SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For three months ended March 31, 2002 Commission File No. 1-4018

DOVER CORPORATION
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Delaware | 53-0257888 |
| (State of Incorporation) | (I.R.S. Employer Identification No.) |

| | |
|---|---|
| 280 Park Avenue, New York, NY | 10017 |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code: (212) 922-1640

Indicate by checkmark 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, and (2) has been subject to such filing requirements for the past 90 days. Yes _X_ No ___

The number of shares outstanding of the Registrant's common stock as of the close of the period covered by this report was 202,767,761.

PART 1. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

DOVER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF EARNINGS
THREE MONTHS ENDED MARCH 31,
(000 OMITTED)

| | UNAUDITED 2002 | 2001 |
|---|---|---|
| Net Sales | $ 1,009,932 | $ 1,210,174 |
| Cost of Sales | 684,318 | 796,951 |
| Gross profit | 325,614 | 413,223 |
| Selling & Administrative Expenses | 247,102 | 284,140 |
| Operating profit | 78,512 | 129,083 |
| Other Deductions (Income): | | |
| Interest expense | 18,240 | 26,304 |
| Interest income | (1,074) | (7,131) |
| Foreign exchange | (1,813) | (436) |
| All other, net | (2,204) | (2,239) |
| Total | 13,149 | 16,498 |
| Earnings from Continuing Operations, Before Taxes on Income | 65,363 | 112,585 |
| Federal and Other Taxes on Income | 20,251 | 34,640 |
| Net Earnings from Continuing Operations | 45,112 | 77,945 |
| Net Earnings from Discontinued Operations | 4 | 1,141 |
| Net Earnings Before Cumulative Effect of Change in Accounting Principle | 45,116 | 79,086 |
| Cumulative Effect of Change in Accounting Principle | (293,049) | -- |
| Net (Loss) Earnings | $ (247,933) | $ 79,086 |
| NET (LOSS) EARNINGS PER COMMON SHARE: | | |
| - - Basic | | |
| Continuing Operations | $ 0.22 | $ 0.38 |
| Discontinued Operations | -- | 0.01 |
| Total Net Earnings Before Cumulative Effect of Change in Accounting Principle | 0.22 | 0.39 |
| Cumulative Effect of Change in Accounting Principle | (1.44) | -- |
| Net (Loss) Earnings | $ (1.22) | $ 0.39 |
| - - Diluted | | |
| Continuing Operations | $ 0.22 | $ 0.38 |
| Discontinued Operations | -- | 0.01 |
| Total Net Earnings Before Cumulative Effect of Change in Accounting Principle | 0.22 | 0.39 |
| Cumulative Effect of Change in Accounting Principle | (1.44) | -- |
| Net (Loss) Earnings | $ (1.22) | $ 0.39 |
| Weighted average number of common shares outstanding during the period: | | |
| - Basic | 202,660 | 203,222 |
| - Diluted | 203,818 | 204,468 |

See Notes to Consolidated Financial Statements.

DOVER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE EARNINGS
THREE MONTHS ENDED MARCH 31,
(000 OMITTED)

| | UNAUDITED 2002 | UNAUDITED 2001 |
|---|---|---|
| Net (Loss) Earnings | $(247,933) | $ 79,086 |
| Other Comprehensive (Loss) Earnings, Net of Tax: | | |
| Foreign currency translation adjustments | (10,768) | (35,774) |
| Unrealized gains (losses) on securities (net of tax -$127 in 2002 and -$1,237 in 2001) | (235) | (2,297) |
| Other Comprehensive (Loss) Earnings | (11,003) | (38,071) |
| Comprehensive (Loss) Earnings | $(258,936) | $ 41,015 |

DOVER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF RETAINED EARNINGS
THREE MONTHS ENDED MARCH 31,
(000 OMITTED)

| | UNAUDITED 2002 | UNAUDITED 2001 |
|---|---|---|
| Retained Earnings at January 1 | $ 3,395,293 | $ 3,252,319 |
| Net (Loss) Earnings | (247,933) | 79,086 |
| | 3,147,360 | 3,331,405 |
| Deduct: | | |
| Common stock cash dividends ($ 0.135 per share in 2002, $0.125 in 2001) | 27,361 | 25,413 |
| Retained Earnings at end of period | $ 3,119,999 | $ 3,305,992 |

See Notes to Consolidated Financial Statements.

DOVER CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(000 OMITTED)

| | UNAUDITED March 31, 2002 | December 31, 2001 |
|---|---|---|
| Assets: | | |
| Current assets: | | |
| Cash & cash equivalents | $ 165,648 | $ 175,865 |
| Marketable securities | 635 | 997 |
| Receivables, net of allowance for doubtful accounts | 704,472 | 675,233 |
| Inventories | 651,486 | 660,601 |
| Prepaid expenses | 99,504 | 98,197 |
| Deferred income taxes | 47,055 | 44,035 |
| Total current assets | 1,668,800 | 1,654,928 |
| Property, plant and equipment (at cost) | 1,762,329 | 1,756,215 |
| Accumulated depreciation | (1,021,982) | (994,854) |
| Net property, plant and equipment | 740,347 | 761,361 |
| Goodwill | 1,628,687 | 1,946,423 |
| Intangible assets, net of amortization | 188,868 | 173,194 |
| Other assets and deferred charges | 61,655 | 56,359 |
| Assets from discontinued operations | 13,866 | 9,937 |
| | $ 4,302,223 | $ 4,602,202 |
| Liabilities: | | |
| Current liabilities: | | |
| Notes payable | $ 173,106 | $ 39,783 |
| Current maturities of long-term debt | 4,193 | 3,997 |
| Accounts payable | 207,992 | 207,295 |
| Accrued compensation and employee benefits | 113,794 | 156,135 |
| Accrued insurance | 45,362 | 45,602 |
| Other accrued expenses | 194,852 | 211,060 |
| Federal and other taxes on income | 97,855 | 155,299 |
| Total current liabilities | 837,154 | 819,171 |
| Long-term debt | 1,032,172 | 1,033,243 |
| Deferred income taxes | 53,114 | 102,853 |
| Other deferrals (principally compensation) | 123,268 | 107,555 |
| Liabilities from discontinued operations | 19,185 | 19,841 |
| Stockholders' equity: | | |
| Preferred stock | -- | -- |
| Common stock | 237,512 | 237,303 |
| Additional paid-in surplus | 59,904 | 55,223 |
| Cumulative translation adjustments | (160,506) | (149,738) |
| Unrealized holding gains (losses) | 38 | 273 |
| Retained earnings | 3,119,999 | 3,395,293 |
| Subtotal | 3,256,947 | 3,538,354 |
| Less: treasury stock | 1,019,617 | 1,018,815 |
| Net stockholders' equity | 2,237,330 | 2,519,539 |
| | $ 4,302,223 | $ 4,602,202 |

See Notes to Consolidated Financial Statements.

