

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 1993

// Transaction Report Pursuant to Section 13 or 15(d) of the Securities Act of 1934

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value \$1.	New York Stock Exchange

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 with the Commission and (2) has been subject to such filing requirements for the past ninety days. Yes X No .  
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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X  
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The aggregate market value of the voting stock held by non-affiliates of the Registrant as of February 28, 1994 was \$3,236,712,089.

The number of outstanding shares of the Registrant's common stock as of February 28, 1994 was 57,179,870.

DOCUMENTS INCORPORATED BY REFERENCE

- Parts I, II, and IV - Certain portions of the Annual Report to Stockholders for Fiscal Year Ended December 31, 1993 (the "1993 Annual Report").
- Part III - Certain portions of the Proxy Statement for Annual Meeting to be held on April 26, 1994 (the "1994 Proxy Statement").

## Item 1. BUSINESS

## General

Dover Corporation ("Dover" or the "Company") was originally incorporated in 1947 in the State of Delaware and commenced operations as a public company in 1954 with four operating divisions, engaged primarily in the manufacture of metal fabricated industrial products. Primarily through acquisitions, the Company has grown to encompass over 60 different businesses which fabricate, install and service elevators, and manufacture a broad range of specialized industrial products and electronic components and sophisticated manufacturing equipment. The primary criteria for Dover operating companies is that they strive to be the market leader in their respective market, meeting customer needs with superior products and services with appropriate increased compensation, while achieving long-term earnings growth, high cash flow and superior return on stockholders' equity.

The Company's businesses are divided into five business segments. Dover Elevator manufacturers, sells, installs and services elevators primarily in North America. Dover Resources manufactures products primarily to serve the automotive, fuel handling and service and petroleum industries. Dover Industries makes products for use in the waste handling, bulk transport, automotive service, commercial food service and machine tool industries. Dover Technologies builds primarily sophisticated automated electronic assembly equipment and to a lesser degree specialized electronic components. Dover Diversified builds heat transfer equipment, larger power generation, sophisticated assembly and production machines, as well as sophisticated products and control systems for use in the defense, aerospace and commercial building industries. Dover sells its products and services both directly and through various distributors, sales and commission agents and manufacturers representatives, in all cases consistent generally with the custom of the industry and market being served. For more information on these segments and their products, sales, markets served, earnings before tax and total assets for the six years ended December 31, 1993, see pages 6 through 16 of the 1993 Annual Report, which are hereby incorporated by reference.

During the past five years, Dover has spent approximately \$550 million on acquisitions of which \$321 million was expended in 1993. For more detail regarding acquisitions, see pages 1 through 5 of the 1993 Annual Report as well as Note 2 to the Consolidated Financial Statements on pages 21-22 of the 1993 Annual Report, which are hereby incorporated by reference.

#### Raw Materials

Dover's operating companies use a wide variety of raw materials, primarily metals, semi-processed or finished components, which are generally available from a number of sources. Temporary shortages may occur occasionally, but have not resulted in business interruptions or major problems, nor are any such problems anticipated.

#### Research and Development

Dover's operating companies are encouraged to develop new products as well as upgrade and improve existing products to satisfy customer needs, expand sales opportunities and improve product reliability and reduce production costs. During 1993, approximately \$60 million was spent on research and development, compared with \$68 million and \$62 million in 1992 and 1991, respectively.

Dover holds or is licensed to use a substantial number of U.S. patents covering a number of its product lines, and to a far lesser degree patents in certain foreign countries where it conducts business. Dover licenses some of its patents to other companies for which it collects royalties which are not significant. These patents have been obtained over a number of years and expire at various times. Although patents in the aggregate are important to Dover, the loss or expiration of any one patent or group of patents would not materially affect Dover or any of its segments. Where patents have expired, Dover believes that its commitment to leadership in continuous engineering improvements, manufacturing techniques, and other sales, service and marketing efforts are significant to maintaining its general market leadership position.

#### Trademarks and Tradenames

Several of the Company's products are sold under various trademarks and tradenames owned or licensed by the Company. Among the most significant are: Dover, Heil, Norris, Universal, DEK, Brown & Sharpe, Marathon, OPW, Duncan, Blackmer, Rotary Lift, Groen, Annubar, Sargent, A-C Compressor and Tipper Tie.

#### Seasonality

Dover's operations are generally not seasonal.

#### Customers

Dover's businesses serve thousands of customers, no one of which accounted for more than 10% of sales. Within each of the five segments, no customer accounted for more than 10% of segment sales.

## Backlog

Backlog generally is not considered a significant factor in Dover's businesses, as most products have relatively short delivery periods. The only exceptions are in those businesses which produce larger and more sophisticated machines, or have long-term government contractor subcontracts, particularly in the Diversified Group (Belvac, A-C Compressor, Sargent Controls and Sargent Technologies) and the Technologies Group (Universal).

Total Company backlog as of December 31, 1993 and 1992 was \$710,977,000 and \$606,681,000 respectively.

## Competition

Dover's competitive environment is complex because of the wide diversity of products manufactured and markets served. In general, Dover companies are market leaders which compete with only a few companies. In addition, since most of Dover's manufacturing operation are in the United States, Dover usually is a more significant competitor domestically than in foreign markets. There are some exceptions.

In the Elevator segment, Dover competes for the manufacture and installation of elevators with a few generally large multinational competitors and maintains a strong domestic position. For service work, there are numerous local, regional and national competitors.

In the Technologies segment, Dover competes globally against a few very large companies, primarily based in Japan or Europe. Within the other three segments, there are a few companies whose markets and competition are international, particularly Wittemann, AOT, Tipper Tie and Belvac.

## International

For foreign sales and assets, see Note 3 to the Consolidated Financial Statements on page 22 of the 1993 Annual Report and information about the Company's Operations in Different Geographic Areas on page 27 of the 1993 Annual Report, which are incorporated herein by reference. Export sales of domestic operations were \$392 million in 1993 and \$432 million in 1992.

Although international operations are subject to certain risks, such as price and exchange rate fluctuations and other foreign governmental restrictions, Dover intends to increase its expansion into foreign markets, particularly with respect to its elevator business, as domestic markets mature.

The countries where most of Dover's foreign subsidiaries and affiliates are based are Canada, Great Britain and Germany.

## Environmental Matters

Dover believes its operations generally are in substantial compliance with applicable regulations. In some instances, particular plants and businesses have been the subject of administrative and legal proceedings with governmental agencies relating to the discharge or potential discharge of materials. Where necessary, these matters have been addressed with specific consent orders to achieve compliance. Dover believes that continued compliance will not have any material impact on the Company's financial position going forward and will not require significant capital expenditures beyond normal requirements.

## Employees

The Company had approximately 20,500 employees as of December 31, 1993.

## Item 2. DESCRIPTION OF PROPERTY

The number, type, location and size of the Company's properties are shown on the following charts, by segment.

Segment	Number and Nature of Facilities			Square Footage (000's)	
	Mfg.	Ware- house	Sales/ Service	Owned	Leased
Elevator	7	9	194	393	1,941
Resources	40	23	17	1,741	410
Diversified	17	2	20	1,186	265
Industries	31	7	20	2,757	208
Technologies	18	-	11	679	431

	Locations		
	North American	Europe	Other
Elevator	174	36	-
Resources	68	10	2
Diversified	38	1	-
Industries	44	14	-
Technologies	18	6	5

The facilities are generally well maintained and suitable for the operations conducted and their productive capacity is adequate for current needs.

## Item 3. LEGAL PROCEEDINGS

Dover is party to a number of legal proceedings arising out of the normal course of its businesses. In general, most claims arise in connection with activities of its Elevator segment

operations and certain of its other businesses which make products used by the public. In recent years, Dover has also been involved with the Internal Revenue Service regarding tax assessments for the eight years ended December 31, 1989 and certain patent litigation. In addition, matters have arisen under various environmental laws, as well as under local regulatory compliance agencies. For a further description of such matters, see Note 13 to the Consolidated Financial Statements on page 26 of the 1993 Annual Report, which is incorporated herein by reference.

Based on insurance availability, established reserves and periodic reviews of those matters, management is of the opinion that the ultimate resolution of current pending claims and known contingencies should not have a material adverse effect on Dover's financial position taken as a whole.

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

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

All officers are elected annually at the first meeting of the Board of Directors following the annual meeting of stockholders and are subject to removal at any time by the Board of Directors. The executive officers of Dover as of March 11, 1994, and their positions with the Company for the past five years are as follows:

Name - - - - -	Age - - -	Present Position & Responsibility -----
Gary L. Roubos	57	Chairman (since August 1989) and Chief Executive Officer and Director; previously President (through May 1993).
Thomas L. Reece	51	President and Director (since May 1993); previously President of Dover Resources, Inc.
Edward J. Kata	51	Vice President-Development
John F. McNiff	51	Vice President-Finance and Treasurer
Robert G. Kuhbach	46	Vice President, General Counsel and Secretary (since May 1993); prior to joining Dover, Mr. Kuhbach was Senior Vice President (later Executive Vice President and a Director), Secretary and General Counsel

(through February 1992) of Sudbury, Inc., a Cleveland, Ohio industrial products company.

Alfred Suesser	61	Controller
John B. Apple	59	Vice President and President of Dover Elevator International, Inc.
Lewis E. Burns	55	Vice President, Director and President of Dover Industries, Inc.
Rudolf J. Herrmann	43	Vice President (since November 1993) and President of Dover Resources, Inc. (since May 1993); prior thereto, Mr. Herrmann was President of Rotary Lift division of Dover Industries, Inc.
John E. Pomeroy	52	Vice President (since November, 1993) and President of Dover Technology International, Inc.
Jerry W. Yochum	55	Vice President and President of Dover Diversified, Inc.

## PART II

### Item 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

The principal market in which the Company's Common Stock is traded is the New York Stock Exchange. Information on the high and low prices of such stock and the frequency and the amount of dividends paid during the last two years, is set forth on Page 32 of the 1993 Annual Report and incorporated herein by reference.

The number of holders of record of the Registrant's Common Stock as of February 28, 1994 is approximately 3,100.

### Item 6. SELECTED FINANCIAL DATA

The information for the years 1983 through 1993 is set forth in the Annual Report on pages 30 and 31 and is incorporated herein by reference.



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

The information set forth in the Annual Report on pages 28 and 29 is incorporated herein by reference.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information set forth in the Annual Report on pages 17 through 27 is incorporated herein by reference.

Item 9. DISAGREEMENTS ON ACCOUNTING AND FINANCIAL  
DISCLOSURE

Not applicable.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information with respect to the directors of the Company required to be included pursuant to this Item 10 is included under the caption "Election of Directors" in the 1994 Proxy Statement relating to the 1994 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission (the "Commission") pursuant to Rule 14a-6 under the Securities Exchange Act of 1934, as amended, and is incorporated in this Item 10 by reference. The information with respect to the executive officers of the Company required to be included pursuant to this Item 10 is included under the caption "Executive Officers of the Company" in Part I of this Annual Report on Form 10-K.

Item 11. EXECUTIVE COMPENSATION

The information with respect to executive compensation required to be included pursuant to this Item 11 is included under the caption "Compensation" in the 1994 Proxy Statement and is incorporated in this Item 11 by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND  
MANAGEMENT

The information regarding security ownership of certain beneficial owners and management that is required to be included pursuant to this Item 12 is included under the captions "General" and "Security Ownership" in the 1994 Proxy Statement and is incorporated in this Item 12 by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information with respect to any reportable transaction, business relationship or indebtedness between the Company and the beneficial owners of more than 5% of the Common Stock, the directors or nominees for director of the Company, the

executive officers of the Company or the members of the immediate families of such individuals that is required to be included pursuant to this Item 13 is included under the caption "Election of Directors" in the 1994 Proxy Statement and is incorporated in this Item 13 by reference.

## PART IV

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

## (a)(1). Financial Statements

The following consolidated financial statements of Dover Corporation and its subsidiaries are set forth in the 1993 Annual Report, which financial statements are incorporated herein by reference:

(A) Independent Auditors' Report.

(B) Consolidated balance sheets as of December 31, 1993, 1992 and 1991.

(C) Consolidated statements of earnings for the years ended December 31, 1993, 1992 and 1991.

(D) Consolidated statements of retained earnings for the years ended December 31, 1993, 1992 and 1991.

(E) Consolidated statements of cash flows for the years ended December 31, 1993, 1992 and 1991.

(F) Notes to consolidated financial statements.

## (2) Financial Statement Schedules

The following financial statement schedules are included in Part IV of this report:

## Independent Auditors' Report on Schedules and Consent

- II - Amounts Receivable from Related Parties and Underwriters, Promoters and Employees Other than Related Parties
- VIII - Valuation and Qualifying Accounts
- IX - Short-term Borrowings
- X - Supplementary Income Statement Information

All other schedules are not required and have been omitted.

(b) No reports on Form 8-K have been filed during the fourth quarter of the fiscal year ended December 31, 1993.

(c) Exhibits:

(13) Dover's Annual Report to Stockholders for its fiscal year ended December 31, 1993.

(21) Subsidiaries of Dover.

(23) Independent Auditors' consent. (See Independent Auditors' Report on Schedules and Consent)

(24) Powers of Attorney.

SIGNATURES

Pursuant to the requirements of Section 13 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

Gary L. Roubos  
By: -----  
Gary L. Roubos  
Chairman

Date: March 29, 1994

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Signature -----	Title -----	Date -----
Gary L. Roubos -----		
Gary L. Roubos	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	March 29, 1994
John F. McNiff -----		
John F. McNiff	Treasurer (Principal Financial Officer)	March 29, 1994

Alfred Suesser ----- Alfred Suesser	Controller (Principal Accounting Officer)	March 29, 1994
Thomas L. Reece ----- Thomas L. Reece	President, Chief Operating Officer and Director	March 29, 1994
Magalen O. Bryant ----- Magalen O. Bryant	Director*	March 29, 1994
Lewis E. Burns ----- Lewis E. Burns	Director*	March 29, 1994
Michael C. Devas ----- Michael C. Devas	Director*	March 29, 1994
John F. Fort ----- John F. Fort	Director*	March 29, 1994
James L. Koley ----- James L. Koley	Director*	March 29, 1994
George L. Ohrstrom ----- George L. Ohrstrom	Director*	March 29, 1994
Anthony J. Ormsby ----- Anthony J. Ormsby	Director*	March 29, 1994
David G. Thomas ----- David G. Thomas	Director*	March 29, 1994

\* By Robert G. Kuhbach  
-----  
Robert G. Kuhbach  
Attorney-in-Fact

The Board of Directors and Shareholders  
Dover Corporation:

Under date of February 22, 1994, we reported on the consolidated balance sheets of Dover Corporation and subsidiaries as of December 31, 1993, 1992 and 1991 and the related consolidated statements of earnings, retained earnings, and cash flows of the years then ended, as contained in the 1993 annual report to stockholders. These consolidated financial statements and our report thereon are incorporated by reference in the annual report on Form 10-K for the year 1993. In connection with our audits of the aforementioned consolidated financial statements, we also have audited the related financial statement schedules listed in answer to Part IV, item 14(A)2 of Form 10-K. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

In our opinion, such financial statement schedules when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

In addition, we consent to the incorporation by reference of our above-mentioned report dated February 22, 1984 in the Registration Statement (No. 2-58037) on Form S-8 (1974 Incentive Stock Option Plan) in the Registration Statement (No. 33-11229) on Form S-8 the Prospectus dated January 28, 1987 (1984 Incentive Stock Option Plan) and in the Registration Statement (No. 2-91561) on Form S-8 dated July 1, 1984 to the Dover Corporation Employee Savings and Investment Plan. We also consent to the reference to our firm under the heading "Financial Statements and Experts" in the Prospectuses.

KPMG Peat Marwick

New York, New York  
March 29, 1994

## DOVER CORPORATION AND SUBSIDIARIES

Amounts Receivable from Related Parties  
and Underwriters, Promoters, and  
Employees Other Than Related Parties

Years ended December 31, 1993, 1992 and 1991

	Balance at beginning of year -----	Additions -----	Deductions -----	Balance at close of year -----
	(000's omitted)			
Year ended December 31, 1993:				
Lawrence F. Gray, Sr. (1)	\$ --	117	--	\$ 117
Year ended December 31, 1992:				
John R. Ditterline (2)	\$ 195	--	\$ 100	\$ 95
Year ended December 31, 1991:				
John R. Ditterline (2)	\$ 195	--	--	\$ 195

## Notes:

- (1) Unsecured loan to employee, payable on demand, bearing interest at 4.16%.
- (2) Loan to employee for purchase of residence, payable on demand, bearing interest at 8.75%, secured by residence.

## DOVER CORPORATION AND SUBSIDIARIES

## Valuations and Qualifying Accounts

Years ended December 31, 1992 and 1991

	Balance at beginning of year -----	Additions charged to cost and expense -----	Deductions -----	Balance at close of year -----
		(000's omitted)		
Year ended December 31, 1993:				
Allowance for doubtful accounts	9,753 =====	5,546 =====	5,100(1) =====	10,199 =====
Year ended December 31, 1992:				
Allowance for doubtful accounts	\$9,746 =====	5,316 =====	5,309(1) =====	9,753 =====
Year ended December 31, 1991:				
Allowance for doubtful accounts	8,250 =====	7,214 =====	5,718(1) =====	9,746 =====

## Notes:

- (1) Represents uncollectible accounts written off and reductions of prior years over provision less recoveries of accounts previously written off, net of additions and deductions relating to acquired and divested companies.

## DOVER CORPORATION AND SUBSIDIARIES

## Short-Term Borrowings

Years ended December 31, 1993, 1992 and 1991

Category of aggregate short-term borrowings	Balance at end of period	Weighted average interest rate	Maximum amount outstanding during the period (1)	Average amount outstanding during the period (2)	Weighted average interest rate during the period (3)
(000's omitted)					
Year ended 12/31/93: Payable to holders of commercial paper	\$ 424,825(4)	3.34%	\$ 424,825	\$ 304,179	3.32%
Year ended 12/31/92: Payable to holders of commercial paper	\$ 220,000	3.69%	\$ 234,000	\$ 194,888	3.84%
Year ended 12/31/91: Payable to holders of commercial paper	\$ 126,000	4.81%	\$ 275,000	\$ 185,592	6.21%

## Notes:

- (1) Represents maximum amount outstanding at any month-end.
- (2) Average of 13 month-end balances (including December of previous year).
- (3) Weighted average of interest rates on all commercial paper outstanding at month-end.
- (4) Includes \$250,000 classified as long-term debt.



