's products are marketed worldwide under the Chatillon, Lloyd, Erichsen, and Davenport brand names through a global network of distributors, sales representatives, and direct sales.

The Dixson business provides EIG with a strong position in the U.S. heavy-truck instrument market, including agricultural, construction, and off-road vehicles. Dixson has a market position in Europe, and product development capabilities in solid-state instruments that primarily monitor engine-operating parameters. EIG also has a leading position in the food service instrumentation business as a result of the 1999 acquisition of the NCC business. This business fits strategically with the custom electronic controls produced by Dixson for heavy-vehicle, foodservice, and industrial markets. NCC is a leading source for stand-alone and integrated timing controls for the foodservice industry.

The Chemical Products division produces silicas, phenolic resins, and Teflon(R) (a registered trademark of DuPont) polymer products for high-temperature and highly corrosive applications and heat exchangers. Product applications include protective welding curtains and products for the filtering of molten metal. EIG also is a custom compounder of specialty resins and thermoplastics with enhanced properties, such as fire retardance and improved adhesion. Markets include electronics, automotive parts, appliances, and telecommunications.

Customers

EIG is not dependent on any single customer such that the loss of that customer would have a material adverse effect on EIG's operations. Approximately 20% of EIG's 2000 sales were made to its five largest customers.

EMG

EMG is the world's largest producer of high-speed, air-moving electric motors for OEMs of floor-care products. The design and manufacture of small vacuum motors with fans rotating at high speeds requires advanced manufacturing technology. EMG addresses complex motor-blower dynamics including heat, noise, vibration, and wear, in designing its customized products. The Group's specialty motors business is the world leader in the brushless DC motor market. EMG also produces specialty metal products used in the electronics, telecommunications, consumer, automotive, and other markets. EMG has a leading market share for its electric motors in North America and Western Europe and a growing share in the Pacific Rim. It has expanded its operations worldwide by leveraging manufacturing and technological expertise developed over many years.

EMG also has developed its business by extending its technological expertise in manufacturing high-speed, air-moving electric motors to a variety of targeted markets, with its primary focus currently on the floor-care market and small appliances. EMG has formed alliances with OEM customers to design and manufacture cost-effective products for numerous floor-care applications. EMG also is using its technological and marketing expertise to further penetrate new markets, such as the outdoor power equipment market, where it is establishing alliances with major customers.

To achieve further global expansion, EMG is building on its market leadership in the floor-care markets of North America and Europe through initiatives in Eastern Europe, Latin America, and the Pacific Rim. Electric motor production operations in China, Mexico, the Czech Republic and Brazil, began contributing to production capacity late in 1999. Those expanding operations are focusing on reducing costs and expanding global markets. About 37% of EMG's 2000 sales were to customers outside the United States.

EMG employs approximately 4,200 people, of whom approximately 1,800 are covered by collective bargaining agreements. It has 20 manufacturing facilities: 13 in the United States, 2 in Italy, and one each in China, the Czech Republic, Mexico, Brazil, and the United Kingdom. In 2000, the Company completed the previously announced consolidation of two of its Italian motor plants, serving the floor-care market. EMG also expanded the operations of its Italian motor division to an existing motor plant in the Czech Republic, and it completed the closure of the Group's Cambridge, Ohio plant. EMG's flexible production lines are designed for low-cost, high-volume operations. Advanced technological resources enable EMG to provide its customers with custom-designed products. The Group produced approximately 26 million motors in 2000, aided by the Prestolite acquisition in August 2000, and increased production in Brazil. This is compared with 22 million motors produced in 1999.

Floor-Care Market and Product Line

About 47% of EMG sales are to floor-care markets, where it has the leading share through sales of air-moving electric motors to most of the world's major floor-care OEMs. The customers include vertically integrated OEMs that produce some of their own motors. EMG produces motor-blowers for a full range of floor-care products, ranging from hand-held, canister, and upright vacuums to central vacuums for residential use. High-performance vacuum motors also are marketed for commercial and industrial applications.

A portion of sales initiatives in the global floor-care business has been directed toward marketing products to vertically integrated vacuum cleaner manufacturers that decide to outsource all or part of their motor production to realize the economic and operational advantages of reducing or discontinuing their own motor production. By purchasing motors from EMG, vacuum cleaner manufacturers can reduce the otherwise substantial capital investment necessary to manufacture motors for rapidly changing consumer demands. The global consumer trend toward owning a variety of floor-care products increases the need for availability of these products by OEMs, which are striving to operate more cost-effectively and to be responsive to customer needs.

EMG's new product development focuses on enhancing motor-blower cost-performance through advances in power, efficiency, size, weight, and quieter operation. EMG's INFIN-A-TEK motor-blower is the first switched reluctance electric motor-blower for the floor-care market.

EMG has a significant position in the European floor-care market. The electric motors it produces in Italy and the Czech Republic are similar to those produced in the United States.

Brushless Motor Market and Product Line

EMG's brushless motors are used in computer equipment, business machines, and medical equipment. Brushless motors offer spark-free commutation and high reliability. They are increasingly utilized in medical and other applications in which long life and speed control are important. The Rotron motor business and its integration with the technical motor division to form AMETEK Rotron, has added to AMETEK's already strong core competency in brushless air-moving motors. With Rotron, AMETEK now has significant growth opportunities in the expanding brushless motor market. Continuing product developments include the use of brushless motors in systems designed to assist patients with sleep breathing disorders, hospital air-mattresses, and gasoline fume-recovery systems used by gas stations, as well as electronic power devices for the military, mass-transit, and aerospace markets. In 1999 EMG's technical motor division launched its DurA-tek(TM) motor, a three-inch drop-in replacement for brush-type motors. It also introduced a redesigned line of the MICRO-Jammer(TM) motor-blower and an enhanced version of the MINIJAMMER(TM) brushless DC motor-blower for medical devices, dental equipment, business machines and a host of commercial applications.

Outdoor Power Equipment Market and Product Line

EMG manufactures motors for the outdoor power equipment market, including lawn and garden equipment, as well as electric chain saws, high-pressure power washers, and low-pressure paint sprayers. EMG is capitalizing on its manufacturing infrastructure, technical expertise, and global marketing strengths in air-moving electric motors to create growth opportunities in this market, such as expanding applications for the Group's World Lamination(TM) design motor and WorldLamb(TM) motor-blowers, originally designed for floor-care applications, to include the outdoor power equipment market. EMG now serves most of the world's major producers of outdoor power equipment.

Specialty Metals Markets and Product Line

The Specialty Metals business manufactures high-purity, engineered metal powders, high-purity strip and wire from metal powders, and clad products, with specific metallurgical properties. Its niche market focus is based upon proprietary manufacturing technology and strong customer relations. Its expanded product lines of nickel and copper-based wire alloys, have added to the Company's capabilities in the manufacturing of specialty wire for electronic, communication, and computer applications. The Company has also expanded its product line of metal matrix composites, which are used in thermal management applications for electronics products by acquiring an exclusive license to produce composites of silicon-carbide aluminum in the United States. Other new product developments include patented Ultra(TM) stainless steel metal powders and copper-based Spinodal(TM) alloys. Markets served by the business include electronics, telecommunications, automotive, consumer products, and energy production.

Prestolite Switch, Industrial Battery Chargers and DC Motor Market and Product Lines

The August 2000 acquisition of the Prestolite Electric switch, industrial battery charger, and direct-current (DC) motor businesses have greatly expanded the products offered by EMG. The switch business produces contactors, solenoids, and other electromechanical devices for the telecommunications and materials-handling markets. The battery charger business designs and manufactures high-quality industrial battery chargers for use in the materials-handling market. These businesses have strong market positions, superior technologies, and reputations for quality and service. They were combined into a new operating division, Prestolite Power and Switch, that will serve as a platform for additional acquisitions. The DC motor products were folded into AMETEK's global specialty motors business.

Customers

EMG is not dependent on any single customer such that the loss of that customer would have a material adverse effect on EMG's operations. Approximately 17% of EMG's sales for 2000 were made to its five largest customers.

MARKETING

Generally, the Company's marketing efforts are organized and carried out at the group and division levels. EIG makes significant use of distributors and sales representatives in marketing its products. However, its specialized customer base of aircraft and jet engine manufacturers are served primarily by its direct sales engineers. Given the similarity and technical nature of its many products as well as its significant worldwide market share, EMG conducts most of its domestic and international marketing activities through a direct sales force, and makes some use of sales representatives and distributors both in the U.S. and in other countries.

COMPETITION

In general, most of the Company's markets are highly competitive. The principal elements of competition for the Company's products are price, product technology, distribution, quality, and service.

In the markets served by EIG, the Company believes that it is one of the world's largest pressure gauge manufacturers, ranks among the leading U.S. producers of certain measuring and control instruments, and is a leading manufacturer in the U.S. heavy vehicle instrumentation and power instruments markets. It also is one of the leading instrument and sensor suppliers to commercial aviation. Competition is strong and could intensify for certain EIG products especially in the Company's pressure gauge and heavy vehicle instrumentation businesses. Both of these businesses have several strong competitors. In the process and analytical instruments markets, numerous companies in each specialized market compete on the basis of product quality, performance, and innovation. The Company's aerospace and power instruments businesses have a number of diversified competitors, which vary depending on the specific market niche.

EMG has several U.S. based competitors in the U.S. floor-care market. Competition is increasing from Asian motor manufacturers who serve the U.S. floor-care market. There is potential competition from vertically integrated manufacturers of floor-care products that produce their own motor-blowers. Many of these manufacturers would also be potential EMG customers if they decided to outsource their motor production. In Europe, competition comes from a small group of large international competitors and numerous small competitors. EMG's Prestolite businesses have competition from a limited number of companies in each of their markets. Some competitors have greater financial and technical resources. Competition is generally based on product innovation, performance and price. EMG's specialty metal products business has several specialized product lines that have few competitors. The primary competition is from alternative materials and processes.

BACKLOG AND SEASONAL VARIATIONS OF BUSINESS

The Company's approximate backlog of unfilled orders by business segment at the dates specified was as follows:

	DECEMBER 31,		
	2000	1999	1998
	(IN MILLIONS)		
Electronic Instruments	$135.3	$137.0	$113.2
Electromechanical	121.1	106.5	110.6
Total	$256.4	$243.5	$223.8

Of the total backlog of unfilled orders at December 31, 2000, approximately 93% is expected to be shipped by December 31, 2001. The Company believes that neither its business as a whole, nor either of its operating segments, is subject to significant seasonal variations, although certain individual operations experience some seasonal variability.

RAW MATERIALS

The Company's business segments obtain raw materials and supplies from a variety of sources, and generally from more than one supplier. However, for EMG, certain items, including various base metals and certain steel components, are available only from a limited number of suppliers. The Company believes its sources and supplies of raw materials are adequate for its needs.

RESEARCH, PRODUCT DEVELOPMENT AND ENGINEERING

The Company is committed to research, product development, and engineering activities that are designed to identify and develop potential new and improved products or enhance existing products. Research, product development, and engineering costs during the past three years were $45.9 million, $42.2 million and $42.1 million, in 2000, 1999, and 1998 respectively. These amounts included net Company-funded research and development expenses of $23.8 million, $21.6 million and $23.4 million, respectively. Such expenditures were directed toward the development of new products and processes, and the improvement of existing products and processes.

ENVIRONMENTAL COMPLIANCE

Information with respect to environmental compliance by the Company is set forth on page 20 of this report in the section of Management's Discussion and Analysis of Financial Condition and Results of Operations entitled "Environmental Matters."

PATENTS, LICENSES, AND TRADEMARKS

The Company owns numerous unexpired U.S. patents, and foreign patents, including counterparts of its more important U.S. patents, in the major industrial countries of the world. The Company is a licensor or licensee under patent agreements of various types, and its products are marketed under various registered and unregistered U.S. and foreign trademarks and trade names. However, the Company does not consider any single patent or trademark, or any group thereof, essential either to its business as a whole or to either of its business segments. The annual royalties received or paid under license agreements are not significant to either of its business segments or to the Company's overall operations.

EMPLOYEES

At December 31, 2000, the Company employed approximately 8,100 individuals in its EMG, EIG and corporate operations, of which approximately 2,300 were covered by collective bargaining agreements.

WORKING CAPITAL PRACTICES

The Company does not have extraordinary working capital requirements in either of its business segments. Customers generally are billed at normal trade terms, which may include extended payment provisions. Inventories are closely controlled and maintained at levels related to production cycles and are responsive to the normal delivery requirements of customers.

ITEM 2. PROPERTIES

The Company has 47 operating plant facilities in 16 states and 10 foreign countries. Of these facilities, 32 are owned by the Company and 19 are leased. The properties owned by the Company consist of approximately 554 acres, of which approximately 3.8 million square feet are under roof. Under lease is a total of approximately 764,000 square feet. The leases expire over a range of years from 2001 to 2015, with renewal options for varying terms contained in most of the leases. Production facilities in Taiwan, China and Korea provide the Company with additional production capacity through the Company's 50% ownership in a joint venture. The Company also has one idle production facility available for sale. The Company's executive offices in Paoli, PA occupy approximately 34,000 square feet under a lease that will expire in 2002.

The Company's machinery, plants, and offices are in satisfactory operating condition and are adequate for the uses to which they are put. The operating facilities of the Company by business segment are summarized in the following table:

	NUMBER OF PLANT FACILITIES		SQUARE FEET UNDER ROOF	
	OWNED	LEASED	OWNED	LEASED
Electronic Instruments	20	7	2,219,000	365,000
Electromechanical	12	8	1,607,000	399,000
Total	32	15	3,826,000	764,000

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of the Company's security holders, through the solicitation of proxies or otherwise, during the last quarter of the fiscal year ended December 31, 2000.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The principal market on which the Company's common stock is traded is the New York Stock Exchange. The Company's common stock is also listed on the Pacific Exchange, Inc. On February 28, 2001, there were approximately 2,800 record holders of the Company's common stock.

Market price and dividend information with respect to the Company's common stock are set forth on pages 43 and 44 in the section of the Notes to the Consolidated Financial Statements entitled "Quarterly Financial Data (Unaudited)." Future dividend payments by the Company will be dependent on future earnings, financial requirements, contractual provisions of debt agreements, and other relevant factors.

ITEM 6. SELECTED FINANCIAL DATA

	2000	1999	1998	1997	1996
	(DOLLARS AND SHARES IN MILLIONS, EXCEPT PER SHARE AMOUNTS)				
CONSOLIDATED OPERATING RESULTS (YEARS ENDED DECEMBER 31):					
Net sales	$1,024.7	$924.8	$927.5	$847.8	$800.0
Operating income(1)	$ 135.9	$118.8	$ 96.4	$ 92.0	$ 82.8
Interest expense	$ (29.2)	$(24.8)	$(23.7)	$(18.2)	$(19.1)
Income from continuing operations(1)	$ 68.5	$ 60.8	$ 50.4	$ 50.3	$ 43.1
Net income(1)(2)	$ 68.5	$ 60.8	$ 41.7	$ 50.4	$ 51.2
Basic earnings per share:					
Income from continuing operations(1)	$ 2.13	$ 1.88	$ 1.55	$ 1.53	$ 1.32
Net income(1)(2)	$ 2.13	$ 1.88	$ 1.28	$ 1.53	$ 1.57
Diluted earnings per share:					
Income from continuing operations(1)	$ 2.11	$ 1.85	$ 1.50	$ 1.49	$ 1.30
Net income(1)(2)	$ 2.11	$ 1.85	$ 1.24	$ 1.49	$ 1.54
Dividends declared and paid per share	$ 0.24	$ 0.24	$ 0.24	$ 0.24	$ 0.24
Average common shares outstanding:					
Basic	32.1	32.3	32.7	32.9	32.7
Diluted	32.5	32.9	33.7	33.9	33.3
PERFORMANCE MEASURES AND OTHER DATA:					
Operating Data excluding Nonrecurring Charge(3):					
Operating income	$ 135.9	$118.8	$104.5	$ 92.0	$ 82.8
Operating income-Return on sales	13.3%	12.8%	11.3%	10.8%	10.4%
Operating income-Return on average total assets	16.7%	16.2%	16.6%	17.4%	16.8%
EBITDA(4)	$ 177.6	$158.1	$146.4	$128.0	$116.9
Ratio of EBITDA to interest expense(4)	6.1x	6.4x	6.2x	7.0x	6.1x
Income from continuing operations	$ 68.5	$ 60.8	$ 55.3	$ 50.3	$ 43.1
Diluted earnings per share	$ 2.11	$ 1.85	$ 1.64	$ 1.49	$ 1.30
Depreciation and amortization	$ 43.3	$ 39.6	$ 38.4	$ 32.9	$ 32.7
Capital expenditures	$ 29.6	$ 30.3	$ 49.8	$ 41.2	$ 39.1
Cash provided by continuing operations(5)	$ 78.7	$ 86.6	$ 78.4	$ 71.2	$ 64.7
Ratio of earnings to fixed charges	4.3x	4.4x	3.9x	4.8x	4.0x
Net income -- Return on average total capital	11.5%	11.8%	10.4%	15.8%	16.9%
-- Return on average stockholders' equity	27.6%	31.2%	25.1%	34.9%	47.3%
YEAR-END CONSOLIDATED FINANCIAL POSITION:					
Current assets	$ 303.1	$256.1	$267.8	$248.5	$229.3
Current liabilities	$ 297.7	$262.7	$233.9	$178.7	$178.9
Property, plant, and equipment	$ 214.0	$219.6	$214.4	$186.3	$174.8
Total assets	$ 859.0	$768.2	$699.8	$555.2	$528.9
Long-term debt	$ 233.6	$231.8	$227.0	$152.3	$150.3
Stockholders' equity	$ 280.8	$216.2	$174.0	$159.0	$129.5
Stockholders' equity per share	$ 8.66	$ 6.76	$ 5.42	$ 4.82	$ 3.96
Total debt as a percentage of capitalization(6)	56.3%	60.5%	63.7%	51.0%	58.5%

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(1) Amounts in 1998 include a nonrecurring pretax charge for cost reduction initiatives totaling $8.0 million, ($4.8 million after-tax or $0.14 per diluted share).

(2) Amounts in 1998 include an extraordinary loss on the early repayment of debt of $8.7 million ($0.26 per diluted share). Amounts in 1997 and 1996 include discontinued operations of the former Water Filtration Business.

(3) See description of nonrecurring charge in Note 1 above. All amounts are based on continuing operations.

(4) EBITDA represents income from continuing operations before interest, taxes, depreciation and amortization, amortization of deferred financing costs, and nonrecurring items. It should not be considered, however, as an alternative to operating income as an indicator of the Company's operating performance, or as an alternative to cash flows as a measure of the Company's overall liquidity as presented in the Company's financial statements. Furthermore, EBITDA measures shown for the Company may not be comparable to similarly titled measures given by other companies.

(5) Amount in 2000 and 1999 excludes $1 million and $44 million, respectively, of net cash proceeds received from an accounts receivable securitization program.

(6) Without considering the effect of the accounts receivable securitization program referred to in note 5 above; total debt as a percentage of capitalization at December 31, 2000 and 1999 would have been 59.1% and 63.6%, respectively.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis of the Company's financial condition and results of operations set forth below should be read in conjunction with the consolidated financial statements of the Company and the related notes shown in the index on page 22 of this report.

Business Overview

In 2000, the Company reported record sales, operating income, net income and diluted earnings per share that resulted in double-digit percentage growth when compared with 1999. The Company continues to achieve several major objectives under its four growth strategies: Strategic Acquisitions and Alliances, Global and Market Expansion, New Products and Operational Excellence. Significant events of 2000 were:

- Sales exceeded $1 billion for the first time in the Company's history.

- The seventh consecutive year of double-digit percentage growth in earnings per share from continuing operations.

- The completion of two new business acquisitions: The August acquisition of businesses that produce switches, industrial battery chargers, and direct-current (DC) motors for the telecommunications and material-handling markets, which is included within the Electromechanical Group (EMG), and the September acquisition of a business that produces power measurement instruments and is included within the Electronic Instruments Group (EIG).

- Continuing with the Company's global plan to lower its cost structure, operational excellence initiatives, in 2000, included the shift of production to lower-cost facilities in Mexico, China, Brazil and the Czech Republic. This action along with the consolidation of the Company's European motor operations resulted in improved operating profit margins for both the EIG and the EMG business segments.

- The Company continued its emphasis on investment in research, development and engineering, spending $45.9 million in 2000, an increase of 8.8% over 1999.

- Benefiting from the investment in research and development, new product sales (from products introduced within the past three years) increased 17.3% over 1999 to $125.6 million.

Results of Operations

The following table sets forth net sales and income of the Company by business segment and on a consolidated basis for the years ended December 31, 2000, 1999, and 1998:

	YEARS ENDED DECEMBER 31,		
	2000	1999	1998
	(DOLLARS IN THOUSANDS)		
NET SALES(1):			
Electronic Instruments	$ 509,504	$451,072	$414,202
Electromechanical	515,156	473,725	513,272
Total net sales	$1,024,660	$924,797	$927,474
INCOME(2):			
Segment operating income(3)			
Electronic Instruments	$ 78,771	$ 69,965	$ 55,703
Electromechanical	77,560	67,575	62,511
Total segment operating income	156,331	137,540	118,214
Corporate administrative and other expenses	(20,441)	(18,743)	(21,778)
Consolidated operating income	135,890	118,797	96,436
Interest and other expenses	(29,752)	(24,336)	(19,078)
Consolidated income before income taxes	$ 106,138	$ 94,461	$ 77,358

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(1) After elimination of intra-and intersegment sales, which are not significant in amount.

(2) 2000 and 1998 includes charges for cost realignment initiatives and cost reduction initiatives.

(3) Segment operating income represents sales less all direct costs and expenses (including certain administrative and other expenses) applicable to each segment, but does not include interest expense.

YEAR ENDED DECEMBER 31, 2000, COMPARED WITH YEAR ENDED DECEMBER 31, 1999.

Results of Operations

The Company reported sales for 2000 of $1,024.7 million, an increase of 10.8% from sales of $924.8 million in 1999, driven by the contributions of the Company's acquisitions and strength in several core markets. EIG's sales were $509.5 million in 2000, an increase of 13.0% from sales of $451.1 million in 1999. Without recent acquisitions, sales for EIG would have been slightly lower than in 1999 due largely to a decline in demand for heavy-vehicle instruments. For the EMG segment, sales were $515.2 million in 2000, an increase of 8.7% from sales of $473.7 million in 1999 due to improved conditions in specialty metal markets along with contributions from an acquisition, reduced somewhat by continued competitive factors and adverse currency translation effects from international businesses. International sales reported by both segments totaled $324.9 million in 2000, an increase of $23.0 million or 7.6% from 1999. Export shipments from the United States in 2000 were $179.1 million, compared with $158.5 million in 1999.

New orders for 2000 were $1,037.6 million, an increase of 9.9% from $944.5 million for 1999. The order backlog at December 31, 2000 was $256.4 million, compared with $243.5 million at December 31, 1999. New orders from the acquisitions made by the Company during the year were the primary reason for the increase.

The Company's plan to lower its cost structure globally through operational excellence initiatives continues to have a positive effect on segment operating income and margins in 2000. Total segment operating income improved to $156.3 million for 2000, an increase of 13.7%, compared with segment operating income of $137.5 million for 1999, primarily from the acquisitions and strength in core businesses. Operating margins in 2000 were 15.3% of sales, an increase from 14.9% in 1999. Improved operating margins were primarily the result of operational excellence initiatives, including increased motor production at the Company's lower cost facilities, improved supply chain management and flow manufacturing expansion in EIG. The Company also benefited from lower overall net pension costs resulting primarily from a higher return on pension investment assets. After deducting corporate administrative expenses, consolidated operating income was $135.9 million or 13.3% of net sales, an increase of $17.1 million, or 14.3%, when compared with 1999 operating income of $118.8 million or 12.8 % of net sales.

Selling, general, and administrative (SG&A) expenses were $95.1 million in 2000, compared with $79.4 million in 1999, a $15.7 million increase due mainly to acquisitions completed in late 1999 and 2000. As a percentage of sales, SG&A was 9.3% in 2000, compared with 8.6% in 1999. The acquisitions were the primary contributors to an increase in selling expenses. Corporate general and administrative expenses increased slightly, but were flat year to year, as a percentage of sales.