DOVER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
THREE MONTHS ENDED MARCH 31,
(000 OMITTED)

| | UNAUDITED 2002 | 2001 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net (loss) earnings | $(247,933) | $ 79,086 |
| Adjustments to reconcile net earnings to net cash from operating activities: | | |
| Cumulative effective of change in accounting principle | 293,049 | -- |
| (Earnings) loss from discontinued operations, net of tax | (4) | (1,141) |
| Depreciation | 35,918 | 33,869 |
| Amortization - goodwill | -- | 12,465 |
| Amortization - other | 5,103 | 4,052 |
| Net increase (decrease) in deferred taxes | (3,789) | (5,567) |
| Net increase (decrease) in LIFO reserves | 344 | (170) |
| Increase (decrease) in other deferrals (principally compensation) | 16,603 | (26,277) |
| Other, net | (3,842) | 1,260 |
| Changes in assets & liabilities (excluding acquisitions and dispositions): | | |
| Decrease (increase) in accounts receivable | (32,081) | 28,939 |
| Decrease (increase) in inventories, excluding LIFO reserve | 6,084 | (5,538) |
| Decrease (increase) in prepaid expenses | (1,772) | (9,454) |
| Increase (decrease) in accounts payable | 1,453 | (21,266) |
| Increase (decrease) in accrued expenses | (57,122) | (13,535) |
| Increase (decrease) in federal & other taxes on income | (57,539) | 26,666 |
| Total adjustments | 202,405 | 24,303 |
| Net cash from (used in) operating activities | (45,528) | 103,389 |
| Cash flows from (used in) investing activities: | | |
| Additions to property, plant & equipment | (21,338) | (61,130) |
| Acquisitions, net of cash & cash equivalents | (45,824) | (82,361) |
| Net cash (used in) investing activities | (67,162) | (143,491) |
| Cash flows from (used in) financing activities: | | |
| Increase (decrease) in notes payable | 133,083 | (337,410) |
| Increase (decrease) in long-term debt | (876) | 400,769 |
| Purchase of treasury stock | (802) | (3,067) |
| Proceeds from exercise of stock options | 3,011 | 2,266 |
| Cash dividends to stockholders | (27,362) | (25,412) |
| Net cash from financing activities | 107,054 | 37,146 |
| Discontinued operations | (4,581) | (8,459) |
| Net increase (decrease) in cash & cash equivalents | (10,217) | (11,415) |
| Cash & cash equivalents at beginning of period | 175,865 | 180,648 |
| Cash & cash equivalents at end of period | $ 165,648 | $ 169,233 |

See Notes to Consolidated Financial Statements.

DOVER CORPORATION AND SUBSIDIARIES
MARKET SEGMENT RESULTS
(unaudited)

| SALES | First quarter ended March 31, 2002 | 2001 | Percent Change |
|---|---|---|---|
| Dover Industries | $ 278,323,000 | $ 290,263,000 | -4% |
| Dover Diversified | 288,437,000 | 253,820,000 | 14% |
| Dover Resources | 208,023,000 | 233,090,000 | -11% |
| Dover Technologies | 236,533,000 | 434,430,000 | -46% |
| Total Continuing (after intramarket eliminations) | $ 1,009,932,000 | $ 1,210,174,000 | -17% |
| EARNINGS (Loss) | | | |
| Dover Industries | $ 41,650,000 | $ 36,356,000 | 15% |
| Dover Diversified | 30,047,000 | 20,509,000 | 47% |
| Dover Resources | 26,712,000 | 31,481,000 | -15% |
| Dover Technologies | (11,405,000) | 48,226,000 | -124% |
| Subtotal Continuing | 87,004,000 | 136,572,000 | -36% |
| Corporate expense | (4,475,000) | (4,557,000) | -2% |
| Net interest expense | (17,166,000) | (19,430,000) | -12% |
| Earnings from Continuing Operations, before taxes on income | 65,363,000 | 112,585,000 | -42% |
| Taxes on income | 20,251,000 | 34,640,000 | -42% |
| Net earnings from Continuing Operations | 45,112,000 | 77,945,000 | -42% |
| Net earnings from Discontinued Operations* | 4,000 | 1,141,000 | |
| Net earnings before cumulative effect of change in accounting principle | 45,116,000 | 79,086,000 | -43% |
| Cumulative effect of change in accounting principle** | (293,049,000) | -- | |
| Net (loss) earnings | $ (247,933,000) | $ 79,086,000 | |
| Net (loss) earnings per diluted common share: | | | |
| Continuing Operations | $ 0.22 | $ 0.38 | -42% |
| Discontinued Operations* | -- | 0.01 | |
| Net earnings before cumulative effect of change in accounting principle | 0.22 | 0.39 | -44% |
| Cumulative effect of change in accounting principle** | (1.44) | -- | |
| Net (loss) earnings | $ (1.22) | $ 0.39 | |
| Average number of diluted shares outstanding | 203,818,000 | 204,468,000 | |
| Impact of acquisition write-offs on continuing diluted EPS: | | | |
| EPS from Continuing Operations | $ 0.22 | $ 0.38 | -42% |
| Goodwill amortization (net of tax)** | -- | 0.05 | |
| EPS before goodwill amortization | $ 0.22 | $ 0.43 | -49% |
| Other acquisition write-offs (net of tax)*** | 0.03 | 0.04 | |
| EPS before all acquisition write-offs | $ 0.25 | $ 0.47 | -47% |

*In accordance with the 2001 adoption of SFAS No. 144, the earnings (net of tax) from discontinued operations were separately presented for all reported periods in earnings from discontinued operations.