## DOVER CORPORATION AND SUBSIDIARIES

## Supplementary Income Statement Information

Years ended December 31, 1993, 1992 and 1991

	Charged to costs and expenses		
	1993	1992	1991
	----	----	----
	(000's omitted)		
Maintenance and repairs	*	*	*
Amortization of tangible assets	\$ 26,062	\$ 23,749	\$ 29,810
Taxes, other than income taxes and payroll taxes	*	*	*
Royalties	*	*	*
Advertising costs	*	*	*

## Notes:

\* Amounts not shown are not in excess of 1% of total sales.

Page

- (3)(a) Restated Certificate of Incorporation and Amendments thereto filed as an Exhibit 3(a) to Form 10-K for year ended December 31, 1989 is incorporated by reference.
- (b) By-laws, as amended, filed as an Exhibit to Quarterly Report on Form 10-Q for period ended September 30, 1993 is incorporated by reference.
- (10) (a) 1984 Incentive Stock Option and Cash Performance Program filed as an Exhibit 10(a) to Annual Report on Form 10-K for year ended December 31, 1984 is incorporated by reference.  
  
(b) Employee Savings and Investment Plan filed as an Exhibit 4.1 to Form S-8 filed under Securities Act of 1933 (Reg. 2-91561) is incorporated by reference.
- (13) Dover's Annual Report to Stockholders for its fiscal year ended December 31, 1993.
- (21) Subsidiaries of Dover.
- (23) Independent Auditors' Consent. (See Independent Auditors' Report on Schedules and Consent)
- (24) Powers of Attorney

## TO OUR STOCKHOLDERS

THE HOPE WE EXPRESSED IN LAST YEAR'S ANNUAL REPORT REGARDING EARNINGS WAS FULFILLED IN 1993, AS EARNINGS PER SHARE SET A NEW RECORD OF \$2.77, AN INCREASE OF 24% OVER 1992. SALES ROSE 8%, FROM \$2.272 BILLION TO \$2.484 BILLION.

In last year's report, we noted that earnings were burdened with \$.09 per share of unusual costs. This year's results include an unusual gain of \$.07 per share, the net of a contract claim settlement of \$.12 per share and a cost of \$.05 per share to settle a lawsuit. Absent these unusual items in both years, Dover's earnings per share gain was only 16%. Either way, 1993 represented a strengthening of our earnings recovery from the 1991 recession.

In an especially successful year for our acquisition program, we were able to invest \$321 million on behalf of our stockholders in 13 separate transactions. The companies we purchased in 1993 had full calendar year sales of about \$393 million. Because of the timing of the transactions during the year, they added only \$155 million to Dover's reported 1993 sales. The new companies' impact on reported earnings was only \$.05 per share, as a result of heavy first-year write-offs of acquisition premiums and interest income foregone. However, they will make a strong contribution in 1994.

ACQUISITION ACCOUNTING  
IMPACT

In a company such as Dover, where acquisition activity has been an important element of growth, the accounting treatment of acquisitions can take on special significance. All of Dover's acquisitions in recent years have been recorded under purchase accounting rules. The premium we pay in excess of the acquired company's book value--typically substantial, because our strategy is to buy good companies, which, like Dover, are worth substantially more than book value--is written off over time as a charge against earnings.

These charges in 1993 reached \$.56 per share, up from \$.48 per share in 1992, and primarily appear in our financial statements as amortization of intangible assets. We have decided to begin identifying these charges to our stockholders because of their size, relative to total earnings, and because of differing points of view among investment professionals as to their relevance in valuing securities. Despite their non-cash nature,

## COMPARATIVE HIGHLIGHTS

	1993	1992	1991	Increase 1993 versus 1992
Net Sales	\$ 2,483,927,815	\$ 2,271,580,401	\$ 2,195,786,425	9%
Earnings before taxes	\$ 245,541,961	\$ 200,334,827	\$ 204,088,388	23%
Net earnings*	\$ 158,253,961	\$ 129,707,137	\$ 128,208,388	22%
Per Common share				
Net earnings*	\$ 2.77	\$ 2.24	\$ 2.15	24%
Dividends	\$ .90	\$ .86	\$ .82	5%
Book value	\$ 15.22	\$ 14.10	\$ 14.05	
Capital expenditures	\$ 47,531,523	\$ 42,440,948	\$ 46,617,590	
Acquisitions	\$ 321,002,139	\$ 111,243,000	\$ 13,192,000	
Purchase of treasury stock	\$ 1,242,634	\$ 84,269,062	\$ 39,283,444	
Cash flow**	\$ 235,222,895	\$ 207,163,829	\$ 213,574,688	
Return on average equity	18.9%	15.9%	15.9%	
Approximate number of stockholders	10,000	10,000	10,000	
Number of employees	20,445	18,827	18,898	

\* 1992 net earnings per common share include \$565,000 and 1 cent per share, respectively, applicable to the next cumulative effects of changes in accounting principles for the adoption of SFAS 109, "Accounting for Income Taxes" and SFAS 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions."

\*\* Represents net earnings plus depreciation and amortization.

[PHOTO -- SEE EDGAR APPENDIX]

Thomas L. Reece (left) became President and Chief Operating Officer of Dover in May, 1993. He has spent 28 years with Dover as President of three operating companies and as CEO of Dover Resources. Gary L. Roubos (right) remains Dover's Chairman and Chief Executive Officer. The picture in the background is of Thomas C. Sutton, Dover's previous Chairman. The charges are required by Generally Accepted Accounting Principles (GAAP) for United States companies.

Our 1993 acquisition program, the companies we acquired, and their financial impact on Dover, are discussed on Page 5. Acquisition activity continues to look promising, at least for the first part of 1994. In January, 1994, our Dover Resources subsidiary purchased Midland Manufacturing, the leading U.S. producer of valves for railroad tank cars and marine barges.

#### OTHER FINANCIAL EVENTS

In June, 1993, we made a tax-free distribution to shareholders of 100% of the the shares of DOVatron International, the former Dover Electronics. Dover stockholders received one DOVatron share for each 10 Dover shares. The spinoff was motivated by conflicts between the business operations of DOVatron and those of Universal Instruments, DEK and Soltec--all part of our Dover Technologies subsidiary.

DOVatron had performed well under our ownership and has continued to do so as an independent public company, with its share price reaching a high of about \$30 in 1993, in effect adding up to \$3 per share to the market value gain achieved by Dover stockholders during the year. Understandably, there has been a substantial rearrangement of shareholdings in DOVatron subsequent to the spinoff, as this company's business and investment profile are quite different from those of Dover Corporation. Accordingly, we do not intend to report further on DOVatron's progress.

#### FINANCIAL PICTURE STRONG

For the first time in a number of years, the climate in the acquisition marketplace allowed us to invest an amount greater than our internal cash flow. As a result, we suspended our stock repurchase program temporarily and used a portion of our excellent borrowing capacity to help fund our acquisition efforts. Dover ended the year with \$331 million of net debt (total debt less cash and securities). This represents approximately 30% of our total capital, which is a conservative level for a company like ours.

#### DOVER RESOURCES

Dover Resources became our largest independent subsidiary in 1993, from an earnings point of view, as its profits expanded 20% on an 8% increase in sales. These results reflect internal growth, as Dover Resources did not complete any acquisitions in 1993.

Growth was unevenly spread among Dover Resources' companies, as many of these busi-

nesses continued to face difficult markets during the year. Successful new products for the gasoline vapor recovery market helped Blackmer and OPW Fueling Components to achieve record earnings. Strong earnings increases at Norris, Norriseal and Alberta Oil Tool resulted primarily from a restructuring late in 1992, market share gains and expanded export activities.

Some other companies also achieved gains during the year, including De-Sta-Co, as a result of outstanding domestic performance in its clamp and valve products, and Petro Vend, which benefited from new products and a stronger gasoline retailing market. Several companies whose sales are dependent on the long lead-time capital expenditure programs of their customers had reduced earnings, notably Ronningen-Petter and Wittemann.

Most Dover Resources company presidents perceive a generally improving market outlook in 1994 and most expect to show a profit gain. This will be necessary if Dover Resources is to stay our largest earning subsidiary in 1994, as we expect there will be vigorous competition for that honor.

#### DOVER INDUSTRIES

Dover Industries achieved record sales, up 40%, as well as record profits, up 58% from a prior year that had been burdened with a \$9 million environmental charge. The acquisition of The Heil Co. and of B&S Services contributed substantially to the sales gain and modestly to the earnings gain. Heil, which is the nation's leading manufacturer of refuse trucks and trailerized tanks, became the largest company in Dover Industries and third largest in Dover Corporation, as its own operations advanced strongly in 1993. Heil had record sales exceeding \$200 million, and record earnings as well.

In addition, eight of Dover Industries' 10 other companies achieved earnings gains, with impressive improvements at Tipper Tie, Groen and Chief Automotive. In each of these three companies, the gains were primarily fueled by management actions involving cost reduction, capital investment and product line expansion, rather than by particularly vibrant market conditions. Profit increases, always welcome at Dover, are especially so when they reflect the skill, energy and initiative of our own people.

#### DOVER ELEVATOR

Dover Elevator International continued to grapple with extremely weak new-construction markets in North America, as its sales declined by 2% from prior year and profits slipped by 5%. This was a disappointment, as we had begun the year hoping that profits would continue the recovery trend that began in 1992. Service revenue did continue to grow, but at rates below historical norms because of highly competitive market conditions and the reduced volume of new elevators available for conversion to service contracts.

Most of this segment's profit decline came from Canada and, to a lesser extent, the United Kingdom and related to reduced volumes and profitability of new elevator work, along with the cost of downsizing these activities during the year.

In the U.S., profits improved modestly, as some companies, notably Miami Elevator and Dover Elevator Systems, achieved gains. The market for new elevator work remained depressed, as it has been since the real estate contraction began in early 1991. As a result, new elevator bookings have been flat across this three-year period.

We believe that within the markets we have traditionally served, our profit performance is considerably better than our competitors'. Cost and performance improvements are in progress to insure that this continues to be the case. However, we do not expect market conditions in North America and the U.K. to improve meaningfully for several years, and our elevator management is therefore focusing on new areas for potential profit growth. A key objective is to add profitable manufacturing volume to our U.S. and Canadian factories without exacerbating the already intense competition for new elevator work that exists in North America. Several new initiatives are discussed in the Elevator section of this report.

#### DOVER TECHNOLOGIES

Dover Technologies' income advanced 40%, despite the mid-year spinoff of DOVatron, which was this segment's second largest profit producer in 1992. All Dover Technologies companies showed improvement over the prior year, with particularly strong gains at DEK, Universal Instruments and Quadrant Technologies. At DEK, which specializes in printing equipment used in the assembly of surface mount printed circuit boards, a 40% gain in revenues and a substantially larger gain in profits were fueled by the continued success of its state-of-the-art Model 265 printer.

#### EARNINGS PER SHARE

1988	\$2.22
1989	2.28
1990	2.55
1991	2.15
1992	2.24
1993	2.77

#### PROFITABILITY MEASURES (%)

	After-Tax Operating Return on Investment (Definition in Note 15)	Return on Stockholders' Equity
	-----	-----
1988	31	21
1989	30	19
1990	31	20
1991	25	16

1992  
1993

27  
29

16  
19

Universal's gains primarily reflected strong bookings and shipments for thru-hole assembly machines, stemming from a cyclical recovery in this segment of the industry and increases in Universal's market share. Universal's GSM-1 surface mount machine for flexible assembly received a positive acceptance from the marketplace. Universal is now embarked on a program to increase GSM-1 production substantially and reduce production costs, in anticipation of significant new orders in 1994. Despite this product's current poor profitability, its technical success and business potential open up exciting possibilities for Universal in the large and rapidly growing surface mount assembly field.

Quadrant Technologies, K&L Microwave and Novacap all enjoyed solid profit improvement, with higher margins and considerable further progress in shifting the focus of their businesses from military to commercial applications. The growth in wireless and digital communications is creating new market possibilities for these companies.

It was an exciting year for Dover Technologies, whose financial results are now beginning to exhibit the potential which we believe is inherent in the technical skills, management capabilities and market potential of this segment of our business.

#### DOVER DIVERSIFIED

Profits at Dover Diversified advanced 5%, primarily because of the favorable settlement of a contract dispute involving Sargent Controls' work on the Seawolf submarine during 1990-93. The settlement added \$11 million to 1993 profits and will add \$5 million to revenues in 1994 and 1995 as this program is brought to completion. The settlement reflects customer delays in finalizing designs and shipment schedules, which seriously impacted Sargent Controls' production and cost structure.

Most of the companies in this segment faced difficult conditions in 1993. Tranter, A-C Compressor and Waukesha Bearings had profit declines. However, Pathway Bellows and Central Research Laboratories achieved record profits. Despite its profit decline, A-C Compressor was nonetheless a bright spot, generating record orders for its long lead-time centrifugal compressors, which should result in record profits in 1994.

Two important programs completed during 1993 have had the effect of significantly improving Dover Diversified's business outlook for the years ahead. Beginning in 1992, the defense and aerospace operations of Sargent Controls and Sargent Technologies were consolidated in new facilities in Tucson, Arizona. The resulting decrease in cost structure and a sharpened focus on highest value-added products will allow these companies to compete profitably in the depressed defense and aerospace market.

During the second half of 1993, Dover Diversified completed three acquisitions: Belvac, Phoenix Refrigeration, and Thermal Equipment Co. They will be quite important in 1994, and will help to shift the balance away from defense/aerospace activities, which will now account for only 15% of Dover Diversified's business.

#### ORGANIZATIONAL CHANGES

Thomas L. Reece was elected President and Chief Operating Officer of Dover Corporation in May, after serving for eight years as President of Dover Resources and for 20 years with Dover, including the presidency of three Dover operating companies. Rudolf J. Herrmann was promoted from President of Rotary Lift to follow Tom as CEO of Dover Resources, and Civacon President Tim Sandker succeeded Rudy at Rotary Lift. James Johnson was recruited as the new President of Civacon. Paul Steffen also joined the Dover organization as President of A-C Compressor, and Dave Davidson rejoined us as President of Sargent Technologies.

The planned retirement of Joe Gruber from Wittemann, which he built into a world leader during his 33 years with this company, resulted in the appointment of Bill Geiger as President. Michel Buchenau became Managing Director of De-Sta-Co GmbH following Wilfried Ponik's retirement after 30 years of service.

Cloyd Laporte, Jr. also retired after serving as Dover's legal counsel for 26 years. Robert G. Kubbach was elected Vice President, General Counsel and Secretary.

#### OUTLOOK

The recovery from the 1991 recession grew stronger in 1993 and should continue in 1994. With few exceptions, our company presidents indicated in our year-end planning discussions that they saw the potential for earnings gains in 1994. In addition, the companies acquired in 1993 will add more than 30 cents per share to Dover's earnings as a result of being under Dover's ownership for a full year, assuming they only match their 1993 operating profit performance. The growth these companies expect would increase this contribution.

We are confident that 1994 will see a new earnings record for Dover by a substantial margin, although the percentage gain probably will be less than the very strong 1993 result.

/s/ GARY L. ROUBOS

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 Gary L. Roubos  
 Chairman and  
 Chief Executive Officer

/s/ THOMAS L. REECE

-----  
 Thomas L. Reece  
 President and  
 Chief Operating Officer

## ACQUISITIONS

IN 1993, DOVER COMPLETED 13 ACQUISITIONS INVOLVING THE INVESTMENT OF APPROXIMATELY \$321 MILLION--A RECORD LEVEL OF ACTIVITY BY A WIDE MARGIN.

DOVER'S ACQUISITIONS FALL BROADLY INTO TWO CATEGORIES:

STAND ALONE ACQUISITIONS...OF COMPANIES THAT WILL MAINTAIN THEIR OWN UNIQUE IDENTITY AND METHOD OF OPERATION, STANDING ALONE WITHIN ONE OF DOVER'S FIVE INDEPENDENT SUBSIDIARIES; AND

ADD-ON ACQUISITIONS...OF BUSINESS OR PRODUCT LINES THAT WILL BE ADDITIVE TO THE ACTIVITIES OF AN EXISTING DOVER COMPANY, SOMETIMES BEING FULLY INTEGRATED INTO THE DOVER COMPANY.

STAND-ALONE ACQUISITIONS TYPICALLY REPRESENT THE LARGEST PORTION OF OUR INVESTMENT--ABOUT \$275 MILLION IN 1993--BUT "ADD-ONS" CAN REPRESENT ESPECIALLY REWARDING OPPORTUNITIES BECAUSE OF THE "2+2 MAKES MORE THAN 4" POTENTIAL INHERENT IN SUCH SITUATIONS.

WITH RESPECT TO STAND-ALONE ACQUISITIONS, DOVER SEEKS HIGH QUALITY COMPANIES THAT MATCH THE FOUR KEY CHARACTERISTICS OF DOVER'S EXISTING COMPANIES--INDUSTRIAL MANUFACTURER, NICHE MARKET LEADER, FINANCIALLY SUCCESSFUL, AND WELL MANAGED BY A TEAM THAT SHARES DOVER'S CUSTOMER-ORIENTED PHILOSOPHY AND THAT WANTS TO CONTINUE TO OPERATE THE BUSINESS POST-ACQUISITION. THESE FOUR CRITERIA ARE FAR MORE IMPORTANT IN OUR VIEW THAN THE PARTICULAR PRODUCTS INVOLVED.

BECAUSE DOVER VIEWS THE ACQUISITION PROCESS AS ONE OF INVESTING OUR STOCKHOLDERS' MONEY (ALBEIT BEFORE IT PASSES THROUGH ANOTHER LAYER OF TAXATION AS A DIVIDEND), PRICING IS AN IMPORTANT CONSIDERATION. EVEN SO, DOVER TYPICALLY PAYS A SUBSTANTIAL PREMIUM ABOVE BOOK VALUE. UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES FOR U.S. COMPANIES, THIS PREMIUM IS ASSIGNED TO ASSETS AND, OVER TIME, IS CHARGED AS EXPENSE IN CALCULATING DOVER'S EARNINGS.

IN 1993, WE CHARGED EARNINGS APPROXIMATELY \$.56 PER SHARE RELATING TO THESE PREMIUMS IN CALCULATING OUR EPS OF \$2.77. DURING 1994 THIS IS SCHEDULED TO DECLINE TO \$.48 PER SHARE FOR ALL ACQUISITIONS COMPLETED PRIOR TO JANUARY 1, 1994.