Interest expense was $29.2 million in 2000, an increase of 17.9%, compared with $24.8 million in 1999. Higher average debt levels to finance acquisitions as well as higher average borrowing rates, were the primary reasons for the increase.

Net income for 2000 rose 12.8% and was $68.5 million, or $2.11 per diluted share, compared with net income for 1999 of $60.8 million, or $1.85 per diluted share. The increase in net income was due primarily to the higher sales and operating income discussed above.

Fourth Quarter Results

Sales for the fourth quarter of 2000 were $258.2 million, compared with $236.0 million in the fourth quarter of 1999, an increase of $22.2 million, or 9.4%. The increase in sales was driven by acquisitions made in 2000 and late 1999.

Operating income for the fourth quarter of 2000 was $34.1 million, compared with $29.5 million for the fourth quarter of 1999, an increase of $4.6 million or 15.5%. The acquired businesses, combined with continued productivity gains as a result of the Company's operational excellence initiatives and cost reduction programs, were the primary reasons for the increase in operating income. As a result of slowing U.S. economic growth, in the fourth quarter of 2000, the Company accelerated certain cost realignment initiatives. These initiatives include a more aggressive movement of certain production activities to low-cost locations, and the resizing of several businesses. These actions resulted in a fourth quarter 2000 pretax charge of $3.4 million. Also, fourth quarter 2000 results include a pretax gain of $3.6 million due to the resolution of a contract issue with a major customer in the Electronic Instruments Group.

Net income for the fourth quarter of 2000 totaled $17.2 million, or $0.53 per diluted share, an increase of 14.8% from the fourth quarter of 1999 net income of $15.0 million, or $0.46 per diluted share.

Operating Segment Results

The ELECTRONIC INSTRUMENTS GROUP (EIG) sales were $509.5 million in 2000, an increase of 13.0% from 1999 sales of $451.1 million. The 2000 acquisition of a business, along with a business acquired in December 1999, drove the year-to-year increase in sales. The heavy-vehicle instruments business reported significantly lower sales in 2000 due to weak market conditions, which began in the second quarter of 2000, compared to robust market conditions in 1999. EIG's aerospace and power instrument businesses continue to grow through acquisitions and core growth, expanding the Company's technology, market scope and penetration. Also, the process instruments business continues to rebound from weak market conditions experienced during the first nine months of 1999.

EIG's operating income for 2000 increased to $78.7 million from $70.0 million in 1999, an increase of 12.6%. The acquisitions described above were the primary reasons for the increase in operating income. Profit margins were flat year to year at 15.5%. Improved operating performance, primarily by EIG's aerospace and process businesses was reduced by margin declines on lower sales of heavy-vehicle instruments.

The ELECTROMECHANICAL GROUP (EMG) sales for 2000 were $515.2 million, an increase of 8.7%, from sales of $473.7 million in 1999. The 2000 acquisition of businesses and improved market conditions within the specialty metals market, drove the year-to-year increase in sales. Partially reducing the sales increase were

EMG's operations in Europe, where competitive pricing pressures and currency translation changes continue to adversely affect EMG's sales.

EMG's operating income for 2000 increased to $77.6 million from $67.6 million in 1999, a 14.8% increase. The acquisition described above, along with improved market conditions within the specialty metals market, were the primary reasons for the increase in operating income. Partially offsetting the profit improvement were lower profits at EMG's motor operations in Europe, due to the adverse effects on sales noted above. Operating margins improved to 15.1% of sales in 2000 from 14.3% in 1999 due to the higher sales, and lower operating costs in EMG's worldwide motor operations, as a result of the operational excellence and cost reduction initiatives.

YEAR ENDED DECEMBER 31, 1999, COMPARED WITH YEAR ENDED DECEMBER 31, 1998

Results of Operations

The Company reported sales for 1999 of $924.8 million, down slightly from sales of $927.5 million in 1998. EIG's sales increased by 8.9% to $451.1 million in 1999 from $414.2 million in 1998 because of the incremental sales generated by strategic acquisitions made during the year. Sales to heavy-vehicle manufacturers were strong along with an improving process instruments business. Without the acquisitions, sales for EIG would have been lower than in 1998 due largely to changes in the mix of sales and to slightly lower demand in process instruments and aerospace markets. Aerospace markets were down from peak levels in 1998. For the EMG group, competitive factors in international markets caused slightly lower unit shipments in 1999 when compared with 1998. The result was a decline in EMG reported sales to $473.7 million in 1999 from $513.3 million in 1998, a decrease of 7.7%. A change in the mix of U.S. sales also contributed to the EMG's sales decline. Sales by both segments to foreign markets totaled $302.0 million in 1999, a decrease of $43.0 million or 12.5% from 1998. Export shipments from the United States in 1999 were $158.5 million, compared with $162.6 million in 1998.

New orders for 1999 were $944.5 million, an increase of 4.2% from $906.1 million for 1998. The order backlog at December 31, 1999 was $243.5 million, compared with $223.8 million at December 31, 1998. New orders from the strategic acquisitions made by the Company during the year were the primary reason for the increase.

The Company's plan to lower its cost structure globally under the operational excellence initiatives, announced in the fourth quarter of 1998, had a positive effect on operating income and margins. Total segment operating income improved to $137.5 million for 1999 compared with operating income of $125.7 million for 1998, before a fourth quarter 1998 non-recurring charge, an increase of 9.3%. Operating margins improved to 14.9% from 13.6% for the comparable period. The operational excellence initiatives and the impact of new acquisitions, along with the transition of a portion of the Company's motor production to a lower cost facility in Reynosa, Mexico, the closing and consolidation of certain EMG motor plants in Europe, improved supply chain management and flow manufacturing expansion in EIG, along with related workforce reductions drove margins to higher levels. Consolidated operating income was $118.8 million or 12.8% of net sales, an increase of $14.3 million when compared with 1998 operating income of $104.5 million or 11.3 % of net sales, before the $8.0 million pretax nonrecurring charge. Selling, general and administrative expenses were $79.4 million in 1999, a $2.7 million decrease when compared with 1998 when SG&A totaled $82.1 million. As a percent of sales, SG&A was 8.6% in 1999, slightly lower than in 1998. The corporate cost reduction initiative was the driving force behind the reduction in general and administrative expense. Selling expense was flat year-to-year, as new EIG selling expense from acquisitions almost entirely offset reduced selling costs for the EMG group.

Interest expense was $24.8 million in 1999 compared with $23.7 million in 1998, an increase of 4.7%. Higher average debt levels to finance acquisitions, was the primary reason for the increase in interest expense. Other income, net decreased to $0.4 million in 1999 from $4.6 million in 1998 primarily because of lower gains from the sale of securities and idle property.

Net income for 1999 was $60.8 million, or $1.85 per diluted share, compared with net income for 1998 of $41.7 million, or $1.24 per diluted share. The 1998 net income includes an after-tax nonrecurring charge of

$4.8 million or $0.14 per diluted share, and an after-tax extraordinary charge for the early repayment of long-term debt of $8.7 million, or $0.26 per diluted share. Without the nonrecurring charge and the extraordinary item in 1998, net income would have been $55.3 million, or $1.64 per diluted share.

The weighted average shares outstanding during 1999 were 32.3 million shares, compared with 32.7 million shares for 1998. The reduction reflects purchases by the Company through its share repurchase program. The Company repurchased 0.5 million shares in 1999. After accounting for the dilutive effect of issued stock options and other stock awards, the weighted average diluted shares outstanding were 32.9 million shares for 1999, compared with 33.7 million shares for 1998.

Fourth Quarter Results

Sales for the fourth quarter of 1999 were $236.0 million, compared with $206.8 million in the fourth quarter 1998. Operating income for the fourth quarter 1999 was $29.5 million, compared with $20.1 million for the fourth quarter 1998, before a nonrecurring pretax charge of $8.0 million. The 14% increase in sales was driven by the strategic acquisitions made by the Company during 1999, and a stronger worldwide motor market during the fourth quarter of 1999. The acquisitions, combined with productivity gains as a result of the Company's operational excellence initiatives and cost reduction programs were the primary reasons for a 46.8% gain in operating income. Net income for the fourth quarter of 1999 totaled $15.0 million, or $0.46 per diluted share, up 37% from the fourth quarter 1998 net income of $11.0 million or $0.33 per diluted share, excluding the after-tax effect of the nonrecurring charge of $4.8 million. The fourth quarter 1999 tax rate was 34.9%, a rate more normal than the 1998 fourth quarter tax rate of 21.4%. The 1998 fourth quarter benefited from a lower effective tax rate due to lower foreign pretax income, which would be taxed at higher rates than in the U.S., and favorable foreign tax adjustments relating to certain prior tax years.

Operating Segment Results

The ELECTRONIC INSTRUMENTS GROUP (EIG) sales were $451.1 million in 1999, an increase of 8.9% from 1998 sales of $414.2 million. The Company's 1999 acquisition of businesses, which produce electronic instruments and controls, transducers, sensors, and gauges, drove the year-to-year increase in sales. A business acquired in December 1999, which specializes in the design and manufacture of continuous level measurement and control devices has subsequently enhanced sales growth. The heavy-vehicle instruments business was strong in 1999 because of robust market conditions for heavy trucks. Also, the Company's process instruments business rebounded from weak market conditions during the first nine months of 1999. The aerospace business continues to grow because of the acquisitions described above, expanding the Company's aerospace technology and market breadth, despite aerospace markets being down slightly from peak levels in 1998.

Group Operating income for 1999 increased to $70.0 million from $58.0 million in 1998, an increase of 20.6%. The acquisitions described above were the primary reasons for the large increase in operating income. Profit margins improved significantly to 15.5% from 14.0% for the same comparable period. The Group margins benefited from work force reductions directed toward improving productivity, and supply chain management savings. EIG's operating income for 1998 was $55.7 million, after a fourth quarter 1998 nonrecurring charge of $2.3 million for cost reduction activities.

The ELECTROMECHANICAL GROUP (EMG) sales for 1999 were $473.7 million, a $39.5 million decrease from sales of $513.3 million in 1998. Weak market conditions in Europe and Asia, where major competitive pricing pressures affected EMG's motor operations, as well as lower demand were the primary reasons for the sales decline.

Operating income for 1999 was essentially unchanged at $67.6 million. Improved profitability from the relocation of a portion of its U.S. motor production to lower cost facilities in Reynosa, Mexico was offset by lower profits at the Company's motor operations in Europe and Asia on lower unit volume shipped as a result of market and price competition. Operating margins, however, improved dramatically to 14.3% in 1999 from 13.2% in 1998. As of December 31, 1999, approximately 40% of EMG's North American motor production for floorcare applications and outdoor power equipment is produced in Mexico. Operations at the Company's

Cambridge, Ohio plant ceased in the first quarter of 2000. The plant relocation and rationalization activity in Europe stemming from the 1998 cost reduction initiatives is now complete. EMG's operating income in 1998 was $62.5 million, after a fourth quarter 1998 $5.2 million nonrecurring charge for the above mentioned cost reduction activities.

LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operating activities before proceeds from the sale of accounts receivable totaled $78.7 million for 2000, compared with $86.6 million for 1999, a decrease of $7.9 million. The decrease was caused primarily by higher cash outflows to fund operating working capital requirements due in part to higher accounts receivable levels related to increased sales and to higher inventory levels partly associated with the Company's move of certain products to its low-cost manufacturing facilities. Other long-term liabilities decreased primarily because of the funding and settlement of a contract issue with a customer in the fourth quarter of 2000. Net proceeds received from sales of accounts receivables to a third party under an accounts receivable sales agreement provided cash of $1 million in 2000, compared with $44 million of cash provided in 1999. Total net cash provided by operating activities in 2000 was $79.7 million compared with $130.6 million in 1999. Under the accounts receivable sales agreement, entered into in 1999, the Company, through a wholly-owned, special purpose subsidiary, can sell up to $50 million of eligible accounts receivable.

Cash used for investing activities was $107.4 million for 2000, compared with $148.0 million for 1999. Cash outlays for new business acquisitions totaled $81 million in 2000, compared with $147.5 million in 1999. Also, the prior year included proceeds received from the sale of investment assets of $29.5 million, compared with $3.3 million in 2000.

Financing activities provided cash of $26.2 million in 2000, compared with $16.3 million provided in 1999. In 2000, net short-term borrowings increased $25.2 million, primarily to fund the 2000 acquisitions. During 1999, short-term borrowings increased $37.8 million and the Company made net payments on long-term debt of $9.1 million, which included the final repayment on its 9 3/4% Notes. Common stock repurchases totaled $1.6 million in 2000, compared with $9.3 million in 1999.

As a result of all the Company's cash flow activities, cash and cash equivalents decreased $1.4 million since year-end 1999, to $7.2 million at December 31, 2000. The Company believes that it has sufficient cash generating capabilities and available financing facilities to enable it to meet its needs in the foreseeable future.

NEW ACCOUNTING PRONOUNCEMENTS

In the fourth quarter of 2000, the Company adopted the Securities and Exchange Commission's Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements". The SAB summarizes certain of the staff's views in applying generally accepted accounting principles to revenue recognition in the financial statements. The adoption of the Bulletin did not have a significant effect on the Company's consolidated results of operations, financial position, or cash flows.

In September, 2000, the FASB issued Statement No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities -- A Replacement of FASB Statement 125". The Statement requires extensive disclosures about securitizations entered into during the period and retained interests in securitized financial assets at the balance sheet date, accounting policies, sensitivity information relating to retained interests, and cash flows distributed to the transferor. The accounting requirements of Statement 140 are effective for transfers occurring after March 31, 2001. However, the expanded disclosures about securitizations and collateral are effective for fiscal years ending after December 15, 2000. The Company is continuing to study the future impact of adopting the accounting changes of this Statement. The Company adopted the disclosure requirement by the Statement, for fiscal year 2000, which are included in footnote 5 of the financial statements.

On July 1, 2000, the Company adopted FASB Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation". The Interpretation provides guidance on the application of APB

Opinion No. 25, "Accounting for Stock Issued to Employees". The adoption of this Interpretation did not have a material effect on the Company's consolidated results of operations, financial position, or cash flows.

In June 1998, the FASB issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities". The Statement requires recognition of all derivative instruments measured at fair value in the statement of financial position. Gains or losses resulting from changes in the value of derivatives would be accounted for depending on the intended use of the derivative and whether it qualifies for hedge accounting. In June 1999, the FASB approved a one-year delay in the effective date of this Statement until January 2001.

In June 2000, the FASB issued Statement No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities". This Statement amends Statement No. 133 for certain impractical aspects of the original Statement which were incompatible with many common current hedging approaches. Statement No. 138 is effective simultaneously with Statement No. 133.

The provisions of SFAS 133 and related amendments and interpretations became effective for the Company beginning January 1, 2001, including the interim periods of that year. Based on the Company's limited use of derivative financial instruments, adoption of these Statements did not have a significant effect on the Company's consolidated results of operations, financial position, or cash flows.

INTERNAL REINVESTMENT

Capital Expenditures

Capital expenditures were $29.6 million for 2000, compared with $30.3 million for 1999. Approximately 74% of the expenditures in 2000 were for equipment to increase productivity and expand capacity. The Company's 2001 capital expenditures are expected to increase when compared to 2000 levels, with a continuing emphasis on spending to improve productivity, and expand low cost manufacturing facilities.

Product Development and Engineering

Product development and engineering expenses are directed toward the development and improvement of new and existing products and processes. Such expenses were $45.9 million in 2000, an increase from $42.2 million for 1999, and $42.1 million for 1998. Included in the amounts above are net expenses for research and development of $23.8 million for 2000, $21.6 million for 1999, and $23.4 million for 1998.

ENVIRONMENTAL MATTERS

The Company is subject to environmental laws and regulations as well as stringent cleanup requirements. It also has been named a potentially responsible party at several sites that are the subject of government-mandated cleanups. No amounts were charged to expense in 2000 for environmental cleanup. Amounts charged to expense for environmental cleanup were approximately, $0.9 million in 1999, and $0.3 million in 1998.

It is not possible to accurately quantify the potential financial impact of actions regarding environmental matters, but the Company believes, based on past experience and current evaluations, that the outcome of these actions is not likely to have a material adverse effect on the future results of operations, financial position, or cash flows of the Company.

IMPACT OF INFLATION

The Company attempts to minimize the impact of inflation through cost reduction programs and by improving productivity. In addition, the Company uses the last-in, first-out (LIFO) method of accounting for most inventories (whereby the cost of products sold approximates current costs), and therefore, the impact of inflation is substantially reflected in operating costs. In general, the Company believes programs are in place that are designed to monitor the impact of inflation and to take necessary steps to minimize inflation's effect on operations.

MARKET RISK DISCLOSURE

The Company's primary exposure to market risks includes fluctuations in interest rates on its short-term and long-term debt and in foreign currency exchange rates.

The Company's long-term debt is fixed rate and its short-term debt is variable rate. These financial instruments are more fully described in the notes to the financial statements.

The foreign currencies to which the Company has the most significant exchange rate exposure is the Italian lira, and the European Euro currency. Exposure to foreign currency rate fluctuation is mitigated, when possible, through the use of natural hedges, whereby, purchases and sales in the same foreign currency and with similar maturities offset one another. Translation of foreign financial statements into U.S. dollars have not had a significant effect on the operating results reported by the Company.

Based on a hypothetical ten percent adverse movement in interest rates and foreign currency exchange rates, the potential losses in future earnings, fair value of risk sensitive financial instruments, and cash flows are immaterial, although the actual effects may differ materially from the hypothetical analysis.

FORWARD-LOOKING INFORMATION

Except for historical information contained herein, certain matters discussed in this Form 10-K are "forward looking statements" as defined in the Private Securities Litigation Reform Act (PSLRA) of 1995, which involve risks and uncertainties that exist in the Company's operations and business environment, and are subject to change based on various important factors. The Company wishes to take advantage of the "safe harbor" provisions of the PSLRA by cautioning readers that numerous important factors discussed below, among others, in some cases have caused, and in the future could cause, the Company's actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Company. The following include some, but not all, of the factors or uncertainties that could cause actual results to differ from projections:

- An economic slowdown, or unforeseen price reductions in the Company's global market segments, with adverse effects on profit margins.

- The Company's ability to continue achieving its cost reduction objectives, due in part to varying prices and availability of certain raw materials and semifinished materials and components.

- Underutilization of the Company's existing factories and plants, or plant expansions or new plants; possibly resulting in production inefficiencies. Higher than anticipated, or unanticipated start-up expenses and production delays at new plants.

- The unanticipated expenses of divesting businesses, or of assimilating newly-acquired businesses into the Company's business structure; as well as the impact of unusual expenses from business strategies, asset valuations, acquisitions, divestitures and organizational structures. Acquisition and divestiture strategies may face legal and regulatory delays and other unforeseeable obstacles beyond the Company's control.

- Unpredictable delays or difficulties in the development of key new product programs, and the risk of not recovering major research and development expenses, and/or the risks of major technological shifts away from the Company's technologies and core competencies.

- A prolonged slowing of the growth rate in the U.S. and Europe for electric motor products, aerospace, heavy-vehicle and process instrumentation; as well as a restriction in the ability of heavy-vehicle manufacturers to secure components manufactured by outside suppliers.

- Rapid or unforeseen escalation of the cost of regulatory compliance and/or litigation, including but not limited to, environmental compliance, product-related liability, assertions related to intellectual property rights and licenses, adoption of new, or changes in accounting policies and practices and the application of such policies and practices.

- The effects, in the United States and abroad, of changes in trade practices; monetary and fiscal policies; laws and regulations; other activities of governments, agencies and similar organizations; and social and economic conditions, such as trade restrictions or prohibitions; unforeseen inflationary pressures and monetary fluctuation; import and other charges or taxes; the ability or inability of the Company to obtain, or hedge foreign currencies, foreign currency exchange rates and fluctuation in those rates. This would include extreme currency fluctuations; protectionism and confiscation of assets; nationalizations and unstable governments and legal systems, and intergovernmental disputes.

- Variation in the level of orders booked, which can be affected by general economic conditions, intensity of competition and continued marketplace acceptance of products.

The Company believes that it has the product offerings, facilities, personnel and competitive and financial resources for continued business success. However, future revenues, costs, margins, product mix and profits are all influenced by a number of factors, as discussed above.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information concerning market risk is set forth under the heading "Market Risk Disclosure" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 21 herein.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

FINANCIAL STATEMENT SCHEDULES (ITEM 14(a) 2)
Financial statement schedules have been omitted because either they are not applicable or the required information is included in the financial statements or the notes thereto.

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of AMETEK, Inc.

We have audited the accompanying consolidated balance sheets of AMETEK, Inc. as of December 31, 2000 and 1999, and the related consolidated statements of income, cash flows, and stockholders' equity for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of AMETEK, Inc. at December 31, 2000 and 1999, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

/s/ ERNST & YOUNG LLP

Philadelphia, PA
January 22, 2001

AMETEK, INC.

CONSOLIDATED STATEMENT OF INCOME

	YEARS ENDED DECEMBER 31,		
	2000	1999	1998
	(DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)		
Net sales	$1,024,660	$924,797	$927,474
Expenses:			
Cost of sales (excluding depreciation)	761,548	696,011	711,020
Selling, general and administrative	95,147	79,351	82,089
Depreciation	32,075	30,638	29,909
Nonrecurring charge	--	--	8,020
Total expenses	888,770	806,000	831,038
Operating income	135,890	118,797	96,436
Other income (expenses):			
Interest expense	(29,203)	(24,776)	(23,659)
Other, net	(549)	440	4,581
Income before income taxes	106,138	94,461	77,358
Provision for income taxes	37,606	33,693	26,909
Income before extraordinary item	68,532	60,768	50,449
Extraordinary loss on early extinguishment of debt, net of taxes	--	--	(8,710)
Net income	$ 68,532	$ 60,768	$ 41,739
Basic earnings (loss) per share:			
Income before extraordinary item	$ 2.13	$ 1.88	$ 1.55
Extraordinary loss on early extinguishment of debt	--	--	(0.27)
Net income	$ 2.13	$ 1.88	$ 1.28
Diluted earnings (loss) per share:			
Income before extraordinary item	$ 2.11	$ 1.85	$ 1.50
Extraordinary loss on early extinguishment of debt	--	--	(0.26)
Net income	$ 2.11	$ 1.85	$ 1.24
Average common shares outstanding:			
Basic shares	32,131	32,297	32,733
Diluted shares	32,534	32,925	33,741

See accompanying notes.

AMETEK, INC.

CONSOLIDATED BALANCE SHEET

	DECEMBER 31, 2000	DECEMBER 31, 1999
	(DOLLARS IN THOUSANDS)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,187	$ 8,636
Marketable securities	8,111	6,764
Receivables, less allowance for possible losses	139,568	112,756
Inventories	129,365	102,396
Deferred income taxes	10,516	12,001
Other current assets	8,353	13,548
Total current assets	303,100	256,101
Property, plant and equipment, net	213,955	219,571
Goodwill, net of accumulated amortization	299,479	248,304
Investments and other assets	42,454	44,174
Total assets	$858,988	$768,150
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt	$127,601	$ 99,674
Accounts payable	87,315	73,377
Income taxes payable	12,347	17,979
Accrued liabilities	70,392	71,706
Total current liabilities	297,655	262,736
Long-term debt	233,616	231,756
Deferred income taxes	33,166	27,781
Other long-term liabilities	13,713	29,661
Stockholders' equity:		
Preferred stock, $0.01 par value; authorized: 5,000,000 shares; none issued	--	--
Common stock, $0.01 par value; authorized: 100,000,000 shares; issued: 2000 and 1999 -- 33,376,491 shares	334	334
Capital in excess of par value	2,248	2,041
Retained earnings	330,696	269,861
Accumulated other comprehensive losses	(30,165)	(27,395)
Less: Cost of shares held in treasury: 2000 -- 931,295 shares; 1999 -- 1,413,502 shares	(22,275)	(28,625)
Total stockholders' equity	280,838	216,216
Total liabilities and stockholders' equity	$858,988	$768,150

See accompanying notes.

