DOVER PERFORMANCECOUNTS

FINANCIAL HIGHLIGHTS

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NEW YORK CITY / NOVEMBER 9, 2007

Financial Review

- **Metrics Program**
- **Capital Expenditures**
- **Tax Rate**

Metrics Program

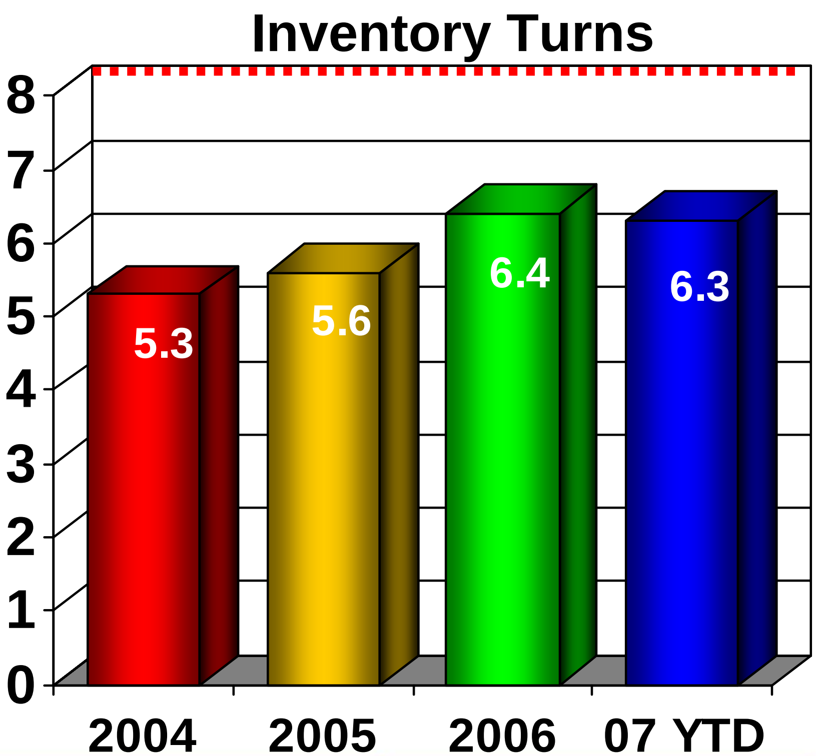
- Instituted in May 2005 – Dover Presidents' Meeting
- Expanded long-time "10-15-25" Program
- Key part of *PERFORMANCE**COUNTS*** program
- Designed to set "world-class" standards for performance
- Intended to support long-term growth and superior cash flow generation
- Developed as a "consensus" – yet directed effort
- Linked directly to annual bonus / reward system: 40% of annual bonus opportunity
- Subject to review and "upgrade" over time
- Viewed internally as a driver of continuous improvement

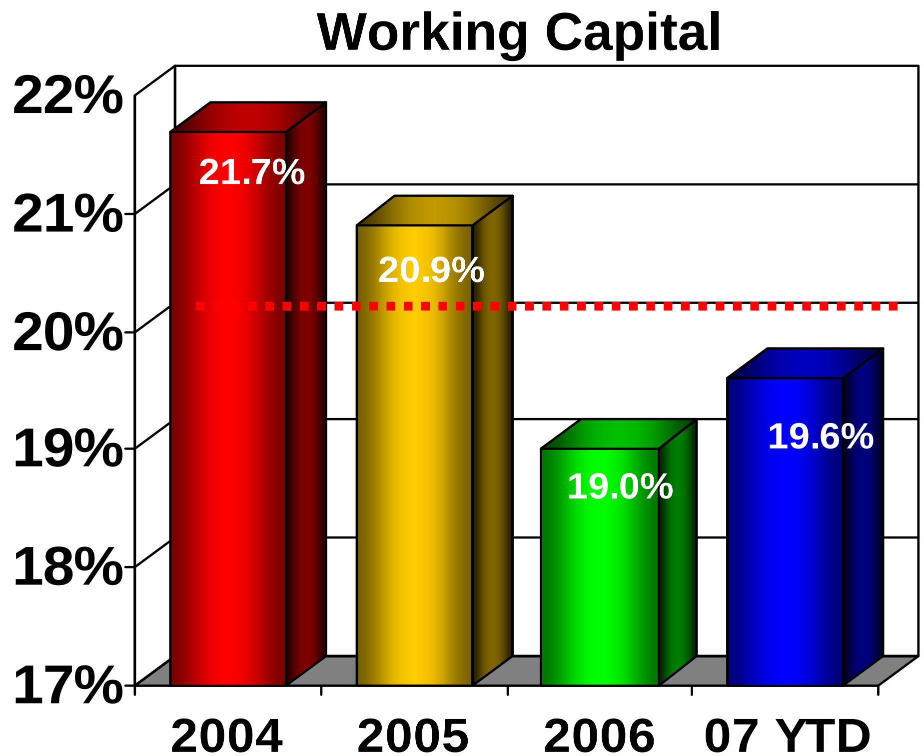
Metrics Program

- **Five Operating Company Metrics:**
  - 8 Inventory Turns
  - 10% Earnings Growth
  - 15% Operating Margins
  - 20% Working Capital to Sales
  - 25% Return on Invested Capital
- **Directly linked to long-term Cash Performance Program**
  - 3-year average after tax ROIC must exceed 10%
  - 3-year average earnings growth must be positive
- **Key: Meaningful pay-outs correlate to achieving metric performance over 3 years**