THE COMPANIES ACQUIRED IN 1993, AS A GROUP, HAD PRO FORMA CALENDAR YEAR 1993 SALES OF OVER \$393 MILLION WITH OPERATING INCOME OF ABOUT \$60 MILLION. DOVER'S LESS-THAN FULL YEAR OWNERSHIP, THE COST OF FINANCING, AND THE WRITE-OFF OF ACQUISITION PREMIUMS RESULTED IN A NET CONTRIBUTION TO DOVER'S EPS OF ONLY \$.05 IN 1993. ACHIEVEMENT BY THESE COMPANIES IN 1994 OF THEIR 1993 LEVEL OF OPERATING INCOME WOULD RESULT IN A FURTHER EPS CONTRIBUTION OF APPROXIMATELY \$.30 PER SHARE.

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STAND ALONE ACQUISITIONS

HEIL  
Leading U.S. manufacturer of refuse collection trucks and trailerized tanks.

BELVAC  
World's leading manufacturer of certain types of can-making machinery.

PHOENIX REFRIGERATION  
#2 U.S. factor in refrigeration equipment for supermarkets.

THERMAL EQUIPMENT  
Leading U.S. manufacturer of large autoclaves and participant in industrial cleaning equipment market.

B&S  
World's leading manufacturer of Brown & Sharpe screw machine parts.

-----  
ADD-ON ACQUISITIONS

DYNAPERT  
Thru-hole assembly equipment businesses acquired by Universal Instruments.

J&L TANK  
Additive to Heil's trailerized tank business.

LIFT SERVICE AND MONTAGE  
ATLANTA ELEVATOR/  
VIKING ELEVATOR  
Regional service companies additive to several DEI elevator businesses.

RICHLAND MANUFACTURING  
Metal fabricator additive to PathwayBellows.

EG&G FREQUENCY PRODUCTS  
Oscillator product line additive to Quadrant Technologies'  
Oscillatek business.

GLOBAL EQUIPMENT  
Manufacturer of compactors and balers additive to Marathon Equipment.

-----  
WE WELCOME THE EMPLOYEES OF THESE COMPANIES, PLEASED THAT THEIR LEADERS HAVE CHOSEN TO JOIN THE DOVER FAMILY AND CONFIDENT THAT THIS ASSOCIATION WILL PROVE REWARDING TO THEM AND TO DOVER'S STOCKHOLDERS.



## DOVER RESOURCES

DOVER RESOURCES ACHIEVED A 20% GROWTH IN EARNINGS IN 1993, AS BOTH PROFITS AND SALES ROSE TO RECORD LEVELS. LAST YEAR'S ANNUAL REPORT NOTED THAT TO EARN RECORD PROFITS IN 1993 WOULD REQUIRE THAT MOST THINGS GO RIGHT, WITH NO "SURPRISES." THE ONLY BIG SURPRISE WAS THE STRENGTH OF THE VACUUM-ASSISTED GASOLINE VAPOR RECOVERY MARKET AND THE TREMENDOUS SUCCESS OF OPW FUELING COMPONENTS AND BLACKMER PUMP IN PENETRATING THIS NEW MARKET SUCCESSFULLY. THIS PROVIDED THE LARGEST PORTION OF DOVER RESOURCES' PROFIT GAIN.

The second largest factor in the strong earnings rebound was an improvement in three companies that manufacture equipment for oilfield production. Alberta Oil Tool, Norris, and Norriseal all had significant

## OPERATING EARNINGS (MILLIONS)

1989	57
1990	66
1991	62
1992	59
1993	70

After-Tax Operating  
Return on Investment  
(Definition in Note 15)

	%
	-
1989	32
1990	34
1991	28
1992	26
1993	32

profit improvements driven by cost reductions, by restructuring and by export success, as the domestic market for their products showed only modest gains.

Dover Resources' other 10 companies were evenly divided between profit advances and declines, reflecting the crosscurrents of forces affecting the U.S. economy.

SUCCESS IN THE ASSISTED  
VAPOR RECOVERY MARKET

New products introduced by Blackmer Pump and OPW Fueling Components in 1992 and 1993 won market-leading positions during the year as gasoline retailers and dispenser manufacturers shifted their emphasis to assisted vapor recovery gasoline dispensing. This consumer-friendly technology has become the most popular choice where meeting federal clean air standards requires reducing the vapors emitted in auto refueling. Both Blackmer and OPW Fueling Components achieved record sales of their pump and nozzle products and set new earnings records. Strong vapor recovery sales at OPW also helped to pull other products through the distribution pipeline, leading to an overall 30% sales gain.

RESTRUCTURING A SUCCESS  
IN OILFIELD

The movement of Norris's butterfly valve product line to Houston-based Norriseal and the restructuring of Norris's involvement in the downhole pump market, described in last year's annual report, helped both of these companies achieve large earnings gains in 1993. Norris was also successful in improving its leading domestic market share of sucker rods. AOT's experience with cold-weather oil production conditions helped to improve its exports to Russia, resulting in a strong earnings gain at that company.

[PHOTO -- SEE EDGAR APPENDIX]

The market for oilfield production equipment remained very competitive in 1993, causing several sucker rod manufacturers to eliminate or reduce their factory operations. Although the recent drop in the price of oil represents a serious challenge to these three businesses in 1994, it could also have the positive effect of accelerating the withdrawal of excess capacity from the industry.

#### OTHER COMPANIES SHOW

##### GAINS

De-Sta-Co reversed a two-year decline with an earnings gain to near-record levels, reflecting the strength of its domestic clamp and compressor valve businesses. The company improved its position in the domestic clamp market, particularly for automotive power clamps, and benefited from an increase in demand for air conditioning compressors, of which its market-leading valves are a key component. These positive forces overcame the continued slowness of De-Sta-Co GmbH in Germany, amid the ongoing European recession.

Petro Vend enjoyed a substantial sales and profit recovery after a disappointing year in 1992. New keycard products and improved market demand fueled the gains.

Duncan Parking Systems improved its operating profits by maintaining its market-leading position in mechanical meters in North America and continuing its focus on cost reduction. Its re-introduced all-

- - - - -  
 Bob Connor (left), President of OPW Fueling Components, and Tom Spangrud (center), President of Blackmer, display new vapor assist nozzles and pumps as Rudy Herrmann, CEO of Dover Resources, looks on. Both companies secured leading market shares for these products.

electronic meter functioned well and is meeting with growing customer acceptance. This technology and other new, parking-related products developed by Duncan could propel the company to profit records in 1994 and 1995.

C. Lee Cook and Stark Manufacturing maintained their earnings levels on slight sales gains. Both companies improved cost structures, introduced new products and implemented successful marketing efforts that could lead to larger gains in 1994.

##### DECLINES AT FOUR COMPANIES

Four companies that had record or near-record earnings in 1992 fell short of those marks in 1993. At Wittemann, a sluggish market for its CO2 recovery systems and intense price competition from European companies reduced sales and profits compared to its record-setting prior year's results. Similarly, a softer-than-expected domestic market impacted both Civacon and OPW Engineered Systems, both of which had set earnings records in 1992.

At Ronningen-Petter, earnings remained weak by historical standards because of continuing excess capacity in the paper industry, which is a major market for the company's filtration equipment, and because of the absence of large orders for its refinery equipment, which had fueled its strong 1992 results.

##### ACQUISITION COMPLETED

Dover Resources did not complete an acquisition in 1993, but became the first of Dover's five independent subsidiaries to complete an acquisition in 1994. Midland Manufacturing, acquired January 3, 1994, is the leading U.S. manufacturer of valves used on railway tank cars and marine barges. It will continue to operate under the direction of its previous owner/managers, with Jerry Portis as President.

##### OUTLOOK

Most Dover Resources companies foresee profit gains in 1994. However, at Blackmer and OPW Fueling Components, increased competition and fewer new mandated vapor recovery programs are likely to forestall further earnings records. The oilfield equipment companies may also be impacted by the current low price of oil. The addition of Midland should increase Dover Resources' reported earnings, despite normal acquisition-related write-offs. A further gain in segment earnings seems achievable, although probably not of the magnitude achieved in 1993.

#### DOVER RESOURCES' COMPANIES

1 DE-STA-CO  
 William D. Rogerson, President  
 Products: Reed valves for compressors; Toggle clamps; Workholding devices  
 DE-STA-CO, GMBH (GERMANY)  
 Michel Buchenau, Managing Director  
 DE-STA-CO (ASIA)  
 Alan Drake, Managing Director

1 RONNINGEN-PETTER  
 Danny K. Kaiser, President  
 Products: Liquid filtration systems  
 R-P PRODUCTS  
 Barry Bowen, General Manager

1 STARK MANUFACTURING  
 Richard Dawson, President

Products: Specialized aluminum  
and copper tubing and  
manifold assemblies

- 1 DUNCAN PARKING SYSTEMS  
Richard Farrell, President  
Products: Parking meters
- 1 BLACKMER  
Thomas S. Spangrud, President  
Products: Rotary P.D. pumps  
for delivery of fuel oil, propane,  
and industrial products
- 1 C. LEE COOK  
David Jackson, President  
Products: Piston rings,  
packings and valves for natural  
gas compressors; Repair  
services  
COMPRESSOR COMPONENTS  
Wayne E. Elder,  
Vice President and  
General Manager  
Cook Manley  
Gerald W. Sanderlin,  
Vice President and  
General Manager
- 1 WITTEMANN  
William Geiger, President  
Products: CO2 recovery  
systems
- 1 ALBERTA OIL TOOL (CANADA)  
James R. Kosh, President  
Products: Sucker rods,  
fittings, valves, controls
- 1 NORRIS  
James L. Mitchell, President  
Products: Sucker rods,  
couplings, subsurface oil  
pumps; Valves and fittings
- 1 NORRISEAL CONTROLS  
Larry J. Renaud, President  
Products: Norriseal valves;  
Well controllers;  
Piston Lift Systems  
FERGUSON-BEAUREGARD/  
LOGIC CONTROLS  
Pat Quinn, President
- 1 OPW FUELING COMPONENTS  
Robert Conner, President  
Products: Gasoline nozzles,  
fittings and valves  
INDUSTRIAL DIVISION (CANADA)  
Robert W. Pearson, President
- 1 OPW ENGINEERED SYSTEMS  
Tom Niehaus, President  
Products: Loading arms,  
swivels, sight flow indicators
- 1 CIVACON  
James Johnson, President  
Products: Kam-Loks,  
Kamvaloks and transport tank  
monitoring and control  
systems
- 1 PETRO VEND  
Doug Stewart, President  
Products: Key/card control  
systems, tank monitors
- I.S.T. GMBH (GERMANY)  
Nico Visser,  
Managing Director  
Products: Pigging Systems

Numbers indicate market position

## DOVER INDUSTRIES

PROFITS AT DOVER INDUSTRIES ADVANCED 58% TO A RECORD LEVEL, HELPED BY CONTINUING STRONG INTERNAL GROWTH, BY THE ABSENCE OF AN ENVIRONMENTAL CHARGE THAT REDUCED 1992 PROFITS, AND BY THE ACQUISITION OF THE HEIL CO. AND B&S SERVICES.

Most of the 12 individual Dover Industries companies achieved earnings growth during the year, with Heil, Tipper Tie and Texas Hydraulics setting new records.

The 10 companies that have been part of the Dover Industries segment throughout the 1991-93 period enjoyed

OPERATING EARNINGS (MILLIONS)  
(Excluding 1992 Environmental Charge)

1989	48
1990	50
1991	38
1992	47
1993	60

After-Tax Operating  
Return on Investment  
(Excluding 1992 Environmental Charge)  
(Definition in Note 15)

	%
	-
1989	33
1990	34
1991	27
1992	34
1993	34

their second year of recovery from the 1991 recession, with earnings advancing 12% in 1992 and 14% in 1993. Six of these companies have now exceeded their pre-recession 1990 earnings levels.

FOOD EQUIPMENT COMPANIES  
GROW STRONGER

Groen, Tipper Tie and Randell, which serve the food service equipment and packaging markets, all performed well in 1993, with Groen and Tipper Tie achieving major earnings gains and Randell falling short of its outstanding year of 1992. Combined profits of the three companies advanced more than 25%. Their presidents, together with Dover Industries CEO Lew Burns, are pictured here with new products made by Groen at its expanded Jackson, Mississippi plant.

Randell and Groen both expanded manufacturing capacity, with Groen's new fabrication center, shown here, an especially innovative investment.

PROFIT GAINS AT OTHER  
COMPANIES

Chief Automotive substantially improved its earnings despite continuing weakness in the market for its top-of-the-line EZ Liner product. A new emphasis on measuring equipment, on international markets, and on other types of frame-straightening equipment --augmented by products acquired from Continental Manufacturing in 1992--were the key factors in Chief's success. A reorganization of Chief's marketing program has added to the company's channels of distribution and reduced its dependence on a rental/lease program.

Texas Hydraulics' focus on value-adding, specially engineered hydraulic cylinders and its continued reduction of non-value-added production costs resulted in record earnings on higher sales. At Rotary Lift, sales advanced modestly while profits were flat, as the company reduced manufacturing costs and maintained its market-leading position in the automotive service lift business. This market grew increasingly price-competitive during 1993, with new entrants and cheaper products gaining some market share. Rotary Lift plans to respond to these problems in 1994 with more value-added products, further cost reductions and a tougher competitive posture in the marketplace.

Marathon continued its profit recovery, as new products and stronger marketing efforts increased sales by more than 15%. Far and away the leading producer of rolloff-compactors, Marathon also increased its penetration of the vertical and horizontal baler markets. Capital spending in the solid waste industry has been sluggish for several years and Marathon's gains reflect its aggressive engineering and marketing programs.

Bernard's profits rebounded to near-record levels, aided by some improvement in industry-wide demand for welding products, and by the success of new additions to both the Weldcraft and Bernard product lines.

At Davenport, profit recovery continued as a result of the strengthening of the housing and automotive markets, where demand for new Davenport screw machines improved and increased machine usage led to increased orders for replacement parts. Davenport reorganized internally into separate new machine and replacement parts business units in order to sharpen the company's focus and reduce costs.

TWO COMPANIES DECLINE

After substantial profit increases in 1992, both Randell and Dieterich Standard fell back in 1993 to lower levels. Both businesses performed extremely well and continued their programs to reduce costs on existing products and to expand

their product and customer bases. Each company forecasts improved profits in 1994.

#### NEW ACQUISITIONS

#### PERFORM WELL

Heil, acquired in mid-1993, achieved important growth in sales and operating profits. Sales improved for solid waste disposal products and particularly for trailerized tanks. Strong market demand for petroleum and dry-bulk tankers, along with market share improvement, set the stage for two expansion moves subsequent to Dover's acquisition of the company--the purchase of J & L Tank in August, and the expansion of Heil's Athens, Tennessee facility, which began in November.

Lew Burns (left), CEO of Dover Industries with the Presidents of Dover Industries' three food-related companies--Louise O'Sullivan (Groen), Chuck Heard (Tipper Tie) and Lynn Bay (Randell). A new automated fabrication center, background, produces parts for Groen's HyPerSteam TM, a highly successful new product.

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Heil expects continuing growth in 1994. Its sales of more than \$200 million make it Dover Industries' largest company by a substantial margin.

Dover Industries' smallest company, newly acquired B&S, also had a successful first year in 1993. This company was created by the combination of the former Brown & Sharpe screw machine replacement parts business with PlymSlade Services, Ltd., whose management assumed overall direction of the enterprise. The company has established itself as the leading and most reliable supplier of replacement parts for the widely used Brown & Sharpe machines.

These companies added over \$100 million to Dover Industries' sales in 1993 and almost \$6 million to segment income after acquisition costs. Assuming identical operating performance in 1994, they will add a further \$100 million in sales and \$13 million in earnings to 1994 segment results.

#### OUTLOOK

The addition of Heil and B&S for a full year in 1994, and the internal growth expected at many Dover Industries companies, should combine for a substantial profit increase in 1994, possibly positioning Dover Industries as the largest profit producer among Dover's five market segments.

#### DOVER INDUSTRIES' COMPANIES

- 1 HEIL CO.  
Lawrence F. Gray, Sr.,  
President  
Products: Refuse collecting  
vehicles; trailerized tanks,  
dump bodies
- 1 MARATHON EQUIPMENT  
Grant Fenner, President  
Products: Solid waste  
compaction, transporting,  
and recycling equipment
- 1 TIPPER TIE  
Charles M. Heard, President  
Products: Clip closures,  
packaging systems and wire  
products
- 1 ROTARY LIFT  
Tim Sandker, President  
Products: Automotive lifts and  
alignment racks
- 1 GROEN  
Louise E. O'Sullivan, President  
Products: Commercial food  
service cooking equipment/  
industrial processing equipment  
AMERICAN METAL WARE  
Gerrid Reice, President  
Products: Coffee brewing  
equipment
- 1 CHIEF AUTOMOTIVE SYSTEMS  
James Aylward, President  
Products: Auto collision  
measuring and repair systems
- 2 RANDELL  
Lynn Bay, President  
Products: Commercial  
refrigeration; Food service  
preparation and holding  
equipment; Conveyorized  
pizza ovens
- 2 BERNARD/WELDCRAFT  
A. Patrick Cunningham,  
President  
Products: MIG and TIG  
welding torches, water  
circulators, and plasma  
cutting products
- 1 DIETERICH STANDARD  
Eugene M. Shanahan,  
President  
Products: Annubar(R) flow  
sensors
- 1 TEXAS HYDRAULICS  
Nick Petelski, President

Products: Specialty hydraulic cylinders

1 DAVENPORT  
Charles F. Reed, President  
Products: Multi-spindle screw machines and attachments

1 B&S LTD (U.K.)  
Jonathan D. Catterall,  
President  
Products: Screw machine repair parts

Numbers indicate market position

DOVER ELEVATOR  
INTERNATIONAL, INC.

CONTRARY TO THE EXPECTATION EXPRESSED IN LAST YEAR'S ANNUAL REPORT, PROFITS AT DOVER ELEVATOR INTERNATIONAL FELL MODESTLY, RATHER THAN INCREASING. PROFITS DID RISE IN THE U.S., AS HIGHER SERVICE REVENUES AND COST REDUCTIONS MORE THAN OFFSET THE EFFECTS OF CONTINUED WEAKNESS IN THE NEW ELEVATOR MARKET AND SOME CONSTRUCTION OVERRUNS.