AMETEK, INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	2000		1999		1998	
	COMPREHENSIVE INCOME	STOCKHOLDERS' EQUITY	COMPREHENSIVE INCOME	STOCKHOLDERS' EQUITY	COMPREHENSIVE INCOME	STOCKHOLDERS' EQUITY
	(DOLLARS IN THOUSANDS)					
CAPITAL STOCK						
Preferred Stock, $0.01 par value		$ --		$ --		$ --
Common Stock, $0.01 par value						
Balance at the beginning of the year		334		334		332
Shares issued, net of common stock retirement		--		--		2
Balance at the end of the year		334		334		334
CAPITAL IN EXCESS OF PAR VALUE						
Balance at the beginning of the year		2,041		4,727		3,146
Employee stock option, savings and award plans		207		(2,686)		1,581
Balance at the end of the year		2,248		2,041		4,727
RETAINED EARNINGS						
Balance at the beginning of the year		269,861		216,837		182,935
Net income	$68,532	68,532	$60,768	60,768	$41,739	41,739
Cash dividends paid		(7,697)		(7,744)		(7,837)
Balance at the end of the year		330,696		269,861		216,837
ACCUMULATED OTHER COMPREHENSIVE LOSSES(1)						
Foreign currency translation:						
Balance at the beginning of the year		(26,292)		(16,277)		(20,246)
Translation adjustments	(4,175)	(4,175)	(10,015)	(10,015)	3,969	3,969
Balance at the end of the year		(30,467)		(26,292)		(16,277)
Minimum pension liability adjustment:						
Balance at the beginning of the year		(280)		(4,012)		(1,909)
Adjustments during the year	111	111	3,732	3,732	(2,103)	(2,103)
Balance at the end of the year		(169)		(280)		(4,012)
Valuation adjustments for marketable securities and other:						
Balance at the beginning of the year		(823)		(575)		268
Increase (decrease) in marketable securities(2)	1,294	1,294	(248)	(248)	(1,018)	(1,018)
Other	--	--	--	--	175	175
Net change in marketable securities and other	1,294		(248)		(843)	
Balance at the end of the year		471		(823)		(575)
Total other comprehensive (loss) income for the year	(2,770)		(6,531)		1,023	
Total comprehensive income for the year	$65,762		$54,237		$42,762	
Accumulated other comprehensive loss at the end of the year		(30,165)		(27,395)		(20,864)
TREASURY STOCK						
Balance at the beginning of the year		(28,625)		(26,985)		(5,479)

Employee stock option, savings and award plans	7,961	7,641	6,493
Purchase of treasury stock	(1,611)	(9,281)	(27,999)
Balance at the end of the year	(22,275)	(28,625)	(26,985)
Total Stockholders' Equity	$280,838	$216,216	$174,049

(1) Amounts presented are net of tax based on an average effective tax rate of 35%, except for foreign currency translation adjustments, which are presented on a pretax basis.

(2) Includes reclassification adjustment for gains included in net income for 2000, 1999, and 1998 of $0.3 million, $0.1 million, and $1.2 million, respectively.

See accompanying notes.

AMETEK, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

	YEARS ENDED DECEMBER 31,		
	2000	1999	1998
	(DOLLARS IN THOUSANDS)		
CASH PROVIDED BY (USED FOR):			
Operating activities:			
Income before extraordinary item	$ 68,532	$ 60,768	$ 50,449
Adjustments to reconcile income before extraordinary item to net cash provided by operating activities:			
Depreciation and amortization	43,257	39,624	38,369
Deferred income taxes	6,430	5,118	(1,692)
Changes in assets and liabilities (net of acquisitions):			
(Increase) decrease in receivables	(16,782)	(7,008)	10,953
(Increase) decrease in inventories and other current assets	(6,622)	(68)	3,085
(Decrease) increase in payables, accruals, and income taxes	(4,390)	(6,861)	(20,657)
(Decrease) increase in other long-term liabilities	(14,866)	1,568	(3,340)
Other	3,165	(6,572)	1,219
Cash provided by operating activities before sale of accounts receivable	78,724	86,569	78,386
Increase in accounts receivable sold	1,000	44,000	--
Total operating activities	79,724	130,569	78,386
Investing activities:			
Additions to property, plant and equipment	(29,554)	(30,331)	(49,841)
Purchase of businesses	(81,017)	(147,470)	(115,380)
Proceeds from sale of assets	3,314	29,515	4,770
Increase in marketable securities and other	(143)	255	(3,038)
Total investing activities	(107,400)	(148,031)	(163,489)
Financing activities:			
Net change in short-term borrowings	25,154	37,820	51,023
Additional long-term borrowings	3,003	5,201	225,000
Reduction in long-term borrowings	(271)	(14,309)	(136,948)
Debt prepayment premium and new debt issuance costs	--	--	(16,829)
Repurchases of common stock	(1,611)	(9,281)	(27,999)
Cash dividends paid	(7,697)	(7,744)	(7,837)
Proceeds from stock options	7,649	4,541	4,793
Other	--	102	2,984
Total financing activities	26,227	16,330	94,187
(Decrease) increase in cash and cash equivalents	(1,449)	(1,132)	9,084
Cash and cash equivalents:			
Beginning of year	8,636	9,768	684
End of year	$ 7,187	$ 8,636	$ 9,768

See accompanying notes.

AMETEK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The accompanying consolidated financial statements reflect the operations, financial position and cash flows of AMETEK, Inc. (the "Company"), and include the accounts of the Company and subsidiaries, after elimination of all significant intercompany transactions in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates and assumptions.

Cash Equivalents, Securities, and Other Investments

All highly liquid investments with maturities of three months or less when purchased are considered cash equivalents. At December 31, 2000 and 1999, all of the Company's equity securities and fixed income securities (primarily those of a captive insurance subsidiary) are considered available-for-sale. The aggregate market value of such securities at December 31, 2000 and 1999 was: 2000 -- $16.4 million ($16.0 million amortized cost) and 1999 -- $14.5 million ($16.1 million amortized cost). The Company's other investments are accounted for by the equity method.

Inventories

Inventories are stated at the lower of cost or market, cost being determined principally by the last-in, first-out (LIFO) method of inventory valuation, and market on the basis of the lower of replacement cost or estimated net proceeds from sales. The excess of the first-in, first-out (FIFO) value over the LIFO value at December 31, 2000 and 1999 was $31.6 million and $33.2 million, respectively.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Expenditures for additions to plant facilities, or that extend their useful lives, are capitalized. The cost of tools, jigs, and dies, and maintenance and repairs is charged to operations as incurred. Depreciation of plant and equipment is calculated principally on a straight-line basis over the estimated useful lives of the related assets.

Revenue Recognition

The Company generally recognizes revenue when products are shipped and services are rendered. The policy with respect to sales returns and allowances generally provides that a customer may not return products, or be given allowances, except at the Company's option. The aggregate provisions for estimated warranty costs (not significant in amount) are recorded at the time of sale and periodically adjusted to reflect actual experience.

Research and Development

Company-funded research and development costs are charged to operations as incurred and during the past three years were: 2000-$23.8 million, 1999-$21.6 million, and 1998-$23.4 million.

Earnings Per Share

The calculation of basic earnings per share is based on the average number of common shares outstanding during the period. Diluted earnings per share reflect the effect of all potentially dilutive securities (primarily outstanding common stock options). The following table presents the number of shares used in the calculation of basic earnings per share and diluted earnings per share:

	2000	1999	1998
		(IN THOUSANDS)	
Weighted average shares:			
Basic	32,131	32,297	32,733
Stock option and award plans	403	628	1,008
Diluted	32,534	32,925	33,741

Foreign Currency Translation

Assets and liabilities of foreign operations are translated by using exchange rates in effect at the balance sheet date, and their results of operations are translated by using average exchange rates for the year. Certain transactions of the Company and its subsidiaries are made in currencies other than their functional currency. Gains and losses from those transactions are included in operating results for the year.

Derivative Financial Instruments

The Company makes limited use of derivative financial instruments to manage interest rate, foreign exchange, and forward contract exposure. The Company does not hold or trade in derivatives for speculative purposes. Interest rate swap and cap agreements are sometimes used to manage the interest rate characteristics of certain outstanding revolving credit loans to a more desirable fixed or variable rate basis, or to limit the Company's exposure to rising interest rates. These swaps and caps are matched with the underlying fixed or variable rate debt, and any periodic cash payments are accrued on a settlement basis and accounted for as adjustments to interest costs. No gains or losses are recorded. There were no interest rate swap or cap agreements in place during 2000. Foreign currency option contracts, foreign currency exchange contracts, and foreign currency swap agreements may be entered into to mitigate the translation exposure from investments in certain foreign subsidiaries. Realized and unrealized gains and losses from these instruments are recognized when the underlying hedged instrument is settled. Foreign currency forward contracts are entered into to from time-to-time to hedge specific firm commitments for certain export sales, thereby minimizing the Company's exposure to foreign currency fluctuation. These contracts are entered into for periods generally not to exceed one year. Unrealized gains and losses from these contracts are deferred and are recognized in operations as the related sales and purchases occur. Realized and unrealized changes in fair value of derivatives designated with items that no longer exist, or are no longer probable of occurring are recorded as a component of the gain or loss arising from the disposition of the designated item. There are no carrying amounts related to the above derivative financial instruments in the consolidated balance sheet and the Company had no significant derivatives outstanding at December 31, 2000 and 1999.

Intangible Assets

The excess of cost over net assets acquired (goodwill) is being amortized on a straight-line basis primarily over a 30 year period. The Company reviews the carrying value of intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such an event occurred, the Company would prepare projections of future cash flows for the applicable business. If such projections indicated that goodwill would not be recoverable, the Company's carrying value of such asset would be reduced by the estimated excess of such value over projected discounted cash flow. Patents are being amortized on a straight-line basis over their estimated useful lives of 9 to 17 years. Other acquired intangibles are being amortized on a straight-line basis over their estimated useful lives of 5 to 30 years.

Reclassifications

Certain amounts appearing in the prior year's financial statements and supporting footnote disclosures have been reclassified to conform to the current year's presentation.

2. NONRECURRING CHARGE

Included in the 1998 results of operations is a pretax nonrecurring charge of $8.0 million ($4.8 million after-tax, or $0.14 per diluted share) incurred in the fourth quarter of 1998 for costs associated with initiatives the Company undertook to lower its cost structure. The initiatives included: the closure and consolidation of certain of the Company's Electromechanical Group's (EMG) motor plants in Europe ($2.7 million), the transition of some of EMG's U.S. motor production to a lower cost facility in Reynosa, Mexico ($1.5 million), selected workforce reductions, and other initiatives to maximize operating efficiencies, mostly within the Electronic Instruments Group (EIG) ($3.8 million). As of December 31, 2000, all actions under these initiatives were completed.

3. ACQUISITIONS

In 2000, the Company made two acquisitions. In August 2000, the Company acquired the assets of certain businesses of Prestolite Electric Incorporated. The acquired businesses consist of Prestolite's Switch Division, its Industrial Battery Charger business, and its Direct-Current (DC) motor business, which are now a part of the Electromechanical Group. Additionally, in September 2000, the Company acquired the assets of Rochester Instrument Systems, a leading supplier for the electric power generation market, which is now a part of the Electronic Instruments Group. The aggregate purchase price paid for the 2000 acquisitions was $81 million in cash, subject to adjustment for finalization of the value of the net assets acquired.

In 1999, the Company made four acquisitions, which operate as part of the Electronic Instruments Group. On January 4, 1999, the Company acquired all of the outstanding shares of National Controls Corporation, a leading U.S. manufacturer of electronic instruments and controls for food service equipment. On April 30, 1999, the Company acquired substantially all of the assets of Gulton-Statham Transducers, a leading manufacturer of high-accuracy electronic pressure transmitters and transducers for the aerospace and industrial markets, from Mark IV Industries, Inc. On July 30, 1999, the Company acquired Patriot Sensors and Controls Corporation, a leading manufacturer of position sensors, tank gauges and aviation transducers, from First Atlantic Capital, Ltd. These products are used in a wide range of industrial and aerospace applications. Finally, on December 2, 1999, the Company acquired Drexelbrook Engineering Company (Drexelbrook). Drexelbrook designs and manufactures point level and continuous level measurement and control devices and flow measurement instrumentation. These instruments are used in a variety of end markets, including chemical, petrochemical, pharmaceutical, food and beverage, pulp and paper, water and wastewater. The aggregate purchase price paid for the 1999 acquisitions was $147.5 million.

In January 1998, the Company acquired Rotron, Inc., a manufacturer of electric motors, fans and motor-blowers, from EG&G Holdings, Inc. In April 1998, the Company acquired the Western Research business unit of BOVAR, Inc. Western Research is a manufacturer of gas analysis instrumentation for industrial process control and air emissions monitoring. In July 1998, the Company acquired the assets of Darmet Corporation, a manufacturer of specialty wire alloys for electrical and electronics-related applications. The aggregate purchase price of the 1998 acquisitions was $115.4 million in cash.

As of the closing dates, the Company also recorded liabilities for certain estimated future pension obligations, and for certain other personnel-related costs associated with the relocation and consolidation of certain operations of the acquired businesses.

All of the above acquisitions were accounted for by the purchase method, and accordingly, the results of their operations are included in the Company's consolidated results from their respective dates of acquisition. The estimated goodwill acquired with these businesses is being amortized on a straight-line basis over thirty years.

Had the 2000 acquisitions been made at the beginning of 1999, proforma net sales for 2000 and 1999 would have been $1,085.4 million and $1,022.3 million. Proforma net income and diluted earnings per share for 2000 or 1999 would not have been materially different than those reported.

4. OTHER BALANCE SHEET INFORMATION

	2000	1999
	(IN THOUSANDS)	
INVENTORIES		
Finished goods and parts	$ 22,879	$ 18,749
Work in process	31,020	26,904
Raw materials and purchased parts	75,466	56,743
	$129,365	$102,396
PROPERTY, PLANT AND EQUIPMENT, at cost		
Land	$ 9,138	$ 7,753
Buildings	105,335	103,405
Machinery and equipment	414,048	405,622
	528,521	516,780
Less accumulated depreciation	(314,566)	(297,209)
	$213,955	$219,571
GOODWILL, at cost	$327,320	$266,377
Less accumulated amortization	(27,841)	(18,073)
	$299,479	$248,304
INVESTMENTS & OTHER ASSETS		
Other intangibles, at cost:		
Patents	$ 21,448	$ 21,448
Other acquired intangibles	47,513	47,513
Less accumulated amortization	(64,701)	(63,541)
	4,260	5,420
Investments	15,727	16,035
Other	22,467	22,719
	$ 42,454	$ 44,174

AMETEK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

	2000	1999
	(IN THOUSANDS)	
ACCRUED LIABILITIES		
Accrued employee compensation and benefits	$ 27,968	$ 26,412
Other	42,424	45,294
	$ 70,392	$ 71,706

	2000	1999	1998
		(IN THOUSANDS)	
ALLOWANCES FOR POSSIBLE LOSSES ON ACCOUNTS AND NOTES RECEIVABLE			
Balance at beginning of year	$3,994	$4,580	$3,932
Additions charged to expense	264	43	429
Recoveries credited to allowance	43	100	51
Write-offs	(157)	(1,119)	(85)
Allowance acquired with new businesses	214	502	210
Currency translation adjustment and other	(40)	(112)	43
Balance at end of year	$4,318	$3,994	$4,580

5. ACCOUNTS RECEIVABLE SALES

On October 1, 1999, the Company entered into an accounts receivable sale agreement through a wholly-owned, special purpose subsidiary with a bank whereby it can sell to a third party up to $50 million of its trade accounts receivable. The Company's retained interest in the associated receivables, which represents its subordinated interest in the receivables sold to the special purpose subsidiary that have not subsequently been sold to the third party, is reflected as a component of accounts receivable in the Company's consolidated balance sheets. The balance of the retained interest was $29.6 million and $26.2 million at December 31, 2000 and 1999, respectively. Proceeds from the initial sale of accounts receivable in 1999 were used to reduce short-term borrowings outstanding under the Company's revolving bank credit agreement. The special purpose subsidiary uses collections on previously purchased interests to acquire additional interests in new eligible receivables from the Company. The Company remains responsible for servicing the underlying accounts receivable for which it receives an adequate service fee as compensation. The Company estimates the fair value of its retained interests by considering the present value of future cash flows from the retained interest and expected credit losses in both the pool of receivables making up the retained interest and the pool of receivables sold to the third party. Due to the short period of time over which cash flows from the retained interest are expected to be realized (based on an average collection cycle of 60 days), the cost basis of the underlying receivables approximates fair value, less an associated allowance for doubtful accounts. A hypothetical 10% or greater adverse change in either the discount rate used to calculate the present value of future cash flows or the collection cycle would not materially affect the fair value of the retained interest. During 2000, the Company sold to its special purpose subsidiary $541.7 million in net receivables throughout the year and made collections on these receivables, net of a servicing fee, of $537.3 million. Accounts receivable sold to third parties as of December 31, 2000 and 1999 were $45 million and $44 million, respectively. The costs associated with the sale of accounts receivable, which are included in interest expense, were $3 million in 2000 and $1 million in 1999.

6. LONG-TERM DEBT

At December 31, 2000 and 1999, long-term debt consisted of the following:

	DECEMBER 31, 2000	DECEMBER 31, 1999
	(IN THOUSANDS)	
7.20% Senior Notes due 2008	$225,000	$225,000
Other, Principally Foreign	9,938	6,872
	234,938	231,872
Less: current portion	(1,322)	(116)
Total long-term debt	$233,616	$231,756

Maturities of long-term debt outstanding at December 31, 2000 are as follows: $3.0 million in 2002; $2.2 million in 2003; $1.9 million in 2004; and $226.5 million in 2005 and thereafter. On July 17, 1998 the Company issued, through a private placement, $225 million principal amount of 7.20% Senior Notes due July 15, 2008. The Senior Notes were priced at a discount to yield of 7.241% to maturity.

In connection with the early retirement of $136.2 million of senior notes in 1998, an extraordinary after-tax charge of $8.7 million, or $0.26 per diluted share, was recorded net of tax benefits totaling $5.1 million.

At, December 31, 2000, the Company had a $195 million revolving Bank Credit Agreement that matures in 2002. Interest rates on outstanding loans under the Bank Credit Agreement are based on the London Interbank Offered Rate (LIBOR), plus a negotiated spread over LIBOR, or at the U.S. prime rate. At December 31, 2000, the Company had $114 million in revolving credit loans outstanding at a blended rate of 7.40%, all of which are included in short-term borrowings at year-end.

The Bank Credit Agreement was amended in 1999, to change restrictions on allowable foreign debt, and the measurement of the pro forma effect of potential acquisitions in certain debt covenant compliance calculations. The Bank Credit Agreement places certain restrictions on cash payments, including the payment of dividends. At December 31, 2000, retained earnings of approximately $18.2 million were not subject to the dividend limitation.

Foreign subsidiaries of the Company had available credit facilities with local foreign lenders of approximately $37.7 million, of which $22.2 million was outstanding at December 31, 2000. The weighted average interest rate on total debt outstanding at December 31, 2000 was 7.31%. The Company also had outstanding letters of credit totaling $14.3 million at December 31, 2000.

7. STOCKHOLDERS' EQUITY

In 2000, the Company repurchased 83,500 shares of its common stock, under its current share repurchase authorization at a total cost of $1.6 million. This compares with repurchases of 492,000 shares at a total cost of $9.3 million in 1999. At December 31, 2000, approximately $27 million of the current $50 million authorization was unexpended.

The Company has a Shareholder Rights Plan, under which the Company's Board of Directors declared a dividend of one Right for each share of Company common stock owned. The Plan provides, under certain conditions involving acquisition of the Company's common stock, that holders of Rights, except for the acquiring entity, would be entitled to (i) to purchase shares of preferred stock at a specified exercise price, or (ii) to purchase shares of common stock of the Company, or the acquiring company, having a value of twice the Rights exercise price. The Rights under the Plan expire in 2007.

8. STOCK OPTION AND AWARD PLANS

In 1999, the Company adopted the 1999 Stock Incentive Plan ("the 1999 Plan"). The 1999 Plan provided for the grant of up to 2.0 million shares of common stock to eligible employees and nonemployee directors of the Company in the form of options, phantom stock awards, restricted stock awards and stock rights. The Company's 1997 Stock Incentive Plan permitted the grant of up to 3.8 million shares of common stock. Stock options may be granted as non-qualified stock options or as incentive stock options under the Internal Revenue Code of 1986.

Restricted stock awards of the Company's common stock are made to eligible employees and nonemployee directors at such cost to the recipient as the stock option committee of the Board of Directors may determine. Such shares are issued subject to certain conditions with respect to transfer and other restrictions as prescribed by the plan. Upon issuance of restricted stock, unearned compensation, equivalent to the excess of the market price of the shares awarded over the price paid by the recipient at the date of grant, is charged to stockholders' equity and is included in treasury stock. Unearned compensation is amortized to expense over the periods until the restrictions lapse. In December 2000, the Company awarded 150,000 shares of restricted stock. The expense related to the restricted stock award was immaterial in 2000. The Company did not grant any restricted stock in 1999 or 1998.

In 2000, the Company reserved 14,600 shares, net of share adjustments for terminations, under a Supplemental Executive Retirement Plan ("SERP"), bringing the total number of shares reserved to 94,100 shares. Charges to expense under the SERP are considered pension expense (see Note 11), with the offsetting credit reflected in stockholders' equity.

At December 31, 2000, 4,259,584 (4,842,758 in 1999) shares of common stock were reserved for issuance, (including stock options outstanding), under the 1999 and 1997 plans. The options are exercisable at prices not less than market prices on dates of grant, and in installments over four-to-ten-year-periods from dates of grant. The Company had no stock appreciation rights outstanding at December 31, 2000 or 1999. Stock appreciation rights, when issued, are exercisable for cash and/or shares of the Company's common stock when the related option is exercised. A charge to income, not significant in amount, is made for these rights and certain related options.

A summary of the Company's stock option activity and related information for the years ended December 31 follows:

	2000		1999		1998	
	SHARES	PRICE RANGE	SHARES	PRICE RANGE	SHARES	PRICE RANGE
Outstanding at beginning of year	2,907,991	$10.92 - $30.34	2,687,031	$10.92 - $30.34	2,601,564	$ 9.73 - $23.78
Granted	566,150	$19.94 - $24.44	717,400	$18.78 - $24.84	593,600	$25.69 - $30.34
Exercised	(433,174)	$10.92 - $20.00	(377,260)	$11.60 - $22.00	(417,653)	$ 9.73 - $18.10
Canceled	(84,372)	$14.15 - $30.34	(119,180)	$14.15 - $30.34	(90,480)	$11.60 - $28.63
Outstanding at end of year	2,956,595	$11.60 - $30.34	2,907,991	$10.92 - $30.34	2,687,031	$10.92 - $30.34
Exercisable at end of year	1,634,903	$11.60 - $30.34	1,628,799	$10.92 - $30.34	1,570,966	$10.92 - $23.78

The following table summarizes information pertaining to the Company's stock options outstanding at December 31, 2000:

RANGE OF EXERCISE PRICES	OPTIONS OUTSTANDING	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	OPTIONS EXERCISABLE	WEIGHTED AVERAGE EXERCISE PRICE
$11.60 - $18.20	1,222,645	$13.90	3.8	1,215,133	$13.87
$18.21 - $24.27	997,600	$20.26	5.8	131,050	$20.48
$24.28 - $30.34	736,350	$27.97	4.9	288,720	$28.88
	2,956,595	$19.55	4.7	1,634,903	$17.05

The Company applies Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," in accounting for its stock option plans. Had compensation expense for such plans been determined in accordance with Financial Accounting Standards Board Statement No. 123, "Accounting for Stock-Based Compensation" pro forma net income and related per share amounts for the years ended December 31, 2000, 1999, and 1998 would have been as follows:

	2000	1999	1998
	(IN THOUSANDS, EXCEPT PER SHARE DATA)		
Net income:			
As reported	$68,532	$60,768	$41,739
Pro forma	66,452	58,838	40,120
Net income per share:			
Basic:			
As reported	$ 2.13	$ 1.88	$ 1.28
Pro forma	2.07	1.82	1.23
Diluted:			
As reported	2.11	1.85	1.24
Pro forma	2.07	1.82	1.23

The weighted average fair value of each option grant on the grant date was $7.18 for 2000, $6.65 for 1999, and $8.41 for 1998. The fair value of each option was estimated using the Black-Scholes option pricing model with the following weighted-average assumptions for options granted in each of the last three years.

