

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2004

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, Building 4, P.O. Box 1764, Paoli, Pennsylvania 19301-0801

(Address of principal executive offices)
(Zip Code)

Registrant's telephone number, including area code 610-647-2121

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 No

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

The number of shares of the issuer's common stock outstanding as of the latest practicable date was: Common Stock, \$0.01 Par Value, outstanding at April 30, 2004 was 67,361,924 shares.

AMETEK, Inc.
Form 10-Q
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AMETEK, Inc.

CONSOLIDATED STATEMENT OF INCOME (Unaudited)
(In thousands, except per share amounts)

	Three months ended March 31,	
	2004	2003
Net sales	\$291,423	\$267,531
Expenses:		
Cost of sales, excluding depreciation	208,362	195,064
Selling, general and administrative	30,890	27,315
Depreciation	8,674	8,475
Total expenses	<u>247,926</u>	<u>230,854</u>
Operating income	43,497	36,677
Other income (expenses):		
Interest expense	(6,411)	(6,632)
Other, net	(326)	(887)
Income before income taxes	36,760	29,158
Provision for income taxes	12,096	9,440
Net Income	<u>\$ 24,664</u>	<u>\$ 19,718</u>
Basic earnings per share (a)	<u>\$ 0.37</u>	<u>\$ 0.30</u>
Diluted earnings per share (a)	<u>\$ 0.36</u>	<u>\$ 0.29</u>
Average common shares outstanding (a):		
Basic shares	67,278	65,964
Diluted shares	<u>68,651</u>	<u>67,291</u>
Dividends per share (a)	<u>\$ 0.06</u>	<u>\$ 0.03</u>

(a) Amounts for 2003 have been restated to reflect a two-for-one stock split effective February 27, 2004.

See accompanying notes.

AMETEK, Inc.

CONSOLIDATED BALANCE SHEET
(In thousands)

	March 31, 2004	December 31, 2003
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 17,658	\$ 14,313
Marketable securities	9,007	8,573
Receivables, less allowance for possible losses	195,247	189,010
Inventories	151,784	143,359
Deferred income taxes	9,662	9,672
Other current assets	14,174	17,139
Total current assets	<u>397,532</u>	<u>382,066</u>
Property, plant and equipment, at cost	640,181	639,925
Less accumulated depreciation	(431,927)	(426,303)
	<u>208,254</u>	<u>213,622</u>
Goodwill, net of accumulated amortization	508,078	506,964
Other intangibles, investments and other assets	113,092	112,195
Total assets	<u>\$1,226,956</u>	<u>\$1,214,847</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt	\$ 76,524	\$ 106,774
Accounts payable	103,608	96,582
Accruals	89,014	85,875
Total current liabilities	<u>269,146</u>	<u>289,231</u>
Long-term debt	318,834	317,674
Deferred income taxes	56,885	54,847
Other long-term liabilities	30,709	23,965
Stockholders' equity:		
Common stock	693	690
Capital in excess of par value	35,645	32,849
Retained earnings	565,054	544,422
Accumulated other comprehensive losses	(20,577)	(19,196)
Treasury stock	(29,433)	(29,635)
	<u>551,382</u>	<u>529,130</u>
Total liabilities and stockholders' equity	<u>\$1,226,956</u>	<u>\$1,214,847</u>

See accompanying notes.

AMETEK, Inc.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)
(In thousands)

	Three months ended March 31,	
	2004	2003
Cash provided by (used for):		
Operating activities:		
Net income	\$ 24,664	\$ 19,718
Adjustments to reconcile net income to total operating activities:		
Depreciation and amortization	9,354	8,586
Deferred income taxes	1,946	5,707
Net change in assets and liabilities	(845)	(6,151)
Other	6,060	(1,911)
Total operating activities	41,179	25,949
Investing activities:		
Additions to property, plant and equipment	(4,483)	(3,491)
Purchase of businesses	—	(114,259)
Other	(223)	995
Total investing activities	(4,706)	(116,755)
Financing activities:		
Net change in short-term borrowings	(30,147)	26,909
Additional long-term borrowings	—	78,682
Reduction of long-term debt	(1,833)	—
Repurchases of common stock	—	(5,848)
Cash dividends paid	(4,034)	(1,966)
Proceeds from stock options	2,886	816
Total financing activities	(33,128)	98,593
Increase in cash and cash equivalents	3,345	7,787
Cash and cash equivalents:		
As of January 1	14,313	13,483
As of March 31	\$ 17,658	\$ 21,270

See accompanying notes.