**Reflects the transitional provisions of SFAS No. 142 "Goodwill and Other Intangible Assets" (adopted 1/1/02), which resulted in a $293 million write down (net of $52 million in tax) of impaired goodwill to fair value. In addition, beginning in 2002 goodwill and indefinite-lived intangible assets are no longer amortized under SFAS No. 142.

***Acquisition write-offs include depreciation and amortization of APB 16 asset step-ups.

DOVER CORPORATION AND SUBSIDIARIES
MARKET SEGMENT IDENTIFIABLE ASSETS
(000 OMITTED)

| | UNAUDITED March 31, 2002 | December 31, 2001 |
|---|---|---|
| Dover Industries | $ 984,910 | $1,115,291 |
| Dover Diversified | 985,248 | 1,122,938 |
| Dover Resources | 819,040 | 897,965 |
| Dover Technologies | 1,366,738 | 1,330,163 |
| Corporate | 132,421 | 125,908 |
| Total Continuing | 4,288,357 | 4,592,265 |
| Assets of Discontinued Operations | 13,866 | 9,937 |

| | | |
|---|---|---|
| Consolidated Total | $4,302,223 | $4,602,202 |

NOTE A - Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and changes in financial position in conformity with generally accepted accounting principles. In the opinion of the Company, all adjustments, consisting only of normal recurring items necessary for a fair presentation of the operating results have been made. The results of operations of any interim period are subject to year-end audit and adjustments, and are not necessarily indicative of the results of operations for the fiscal year. In accordance with the adoption of Statement of Financial Accounting Standards "SFAS" No. 144 in 2001, the earnings (net of tax) from discontinued operations were separately presented for all reporting periods in earnings from discontinued operations. The assets, liabilities and cash flows from discontinued operations were also separately presented. The March 31, 2001 financial results were restated accordingly to reflect the adoption of this statement.

NOTE B - Inventory

Inventories, by components, are summarized as follows :

| | (000 omitted) | |
|---|---|---|
| | UNAUDITED March 31, 2002 | December 31, 2001 |
| Raw materials | $294,312 | $298,102 |
| Work in progress | 177,624 | 179,883 |
| Finished goods | 210,447 | 213,169 |
| Total | 682,383 | 691,154 |
| Less LIFO reserve | 30,897 | 30,553 |
| Net amount per balance sheet | $651,486 | $660,601 |

NOTE C - Accumulated other Comprehensive (Loss) Earnings

Accumulated other comprehensive (loss) earnings, by components, are summarized as follows:

| | UNAUDITED (000 omitted) | | |
|---|---|---|---|
| | Accumulated Other Comprehensive Earnings (Loss) | Cumulative Translation Adjustments | Unrealized Holding Gains (Loss) |
| Beginning balance | $(149,465) | (149,738) | 273 |
| Current-period change | (11,003) | (10,768) | (235) |
| Ending balance | $(160,468) | $(160,506) | $ 38 |

NOTE D - Goodwill and Other Intangible Assets

Effective January 1, 2002, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets". In accordance with the guidelines of this accounting principle, goodwill and indefinite-lived intangible assets are no longer amortized but will be assessed for impairment on at least an annual basis.

As an initial step in the implementation process, the Company identified 41 Reporting Units that would be tested for impairment. In the Industries, Diversified, and Resources market segments the "stand-alone" operating companies were identified as "Reporting Units". These entities qualify as Reporting Units in that they are one level below an operating segment (a "Component" as defined in SFAS No. 131), discrete financial information exists for each entity and the segment executive management group directly reviews these units. Due to the lack of similarities in either products, production processes or markets served, management could not identify any situations where the components in these three operating segments could currently be aggregated into a single Reporting Unit. In the Technologies segment, three Reporting Units were identified, Marking (consisting of one stand-alone operating company), Circuit Board Assembly and Test or "CBAT" and Specialty Electronic Components or "SEC". The Component companies of CBAT and SEC exhibit economic commonalities in the areas of products; processes and markets served and were therefore aggregated into singular reporting units. The aggregation of CBAT and SEC companies, under SFAS No. 131, is consistent not only with the internal management of these operations, but also with the internal and external financial reporting of these operations.

As required under the transitional accounting provisions of SFAS No. 142, the Company completed both steps required to identify and measure goodwill impairment at each of the 41 Reporting Units. The first step involved identifying all Reporting Units with carrying values (including goodwill) in excess of fair value, which was estimated using the present value of future cash flows. The identified Reporting Units from the first step were then measured for impairment by comparing the implied fair value of the Reporting Unit goodwill, determined in the same manner as in a business combination, with the carrying amount of the goodwill. As a result of these procedures, goodwill was reduced by $345 million and a net after tax charge of $293 million was recognized as a cumulative effect of a change in accounting principle in the first quarter. Five stand-alone operating companies or Reporting Units accounted for over 90% of the total impairment - Triton, Somero, Crenlo, Mark Andy and Wilden. Various factors impacted the identification and amounts of impairment recognized at the reporting units. These included declining market conditions in terms of size and new product opportunities, lower than expected current and/or future operating margins and lack of future growth potential relative to expectations when acquired. Of the total goodwill reduction, $148 million was from the Diversified Segment, $127 million was from the Industries Segment and $70 million was from the Resources Segment. The implementation of SFAS No. 142 required the use of judgments, estimates and assumptions in the identification of Reporting Units and the determination of fair market value and impairment amounts related to the required testing. The Company believes that its use of estimates and assumptions in this matter was reasonable, and complied with generally accepted accounting principles. Additionally, pursuant to SFAS No. 142, the Company completed its reassessment of previously recognized intangible assets, including trademarks, and adjusted the remaining amortization lives of certain intangibles based on relevant factors.