	2000	1999	1998
Expected life (years)	5.0	5.0	5.0
Expected volatility	30.8%	28.0%	24.5%
Dividend yield	1.2%	1.2%	0.8%
Risk-free interest rate	6.61%	5.58%	4.79%

9. LEASES

Minimum aggregate rental commitments under noncancelable leases in effect at December 31, 2000 (principally for production and administrative facilities and equipment) amounted to $19.1 million consisting of annual payments of $4.7 million in 2001, $3.2 million in 2002, $2.5 million in 2003, $2.0 million in 2004, $1.4 million in 2005 and $5.3 million in 2006 and thereafter. Rental expense was $8.1 million in 2000, $6.9 million in 1999 and $6.7 million in 1998.

10. INCOME TAXES

The components of income before income taxes and the details of the provision for income taxes are as follows:

	2000	1999	1998
	(IN THOUSANDS)		
Income before income taxes:			
Domestic	$ 97,302	$85,797	$69,072
Foreign	8,836	8,664	8,286
Total	$106,138	$94,461	$77,358
Provision for income taxes:			
Current:			
Federal	$ 26,995	$26,421	$23,965
Foreign	2,390	5,899	2,335
State	1,541	(136)	3,849
Total current	30,926	32,184	30,149
Deferred:			
Federal	4,733	2,477	(2,148)
Foreign	1,230	(1,541)	(807)
State	717	573	(285)
Total deferred	6,680	1,509	(3,240)
Total provision	$ 37,606	$33,693	$26,909

Significant components of the Company's deferred tax (asset) liability as of December 31 are as follows:

	2000	1999
	(IN THOUSANDS)	
Current deferred tax asset:		
Reserves not currently deductible	$ (7,101)	$ (7,587)
Other	(3,415)	(4,414)
Net current deferred tax asset	(10,516)	(12,001)
Noncurrent deferred tax (asset) liability:		
Differences in basis of property and accelerated depreciation	18,709	15,774
Purchased tax benefits	5,434	7,102
Reserves not currently deductible	(5,737)	(8,518)
Other	14,760	13,423
Noncurrent deferred tax liability	33,166	27,781
Net deferred tax liability	$ 22,650	$ 15,780

The effective rate of the provision for income taxes reconciles to the statutory rate as follows:

	2000	1999	1998
Statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal income tax benefit(a)	1.4	0.3	3.0
Foreign Sales Corporation (FSC) tax credit	(3.3)	(3.0)	(3.7)
Differences between U.S. and foreign tax rates	1.0	1.8	1.6
Goodwill amortization	2.2	1.9	1.4
Other(b)	(0.9)	(0.3)	(2.5)
	35.4%	35.7%	34.8%

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(a) Years 2000 and 1999 include the reversal of certain prior years' excess state income tax accruals.

(b) Years 1998 includes favorable foreign tax adjustments relating to prior years.

At December 31, 2000, the Company had available net operating loss carryforwards of approximately $8.1 million to offset future taxable income. The carryforwards, from a subsidiary acquired in 1999, will expire in 2005 through 2019.

Undistributed earnings of the Company's foreign subsidiaries amounted to approximately $50.8 million at December 31, 2000. Those earnings are considered to be indefinitely reinvested and, accordingly, no provision for U.S. deferred taxes has been made. Upon distribution of those earnings to the United States, the Company would be subject to U.S. income taxes (subject to a reduction for foreign tax credits) and withholding taxes payable to the various foreign countries. Determination of the amount of unrecognized deferred income tax liability is not practicable.

11. RETIREMENT AND PENSION PLANS

The Company maintains noncontributory defined benefit pension plans. Benefits for eligible U.S. salaried and hourly employees are funded through trusts established in conjunction with the plans. The Company's funding policy with respect to its defined benefit plans is to contribute amounts that provide for benefits in accordance with the funding requirements of federal law and regulations. Assets of these plans are invested in a variety of equity and debt instruments and in pooled temporary funds, as well as the Company's common stock, the investment in which is not material to total plan assets.

The Company's retirement and savings plan has a defined contribution retirement feature principally to cover U.S. salaried employees joining the Company after December 31, 1996. Under this retirement feature, the Company makes contributions for eligible employees based on a pre-established percentage of the covered employee's salary. Employees of certain of the Company's foreign operations participate in various local plans that in the aggregate are not significant.

Effective May 1, 1999, the Company adopted a savings plan for its acquired businesses for the benefit of eligible employees. Company contributions are made for each participant up to a specified percentage, not to exceed 6% of the participant's base compensation.

The Company has nonqualified unfunded retirement plans for its Directors and certain retired employees. It also provides supplemental retirement benefits, through contractual arrangements and/or a SERP covering certain current and former employees of the Company. These supplemental benefits are designed to compensate the employee for retirement benefits the executive would have been provided under the Company's primary retirement plan, except for statutory limitations on compensation that may be taken into account under those plans. The projected benefit obligations of the SERP and the contracts will primarily be funded by a grant of shares of the Company's common stock upon retirement or termination of the employee. The Company is providing for these obligations by charges to earnings over the applicable periods.

The following table provides a reconciliation of the changes in benefit obligations and fair value of plan assets for the defined benefit plans for 2000 and 1999:

	2000	1999
	(IN THOUSANDS)	
Change in benefit obligation		
Net benefit obligation at beginning of period	$253,672	$263,008
Service cost	4,918	5,810
Interest cost	19,410	18,279
Plan amendments	1,241	650
Actuarial gain	(4,429)	(18,273)
Benefits paid	(16,644)	(15,802)
Net benefit obligation at end of period	$258,168	$253,672
Change in plan assets		
Fair value of plan assets at beginning of period	$291,158	$265,681
Actual return on plan assets	38,162	40,587
Employer contributions	1,296	692
Benefits paid	(16,644)	(15,802)
Fair value of plan assets at end of period	$313,972	$291,158

The following table provides aggregate information for pension plans with accumulated benefits in excess of plan assets:

	2000	1999
	(IN THOUSANDS)	
Projected benefit obligation	$4,071	$7,961
Accumulated benefit obligation	4,071	7,961
Fair value of plan assets	-0-	3,633

The following table provides the amounts recognized in the consolidated balance sheets at December 31, 2000 and 1999:

	2000	1999
	(IN THOUSANDS)	
Funded status asset (liability)		
Funded status at December 31	$ 55,805	$ 37,486
Unrecognized net actuarial gain	(40,942)	(24,659)
Unrecognized prior service cost	3,611	3,082
Unrecognized net transition asset	(908)	(1,490)
Net amount recognized at December 31	$ 17,566	$ 14,419
Balance sheet asset (liability)		
Prepaid benefit cost	$ 22,402	$ 20,682
Accrued benefit liability	(4,836)	(6,263)
Additional minimum liability	(397)	(919)
Intangible asset	137	489
Accumulated other comprehensive income (before deferred tax benefit)	260	430
Net amount recognized at December 31	$ 17,566	$ 14,419

The following table provides the components of net periodic benefit cost charged to income for the three years ended December 31, 2000:

	2000	1999	1998
		(IN THOUSANDS)	
Defined benefit plans:			
Service cost for benefits earned during the period	$ 4,918	$ 5,810	$ 6,498
Interest cost on projected benefit obligation	19,410	18,278	17,732
Expected return on plan assets	(26,192)	(23,875)	(24,288)
Net amortization	(45)	323	233
Net pension (income) cost	(1,909)	536	175
Other plans:			
Defined contribution plans	1,960	2,439	1,747
Supplemental retirement plans	517	312	301
Foreign plans and other	801	728	1,234
Total other plans	3,278	3,479	3,282
Net pension cost	$ 1,369	$ 4,015	$ 3,457

Assumptions used in accounting for the defined benefit plans as of December 31 of each year (based on a measurement date of October 1) were:

	2000	1999	1998
Discount rate used in determining present values	8.00%	7.75%	7.00%
Annual rate of increase in future compensation levels	4.75%	4.75%	4.25%
Expected long-term rate of return on plan assets	9.25%	9.25%	9.25%

Effective October 1, 1999, the Company adopted a deferred compensation plan, which allows employees whose compensation exceeds the statutory IRS limit for retirement benefits to defer a portion of earned bonus compensation. The plan permits deferred amounts to be deemed invested in either, or a combination of, (a) an interest bearing fund, benefits from which are payable out of the general assets of the Company, or (b) a fund which invest in shares of the Company's common stock on behalf of the employee. The amount deferred under the plan at December 31, 2000 is not significant. Initial employee deferrals began January 1, 2000. Administrative expense for the plan is borne by the Company and is not significant.

The Company provides limited postretirement benefits other than pensions for certain retirees and a small number of employees. Benefits under these arrangements are not significant. The Company also provides limited postemployment benefits for certain former or inactive employees after employment but before retirement. Those benefits, which are not significant in amount, are accounted for on the accrual basis of accounting.

12. FINANCIAL INSTRUMENTS

The Company makes limited use of derivative financial instruments, and does not use them for trading purposes. Such instruments are generally used to manage well-defined interest rate risks and to hedge firm commitments related to certain export sales denominated in a foreign currency.

Interest rate swap and cap agreements are used to reduce the potential impact of increases in interest rates on the Company's borrowings. Accordingly, the Company may enter into these agreements to effectively convert floating-rate loans to fixed-rate loans and to cap certain interest rates that are indexed to LIBOR rates to reduce the risk from rising interest rates. In 2000, the Company did not enter into any such agreements and none are outstanding at December 31, 2000.

Cross currency and interest rate agreements may be used to hedge a portion of the Company's net investment in certain foreign subsidiaries. At December 31, 2000 and 1999, the Company was party to one such agreement, whereby the Company agreed to swap British pounds for an equivalent amount of U.S. dollars totaling $3.8 million. The agreement provides for the Company to make a fixed interest rate payment while receiving interest at floating rates. The currency swap agreement was renewed on its August 1999 termination date and now terminates in August 2001. The fair value of this agreement at December 31, 2000 and 1999 was not significant.

Forward currency contracts may be entered into from time-to-time to hedge certain firm export sales commitments denominated in foreign currencies. The purpose of such hedging activities is to protect the Company from the risk that the eventual net cash dollar inflows and outflows resulting from the sale of products to foreign customers will be adversely affected by changes in exchange rates. At December 31, 2000 and 1999, the Company was not party to any forward currency contracts. The terms of the currency contracts are linked to the firm commitment and generally do not exceed one year. Deferred gains and losses on such contracts, which are not significant, are recognized in operations as the related sales and purchases occurred.

The estimated fair values of the Company's other financial instruments are compared below to the recorded amounts at December 31, 2000 and 1999. Cash, cash equivalents, and marketable securities are recorded at fair value at December 31, 2000 and 1999 in the accompanying balance sheet.

	ASSET (LIABILITY)			
	DECEMBER 31, 2000		DECEMBER 31, 1999	
	RECORDED AMOUNT	FAIR VALUE	RECORDED AMOUNT	FAIR VALUE
	(IN THOUSANDS)			
Fixed income and equity investments	$ 15,703	$ 15,703	$ 16,035	$ 16,035
Short-term borrowings	$(126,279)	$(126,279)	$ (99,558)	$ (99,558)
Long-term debt (including current portion)	$(234,938)	$(220,669)	$(231,872)	$(206,391)

The fair values of fixed income investments are based on quoted market prices. The fair value of equity investments are based on amounts reported by the investee. The fair value of short-term borrowings is based on the carrying value at year-end. The fair value of the Company's long-term debt, which consists primarily of publicly traded notes, is based on the quoted market price for such notes and borrowing rates currently available to the Company for loans with similar terms and maturities. The fair value of the currency swap agreement, which is not reflected in the financial statements, is based on quoted market prices for comparable instruments and is not significant.

13. ADDITIONAL INCOME STATEMENT AND CASH FLOW INFORMATION

Included in other income is interest and other investment income of $1.5 million, $2.6 million, and $4.6 million for 2000, 1999, and 1998, respectively. Income taxes paid in 2000, 1999, and 1998 were $33.6 million, $29.0 million, and $25.6 million, respectively. Cash paid for interest was $30.2 million and $24.3 million in 2000 and 1999, respectively. Cash paid for interest in 1998 was $26.3 million, and included $6.6 million for unamortized debt issuance costs related to the Company's 7.20% Senior Notes due 2008. These unamortized costs are included as other assets and are being amortized to interest expense over the life of the 7.20% Senior Notes.

14. BUSINESS SEGMENT AND GEOGRAPHIC INFORMATION

Descriptive Information About Reportable Segments

The Company has two reportable segments, the Electronic Instruments Group and the Electromechanical Group. The Company organizes its businesses primarily on the basis of product type, production processes, distribution methods, and management organizations.

The Electronic Instruments Group produces instrumentation for various electronic applications that service certain types of transportation industries, including aircraft cockpit instruments and displays, airborne electronics systems that monitor and record flight and engine data, and pressure-temperature-flow and liquid-level sensors for commercial airlines and aircraft and jet engine manufacturers. The Group also produces instruments and complete instrument panels for heavy truck manufacturers and heavy construction and agricultural vehicles, as well as instruments for foodservice equipment, and measurement and monitoring instrumentation for various process industries. To a lesser degree, the Group also manufactures high-temperature-resistant and corrosion-resistant materials, as well as thermoplastic compounds for automotive, appliance, and telecommunications applications.

The Electromechanical Group produces air-moving electric motors and motor-blower systems for manufacturers of floor-care appliances and outdoor power equipment, fractional horsepower and brushless air-moving motors for aerospace, mass transit, medical equipment, computer and business machine applications. The Group also produces high-purity metal powders and alloys in powder, strip, and wire form for electronic components, aircraft and automotive products. Sales of electric motors, blowers, and fans represented 42.2% in 2000, 43.8% in 1999, and 47.8% in 1998 of the Company's consolidated net sales.

Measurement of Segment Results

Segment operating income represents sales, less all direct costs and expenses (including certain administrative and other expenses) applicable to each segment, but does not include an allocation of interest expense. Net sales by segment are reported after elimination of intra- and inter-segment sales, which are insignificant in amount. Such sales are generally based on prevailing market prices. Reported segment assets include allocations directly related to the segment's operations. Corporate assets consist primarily of investments, insurance deposits, and deferred taxes.

AMETEK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

REPORTABLE SEGMENT FINANCIAL INFORMATION

	2000	1999	1998
	(IN THOUSANDS)		
Net sales:			
Electronic Instruments	$ 509,504	$451,072	$414,202
Electromechanical	515,156	473,725	513,272
Total Consolidated	$1,024,660	$924,797	$927,474
Operating income and income before income taxes:(1)			
Operating income:			
Electronic Instruments	$ 78,771	$ 69,965	$ 55,703
Electromechanical	77,560	67,575	62,511
Total segments operating income	156,331	137,540	118,214
Corporate administrative and other expenses	(20,441)	(18,743)	(21,778)
Consolidated operating income	135,890	118,797	96,436
Interest and other expenses, net	(29,752)	(24,336)	(19,078)
Consolidated income before income taxes	$ 106,138	$ 94,461	$ 77,358
Assets:			
Electronic Instruments	$ 426,317	$386,309	$244,509
Electromechanical	387,983	332,493	375,985
Total segments	814,300	718,802	620,494
Corporate	44,688	49,348	79,331
Total Consolidated	$ 858,988	$768,150	$699,825
Additions to property, plant and equipment:(2)			
Electronic Instruments	$ 10,883	$ 29,323	$ 11,580
Electromechanical	19,292	17,531	40,198
Total segments	30,175	46,854	51,778
Corporate	3,557	2,398	3,634
Total Consolidated	$ 33,732	$ 49,252	$ 55,412
Depreciation and amortization:			
Electronic Instruments	$ 18,939	$ 16,132	$ 15,188
Electromechanical	24,028	22,980	22,761
Total segments	42,967	39,112	37,949
Corporate	290	512	420
Total Consolidated	$ 43,257	$ 39,624	$ 38,369

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(1) Amounts in 1998 include a non-recurring charge for cost reduction initiatives totaling $8.0 million pretax, consisting of $2.3 million in the Electronic Instruments segment, $5.2 million in the Electromechanical segment, and $0.5 million in Corporate.

(2) Includes $4.2 million in 2000, $18.9 million in 1999, and $5.6 million in 1998 from acquired businesses.

AMETEK, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Geographic Areas

Information about the Company's operations in different geographic areas for the years ended December 31, 2000, 1999, and 1998 is shown below. Net sales were attributed to geographic areas based on the location of the customer, accordingly, U.S. export sales are reported in international sales.

	2000	1999	1998
	(IN THOUSANDS)		
Net sales:			
United States	$ 699,713	$622,832	$582,494
International(a):			
European Union countries	118,934	123,116	147,300
Asia	68,409	57,451	60,693
Other foreign countries	137,604	121,398	136,987
Total international	324,947	301,965	344,980
Total Consolidated	$1,024,660	$924,797	$927,474
Long-lived assets from continuing operations:			
United States	$ 443,417	$390,749	$283,161
International(b):			
European Union countries	53,229	65,111	72,081
Asia	4,710	4,424	4,675
Other foreign countries	20,827	19,811	17,791
Total international	78,766	89,346	94,547
Total Consolidated	$ 522,183	$480,095	$377,708

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(a) Includes U.S. export sales of $179.1 million in 2000, $158.5 million in 1999, and $162.6 million in 1998.

(b) Represents long-lived assets of foreign-based operations only.

15. QUARTERLY FINANCIAL DATA (UNAUDITED)

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL YEAR
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
2000					
Net sales	$255,812	$255,504	$255,098	$258,246	$1,024,660
Operating income	$ 33,887	$ 33,770	$ 34,106	$ 34,127	$ 135,890
Net income	$ 16,754	$ 17,223	$ 17,318	$ 17,237	$ 68,532
Basic earnings per share:(a)					
Net income	$ 0.52	$ 0.54	$ 0.54	$ 0.53	$ 2.13
Diluted earnings per share:(a)					
Net income	$ 0.52	$ 0.53	$ 0.53	$ 0.53	$ 2.11
Dividends paid per share	$ 0.06	$ 0.06	$ 0.06	$ 0.06	$ 0.24
Common stock trading range:(b)					
High	22 1/8	21 9/16	22 7/8	26 15/16	26 15/16
Low	15 1/2	17 1/2	18 1/2	20	15 1/2

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL YEAR
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
1999					
Net sales..........................	$230,878	$231,640	$226,258	$236,021	$ 924,797
Operating income...................	$ 29,149	$ 29,584	$ 30,518	$ 29,546	$ 118,797
Net income.........................	$ 14,596	$ 15,564	$ 15,594	$ 15,014	$ 60,768
Basic earnings per share:(a)					
Net income.......................	$ 0.45	$ 0.48	$ 0.48	$ 0.47	$ 1.88
Diluted earnings per share:(a)					
Net income.......................	$ 0.45	$ 0.47	$ 0.47	$ 0.46	$ 1.85
Dividends paid per share...........	$ 0.06	$ 0.06	$ 0.06	$ 0.06	$ 0.24
Common stock trading range:(b)					
High.............................	23 1/16	25 3/4	24 5/8	20 1/2	25 3/4
Low..............................	16 1/2	17 1/2	19 1/4	18	16 1/2

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(a) The sum of quarterly earnings per share may not equal total year earnings per share due to the effect of the Company's purchasing shares of its outstanding common stock.

(b) Trading ranges are based on the New York Stock Exchange composite tape.

16. NEW ACCOUNTING PRONOUNCEMENTS

In the fourth quarter of 2000, the Company adopted the Securities and Exchange Commission's Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements". The SAB summarizes certain of the staff's views in applying generally accepted accounting principles to revenue recognition in the financial statements. The adoption of the Bulletin did not have a significant effect on the Company's consolidated results of operations, financial position, or cash flows.

In September, 2000, the FASB issued Statement No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities -- A Replacement of FASB Statement 125". The Statement requires extensive disclosures about securitizations entered into during the period and retained interests in securitized financial assets at the balance sheet date, accounting policies, sensitivity information relating to retained interests, and cash flows distributed to the transferor. The accounting requirements of Statement 140 are effective for transfers occurring after March 31, 2001. However, the expanded disclosures about securitizations and collateral are effective for fiscal years ending after December 15, 2000. The Company is continuing to study the future impact of adopting the accounting changes of this Statement. The Company adopted the disclosure requirement by the Statement, for fiscal year 2000, which are included in footnote 5 of the financial statements.

On July 1, 2000, the Company adopted FASB Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation". The Interpretation provides guidance on the application of APB Opinion No. 25, "Accounting for Stock Issued to Employees". The adoption of this Interpretation did not have a material effect on the Company's consolidated results of operations, financial position, or cash flows.

In June 1998, the FASB issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities". The Statement requires recognition of all derivative instruments measured at fair value in the statement of financial position. Gains or losses resulting from changes in the value of derivatives would be accounted for depending on the intended use of the derivative and whether it qualifies for hedge accounting. In June 1999, the FASB approved a one-year delay in the effective date of this Statement until January 2001.

In June 2000, the FASB issued Statement No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities". This Statement amends Statement No. 133 for certain impractical aspects of the original Statement which were incompatible with many common current hedging approaches. Statement No. 138 is effective simultaneously with Statement No. 133.

The provisions of SFAS 133 and related amendments and interpretations became effective for the Company beginning January 1, 2001, including the interim periods of that year. Based on the Company's limited use of derivative financial instruments, adoption of these Statements did not have a significant effect on the Company's consolidated results of operations, financial position, or cash flows.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information with respect to Directors and Executive Officers of the Company, and information with respect to compliance with Section 16(a) of the Securities Exchange Act of 1934, is incorporated herein by reference to the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission (the "Commission") not later than 120 days after the close of the fiscal year ended December 31, 2000, under the captions "Election of Directors," "Executive Officers," and "Compliance with Section 16(a) of the Securities Exchange Act of 1934."

ITEMS 11, 12, AND 13

The information required by Item 11, Executive Compensation, by Item 12, Security Ownership of Certain Beneficial Owners and Management, and by Item 13, Certain Relationships and Related Transactions, is incorporated herein by reference to the Company's definitive Proxy Statement to be filed with the Commission not later than 120 days after the close of the fiscal year ended December 31, 2000, under the headings "Executive Compensation," "Stock Ownership," and "Compensation Committee Interlocks and Insider Participation."

PART IV

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

(a) Financial Statements, Financial Statement Schedules and Exhibits filed.

1. and 2.

Financial statements and schedules are shown in the index on page 22 of this report.

3. Exhibits

Exhibits are shown in the index on pages 48-53 of this report.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended December 31, 2000.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OR 15(d) 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.

AMETEK, INC.

By /s/ FRANK S. HERMANCE

FRANK S. HERMANCE, CHAIRMAN OF THE BOARD,
CHIEF EXECUTIVE OFFICER AND DIRECTOR

Dated: March 14, 2001

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE REGISTRANT AND IN THE CAPACITIES AND ON THE DATES INDICATED.