AMETEK, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2004

(Unaudited)

Note 1 – Financial Statement Presentation

The accompanying consolidated financial statements are unaudited. The Company believes that all adjustments (which consist of normal recurring accruals) necessary for a fair presentation of the consolidated financial position of the Company at March 31, 2004, and the consolidated results of its operations and cash flows for the three-month periods ended March 31, 2004 and 2003 have been included. Quarterly results of operations are not necessarily indicative of results for the full year. The accompanying financial statements should be read in conjunction with the financial statements and related notes presented in the Company's annual report on Form 10-K for the year ended December 31, 2003 as filed with the Securities and Exchange Commission.

Note 2 – Stock Split

On January 27, 2004, the Company's Board of Directors approved a two-for-one split of its common stock, distributed on February 27, 2004, to shareholders of record on February 13, 2004. All share and per share amounts included in this report reflect the stock split.

Note 3 – Recent Accounting Pronouncements

In the first quarter of 2004, the Company adopted Financial Accounting Standards Board ("FASB") Financial Interpretation No. 46-R ("FIN 46-R"), "Consolidation of Variable Interest Entities, an interpretation of Accounting Research Bulletin No. 51", which replaced FIN 46. FIN 46-R requires a company to consolidate a variable interest entity ("VIE") if it is designated as a primary beneficiary of that entity even if the company does not have a majority voting interest in the entity. A VIE is generally defined as an entity in which equity investors do not have the characteristics of a controlling financial interest, or do not have sufficient equity at risk for the entity to finance its own activities without additional financial support from other parties, or whose owners lack the risks and rewards of ownership. The disclosure requirements of FIN 46-R are effective for financial statements issued after December 31, 2003. The initial recognition provisions of FIN 46-R relating to VIE's created or obtained prior to February 2003 are to be implemented no later than the end of the first reporting period that ends after March 15, 2004. Adoption of FIN 46-R had no effect on the Company's consolidated results of operations, financial position, or cash flows.

AMETEK, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2004
(Unaudited)

Note 4 - Earnings Per Share

The calculation of basic earnings per share for the three-month periods ended March 31, 2004 and 2003 is based on the average number of common shares considered outstanding during the periods. Diluted earnings per share for such periods 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 for the periods:

	Weighted average shares (In thousands) Three months ended March 31,	
	2004	2003
Basic shares	67,278	65,964
Stock option and award plans	1,373	1,327
Diluted shares	68,651	67,291

Note 5 – Goodwill

As of March 31, 2004 and December 31, 2003, goodwill was \$508.1 million and \$507.0 million, respectively. Goodwill by segment as of March 31, 2004 and December 31, 2003 was: Electronic Instrument Group (EIG) — \$308.7 million and \$309.0 million, respectively. Electromechanical Group (EMG) — \$199.4 million and \$197.9 million, respectively. The change in the carrying value of goodwill since December 31, 2003 was primarily the result of the translation effect of changes in foreign currency exchange rates during the period.

Note 6 - Inventories

The estimated components of inventory stated at lower of LIFO cost or market are:

	(In thousands)	
	March 31, 2004	December 31, 2003
Finished goods and parts	\$ 33,587	\$ 29,334
Work in process	35,662	35,105
Raw materials and purchased parts	82,535	78,920
	\$151,784	\$143,359

Inventory increased \$8.4 million from December 31, 2003 to March 31, 2004. The increase in inventory is the result of growth in the Company's businesses, although less than the increase in sales (See discussion in the Management Discussion & Analysis section of this report, beginning on page 12).

AMETEK, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2004
(Unaudited)

Note 7 - Comprehensive Income

Comprehensive income includes all changes in stockholders' equity during a period except those resulting from investments by and distributions to stockholders.