However, we misjudged the extent of the new elevator downturn in international markets--especially in Canada, where Dover has historically been the market leader in new construction. Profits in the U.K. and Canada declined by more than \$4 million.

OPERATING EARNINGS

	(Millions)
	-----
1989	89
1990	96
1991	58
1992	59
1993	56

After-Tax Operating  
Return on Investment  
(Definition in Note 15)

	%
	-
1989	43
1990	43
1991	26
1992	26
1993	25

DOMESTIC COMPANIES

SHOW GAINS

Domestic profits improved as our two largest companies, Dover Elevator (U.S.) and Miami Elevator, achieved profit gains for the second year in a row. Lagerquist also showed a gain, with Sound Elevator, General Elevator and Security Elevator coming close to their prior-year performances. New elevator volume declined for all domestic companies and profits were negatively impacted by cost overruns on several projects, notably in Los Angeles and New York. Management and/or program changes in these cities should lead to better results in 1994, although the potential for job cost overruns remains high as a result of tight, competitive pricing.

Service revenues and profits continued to advance but at a slower rate than anticipated. Price competition for renewal business intensified and an increasing number of customers elected not to sign service contracts, or to do so for only a portion of their equipment, as real estate operators continued to be strapped for cash. Cost reduction and efficiency improvement were therefore particularly important in 1993 to enable DEI to maintain profit margins.

PROFITS DECLINE FURTHER IN  
CANADA AND THE U.K.

At Hammond & Champness, Ltd., profits again declined, as a result of costs incurred to downsize further its new elevator activities, and because of price pressure on modernization/major repair activities, as new construction-oriented competitors increased their activities in this segment of the market. H & C continued to be the U.K.'s most successful national service company. Increasing volume in this area, continued expansion of its German operations and the reduction of new elevator activities are expected to reverse H & C's profit decline in 1994.

In Canada, the weakness in the new elevator market and higher-than-anticipated costs impacted profits severely. We believe that the new elevator side of the business in this market has now bottomed, which should allow the continued service growth we expect in 1994 to create a modest profit recovery. Dover Canada achieved record profits during the building boom of 1988-90 as a result of strong participation in the high rise office market, but profits now have retreated by more than two-thirds.

Factory and field construction capabilities in Canada currently are substantially under-utilized. This is a problem inherent in cyclical markets and Dover Canada is working hard to reduce costs while improving volume, including exports and two new joint ventures described below.

NEW INITIATIVES

Traditionally, Dover Elevator International has primarily based its business on the new elevator markets in Canada and the U.S., and the service markets in those two countries and in the U.K. The poor outlook for new elevator construction in all three of these countries has led to an acceleration of the development of initiatives to expand DEI's strategic horizons. These include:

\* EXPORTS FROM NORTH AMERICAN FACTORIES.

Increased emphasis on international sales has improved export bookings by more than 20% in each of the last three years. The small geared traction machine



pictured here, a broadened distributor organization, and increased marketing support should continue this growth.

\* JOINT VENTURES.

Dover Canada has negotiated joint venture agreements with a Prague-based service company and with an Asian company for distribution in China. Dover Elevator (U.S.) is working to develop a joint venture production agreement within China.

\* ACQUISITIONS.

Purchase of regional service companies continued with the acquisition of Lift Service und Montage in Germany, and Viking Elevator and Atlanta Elevator in the U.S.

\* NEW PRODUCTS.

In addition to developing products for export markets, Dover Elevator (U.S.) plans to launch new elevator products in 1994 for home and accessibility applications. These initiatives are designed to improve manufacturing vol-

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John Apple (left), CEO of Dover Elevator International, with the three company Presidents most involved in DEI's international expansion--Hap Hamilton (Dover Elevator Systems), Nigel Davis (Hammond & Champness) and Bill Wilkinson (Dover Elevator, Canada). The pictured SG elevator with VVVF drive system was developed for applications in Europe, Latin America, the Middle East and Asia.

ume without putting further pressure on construction prices in Dover's traditional markets. In addition, factory cost reduction, operating expense control and field efficiency improvement continue to be emphasized within Dover's traditional businesses.

#### OUTLOOK

There are few signs of renewed elevator growth in the construction markets of North America and the U.K. However, these markets do appear to have bottomed, and we believe our exposure to cost overruns has been reduced through efforts in 1993 to curtail overly aggressive pricing. Service revenues should increase further in 1994, despite the competitive market conditions. At least some of the new initiatives will also begin to add to revenue and profit growth in 1994. The most likely outlook is for a modest improvement in profits next year, with a rather low probability of a major swing in either direction.

#### DOVER ELEVATOR INTERNATIONAL, INC. COMPANIES

##### 1 DOVER ELEVATOR SYSTEMS

L.E. Hamilton, President

Products: Design and manufacture of hydraulic and traction elevators

DOVER ELEVATOR SERVICE OF PUERTO RICO INC.

Carlos R. Arias, Managing Director

Products: Elevator service, repair and modernization

DOVER ELEVATOR COMPANY

L.E. Hamilton, President

Products: Elevator sales, installation, service, repair and modernization

GENERAL ELEVATOR COMPANY

Michael T. McInnis, President

Products: Elevator sales, installation, service, repair and modernization

MIAMI ELEVATOR COMPANIES

Gary S. Bailey;

Stephen M. Bailey, Presidents

Products: Elevator sales, installation, service, repair and modernization

LAGERQUIST CORPORATION

ARIZONA ELEVATOR

SOUND ELEVATOR COMPANY

Donald C. Dana, President

Products: Elevator sales, installation, service, repair and modernization

SECURITY ELEVATOR COMPANY

Paul T. Beisser, Jr., President

Products: Elevator sales, installation, service, repair and modernization

##### 1 DOVER ELEVATOR DIVISION

(CANADA)

William N. Wilkinson, President

Products: Design and manufacture of elevators; Sales, installation, service, repair and modernization

##### 3 HAMMOND & CHAMPNESS,

LTD (U.K.)

Nigel P. Davis,

Managing Director

Products: Design and manufacture of elevators; Sales, installation, service, repair and modernization

AAW GMBH (GERMANY)

J. Arndt, I. Preuss,

Geschäftsführers

Products: Elevator service, repair and modernization

CHRISTIAN HEIN, GMBH

(GERMANY)

Christian Hein,

Geschäftsführer

Products: Design and manufacture of elevators; Sales, installation, service, repair and modernization

LIFTSERVICE UND MONTAGE

GMBH (GERMANY)

Manfred Bredel, Armin

Bournon, Waldemar

Philipp, Geschäftsführers  
Products: Design and  
manufacture of elevators;  
Sales, installation, service,  
repair and modernization

Numbers indicate market position

[PHOTO -- SEE EDGAR APPENDIX]

## DOVER TECHNOLOGIES

DOVER TECHNOLOGIES ACHIEVED A 40% GROWTH IN PROFITS IN 1993, AS ALL OF ITS COMPANIES SHOWED IMPROVEMENTS IN OPERATING INCOME. VECTRON, ACQUIRED IN MID-1992, CONTRIBUTED TO EARNINGS FOR A FULL YEAR, WITH SMALLER WRITE-OFFS OF ACQUISITION PREMIUMS, DRAMATICALLY IMPROVING THE PROFIT CONTRIBUTION FROM QUADRANT TECHNOLOGIES. THIS HELPED TO OFFSET THE LOSS OF INCOME RESULTING FROM THE SPINOFF OF DOVATRON, FORMERLY DOVER ELECTRONICS, AND A \$4.5 MILLION COST TO SETTLE A LAWSUIT.

Operating income at ongoing Dover Technologies companies improved by more than 60%, with the largest dollar gains achieved at Universal Instruments and DEK. Both of those companies benefited from increased capital spending for

## OPERATING EARNINGS (MILLIONS)

1989	30
1990	28
1991	27
1992	30
1993	42

After-Tax Operating  
Return on Investment  
(Definition in Note 15)

	%
	-
1989	14
1990	15
1991	15
1992	16
1993	18

electronic production equipment, and from the introduction of important new products for the assembly of surface mount technology circuit boards.

Dover Technologies' 1993 sales advanced only 6% compared with 1992, but excluding DOVatron revenues for both years, the increase would have been 29%. On a similar basis, bookings showed a 32% increase.

PROGRESS IN COMMUNICATIONS  
AND COMPONENT COMPANIES

Quadrant Technologies, K&L Microwave and Novacap each showed solid income improvement on a sales gain of 40% to a total over \$100 million. Approximately two-thirds of this sales gain resulted from the inclusion of Vectron in Quadrant Technologies for a full year. Higher volumes, effective cost control and introduction of new products led to improved margins at each of the companies. Both K&L Microwave and Quadrant Technologies continued to increase their penetration of commercial markets and to reduce the importance of defense programs.

Novacap had its best profit performance in five years, as a result of the strong market for ceramic capacitors, the company's focus on difficult-to-make, high-value products, and initial sales from newly developed tape technology.

## UNIVERSAL SHOWS STRENGTH

Universal's sales grew over 20%, fueling a 50% rise in operating income. Bookings showed even greater progress, growing more than 30%. The increase reflected Universal's best year since 1988 for orders for thru-hole technology equipment, along with sharply improved performance in the newer surface mount technology area.

The strong thru-hole performance derived from three factors: a more vigorous market, gains in market share generated by Universal's development of enhanced capabilities for this mature product line,

[PHOTO -- SEE EDGAR APPENDIX]

and the acquisition late in the year of Dynapert.

Universal's 1993 thru-hole business proved to be significantly stronger than had been expected at the start of the year. After a third quarter dip, fourth quarter orders for these products rebounded, which is encouraging. While the Dynapert acquisition will be helpful in 1994, this market has been extremely difficult to predict and the prospects for an equally rewarding 1994 are uncertain.

In the surface mount area, Universal's new GSM-1 machine for fine-pitch placement and flexible assembly achieved significant market success. Repeat orders from major customers and strong-than-anticipated indications of 1994 interest are putting pressure on Universal to accelerate production schedules.

From a performance and customer value perspective, the GSM-1 machine is Universal's first internally developed major success in the surface mount market. Together with high speed machines produced by an OEM partner and DEK's screen printing machine, Dover Technologies can now offer a formidable combination of equipment for surface mount production lines--a field still dominated by Japanese producers. As is frequently the case with new machines, margins on the GSM-1 are low

-----  
 John Pomery (center), CEO of Dover Technologies, with John Knowles (left), President of DEK, and Gerhard Meese (right), President of Universal Instruments, stand proudly before two world-class surface mount assembly products--DEK's Model 265 Screen Printer and Universal's GSM-1 assembly machine.

and Universal faces an important challenge in 1994 to reduce costs and make this product a commercial, as well as a marketing and engineering, success. The increase in production volumes should be helpful in this regard.

#### DEK MAKES IMPRESSIVE GAINS

After suffering a loss in 1991 as a result of declining sales in a recessionary environment, coupled with the high cost of developing a major new product, DEK rebounded to profitability in 1992 and more than doubled its profits in 1993, as sales advanced to twice their level of only two years ago.

DEK's gamble in the new product arena has resulted in screen printing machines whose high accuracy, reliability and through-put have made DEK's machines world leaders. Substantial reorganization of internal operations, with a focus on just-in-time and cellular production methods, has also improved DEK's costs and reduced its customer lead time, with both of these factors contributing to improved margins. DEK expects to launch further enhancements of its product line during 1994.

Soltec has thus far had less dramatic success in its soldering machine specialty, but cost rationalizations have allowed the company to remain profitable, even as it has invested heavily in new technology. The company's new line of reflow soldering machines should result in increased business in 1994, adding to its market-leading position in wave soldering.

#### OUTLOOK

Dover Technologies is confident of a further gain in profits in 1994, based upon the expectation that capital spending within the electronic industry will remain strong. A critical factor in the size of the profit improvement will be Universal's ability to increase production of its GSM-1 machines while simultaneously improving margins. The difficulty of accurately projecting the size of the thru-hole equipment market adds an element of uncertainty to what is, on balance, a very promising outlook.

#### DOVER TECHNOLOGIES' COMPANIES

- 1 UNIVERSAL INSTRUMENTS  
CORPORATION  
Gerhard Meese, President  
Products: Automated assembly  
equipment for printed circuit  
boards
- 3 SOLTEC, B.V. (NETHERLANDS)  
Michiel van Schaik,  
Managing Director  
Products: Automated soldering  
and board handling equipment
- 1 DEK PRINTING MACHINES LTD  
(U.K.)  
John B. Knowles,  
Managing Director  
Products: Screen printers for  
hybrid and printed circuits
- 1 K&L MICROWAVE  
Charles Schaub, President  
Products: Microwave/  
R.F. filters
- 1 QUADRANT TECHNOLOGIES  
Terence W. Ede, President  
COMMUNICATION TECHNIQUES  
Ian Crossley,  
General Manager  
Products: Microwave  
frequency sources  
OSCILLATEK  
Ronald Stephens, President  
Products: Crystal oscillators

MEASUREMENT SYSTEMS

Sal Lucci, General Manager

Products: Manual tracking

positioning controls

DIELECTRIC LABORATORIES

Bruce Semans,

General Manager

Products: High frequency

capacitors; Substrates

VECTRON

Terence W. Ede, President

Products: Crystal oscillators

3 NOVACAP

Dr. Andre P. Galliath,

President

Products: Multi-layer ceramic

capacitors

Numbers indicate market position

## DOVER DIVERSIFIED

DOVER DIVERSIFIED MANAGED TO ACHIEVE RECORD REPORTED EARNINGS DESPITE OPERATING PROFIT DECLINES AT SEVERAL MAJOR BUSINESSES. ACQUISITIONS AND IMPROVED BOOKINGS FOR LONG LEAD-TIME EQUIPMENT CREATED THE OPPORTUNITY FOR A SIGNIFICANT FURTHER INCREASE IN REPORTED EARNINGS FOR 1994.

SARGENT CONTROLS RESOLVES  
CONTRACT DISPUTE

The key factor in this year's profit increase was Sargent Controls' successful settlement of a contract claim involving delays in its work for the SSN21/22 Seawolf submarines. Design and procure-

## OPERATING EARNINGS (MILLIONS)

1989	31
1990	36
1991	36
1992	37
1993	39

After-Tax Operating  
Return on Investment  
(Definition in Note 15)

	%
	-
1989	34
1990	34
1991	32
1992	45
1993	47

ment timing changes imposed by the customer led to substantial extra costs at Sargent Controls during the 1991-93 period. The matter was resolved in late 1993 with a \$16.2 million settlement, of which \$11.4 million was reflected in 1993 income. The \$4.8 million balance will be included in 1994 and 1995 income as valve shipments for the two submarines are completed.

Sargent Controls has contributed significantly to the U.S. Navy's submarine program over the years with its specially designed and highly reliable silent valves, which are incorporated in most nuclear submarine hydraulic systems. While the settlement only partially redressed the historical cost situation, it should lead to profitable operation in 1994 and 1995. Sargent Controls is continuing to seek alternative products because of the longer-term uncertainties about the Navy's submarine building program.

The consolidation of Sargent Aerospace and Precision Kinetics/Kahr Bearing into new facilities in Tucson was completed successfully, and the newly created company--Sargent Technologies--became profitable during the second half of the year. The establishment of lower cost manufacturing will make Sargent Technologies and Sargent Controls more competitive in the defense/aerospace market, which is especially important, since this area is expected to remain depressed for at least the next several years.

PROFITS LOWER AT SEVERAL  
KEY COMPANIES

Profits declined at Tranter, A-C Compressor and Waukesha Bearings, which had been Dover Diversified's three largest profit producers in 1992. The drop at Waukesha and Tranter reflected sales declines in weaker markets. A-C Compressor had less after-market business than expected, and lower shipments of its long lead new compressors because of reduced 1992 bookings. However, A-C Compressor's improved international sales effort and better penetration of the gas processing market led to a significant increase in new bookings during the year. This could lead to record sales and earnings in 1994.

Waukesha also anticipates improvement in 1994, while Tranter, whose 1993 profit decline interrupted nine consecutive years of earnings gains, will focus on costs, market share and international opportunities, as it expects the domestic market for its heat transfer equipment to remain soft.

PATHWAY BELLOWS AND CRL  
SET RECORDS

Pathway Bellows and Central Research Laboratories achieved solid earnings gains in 1993, with both companies setting profit records. Pathway maintained its leadership position in the metal bellows market and continued to compete successfully for international projects and for on-site service work. A new product, developed quickly to respond to a customer problem, led to more than \$4 million in sales in 1993 and earned Pathway's management group the photo opportunity on the next page.

At CRL, strong shipments of remote manipulators for nuclear applications, new products for the leather tanning industry and reduced costs were the keys to success. While Pathway expects further profit gains in 1994, CRL anticipates a temporary dip in nuclear manipulator project opportunities, which will probably reduce profits next year.

## THREE MAJOR ACQUISITIONS

Dover Diversified's acquisition of Belvac Machinery, Phoenix Refrigeration and Thermal Equipment Company added significantly to the size of Dover Diversified and to its future earnings potential. As a result of acquisition completion dates late in the year and the write-off of acquisition-related costs,

businesses acquired in 1993, including Pathway's add-on acquisition of Richland, added only \$36 million to segment sales and \$3.8 million to segment earn-

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Jerry Yochum (right), CEO of Dover Diversified, and Keith Cole (center), President of Pathway Bellows, with Bob Town, Business Unit Manager for Pathway's fabric expansion joint products. Bob's group developed the pictured gas turbine exhaust system for the GE Frame 7-F Turbine, leading to \$4 million of new business for Pathway in 1993.



ings. Assuming these companies operate in 1994 at the same levels as in 1993, they will contribute about \$100 million more to sales and \$20 million more to segment earnings. Belvac, Thermal Equipment and Phoenix Refrigeration are leaders in their product markets, and will continue with the same management teams that have already made them successful.

#### OUTLOOK

Dover Diversified is targeting a substantial increase in segment profits in 1994, primarily because of its acquisitions. Management expects internal growth to offset most of the absence in 1994 of the contract settlement gains that helped 1993. In sales terms, Dover Diversified will remain the smallest of Dover segments, but its high operating profit margins could make it Dover's third largest profit producer.