SIGNATURE	TITLE	DATE
/s/ FRANK S. HERMANCE FRANK S. HERMANCE	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	March 14, 2001
/s/ JOHN J. MOLINELLI JOHN J. MOLINELLI	Executive Vice President -- Chief Financial Officer (Principal Financial Officer)	March 14, 2001
/s/ ROBERT R. MANDOS, JR. ROBERT R. MANDOS, JR.	Vice President & Comptroller (Principal Accounting Officer)	March 14, 2001
/s/ LEWIS G. COLE LEWIS G. COLE	Director	March 14, 2001
/s/ HELMUT N. FRIEDLAENDER HELMUT N. FRIEDLAENDER	Director	March 14, 2001
/s/ SHELDON S. GORDON SHELDON S. GORDON	Director	March 14, 2001
/s/ CHARLES D. KLEIN CHARLES D. KLEIN	Director	March 14, 2001
/s/ JAMES R. MALONE JAMES R. MALONE	Director	March 14, 2001
/s/ DAVID P. STEINMANN DAVID P. STEINMANN	Director	March 14, 2001
/s/ ELIZABETH R. VARET ELIZABETH R. VARET	Director	March 14, 2001

INDEX TO EXHIBITS

ITEM 14(a)(3)

EXHIBIT NUMBER	DESCRIPTION	INCORPORATED HEREIN BY REFERENCE TO	FILED WITH ELECTRONIC SUBMISSION
2.1	Amended and Restated Agreement and Plan of Merger and Reorganization, dated as of February 5, 1997, by and among Culligan Water Technologies, Inc. ("Culligan"), Culligan Water Company, Inc. ("Culligan Merger Sub"), AMETEK, Inc. ("AMETEK") and AMETEK Aerospace Products, Inc. ("AMETEK Aerospace"), incorporated by reference to Appendix A to the Joint Proxy Statement/ Prospectus included in Culligan's Registration Statement on Form S-4 (Commission File No. 333-26953).	Exhibit 2 to Form 8-K dated August 7, 1997, SEC File No. 1-12981.	
2.2	Amended and Restated Contribution and Distribution Agreement, dated as of February 5, 1997, by and between AMETEK and AMETEK Aerospace.	Appendix B to Preliminary Proxy Statement dated May 12, 1997, SEC File No. 1-168.	
2.3	Form of Tax Allocation Agreement among AMETEK, AMETEK Aerospace and Culligan.	Appendix D to Preliminary Proxy Statement dated May 12, 1997, SEC File No. 1-168.	
2.4	Form of Transition Services Agreement by and between Culligan Merger Sub and AMETEK Aerospace.	Appendix B to Preliminary Proxy Statement dated May 12, 1997, SEC File No. 1-168.	
2.5	Form of Indemnification Agreement among AMETEK, Culligan and AMETEK Aerospace.	Appendix B to Preliminary Proxy Statement dated May 12, 1997, SEC File No. 1-168.	
2.6	Form of Trademark Agreement between AMETEK and AMETEK Aerospace.	Appendix B to Preliminary Proxy Statement dated May 12, 1997, SEC File No. 1-168.	
3.1	Amended and Restated Certificate of Incorporation of the Company.	Exhibit 3.1 to Form 8-K dated August 7, 1997, SEC File No. 1-12981.	
3.2	By-laws of the Company as amended to and including November 18, 1998.	Exhibit 3.2 to 1998 Form 10-K, SEC File No. 1-12981.	
4.1	Rights Agreement, dated as of June 2, 1997, between the Company and American Stock Transfer & Trust Company.	Exhibit 4.1 to Form 8-K dated August 7, 1997, SEC File No. 1-12981.	
4.2	Amendment No. 1 to Rights Agreement dated as of May 11, 1999, between AMETEK, Inc. and American Stock Transfer & Trust Company.	Exhibit 4 to Form 10-Q dated March 31, 1999, SEC File No. 1-12981.	
4.3	Indenture, dated as of July 17, 1998, between AMETEK, Inc., as Issuer, and Chase Manhattan Trust Company, National Association, as Trustee relating to the Notes, dated July 17, 1998.	Exhibit 4.1 to Form 10-Q dated June 30, 1998, SEC File No. 1-12981.	

EXHIBIT NUMBER	DESCRIPTION	INCORPORATED HEREIN BY REFERENCE TO	FILED WITH ELECTRONIC SUBMISSION
4.4	Purchase Agreement between AMETEK, Inc. and Salomon Brothers Inc., BancAmerica Robertson Stephens and BT Alex. Brown Incorporated, as initial purchasers, dated July 14, 1998.	Exhibit 4.3 to Form S-4 dated August 11, 1998, SEC File No. 1-12981.	
10.1	AMETEK, Inc. Retirement Plan for Directors, as amended and restated to October 13, 1997.*	Exhibit 10.8 to 1997 Form 10-K, SEC File No. 1-12981.	
10.2	AMETEK, Inc. Death Benefit Program for Directors, pursuant to which the Company has entered into agreements, restated January 1, 1987, with certain directors and one former director of the Company (the "Directors Program").*	Exhibit (10)(y) to 1987 Form 10-K, SEC File No. 1-168.	
10.3	Amendment No. 1 to the Directors Program.*	Exhibit (10)(z) to 1987 Form 10-K, SEC File No. 1-168.	
10.4	The AMETEK Savings and Investment Plan, as restated and amended to January 1, 1997 (the "Savings Plan").*	Exhibit 10.39 to 1996 Form 10-K, SEC File No. 1-168.	
10.5	Amendment No. 1 to the Savings Plan.*	Exhibit 10.12 to 1997 Form 10-K, SEC File No. 1-12981.	
10.6	Amendment No. 2 to the Savings Plan.*	Exhibit 10.13 to 1997 Form 10-K, SEC File No. 1-12981.	
10.7	Amendment No. 3 to the Savings Plan.*	Exhibit 10.14 to 1997 Form 10-K, SEC File No. 1-12981.	
10.8	Amendment No. 4 to the Savings Plan.*	Exhibit 10.8 to 1998 Form 10-K, SEC File No. 1-12981.	
10.9	Amendment No. 5 to the Savings Plan.*	Exhibit 10.9 to 1998 Form 10-K, SEC File No. 1-12981.	
10.10	Amendment No. 6 to the Savings Plan.*	Exhibit 10.10 to 1998 Form 10-K, SEC File No. 1-12981.	
10.11	Amendment No. 7 to the Savings Plan.*	Exhibit 10.11 to 1999 Form 10-K, SEC File No. 1-12981.	
10.12	Amendment No. 8 to the Savings Plan.*	Exhibit 10.12 to 1999 Form 10-K, SEC File No. 1-12981.	
10.13	Amendment No. 9 to the Savings Plan.*	Exhibit 10.13 to 1999 Form 10-K, SEC File No. 1-12981.	
10.14	Amendment No. 10 to the Savings Plan.*	Exhibit 10.14 to 1999 Form 10-K, SEC File No. 1-12981.	
10.15	Amendment No. 11 to the Savings Plan.*	Exhibit 10.3 to Form 10-Q dated June 30, 2000, SEC File No. 1-12981.	
10.16	Amendment No. 12 to the Savings Plan.*	Exhibit 10.4 to Form 10-Q dated June 30, 2000, SEC File No. 1-12981.	
10.17	Amendment No. 13 to the Savings Plan.*		X

EXHIBIT NUMBER	DESCRIPTION	INCORPORATED HEREIN BY REFERENCE TO	FILED WITH ELECTRONIC SUBMISSION
10.18	Reorganization and Distribution Agreement by and between the Company and Ketema, Inc. (the "Reorganization and Distribution Agreement").	Exhibit (2) to Form 8-K dated November 30, 1988, SEC File No. 1-168.	
10.19	Agreements between the Company and Ketema, Inc. amending certain provisions of the Reorganization and Distribution Agreement.	Exhibit 10.56 to 1991 Form 10-K, SEC File No. 1-168.	
10.20	Benefits Agreement by and between the Company and Ketema, Inc.	Exhibit (10)(ss) to 1988 Form 10-K, SEC File No. 1-168.	
10.21	Tax Agreement by and between the Company and Ketema, Inc.	Exhibit (10)(tt) to 1988 Form 10-K, SEC File No. 1-168.	
10.22	Support Services Agreement by and between the Company and Ketema, Inc.	Exhibit (10)(uu) to 1988 Form 10-K, SEC File No. 1-168.	
10.23	Form of Severance Benefit Agreement between the Company and certain executives of the Company.*	Exhibit (10)(ww) to 1989 Form 10-K, SEC File No. 1-168.	
10.24	Form of Supplemental Retirement Benefit Agreement between the Company and certain executives of the Company, dated as of May 21, 1991.*	Exhibit 10.61 to 1991 Form 10-K, SEC File No. 1-168.	
10.25	Supplemental Senior Executive Death Benefit Plan, effective as of January 1, 1992 (the "Senior Executive Plan").*	Exhibit 10.41 to 1992 Form 10-K, SEC File No. 1-168.	
10.26	Amendment No. 1 to the Senior Executive Plan.*	Exhibit 10.42 to 1992 Form 10-K, SEC File No. 1-168.	
10.27	Senior Executive Split Dollar Death Benefit Plan, dated as of December 15, 1992.*	Exhibit 10.43 to 1992 Form 10-K, SEC File No. 1-168.	
10.28	Credit Agreement dated August 2, 1995, amended and restated as of September 12, 1996, among the Company, Various Lending Institutions, Bank of Montreal, CoreStates Bank, N.A., and PNC Bank, National Association, as Co-Agents, and The Chase Manhattan Bank, N.A., as Administrative Agent (the "Credit Agreement").	Exhibit 4 to Form 10-Q dated September 30, 1996, SEC File No. 1-168.	
10.29	First Amendment and Consent to the Credit Agreement dated as of May 9, 1997.	Exhibit 10.1 to Form 8-K dated August 7, 1997, SEC File No. 1-12981.	
10.30	Assumption Agreement, dated as of July 31, 1997, among the Company, AMETEK and The Chase Manhattan Bank.	Exhibit 10.2 to Form 8-K dated August 7, 1997, SEC File No. 1-12981.	
10.31	Second Amendment to the Credit Agreement dated as of December 4, 1997.	Exhibit 10.30 to 1997 Form 10-K, SEC File No. 1-12981.	
10.32	Third Amendment to the Credit Agreement, dated as of June 15, 1998.	Exhibit 10 to 10-Q dated June 30, 1998, SEC File No. 1-12981.	

EXHIBIT NUMBER	DESCRIPTION	INCORPORATED HEREIN BY REFERENCE TO	FILED WITH ELECTRONIC SUBMISSION
10.33	Fourth Amendment and Consent to the Credit Agreement dated as of March 19, 1999.	Exhibit 10 to Form 10-Q dated March 31, 1999, SEC File No. 1-12981.	
10.34	Fifth Amendment and Consent to the Credit Agreement dated as of July 14, 1999.	Exhibit 10.2 to Form 10-Q dated June 30, 1999, SEC File No. 1-12981.	
10.35	Sixth Amendment and Consent to the Credit Agreement dated as of September 22, 2000.		X
10.36	The 1997 Stock Incentive Plan of AMETEK, Inc. (the "1997 Plan").*	Exhibit 10.31 to 1997 Form 10-K, SEC File No. 1-12981.	
10.37	Amendment No. 1 to the 1997 Plan.*	Exhibit 10.35 to 1999 Form 10-K, SEC File No. 1-12981.	
10.38	Amendment No. 2 to the 1997 Plan.*	Exhibit 10.36 to 1999 Form 10-K, SEC File No. 1-12981.	
10.39	Amendment No. 3 to the 1997 Plan.*	Exhibit 10.2 to Form 10-Q dated March 31, 2000, SEC File No. 1-12981.	
10.40	1999 Stock Incentive Plan of AMETEK, Inc. (the "1999 Plan").*	Exhibit 4.1 to Form S-8 dated June 11, 1999, SEC File No. 333-80449.	
10.41	Amendment No. 1 to the 1999 Plan.*	Exhibit 4.1 to Form S-8 dated June 11, 1999, SEC File No. 333-80449.	
10.42	Amendment No. 2 to the 1999 Plan.*	Exhibit 10.3 to Form 10-Q dated March 31, 2000, SEC File No. 1-12981.	
10.43	Supplemental Executive Retirement Plan.	Exhibit 10.3 to Form 8-K dated August 7, 1997, SEC File No. 1-12981.	
10.44	Amendment No. 1 to the Supplemental Executive Retirement Plan.	Exhibit 10.40 to 1999 Form 10-K, SEC File No. 1-12981	
10.45	Amendment No. 2 to the Supplemental Executive Retirement Plan.	Exhibit 10.1 to Form 10-Q dated March 31, 2000, SEC File No. 1-12981.	
10.46	Stock Purchase Agreement by and between EG&G Holdings, Inc. and AMETEK, Inc. dated as of December 26, 1997.	Exhibit 10 to Form 8-K dated January 22, 1998, SEC File No. 1-12981.	
10.47	Employees' Retirement Plan of AMETEK, Inc., as restated to January 1, 1998 (the "Retirement Plan").*	Exhibit 10.31 to 1998 Form 10-K, SEC File No. 1-12981.	
10.48	Amendment No. 1 to the Retirement Plan.*	Exhibit 10.43 to 1999 Form 10-K, SEC File No. 1-12981.	
10.49	Amendment No. 2 to the Retirement Plan.*	Exhibit 10.44 to 1999 Form 10-K, SEC File No. 1-12981.	
10.50	Amendment No. 3 to the Retirement Plan.*	Exhibit 10.45 to 1999 Form 10-K, SEC File No. 1-12981.	

EXHIBIT NUMBER	DESCRIPTION	INCORPORATED HEREIN BY REFERENCE TO	FILED WITH ELECTRONIC SUBMISSION
10.51	Amendment No. 4 to the Retirement Plan.*	Exhibit 10.46 to 1999 Form 10-K, SEC File No. 1-12981.	
10.52	Amendment No. 5 to the Retirement Plan.*	Exhibit 10.47 to 1999 Form 10-K, SEC File No. 1-12981.	
10.53	Amendment No. 6 to the Retirement Plan.*	Exhibit 10.48 to 1999 Form 10-K, SEC File No. 1-12981.	
10.54	Amendment No. 7 to the Retirement Plan.*		X
10.55	AMETEK 401(k) Plan for Acquired Businesses, dated May 1, 1999.*	Exhibit 10.1 to Form 10-Q dated June 30, 1999, SEC File No. 1-12981.	
10.56	Amendment No. 1 to the AMETEK 401(k) Plan for Acquired Businesses.	Exhibit 10.50 to 1999 Form 10-K, SEC File No. 1-12981.	
10.57	Amendment No. 2 to the AMETEK 401(k) Plan for Acquired Businesses.	Exhibit 10.51 to 1999 Form 10-K, SEC File No. 1-12981.	
10.58	Amendment No. 3 to the AMETEK 401(k) Plan for Acquired Businesses.	Exhibit 10.1 to Form 10-Q dated June 30, 2000, SEC File No. 1-12981.	
10.59	Amendment No. 4 to the AMETEK 401(k) Plan for Acquired Businesses.	Exhibit 10.2 to Form 10-Q dated June 30, 2000, SEC File No. 1-12981.	
10.60	Amendment No. 5 to the AMETEK 401(k) Plan for Acquired Businesses.	Exhibit 10.1 to Form 10-Q dated September 30, 2000, SEC File No. 1-12981.	
10.61	Amendment No. 6 to the AMETEK 401(k) Plan for Acquired Businesses.	Exhibit 10.2 to Form 10-Q dated September 30, 2000, SEC File No. 1-12981.	
10.62	Receivables Purchase Agreement dated as of October 1, 1999 among AMETEK, Inc., Rotron Incorporated and AMETEK Receivables Corp.	Exhibit 10.1 to Form 10-Q dated September 30, 1999, SEC File No. 1-12981.	
10.63	Receivables Sale Agreement dated as of October 1, 1999 among AMETEK Receivables Corp., AMETEK, Inc., ABN AMRO Bank N.V., and Amsterdam Funding Corporation.	Exhibit 10.2 to Form 10-Q dated September 30, 1999, SEC File No. 1-12981.	
10.64	First Amendment to the Receivables Sale Agreement, dated as of September 29, 2000.	Exhibit 10.3 to Form 10-Q dated September 30, 2000, SEC File No. 1-12981.	
10.65	Second Amendment to the Receivables Sale Agreement, dated as of October 31, 2000.		X
10.66	Third Amendment to the Receivables Sale Agreement, dated as of November 30, 2000.		X
10.67	AMETEK, Inc. Deferred Compensation Plan.	Exhibit 10.3 to Form 10-Q dated September 30, 1999, SEC File No. 1-12981.	
10.68	1997 Stock Incentive Plan Restricted Stock Agreement dated December 15, 2000.		X

EXHIBIT NUMBER	DESCRIPTION	INCORPORATED HEREIN BY REFERENCE TO	FILED WITH ELECTRONIC SUBMISSION
10.69	1999 Stock Incentive Plan Restricted Stock Agreement dated December 15, 2000.		X
10.70	Termination and Change of Control Agreement between AMETEK, Inc. and a named executive, dated December 15, 2000.		X
10.71	Employment agreement between AMETEK, Inc. and a former executive, dated January 1, 2001.		X
12	Statement regarding computation of ratio of earnings to fixed charges.		X
21	Subsidiaries of the Registrant.		X
23	Consent of Independent Auditors.		X

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* Management contract or compensatory plan required to be filed pursuant to Item 601 of Regulation S-K.

Exhibit 10.17

AMENDMENT No. 13

to

AMETEK RETIREMENT AND SAVINGS PLAN

WHEREAS, there was adopted and made effective as of October 1, 1984, the AMETEK Retirement and Savings Plan (the "Plan"); and

WHEREAS, the Plan was amended and restated in its entirety, effective January 1, 1997; and

WHEREAS, Section 10.1 of the Plan provides that AMETEK, Inc. ("AMETEK") may amend the Plan at any time, and from time to time; and

WHEREAS, AMETEK now desires to amend the Plan to decrease the minimum age for eligibility from 21 to 18 and to provide for immediate 100% vesting of Employer Matching Contribution:

NOW, THEREFORE, the Plan is hereby amended as follows:

FIRST: Section 2.2(a) of the Plan to read in its entirety as follows:

"a. Participant. Any other Employee, who is not an ineligible employee as described in Section 2.3(a), shall become a Participant in the Plan as of the Entry Date which follows his date of hire by at least thirty-one (31) days and is on or after the date on which he first attains age 18, provided he signifies his acceptance of the Plan in accordance with Section 2.5. Any Employee who is an ineligible employee as described in Section 2.3(a), but who on or after January 1, 1997 becomes an eligible employee and meets the requirements of the previous sentence, shall become a Participant on the next Entry Date which is at least thirty-one (31) days from his most recent date of hire. An Employee shall remain a Participant as long as he continues to meet the requirements of this Section 2.2(a)."

SECOND: Section 4.4.(d) of the Plan is amended by making a change to the second sentence to read in its entirety as follows:

"(d) Special Participant Rule. For purposes of Subsection (a), (b) and (c), the term "Participants" includes Employees eligible to participate in the Plan in accordance with Article II whether or not they elected to participate in the Plan or make a Deferral Election. For Plan Years commencing on and after January 1, 2001, "Participants" shall not include Employees who are non-Highly Compensated Employees and who have not attained age 18 and who have completed less than 1 Year of Service before the last day of the Plan Year."

THIRD: Section 4.6 of the Plan is amended by making a change to the second sentence to read in its entirety as follows:

"Non-Forfeitability of Certain Accounts. A Participant's rights to his Deferral Election Account, his Matching Contribution Account, and his Rollover Contribution Account, if any, shall, at all times, be 100% nonforfeitable. The forfeitability of a Participant's rights to his Retirement Account, if applicable, shall be determined in accordance with the provisions of Section 6.1(b)."

FOURTH: Section 6.1(b) of the Plan is amended by changing sentence 3 and deleting sentence 4 to read in its entirety as follows:

"(b) Termination of Employment. Upon a Participant's termination of employment with the Employer, either voluntarily or involuntarily, prior to his Normal Retirement Age (other than by reason of death, or early or Disability retirement) he shall be entitled to 100% of the value of his Deferral Election Account, his Matching Contribution Account, and his Rollover Contribution, if any. A Retirement Participant shall also be entitled to 100% of the value of his Retirement Account, if, as of the date of his termination, he has completed 5 Years of Service. If such Retirement Participant has not completed 5 Years of Service he shall forfeit the entire amount outstanding to his credit in his Retirement Account as of the last day of the Plan Year in which he terminates employment. The value of all Accounts shall be determined and payable in accordance with the provisions of Sections 5.2, 5.3 and 6.5. Amounts forfeited in any Plan Year pursuant to this Section 6.1(b) shall be applied to reduce Matching Contributions made pursuant to Section 4.2(b) for such Plan Year."

FIFTH: The provisions of this Amendment No. 13 shall be effective as of January 1, 2001.

IN WITNESS WHEREOF, AMETEK has caused these presents to be executed, in its corporate name, by its duly authorized officer on this 13th day of November, 2000.

AMETEK, Inc.

By: /s/ Donna F. Winquist

Attest:

/s/ Kathryn E. Londra

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Exhibit 10.35

SIXTH AMENDMENT AND CONSENT TO CREDIT AGREEMENT

SIXTH AMENDMENT AND CONSENT TO CREDIT AGREEMENT (this "Amendment"), dated as of September 22, 2000, among AMETEK, INC. (the "Borrower"), the financial institutions party to the Credit Agreement referred to below (the "Banks"), BANK OF AMERICA, N.A. (f/k/a Bank of America Illinois), BANK OF MONTREAL, FIRST UNION NATIONAL BANK and PNC BANK, NATIONAL ASSOCIATION, as Co-Agents (the "Co-Agents"), and THE CHASE MANHATTAN BANK, as Administrative Agent (the "Administrative Agent"). All capitalized terms used herein and not otherwise defined shall have the respective meanings provided such terms in the Credit Agreement.

W I T N E S S E T H:

WHEREAS, the Borrower, the Banks, the Co-Agents and the Administrative Agent are parties to a Credit Agreement, dated as of August 2, 1995, and amended and restated as of September 12, 1996 (as in effect on the date hereof, the "Credit Agreement"); and

WHEREAS, the parties hereto wish to amend the Credit Agreement as herein provided;

NOW, THEREFORE, it is agreed:

I. Amendments and Consent.

1. Section 8.03 of the Credit Agreement is hereby amended by changing the designation of clause "(s)" thereof, which was inserted therein pursuant to Section 4 of the Third Amendment to Credit Agreement, dated as of June 15, 1998, to that of clause "(u)".

2. Section 8.03 of the Credit Agreement is hereby further amended by (i) deleting the word "and" appearing at the end of clause (t) thereof, (ii) deleting the period appearing at the end of clause (u) thereof and inserting "; and" in lieu thereof, and (iii) inserting a new clause (v) at the end of such Section 8.03, as follows:

> "(v) Indebtedness representing Permitted Foreign Subsidiary Guaranteed WC Debt, provided that (x) the obligors thereunder are Foreign Subsidiaries (other than AMETEK Italia), although the Borrower shall be permitted to guarantee such Permitted Foreign Subsidiary Guaranteed WC Debt, and (y) the aggregate principal amount thereof at any one time outstanding shall not exceed $30,000,000, provided, however, that the aggregate principal amount thereof at any one time outstanding may exceed $30,000,000 solely by virtue of changes in the exchange rates (and not as a result of the additional incurrence of any new Indebtedness) for the currencies in which any such Permitted Foreign Subsidiary Guaranteed WC Debt is denominated for a period not in excess of one month after any date upon which it is so determined that the aggregate principal amount

of Permitted Foreign Subsidiary Guaranteed WC Debt exceeds $30,000,000 as a result solely of such a change in exchange rates."

3. Section 10 of the Credit Agreement is hereby amended by inserting in appropriate alphabetical order the following new definitions:

"Permitted Foreign Subsidiary Guaranteed WC Debt" shall mean Indebtedness of a Foreign Subsidiary (other than AMETEK Italia) the proceeds of which are used to finance working capital requirements of such Foreign Subsidiary, it being understood that such Indebtedness may be guaranteed by the Borrower, provided, however, that no Permitted Foreign Subsidiary Guaranteed WC Debt (other than up to $5,000,000 of such Debt outstanding under a line of credit existing as of the Sixth Amendment Effective Date between the Borrower and certain of its Foreign Subsidiaries, including Ametek do Brasil, and ABN AMRO Bank (the "Umbrella Agreement") may be incurred or assumed which contains any provision in the documents governing or evidencing the same which, in the reasonable opinion of the Administrative Agent, would permit a default or event of default to occur under such Permitted Foreign Subsidiary Guaranteed WC Debt based upon the occurrence of a Default or Event of Default under this Agreement unless any such Event of Default has resulted in an acceleration under this Agreement. It is understood and agreed that the aggregate Dollar amount of Permitted Foreign Subsidiary Guaranteed WC Debt outstanding at any time shall be determined at the spot exchange rate for the currency in question at such time of determination. The incurrence of Permitted Foreign Subsidiary Guaranteed WC Debt shall be deemed to be a representation and warranty by the Borrower that all conditions thereto have been satisfied and that same is permitted in accordance with the terms of this Agreement, which representation and warranty shall be deemed to be a representation and warranty for all purposes hereunder, including, without limitation, Sections 5.02 and 9.

"Sixth Amendment Effective Date" shall mean the Amendment Effective Date under and as defined in the Sixth Amendment and Consent, dated as of September 22, 2000, to this Agreement.

II. Miscellaneous.

1. In order to induce the Banks to enter into this Amendment, the Borrower hereby represents and warrants that:

(a) on the Amendment Effective Date, no Default or Event of Default exists, both before and after giving effect to this Amendment; and

(b) on and as of the Amendment Effective Date, all representations and warranties contained in the Credit Agreement or the other Credit Documents are true and correct in all material respects, both before and after giving effect to this Amendment.

2. This Amendment is limited as specified and shall not constitute a modification, acceptance or waiver of any other provision of the Credit Agreement or any other Credit Document.