The following table presents comprehensive income for the three-month periods ended March 31, 2004 and 2003 (In thousands):

	Three months ended March 31,	
	2004	2003
Net income	\$24,664	\$19,718
Foreign currency translation adjustment	(1,569)	263
Unrealized gain on marketable securities	188	14
Total comprehensive income	\$23,283	\$19,995

Note 8 - Segment Disclosure

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

At March 31, 2004, there were no significant changes in identifiable assets of reportable segments from the amounts disclosed at December 31, 2003, nor were there any changes in the basis of segmentation, or in the measurement of segment operating results. Operating information relating to the Company's reportable segments for the three-month periods ended March 31, 2004 and 2003 can be found in the table on page 12 in the Management Discussion & Analysis section of this Report.

AMETEK, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2004
(Unaudited)

Note 9 – Pro Forma Stock-Based Compensation

The Company applies Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees,” in accounting for its stock option plans, which recognizes expense based on the intrinsic value at the date of grant. Since stock options have been issued with the exercise price per share equal to the fair market value per share at the date of grant, no compensation expense has resulted. Had the Company accounted for stock options in accordance with the fair value method prescribed by Statement of Financial Accounting Standards (“SFAS”) No. 123 “Accounting for Stock-Based Compensation,” the Company would have reported the following pro forma results for the three months ended March 31, 2004 and 2003:

	(In thousands, except per share data) Three months ended March 31,	
	2004	2003
Net income, as reported	\$24,664	\$19,718
Add: Stock-based employee compensation expense included in reported net income	—	153
Deduct: Total stock-based compensation expense, determined under the fair-value method for all awards, net of tax	(942)	(889)
Pro forma net income	<u>\$23,722</u>	<u>\$18,982</u>
Net income per share		
Basic:		
As reported	\$ 0.37	\$ 0.30
Pro forma	\$ 0.35	\$ 0.29
Diluted:		
As reported	\$ 0.36	\$ 0.29
Pro forma	\$ 0.35	\$ 0.28

AMETEK, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2004
(Unaudited)

Note 10 – Retirement and Pension Plans

The following table includes the components of net pension expense recognized under SFAS No. 87 for the three-month periods ended March 31, 2004 and 2003 in accordance with the interim disclosure requirements of SFAS No. 132-R, “Employers’ Disclosures about Pension and Other Postretirement Benefits, an update of FASB Statements No. 87, 88, and 106”. The Company adopted SFAS No. 132-R as of December 31, 2003.

	(In thousands)	
	Three months ended March 31,	
	2004	2003
Defined benefit plans:		
Service cost	\$ 864	\$ 1,056
Interest cost	3,751	5,017
Expected return on plan assets	(4,660)	(5,998)
Net amortization	1,018	1,156
Total net pension expense recognized under SFAS No. 87	<u>973</u>	<u>1,231</u>
Other plans:		
Defined contribution plans	1,750	1,810
Supplemental retirement plan	100	125
Foreign plans and other	525	555
Total other plans	<u>2,375</u>	<u>2,490</u>
Total net pension expense	<u>\$ 3,348</u>	<u>\$ 3,721</u>

The Company still estimates that it will make employer contributions to its defined benefit pension plans of approximately \$5 to \$6 million for 2004. This estimate is unchanged from the amount disclosed in the Company’s 2003 Form 10-K. No employer contributions were made to the plans in the first quarter of 2004.

AMETEK, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2004
(Unaudited)

Note 11 – Product Warranties

The Company provides limited warranties in connection with the sale of its products. The warranty periods for products sold varies widely among the Company's operations, but for the most part do not exceed one year. The Company calculates its warranty expense provision based on past warranty experience and adjustments are made periodically to reflect actual warranty expenses.

