

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, 1994

Commission File No. 1-4018

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

Delaware
(State of Incorporation)

53-0257888
(I.R.S. Employer Identification No.)

280 Park Avenue, New York, NY
(Address of principal executive offices)

10017
(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 57,198,697.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(1) Material changes in consolidated financial condition:

The Company's liquidity decreased during the first quarter of 1994 as compared with the position at December 31, 1993.

Working capital decreased from \$307.8 million at the end of last year to \$254.2 million at March 31, 1994. The \$53.6 million decrease reflects positive cash flow during the quarter net of \$104.4 million paid for acquisitions.

As a result of acquisition expenditures, Dover Corporation ended the quarter with net debt of \$405 million representing 31% of total capital. The company does not anticipate finding sufficient opportunities to maintain the strong acquisition pace of the past three quarters during the balance of 1994.

(2) Material changes in results of operations:

The Company earned \$.74 in the first quarter ended March 31, an increase of 25% from the \$.59 reported last year. Sales advanced 20% to \$681 million and net income rose 26% to \$42.6 million. Sales, net income and EPS were at

record levels for a first quarter.

All five of Dover's market segments showed operating profit increases ranging from 12% to 79% and aggregating 35%.

The financial gains over prior year reflect a combination of internal growth and the positive impact of Dover's 1993 acquisition program in which approximately \$320 million was spent to acquire 13 businesses and product lines. Companies acquired in 1993 added approximately \$.09 to 1994's first quarter EPS. However, the results for 1993's first quarter included \$.02 per share earned by DOVatron which was spun-off to shareholders of Dover in May of last year. The net impact of both the 1993 acquisitions and the DOVatron divestment accounted for \$67 million of Dover's \$114 million increase in first quarter sales.

Dover continued its acquisition effort in the first quarter adding three new companies and a new product line. Dover Resources purchased Midland Manufacturing (valves and safety devices for rail tank cars and for barges) in early January as previously announced. De-Sta-Co (part of Dover Resources) added the pneumatic cylinder product line of the Rantom, Inc. In late March, Tranter (part of Dover Diversified) purchased Heat Transfer Technologies, a Swiss company serving the European market for compact plate/frame heat exchanges under the brand name Schwep. Tranter makes plate/frame heat exchanges and other heat transfer products in the U.S. Also in late March, Tipper Tie (part of Dover Industries) purchased Technopak, a German maker of clipping machines and chip closures that was once a Tipper Tie licensee. Tipper Tie plans to merge its own Tipper Tie Europa into Technopak to create a stronger, better focused European presence for its packaging technology.

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Dover's cost for these acquisitions was \$104 million. Full calendar year 1994 sales of the acquired companies are expected to be in the \$75-\$80 million range, not all of which will be reported by Dover due to acquisition timing. There will be no meaningful impact on Dover's 1994 EPS due to acquisition write-offs and interest expense; however, these acquisitions will contribute in 1995.

DOVER RESOURCES

Dover Resources' earnings improved 12% in the first quarter on a 9% sales gain. Almost half of the sales and earnings gains were due to the Midland acquisition (although this company made no earnings contribution to Dover after considering interest expense and tax effects). Increases and declines were evenly spread amongst Resources' 16 individual companies. The largest gains were at De-Sta-Co (refrigeration valves and industrial clamps with strength from the domestic auto industry); at OPW Fueling Components (but compared to last year's weakest quarter before profits accelerated due to vapor recovery nozzles); and at Norriseal (gas related production equipment growth and internal improvements). Dover Resources had predicted a slowing of internal growth in 1994 after their 20% gain for 1993, and results for the quarter were consistent with that expectation.

DOVER INDUSTRIES

Dover Industries' earnings advanced 56% on a 73% sales increase as eight of this segment's twelve companies achieved earnings gains. Heil and B&S, acquired in mid-1993, accounted for 40 points of the percentage earnings gain and over 60 points of the percentage sales gain. Heil had an excellent first quarter operationally due to strength in their trailerized tank business. Strong earnings gains were also achieved by Chief, Rotary Lift, Bernard, Texas Hydraulics and Davenport. The three companies related to the food industry (Tipper Tie, Randell and Groen) suffered modest declines largely due to costs for new products and for new marketing programs. Normal seasonal factors should result in further improvement in Dover Industries' earnings in the second quarter and another very strong comparison to prior year.