3. This Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which counterparts when executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A complete set of counterparts shall be lodged with the Borrower and the Administrative Agent.

4. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

5. This Amendment shall become effective on the date (the "Amendment Effective Date") when the Borrower and the Required Banks shall have signed a counterpart hereof (whether the same or different counterparts) and shall have delivered (including by way of facsimile transmission) the same to the Administrative Agent at its Notice Office.

* * *

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Amendment as of the date first above written.

AMETEK, INC.

By: /s/ Deirdre D. Saunders

Title: Vice President & Treasurer

THE CHASE MANHATTAN BANK,
Individually and as Administrative
Agent

By: /s/Gail Weiss

Title: Vice President

BANK OF MONTREAL,
Individually and as a Co-Agent

By: /s/ Bruce A. Pietka

Title: Director

FIRST UNION NATIONAL BANK,
Individually and as a Co-Agent

By: /s/ Ruth E. Leone

Title: Vice President

PNC BANK, NATIONAL ASSOCIATION,
Individually and as a Co-Agent

By: /s/ Amy T. Petersen

Title: Vice President

BANK OF AMERICA, N.A.,

Individually and as a Co-Agent

By: /s/ John W. Pocalyko

Title: Managing Director

ABN AMRO BANK N.V., NEW YORK BRANCH

By: /s/ Juliette Mound

Title: Assistant Vice President

By: /s/ Donald Sutton

Title: Vice President

MELLON BANK, N.A.

By: /s/ Leonard M. Karpen, Jr.

Title: Vice President

CARIPLO-CASSA DI RISPARMIO DELLE
PROVINCIE LOMBARDE S.P.A.

By:

Title:

By:

Title:

Exhibit 10.54

AMENDMENT NO. 7

TO THE

EMPLOYEES' RETIREMENT PLAN
OF AMETEK, INC.

WHEREAS, there was adopted and made effective as of December 29, 1942, the Employees' Retirement Plan of AMETEK, Inc. (the "Plan"); and

WHEREAS, the Plan was amended and restated in its entirety, effective January 1, 1998; and

WHEREAS, Section 9.2 of the Plan provides that AMETEK, Inc. ("AMETEK") may amend the Plan at any time or from time to time; and

WHEREAS, AMETEK now desires to amend the Plan in certain respects;

WHEREAS, the Corporation has determined that it is in its best interest to transfer certain of its assets located in Whitsett, North Carolina and Kent, Ohio to its wholly-owned subsidiary, Rotron Incorporated ("Rotron"), effective January 1, 2001; and

WHEREAS, in connection with such transfer, the employees of the businesses, the assets of which are being transferred, have become employees of Rotron effective January 1, 2001; and

WHEREAS, certain of the transferred employees currently participate in the Employees' Retirement Plan of AMETEK, Inc.; and

WHEREAS, it is desired that the transferred employees continue to be eligible to participate in the Plan notwithstanding their employment by Rotron which is not currently a participating employer in the Plan; and

WHEREAS, the Corporation has determined that Rotron should be designated as a participating employer in the Plan and in the master trust pursuant to which the Plan is funded, to allow for participation in the Plan of the transferred employees and any other employees who participate in the Plan but are transferred to Rotron;

NOW, THEREFORE, the Plan is hereby amended as follows:

FIRST: A new Appendix XXXIV is hereby added to the Plan, to read in its entirety as follows:

APPENDIX XXXIV

SPECIAL PROVISIONS RELATING TO CERTAIN
EMPLOYEES OF ROTRON, INC.

1. Those employees of AMETEK, Inc. located in Whitsett, North Carolina and Kent, Ohio, who are already Participants in the Plan as of December 31, 2000 shall be eligible to remain Participants under the Plan in accordance with and subject to the provisions in the Plan after the absorption of certain of the assets of Whitesett, North Carolina and Kent, Ohio, locations of AMETEK, Inc., by Rotron Incorporated, a wholly-owned subsidiary of AMETEK, Inc., on January 1, 2001.

2. Except to the extent set forth above, defined terms used in this Appendix XXXIV shall have the same meaning as used in the Plan.

SECOND: The provisions of this Amendment No. 7 shall be effective as of January 1, 2001.

IN WITNESS WHEREOF, AMETEK has caused these presents to be executed in its corporate name, by its duly authorized officer on this 27th day of February, 2001.

AMETEK, Inc.

By: /s/ Donna F. Winquist

Donna F. Winquist

Attest:

/s/ Kathryn E. Londra
- ---------------------------------
Kathryn E. Londra

Exhibit 10.65

SECOND AMENDMENT
DATED AS OF OCTOBER 31, 2000
TO
RECEIVABLES SALE AGREEMENT
DATED AS OF OCTOBER 1, 1999

THIS AMENDMENT (the "Amendment"), dated as of October 31, 2000, is entered into among Ametek Receivables Corp. (the "Seller"), Ametek, Inc. (the "Initial Collection Agent"), Amsterdam Funding Corporation, a Delaware corporation ("Amsterdam"), ABN AMRO Bank N.V., as Amsterdam's program letter of credit provider (the "Enhancer"), the Liquidity Provider listed on the signature page hereof (the "Liquidity Provider") and ABN AMRO Bank N.V., as agent for Amsterdam, the Enhancer and the Liquidity Provider (the "Agent").

Reference is hereby made to that certain Receivables Sale Agreement, dated as of October 1, 1999 (as amended, supplemented or otherwise modified through the date hereof, the "Sale Agreement"), among the Seller, the Initial Collection Agent, Amsterdam, the Enhancer, the Liquidity Provider and the Agent. Terms used herein and not otherwise defined herein which are defined in the Sale Agreement or the other Transaction Documents (as defined in the Sale Agreement) shall have the same meaning herein as defined therein.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Subject to the following terms and conditions, including without limitation the conditions precedent set forth in Section 2, upon execution by the parties hereto in the space provided for that purpose below, the Sale Agreement shall be, and it hereby is, amended as follows:

(a) The date "October 31, 2000" appearing in clause (d) of the defined term "Liquidity Termination Date" appearing in Schedule I of the Sale Agreement is deleted and replaced with the date "November 30, 2000".

(b) The date "October 31, 2000" appearing in clause (c)(ii) of the defined term "Termination Date" appearing in Schedule I of the Sale Agreement is deleted and replaced with the date "November 30, 2000".

Section 2. Section 1 of this Agreement shall become effective only once the Agent has received, in form and substance satisfactory to the Agent, all documents and certificates as the Agent may reasonably request and all other matters incident to the execution hereof are satisfactory to the Agent.

Section 3. The Sale Agreement, as amended and supplemented hereby or as contemplated herein, and all rights and powers created thereby and thereunder or under the other Transaction Documents and all other documents executed in connection therewith, are in all respects ratified and confirmed. From and after the date hereof, the Sale Agreement shall be amended and supplemented as herein provided, and, except as so amended and supplemented, the Sale Agreement, each of the other Transaction Documents and all other documents executed in connection therewith shall remain in full force and effect.

Section 4. This Amendment may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.

Section 5. This Amendment shall be governed and construed in accordance with the internal laws of the State of New York.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

ABN AMRO BANK N.V., as the Agent, as the Liquidity Provider and as the Enhancer

By: /s/ Thomas J. Educate

Title: Group Vice President

By: /s/ Nancy Capecci

Title: Group Vice President

AMSTERDAM FUNDING CORPORATION

By: /s/ Andrew Stidd

Title: President

AMETEK RECEIVABLES CORP., as Seller

By: /s/ Deirdre D. Saunders

Title: Vice President and Treasurer

AMETEK, INC., as Initial Collection Agent

By: /s/ Deirdre D. Saunders

Title: Vice President and Treasurer

Exhibit 10.66

THIRD AMENDMENT
DATED AS OF NOVEMBER 30, 2000
TO
RECEIVABLES SALE AGREEMENT
DATED AS OF OCTOBER 1, 1999

THIS AMENDMENT (the "Amendment"), dated as of November 30, 2000, is entered into among Ametek Receivables Corp. (the "Seller"), Ametek, Inc. (the "Initial Collection Agent"), Amsterdam Funding Corporation, a Delaware corporation ("Amsterdam"), ABN AMRO Bank N.V., as Amsterdam's program letter of credit provider (the "Enhancer"), the Liquidity Provider listed on the signature page hereof (the "Liquidity Provider") and ABN AMRO Bank N.V., as agent for Amsterdam, the Enhancer and the Liquidity Provider (the "Agent").

Reference is hereby made to that certain Receivables Sale Agreement, dated as of October 1, 1999 (as amended, supplemented or otherwise modified through the date hereof, the "Sale Agreement"), among the Seller, the Initial Collection Agent, Amsterdam, the Enhancer, the Liquidity Provider and the Agent. Terms used herein and not otherwise defined herein which are defined in the Sale Agreement or the other Transaction Documents (as defined in the Sale Agreement) shall have the same meaning herein as defined therein.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Subject to the following terms and conditions, including without limitation the conditions precedent set forth in Section 2, upon execution by the parties hereto in the space provided for that purpose below, the Sale Agreement shall be, and it hereby is, amended as follows:

(a) The date "November 30, 2000" appearing in clause (d) of the defined term "Liquidity Termination Date" appearing in Schedule I of the Sale Agreement is deleted and replaced with the date "November 28, 2001".

(b) The date "November 30, 2000" appearing in clause (c)(ii) of the defined term "Termination Date" appearing in Schedule I of the Sale Agreement is deleted and replaced with the date "November 28, 2001".

(c) A new defined term "Ametek Credit Agreement" is hereby added to Schedule I of the Sale Agreement as follows:

"Ametek Credit Agreement" means the Credit Agreement, dated as of August 12, 1995, among, Seller, as Borrower, the Banks party thereto, Bank of Montreal, Corestates Bank, N.A. and PNC Bank, National Association, as Co-Agents and The Chase Manhattan Bank, as Administrative Agent, as such agreement is amended, restated or otherwise modified from time to time.

(d) The defined term "Eurodollar Rate" appearing in Schedule I to the Sale Agreement is hereby deleted and replaced with the following:

"Eurodollar Rate" means, for any Tranche Period for a Eurodollar Tranche, the sum of (a) LIBOR for such Tranche Period divided by 1 minus the "Reserve Requirement" plus (b)(i) to the extent that the "Applicable Margin" (as defined in the Ametek Credit Agreement) is increased from the level in effect on November __, 2000, the greater of (1) the "Applicable Margin" (as defined in the Ametek Credit Agreement and after giving effect to such increase) plus 25 basis points (0.25%) and (2) for Investment of a Liquidity Provider, the amount specified in the Pricing Letter, or, (ii) to the extent that the "Applicable Margin" (as defined in the Ametek Credit Agreement) is increased from the level in effect on November 30, 2000, the greater of (1) the "Applicable Margin" (as defined in the Ametek Credit Agreement and after giving effect to such increase) plus 25 basis points (0.25%) and (2) for Investment of the Enhancer, the amount specified in the Fee Letter plus (c) during the pendency of a Termination Event, 1.50% for Investment of a Liquidity Provider and 2.00% for Investment of the Enhancer; where "Reserve Requirement" means, for any Tranche Period for a Eurodollar Tranche, the maximum reserve requirement imposed during such Tranche Period on "eurocurrency liabilities" as currently defined in Regulation D of the Board of Governors of the Federal Reserve System.

Section 2. Section 1 of this Agreement shall become effective only once the Agent has received, in form and substance satisfactory to the Agent, all documents and certificates as the Agent may reasonably request and all other matters incident to the execution hereof are satisfactory to the Agent.

Section 3. The Sale Agreement, as amended and supplemented hereby or as contemplated herein, and all rights and powers created thereby and thereunder or under the other Transaction Documents and all other documents executed in connection therewith, are in all respects ratified and confirmed. From and after the date hereof, the Sale Agreement shall be amended and supplemented as herein provided, and, except as so amended and supplemented, the Sale Agreement, each of the other Transaction Documents and all other documents executed in connection therewith shall remain in full force and effect.

Section 4. This Amendment may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument.

Section 5. This Amendment shall be governed and construed in accordance with the internal laws of the State of New York.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

ABN AMRO BANK N.V., as the Agent, as the Liquidity Provider and as the Enhancer

By: /s/ Nancy Capecci
Title: Group Vice President

By: /s/ Bernard Koh
Title: Group Vice President

AMSTERDAM FUNDING CORPORATION

By: /s/ Andrew Stidd
Title: President

AMETEK RECEIVABLES CORP., as Seller

By: /s/ Deirdre D. Saunders
Title: Vice President and Treasurer

AMETEK, INC., as Initial Collection Agent

By: /s/ Deirdre D. Saunders
Title: Vice President and Treasurer

Exhibit 10.68

1997 STOCK INCENTIVE PLAN
OF
AMETEK, INC.

RESTRICTED STOCK AGREEMENT

RESTRICTED STOCK AGREEMENT ("Agreement"), made as of December 15, 2000, by and between AMETEK, Inc., a Delaware corporation (the "Company"), and Frank S. Hermance (the "Recipient").

W I T N E S S E T H :

WHEREAS, the Company has adopted the 1997 Stock Incentive Plan of AMETEK, Inc. (the "Stock Incentive Plan"), pursuant to which the Stock Option Committee of the Board of Directors of the Company (the "Committee") may, inter alia, award shares of the Company's common stock, $0.01 per share ("Shares") to such key employees of the Company as the Committee may determine, and subject to such terms, conditions and restrictions as the Committee may deem advisable; and

WHEREAS, pursuant to the Stock Incentive Plan, the Committee has awarded to the Recipient a restricted stock award, subject to the terms, conditions and restrictions set forth in the Stock Incentive Plan and in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

FIRST: Pursuant to the Stock Incentive Plan, the Recipient has been awarded on December 15, 2000 (the "Award Date"), a restricted stock award with respect to

110,000 Shares (the "Restricted Stock Award", and such Shares, the "Restricted Shares"), subject to the terms, conditions and restrictions set forth in the Stock Incentive Plan and in this Agreement. Capitalized terms not otherwise defined in this Agreement shall have the same meanings as defined in the Stock Incentive Plan.

SECOND: The purchase price for the Restricted Shares shall be $0.01 per Share, payable in cash, or by check to the order of the Company, no later than March 15, 2001.

THIRD: The Restricted Shares shall become nonforfeitable on the earliest to occur of:

(a) December 15, 2006 if the Recipient is in the continuous employ of the Company (or any successor or Affiliate of the Company) through such date;

(b) the death or disability (as defined in Section 22(e)(3) of the Internal Revenue Code of 1986, as amended) of the Recipient; or

(c) the fair market value of a Share equaling or exceeding $40.00 on each of five [5] consecutive trading days occurring during the period beginning December 16, 2000 and ending December 15, 2005. For purposes hereof, notwithstanding any other provision of the Stock Incentive Plan, the fair market value of a Share on any given day shall be the closing price on that day on the stock exchange or market on which the Shares are primarily traded.

Unless the Restricted Shares shall have become nonforfeitable pursuant to subparagraph (c), above, if the Recipient shall voluntarily or involuntarily leave the employ of the Company and its Affiliates prior to December 15, 2006, the Restricted Shares (and any dividends, distributions and adjustments retained by the Company with respect thereto) shall be forfeited and the consideration paid pursuant to paragraph SECOND of this Agreement shall be returned to the Recipient.

FOURTH: Notwithstanding anything to the contrary set forth herein, if the Recipient shall be entitled to any payment from the Company pursuant to the terms of the Termination and Change of Control Agreement between Recipient and the Company dated as of December 15, 2000, as the same may be amended from time to time ("Termination Agreement"), and the payment is measured in whole or in part by the value of any of the Restricted Shares subject to this Agreement, then that number of Restricted Shares with respect to which a payment is due to Recipient under the terms of the Termination Agreement (and any dividends, distributions and adjustments retained by the Company with respect to such number of Restricted Shares) shall be forfeited and the consideration paid pursuant to paragraph SECOND of this Agreement with respect to such forfeited Restricted Shares shall be returned to the Recipient. In such event, the remaining Restricted Shares (together with any dividends, distributions and adjustments retained by the Company with respect to such remaining Restricted Shares), if any, shall continue to constitute Restricted Shares subject to the terms of this Agreement and the Plan.

FIFTH: Restrictions shall be imposed on a transfer of the Restricted Shares, and the Company shall place a stop order with the Transfer Agent against any transfer of such Shares and shall retain the stock certificate representing such Shares, until such time as the Restricted Shares shall become nonforfeitable in accordance with Paragraph THIRD. Prior to the lapse of the restrictions on the transferability of the Restricted

Shares, the Recipient shall have all other rights and privileges of a beneficial and record owner with respect to such Shares, including, without limitation, voting rights and the right to receive dividends, distributions and adjustments with respect to such Shares; provided, however, that any dividends, distributions and adjustments with respect to the Restricted Shares, plus interest credited on any such dividends, shall be retained by the Company for the Recipient's account and for delivery to the Recipient, together with the stock certificate representing such Shares, only as and when such Restricted Shares have become nonforfeitable. For purposes of this paragraph FIFTH, interest shall be credited from the date a dividend with respect to the Restricted Shares is made to the date on which the Employer distributes such amounts to the Recipient, at the 10-year Treasury Note rate, plus one and one-half percent (1-1/2%), as such rate is set forth in the Wall Street Journal as of the first business day of each calendar quarter.

SIXTH: If prior to the expiration or lapse of all of the restrictions and conditions on the Restricted Shares under this Agreement, there shall be declared and paid a stock dividend upon the Restricted Shares or if the Restricted Shares shall be split up, converted, exchanged, reclassified or in any way substituted for, the Recipient shall receive, subject to the same restrictions and conditions as the original Restricted Shares subject to this Agreement, the same securities or other property as are received by the holders of the Company's Shares pursuant to such stock dividend, split up, conversion, exchange, reclassification or substitution; provided, that if prior to the expiration or lapse of all of the restrictions and conditions on the Restricted Shares under this Agreement, more than fifty percent (50%) of the Company's Shares are acquired for cash by a corporation (or other legal entity), the Recipient shall receive, in exchange for the then remaining nonvested Restricted Shares, subject to the same restrictions and conditions as the original Restricted Shares under this Agreement, that number of shares of the common stock of the acquiring entity (or, if the entity does not have common stock, of the class of equity interest in the acquiror which represents its largest equity class), which has the same value as the nonvested Restricted Shares subjected to this Agreement (as determined immediately prior to the acquisition). If the Recipient receives any securities or property of the Company (or any acquiring entity) pursuant to this Paragraph SIXTH, such securities or other property shall thereafter be deemed to be "Shares" and "Restricted Shares" within the meaning of this Agreement. In the event of any transaction to which this Paragraph SIXTH applies (other than a stock dividend), the Committee (or the Company, if the Committee no longer exists) shall adjust the $40.00 price in Paragraph THIRD, subparagraph (c), to take into account the effect of the transaction, subject to the consent of the Recipient; if the parties cannot agree on the adjusted price within ninety (90) days of the transaction, either party may submit the matter to arbitration.

SEVENTH: If, with respect to the Restricted Shares (and any dividends, distributions and adjustments to such Shares), the Company shall be required to withhold amounts under applicable federal, state or local tax laws, rules or regulations, the Company shall be entitled, at its option, to (i) deduct and withhold such amounts from any cash payment to be made by the Company to the Recipient (whether or not under this Agreement) or to such other person with respect to whom such withholding may arise; (ii) require the Recipient (or such other person) to make payment to the Company in such amount as is required to be withheld, (iii) withhold such number of Restricted Shares as shall have a Fair Market Value, valued on the date on which such withholding requirement arises, equal to the amount required to be withheld or (iv) withhold the required tax or taxes by using a combination of (i), (ii) and (iii) above, or by any other reasonable method.

EIGHTH: The Company and the Recipient each hereby agrees to be bound by the terms and conditions set forth in the Stock Incentive Plan.

NINTH: Any notices or other communications given in connection with this Agreement shall be sent either by registered or certified mail, return receipt requested, or by overnight mail, or by facsimile, to the indicated address or number as follows:

If to the Company: AMETEK, Inc.
37 North Valley Road - Building 4
P.O. Box 1764
Paoli, PA 19301
Facsimile: 610-296-3412
Attention: Donna Winquist, General Counsel
and
John Molinelli, Chief Financial Officer

If to the Recipient Frank S. Hermance
1300 Meadow Lane
Berwyn, PA 19312
Facsimile: 610-651-5969;

or to such changed address or number as to which either party has given notice to the other party in accordance with this Paragraph SEVENTH. All notices shall be deemed given when so mailed, or if sent by facsimile, when electronic confirmation of the transmission is received, except that a notice of change of address shall be deemed given when received.

TENTH: This Agreement, the Stock Incentive Plan and the Termination and Change of Control Agreement constitute the whole agreement between the parties hereto with respect to the Restricted Stock Award.

ELEVENTH: This Agreement shall not be construed as creating any contract of employment between the Company and the Recipient.

TWELFTH: This Agreement shall inure to the benefit of, and be binding on, the Company and its successors and assigns, and shall inure to the benefit of, and be binding on, the Recipient and his heirs, executors, administrators and legal representatives. This Agreement shall not be assignable by the Recipient.

THIRTEENTH: Except as required by Delaware corporate law, this Agreement shall be subject to, and construed in accordance with, the laws of the State of New York without giving effect to principles of conflicts of law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

AMETEK, INC.

By: /s/ John J. Molinelli

John J. Molinelli

/s/ Frank S. Hermance

Frank S. Hermance

EXHIBIT 10.69

1999 STOCK INCENTIVE PLAN
OF
AMETEK, INC.

RESTRICTED STOCK AGREEMENT

RESTRICTED STOCK AGREEMENT ("Agreement"), made as of December 15, 2000, by and between AMETEK, Inc., a Delaware corporation (the "Company"), and Frank S. Hermance (the "Recipient").

W I T N E S S E T H :

WHEREAS, the Company has adopted the 1999 Stock Incentive Plan of AMETEK, Inc. (the "Stock Incentive Plan"), pursuant to which the Stock Option Committee of the Board of Directors of the Company (the "Committee") may, inter alia, award shares of the Company's common stock, $0.01 per share ("Shares") to such key employees of the Company as the Committee may determine, and subject to such terms, conditions and restrictions as the Committee may deem advisable; and

WHEREAS, pursuant to the Stock Incentive Plan, the Committee has awarded to the Recipient a restricted stock award, subject to the terms, conditions and restrictions set forth in the Stock Incentive Plan and in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

FIRST: Pursuant to the Stock Incentive Plan, the Recipient has been awarded on December 15, 2000 (the "Award Date"), a restricted stock award with respect to

40,000 Shares (the "Restricted Stock Award", and such Shares, the "Restricted Shares"), subject to the terms, conditions and restrictions set forth in the Stock Incentive Plan and in this Agreement. Capitalized terms not otherwise defined in this Agreement shall have the same meanings as defined in the Stock Incentive Plan.

SECOND: The purchase price for the Restricted Shares shall be $0.01 per Share, payable in cash, or by check to the order of the Company, no later than March 15, 2001.

THIRD: The Restricted Shares shall become nonforfeitable on the earliest to occur of:

(a) December 15, 2006 if the Recipient is in the continuous employ of the Company (or any successor or Affiliate of the Company) through such date;

(b) the death or disability (as defined in Section 22(e)(3) of the Internal Revenue Code of 1986, as amended) of the Recipient; or

(c) the fair market value of a Share equaling or exceeding $40.00 on each of five [5] consecutive trading days occurring during the period beginning December 16, 2000 and ending December 15, 2005. For purposes hereof, notwithstanding any other provision of the Stock Incentive Plan, the fair market value of a Share on any given day shall be the closing price on that day on the stock exchange or market on which the Shares are primarily traded.

Unless the Restricted Shares shall have become nonforfeitable pursuant to subparagraph (c), above, if the Recipient shall voluntarily or involuntarily leave the employ of the Company and its Affiliates prior to December 15, 2006, the Restricted Shares (and any dividends, distributions and adjustments retained by the Company with respect thereto) shall be forfeited and the consideration paid pursuant to paragraph SECOND of this Agreement shall be returned to the Recipient.