Changes in the carrying amount of the Company's accrued product warranty obligation for the three-month periods ended March 31, 2004 and 2003 was as follows:

	(In thousands)	
	Three months ended March 31,	
	2004	2003
Balance, beginning of period	\$ 6,895	\$ 6,432
Accruals for warranties issued during the period	1,299	1,294
Settlements made during the period	(1,147)	(1,236)
Changes in liability for pre-existing warranties, including expirations during the period	(245)	(389)
Warranty accruals related to acquisitions	—	1,227
Balance, end of period	<u>\$ 6,802</u>	<u>\$ 7,328</u>

Product warranty obligations are reported as current accruals in the consolidated balance sheet.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

The following table sets forth reportable segment operating results, consolidated operating income, and income before income taxes:

	Three months ended March 31,	
	2004	2003
(Dollars in thousands)		
Net sales		
Electronic Instruments	\$150,646	\$133,601
Electromechanical	140,777	133,930
Consolidated net sales	<u>\$291,423</u>	<u>\$267,531</u>
Operating income and income before income taxes		
Electronic Instruments	\$ 26,121	\$ 19,982
Electromechanical	23,324	21,801
Total segment operating income	49,445	41,783
Corporate and other	(5,948)	(5,106)
Consolidated operating income	43,497	36,677
Interest and other expenses, net	(6,737)	(7,519)
Consolidated income before income taxes	<u>\$ 36,760</u>	<u>\$ 29,158</u>

Operations for the first quarter of 2004 compared with the first quarter of 2003

In the first quarter of 2004, the Company posted record sales, operating income and net income. The Company achieved these results from the contributions of the businesses acquired in 2003 as well as internal growth in its Electronic Instruments (EIG) and Electromechanical (EMG) Groups. The Company saw improved market conditions in many of its businesses in the first quarter of 2004. The Company's sales and orders benefited from the economic improvement impacting primarily its short-cycle businesses in the first quarter of 2004.

Net sales for the first quarter of 2004 were \$291.4 million, an increase of \$23.9 million or 8.9%, when compared with sales of \$267.5 million in the first quarter of 2003. Net sales for the Electronic Instruments Group (EIG) increased primarily due to the 2003 acquisitions of Solidstate Controls (SCI) and Chandler Instruments, as well as strength in the process and industrial markets, although the aerospace and power instruments markets remain weak. Net sales for the Electromechanical Group (EMG) increased due to the strength in EMG's differentiated businesses. EMG's increase was partially offset by weak market conditions mainly in the

Results of Operations (continued)

Group's cost driven businesses. Sales of both segments benefited from \$9.0 million in favorable foreign currency impacts, primarily from the Euro and the British Pound Sterling. Without the 2003 acquisitions, consolidated sales for the first quarter of 2004 would have increased by 3.0% when compared with the same quarter of 2003. International sales increased to \$124.4 million or 42.7% of consolidated sales, an increase of \$17.3 million when compared with \$107.1 million in the same period in 2003.

New orders for the first quarter of 2004 were \$316.3 million, down \$11.1 million or 3.4% when compared with the same quarter in 2003. The decrease in orders was the result of the backlog acquired with the two acquisitions made in the first quarter of 2003. Without the effect of the backlog acquired with the 2003 acquisitions, orders would have shown an increase of 19.5%. The Company's backlog of unfilled orders at March 31, 2004 was \$311.1 million, an increase of \$24.9 million or 8.7% from December 31, 2003. The increase in backlog was due to improving market conditions mainly in the Company's differentiated businesses.

Segment operating income for the first quarter 2004 was \$49.4 million, an increase of \$7.7 million or 18.3% from \$41.8 million in the first quarter 2003. Segment operating income as a percentage of sales was 17.0% in the first quarter compared with 15.6% of sales in the first quarter of 2003. The increase in segment operating income resulted from the profit contributions made by the 2003 acquisitions, as well as the Company's leveraging of the benefits from its operational excellence strategy on the higher sales level. The strategy includes the continued migration of production to low-cost locales and the aggressive lowering of the Company's overall cost structure. The increase in segment operating income was partially offset by weakness in the cost driven businesses mentioned earlier.

Selling, general and administrative expenses were \$30.9 million in the first quarter of 2004, an increase of \$3.6 million or 13.1% when compared with the first quarter of 2003. Selling expenses as a percentage of sales increased to 8.6% of sales in the first quarter of 2004 compared with 8.3% of sales in the first quarter of 2003. Lower selling expenses in the Company's base businesses, stemming from cost reduction initiatives, were more than offset by selling expenses in the businesses acquired in 2003. The businesses acquired in 2003 are differentiated businesses, which because of their technology and higher marketing costs, incur a higher percentage of selling expenses than the Company's base businesses.