DOVER ELEVATOR

Dover Elevator International had a surprisingly good 30% earnings gain in the first quarter on only a 2% sales gain. Key factors were a slightly improved mix of service versus new elevator sales and reduced losses on new elevators. The 1993 first quarter was also last year's lowest quarterly earnings level. On a geographic basis, both Canada and the U.S. achieved higher profits while the U.K. was flat. New elevator bookings were sufficient to maintain backlog at the same level as at the start of the year. However, bookings were 10% below last year's first quarter. The DEI companies are being especially careful in their cost estimating and more selective in their bidding on new elevator work in an effort to reduce losses in this area. It is possible that this program could result in some loss of market share. While the DEI's earnings gain in the first quarter was encouraging and reinforces their belief that 1994 will see earnings improvement, DEI does not expect gains of this magnitude during the balance of the year.

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DOVER TECHNOLOGIES

Profits at Dover Technologies advanced 27% on a 2% sales gain. However, as noted above, last year's results included DOVatron, spun-off to shareholders in May, 1993. Adjusted for this, DTI profits increased 58% on a 35% sales gain. Most DTI companies had earnings gains with major strength in the three companies making electronic production equipment. Profits doubled at Universal and Soltec and were up over 20% at DEK. A stronger market for capital equipment and successful new product introductions helped each of these companies. Orders continue to be strong for DTI as a whole, up 41% from the first quarter of 1993 with a book-to-bill of 1.20. Universal Instruments had record bookings in March that pushed its book-to-bill for the quarter to 1.27. Universal's exhibit at the Nepcon-West show--which featured the multi-use flexibility of Universal's platform technology, including the GSM-1 machine--received a very positive market response. First quarter orders for surface mount placement machines more than doubled from last year. Modest improvement has been made on GSM-1 margins on a new bookings basis but first quarter shipments of this product generated inadequate profitability.

DOVER DIVERSIFIED

Dover Diversified's profits advanced 79% on a 70% sales gain with virtually all of the increases reflecting the impact of four acquisitions made in the second half of 1993. Newly acquired Belvac had a particularly strong quarter while Waukesha, Tranter and CRL achieved modest gains. A-C Compressor had a slow start as technical problems delayed some shipments, putting sales and profits below last year despite a record beginning backlog. Shipments at A-C improved sharply in March and further recovery is expected in the second quarter. The book-to-bill for Dover Diversified in the quarter was 1.03 with a 22% increase in orders (with last year adjusted to include acquisitions).

OUTLOOK

Dover's 1993 Annual Report predicted record earnings for calendar 1994 by a substantial margin but probably not as much ahead as 1993's gain of 24%. Based upon first quarter results, Dover continues to view this as a realistic outlook.

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DOVER CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEET ('000 OMITTED)

	MARCH 31, 1994	DECEMBER 31, 1993
	-----	-----
Assets		

Current Assets:		
Cash and cash equivalents	\$ 57,589	\$ 63,685
Marketable securities	51,411	32,592

Receivables, net of allowance for doubtful accounts	489,826	475,155
Inventories at cost (determined principally on the last-in, first-out basis, which is less than market value)	320,069	294,319
Prepaid expenses	40,492	37,889
Total current assets	959,387	903,640
Property, plant & equipment, at cost	722,723	714,637
Accumulated depreciation	(437,579)	(431,274)
Net property, plant & equipment	285,144	283,363
Intangible assets, net of amortization	560,308	535,136
Other intangible assets	10,258	10,258
Deferred charges and other assets	98,427	41,292
	\$1,913,524	\$1,773,689
	=====	=====
Liabilities		

Current liabilities:		
Notes Payable	262,146	174,980
Current maturities of long-term debt	312	311
Accounts payable	115,892	117,206
Accrued compensation & employee benefits	54,144	71,084
Accrued insurance	88,742	74,501
Other accrued expenses	126,007	116,916
Income taxes	57,903	40,796
Total current liabilities	705,146	595,794
Long-term debt	251,957	252,065
Deferred taxes	21,188	20,409
Deferred compensation	35,255	35,419
Stockholders' Equity:		
Preferred stock	-	-
Common stock	66,335	66,299
Additional paid-in surplus	13,886	12,531
Cumulative translation adjustments	(13,155)	(12,761)
Unrealized holding gains (losses)	(385)	-
Retained earnings	1,151,238	1,121,817
	1,217,919	1,187,886
Less: treasury stock	317,941	317,884
	899,978	870,002
	\$1,913,524	\$1,773,689
	=====	=====

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DOVER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF EARNINGS
THREE MONTHS ENDED MARCH 31, 1994 AND 1993
('000 OMITTED)