#### DOVER DIVERSIFIED COMPANIES

- 1 BELVAC  
Geoffrey R. Bowlin, President  
Products: Can necking and  
trimming equipment
- 1 TRANTER  
Kenneth L. Kaltz, President  
Products: Plate/frame heat  
exchangers; Transformer  
radiators
- 2 PHOENIX  
Grant M. Brown, President  
Products: Commercial  
refrigeration systems;  
Electrical distribution systems
- 2 A-C COMPRESSOR  
Paul W. Steffen, President  
Products: Centrifugal, oil-  
free-screw, and rotary  
compressors
- 1 THERMAL EQUIPMENT  
Todd L. Taricco, President  
Products: Autoclaves;  
Industrial cleaning equipment
- 1 PATHWAY BELLOWS  
J. Keith Cole, President  
Products: Metal and fabric  
expansion joints
- 3 WAUKESHA BEARINGS  
Donald A. Fancher, President  
Products: Fluid film bearings;  
Sweeney torquing tools
- 1 CENTRAL RESEARCH LABS  
Rudolph O. Marohl, President  
Products: Master-slave remote  
manipulators; Glove boxes;  
Hide slickers
- 1 SARGENT CONTROLS  
Donald C. Tarquin, President  
Products: Submarine fluid  
controls; aircraft hydraulic  
controls
- 3 SARGENT TECHNOLOGIES  
George H. Davidson,  
President  
Products: Spherical, self-  
lubricating bearings; Ballscrew  
actuation systems

Numbers indicate market position

[PHOTO -- SEE EDGAR APPENDIX]

Dover Corporation and Subsidiaries  
MARKET SEGMENT INFORMATION  
(in thousands)

For the Years Ended December 31,	1993	1992	1991	1990	1989	1988
<b>Sales to unaffiliated customers:</b>						
Dover Elevator International	\$ 777,720	\$ 791,099	\$ 791,400	\$ 830,589	\$ 765,698	\$ 713,739
Dover Resources	472,643	439,389	447,079	420,163	375,421	328,730
Dover Diversified	244,597	225,771	196,464	209,961	206,997	193,298
Dover Industries	501,364	357,054	339,255	324,967	325,678	291,546
Dover Technologies	488,248	458,603	421,943	424,704	448,668	428,350
Intramarket sales	(644)	(336)	(355)	(39)	(2,028)	(1,909)
Consolidated total	\$ 2,483,928	\$ 2,271,580	\$ 2,195,786	\$ 2,210,345	\$ 2,120,434	\$ 1,953,754
<b>Operating profit:</b>						
Dover Elevator International	\$ 56,404	\$ 59,198	\$ 57,947	\$ 95,936	\$ 88,772	\$ 79,733
Dover Resources	70,290	58,594	62,323	66,268	57,144	50,043
Dover Diversified	39,360	37,373	35,955	36,142	31,369	23,677
Dover Industries	59,942	37,837	37,812	49,637	48,591	40,331
Dover Technologies	41,797	29,793	27,439	27,737	29,684	46,424
Interest income, interest expense and general corporate expenses, net	(22,251)	(22,460)	(17,388)	(31,602)	(28,581)	(15,448)
Consolidated income before income taxes	\$ 245,542	\$ 200,335	\$ 204,088	\$ 244,118	\$ 226,979	\$ 224,760
<b>Profit margin (pretax):</b>						
Dover Elevator International	7.3%	7.5%	7.3%	11.6%	11.6%	11.2%
Dover Resources	14.9	13.3	13.9	15.8	15.2	15.2
Dover Diversified	16.1	16.6	18.3	17.2	15.2	12.2
Dover Industries	12.0	10.6	11.1	15.3	14.9	13.8
Dover Technologies	8.6	6.5	6.5	6.5	6.6	10.8
Consolidated profit margin	9.9%	8.8%	9.3%	11.0%	10.7%	11.5%
<b>Identifiable assets at December 31:</b>						
Dover Elevator International	\$ 381,587	\$ 376,508	\$ 378,385	\$ 377,059	\$ 331,101	\$ 313,028
Dover Resources	218,473	219,216	228,152	221,900	196,824	195,552
Dover Diversified	340,072	183,262	116,432	148,108	158,923	157,089
Dover Industries	485,419	302,821	314,037	257,645	270,896	328,031
Dover Technologies	278,871	285,749	247,562	271,959	302,450	323,172
Corporate (principally cash and equivalents)	69,267	58,568	72,052	191,695	146,182	48,758
Consolidated total	\$ 1,773,689	\$ 1,426,124	\$ 1,356,620	\$ 1,468,366	\$ 1,406,376	\$ 1,365,630
<b>Depreciation and amortization:</b>						
Dover Elevator International	\$ 13,319	\$ 13,683	\$ 14,366	\$ 12,692	\$ 13,860	\$ 14,007
Dover Resources	13,300	13,602	14,689	13,930	12,516	10,639
Dover Diversified	14,837	10,756	9,623	10,008	11,153	10,057
Dover Industries	20,520	17,840	26,112	17,050	18,356	16,125
Dover Technologies	13,401	19,755	20,144	23,628	22,781	22,647
Corporate	1,592	1,821	432	222	148	322
Consolidated total	\$ 76,969	\$ 77,457	\$ 85,366	\$ 77,530	\$ 78,814	\$ 73,797
<b>Capital expenditures:</b>						
Dover Elevator International	\$ 8,112	\$ 5,137	\$ 9,947	\$ 12,049	\$ 25,668	\$ 12,744
Dover Resources	11,515	11,560	12,307	11,859	10,928	8,794
Dover Diversified	4,802	5,767	6,243	5,943	5,148	7,383
Dover Industries	11,146	8,225	5,675	5,584	7,884	11,202
Dover Technologies	11,769	11,665	12,373	9,380	12,172	16,506
Corporate	188	87	73	165	703	150
Consolidated total	\$ 47,532	\$ 42,441	\$ 46,618	\$ 44,980	\$ 62,503	\$ 56,779

Dover Corporation and Subsidiaries  
CONSOLIDATED STATEMENTS OF EARNINGS

Years ended December 31,	1993	1992	1991
Net sales	\$ 2,483,927,815	\$ 2,271,580,401	\$ 2,195,786,425
Cost of sales	1,733,256,246	1,601,595,511	1,580,050,574
Gross profit	750,671,569	669,984,890	615,735,851
Selling and administrative expenses	496,798,177	466,776,948	452,393,713
Operating profit	253,873,392	203,207,942	163,342,138
Other deductions (income):			
Interest expense	22,338,587	20,059,296	23,161,547
Interest income	(19,601,515)	(19,376,040)	(16,230,454)
Loss on sale of property, plant and equipment, net	2,435,076	1,366,200	680,679
Foreign exchange loss (gain)	883,242	130,565	(644,957)
All other, net	2,276,041	693,094	(47,713,065)
Total	8,331,431	2,873,115	(40,746,250)
Earnings before taxes on income and cumulative effects of changes in accounting principles	245,541,961	200,334,827	204,088,388
Federal and other taxes on income	87,288,000	71,192,000	75,880,000
Earnings before cumulative effects of changes in accounting principles (per common share 1993 \$2.77; 1992 \$2.23; 1991 \$2.15)	\$ 158,253,961	\$ 129,142,827	\$ 128,208,388
Cumulative effects at January 1, 1992, of changes in accounting for:			
Income Taxes	-	12,951,259	-
Postretirement benefits other than pension (net of income tax benefits, \$7,159,000)	-	(12,386,949)	-
Net earnings (per common share 1993 \$2.77; 1992 \$2.24; 1991 \$2.15)	\$ 158,253,961	\$ 129,707,137	\$ 128,208,388

Earnings per share computed on the basis of the weighted average number of common shares outstanding during the year (57,110,131 in 1993, 57,988,259 in 1992 and 59,749,889 in 1991).

Dover Corporation and Subsidiaries  
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

Years ended December 31,	1993	1992	1991
Balance at beginning of year	\$ 1,051,949,367	\$ 972,032,983	\$ 892,788,560
Net earnings	158,253,961	129,707,137	128,208,388
	1,210,203,328	1,101,740,120	1,020,996,948
Distribution of contract electronics manufacturing business	36,982,528	-	-
Common stock cash dividends of \$.90 per share (\$ .86 in 1992; \$.82 in 1991)	51,403,783	49,790,753	48,963,965
Balance at end of year	\$ 1,121,817,017	\$ 1,051,949,367	\$ 972,032,983

See Notes to Consolidated Financial Statements.

Dover Corporation and Subsidiaries  
CONSOLIDATED BALANCE SHEETS

December 31,	1993	1992	1991
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 63,684,816	\$ 71,632,294	\$ 81,772,713
Marketable securities (at cost, which approximates market)	32,592,481	29,580,397	45,590,131
Receivables (less allowance for doubtful accounts of \$10,198,581 in 1993, \$9,753,173 in 1992 and \$9,746,200 in 1991)	475,155,105	389,273,145	367,956,222
Inventories	294,318,876	250,155,921	227,326,567
Prepaid expenses	37,888,841	33,349,109	33,721,966
Total current assets	903,640,119	773,990,866	756,367,599
Property, plant and equipment, at cost:			
Land	24,134,150	20,222,087	19,912,048
Buildings	160,293,914	142,021,248	137,155,412
Machinery and equipment	530,209,359	515,904,401	491,989,772
	714,637,423	678,147,736	649,057,232
Less accumulated depreciation	(431,274,502)	(426,877,590)	(397,912,559)
Net property, plant and equipment	283,362,921	251,270,146	251,144,673
Intangible assets, net of amortization	535,136,361	348,680,078	289,794,480
Other intangible assets	10,258,375	10,258,375	10,258,375
Other assets and deferred charges	41,291,610	41,924,677	49,055,328
	\$ 1,773,689,386	\$ 1,426,124,142	\$ 1,356,620,455
<b>Liabilities</b>			
Current liabilities:			
Notes payable	\$ 174,980,223	\$ 220,780,421	\$ 125,989,374
Current maturities of long-term debt	311,664	3,945,948	8,762,156
Accounts payable	117,206,514	97,533,480	93,003,891
Accrued compensation and employee benefits	71,083,633	54,621,143	60,089,675
Accrued insurance expense	74,500,740	65,511,669	63,595,644
Other accrued expenses	116,915,606	82,484,983	78,753,016
Federal and other taxes on income	40,795,652	47,472,120	45,271,375
Total current liabilities	595,794,032	572,349,764	475,465,131
Long-term debt	252,064,951	1,230,315	6,316,715
Deferred income taxes	20,408,919	21,499,977	35,513,062
Deferred compensation	35,419,471	26,106,931	10,951,952
<b>Stockholders' Equity</b>			
Capital Stock:			
Preferred, \$100 par value per share.			
Authorized 100,000 shares; issued none	-	-	-
Common, \$1 par value per share.			
Authorized 200,000,000 shares; issued 66,298,575 shares (66,176,106 shares in 1992 and 65,997,786 in 1991)	66,298,575	66,176,106	65,997,786
Additional paid-in capital	12,530,873	9,508,138	6,034,347
Cumulative translation adjustments	(12,760,958)	(7,142,315)	14,405,275
Retained earnings	1,121,817,017	1,051,949,367	972,032,983
	1,187,885,507	1,120,491,296	1,058,470,391
Less common stock in treasury, at cost, 9,135,689 shares (9,090,889 shares in 1992 and 7,020,122 shares in 1991)	317,883,494	315,554,141	230,096,796
Total stockholders' equity	870,002,013	804,937,155	828,373,595
	\$ 1,773,689,386	\$ 1,426,124,142	\$ 1,356,620,455

See Notes to Consolidated Financial Statements.

Dover Corporation and Subsidiaries  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31,	1993	1992	1991
<hr/>			
Cash flows from operating activities:			
Net earnings	\$ 158,253,961	\$ 129,707,137	\$ 128,208,388
Cumulative effect of accounting changes	-	(564,310)	-
Net earnings before changes	158,253,961	129,142,827	128,208,388
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	76,968,934	77,456,692	85,366,300
Asset disposition reserves	-	-	15,178,000
Provision for losses on accounts receivable	5,546,120	5,315,936	7,214,077
Net increase (decrease) in LIFO reserve	(7,713,591)	(2,931,485)	1,573,622
Deferred income taxes	504,696	(3,540,148)	(1,805,000)
Loss on sale of property and equipment	2,435,076	1,366,200	680,679
Gain on sale of Dover Japan and related businesses	-	-	(53,537,478)
Decrease in deferred compensation	(426,305)	(4,401,313)	(3,271,170)
Translation adjustments	(5,086,714)	(19,977,304)	(868,241)
Other, net	(3,221,951)	(1,732,527)	(3,060,964)
Changes in assets and liabilities (excluding effects of acquisitions and dispositions):			
Decrease (increase) in accounts receivable	(45,621,111)	(13,145,103)	28,631,908
Decrease (increase) in inventories excluding LIFO reserve	16,907,358	5,311,056	20,643,910
Decrease (increase) in prepaid expenses	(2,727,961)	884,950	(7,043,555)
Decrease (increase) in other assets	6,069,241	10,799,223	1,003,541
Increase (decrease) in accounts payable	2,652,307	626,790	(1,122,094)
Increase (decrease) in accrued expenses	34,495,049	(12,465,259)	37,373,834
Increase (decrease) in federal and other taxes on income (cash payments: \$101,574,000 in 1993, \$65,402,000 in 1992 and \$106,384,000 in 1991)	(14,009,282)	(802,181)	(29,262,064)
Total adjustments	66,771,866	42,765,527	97,695,305
Net cash provided by operating activities	225,025,827	171,908,354	225,903,693
Cash flows from (used in) investing activities:			
Net sale (purchase) of marketable securities	(3,012,084)	16,009,734	(2,079,840)
Proceeds from sale of property and equipment	4,736,417	10,477,373	2,137,550
Additions to property, plant and equipment (includes rental equipment: \$1,217,000 in 1993, \$5,384,000 in 1992 and \$3,798,000 in 1991)	(48,748,643)	(47,824,957)	(50,415,564)
Acquisitions (net of cash and cash equivalents: \$2,034,000 in 1993, \$2,370,000 in 1992 and \$89,000 in 1991)	(318,968,113)	(108,873,375)	(13,103,163)
Proceeds from sale of businesses	1,557,375	500,000	85,859,134
Purchase of treasury stock (24,697 shares in 1993, 2,375,368 shares in 1992 and 1,055,100 shares in 1991)	(1,242,634)	(84,269,062)	(39,283,444)
Net cash from (used in) investing activities	(365,677,682)	(213,980,287)	(16,885,327)
Cash flows from (used in) financing activities:			
Increase (decrease) in notes payable (total interest cash payments: \$17,057,000 in 1993, \$14,964,000 in 1992 and \$18,413,000 in 1991)	(45,800,198)	94,711,047	(155,439,682)
Reduction of long-term debt	(15,700,127)	(9,902,608)	(11,207,108)
Proceeds from long-term debt	250,000,000	-	-
Proceeds from exercise of stock options	2,058,485	2,463,828	1,516,391
Proceeds from sale (repurchases) of lease receivables	(6,450,000)	(5,550,000)	(10,000,000)
Cash dividends to stockholders	(51,403,783)	(49,790,753)	(60,997,670)
Net cash from (used in) financing activities	132,704,377	31,931,514	(236,128,069)
Net increase (decrease) in cash and cash equivalents	(7,947,478)	(10,140,419)	(27,109,703)
Cash and cash equivalents at beginning of year	71,632,294	81,772,713	108,882,416
Cash and cash equivalents at end of year	\$ 63,684,816	\$ 71,632,294	\$ 81,772,713

See Notes to Consolidated Financial Statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1993, 1992 and 1991

## NOTE 1. ACCOUNTING POLICIES:

The accounting policies that affect the more significant elements of the Company's financial statements are described briefly below:

A. CONSOLIDATION: The consolidated financial statements include the accounts of the Company and of its domestic and foreign subsidiaries after elimination of all significant intercompany accounts and transactions, and include the results of operations of purchased businesses from the dates of acquisition.

In conformity with F.A.S.B. Statement No. 52, the accounts of foreign subsidiaries have been translated into U.S. dollars as follows: assets and liabilities have been translated at year end rates, profit and loss accounts have been translated at average rates for the year, and the difference has been reflected in the equity section of the balance sheet as cumulative translation adjustments. An analysis of the changes during 1993, 1992 and 1991 in the cumulative translation adjustments shown on the balance sheets follows:

	1993	1992	1991
Balance at beginning of year	\$ (7,142,315)	\$ 14,405,275	\$15,168,731
Aggregate adjustment for year	(5,618,643)	(21,547,590)	(763,456)
Balance at end of year	\$ (12,760,958)	\$ (7,142,315)	\$14,405,275

B. INVENTORIES: The major portion of inventory is stated at cost, determined on the last-in, first out (LIFO) basis, which is less than market value.

Inventory of foreign subsidiaries and inventory of some recently acquired domestic companies is stated at the lower of cost, first-in, first-out (FIFO) or market.

The remaining inventory principally represents the sum of actual production and erection costs incurred to date on uncompleted elevator installation contracts plus a percentage of estimated profit (where applicable) reduced by progress billings. The net amounts so reflected in the balance sheets are not considered material.

C. PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION: Property, plant and equipment includes the cost of land, buildings, equipment and significant improvements of existing plant and equipment. Expenditures for maintenance, repairs and minor renewals are expensed as incurred.

When property or equipment is sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and gain or loss realized on disposition is reflected in earnings.

Plant and equipment acquired through December 31, 1980, is generally depreciated based upon accelerated methods, utilizing estimated useful property lives, for both accounting and tax purposes.

Plant and equipment acquired after December 31, 1980, is depreciated for accounting purposes in the manner described above. However, for U.S. income tax purposes the cost of these assets is deducted in accordance with certain provisions of the Accelerated Cost Recovery System and the Modified Accelerated Cost Recovery System under the Internal Revenue Code.

Depreciation expense in 1993 was \$50,907,000 compared with \$53,708,000 in 1992 and \$55,556,000 in 1991.

D. INTANGIBLE ASSETS: Intangible assets subject to amortization include goodwill purchased after 1970, and the cost of certain patents, drawings, trademarks, work force, customer lists, service contracts and covenants not to compete. Goodwill is being amortized on a straight-line basis over a period not in excess of 40 years; the remaining amortization is based on estimated useful lives which range from 6 to 17 years. The company evaluates its amortization policies regularly to determine whether later events and circumstances warrant revised estimates of useful lives.