Corporate and other expenses for the first quarter in 2004 were \$5.9 million, an increase of \$0.8 million when compared with same period in 2003. The increase was due to abnormally high legal and professional fees, as well as severance costs. Following the first quarter of 2004, Corporate expenses are expected to return to a more normalized level.

Results of Operations (continued)

After deducting corporate expenses, consolidated operating income totaled \$43.5 million, or 14.9% of sales for the first quarter of 2004, compared with \$36.7 million, or 13.7% of sales for the first quarter of 2003, an increase of \$6.8 million, or 18.6%.

Interest expense was \$6.4 million in the first quarter 2004, a decrease of \$0.2 million or 3.3%, compared with \$6.6 million in the first quarter in 2003 due to lower average debt levels in the first quarter of 2004. Other expenses were \$0.3 million in the first quarter of 2004, compared to \$0.9 million for the same period in 2003, a \$0.6 million decrease. The first quarter of 2003 included a \$0.7 million writedown in marketable securities owned by the Company's insurance subsidiary.

Net income for the first quarter 2004 totaled \$24.7 million, an increase of \$4.9 million or 25.1% when compared with the first quarter of 2003. Diluted earnings per share were \$0.36, an increase of \$0.07 or 24.1% when compared with \$0.29 for the first quarter of 2003.

Segment Results

Electronic Instruments Group ("EIG") sales were \$150.6 million in the first quarter 2004, an increase of \$17.0 million or 12.8% from the same quarter of 2003. The sales increase was primarily due to the 2003 acquisitions of Solidstate Controls (SCI) and Chandler Instruments as well as strength in EIG's process and industrial markets. A favorable foreign currency translation impact of \$2.8 million in the first quarter of 2004 also benefited the sales of this Group. Without the SCI and Chandler Instruments acquisitions, EIG's sales for the first quarter of 2004 would have shown an increase of 0.9% when compared with the first quarter of 2003. Market conditions have improved in many of EIG's short-cycle businesses, however, weak conditions continue in its aerospace and power instruments markets.

EIG's operating income for the first quarter of 2004 was \$26.1 million, an increase of \$6.1 million or 30.7%, when compared with \$20.0 million for the same quarter of 2003. The increase in operating income was primarily driven by the increased sales noted above, including the SCI and Chandler Instruments acquisitions. Operating margins were 17.3% of sales in the first quarter of 2004 compared with operating margins of 15.0% of sales in the first quarter of 2003. The higher margins were due to the acquired businesses and the favorable effects of cost reduction initiatives.

Results of Operations (continued)

Electromechanical Group (EMG) sales totaled \$140.8 million in the first quarter of 2004, an increase of \$6.8 million or 5.1% from the same quarter of 2003. The sales increase was primarily due to a favorable foreign currency translation impact of \$6.2 million and strength in the Groups differentiated businesses. Partially offsetting the sales increase were decreases caused by weak conditions mainly in the Group's cost driven businesses.

Operating income of EMG was \$23.3 million for the first quarter 2004, an increase of \$1.5 million or 7.0% from the same quarter of 2003. The profit increase was mainly due to the strength of the differentiated businesses previously mentioned, and the effect of cost reduction initiatives. Operating margins were 16.6% of sales in the first quarter of 2004, compared with operating margins of 16.3% of sales in the first quarter of 2003.

Financial Condition

Liquidity and Capital Resources

Cash provided by operating activities totaled \$41.2 million for the first quarter of 2004, compared with cash provided of \$25.9 million in the first quarter 2003. The \$15.3 million, or 58.7% increase in operating cash flow was primarily the result of higher earnings and a continued emphasis on operating working capital management. The Company's inventory turnover metric and accounts receivable collection cycle, have improved since December 31, 2003. Additionally, during the first quarter of 2004, the Company received net cash proceeds from non operating working capital sources of \$13.5 million related to certain insurance matters and tax refunds, including a previously disclosed 2003 flood insurance claim at one of its manufacturing facilities. The Company expects to finalize the flood insurance claim with its insurance carriers in 2004, and it does not expect to incur a loss upon settlement.