	1994	1993
	----	----
Net sales	\$ 680,727	\$ 566,780
Cost of sales	469,795	398,666
Gross profit	210,932	168,114
Selling and administrative expenses	142,491	114,138
Operating profit	68,441	53,976
Other deductions (income):		
Interest expense	6,580	4,246
Interest income	(6,625)	(3,277)
Foreign exchange	(27)	(24)
All other	522	321
	450	1,266
Earnings before taxes on income	67,991	52,710
Federal and other taxes on income	25,418	18,946
Net earnings	42,573	33,764
	=====	=====
Weighted average number of common shares outstanding during the period	57,176	57,095
	=====	=====
Net earnings per common share	\$.74	\$.59

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CONSOLIDATED STATEMENT OF RETAINED EARNINGS
THREE MONTHS ENDED MARCH 31, 1994 AND 1993
('000 OMITTED)

	1994	1993
	----	----
Balance at beginning of period	\$1,121,817	\$1,051,949
Net earnings	42,573	33,764
	-----	-----
	1,164,390	1,085,713
	-----	-----
Deduct common stock cash dividends of \$.23 per share (\$.22 in 1993)	13,152	12,561
	-----	-----
Balance at end of period	\$1,151,238	\$1,073,152
	=====	=====

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DOVER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
THREE MONTHS ENDED MARCH 31, 1994 AND 1993
('000 OMITTED)

	1994	1993
	----	----
Cash flows from operating activities:		
Net income	\$ 42,573	\$ 33,764
	-----	-----
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	12,914	12,426
Amortization	8,486	5,270
Net increase (decrease) in deferred taxes	779	(897)
Net increase (decrease) in LIFO reserves	(19)	50
Increase (decrease) in deferred compensation	(164)	406
Other, net	15,037	(253)
Changes in assets and liabilities (excluding acquisitions):		
Decrease (increase) in marketable securities	(18,823)	209
Decrease (increase) in accounts receivable	(14,671)	3,270
Decrease (increase) in inventories, excluding LIFO reserve	(25,731)	(13,113)
Decrease (increase) in prepaid expenses	(2,604)	(2,438)
Increase (decrease) in accounts payable	(1,315)	(1,465)
Increase (decrease) in accrued expenses	6,393	2,498
Increase (decrease) in federal and other taxes on income	17,107	6,263
	-----	-----
Total adjustments	(2,611)	12,226
	-----	-----
Net cash provided by operating activities	39,962	45,990
	-----	-----
Cash flows from (used in) investing activities:		
Additions to property, plant & equipment	(16,540)	(14,439)
Acquisitions	(104,358)	(4,594)
Purchase of treasury stock	(58)	(119)
	-----	-----
Net cash from (used in) investing activities	(120,956)	(19,152)
	-----	-----
Cash flows from (used in) financing activities:		
Increase (decrease) in notes payable	87,166	(9,873)
Reduction of long-term debt	(108)	(104)
Proceeds from exercise of stock options	992	368
Cash dividends to stockholders	(13,152)	(12,561)
	-----	-----
Net cash from (used in) financing activities	74,898	(22,170)
	-----	-----
Net increase (decrease) in cash and cash equivalents	(6,096)	4,668
Cash and cash equivalents at beginning of period	63,685	71,632
	-----	-----
Cash and cash equivalents at end of period	\$ 57,589	\$ 76,300
	=====	=====

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DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1994

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.

NOTE B - Inventory

Inventories, by components, are summarized as follows:

	MARCH 31, 1994	DECEMBER 31, 1993
	-----	-----
Raw materials	\$ 98,127	\$ 92,341
Work in progress	145,373	136,031
Finished goods	119,933	109,329
	-----	-----
Total	363,433	337,701
Less LIFO reserve	43,364	43,382
	-----	-----
Net amount per balance sheet	\$320,069	\$294,319
	=====	=====

NOTE C - Additional Information

As required, effective January 1, 1994, the Company adopted SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities." Accordingly, unrealized holding losses of \$385,000 have been reflected in the stockholders' equity section of the balance sheet at March 31, 1994.

A portion of the purchase price of first quarter acquisitions has been classified on the March 31, 1994, balance sheet as intangibles and deferred charges pending appraisals and final allocations under the purchase method of accounting.

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 form 10-K which was filed with the Securities and Exchange Commission in March 1994.

PART II OTHER INFORMATION

Item 6 Exhibits and Reports on Form 8-K

No report on Form 8-K was filed during the quarter for which this report is filed.

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: 4/15/94

/s/ John F. McNiff

John F. McNiff, Vice President
and Treasurer

Date: 4/15/94

/s/ Alfred Suesser

Alfred Suesser, Controller and
Assistant Treasurer