The Company also adopted SFAS No. 141 "Business Combinations" for all business combinations completed after June 30, 2001. SFAS No. 141 prohibits the pooling-of-interests method of accounting for business combinations, prescribes criteria for the initial recognition and measurement of goodwill and other intangible assets, and establishes disclosure requirements for material business combinations.

Provided below is a reconciliation of previously reported financial statement information to pro forma amounts that reflect the elimination of goodwill and indefinite-lived intangible amortization for the comparable quarter prior to adoption ended March 31, 2001:

| | FOR THE 3 MONTHS ENDED MARCH 31, 2001 | | |
|---|---|---|---|
| | | Earnings Per Share | |
| | Earnings | Basic | Diluted |
| Net Earnings | $79,086 | $ 0.39 | $ 0.39 |
| Add back: Goodwill amortization, net of tax | 10,210 | 0.05 | 0.05 |
| Add back: Indefinite-lived intangible amortization, net of tax | 396 | -- | -- |
| Pro Forma Net Earnings | $89,692 | $ 0.44 | $ 0.44 |
| Net Earnings from Discontinued Operations | 1,141 | 0.01 | 0.01 |
| Pro Forma Net Earnings from Continuing Operations | $88,551 | $ 0.43 | $ 0.43 |

The changes in the carrying value of goodwill by market segment for the quarter ended March 31, 2002 are as follows:

SUMMARY OF GOODWILL CHANGES (in thousands)

| | DOVER INDUSTRIES | DOVER DIVERSIFIED | DOVER RESOURCES | DOVER TECHNOLOGIES | TOTAL DOVER |
|---|---|---|---|---|---|
| Balance as of January 1, 2002 | $ 524,907 | $ 539,169 | $ 378,829 | $ 503,518 | $ 1,946,423 |
| Goodwill From Acquisitions | -- | -- | 1,317 | 27,268 | 28,585 |
| Goodwill written off Due to Dispositions | -- | -- | -- | -- | -- |
| Impairment Losses | (127,530) | (147,950) | (69,642) | -- | (345,122) |
| Other | 59 | (2,547) | (131) | 1,420 | (1,199) |
| Balance as of March 31,2002 | $ 397,436 | $ 388,672 | $ 310,373 | $ 532,206 | $ 1,628,687 |

The following table provides the gross carrying value and accumulated amortization for each major class of intangible asset based on the Company's reassessment of previously recognized intangible assets and their remaining amortization lives in accordance with the adoption of SFAS No. 142:

| | Gross Carrying Amount | Accumulated Amortization | Amortizable Life | Gross Carrying Amount | Accumulated Amortization |
|---|---|---|---|---|---|
| Trademarks | $ 16,892 | $ 7,114 | 35 | $ 88,318 | $ 6,892 |
| Patents | 89,027 | 37,375 | 13 | 88,249 | 35,432 |
| Customer Intangibles | 10,922 | 1,778 | 10 | 5,655 | 1,536 |
| Unpatented Technologies | 29,564 | 9,899 | 14 | 20,860 | 9,752 |
| Other | 43,045 | 19,693 | 9 | 40,740 | 17,016 |
| Total Amortizable Intangible Assets | 189,450 | 75,859 | 14 | 243,822 | 70,628 |
| Total Indefinite-Lived Trademarks | 75,277 | -- | | -- | -- |
| Total | $264,727 | $ 75,859 | | $243,822 | $ 70,628 |

The total intangible amortization expense for the quarters ended March 31, 2002 and 2001 were $5.1 million and $4.1 million, respectively.

The estimated amortization expense for the next five fiscal years beginning January 1, 2002 is as follows:

| | |
|---|---|
| For the year ended December 31, 2002: | $ 19,743 |
| For the year ended December 31, 2003: | $ 18,273 |
| For the year ended December 31, 2004: | $ 16,913 |
| For the year ended December 31, 2005: | $ 15,654 |
| For the year ended December 31, 2006: | $ 14,488 |

NOTE E - Additional Information

For a more adequate understanding of the Company's financial position, operating results, business properties and other matters, reference is made to the Company's Annual Report on Form 10-K which was filed with the Securities and Exchange Commission on March 1, 2002.

Net earnings as reported was used in computing both basic EPS and diluted EPS without further adjustment. The Company does not have a complex capital structure. Accordingly, the entire difference between basic weighted average shares and diluted weighted average shares results from non-vested restricted stock and assumed stock option exercises. The diluted EPS computation was made using the treasury stock method. The diluted weighted average shares in 2002 exclude the dilutive effect of approximately 2,762,000 options with exercise prices in excess of the average market price of the Company's common stock.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations", which is effective for fiscal years beginning after June 15, 2002. SFAS No. 143 establishes the accounting standards for the recognition and measurement of obligations associated with the retirement of tangible long-lived assets. Under SFAS No. 143, the costs of retiring an asset will be recorded as a liability when the retirement obligation arises, and will be amortized over the life of the asset. The Company is still assessing the potential impact of SFAS No. 143 on its consolidated results of operations and financial position.

In 2001, the Company announced various restructuring programs at selected operating companies. These programs were implemented to reduce the Company's overall cost structure and to eliminate certain non-strategic or redundant product lines and facilities. The charge to March 31, 2002 continuing earnings of $2.8 million primarily related to employee separation costs in the Dover Technologies segment and involved approximately 389 voluntary and involuntary separations. Employee restructuring programs announced since the third quarter of 2001 involved approximately 2,850 employees. $2.9 million in separation benefits were paid in 2002 and the remaining employee separation reserve balance at March 31, 2002 was $7.3 million. $1.4 million has been spent against the 2001 facility closings and related charges reserve balance resulting in a March 31, 2002 reserve balance of $3.3 million. All restructuring charges were charged to either continuing cost of sales or selling and administrative expenses as a component of operating earnings. The Company expects to complete these restructuring programs by the end of fiscal 2002.