Cash used for investing activities totaled \$4.7 million in the first quarter 2004, compared with \$116.8 million of cash used for investing activities in the same quarter of 2003. In the first quarter of 2003, the Company acquired Airtechnology Holdings Limited and Solidstate Controls, Inc. (SCI) for \$114.3 million in cash. Additions to property, plant and equipment in the first quarter 2004 totaled \$4.5 million, compared with \$3.5 million in the same quarter of 2003.

Cash used for financing activities in the first quarter of 2004 totaled \$33.1 million, compared with cash provided by financing activities of \$98.6 million in the same quarter of 2003. In the first quarter of 2004, borrowings decreased by \$32.0 million, compared with an increase in borrowings of \$105.6 million in the first quarter of 2003. The increased borrowings in the first quarter of 2003, along with cash provided by operating activities, were used to finance the Company's two acquisitions made during that quarter, noted above. The Company's revolving bank credit facility was amended on February 25, 2004 to extend its expiration date from September 2006 to February 2009. Extension of the credit facility provides the Company with increased financial flexibility to support its growth plans.

Financial Condition (continued)

In the first quarter of 2003, the Company repurchased 380,000 shares of its common stock at a cost of \$5.8 million.

As a result of the activities discussed above, the Company's cash and cash equivalents at March 31, 2004 totaled \$17.7 million, compared with \$14.3 million at December 31, 2003. The Company believes it has sufficient cash-generating capabilities and available credit facilities to enable it to meet its needs in the foreseeable future.

Forward-looking Information

Information contained in this discussion, other than historical information, are considered "forward-looking statements" and may be subject to change based on various important factors and uncertainties. Some, but not all, of the factors and uncertainties that may cause actual results to differ significantly from those expected in any forward-looking statement are disclosed in the Company's 2003 Form 10-K as filed with the Securities and Exchange Commission.

Item 4. Controls and Procedures

As of the end of the quarter ended March 31, 2004, management, including the Company's Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective, in all material respects, as of the end of the period covered by this report.

There have been no changes in the Company's internal controls over financial reporting during the quarter ended March 31, 2004 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting

AMETEK, Inc.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits:

Exhibit Number	Description
10.1	Third Amendment to Credit Agreement dated as of March 11, 2004.
31.1	Certification of Chief Executive Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer, Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer, Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

b) Reports on Form 8-K:

During the quarter ended March 31, 2004, the Company furnished the following Current Reports on Form 8-K: On January 27, 2004, the Company furnished a Current Report on Form 8-K under Items 7 and 12 reporting the Company's fourth quarter and full-year 2003 operating results, and approval of the following proposals: a two-for-one stock split, an increase in its cash dividends, and a change to its long-term incentive compensation plan. On March 1, 2004, the Company filed a Current Report on Form 8-K under Item 5. It announced an amendment to extend the expiration date of AMETEK's \$300 million Revolving Credit Facility from September 2006 to February 2009.

AMETEK, Inc.

SIGNATURES

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

AMETEK, Inc.

(Registrant)

By /s/ Robert R. Mandos, Jr.

Robert R. Mandos, Jr.
Vice President & Comptroller
(Principal Accounting Officer)

May 7, 2004

THIRD AMENDMENT AND WAIVER TO CREDIT AGREEMENT

THIRD AMENDMENT AND WAIVER TO CREDIT AGREEMENT (this "Amendment"), dated as of March 11, 2004, among AMETEK, INC. (the "Borrower"), the lending institutions party to the Credit Agreement referred to below (the "Banks"), PNC BANK, NATIONAL ASSOCIATION, SUNTRUST BANK, FLEET NATIONAL BANK and WACHOVIA BANK, N.A. (f/k/a First Union National Bank), as Syndication Agents (the "Syndication Agents"), and JPMORGAN CHASE BANK (f/k/a 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.

WITNESSETH:

WHEREAS, the Borrower, the Banks, the Syndication Agents and the Administrative Agent are parties to a Credit Agreement, dated as of September 17, 2001 (as amended, modified and supplemented prior to the date hereof, the "Credit Agreement"); and

WHEREAS, the Borrower has requested a waiver to the Credit Agreement as described herein; and

WHEREAS, subject to the terms and conditions of this Amendment, the parties hereto wish to amend the Credit Agreement, and the Banks wish to grant a waiver of specified provisions of the Credit Agreement, in each case as herein provided;

NOW, THEREFORE, it is agreed:

I. Amendments and Waiver.

1. The Banks hereby waive (which waiver shall be effective retroactively to September 17, 2003) any Event of Default arising under Section 9.03 of the Credit Agreement as a result of the Borrower's failure to comply with Section 8.03(r) of the Credit Agreement as a result of the Borrower entering into the Note Purchase Agreement.