Metrics Driving Cash Flow Improvement

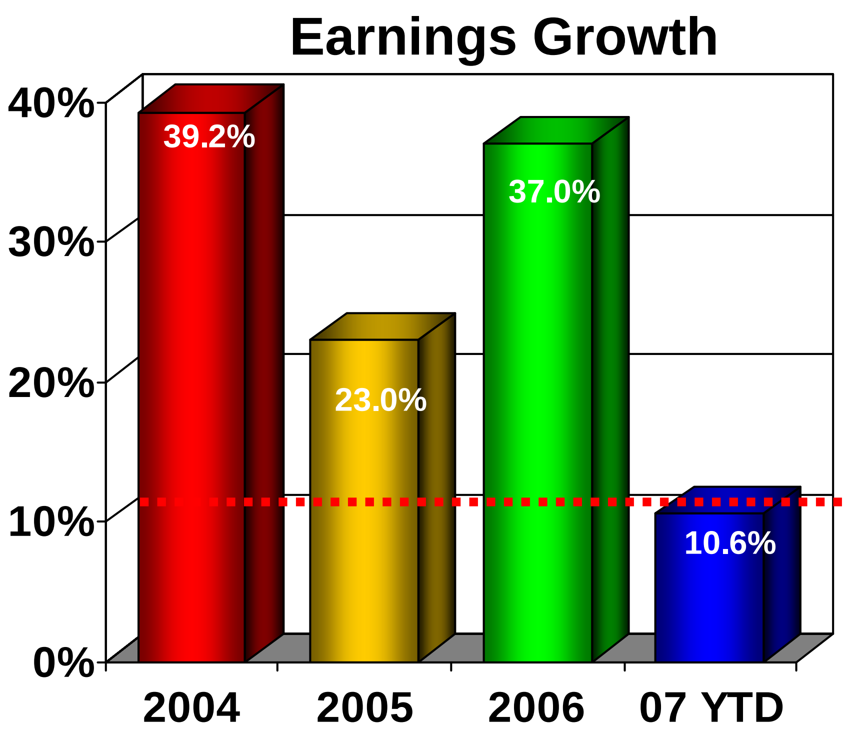
8	Inventory Turns
20%	Working Capital (% of sales)