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

(1) MATERIAL CHANGES IN CONSOLIDATED FINANCIAL CONDITION:

The Company's liquidity (cash, cash equivalents and marketable securities) decreased $10.2 million during the first three months of 2002 as compared to the position at December 31, 2001. Increases in working capital ($141.0 million) and modest acquisition expenditures ($45.8 million) were partially offset by increases in short-term debt ($133.1 million) and were the principal reasons for the decrease in liquidity.

Working capital decreased slightly from $835.8 million at the end of last year to $831.6 million at March 31, 2002, due principally to an increase in short-term notes payable, offsetting increases in receivables, decreases in taxes payable related to a large U.S. federal estimated payment for 2001 and decreases in accrued compensation for incentive program payouts. Capital expenditures were $21.3 million for the first three months of 2001 compared to $61.1 million last year. The capital expenditures were primarily funded by internal cash flow. It is expected that any cash requirements above the internal cash flows generated will be funded through the issuance of commercial paper.

Total debt levels increased by $130.0 million from $1.08 billion at December 31, 2001 to $1.21 billion at the end of the current quarter. At March 31, 2001, net debt (defined as long-term debt plus current maturities on long-term debt plus notes payable less cash and equivalents and marketable securities) of $1,043.2 million represented 31.8% of total capital, an increase of 5.5% from December 31, 2001. The ratio increase was caused by a $143.0 million increase in net debt and a reduction in net equity of $282.2 million during the current quarter. The primary reason for the reduction in equity was the $293.0 million charge for goodwill impairment related to the adoption of SFAS 142.

The Company did not repurchase any shares in the open market during the first quarter of 2002.

Through the end of the first quarter, Dover has invested on, a net economic basis (GAAP purchase price adjusted for debt assumed and cash acquired), a total of $46.1 million in three add-on acquisitions and the remaining minority interest in Multi-test (40%), a 2001 add-on acquisition of ECT.

DOVER CORPORATION

ACQUISITIONS - FIRST QUARTER 2002

| DATE | TYPE | ACQUIRED COMPANIES | LOCATION (NEAR) | SEGMENT - | OPERATING CO. |
|---|---|---|---|---|---|
| 2-JAN | ASSET | IMPELL,INC. | SUWANEE, GA | DTI | OK INTERNATIONAL |
| Manufacturer of air purification equipment and systems for the electronic assembly industry. | | | | | |
| 11-JAN | STOCK | BREVETTI NETTUNO | BOLOGNA, ITALY | DRI | OPW FUELING COMPONENTS |
| Manufactures LPG(propane) nozzles and accessories . | | | | | |
| 15-FEB | STOCK | MULTI-TEST AG (minority interest) | ROSENHEIM, GERMANY | DTI | ECT |
| Manufactures semiconductor test handling equipment. | | | | | |
| 25-MAR | ASSET | EMCO ELECTRONICS | CARY, NC | DRI | OPW FUELING COMPONENTS |
| Manufactures fuel management and automatic tank gauging systems. | | | | | |

(2) MATERIAL CHANGES IN RESULTS OF OPERATIONS:

The Company earned $45.1 million or $.22 per diluted share from continuing operations in the first quarter ended March 31, 2002 compared to $77.9 million or $.38 per diluted share from continuing operations in the comparable period last year, before the cumulative effect of the change in accounting principle further described below. Goodwill amortization in the first quarter of 2001 was $12.5 million ($10.2 million net of tax, or $.05 per diluted share), and under new accounting rules discussed below, there is no comparable amortization in the first quarter of 2002. The net loss after the cumulative impact of the change in accounting principle of $247.9 million compares to earnings of $79.1 million in the first quarter of 2001. Sales in the first quarter were $1.0 billion, a 17% decline from $1.2 billion last year.

Segment earnings for the quarter were $87.0 million, down 36% or $49.6 million from $136.6 million last year. In the Dover Technologies segment, markets remain depressed, resulting in a 46% decline in sales as compared to the prior year and losses of $11.4 million. On a sequential basis, Technologies' sales decreased 6% from the levels of the 2001 fourth quarter. In the Dover Industries segment, income increased 15% to $41.7 million from the comparable quarter last year on a sales decline of 4%, and income was ahead of the 2001 fourth quarter by 23% with a slight sales decline. In Dover Resources, quarterly sales and income were down from the prior year by 11% and 15% respectively, and both were down from the fourth quarter of 2001 as well, due to weaker oil and gas production markets. Dover Diversified quarterly sales and earnings increased from the prior year 14% and 47% respectively, and both were up from the fourth quarter, largely due to improvements at Crenlo.

Effective January 1, 2002, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets". In accordance with the guidelines of this accounting principle, goodwill and indefinite-lived intangible assets are no longer amortized but will be assessed for impairment on at least an annual basis. As an initial step in the implementation process, the Company identified 41 Reporting Units that would be tested for impairment. In the Industries, Diversified, and Resources market segments the "stand-alone" operating companies were identified as "Reporting Units". These entities qualify as Reporting Units in that they are one level below an operating segment (a "Component" as defined in SFAS No. 131), discrete financial information exists for each entity and the segment executive management group directly reviews these units. Due to the lack of similarities in either products, production processes or markets served, management could not identify any situations where the components in these three operating segments could currently be aggregated into a single Reporting Unit. In the Technologies segment, three Reporting Units were identified, Marking (consisting of one stand-alone operating company), Circuit Board Assembly and Test or "CBAT" and Specialty Electronic Components or "SEC". The Component companies of CBAT and SEC exhibit economic commonalities in the areas of products; processes and markets served and were therefore aggregated into singular reporting units. The aggregation of CBAT and SEC companies, under SFAS No. 131, is consistent not only with the internal management of these operations, but also with the internal and external financial reporting of these operations.