FOURTH: Notwithstanding anything to the contrary set forth herein, if the Recipient shall be entitled to any payment from the Company pursuant to the terms of the Termination and Change of Control Agreement between Recipient and the Company dated as of December 15, 2000, as the same may be amended from time to time ("Termination Agreement"), and the payment is measured in whole or in part by the value of any of the Restricted Shares subject to this Agreement, then that number of Restricted Shares with respect to which a payment is due to Recipient under the terms of the Termination Agreement (and any dividends, distributions and adjustments retained by the Company with respect to such number of Restricted Shares) shall be forfeited and the consideration paid pursuant to paragraph SECOND of this Agreement with respect to such forfeited Restricted Shares shall be returned to the Recipient. In such event, the remaining Restricted Shares (together with any dividends, distributions and adjustments retained by the Company with respect to such remaining Restricted Shares), if any, shall continue to constitute Restricted Shares subject to the terms of this Agreement and the Plan.

FIFTH: Restrictions shall be imposed on a transfer of the Restricted Shares, and the Company shall place a stop order with the Transfer Agent against any transfer of such Shares and shall retain the stock certificate representing such Shares, until such time as the Restricted Shares shall become nonforfeitable in accordance with Paragraph THIRD. Prior to the lapse of the restrictions on the transferability of the Restricted

Shares, the Recipient shall have all other rights and privileges of a beneficial and record owner with respect to such Shares, including, without limitation, voting rights and the right to receive dividends, distributions and adjustments with respect to such Shares; provided, however, that any dividends, distributions and adjustments with respect to the Restricted Shares, plus interest credited on any such dividends, shall be retained by the Company for the Recipient's account and for delivery to the Recipient, together with the stock certificate representing such Shares, only as and when such Restricted Shares have become nonforfeitable. For purposes of this paragraph FIFTH, interest shall be credited from the date a dividend with respect to the Restricted Shares is made to the date on which the Employer distributes such amounts to the Recipient, at the 10-year Treasury Note rate, plus one and one-half percent (1-1/2%), as such rate is set forth in the Wall Street Journal as of the first business day of each calendar quarter.

SIXTH: If prior to the expiration or lapse of all of the restrictions and conditions on the Restricted Shares under this Agreement, there shall be declared and paid a stock dividend upon the Restricted Shares or if the Restricted Shares shall be split up, converted, exchanged, reclassified or in any way substituted for, the Recipient shall receive, subject to the same restrictions and conditions as the original Restricted Shares subject to this Agreement, the same securities or other property as are received by the holders of the Company's Shares pursuant to such stock dividend, split up, conversion, exchange, reclassification or substitution; provided, that if prior to the expiration or lapse of all of the restrictions and conditions on the Restricted Shares under this Agreement, more than fifty percent (50%) of the Company's Shares are acquired for cash by a corporation (or other legal entity), the Recipient shall receive, in exchange for the then remaining nonvested Restricted Shares, subject to the same restrictions and conditions as the original Restricted Shares under this Agreement, that number of shares of the common stock of the acquiring entity (or, if the entity does not have common stock, of the class of equity interest in the acquiror which represents its largest equity class), which has the same value as the nonvested Restricted Shares subjected to this Agreement (as determined immediately prior to the acquisition). If the Recipient receives any securities or property of the Company (or any acquiring entity) pursuant to this Paragraph SIXTH, such securities or other property shall thereafter be deemed to be "Shares" and "Restricted Shares" within the meaning of this Agreement. In the event of any transaction to which this Paragraph SIXTH applies (other than a stock dividend), the Committee (or the Company, if the Committee no longer exists) shall adjust the $40.00 price in Paragraph THIRD, subparagraph (c), to take into account the effect of the transaction, subject to the consent of the Recipient; if the parties cannot agree on the adjusted price within ninety (90) days of the transaction, either party may submit the matter to arbitration.

SEVENTH: If, with respect to the Restricted Shares (and any dividends, distributions and adjustments to such Shares), the Company shall be required to withhold amounts under applicable federal, state or local tax laws, rules or regulations, the Company shall be entitled, at its option, to (i) deduct and withhold such amounts from any cash payment to be made by the Company to the Recipient (whether or not under this Agreement) or to such other person with respect to whom such withholding may arise; (ii) require the Recipient (or such other person) to make payment to the Company in such amount as is required to be withheld, (iii) withhold such number of Restricted Shares as shall have a Fair Market Value, valued on the date on which such withholding requirement arises, equal to the amount required to be withheld or (iv) withhold the required tax or taxes by using a combination of (i), (ii) and (iii) above, or by any other reasonable method.

EIGHTH: The Company and the Recipient each hereby agrees to be bound by the terms and conditions set forth in the Stock Incentive Plan.

NINTH: Any notices or other communications given in connection with this Agreement shall be sent either by registered or certified mail, return receipt requested, or by overnight mail, or by facsimile, to the indicated address or number as follows:

If to the Company: AMETEK, Inc.
37 North Valley Road - Building 4
P.O. Box 1764
Paoli, PA 19301
Facsimile: 610-296-3412
Attention: Donna Winquist, General Counsel
and
John Molinelli, Chief Financial Officer

If to the Recipient Frank S. Hermance
1300 Meadow Lane
Berwyn, PA 19312
Facsimile: 610-651-5969;

or to such changed address or number as to which either party has given notice to the other party in accordance with this Paragraph SEVENTH. All notices shall be deemed given when so mailed, or if sent by facsimile, when electronic confirmation of the transmission is received, except that a notice of change of address shall be deemed given when received.

TENTH: This Agreement, the Stock Incentive Plan and the Termination and Change of Control Agreement constitute the whole agreement between the parties hereto with respect to the Restricted Stock Award.

ELEVENTH: This Agreement shall not be construed as creating any contract of employment between the Company and the Recipient.

TWELFTH: This Agreement shall inure to the benefit of, and be binding on, the Company and its successors and assigns, and shall inure to the benefit of, and be binding on, the Recipient and his heirs, executors, administrators and legal representatives. This Agreement shall not be assignable by the Recipient.

THIRTEENTH: Except as required by Delaware corporate law, this Agreement shall be subject to, and construed in accordance with, the laws of the State of New York without giving effect to principles of conflicts of law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

AMETEK, INC.

By: /s/ John J. Molinelli

John J. Molinelli

/s/ Frank S. Hermance

Frank S. Hermance

Exhibit 10.70

TERMINATION AND CHANGE OF CONTROL AGREEMENT

TERMINATION AND CHANGE OF CONTROL AGREEMENT ("Agreement"), made as of December 15, 2000, between AMETEK, Inc. (the "Company"), and Frank S. Hermance (the "Executive").

W I T N E S S E T H:

WHEREAS, the Executive is the President and Chief Executive Officer of the Company on the date hereof, and also will become the Chairman of the Board of Directors of the Company as of January 1, 2001; and

WHEREAS, the Company wishes to provide certain benefits to the Executive in the event of a termination of the Executive's employment under certain circumstances or in the event of a change of control of the Company;

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties hereto, the Company and the Executive agree as follows:

1. DEFINITIONS. For purposes of this Agreement, the following terms shall have the meanings set forth below, unless the context clearly indicates otherwise:

(a) "Board" shall mean the Board of Directors of the Company.

(b) "Cash Compensation" shall mean the sum of the Executive's base salary (equal to the rate of annual base salary for the Company's fiscal year immediately prior to the Termination Date) plus (i) the Executive's targeted bonus, if known, for the year in which the Termination Date occurs, or (ii) if the targeted bonus described in clause (i) is not known, the average of the Executive's bonuses for the two fiscal years of the Company immediately preceding the year in which the Termination Date occurs, including all such salary and bonuses earned in all capacities with the Company and its Subsidiaries, as reported for Federal income tax purposes on Form W-2, together with any amounts which would have been included in the Executive's salary or bonus but for a deferral election by the Executive under any plan of the Company or its Subsidiaries, including, but not limited to, a plan qualified under Section 401(k) or 125 of the Code.

(c) "Cause" shall mean (i) misappropriation of funds, (ii) habitual insobriety or substance abuse, (iii) conviction of a crime involving moral turpitude, or (iv) gross negligence in the performance of duties, which gross negligence has had a material adverse effect on the business, operations, assets, properties or financial condition of the Company.

(d) "Change of Control" shall mean (i) the acquisition by any person or group, other than the Company or any of its Subsidiaries, of 20% or more of the voting stock of the Company; (ii) the acquisition by the Company or any of its Subsidiaries, or any Executive benefit plan of the Company or any Subsidiary, or any person or entity organized, appointed or established by the Company or Subsidiary for or pursuant to the terms of any such Executive benefit plan, acting separately or in combination with each other or with other persons, of 50% or more of the voting stock of the Company, if after such acquisition the Shares are no longer publicly traded; (iii) the removal within any two-year period from the Board of a sufficient number of directors such that the individuals who constituted the Board at the beginning of the period shall cease to constitute a majority of the Board, unless the election of each subsequent member was approved in advance by two-thirds of the members of the Board in office at the beginning of such two-year period; or (iv) the approval by the shareholders of the Company of (A) a merger or consolidation, the result of which is that the shareholders of the Company do not own or control at least 50% of the value of the outstanding equity or combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of Directors or (B) a sale or other disposition (in one transaction or a series of related transactions) of all or substantially all of the Company's assets.

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(f) "Good Reason" shall mean, without the written consent of the Executive, one or more of the following occurrences:

(i) any failure of the Company to comply with and satisfy any of the terms of this Agreement;

(ii) any reduction of the authority, duties or responsibilities held by the Executive, or removal from, or failure to be reelected to, the Board;

(iii) any reduction of the Executive's base compensation, bonus opportunity or benefit entitlement; or

(iv) any transfer of the Executive to a location which is outside the Paoli, Pennsylvania area (or the general area in which his principal place of business immediately preceding the transfer may be located at such time if other than Paoli, Pennsylvania) by more than fifty miles other than on a temporary basis (less than 6 months), except for required travel on the Company's business to an extent substantially consistent with the Executive's business travel obligations on behalf of the Company in effect immediately prior to the transfer;

provided, however, that in the event Executive delivers a Notice of Termination based on one or more of the foregoing occurrences of Good Reason, the Company may correct or cure such occurrence or occurrences within twenty (20) days of receipt of the Notice of Termination, in which event the Notice of Termination shall be deemed withdrawn and of no further force or effect.

(g) "Non-Competition and Non-Solicitation Obligations" shall mean the covenants described in Section 5(d).

(h) "Notice of Termination" shall mean a written notice which conforms to the requirements of Section 2.

(i) "Restricted Shares" shall mean the Shares that were issued to the Executive pursuant to the restricted stock awards granted as of December 15, 2000 under the 1997 Stock Incentive Plan of AMETEK, Inc. and the 1999 Stock Incentive Plan of AMETEK, Inc., as adjusted pursuant to the terms of the agreement between the Company and the Executive evidencing such awards, and which continue to be forfeitable as of the applicable date or event referred to herein; upon becoming vested, such Shares shall no longer be Restricted Shares for purposes of this Agreement.

(j) "Share" shall mean a share of the common stock of the Company or any successor, as adjusted pursuant to the terms of the agreements between the Company and the Executive evidencing such awards.

(k) "Subsidiary" shall mean any corporation or other entity which is deemed to be part of the affiliated group of the Company for purposes of Section 280G(d)(5) of the Code.

(l) "Termination Date" shall mean the date specified in the Notice of Termination, or the date of receipt of the Notice of Termination if the Notice is sent by the Company to the Executive and asserts that the Termination is for Cause.

(m) "Vested" shall mean, with respect to the Restricted Shares, that such Shares have become nonforfeitable and transferable in accordance with the terms of the awards and restricted stock agreements, dated as of December 15, 2000, pursuant to which they were issued.

2. NOTICE OF TERMINATION. Any termination of the Executive's employment by either the Company or the Executive shall be communicated by a Notice of Termination to the other party to this Agreement, given in accordance with Section 18 hereof. For purposes of this Agreement, a "Notice of Termination" means a written notice of the termination of the Executive's employment which (i) in the case of a Notice of Termination from the Company, indicates whether the termination is for Cause or without Cause, or, in the case of a Notice of Termination from the Executive, indicates whether the resignation is for Good Reason or not for Good Reason, (ii) refers to the specific provision in this Agreement relied upon and briefly summarizes the facts and circumstances deemed to provide a basis for the termination of employment under the provision so indicated, and (iii) specifies the Termination Date, which date shall not be less than 20 nor more than 30 days after the giving of such Notice, except for a Notice of Termination from the Company that the Executive is being terminated for Cause which shall be effective immediately.

3. TERMINATION NOT IN CONNECTION WITH A CHANGE OF CONTROL OR FOR CAUSE. If the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason, and such termination occurs prior to and not in anticipation of a Change of Control, then the Restricted Shares, if any, shall be forfeited on the Termination Date and the following benefits shall be provided to the Executive:

(a) The Company shall pay to the Executive, in a lump sum within 30 days after the Termination Date; an amount equal to two (2) times the Executive's Cash Compensation;

(b) The Company shall continue the Executive's current coverage (single or family) under (or, at the election of the Company, provide a tax equivalent monthly payment equal to the cost of) the Company's plans or programs to provide health benefits (including, but not limited to, hospitalization, surgical, major medical, dental and vision benefits), disability insurance and death benefits (including, but not limited to, the Company's Supplemental Executive Plan), as in effect from time to time for other senior executives of the Company, until the earliest of (i) the end of the second year following the year of the termination of employment, (ii) as applied to health benefit coverage, the Executive's eligibility for Medicare, (iii) as applied to health benefits, disability insurance and death benefits, considered separately from each other, the Executive's commencement of new employment where the Executive is eligible to participate in substantially similar plans or programs without a pre-existing condition limitation, or (iv) the Executive's death; and

(c) The Company shall (i) continue to provide the Executive with the Company provided car available to him at the Termination Date (or a comparable car, if the lease on such car should expire) and (ii) continue to reimburse him for the cost of country club or private club dues (at the level in effect at the Termination Date), until the earliest of the second anniversary of the Termination Date or the Executive's death.

For purposes of this Agreement, a termination of employment will be considered to be in anticipation of a Change of Control if the Termination Date occurs during the ninety (90) day period ending on the date of the Change of Control and the substantial possibility of the Change of Control was known to the Executive and to a majority of the Board of Directors of the Company on or before the date the Notice of Termination was delivered.

4. CHANGE OF CONTROL. If the Executive is employed by the Company at the date of a Change of Control, or has been terminated without Cause or resigned for Good Reason in anticipation of the Change of Control (within the meaning of Section 3), the following shall apply:

(a) Subject to the limitations of Section 12 hereof, the Company shall pay to the Executive an amount equal to the fair market value of the Restricted Shares held by the Executive at the earlier of the Termination Date or the date of the Change of Control (which value, if the Change of Control is a merger, consolidation, tender offer, going private transaction, or any other similar transaction pursuant to which shareholders of the Company generally will receive cash, stock of another company or other consideration for their shares of Company stock, shall be calculated on the basis of the amount per Share received or to be received by shareholders of the Company in connection with the Change of Control); the amount payable under this Subsection (a) shall be paid to the Executive in a lump sum within 30 days after the Change of Control.

(b) The number of Restricted Shares with respect to which any payment under Subsection (a), above, has been made, after taking into account the limitations of Section 12 hereof, shall be forfeited, notwithstanding any other terms or conditions applicable to the Restricted Shares.

(c) The balance of the Restricted Shares shall be retained and shall become Vested or be forfeited in accordance with the original terms and conditions of the restricted stock awards under which they were granted. If, at any time following a Change of Control, the Shares are not publicly traded, the Company, at its own expense, shall cause a nationally recognized investment banking firm mutually acceptable to the Executive and the

Company to make an annual valuation, effective as of the first day of the Company's fiscal year, which valuation shall establish the fair market value of a Restricted Share or of a Share which was originally issued as a Restricted Share and which is held by the Executive (or his beneficiary or estate following his death) after the Restricted Shares have become vested. Copies of the valuation shall be furnished, in writing, to the Executive and the Company.

(d) If any Restricted Shares become Vested following a Change of Control and the Shares are not publicly traded, then

(i) the Executive (or his beneficiary or estate following his death) shall have the right to compel the Company to buy back some or all of the Shares which were originally Restricted Shares, held by the Executive (or his beneficiary or estate), for the greater of (A) their fair market value, as established for the year pursuant to Subsection (b), above, or (B) if the Change of Control was in the form of a merger, consolidation, tender offer, going private transaction or any similar transaction, the amount per Share received by shareholders of the Company in the Change of Control transaction ("Put Rights"); and

(ii) after the Executive's termination of employment or his death, the Company shall have the right to compel the Executive (or his beneficiary or estate, if applicable) to sell all the Shares which were originally Restricted Shares held by the Executive (or his beneficiary or estate), to the Company for the greater of (A) their fair market value, as established for the year pursuant to Subsection (b), above or (B) if the Change of Control was in the form of a merger, consolidation, tender offer, going private transaction or any similar transaction, the amount per Share received by shareholders of the Company in the Change of Control transaction ("Call Rights").

The Executive (or his beneficiary or estate) may exercise the Put Rights not more than once during the Company's fiscal year. Neither the Executive (or his beneficiary or estate) nor the Company may exercise the Put Rights or Call Rights more than 90 days after the issuance of the most recent annual valuation if the price at which the Put Rights or Call Rights are to be exercised is based on such valuation (pursuant to clauses (i)(A) or (ii)(A), above). The provisions of this Subsection (c) shall cease to apply if the Shares are again publicly traded.

(e) The Company sponsors an irrevocable trust fund pursuant to a trust agreement to hold assets to satisfy its obligations to certain Executives. Funding through such trust fund of the amounts which may become due to the Executive under Sections 4 or 5 of the Agreement shall be authorized by the Compensation Committee of the Board, as set forth in the agreement pursuant to which the fund has been established, no later than immediately following a Change of Control

5. TERMINATION IN CONNECTION WITH A CHANGE OF CONTROL. If the Executive's employment is terminated by the Company without Cause, or by the Executive for Good Reason, in anticipation of (within the meaning of Section 3), upon or at any time following a Change of Control (hereinafter referred to as a "Change of Control Termination"), then, in addition to the payment under Section 4(a) hereof, the Executive shall be entitled to additional benefits under Subsection (a) or (b), below, whichever is applicable, and under Subsection (c).

(a) If the Restricted Shares have not become Vested and the Change of Control Termination occurs prior to December 15, 2006, then all Restricted Shares then outstanding shall be forfeited and, except as approved in writing by the Board, the Executive shall be subject to the Non-Competition and Non-Solicitation Obligations for a period of three years after the Change of Control Termination. As consideration to the Executive for the restrictions set forth in this Subsection (a), the Company hereby agrees to pay the Executive, in addition to any and all other amounts and benefits to which he may be entitled hereunder, an amount equal to Two Million Dollars ($2,000,000.00) per year for three years, or Six Million Dollars ($6,000,000.00), which amount shall be paid to the Executive in a lump sum within 30 days after the Termination Date. If the Executive violates any of the covenants contained in this Subsection (a), then, in addition to the Company's other remedies, the Executive shall repay to the Company an amount equal to Six Million Dollars ($6,000,000.00), multiplied by a fraction, the numerator of which is 1,095 minus the number of days between the Termination Date and the date the Executive first violates the covenants contained in this Subsection (a), and the denominator of which is 1,095.

(b) If the Restricted Shares have become Vested prior to the Change of Control Termination, then upon the change of Control Termination, except as approved in writing by the Board, the Executive shall be subject to the Non-Competition and Non-Solicitation Obligations for a period of eighteen (18) months after the Change of Control Termination. As consideration to the Executive for the restrictions set forth in this Subsection (b), the Company hereby agrees to pay the Executive, in addition to any and all other amounts and benefits to which he may be entitled hereunder, an amount equal to Two Million Dollars ($2,000,000.00) per year for eighteen (18) months, or Three Million Dollars ($3,000,000.00), which amount shall be paid to the Executive in a lump sum within 30 days after the Termination Date. If the Executive violates any of the covenants contained in this Subsection (b), then, in addition to the Company's other remedies, the Executive shall repay to the Company an amount equal to Three Million Dollars ($3,000,000.00), multiplied by a fraction, the numerator of which is 548 minus the number of days between the Termination Date and the date the Executive first violates the covenants contained in this Subsection (b), and the denominator of which is 548.

(c) The Company shall continue the Executive's current coverage (single or family) under (or, at the election of the Company, provide a tax equivalent monthly payment equal to the cost of) the Company's plans or programs for health benefits (including, but not limited to, hospitalization, surgical, major medical, dental and vision benefits), disability insurance and death benefits (including, but not limited to the Company's Supplemental Executive Plan), as in effect from time to time for other senior executives of the Company, until the earliest of (i) the end of the second year (tenth year for health benefits) following the year of the termination of employment, (ii) as applied to health benefit coverage, the Executive's eligibility for Medicare, (iii) as applied to health benefits, disability insurance and death benefits, considered separately from each other, the Executive's commencement of new employment where the Executive is eligible to participate in substantially similar plans or programs without a pre-existing condition limitation, or (iv) the Executive's death. The Company shall also continue to provide the Executive with the Company provided car available to him at the Termination Date (or a comparable car, if the lease on such car should expire) and shall continue to reimburse him for the cost of country club or private club dues (at the level in effect at the Termination Date) until the earliest of the second anniversary of the Termination Date or the Executive's death.

(d) During any period in which the Executive is subject to Non-Competition and Non-Solicitation Obligations under Subsection (a) or (b), the Executive covenants not to:

(i) Engage in or carry on, directly or indirectly, either for himself or as a member, stockholder, investor, lender, officer, director, Executive or agent of, or consultant or advisor to, any person, partnership, corporation, joint venture or enterprise (other than the Company), or in any capacity on behalf of any trust or other organization or entity, any business in competition with (as defined below) any business then carried on by the Company as long as any like business is carried on by the Company or by any person, corporation, partnership, trust or other organization or entity deriving title to the good will of such business, directly or indirectly, from the Company; provided, however, that nothing herein contained shall prevent the Executive from purchasing or holding securities of any publicly owned company, the securities of which are listed on a national securities exchange or registered pursuant to Section 12(g) of the Securities Exchange Act of 1934 (the "Exchange Act"), but the total holding of any single security so listed or registered shall be limited to 1% of the amount of any such security outstanding. For purposes of this Subsection (a), the term "any business in competition with" shall mean any business engaged principally or in part in any business of the Company (other than a business which generated less than 5% of the Company's revenues and less than 5% of the Company's pre-tax profits) as described in its Annual Report on Form 10-K for the year prior to the Change of Control Termination; or

(ii) Solicit, raid, entice, induce or attempt to persuade, directly or indirectly, any person who is an Executive of the Company at the time of the Change of Control Termination or a former Executive of the Company who was employed at any time within the 90 day period ended upon the Change of Control Termination, to become employed by any person, firm, partnership, corporation or other enterprise or entity, and the Executive shall not approach any such Executive (or former Executive) for such purpose or authorize the taking of such actions by any other person, firm, partnership, corporation or other enterprise or entity.

6. TERMINATION FOR CAUSE OR WITHOUT GOOD REASON, ETC. If the Executive's employment is terminated by the Company for Cause, by the Executive without Good Reason, or because of the Executive's death or total disability, the provisions of Sections 3 and 5 hereof shall not apply.

7. CONFIDENTIAL INFORMATION. The Executive recognizes and acknowledges that, by reason of his employment by and service to the Company, he has had and will continue to have access to confidential information of the Company and its Subsidiaries, including, without limitation, information, and knowledge pertaining to products and services offered, innovations, designs, ideas, plans, trade secrets, proprietary information, distribution and sales methods and systems, sales and profit figures, customer and client lists, and relationships between the Company and its Subsidiaries and other distributors, customers, clients, suppliers and others who have business dealings with the Company and its Subsidiaries ("Confidential Information"). The Executive acknowledges that such Confidential Information is a valuable and unique asset and covenants that he will not, either during or after his employment by the Company, disclose any such Confidential Information to any person for any reason whatsoever without the prior written authorization of the Board, unless such information is in the public domain through no fault of the Executive or except as may be required by law.

8. ADDITIONAL PROVISIONS APPLICABLE TO SECTIONS 5 AND 7. The following provisions shall apply to the covenants and restrictions contained in Sections 5 and 7 hereof:

(a) The covenants contained in Sections 5(d) shall apply within the territories in which the Company is actively engaged in the conduct of business during the applicable period following the Termination Date, including, without limitation, the territories in which customers are then being solicited.