2. Section 8.10 of the Credit Agreement is hereby amended by deleting the text "0.80:1.0" appearing in said Section and inserting the text "0.70:1.0" in lieu thereof.

3. Section 8 of the Credit Agreement is hereby further amended by inserting the following new Section 8.15 at the end of said Section:

"8.15 Note Purchase Agreement. The Borrower shall at all times comply with all terms and conditions (including without limitation, all covenants) contained in the Note Purchase Agreement."

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

“Note Purchase Agreement” shall mean the Note Purchase Agreement, dated as of September 17, 2003, among the Borrower and Metropolitan Life Insurance Company, as in effect on the Third Amendment Effective Date.

“Third Amendment” shall mean the Third Amendment and Waiver to this Agreement, dated as of March 11, 2004.

“Third Amendment Effective Date” shall have the meaning provided in the Third Amendment.

II. Miscellaneous.

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

(a) no Default or Event of Default exists on the Third Amendment Effective Date, after giving effect thereto; and

(b) on and as of the Third 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 “Third Amendment Effective Date”) when (i) the Borrower, the Administrative Agent 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 and (ii) the Borrower shall have paid to the Administrative Agent and the Banks all fees, costs and expenses (including legal fees and expenses) payable to the Administrative Agent and the Banks to the extent then due;

6. From and after the Third Amendment Effective Date, all references in the Credit Agreement and each of the other Credit Documents to the Credit Agreement shall be deemed to be references to the Credit Agreement as modified hereby.

* * *

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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 Saunders
Title: Vice President and Treasurer

JPMORGAN CHASE BANK (f/k/a The Chase
Manhattan Bank),
Individually and as Administrative Agent

By: /s/ Randolph Cates
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION,
Individually and as a Syndication Agent

By: /s/ Denise Killen
Title: Vice President

FLEET NATIONAL BANK,
Individually and as a Syndication Agent

By: /s/ Michael Ziegler
Title: Senior Vice President

SUNTRUST BANK,
Individually and as a Syndication Agent

By: /s/ Stephen Derby
Title: Director

WACHOVIA BANK, N.A. (f/k/a First Union
National Bank),
Individually and as a Syndication Agent

By: /s/ Sarah T. Warren

THE BANK OF NEW YORK

By: /s/ David S. Csatari
Title: Vice President

CITIZENS BANK OF PENNSYLVANIA

By: /s/ Megan Soltys
Title: Vice President

KEYBANK NATIONAL ASSOCIATION

By: /s/ Suzannah Harris
Title: Assistant Vice President

MANUFACTURERS AND TRADERS
TRUST COMPANY

By: /s/ Theodore Oswald
Title: Vice President

BANCA INTESA

By: /s/ Anthony Grobbi
Title: FVP

By: /s/ S. Landgraf
Title: Vice President

COMERICA BANK

By: /s/ Richard Hampson
Title: Vice President

CERTIFICATIONS

I, Frank S. Hermance, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AMETEK, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2004

/s/ Frank S. Hermance

Frank S. Hermance
Chairman and Chief Executive Officer

CERTIFICATIONS

I, John J. Molinelli, certify that:

I have reviewed this quarterly report on Form 10-Q of AMETEK, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2004

/s/ John J. Molinelli

John J. Molinelli
Executive Vice President and
Chief Financial Officer

AMETEK, Inc.

**Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of AMETEK, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank S. Hermance, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Frank S. Hermance

Frank S. Hermance
Chairman and Chief Executive Officer

Date: May 7, 2004

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

AMETEK, Inc.

**Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of AMETEK, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John J. Molinelli, Executive Vice-President — Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John J. Molinelli

John J. Molinelli
Executive Vice President - Chief Financial Officer

Date: May 7, 2004

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