As required under the transitional accounting provisions of SFAS No. 142, the Company completed both steps required to identify and measure goodwill impairment at each of the 41 Reporting Units. The first step involved identifying all Reporting Units with carrying values (including goodwill) in excess of fair value, which was estimated using the present value of future cash flows. The identified Reporting Units from the first step were then measured for impairment by comparing the implied fair value of the Reporting Unit goodwill, determined in the same manner as in a business combination, with the carrying amount of the goodwill. As a result of these procedures, goodwill was reduced by $345 million and a net after tax charge of $293 million was recognized as a cumulative effect of a change in accounting principle in the first quarter. Five stand-alone operating companies or Reporting Units accounted for over 90% of the total impairment - Triton, Somero, Crenlo, Mark Andy and Wilden. Various factors impacted the identification and amounts of impairment recognized at the reporting units. These included declining market conditions in terms of size and new product opportunities, lower than expected current and/or future operating margins and lack of future growth potential relative to expectations when acquired. Of the total goodwill reduction, $148 million was from the Diversified Segment, $127 million was from the Industries Segment and $70 million was from the Resources Segment. The implementation of SFAS No. 142 required the use of judgments, estimates and assumptions in the identification of Reporting Units and the determination of fair market value and impairment amounts related to the required testing. The Company believes that its use of estimates and assumptions in this matter was reasonable, and complied with generally accepted accounting principles. Additionally, pursuant to SFAS No. 142, the Company completed its reassessment of previously recognized intangible assets, including trademarks, and adjusted the remaining amortization lives of certain intangibles based on relevant factors.

The Company also adopted SFAS No. 141 "Business Combinations" for all business combinations completed after June 30, 2001. SFAS No. 141 prohibits the pooling-of-interests method of accounting for business combinations, prescribes criteria for the initial recognition and measurement of goodwill and other intangible assets, and establishes disclosure requirements for material business combinations.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations", which is effective for fiscal years beginning after June 15, 2002. SFAS No. 143 establishes the accounting standards for the recognition and measurement of obligations associated with the retirement of tangible long-lived assets. Under SFAS No. 143, the costs of retiring an asset will be recorded as a liability when the retirement obligation arises, and will be amortized over the life of the asset. The Company is still assessing the potential impact of SFAS No. 143 on its consolidated results of operations and financial position.

DOVER INDUSTRIES:

First quarter Industries' income compared to the same period last year increased 15% or $5.3 million to $41.7, and sales declined 4% or $11.9 million to $278.3 million. The impact of goodwill amortization on earnings in the first quarter of 2001 was $3.5 million. Segment bookings in the quarter were down 13% to $270.0 million and the book-to-bill ratio was .97 for the current quarter. Backlog decreased 16% from last year to $158.0 million and 4% from the fourth quarter of 2001. Acquisitions completed in the last year added approximately $9.2 million to sales in the quarter, with almost no impact on segment earnings after acquisition write-offs.

Industries' results were led by Heil Environmental, and to a lesser extent by the other waste haulage-related business, Marathon Equipment. Heil Environmental continues to face challenging markets, but sales and earnings compared to the same period last year and the fourth quarter were boosted substantially by the release of orders by one large waste haulage company and the shipment of those orders within the quarter. Backlog and order entry rates do not support continuation of this performance in the second quarter.

Rotary Lift still faces sluggish markets with sales flat to the comparable period last year but 14% higher than the prior quarter. Earnings were higher than both earlier periods due to continued market share gains driven by cost competitive new products.

For the balance of Industries' businesses, market conditions remained weak and sales declined. Triton's earnings, though lower than the previous comparable period, improved substantially from the fourth quarter of 2001, the result of recent cost reductions. Heil Trailer's quarterly sales and earnings fell to levels last seen in 1996, substantially below the comparable prior year period and last year's fourth quarter due to the impact of a weak economy in the dry bulk market, and current soft demand for petroleum trailers. PDQ also had a challenging quarter as neither the petroleum retailers nor investor/entrepreneurial markets have recovered after September 11th. Market weakness apparent at the end of 2001 resulted in weaker performance at DovaTech and Somero.

DOVER DIVERSIFIED:

Diversified's first quarter earnings were $30.0 million, an increase of $9.5 million or 47% over the comparative period last year, and sales in the quarter were $288.4 million, a $34.6 million or 14% increase. The impact of goodwill amortization on earnings in the first quarter of 2001 was $3.5 million. Bookings in the quarter were $295.6 million, resulting in a book-to-bill ratio of 1.02 with backlog at the end of the quarter of $389.4 million, 17% higher than last year and 2% higher than the fourth quarter of 2001. Acquisitions completed in the last year added approximately $9.0 million to sales in the quarter, with almost no impact on segment earnings after acquisition write-offs.

The primary reason for the earnings improvement compared to the same period last year and the fourth quarter was the elimination of losses at Crenlo, largely due to internal improvements, with sales flat relative to last year's first quarter. Hill Phoenix, whose earnings substantially outperformed these prior periods, continues to be well positioned in the market, and margins have improved. PMI outperformed both prior periods, benefiting from both internal improvements and the effect of acquisitions. Waukesha Bearings sales and earnings were sharply higher than last year, due to a satisfactory market and the contribution of acquisitions. Sargent has maintained solid sales comparisons despite the impact of weakening markets for its aerospace products, and was also helped by the transfer of the Airtomic business from Dover Resources. Tranter continues to suffer from a weak market, resulting in lower sales and earnings than both the comparable period and the fourth quarter of last year. Belvac operated near breakeven on roughly 40% of the sales of the prior years' comparable quarter.

DOVER RESOURCES:

At Dover Resources earnings declined $4.8 million or 15% to $26.7 million on a sales decrease of 11% or $25.1 million to $208.0 million, as compared to the same period of the prior year. The impact on earnings of goodwill amortization in the first quarter of 2001 was $2.6 million. Segment bookings in the quarter were down 15% from the prior year to $209.5 million and the book-to-bill ratio was 1.01. Ending backlog was $79.5 million, a 24% decrease from last year and a 1% decrease from the fourth quarter. Acquisitions completed in the last year added approximately $.3 million to sales in the quarter, with almost no impact on segment earnings after acquisition write-offs.