(b) Without limiting the right of the Company to pursue all other legal and equitable remedies, including recovery of damages, available for violation by the Executive of the covenants and restrictions contained in Sections 5 or 7 hereof, the Executive agrees that monetary damages would not be adequate compensation for any loss incurred by the Company by reason of a breach by him of the provisions of Sections 5 or 7 hereof, and that the Company would sustain irreparable harm and, therefore, further agrees that the Company shall be entitled to injunctive relief to prevent any such breach or any continuing breach thereof.

(c) The Executive irrevocably and unconditionally (i) agrees that any suit, action or other legal proceeding arising out of an asserted breach of Sections 5 or 7 hereof, including, without limitation, any action commenced by the Company for preliminary and permanent injunctive relief or other equitable relief, may be brought in the United States District Court for the Eastern District of Pennsylvania, or if such court does not have jurisdiction or will not accept jurisdiction, in any court of general jurisdiction in Chester County, Pennsylvania, (ii) consents to the non-exclusive jurisdiction of any such court in any suit, action or proceeding, and (iii) waives any objection which the Executive may have to the laying of venue of any such suit, action or proceeding in any such court, The Executive also irrevocably and unconditionally consents to the service of any process, pleadings, notices or other papers in a manner permitted by the notice provisions of Section 18 hereof.

(d) Each party intends and agrees that if, in any action before any court or agency legally empowered to enforce the covenants contained in Sections 5 or 7 hereof, any term, restriction, covenant or promise contained therein is found to be unreasonable and accordingly unenforceable, then such term, restriction, covenant or promise shall be deemed modified to the extent necessary to make it enforceable by such court or agency.

(e) If the Executive shall be the prevailing party in any action brought by the Company for damages, injunction or other equitable relief based upon an alleged breach of Sections 5 or 7, the Company shall reimburse the Executive for all costs and expenses related to the defense of the action (including reasonable attorneys fee and expenses).

9. NO MITIGATION. The Executive shall not be required to mitigate the amount of any payment or benefit provided for in this Agreement by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for herein be reduced by any compensation earned by other employment or otherwise, except as provided in Sections 3(b) and 5(c).

10. NON-EXCLUSIVITY OF RIGHTS. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in or rights under any benefit, bonus, incentive or other plan or program provided by the Company, or any of its Subsidiaries, and for which the Executive may qualify, other than severance benefits.

11. NO SET-OFF. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Executive or others.

12. CERTAIN REDUCTION OF PAYMENTS.

(a) Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "Payment"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, and thus be subject to the excise tax imposed by Section 4999 of the Code, and that it would be economically advantageous to the Executive on an after-tax basis to reduce the Payment to avoid or reduce the excise tax on excess parachute payments under Section 4999 of the Code, the aggregate present value of amounts payable or distributable to or for the benefit of the Executive pursuant to this Agreement (such payments or distributions pursuant to this Agreement being hereinafter referred to as "Agreement Payments") shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate net amount available to the Executive from Agreement Payments after reduction for all Federal, state and local income and payroll taxes, Social Security taxes (including Medicare) and the excise tax under Section 4999. In applying this Subsection (a), the Agreement Payments shall be reduced before reducing any other Payments to be made to the Executive. For purposes of this Section 12, present value shall be determined in accordance with Section 280G(d)(4) of the Code.

(b) All determinations to be made under this Section 12 shall be made by the Company's independent public accountant immediately prior to the Change of Control (the "Accounting Firm"), which firm shall provide its determinations and any supporting calculations both to the Company and the Executive within 10 days of the Termination Date. Any such determination by the Accounting Firm shall be binding upon the Company and the Executive. Within five days after this determination, the Company shall pay (or cause to be paid) or distribute (or cause to be distributed) to or for the benefit of the Executive such amounts as are then due to the Executive under this Agreement; provided, however, that the Executive shall have the right to determine which of the Agreement Payments shall be reduced to satisfy the requirements of this Section 12.

(c) As a result of the uncertainty in the application of Section 280G of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Agreement Payments, as the case may be, will have been made by the Company which should not have been made ("Overpayment") or that additional Agreement Payments which have not been made by the Company could have been made ("Underpayment"), in each case, consistent with the calculations required to be made hereunder. Accordingly, within two years after the Termination Date, the Accounting Firm shall review the determination made by it pursuant to Subsection (b), above. In the event that the Accounting Firm determines that an Overpayment has been made, any such Overpayment shall be treated for all purposes as a loan by the Company to the Executive, which the Executive shall repay to the Company, together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code (the "Federal Rate"); provided, however, that no amount shall be payable by the Executive to the Company if and to the extent such payment would not reduce the amount which is subject to the excise tax under Section 4999 of the Code. In the event that the Accounting Firm determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive together with interest at the rate announced from time to time by the Chase Manhattan Bank (or any successor) as its prime rate, plus one percent (1%), each change in such rate to take effect on the effective date of the change in such prime rate; provided, however, that no such amount shall be payable by the Company to the Executive to the extent the Underpayment is attributable to an

Agreement Payment under Section 4 hereof and Restricted Shares having a value equal to the Underpayment, as of the date of the Change of Control, subsequently became Vested. In the event the Executive repays to the Company an Overpayment (or any portion thereof) which is attributable to an Agreement Payment made pursuant to Section 4 hereof, then upon receipt of the repayment, the Company shall cause to be reissued to the Executive the number of Restricted Shares which were forfeited on account of such Overpayment (or the applicable portion thereof) and such Restricted Shares shall be subject to the same terms and conditions as the award and the restricted stock agreement under which they were originally issued. In the event the Company makes payment to the Executive of an Underpayment (or any portion thereof) which is attributable to an Agreement Payment made pursuant to Section 4 hereof, and as of the date of such payment the Restricted Shares have not become Vested, then an additional number of Restricted Shares having a value, as of the date of the Change of Control, equal to the Underpayment (or the applicable portion thereof) shall be forfeited.

(d) All of the fees and expenses of the Accounting Firm in performing the determinations referred to in Subsections (b) and (c), above, shall be borne solely by the Company. The Company agrees to indemnify and hold harmless the Accounting Firm of and from any and all claims, damages and expenses resulting from or relating to its determinations pursuant to Subsections (b) and (c), above, except for claims, damages or expenses resulting from the gross negligence or willful misconduct of the Accounting Firm.

13. AMENDMENTS. No amendment or modification of this Agreement or of any covenant, condition or limitation herein contained shall be valid, unless in writing and duly executed by both parties.

14. WAIVERS. A waiver by any party hereto of any breach of this Agreement or the failure by a party to insist upon strict adherence to any term of this Agreement shall not be considered a waiver of any other breach or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

15. SEVERABILITY. All agreements and covenants contained herein are severable, and in the event any of them shall be held to be invalid by any court of competent jurisdiction, this Agreement shall be interpreted as if such invalid agreements or covenants were not contained herein. Nothing contained in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any statute, law, ordinance, order or regulation, contrary to which the parties hereto have no legal right to contract, the latter shall prevail, but in such event any provision of this Agreement so affected shall be curtailed and limited only to the extent necessary to bring it within the legal requirements.

16. ASSIGNMENT. The Executive may not assign his rights or obligations under this Agreement. This Agreement shall inure to the benefit of and be binding upon the Executive, his heirs, executors and administrators, and the Company, its successors and assigns.

17. CANCELLATION OF PRIOR AGREEMENT. This Agreement supersedes and cancels that certain agreement dated May 1, 1997, between the Company and the Executive.

18. NOTICES. All notices, requests, consents and other communications which either party is required or may desire to serve upon the other shall be in writing (including facsimile or similar writing) and shall be deemed to have been given at the time when personally delivered or, if mailed, when deposited in the United States mail, enclosed in a registered or certified postpaid envelope, addressed to the other party at the address stated below or to such changed address as

such party may have fixed by notice, or, if given by facsimile, when electronic confirmation of the transmission is received:

To the Company:	AMETEK, Inc. 37 North Valley Road - Building 4 P.O. Box 1764 Paoli, PA 19301 Facsimile: 610-296-3412 Attention: Donna Winquist, General Counsel and John Molinelli, Chief Financial Officer
To the Executive:	Frank S. Hermance 1300 Meadow Lane Berwyn, PA 19312 Facsimile: 610-651-5969;

provided that any notice of change of address shall be effective only when received.

19. SUCCESSOR COMPANY. The Company shall require any successor or successors (whether direct or indirect, by purchase, merger, spin-off or otherwise) to all or substantially all of the business and/or assets of the Company, by written agreement in form and substance satisfactory to the Executive, to acknowledge expressly that this Agreement is binding upon and enforceable against the successor or successors in accordance with the terms hereof, and to become jointly and severally obligated with the Company to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or successions had taken place. Failure of the Company to notify the Executive in writing as to such successorship, to provide the Executive the opportunity to review and agree to the successor's assumption of this Agreement or to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement. As used in this

Agreement, the Company shall mean the Company as hereinbefore defined and any such successor or successors to its business and/or assets, jointly and severally.

20. TAXES. The Company may withhold from or with respect to any payment of compensation or taxable benefit provided for under this Agreement any federal, state or local tax (including any applicable payroll tax or excise tax) to the extent required by law.

21. ERISA TOP HAT PLAN. To the extent that this Agreement is considered to be a plan for purposes of the Executive Retirement Income Security Act of 1974, as amended ("ERISA"), it shall be considered an unfunded plan maintained primarily for the purpose of providing benefits for a select group of management or highly compensated Executives, within the meaning of U.S. Department of Labor Regulations Section 2520.104-23 or Section 2520.104-24, as applicable.

22. NO RIGHT OF EMPLOYMENT. This Agreement shall not be construed as creating any contract of employment between the Company and the Executive.

23. RELEASE. Notwithstanding anything to the contrary contained herein, the Executive's entitlement to the payment of any amount or receipt of any benefit coverage under this Agreement, upon or following his termination of employment, is expressly conditioned upon his execution of a release in the form required by the Company of its terminating executives prior to the Termination Date.

24. ARBITRATION. In the event of any dispute under the provisions of this Agreement, other than a dispute involving an alleged violation by the Executive of Sections 5 or 7, or a dispute in which the sole relief sought is an equitable remedy such as an injunction, the parties shall be required to have the dispute, controversy or claim settled by arbitration in Philadelphia, Pennsylvania, in accordance with the National Rules for the Resolution of Employment Disputes

then in effect of the American Arbitration Association, before one arbitrator who shall be an executive officer or former executive officer of a publicly traded corporation, selected by the parties. Any award entered by the arbitrator shall be final, binding and nonappealable and judgment may be entered thereon by either party in accordance with applicable law in any court of competent jurisdiction. This arbitration provision shall be specifically enforceable. The arbitrator shall have no authority to modify any provision of this Agreement or to award a remedy for a dispute involving this Agreement other than a benefit specifically provided under or by virtue of the Agreement; provided, however, that if the arbitrator finds that the Company has breached this Agreement and, as a result of any such breach, the Executive has incurred an excise tax under Section 4999 of the Code, then, in addition to such other remedies as the arbitrator may award, the arbitrator shall direct the Company to pay the Executive an amount (the "gross-up payment") which will reimburse the Executive for the cost of the excise tax, as well as for all federal, state and local income, excise and payroll taxes incurred by the Executive on the gross-up payment. The Company shall be responsible for all of the fees of the American Arbitration Association and the arbitrator and any expenses relating to the conduct of the arbitration (including reasonable attorney's fees and expenses).

25. GOVERNING LAW. This Agreement shall be subject to, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, except to the extent that such laws are preempted by Federal law.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

AMETEK, INC.

By: /s/ John J. Molinelli

John J. Molinelli

/s/ Frank S. Hermance

Frank S. Hermance

EXHIBIT 10.71

EMPLOYMENT AGREEMENT

This Agreement is made this 1st day of January, 2001, by and between AMETEK, Inc., a Delaware corporation, with its principal offices at 37 North Valley Road, Building 4, P.O. Box 1764, Paoli, Pennsylvania 19301-0801 (the "Company"), and Walter E. Blankley, an individual residing at 13023 Valewood Drive, Naples, Florida 34119 ("Mr. Blankley").

WITNESSETH:

WHEREAS, Mr. Blankley was formerly Chief Executive Officer through September 14, 1999 and Chairman of the Board through December 31, 2000; and

WHEREAS, the Company desires that Mr. Blankley shall continue to provide services to the Company as a non-executive employee from January 1, 2001 to December 15, 2001 at which time his employment will terminate; and

WHEREAS, the Company desires to enter into a non-compete arrangement with Mr. Blankley during his period of employment and for the four years following his termination of employment;

NOW, THEREFORE, In consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Term. The Company hereby continues the employment of Mr. Blankley as a non-executive employee of the Company, and Mr. Blankley agrees to serve the Company as such, upon the terms and conditions hereof for the period commencing on January 1, 2001, until December 15, 2001 (the "Employment Period"), at which time his employment will terminate.

2. Duties. Mr. Blankley agrees that he will work on special projects and provide advice to executive management relating to certain business matters of the Company.

3. Compensation. The Company will pay Mr. Blankley for all services to be rendered by Mr. Blankley hereunder a salary of $8,246.00/month ($99,000/year) for the Employment Period in accordance with the customary payroll practices of the Company.

4. Expenses. Mr. Blankley shall be entitled to reimbursement by the Company, in accordance with the Company's policies, against appropriate vouchers or other receipts for authorized travel, entertainment and other business expenses reasonably incurred by him in the performance of his duties hereunder.

5. Benefits. (a) During the Employment Period, Mr. Blankley will continue to participate in all non-executive plans and benefits in which he was a participant prior to January 1, 2001.

(b) The Company shall provide to Mr. Blankley, at the expense of the Company, continued use of his current leased automobile, for use by Mr. Blankley in connection with the performance of his duties hereunder for the Employment Period.

(c) The Company shall provide Mr. Blankley with the tax preparation services of Ernst & Young LLP for the Employment Period.

(d) Mr. Blankley will continue to be covered under the terms of the AMETEK, Inc. Supplemental Senior Executive Death Benefit.

6. Withholding. All payments required to be made by the Company hereunder to Mr. Blankley shall be subject to the withholding of such amounts relating to taxes and other governmental assessments as the Company may reasonably determine it should withhold pursuant to any applicable law, rule or regulation.

7. Non-Competition; Solicitation. (a) Mr. Blankley agrees that during his continued employment with the Company and for the four years following his termination of employment (the Non-Competition Period"), he will not, without the written consent of the Company, directly or indirectly, either individually or as an employee, agent, partner, shareholder, consultant, option holder, lender of money, guarantor or in any other capacity, participate in, engage in or have a financial interest or management position or other interest in any business, firm, corporation or other entity if it competes with any business operation conducted by the Company or its subsidiaries or affiliates or any successor or assign thereof, nor will he solicit any other person to engage in any of the foregoing activities. The foregoing provisions of this Section 7(a) will not prohibit the ownership by Mr. Blankley of 1% or less of any class of outstanding securities of a company, the securities of which are listed on a national securities exchange or which has 1,000 or more shareholders.

(b) Mr. Blankley will not, at any time during the Non-Competition Period, solicit (or assist or encourage the solicitation of) any employee of the Company or any of its subsidiaries or affiliates to work for Mr. Blankley or for any business, firm, corporation or other entity in which Mr. Blankley, directly or indirectly, in any capacity described in Section 7(a) hereof, participates or engages (or expects to participate or engage) or has (or expects to have) a financial interest or management position.

(c) If any of the covenants contained in subsection (a) or (b) of this Section 7 is held by a court of competent jurisdiction to be unenforceable because of the duration of such provision, the activity limited by or the subject of such provision and/or the area covered thereby, then the court making such determination will construe such restriction so as to thereafter be limited or reduced to be enforceable to the greatest extent permissible by applicable law.

(d) In consideration of Mr. Blankley's covenants and agreements under this Section 7, the Company will pay to Mr. Blankley the sum of $125,000 per year, payable on a quarterly basis, commencing with the first quarter of 2002 and ending with the last quarter of 2005.

(e) The rights and obligations of the parties under this Section 7 will remain in full force and effect until fully performed. Accordingly, to the extent required, this Section 7 will survive any earlier termination of this Agreement.

8. Death. Upon the death of Mr. Blankley during the term of this Agreement, this Agreement will terminate. Mr. Blankley's estate will be entitled to receive (a) any earned and unpaid salary accrued through the date of termination, (b) any remaining non-compete payments provided under Section 7, and (c) subject to the terms thereof, any benefits which may be due to Mr. Blankley on the date of termination under the provisions of any employee benefit plan, program or policy in which he participates.

9. Trade Secrets, Etc. Mr. Blankley agrees that he will not, during or after the termination of this Agreement, divulge, furnish or make accessible to any person, firm, corporation or other business entity, any information, trade secrets, technical data or know-how relating to the business, business practices, methods, products, processes, equipment, clients' prices or other confidential or secret aspect of the business of the Company and/or any subsidiary or affiliate, except as may be required in good faith in the course of his employment with the Company or by law, without the prior written consent of the Company, unless such information will become public knowledge (other than by reason of Mr. Blankley's breach of the provisions hereof).

10. Acceptance by Mr. Blankley. Mr. Blankley accepts all of the terms and provisions of this Agreement and agrees to perform all of the covenants on his part to be performed hereunder.

11. Equitable Remedies. Mr. Blankley acknowledges and agrees that any breach of this Agreement is likely to result in irreparable injury to the Company, that monetary damages will be an inadequate remedy of such breach and that, accordingly, in addition to any other remedy that the Company may have, the Company will be entitled to enforce the specific performance of this Agreement and to seek both permanent and temporary injunctive relief in the event of any breach hereof.

12. Entire Agreement. This Agreement constitutes the entire Agreement between the parties hereto, and there are no other terms other than those contained herein. No variation hereof will be deemed valid unless in writing and signed by the parties hereto, and no discharge of the terms hereof will be deemed valid unless by full performance of the parties hereto or by a writing signed by the parties hereto. No

waiver by the Company, or any breach by Mr. Blankley of any provision or condition of this Agreement by him to be performed, will be deemed a waiver of a breach of a similar or dissimilar provision or condition at the same time or any prior or subsequent time.

13. Severability. In case any provision in this Agreement is declared invalid, illegal or unenforceable by any court of competent jurisdiction, the validity and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

14. Notices. All notices, requests, demands and other communications provided for by this Agreement will be in writing and will be deemed to have been given at the time when mailed in the United States enclosed in a registered or certified post-paid envelope, return receipt requested, and addressed to the addresses of the respective parties stated below or to such changed addresses as such parties may fix by notice:

To the Company:

Mr. Frank S. Hermance
Chairman and Chief Executive Officer
AMETEK, Inc.
37 North Valley Road
Building 4
P.O. Box 1764
Paoli, PA 19301-0801

To Mr. Blankley:

Mr. Walter E. Blankley
13023 Valewood Drive
Naples, Florida 34119

provided, however, that any notice of change of address will be effective only upon receipt.

15. Successors and Assigns. This Agreement is personal in its nature and neither of the parties hereto will, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder (except for an assignment or transfer by the Company to a successor as contemplated by the following proviso); provided, however, that the provisions hereof will inure to the benefit of, and be binding upon, any successor of the Company, whether by merger, consolidation, transfer of all or substantially all of the assets of the Company, or otherwise, and upon Mr. Blankley, his heirs, executors, administrators and legal representatives.

16. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect

to principles of conflict of laws. Mr. Blankley irrevocably submits to the jurisdiction of, and agrees that any suit, action or other proceeding arising out of this Agreement will be brought only in, the state and federal courts located in Pennsylvania.

17. Headings. The headings in this Agreement are for convenience of reference only and will not control or affect the meaning or construction of this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands and seals the day and year first above written.

AMETEK, Inc.

By: /s/ Frank S. Hermance
Frank S. Hermance
Chairman of the Board &
Chief Executive Officer

/s/ Walter E. Blankley
Walter E. Blankley

EXHIBIT 12

AMETEK, INC.

STATEMENT REGARDING COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(DOLLARS IN THOUSANDS)

	2000	1999	1998	1997	1996
EARNINGS:					
Income from continuing operations	$ 68,532	$ 60,768	$ 50,449	$50,264	$43,072
Income tax expense	37,606	33,693	26,909	27,930	23,310
Interest expense -- gross	29,460	25,396	24,121	18,499	19,660
Capitalized interest	(257)	(620)	(462)	(318)	(599)
Amortization of debt financing costs(1)	--	--	--	--	136
Interest portion of rental expense	2,713	2,307	2,249	1,944	1,844
Adjusted earnings	$138,054	$121,544	$103,266	$98,319	$87,423
FIXED CHARGES:					
Interest expense, net of capitalized interest	$ 29,203	$ 24,776	$ 23,659	$18,181	$19,061
Capitalized interest	257	620	462	318	599
Amortization of debt financing costs(1)	--	--	--	--	136
Interest portion of rental expense	2,713	2,307	2,249	1,944	1,844
Fixed charges	$ 32,173	$ 27,703	$ 26,370	$20,443	$21,640
RATIO OF ADJUSTED EARNINGS TO FIXED CHARGES	4.3x	4.4x	3.9x	4.8x	4.0x

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(1) Included in interest expense above after 1996.

EXHIBIT 21

SUBSIDIARIES OF AMETEK, INC.

NAME OF SUBSIDIARY AND NAME UNDER WHICH IT DOES BUSINESS	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION	PERCENTAGE OF VOTING SECURITIES OWNED BY ITS IMMEDIATE PARENT*
AMEKAI (BVI), Ltd	British Virgin Islands	50%
AMELON, Inc	Delaware	100%
AMETEK (Bermuda), Ltd	Bermuda	100%
AMETEK (Canada), Ltd	Canada	100%
AMETEK (FSC), Inc	U.S. Virgin Islands	100%
AMETEK GmbH	Germany	100%
AMETEK Precision Instruments Europe GmbH	Germany	100%
AMETEK IMTSA, S.A. de C.V	Mexico	100%
AMETEK Lamb Motores de Mexico, S.A. de C.V	Mexico	100%
AMETEK Mexicana, S.A	Mexico	100%
AMETEK Precision Instruments France, SARL	France	100%
AMETEK Precision Instruments (UK) Ltd	England	100%
EMA Corporation	Delaware	100%
AMETEK Do Brasil Ltda	Brazil	100%
AMETEK Holdings B.V	Netherlands	100%
AMETEK Denmark A/S	Denmark	100%
AMETEK Elektomotory CR S.R.O	Czech Republic	100%
AMETEK (Italia) S.r.l	Italy	100%
AMETEK Singapore Private Ltd	Singapore	100%
AMETEK Motors Hong Kong Ltd	Hong Kong	100%
Amekai Singapore Private Ltd	Singapore	50%
Amekai Meter (Xiamen) Co., Ltd	China	100%
AmeKai Taiwan Co., Ltd	Taiwan	50%
AMETEK Motors Asia Private Ltd	Singapore	100%
AMETEK Motors (Shanghai) Co., Ltd	China	100%
AMETEK Holdings (UK) Ltd	England	100%
Lloyd Instruments Ltd	England	100%
Lloyd Instruments S.A	France	100%
Neue Elektromotoren GmbH -- Schleusingen	Germany	100%
WEBAK, B.V	Netherlands	100%
John Chatillon & Sons, Inc	New York	100%
Rotron Incorporated	New York	100%
NCC Holdings, Inc	Delaware	100%
AMETEK National Controls Corporation	Delaware	100%
Controls Holding Corporation	Delaware	100%
Patriot Sensors & Controls Corporation	Delaware	100%
Nihon Drexelbrook Co., Ltd	Japan	100%
Prestolite Asia Ltd	Korea	50%

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* Exclusive of directors' qualifying shares and shares held by nominees as required by the laws of the jurisdiction of incorporation.

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Forms S-8 Registration Nos. 333-34789, 333-80449, 333-87491 and 333-91507) pertaining to the 1997 Stock Incentive Plan of AMETEK, Inc., the 1999 Stock Incentive Plan of AMETEK, Inc., the AMETEK Retirement and Savings Plan and AMETEK 401(k) Plan for Acquired Businesses, and to the AMETEK, Inc. Deferred Compensation Plan, respectively, and in the related Prospectuses, of our report dated January 22, 2001, with respect to the consolidated financial statements of AMETEK, Inc. included in the Annual Report (Form 10-K) for the year ended December 31, 2000.

/s/ ERNST & YOUNG LLP

Philadelphia, PA
March 14, 2001