Other intangible assets represent principally goodwill attributable to businesses purchased prior to 1970. These intangibles are also regularly evaluated and in the opinion of management have not diminished in value, and accordingly have not been amortized.

Goodwill, net of amortization, aggregated \$446,961,000 at December 31, 1993, \$278,218,000 at December 31, 1992, and \$217,260,000 at December 31, 1991.

## E. RECOGNITION OF INCOME AND EXPENSE ON ELEVATOR INSTALLATION CONTRACTS:

Substantially all of the Company's income from elevator installation contracts is recorded on the percentage-of-completion method. Under the percentage-of-completion method, contract revenue is recognized as costs are incurred using estimated gross profit percentages.

F. INCOME TAXES: The provision for income taxes includes Federal, state, local and foreign taxes.

Tax credits, primarily for research and development are recognized as a reduction of the provision for income taxes in the year in which they are available for tax purposes, and aggregated \$1,514,000 in 1993, \$1,625,000 in 1992, and \$1,630,000 in 1991. Research and development expenditures charged to earnings amounted to \$60,430,000 in 1993, \$67,822,000 in 1992 and \$62,458,000 in 1991.

Generally, no provision is made for U.S. income taxes on unremitted earnings

of foreign subsidiaries since any U.S. taxes payable would be offset by foreign tax credits.

6. CASH FLOWS: For purposes of the statement of cash flows, the Company considers all highly liquid investments, including highly liquid debt instruments purchased with an original maturity of three months or less, to be cash equivalents.

H. CHANGES IN ACCOUNTING PRINCIPLES--1992: In February 1992, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes. Statement 109 requires a change from the deferred method of accounting for income taxes of APB Opinion 11 to the asset and liability method of accounting for income taxes. Under the asset and liability method of Statement 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Effective January 1, 1992, the Company adopted Statement 109 and it has reported the cumulative effect of that change in the method of accounting for income taxes in the 1992 consolidated statement of income.

Pursuant to the deferred method under APB Opinion 11, which was applied in 1991 and prior years, deferred income taxes are recognized for income and expense items that are reported in different years for financial reporting purposes and income tax purposes using the tax rate applicable in the year of the calculation. Under the deferred method, deferred taxes are not adjusted for subsequent changes in tax rates.

Postretirement Plans--Certain of the Company's subsidiaries sponsor defined benefit health care and life insurance plans for retirees. Effective January 1, 1992, the Company adopted Statement of Financial Accounting Standards No. 106 "Employers' Accounting for Postretirement Benefits Other than Pensions," which establishes new accounting standards for the costs of retiree health care and other postretirement benefits (also see note 10). Prior to 1992, the Company recognized these benefits on the pay-as-you-go method (i.e., cash basis). The cumulative after tax effect of the change in accounting for postretirement benefits other than pensions is reported in the 1992 consolidated statement of income.

#### NOTE 2. ACQUISITIONS AND DISPOSITIONS:

During 1991 the Company sold its world marine seal business. This business consisted of Dover's 50.1% interest in Dover Japan, a publicly traded Japanese manufacturer, Dover's 50% interest in Waukesha Lips, a European distributor and service company and certain product lines of Dover's Waukesha Bearings Corporation. The Company also sold four other businesses as well as the Stillman real estate. As a result of these divestitures, the Company received approximately \$85,859,000 in cash and recorded a pretax gain of \$53,537,000 (\$34,200,00 after tax). Offsetting this gain were asset disposition reserves of \$15.2 million. The net pretax gain has been included in other income. Also during 1991 the Company acquired certain assets of five small elevator service companies in the United States, the stock of a small West Berlin elevator company, certain assets of an Irish corporation for the Technologies Segment and a product line acquisition for its Dover Diversified Segment. The aggregate cost of these 1991 acquisitions was approximately \$13,192,000 of which \$2,672,000 represents goodwill, including going concern value, and is being amortized over a forty year period.

On March 27, 1992, the Company acquired all of the capital stock of A-C Compressor Corporation. A-C Compressor, located in Elm Grove and Appleton, Wisconsin, manufactures and sells single-stage centrifugal oil-free screw and rotary vane compressors as well as multi-stage centrifugal compressors. On July 30, 1992, the Company acquired the operating assets of Vectron Laboratories, Inc. Vectron, located in Norwalk, Connecticut, manufactures and sells precision crystal oscillators (frequency sources, or clocks) used in computers, instrumentation, telecommunication systems, radio communications and space applications. On August 31, 1992, the Company acquired all of the capital stock of Christian Hein GmbH, a regional elevator company located in Hanover, Germany. On September 1, 1992, the Company acquired certain assets of Continental Manufacturing, Inc., for the Company's subsidiary, Chief Automotive Systems. On October 1, 1992, the Company acquired the elevator service business of Deya Elevator Service, Inc., located in San Juan, Puerto Rico. The aggregate cost of these 1992 acquisitions, including all direct costs was approximately \$111,243,000 cash, of which \$68,115,000 represents goodwill, including going concern value, and is being amortized over a forty-year period.

On May 21, 1993, the Company spun-off its contract electronics manufacturing business to its stockholders in a tax free distribution of stock of DOVatron International, Inc., formerly Dover Electronics Manufacturing. The Company's stockholders received one share of DOVatron for every ten shares of Company stock owned on the record date, also May 21, 1993. No gain or loss was recognized from the distribution and the book value of DOVatron, plus capitalized costs, were eliminated from the Company's retained earnings.

Effective January 1, 1993, the Company acquired all of the capital stock of Lift Service and Montage, GmbH, a regional elevator company headquartered in Saarbrücken, Germany. On April 1, 1993, the Company acquired certain assets of Atlanta Elevator Company, a regional elevator service and repair company. On April 14, 1993 the Company acquired from Brown & Sharpe Manufacturing Company (U.S.) and Brown & Sharpe Ltd. (U.K.), all assets relating to their screw machine repair business. Also on April 14, 1993, the Company acquired the assets of Plyslade Screw Machine Services, Ltd., a U.K. manufacturer and distributor of Brown & Sharpe repair parts. On July 1, 1993, the Company acquired all of the capital stock of The Heil Co., the United State's largest manufacturer of refuse trucks, trailerized tanks and construction dump bodies. On August 23, 1993, the Company acquired 100% of the capital stock of BTD Holdings, Inc. (Belvac). Belvac is a leading manufacturer of quality machinery used in the production of two piece beverage cans, principally can trimming and necking machines. On August 31, 1993, the Company acquired the assets of Richland, Inc., a regional steel supplier as well as a provider of custom steel fabrication and plant maintenance service. Effective September 1, 1993, the Company acquired the assets of Viking Elevator Company, Inc., of Los Angeles County, a regional elevator service and repair company. On September 1, 1993, the Company acquired the assets of J&L Tank, Inc., a tank trailer manufacturer. On October 12, 1993, the Company acquired certain assets of Dynapert (a



subsidiary of Emhart Industries, Inc.) and its subsidiaries; these assets were

purchased for the Company's Universal Instruments subsidiary and relate to through-hole mounting for use in assembling electronic circuit boards. As of October 22, 1993, the Company acquired the stock of Thermal Equipment Corporation, and related corporations. Thermal is the leading designer and producer of autoclaves used in curing composite and bonded materials in high stress, demanding applications. On November 3, 1993, the Company acquired the stock of Phoenix Refrigeration Systems, Inc., a producer of commercial refrigeration systems for retail grocery stores and food markets, and its affiliate, Electrical Distribution Systems, Inc., a designer and manufacturer of commercial electrical distribution systems. On November 16, 1993, the Company acquired the oscillator product line of the E G & G Frequency Products Division for the Company's Oscillatek Division. On December 3, 1993, the Company acquired certain assets of Global Equipment Co. for the Company's subsidiary, Marathon Equipment Company.

The aggregate cost of these 1993 acquisitions, including all direct costs was approximately \$321,002,000 cash, of which \$171,047,000 represents goodwill, including going concern value, and is being amortized over a forty-year period. All of the above acquisitions have been accounted for by the purchase method of accounting. Accordingly, the accounts of the acquired companies, after adjustment to reflect fair market values assigned to assets and liabilities have been included in the consolidated financial statements from their respective dates of acquisition.

The following table summarizes, on a pro-forma (unaudited) basis, the estimated results of operations as if the 1993 acquisitions had taken place at the beginning of 1992, with appropriate adjustment for interest, depreciation, inventory charges, amortization and income taxes (in thousands except for per share figures).

	1993	1992
Net sales	\$2,721,806	\$2,608,375
Net earnings	173,114	135,878
Net earnings per common share	3.03	2.38

#### NOTE 3. FOREIGN OPERATIONS:

The consolidated financial statements include the following assets, liabilities, net sales and net earnings of foreign subsidiaries, all of which are wholly owned:

December 31, (in thousands)	1993	1992	1991
Assets	\$265,260	\$256,539	\$267,565
Liabilities	77,708	66,388	82,412
Net assets	\$187,552	\$190,151	\$185,153
Net sales	\$390,574	\$387,529	\$390,653
Net earnings	\$ 28,244	\$ 17,778	\$ 23,147

#### NOTE 4. ACCOUNTS RECEIVABLE:

Accounts receivable include retainage which has been billed, but which is not due pursuant to retainage provisions in elevator construction contracts until completion of performance and acceptance by the customer. This retainage aggregated \$41,969,000 at December 31, 1993, \$33,837,000 at December 31, 1992, and \$26,120,000 at December 31, 1991. Substantially all retained balances are collectible within one year.

#### NOTE 5. INVENTORIES:

The major portion of inventories is stated at cost determined on the LIFO basis. Inventories, by components, are summarized as follows:

December 31, (in thousands)	1993	1992	1991
Raw materials	\$ 92,341	\$ 89,776	\$ 82,455
Work in process	136,031	108,190	97,056
Finished goods	109,329	101,152	99,710
Total	337,701	299,118	279,221
Less LIFO reserve	43,382	48,962	51,894
	\$294,319	\$250,156	\$227,327

During each of the years in the three year period ended December 31, 1993, some inventory quantities were reduced. This reduction resulted in a liquidation of certain LIFO inventory quantities carried at lower costs prevailing in prior years as compared with costs at December 31 of each year. The effect of these liquidations increased net earnings by 3 cents per share in 1993, by 4 cents per share in 1992, and by 1 cent per share in 1991.

#### NOTE 6. BANK LINES OF CREDIT:

The Company has open bank lines of credit and other bank credit agreements totaling \$419,100,000 which support its commercial paper. These lines are in amounts requested by the Company and not the maximum that could be obtained.

Under the borrowing arrangements, the Company has generally agreed to either maintain average collected bank compensating balances or pay fees, the total of

which is not material.

NOTE 7. LONG TERM DEBT:

A summary of long-term debt follows:

(in thousands)	1993	1992	1991
Debt liquidated prior to December 31, 1992	-	-	\$ 7,588
Commercial paper	\$250,000	-	-
Canadian mortgage note bearing interest at 11.25%, matured in 1993.	672	\$ 3,686	4,111
Other	1,705	1,490	3,380
Total long-term debt	252,377	5,176	15,079
Less current installments	312	3,946	8,762
Long-term debt excluding current installments	\$252,065	\$ 1,230	\$ 6,317

On December 10, 1993, the Company signed a three year \$250 million credit agreement with a group of 19 banks; this facility remains unused. The Company has the intent to maintain, on a long-term basis, \$250 million principal amount of its commercial paper borrowings. Given this ability and intent, \$250 million of the Company's outstanding commercial paper has been classified as long-term debt in the consolidated financial statements.

Annual repayments of long-term debt in the four years following 1994 (excluding the \$250 million credit agreement mentioned above, which matures in 1996) are scheduled as follows: 1995-\$220,000, 1996-\$155,000, 1997-\$165,000, 1998-\$178,000.

## NOTE 8. CAPITAL STOCK, ADDITIONAL PAID-IN CAPITAL AND TREASURY STOCK:

The Board of Directors has been authorized to issue preferred stock, in one or more series up to 100,000 shares, with such designations, preferences and relative rights and limitations as may be stated in the resolution relating to each issue. Changes in common stock, additional paid-in capital and treasury stock are summarized below:

	Common Stock \$1 Par Value	Additional Paid-in Capital	Shares	Treasury Stock Amount
Balance at January 1, 1991	\$65,932,302	\$ 4,412,990	5,960,928	\$190,642,902
Stock options exercised	65,484	1,621,357	4,094*	170,450
Treasury stock purchased	-	-	1,055,100	39,283,444
Balance at December 31, 1991	\$65,997,786	\$ 6,034,347	7,020,122	\$230,096,796
Stock options exercised	178,320	3,473,791	27,311*	1,188,283
Treasury stock purchased	-	-	2,043,456	84,269,062
Balance at December 31, 1992	\$66,176,106	\$ 9,508,138	9,090,889	\$315,554,141
Stock options exercised	122,469	3,022,735	20,103*	1,086,719
Treasury stock purchased	-	-	24,697	1,242,634
Balance at December 31, 1993	\$66,298,575	\$12,530,873	9,135,689	\$317,883,494

\* Shares given as consideration for exercise price.

During 1987 the Board of Directors adopted a Stockholders' Rights Plan that is designed to protect stockholders from attempts to acquire control of the Company at an inadequate price. In accordance with the Board's resolution, a dividend distribution of one Preferred Stock Purchase Right for each outstanding share of common stock was paid on November 23, 1987.

Under certain circumstances, including the acquisition of 20 percent of the Company's stock, all rights holders except the acquiror may purchase the Company's common stock at a 50 percent discount. If the Company is acquired in a merger after the acquisition of 20 percent of the Company's common stock, rights holders may purchase the acquiror's shares at a similar discount.

## NOTE 9. STOCK OPTION AND PERFORMANCE INCENTIVE PROGRAM:

On April 30, 1974, the stockholders approved a non-qualified stock option plan and performance incentive program, pursuant to which a maximum aggregate of 4,800,000 shares had been reserved for grant to key personnel. On January 24, 1982, the plan was amended so as to become an incentive stock option plan as well as a performance incentive program. This plan expired by its terms on February 15, 1984, but certain previous grants remain outstanding at December 31, 1993.

On April 24, 1984, the stockholders approved an incentive stock option plan and cash performance program under which a maximum aggregate of 4,800,000 shares has been reserved for grant to key personnel until January 30, 1994. At December 31, 1993, there were 3,063,898 shares available for future grant under this stock option program.

Under both plans the option price may not be less than the fair market value of the stock at the time the options are granted. The period during which these options are exercisable is fixed by the Company's Compensation Committee at the time of grant but is not to exceed ten years plus one month with respect to nonqualified options under the 1984 plan.

On April 28, 1987, the stockholders approved an amendment to permit the grant or exercise of nonqualified stock options under each of these plans. The stockholders also approved a cash bonus covering a portion of the option holder's income tax liability to compensate any optionee who amends his option changing its exercise from qualified to nonqualified. A nonqualified exercise reduces the Company's after-tax cost of the program. During 1993, cash bonuses in connection with nonqualified exercises aggregated \$1,562,000 (\$2,064,000 in 1992 and \$647,000 in 1991).

Transactions in stock options under these plans are summarized as follows:

	Shares Under Option	Price Range
Outstanding at Jan. 1, 1991	1,051,734	\$14.00-\$35.63
Granted	211,080	\$39.50
Exercised	(65,484)	\$14.00-\$31.25
Cancelled	(51,810)	\$14.00-\$39.50
Outstanding at Dec. 31, 1991	1,145,520	\$14.00-\$39.50
Exercisable at Dec. 31, 1991 through March 3, 1998	547,240	\$14.00-\$31.25
Outstanding at Jan. 1, 1992	1,145,520	\$14.00-\$39.50
Granted	221,460	\$39.75
Exercised	(178,320)	\$14.00-\$30.50
Cancelled	(2,350)	\$19.63-\$39.75
Outstanding at Dec. 31, 1992	1,186,310	\$15.00-\$39.75
Exercisable at Dec. 31, 1992 through March 28, 1999	557,850	\$15.00-\$31.25
Outstanding at Jan. 1, 1993	1,186,310	\$15.00-\$38.72
Granted	246,970	\$45.65
Exercised	(122,469)	\$15.00-\$34.71
Spin off adjustment	33,598	-
Cancelled	(70,720)	\$15.00-\$45.65
Outstanding at Dec. 31, 1993	1,273,689	

Exercisable at Dec. 31, 1993 through:

January 30, 1994	3,448 shares @ \$16.57
January 20, 1995	19,990 shares @ \$18.27 & 4,833 shares @ \$45.65
January 30, 1996	30,910 shares @ \$19.13 & 4,833 shares @ \$45.65
February 28, 1997	111,729 shares @ \$26.38 & 4,351 shares @ \$45.65
March 3, 1998	132,951 shares @ \$30.46 & 4,638 shares @ \$45.65
March 28, 1999	162,967 shares @ \$29.73 & 5,193 shares @ \$45.65
February 28, 2000	181,981 shares @ \$34.72 & 4,834 shares @ \$45.65

## NOTE 10. PENSION PLANS:

The Company has many non-contributory defined benefit and defined contribution pension plans covering substantially all employees of the company and its domestic and foreign subsidiaries. Plan benefits are generally based on years of service and employee compensation. The Company's funding policy is consistent with the funding requirements of ERISA and applicable foreign law.

The financial statements and related disclosures reflect Statement of Financial Accounting Standard No. 87 "Employers' Accounting for Pensions", for U.S. defined benefit pension plans; foreign defined benefit pension plans are not considered material. Pension cost and related disclosures for U.S. funded defined benefit plans for 1993, 1992 and 1991 include the following components:

(in thousands)	1993	1992	1991
Actual return on plan assets	\$26,898	\$14,108	\$27,255
Add deferred loss (gain)	(7,914)	561	(13,389)
Net return	18,984	14,669	13,866
Net amortization	1,387	1,741	1,468
Deduct:			
Benefits earned during year	(6,251)	(5,560)	(5,060)
Interest accrued on projected benefit obligation	(11,978)	(8,832)	(8,689)
Net pension credit	\$ 2,142	\$ 2,018	\$ 1,585

The funded status and resulting prepaid pension cost of U.S. defined benefit plans for the three years ended December 31, 1993, were as follows:

(in thousands)	1993	Funded Plans 1992	1991
Plan assets at fair value	\$214,542	\$164,394	\$157,470
Actuarial present value of benefit obligation:			
Vested	137,643	87,278	73,545
Nonvested	15,791	12,089	9,114
Accumulated benefit obligation	153,434	99,367	82,659
Effect of projected future salary increases	28,239	20,278	23,072
Projected benefit obligation	181,673	119,645	105,731
Plan assets in excess of projected benefit obligation	32,869	44,749	51,739
Unrecognized net (gain) loss	4,199	(6,141)	(14,550)
Unrecognized FAS 87 transition gain	(21,345)	(25,066)	(26,923)
Unrecognized prior service cost	5,298	5,092	5,555
Prepaid pension cost at December 31	\$ 21,021	\$ 18,634	\$ 15,821

The assumptions used in determining the above were as follows: a weighted average discount rate of 7.1% (8% for 1992 and 9% for 1991), an average wage increase of 5% (5% for 1992 and 6% for 1991) and an expected long-term rate of return on plan assets of 10%.