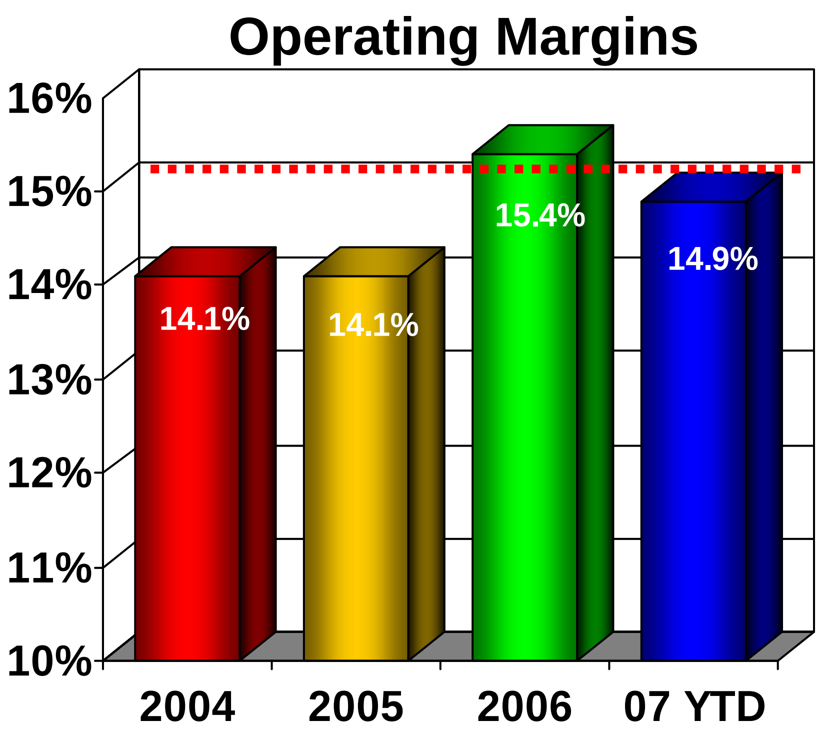




Metrics Driving Earnings Improvement

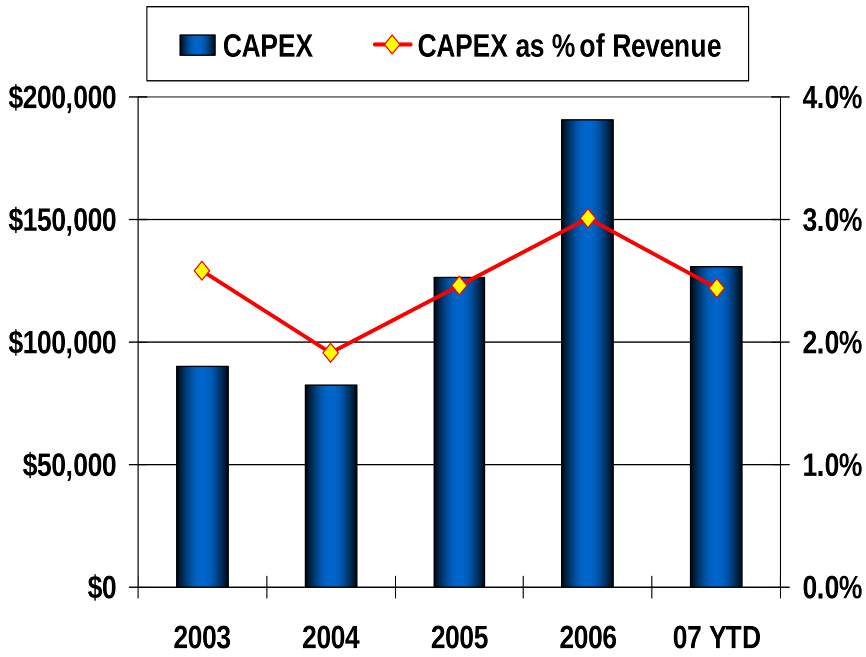
10%	Earnings Growth (YOY)
15%	Operating Margins





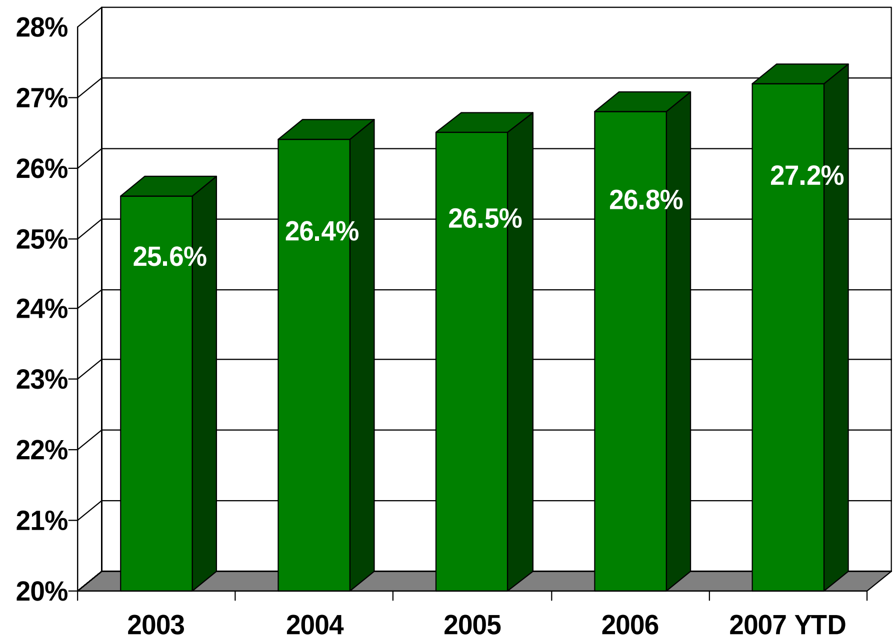
Capital Expenditures

- 2.4% historic average (2003-2007)
- Recent expenditures in (2005 - 2007 YTD) have been driven by significant organic growth, particularly in Energy, Product ID and Engineered Products
- With synergy initiatives, outsourcing and improved efficiency, rate of spending should moderate downward



Tax Rate

- **Dover's historic tax rate was driven by:**
  - Strategic tax planning
  - Utilization of U.S. Export sales subsidy programs – expired (2004 – 2006)
  - Global expansion – lower foreign rates
- **Dover's future tax rate will be driven by:**
  - Domestic Manufacturing Deduction – lower benefit
  - FIN 48 – higher standards of "certainty" to realize benefits
  - Global expansion – continue to optimize operational locations



<u>Projected 2008 Rate</u>: (27-28%)

Consistent with 2007, modestly higher than earlier years.

Metrics Driving ROIC/ROE Improvement

25% Return on Investment (opco's)