The oil and gas production equipment companies (Petroleum Equipment Group, Cook and Quartzdyne), which were the most important contributors last year, experienced sales and earnings declines compared to last year's first quarter, due to customers current caution regarding capital spending, continuing the trend apparent at the end of 2001. These businesses will be impacted by the turmoil in the global energy markets, and the near-term outlook is uncertain.

Blackmer, Wilden and RPA, which serve the currently stagnant process industry market, collectively had a slight earnings decrease on flat sales compared with first quarter 2001. De-Sta-Co Manufacturing and De-Sta-Co Industries had lower sales and earnings than in the same quarter last year, but experienced somewhat stronger automotive related markets than at the end of 2001. Tulsa Winch's markets deteriorated throughout 2001, and the first quarter results, while flat with the fourth quarter, were substantially below those of the comparable period last year. OPW Fueling Components' service station markets continued to decline, with sales and earnings below the same period last year and the fourth quarter. OPW Fluid Transfer Group cost management initiatives generated higher margins in the first quarter on slightly lower sales compared to last year, but its transportation related markets deteriorated compared to the fourth quarter.

DOVER TECHNOLOGIES:

First quarter sales at Dover Technologies were $236.5 million, a decline of $197.9 million or 46% from the same period of the prior year, generating a loss of $11.4 million compared to segment earnings of $48.2 million last year. The impact of goodwill amortization on earnings in the first quarter of 2001 was $2.9 million. Acquisitions completed in the last year added approximately $15.2 million to sales in the quarter, with a loss of $1.0 million after acquisition write-offs.

Technologies' CBAT business recorded a loss of $13.4 million for the first quarter compared to earnings of $15.6 million for last year's comparable period. First quarter sales were $125.5 million, a decline of $102.8 million or 45% from last year. Bookings, at $139.5 million, were down 26% from the same period last year but were 8% higher than the fourth quarter of 2001. The CBAT book-to-bill ratio was 1.11 for the first quarter, with all businesses above 1.0. Backlog, while still at depressed levels at $65.3 million, was 22% higher than at the end of 2001. Though these metrics and some broader industry data suggest that the market for CBAT's capital equipment products may have stopped declining, substantial industry overcapacity still exists, and thus a sales recovery is not expected soon. Efforts to return CBAT to profitability, even in this depressed market, should succeed in the second or third quarter, despite the strategic decision to continue heavy spending on research and new product development.

In Technologies' SEC business, sales in the quarter were $60.7 million, a decline of $101.7 million or 63% from the same period last year. SEC reported a loss of $3.4 million, as compared to earnings of $32.6 million in last year's first quarter. Net bookings in the first quarter of $56.3 million were down from $91.5 million from the same period last year but increased 20% from the fourth quarter. The book-to-bill ratio was .93 for the quarter with backlog at $49.2 million at the end of the period (a 7% decline from the prior quarter). SEC's datacom, telecom, and networking markets remain very weak, and the timing of any improvement in demand remains unclear. Much of current demand comes from industrial, aerospace, military, medical, and other high-performance, high-reliability markets. The SEC companies continue to invest judiciously in new product development, in coordination with customers, to protect the currently available market, and to insure placement in new products when the market recovers as well. All of the SEC businesses except for

Quadrant are operating at or near breakeven levels currently. In the quarter a new management team at Quadrant continued the restructuring program provided for in the second half of last year, including the closure of several facilities.

In the quarter, Imaje, the French-based industrial ink-jet printer and ink manufacturer, had sales and earnings increases, in a difficult market environment, due to both operational improvements and an increasingly successful recent acquisition.

OUTLOOK:

The general economic and market conditions for most operating companies continued weak in the first quarter. The timing of an economic recovery and impact on the capital spending of many of the operating companies' customers is still unclear. If markets improve as the year progresses the operating companies are poised to respond positively. Until then the focus is on improving market competitiveness, and margins at current sales levels. This is particularly true in Technologies, where the market for capital equipment is likely to recover slowly.

Special Notes Regarding Forward Looking Statements

This Quarterly Report on Form 10-Q, the Annual Report on Form 10-K and the documents that are incorporated by reference, particularly sections of any report under the headings "Outlook" or "Management's Discussion and Analysis", contain forward-looking statements within the meaning of the Securities Act of 1933, as amended, and the Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements relate to, among other things, industries in which the Company operates, the U.S. and global economies, earnings, cash flow and operating improvements and may be indicated by words or phrases such as "anticipates", "supports", "plans", "projects", "expects", "should", "hope", "forecast", "Dover believes", "management is of the opinion" and similar words or phrases. Such statements may also be made by management orally. Forward-looking statements are subject to inherent uncertainties and risks, including among others: continuing impact from the terrorist events of September 11, 2001 on the worldwide economy; increasing price and product/service competition by foreign and domestic competitors, including new entrants; technological developments and changes; the ability to continue to introduce competitive new products and services on a timely, cost effective basis; the mix of products/services; the achievement of lower costs and expenses; domestic and foreign governmental and public policy changes including environmental regulations; protection and validity of patent and other intellectual property rights; the continued success of the Company's acquisition program; the cyclical nature of the Company's business; and the outcome of pending and future litigation and governmental proceedings. In addition, such statements could be affected by general industry and market conditions and growth rates, and general domestic and international economic conditions including interest rate and currency exchange rate fluctuations. In light of these risks and uncertainties, actual events and results may vary significantly from those included in or contemplated or implied by such statements. Readers are cautioned not to place undue reliance on such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The Company may, from time to time, post additional or supplemental financial or other information on its Internet website, http://www.dovercorporation.com. Such information will supplement regular quarterly public filings and will be found in the "What's New" section of the website's home page. It will be accessible from the home page for approximately one month after release, after which time it will be archived on the website for a period of time. The Internet address in this release is for informational purposes only and is not intended for use as a hyperlink.