Approximately 72% (71% in 1992 and 68% in 1991) of defined benefit plan assets were invested in equity securities with the remainder in fixed income and short term investments.

The Company also provides, through nonqualified plans, supplemental pension payments in excess of qualified plan limits imposed by federal tax law. These plans cover officers and certain key employees and serve to restore the combined pension amount to original benefit levels. The plans are unfunded apart from the general assets of the company. The pension benefit obligation and pension expense under these plans follow:

(in thousands)	1993	1992	1991
Pension Benefit Obligation	\$11,986	\$7,927	\$4,074
Pension expense	1,679	1,086	634

For measurement purposes a discount rate of 7% was used for the vast majority of the plan liability, 8% for the balance, and an average wage increase of 5%.

Pension cost for all plans was \$25,546,000 for 1993, \$26,350,000 for 1992 and \$26,066,000 for 1991.

In addition to the pension plans described above, certain of the Company's subsidiaries sponsor twelve separate defined benefit health care plans for retirees which provide medical coverage and/or life insurance. None of these plans are funded.

The Company adopted Statement of Financial Accounting Standards No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions," as of January 1, 1992. The cumulative effect of such adoption at January 1, 1992 was a charge of \$19,546,000 before taxes (\$12,387,000 after taxes). The net periodic postretirement benefit cost before taxes for 1992 was increased \$1,069,000. Prior year costs were recorded on a cash basis.

The following table details the amounts recognized in the Company's Consolidated Balance Sheet at December 31, 1993 and 1992:

(in thousands)	1993	1992
-----		
Accumulated postretirement benefit obligation:		
Retirees	\$17,942	\$ 9,895
Fully eligible active plans participants	10,822	10,720
Unamortized loss	(1,513)	-
Accrued postretirement benefit cost included in accrued liabilities	\$27,251	\$20,615

Net period postretirement benefit cost for 1993 and 1992 included the following components:

(in thousands)	1993	1992
-----		
Service cost	\$ 426	\$ 475
Interest cost	1,545	1,521
Gain on settlement	(285)	-
Amortization gain	(35)	-
Net periodic postretirement benefit costs	\$1,651	\$1,996

For measurement purposes a discount rate of 7% was used for the vast majority of the plan liability (8% for the balance) and rates of from 3% to 17% annual rate of increase in the per capita cost covered benefit (i.e., health care cost trend rates) was assumed for 1994; the rates were assumed to decrease gradually to 5% by the year 2012 and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amount reported. For example, increasing the assumed health care cost trend rates by one percent point in each year would increase the accumulated postretirement benefit obligation as of December 31, 1993 by \$2,237,000 and the aggregate of the service and interest cost components of net periodic postretirement benefit cost for 1993 by approximately \$225,000.

NOTE 11. TAXES ON INCOME:

As discussed in note 1H, the Company adopted Statement 109 as of January 1, 1992. The cumulative effect of this change of accounting has been reported separately in the consolidated statement of earnings for the year ended December 31, 1992; prior years' financial statements have not been restated. The cumulative effect of this accounting change was \$12,951,000 as of January 1, 1992, and pretax income for the year ended December 31, 1992, was decreased \$3,297,000 due to effects of adjustments for prior purchase business combinations.

Total income taxes for the years ended December 31, 1993 and 1992 were allocated as follows:

(in thousands)	1993	1992
Income from continuing operations	\$87,288	\$71,192
Change in accounting principles	-	(7,159)
Stockholders' equity, for compensation expense for tax purposes in excess of amounts recognized for financial reporting purposes	(1,849)	(1,431)
	\$85,439	\$62,602

Income taxes have been based on the following components of earnings before taxes on income.

(in thousands)	1993	1992	1991
Domestic	\$220,968	\$167,911	\$157,869
Foreign	24,574	32,424	46,219
	\$245,542	\$200,335	\$204,088

Income tax expense is made up of the following components:

	1993	1992	1991
Current:			
U.S. Federal	\$74,651	\$55,989	\$52,277
State and local	4,400	6,115	5,039
Foreign	7,732	12,628	20,369
Total current	86,783	74,732	77,685
Deferred:			
U.S. Federal	(1,643)	(3,810)	(1,625)
State and local	1,700	(94)	(236)
Foreign	448	364	56
Total deferred	505	(3,540)	(1,805)
Total expense	87,288	\$71,192	\$75,880
Effective rate	35.5%	35.5%	37.2%

Deferred income tax expense for 1991 arises as a result of timing differences principally due to deferred compensation and accelerated cost recovery systems.

The reasons for the difference between the effective rate and the U.S.

Federal income statutory rate of 35% (34% for 1992 & 1991) follow:

	1993	1992	1991
U.S. Federal income tax rate	35.0%	34.0%	34.0%
State and local taxes, net of Federal income tax benefit	1.6	2.0	1.6
Foreign tax differential	-	1.0	2.3
R & D tax credits	(.6)	(.8)	(.8)
FSC benefit	(1.9)	(2.4)	(2.3)
Non tax deductible items	2.5	2.2	1.6
Miscellaneous items	(1.1)	(.5)	.8
	35.5%	35.5%	37.2%



The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 1993 and 1992 are presented below:

(in thousands)	1993	1992
-----		
Deferred tax assets:		
Accrued insurance principally due to accrual for financial reporting purposes	\$ 17,994	\$ 20,556
Accrued compensation principally due to accrual of post retirement benefits, compensated absences	17,768	14,576
Accrued expenses principally due to accrual for disposition of business, interest and warranty for financial reporting purposes	13,087	9,610
Inventories, principally due to reserves for financial reporting purposes and capitalization for tax purposes	5,505	3,400
Accounts receivable principally due to allowance for doubtful accounts	3,439	2,976
Other	6,505	1,700
Total deferred tax assets	64,298	52,818
-----		
Deferred tax liabilities:		
Accounts receivable principally due to retainage and accrual acceptance on elevator contracts	(39,520)	(29,727)
Plant and equipment, principally due to differences in depreciation	(14,554)	(16,917)
Intangible assets principally due to different tax and financial reporting basis	(25,040)	(15,058)
Prepaid expenses principally due to overfunded pensions plans	(7,103)	(5,332)
Other	(5,217)	(5,250)
Total gross deferred liabilities	(91,434)	(72,284)
Net deferred tax liability	(27,136)	(19,466)
Net current deferred liability (asset)	6,727	2,034
Net non-current deferred tax liability	\$(20,409)	\$(21,500)
-----		

There were no valuation allowances at January 1, 1992, December 31, 1992 or December 31, 1993.

**NOTE 12. RENTAL AND LEASE INFORMATION:**

The Company leases certain facilities and equipment under operating leases, many of which contain renewal options. Total rental expense, net of insignificant sublease rental income, on all operating leases was \$24,923,000, \$25,671,000, and \$26,018,000 for 1993, 1992 and 1991, respectively. Contingent rentals under the operating leases were not significant.

Minimum future rental commitments under operating leases having noncancelable lease terms in excess of one year aggregate \$64 million as of December 31, 1993 and are payable as follows (in millions): 1994 \$15.7; 1995 \$11.9; 1996 \$8.5; 1997 \$6.9; 1998 \$5.0; and after 1998, \$15.8.

**NOTE 13. CONTINGENCIES:**

Several of the Company's subsidiaries are involved in legal proceedings relating to the cleanup of waste disposal sites identified under Federal and State statutes which provide for the allocation of such costs among "potentially responsible parties." In each instance the extent of the Company's liability appears to be small in relation to the total projected expenditures and the number of other "potentially responsible parties" involved. In addition, several of the Company's subsidiaries are involved in ongoing remedial activities at certain plant sites, in cooperation with regulatory agencies.

In December 1991 a chromium leak was discovered in the vicinity of Texas Hydraulics' Waco, Texas plant. Texas Hydraulics immediately began remedial activities which continue to date. In addition, Texas Hydraulics paid the State of Texas approximately \$174,000 to settle all administrative compliance matters and has settled several private claims relating to these events. During 1992 a total of \$9 million was accrued to reflect the costs of these matters. During 1993 the Company reviewed the status of these proceedings and concluded no additional accrual was necessary.

During 1993 the Company paid \$4.5 million to settle a patent infringement lawsuit brought by Emhart Industries, Inc. in 1988 and which had been reported as a \$220 million contingency in prior years.

The Internal Revenue Service (IRS) has completed its examinations of the Company's federal income tax returns for the eight years ended December 31, 1989, and has proposed certain adjustments which relate principally to the Company's allocation of purchase price to acquisitions made during those years. As a result, the IRS has proposed additional taxes aggregating \$55,784,000 plus interest to date of payment. The Company is vigorously contesting these proposed assessments.

The Company and certain of its subsidiaries are also parties to a number of other legal proceedings incidental to their businesses. Management and legal counsel periodically review the probable outcome of such proceedings, the costs and expenses reasonably expected to be incurred, the availability and extent of insurance coverage and established reserves. While it is not possible at this time to predict the outcome of these legal actions, in the opinion of management, based on these reviews, the disposition of the lawsuits and the other matters mentioned above will not have a material effect on financial position.

Certain lease receivables entered into by the Company's finance divisions were sold during 1991, 1992 and 1993, with limited recourse, to a third party. The leases cover machinery and equipment manufactured by the Company and involve thousands of customers. There is no significant concentration of credit risk. Generally, the lease period does not exceed five years. The leases are collateralized by security deposits and Uniform Commercial Code filings; equipment is subject to repossession in the event of lease default. The outstanding balance on such receivables at December 31, 1993, was \$39 million (\$45 million in 1992 and \$51 million in 1991) of which the Company has a contingent liability of \$9.6 million should all of the receivables become uncollectible.

**NOTE 14. DISCLOSURES ABOUT THE FAIR VALUE OF FINANCIAL INSTRUMENTS:**

Statement of Financial Accounting Standards 107, requires all entities to disclose the fair value of certain financial instruments in their financial statements. Accordingly, the Company reports that the carrying amount of cash and cash equivalents, trade receivables, accounts payable, notes payable and accrued expenses approximates fair value due to the short maturity of these instruments, and that the carrying amount of marketable securities approximate fair value.

**NOTE 15. BUSINESS SEGMENT INFORMATION:**

Dover groups its products and services by industry lines into five segments as set forth in the tables shown on page 16. These segments were restructured during 1989 and 1991 in response to reorganization changes within Dover which had taken place over the past several years. A description of the products manufactured and services performed by each of the five segments is given on pages 6 through 15.

**OPERATING RETURN ON OPERATING INVESTMENT**

When companies are acquired, Dover's purchase price generally exceeds the book value of the acquired company. Increases in the book value of the assets, including goodwill, arising in such instances, are assigned to the business segments in which acquired companies are included. Similarly, the amortization of these increased asset values is charged against the income of that business segment.

These asset values and charges to income are also reflected in the computation of Dover's net income and return on equity. However, to monitor the progress of business operations on a continuous basis and in relation to industry norms, Dover does not include these asset values or cost in the calculation of "Operating Return on Investment" as shown in the unaudited charts on pages 3, 6, 8, 10, 12 and 14. Additionally, the "Investment" figure reflected in these charts is reduced by applicable current liabilities for accounts payable and accrued expenses and for certain deferred taxes.



## Information about the Company's Operations in Different Geographic Area

For the years Ended December 31, (in thousands)	1993	1992	1991	1990	1989	1988
Sales to unaffiliated customers:						
United States	\$2,093,354	\$1,884,051	\$1,805,13	\$1,812,612	\$1,782,675	\$1,643,963
Foreign	390,574	387,529	390,653	397,733	337,759	309,791
Transfers between geographic areas:						
United States	82,772	75,226	85,514	98,929	89,121	81,210
Foreign	20,983	19,147	10,448	14,258	7,271	7,240
Eliminations	(103,755)	(94,373)	(95,962)	(113,187)	(96,392)	(88,450)
Consolidated sales	\$2,483,928	\$2,271,580	\$2,195,786	\$2,210,345	\$2,120,434	\$1,953,754
Operating profit:						
United States	\$237,847	\$187,118	\$170,265	\$223,350	\$216,115	\$186,335
Foreign	29,946	35,677	51,211	52,370	39,445	53,873
Consolidated total (excluding corporate)	\$267,793	\$222,795	\$221,476	\$275,720	\$255,560	\$240,208
Identifiable assets at December 31:						
United States	\$1,454,198	\$1,111,017	\$1,017,003	\$1,033,969	\$1,053,700	\$1,134,737
Foreign	265,260	256,539	267,565	242,702	206,494	182,135
Consolidated total (excluding corporate)	\$1,719,458	\$1,367,556	\$1,284,568	\$1,276,671	\$1,260,194	\$1,316,872
Export sales as a percentage of United States sales	19%	23%	22%	20%	20%	19%

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of  
Dover Corporation:

We have audited the accompanying consolidated balance sheets of Dover Corporation and subsidiaries as of December 31, 1993, 1992 and 1991 and the related consolidated statements of earnings, retained earnings and cash flows for the years then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dover Corporation and subsidiaries at December 31, 1993, 1992 and 1991, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

As discussed in the notes to the consolidated financial statements, in 1992 the Company adopted the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," and the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions."

345 Park Avenue  
New York, N.Y. 10154  
February 22, 1994

KPMG Peat Marwick

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

**LIQUIDITY AND CAPITAL RESOURCES:**

The Company continues to be in excellent financial condition. The 1993 acquisition program resulted in cash outlays of \$321 million, and although this reduced some liquidity measures, other such measures were not adversely affected due to the reclassification of \$250 million of the Company's commercial paper from current to non-current liabilities as explained in Note 7 to the Consolidated Financial Statements.

The Company's current ratio (current assets divided by current liabilities) increased to 1.52 at December 31, 1993, compared with 1.36 at December 31, 1992, and 1.59 at December 31, 1991. The quick ratio (current assets net of inventories, divided by current liabilities) also increased to 1.02 at December 31, 1993, compared with .91 at December 31, 1992, and 1.11 at December 31, 1991. Year-end working capital for the past three years expressed as a percentage of sales was 12.4% in 1993, 8.9% in 1992 and 9.4% in 1991.

At December 31, 1993, the Company had bank lines of \$419.1 million, all of which were unused. Additional bank lines of credit are available at the Company's request.

The Company enjoys the highest rating for its commercial paper. Notes payable at December 31, 1993, aggregated \$175 million which, together with internally generated excess cash flows and the \$250 million of commercial paper mentioned above, financed the acquisition and stock repurchase programs during the past several years.

With respect to debt percentages, current debt to tangible net worth decreased from 53.3% in 1992 to 32.1% at December 31, 1993. However, total debt to tangible net worth increased from 54.5% in 1992 to 78.4% at December 31, 1993. The Company's net debt (total debt less cash, cash equivalents and marketable securities) increased by \$206.3 million, and the net debt to equity ratio jumped from 15.5% to 38.1%. Long-term debt maturities for the four years 1994 to 1997 aggregate \$250.8 million. Management is not aware of any potential impairment to the Company's liquidity.

Historically, capital expenditures have been financed with internally generated funds, occasionally supplemented with the proceeds of Industrial Development Revenue Bonds. During 1993 the entire capital expenditure program, aggregating \$47.5 million was financed internally. Internal financing is also expected to provide all of the funds for capital expenditures in 1994, which the Company believes will aggregate approximately \$60 million. The Company plans to continue its acquisition program, combining external financing, if necessary, with internally generated cash.

During 1991 insurance reserves were strengthened resulting in a \$33.4 million charge to cost of sales.

As detailed in Note 1H to the Consolidated Financial Statements, the Company adopted the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Statement Nos. 106 and 109 as of January 1, 1992. The net cumulative offsetting effect of these two changes in accounting principles was an increase of \$565,000 or 1 cent per share as of the effective date.

In November 1992 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 112 "Employers' Accounting for Postemployment Benefits." This standard must be adopted on or before January 1, 1994, however, its application is expected to have an insignificant impact on the financial statements.

**RESULTS OF OPERATIONS 1993:**

Results of operations are explained in detail in the stockholders' letter and operations review, pages 1 through 15.

**1992 COMPARED WITH 1991:**

Dover's 1992 net earnings of \$2.24 per share, while only 4% above 1991's \$2.15 per share, reflected a somewhat broader improvement in operating results.

A discussion of operations by industry segment follows:

**DOVER ELEVATOR INTERNATIONAL:**

An improvement of more than 20% in the combined results of our five domestic elevator companies in 1992 was largely offset by the declines we predicted in Canada and the United Kingdom. The drop in foreign profits reflected a sharp downturn in new elevator activity, along with reduced volumes and more competitive pricing on modernization and major repair work. The overall profit improvement reported by our U.S. companies resulted from growth in service revenues and from a reduction in losses on new elevator activities. Both factory and field costs for new elevators were reduced in the U.S., although this improvement was offset to a disappointing degree by lower volumes and highly competitive prices.

Thousands of banks, real estate developers and property owners have been forced into bankruptcy as the full extent of overbuilding in the 1980s has become clear. At Dover, the reduction of elevator profits has amounted to \$.40 per share since our 1990 record year. While our elevator business remains profitable and successful, it seems obvious that its profits will remain below the 1990 peak for some time.

**DOVER RESOURCES:**

Dover Resources experienced a 6% decline in profits on flat sales in 1992, even though the majority of its companies achieved earnings increases.

Significant declines at a handful of companies determined the overall result. De-Sta-Co's industrial tooling company in Germany retreated from its record profits in 1991 because of the slowdown in German economy. Norris's sucker rod and down-hole pump businesses had a difficult year, as did Norriseal, as the domestic rig count hit an all-time low. Two companies that primarily serve the gasoline station market--OPW Fueling Components and Petro Vend--also had sizable declines.

**DOVER INDUSTRIES:**

Dover Industries showed flat earnings. Excluding a \$9 million environmental charge, however, operating profits actually increased 24%, as Dover Industries was the first of our market segments to benefit significantly from the improving U.S. industrial economy. Eight of the ten companies included in this segment achieved earnings gains and one of the declines--at Tipper Tie--resulted primarily from costs incurred to establishing its new German operation. The other decline was at Chief Automotive, whose market for auto body repair equipment shrank as the number of repair shops continued to contract.

Marathon's development of a new line of products aimed at the recycling market, Rotary Lift's focused business unit approach and new products, and Groen's expanded manufacturing capabilities and new products all represent important opportunities for improvement.

**DOVER DIVERSIFIED:**

Dover Diversified's earnings rose 4%, setting a new record by a slight margin. The earnings improvement was aided by the acquisition in March of the A-C Compressor Company, whose nine months of operating income more than compensated for a high level of acquisition-related charges and the absence of profits from Waukesha Bearings' marine seal business, which was sold in 1991.

Operating profits at Dover Diversified's six other companies were essentially flat, with declines in several defense/aerospace markets offset by growth in industrial product lines, notably at Tranter.

Tranter achieved record earnings for the ninth consecutive year, helped by the acquisition of the Dean product line in mid-1991 and by aggressive pursuit of sales opportunities in generally sluggish markets for Tranter's Platecoil (TM) Superchanger(TM) and transformer radiator products.

Pathway Bellows achieved near-record earnings as cost reductions and a favorable product mix offset a modest sales decline. The company's fabric bellows and on-site service groups both achieved record sales and earnings, but these were largely offset by softness in the much larger metal bellow market.

In the aerospace/defense area, Precision-Kahr and Sargent Aerospace both experienced earnings declines as a result of shrinkage in defense and commercial aircraft markets, including reduced spare parts purchases by both the military and commercial airlines. This trend of the past several years is expected to continue.

Sargent Controls, which was moved from Los Angeles to Tucson in 1990, achieved higher profits in 1992 despite lower sales, largely because of reduced costs and a more favorable mix of business.

**DOVER TECHNOLOGIES:**

Dover Technologies improved its profits by 9% to their best level since 1988. One of the chief sources of profit improvement was the turnaround of DEK Ltd., whose new screen printing equipment for the surface mount industry met with substantial success. DEK's sales increased 50%, while profits went from a sizable loss to double digit margins.

Also showing an excellent gain was Dover Electronics Company, where sales improved by almost \$40 million, or more than 50%. The good news at Dover Electronics was the expansion of its contract assembly business, which has involved acquiring a facility in Ireland late in 1991 and subsequently expanding facilities in Binghamton, New York and Boulder, Colorado. In the space of approximately 18 months, Dover Electronics invested almost \$10 million in technically advanced surface mount assembly lines. DECO was disappointed, however, by the cancellation of a contract with IBM for a component used in IBM's mainframe computers. Although Dover Electronics had performed well, the customer, faced with shrinking volumes, elected to move production "in-house" to preserve its own employment base.

Profits declined at Universal Instruments, the largest company in the segment, because of slightly lower volume, intensely competitive pricing--especially in the surface mount market--and expenses incurred to launch Universal's new GSM-1 surface mount machine.

Dover Corporation and Subsidiaries  
11-YEAR CONSOLIDATED SUMMARY OF SELECTED FINANCIAL DATA  
(In thousands except per share figures)

	1993	1992	1991	1990
<b>Summary of Operations</b>				
Net sales	\$ 2,483,928	2,271,580	2,195,786	2,210,345
Cost of sales	\$ 1,733,256	1,601,596	1,580,051	1,516,753
Selling and administrative expenses	\$ 496,798	466,777	452,394	440,313
Interest expense	\$ 22,339	20,059	23,161	30,658
Other income (deductions), net	\$ 14,007	17,187	63,908	21,497
Earnings before taxes	\$ 245,542	200,335	204,088	244,118
Income taxes	\$ 87,288	71,192	75,880	88,439
Net earnings	\$ 158,254	129,707*	128,208	155,679
% of sales	6.4%	5.7%	5.8%	7.0%
Return on average equity	18.9%	15.9%	15.9%	20.3%
Net earnings per common share	\$ 2.77	2.24*	2.15	2.55
Dividends per common share	\$ .90	.86	.82	.76
Book value per common share	\$ 15.22	14.10	14.05	13.13
Depreciation and amortization	\$ 76,969	77,457	85,366	77,530
Capital expenditures	\$ 47,532	42,441	46,618	44,980
Acquisitions	\$ 321,002	111,243	13,192	102,834
Cash flow**	\$ 235,223	207,164	213,575	233,210
Weighted average number of common shares outstanding	57,110	57,988	59,750	61,169
Number of employees	20,445	18,827	18,898	20,461
<b>Financial position at December 31</b>				
Working capital	\$ 307,846	201,641	280,902	206,748
Net property, plant and equipment	\$ 283,363	251,270	251,145	268,386
Total assets	\$ 1,773,689	1,426,124	1,356,620	1,468,366
Long-term debt	\$ 252,065	1,230	6,317	20,955
Common stockholders' equity	\$ 870,002	804,937	828,374	787,660
Common shares outstanding	57,163	57,085	58,978	59,971

\* Net earnings and net earnings per common share include \$565,000 and 1 cent per share, respectively, applicable to the cumulative effects of changes in accounting principles for FAS 109, "Accounting for Income Taxes" and FAS 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions."

\*\* Represents net earnings plus depreciation and amortization.

DOVER LONG TERM INVESTMENT  
(MILLIONS)

	Total	Capital Expenditures	Acquisitions	Stock Repurchase
1983	110	22	88	--
1984	143	30	101	12
1985	74	35	29	10
1986	178	44	76	58
1987	145	40	58	47
1988	298	57	206	35
1989	157	63	--	94
1990	228	45	103	80
1991	99	46	14	39
1992	238	42	112	84
1993	370	48	322	--

DOVER RETURN ON AVERAGE EQUITY (%)

1983	16.3
1984	18.9
1985	16.9
1986	13.4
1987	17.2
1988	20.6
1989	19.4
1990	20.3
1991	15.9
1992	15.9
1993	18.9

	1989	1988	1987	1986	1985	1984	1983
Summary of Operations							
Net sales	2,120,434	1,953,754	1,588,224	1,440,745	1,439,548	1,288,481	1,009,674
Cost of sales	1,480,880	1,363,852	1,096,612	1,028,394	1,028,530	896,589	705,403
Selling and administrative expenses	404,043	360,122	306,792	270,432	250,176	215,877	167,060
Interest expense	29,644	21,324	15,044	16,475	12,677	10,329	2,893
Other income (deductions), net	21,112	16,304	11,083	9,022	11,923	10,402	6,843
Earnings before taxes	226,979	224,760	180,859	134,466	160,088	176,088	141,161
Income taxes	82,999	78,988	69,158	50,637	60,060	75,631	63,618
Net earnings	143,890	145,772	111,701	83,829	100,028	100,457	77,543
% of sales	6.8%	7.5%	7.0%	5.8%	6.9%	7.8%	7.7%
Return on average equity	19.4%	20.6%	17.2%	13.4%	16.9%	18.9%	16.3%
Net earnings per common share	2.28	2.22	1.65	1.21	1.41	1.41	1.09
Dividends per common share	.70	.62	.51	.45	.43	.39	.36
Book value per common share	12.00	11.37	10.14	9.25	8.88	7.89	7.04
Depreciation and amortization	78,813	73,797	63,505	57,008	53,096	46,889	38,627
Capital expenditures	62,504	56,779	40,397	44,416	35,196	30,362	21,602
Acquisitions	--	205,765	57,718	76,142	29,244	100,517	88,015
Cash flow**	222,793	219,569	175,205	140,836	153,124	147,346	116,171
Weighted average number of common shares outstanding	63,250	65,726	67,552	69,290	70,802	71,272	71,258
Number of employees	20,049	20,412	17,592	16,539	16,071	16,193	13,498
Financial position at December 31							
Working capital	245,755	198,038	316,116	295,370	368,998	305,153	266,855
Net property, plant and equipment	272,158	268,139	219,031	210,908	186,114	183,435	149,880
Total assets	1,406,376	1,365,630	1,155,226	1,036,846	1,017,019	918,166	704,446
Long-term debt	26,691	27,773	35,134	41,711	73,523	73,126	31,494
Common stockholders' equity	746,809	741,142	671,950	627,674	625,541	559,088	502,657
Common shares outstanding	62,243	65,208	66,252	67,812	70,476	70,886	71,460

Adjusted to give retroactive effect to the 2 for 1 stock split in 1988.

#### CASH FLOW (MILLIONS)

	Net Income	Deprec./Amortiz.	Total
	-----	-----	-----
1983	78	38	116
1984	100	47	147
1985	100	53	153
1986	84	57	141
1987	112	63	175
1988	146	74	220
1989	144	79	223
1990	156	77	233
1991	128	85	213
1992	130	77	207
1993	158	77	235

#### FREE CASH FLOW AS A PERCENT OF SALE\*

	Annual %	3-Year Moving Average
	-----	-----
1983	8.5	8.2
1984	0	5.8
1985	10.3	6.3
1986	6.4	5.6
1987	6.8	7.9
1988	2.8	5.3
1989	7.2	5.6
1990	6.1	5.4
1991	9.3	7.5
1992	3.7	6.4
1993	4.4	6.0

\* Defined as stock repurchase plus acquisitions plus/minus change in total debt less cash, cash equivalents and marketable securities.



Dover Corporation and Subsidiaries  
 QUARTERLY DATA  
 (Unaudited)(In thousands except for share figures)

	Quarter	Net Sales	Gross Profit	Net Earnings	Per Share
1993	FIRST	\$ 566,780	\$ 168,114	\$ 33,764	\$ .59
	SECOND	594,511	177,174	39,759	.70
	THIRD	642,178	199,918	42,360	.74
	FOURTH	680,459	205,466	42,371	.74
			\$ 2,483,928	\$ 750,672	\$ 158,254
1992	First	\$ 545,714	\$ 155,356	\$ 30,749	\$ .52*
	Second	574,115	166,414	31,288	.54
	Third	569,965	173,089	33,750	.58
	Fourth	581,786	175,126	33,920	.60
			\$ 2,271,580	\$ 669,985	\$ 129,707

\* Includes 1 cent per share cumulative effect of changes in methods of accounting effective January 1, 1992; see Notes to Consolidated Financial Statements, Note 1H.

Dover Corporation and Subsidiaries  
 COMMON STOCK CASH DIVIDENDS AND MARKET PRICES

Quarter	Market Prices**		Dividends Per Share	
	High	Low		
1993	FIRST	\$ 50.00	\$ 45.00	\$ .22
	SECOND	49.38	46.00	.22
	THIRD	57.13	45.63	.23
	FOURTH	61.88	51.88	.23
				\$ .90
1992	First	\$ 43.25	\$ 38.25	\$ .21
	Second	42.50	38.38	.21
	Third	44.25	39.00	.22
	Fourth	47.63	41.75	.22
				\$ .86

\*\* As reported in the Wall Street Journal.

The electronic filing includes the following numeric tables which replace graphical charts contained within the Annual Report:

- Page 3: Dover Corporation's earnings per share for years 1988-1993.  
Profitability measures for Dover Corporation for the years 1988-1993.
- Page 6: Dover Resources operating earnings (1989-1993).  
Dover Resources after-tax operating return on investment (1989-1993).
- Page 8: Dover Industries operating earnings (1989-1993).  
Dover Industries after-tax operating return on investment (1989-1993).
- Page 10: Dover Elevator International operating earnings (1989-1993).  
Dover Elevator International after-tax operating return on investment (1989-1993).
- Page 12: Dover Technologies operating earnings (1989-1993).  
Dover Technologies after-tax operating return on investment (1989-1993).
- Page 14: Dover Diversified operating earnings (1989-1993).  
Dover Diversified after-tax operating return on investment (1989-1993).
- Page 30: Dover Corporation long term investments (1983-1993).  
Dover Corporation return on equity (1983-1993).
- Page 31: Dover Corporation cash flow (1983-1993).  
Dover Corporation free cash flow as a percentage of sales (1983-1993).

## EXHIBIT 21 - LIST OF SUBSIDIARIES

## Domestic Subsidiaries

Name -----	State of Incorporation -----
Dover Elevator International, Inc.	Delaware
Dover Elevator Systems, Inc	Delaware
Dover Elevator Company	Delaware
Dover Technology International, Inc.	Delaware
Dover Industries, Inc.	Delaware
Waukesha Bearings Corp.	Wisconsin
Tranter, inc.	Michigan
Universal Instruments Corporation	Delaware
Tipper Tie, Inc.	Delaware
Measurement Systems, Incorporated	Delaware
K&L Microwave, Inc.	Delaware
Pathway Bellows, Inc.	Delaware
Miami Elevator Company	Delaware
Dover Industries Acceptance, Inc.	Delaware
Stark Manufacturing, Inc.	Delaware
Texas Hydraulics, Inc.	Delaware
Old PME, Inc.	Delaware
Randell Manufacturing, Inc.	Delaware
Randell Warehouse of Arizona, Inc.	Delaware
Randell Refrigeration, Inc.	Delaware
American Metal Ware Co.	Delaware
Arizona Elevator, Inc.	Delaware
Sound Elevator Company	Delaware
Corpane Industries, Inc.	Delaware
Sargent Industries, Inc.	Delaware
Dover Resources, Inc.	Delaware
Delaware Capital Holdings, Inc.	Delaware
Dielectric Laboratories, Inc.	Delaware
Delaware Capital Formation, Inc.	Delaware
Lagerquist Corporation	Delaware
Communications Techniques, Inc.	Delaware
Dover Europe Corporation	Delaware
General Elevator Company, Incorporated	Maryland
Petro Vend, Inc.	Delaware
Pomeco Corporation	Delaware
Novacap, Inc.	Delaware
Dover Soltec, Inc.	Delaware
Duncan Industries Parking Control Systems Corp.	Delaware
Weldcraft Products, Inc.	Delaware
Chief Automotive Systems, Inc.	Delaware
Chief Automotive Management Systems Inc.	Delaware
Hawaiian Pacific Elevator Corporation	Delaware
Security Elevator Company	Delaware
DEK U.S.A., Inc.	Delaware

Name	State of Incorporation
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Bernard International, Inc.	Delaware
The Wittemann Company, Inc.	Delaware
Marathon Equipment Company	Delaware
Revod Corporation	Delaware
Empire Elevator Corporation	Delaware
Hudson Elevator Corp.	Delaware
A-C Compressor Corporation	Delaware
Vectron Laboratories, Inc.	Delaware
Dover Caribbean, Inc.	Delaware
Dover Elevator Service of Puerto Rico, Inc.	Puerto Rico

## Foreign Subsidiaries

Name	Jurisdiction
-----	-----
DTI-ARB, Inc.	Canada
Dover Corporation (Canada) Limited	Canada
De-Sta-Co Metallerteugnisse GmbH	Germany
Dover International, B.V.	Netherlands
I.S.T. Molchtechnik GmbH	Germany
Hammond & Champness, Limited	United Kingdom
Universal Instruments GmbH	Germany
Universal Instruments S.a.r.l.	France
Universal Instruments (Electronics) Ltd.	United Kingdom
DEK Printing Machines Ltd.	United Kingdom
Sincotron - Nordic	Sweden
Sincotron AB	Sweden
Dover UK Holdings Limited	United Kingdom
Dover UK Finance Limited	United Kingdom
Dover UK Finance Services Limited	United Kingdom
Universal Instruments Corporation (Singapore) Pte. Ltd.	Singapore
Universal Instruments Korea Limited	Korea
Universal Hong Kong	Hong Kong
Tipper Tie Verschluss-technik Deutschland, GmbH	Germany
DEK Japan Limited	Japan
DEK GmbH	Germany
Soltec International, B.V.	Netherlands
Soltec Group B.V.	Netherlands
Petro Vend, Inc.	Poland
Petro Vend of Canada, Inc.	Canada
Petro Vend Europe Inc.	United Kingdom
Chief Automotive Systems Canada, Inc.	Canada
Chief Automotive Limited	United Kingdom
Dr. Rotert/Dieterich Standard GmbH	Germany
De-Sta-Co (Asia) Company, Limited	Thailand
Universal Instruments (Malaysia) Sdn Bhd	Malaysia
Allgemeine Aufzugswartung GmbH	Germany
Tipper Tie (UK) Limited	United Kingdom
A-C Compressor Canada	Canada
Dover Exports, Ltd.	Barbados
Grapas Nacionales de Mexico C.V. de S.A.	Mexico
Dover Europe Aufzug GmbH	Germany
Christian Hein GmbH	Germany
European Lift Engineering GmbH	Germany

P O W E R   O F   A T T O R N E Y

KNOW ALL MEN BY THESE PRESENTS that \_\_\_\_\_, a director of Dover Corporation, a Delaware corporation (the "Company"), hereby constitutes and appoints Gary L. Roubos, Thomas L. Reece, John F. McNiff and Robert G. Kuhbach, and each of them (with full power to each of them to act alone), his true and lawful attorney-in-fact and agent, for him/her on his/her behalf and in his/her name, place and stead, to sign, execute and affix his/her name thereto and file the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993, with the Securities and Exchange Commission and any other appropriate authority, granting unto said attorneys and each of them, full power and authority to do and perform each and every act and thing required and necessary to be done in and about the premises in order to effectuate the same as fully to all intents and purposes as he/she himself might or could do if personally present, hereby ratifying and confirming all that said attorneys-in-fact and agents, of any of them may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this 3rd day of February, 1994.

/s/       Magalen O. Bryant  
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Magalen O. Bryant

/s/       Lewis E. Burns  
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Lewis E. Burns

/s/       Michael C. Devas  
-----  
Michael C. Devas

/s/       John F. Fort  
-----  
John F. Fort

/s/       James L. Koley  
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James L. Koley

/s/       George L. Ohrstrom  
-----  
George L. Ohrstrom

/s/       Anthony J. Ormsby  
-----  
Anthony J. Ormsby

/s/       Thomas L. Reece  
-----  
Thomas L. Reece

/s/       Gary L. Roubos  
-----  
Gary L. Roubos

/s/       David G. Thomas  
-----  
David G. Thomas