PART II OTHER INFORMATION

Item 5. Other Information

DOVER CORPORATION
OPERATIONAL INCOME
(in millions ) (unaudited)

| | 2002-THREE MONTHS | | | 2001-THREE MONTHS | | | 2001 - FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|
| | SALES | INCOME | % | SALES | INCOME | % | SALES | INCOME | % |
| DOVER INDUSTRIES | $ 278 | $ 43 | 15 | $ 290 | $ 44 | 15 | $1,160 | $ 170 | 15 |
| DOVER DIVERSIFIED | 288 | 33 | 11 | 254 | 26 | 10 | 1,118 | 122 | 11 |
| DOVER RESOURCES | 208 | 30 | 14 | 233 | 40 | 17 | 929 | 142 | 15 |
| Circuit board assembly/test | 126 | (13) | (11) | 228 | 16 | 7 | 651 | (53) | (8) |
| Electronic components | 61 | (3) | (5) | 162 | 33 | 20 | 397 | 31 | 8 |
| Marking | 50 | 10 | 20 | 44 | 9 | 20 | 210 | 54 | 26 |
| DOVER TECHNOLOGIES | 237 | (6) | (3) | 434 | 58 | 13 | 1,258 | 32 | 3 |
| OPERATIONAL SUBTOTAL (after ELIM.) | $1,010 | 100 | 10 | $1,210 | 168 | 14 | $4,460 | 466 | 10 |
| CORPORATES AND OTHER | | (9) | | | (11) | | | (55) | |
| EBITACQ | | 91 | | | 157 | | | 411 | |

"Operational Income"-differs from segment operating profits because it excludes all non-cash write-offs relating to acquisitions, the expenses of each segment's corporate group, and foreign exchange gains or losses.

"EBITACQ" - earnings before taxes, interest, acquisition write-offs and non-recurring gains .

ANALYSIS OF CASH FLOW: DEPRECIATION, AMORTIZATION & ACQUISITION
WRITE-OFFS, WITH TAX EFFECTS
(unaudited)(in millions)

| | 2002 - THREE MONTHS | | | | 2001 - THREE MONTHS | | | | 2001 - FULL YEAR | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | TAX DEDUCTIBLE | | | | TAX DEDUCTIBLE | | | | Tax Deductible | | |
| | TOTAL | YES | NO | TAX | TOTAL | YES | NO | TAX | TOTAL | YES | NO | TAX |
| EBIT | $ 83 | | | $ 27 | $ 132 | | | $ 42 | $ 313 | | | $ 99 |
| ACQUISITION RE LATE D: | | | | | | | | | | | | |
| GOODWILL AMORTIZATION | - | - | - | - | 13 | 6 | 7 | 2 | 52 | 25 | 27 | 10 |
| OTHER AMORTIZATION | 4 | | | | 4 | | | | 20 | | | |
| DEPRECIATION | 4 | | | | 4 | | | | 17 | | | |
| INVENTORY WRITE-OFFS | - | | | | 5 | | | | 9 | | | |
| SUBTOTAL OTHER WRITE -OFFS | 8 | 8 | - | 3 | 13 | 12 | - | 5 | 46 | 42 | 4 | 17 |
| TOTAL ACQUISITION WRITE-OFFS | 8 | 8 | - | 3 | 25 | 18 | 7 | 7 | 98 | 67 | 31 | 27 |
| EBITACQ | 91 | | | $ 30 | 157 | | | $ 49 | 411 | | | $126 |
| OTHER DEPRECIATION | 32 | | | | 30 | | | | 130 | | | |
| OTHER AMORTIZATION | 1 | | | | 1 | | | | 1 | | | |
| EBITDAI | 124 | | | | 188 | | | | 542 | | | |
| INVENTORY WRITE-OFFS | - | | | | (5) | | | | (9) | | | |
| EBITDA | $ 124 | | | | $ 183 | | | | $ 533 | | | |

"EBIT" - REPRESENTS EARNINGS BEFORE INTEREST AND TAXES.

"EBITACQ" - REPRESENTS EARNINGS BEFORE INTEREST, TAXES AND ACQUISITION WRITE - -OFFS.

"EBITDAI" - REPRESENTS EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AMORTIZATION A ND INVENTORY WRITE-OFFS.

"EBITDA" - REPRESENTS EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION.

EBIT, EBITACQ, EBITDAI AND EBITDA - ALL EXCLUDE GAINS (LOSSES) ON SALE OF BUSINESSES AND EQUITY INVESTMENT.

DOVER CORPORATION
GOODWILL AMORTIZATION SUMMARY - 2001 (000'S)

| | 1ST QUARTER | 2ND QUARTER | 3RD QUARTER | 4TH QUARTER | TOTAL 2001 |
|---|---|---|---|---|---|
| Dover Industries | $ 3,453 | $ 3,441 | $ 3,643 | $ 4,079 | $14,616 |
| Dover Diversified | 3,469 | 3,469 | 3,751 | 3,713 | 14,402 |
| Dover Resources | 2,636 | 2,636 | 2,636 | 2,637 | 10,545 |
| Dover Technologies * | 2,907 | 3,054 | 3,336 | 3,302 | 12,599 |
| Total Goodwill | $12,465 | $12,600 | $13,366 | $13,731 | $52,162 |
| Tax on Goodwill | 2,255 | 2,256 | 2,259 | 2,430 | 9,200 |
| Net Goodwill | $10,210 | $10,344 | $11,107 | $11,301 | $42,962 |
| EPS | $ 0.05 | $ 0.05 | $ 0.05 | $ 0.06 | $ 0.21 |
| * CBAT | 2,029 | 2,140 | 2,266 | 2,247 | 8,682 |
| SEC | 528 | 562 | 562 | 474 | 2,126 |

Item 6. Exhibits and Reports on Form 8-K

None.

## Signatures

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

DOVER CORPORATION

| | | |
|---|---|---|
| Date: | April 17, 2002 | /s/ David S. Smith<br>David S. Smith, Vice President, Finance and Chief Financial Officer (Principle Financial Officer) |
| Date: | April 17, 2002 | /s/ Raymond T. McKay<br>Raymond T. McKay<br>Acting Controller<br>(Principle Accounting Officer) |