

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the fiscal year ended December 31, 1997

OR

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

For the transition period from _____ to _____.

Commission File No. 1-4018

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

Delaware 53-0257888
(State or other jurisdiction of (I.R.S. Employer Identification No.)
Incorporation or organization)

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 |

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

Title of class

None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past ninety days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (ss. 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. ☐

The aggregate market value of the voting stock held by non-affiliates of the Registrant as of the close of business February 27, 1998 was \$8,096,264,234. Registrant's closing price as reported on the New York Stock Exchange-Composite Transactions for February 27, 1998 was \$38.625 per share.

The number of outstanding shares of the Registrant's common stock as of February 27, 1998 was 222,891,535.

DOCUMENTS INCORPORATED BY REFERENCE

Parts I,II, and IV - Certain portions of the Annual Report to Stockholders for Fiscal Year Ended December 31, 1997 (the "1997 Annual Report").

Parts II, and III - Certain portions of the Proxy Statement for Annual Meeting to be held on April 28, 1998 (the "1998 Proxy Statement").

Forward Looking Statements

This Prospectus and the documents that are incorporated by reference, particularly sections of any Annual Report to Stockholders under the headings "Outlook" or "Management's Discussion and Analysis", contain forward-looking statements within the meaning of the Securities Act and the Exchange Act. Such statements relate to, among other things, industries in which the Company operates, the U.S. economy, earnings, cash flow and operating improvements and are indicated by words or phrases such as "anticipates," "supports," "plans," "projects," "expects," "should," "hope," "forecast," "Dover believes," "management is of the opinion" and similar words or phrases. Such statements may also be made by management orally. Forward-looking statements are subject to inherent uncertainties and risks, including among others: increasing price and product/service competition by foreign and domestic competitors, including new entrants; technological developments and changes; the ability to continue to introduce competitive new products and services on a timely, cost effective basis; the mix of products/services; the achievement of lower costs and expenses; domestic and foreign governmental and public policy changes including environmental regulations; protection and validity of patent and other intellectual property rights; the continued success of the Company's acquisition program; the cyclical nature of the Company's business; and the outcome of pending and future litigation and governmental proceedings. In addition, such statements could be affected by general industry and market conditions and growth rates, and general domestic and international economic conditions including interest rate and currency exchange rate fluctuations. In light of these risks and uncertainties, actual events and results may vary significantly from those included in or contemplated or implied by such statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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PART I

Item 1. BUSINESS

General

Dover Corporation ("Dover" or the "Company"), originally incorporated in 1947 in the State of Delaware, is a diversified industrial manufacturing corporation encompassing over 46 operating companies which manufacture a broad range of specialized industrial products and sophisticated manufacturing equipment.

The Company's businesses are divided into five business segments. Dover Diversified builds assembly and production machines, heat transfer equipment, and specialized compressors, as well as sophisticated products and food refrigeration and display cases, as well as products for use in the defense, aerospace and other industries. Dover Elevator manufactures, installs and services elevators primarily in North America. Dover Industries makes products for use in the waste handling, bulk transport, automotive service, commercial food service and machine tool industries. Dover Resources manufactures products primarily for the automotive, fluid handling, petroleum and chemical industries. Dover Technologies builds sophisticated automated assembly equipment for the electronics industry, industrial printers for coding and marking and, specialized electronic components.

The Company emphasizes growth and strong internal cash flow. It has a long-standing and successful acquisition program pursuant to which, from January 1, 1993 through December 31, 1997, the Company made 60 acquisitions at a total acquisition cost of \$1.375 billion. For more detail regarding acquisitions over the past several years, see page 4 of the 1997 Annual Report as well as Note 2 to the Consolidated Financial Statements on pages 27-28 of the 1997 Annual Report, which are hereby incorporated by reference. These acquisitions

have had a substantial impact on the Company's increase in sales and earnings since 1993. The Company's acquisition program traditionally focused on acquiring new or stand-alone businesses. However, since 1993, increased emphasis has been placed on acquiring businesses which can be added on to existing operations. In 1997, the Company completed 2 stand-alone and 15 add-on acquisitions at a total cost of about \$261 million. The Company aims to be in businesses marked by growth, innovation and higher than average profit margins. It seeks to have each of its businesses be a leader in its market as measured by market share, innovation, profitability and return on assets.

The Company practices a highly decentralized management style. The presidents of operating companies are very autonomous and have a high level of independent responsibility for their businesses and their performance. This is in keeping with the Company's operating philosophy that small independent operations are better able to serve customers by focusing closely on their products and reacting quickly to customer needs. The Company's executive management becomes involved only to guide and manage capital, assist in major acquisitions, evaluate, motivate and, if necessary, replace operating management, and provide selected other services.

Dover Diversified manufactures equipment and components for industrial, commercial, and defense applications. The largest operations are Belvac, acquired in 1993 (can-making machinery), Tranter (process industry heat exchangers), A-C Compressor, acquired in 1992, and expanded in 1997 with the acquisitions of Preco and Conmec (process industry compressors), and Hill Phoenix, acquired in 1993-94 (refrigeration cases and systems for supermarkets). Other Dover Diversified businesses produce such products as fluid film and self-lubricating bearings, metal and fabric expansion joints, submarine and aircraft hydraulic controls, remote manipulators and industrial cleaning equipment.

Dover Elevator is the nation's largest manufacturer and installer, and one of the largest servicers, of elevators for low- and mid-rise buildings. Dover Elevator also participates in the high-rise market for new equipment and service. Dover Elevator also sells and services elevators in foreign markets,

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principally in Canada and Asia. Somewhat less than half of Dover Elevator's sales and almost all of its profits are generated by the service business. In 1997, Dover Elevator sold its German and U. K. operations for a gain of \$32 million, based upon its analysis that they did not represent a sufficiently strong base for developing a meaningful position in Europe.

Dover Industries manufactures a diverse mix of equipment and components for use in the waste handling, bulk transport, automotive service, commercial food service, machine tool and other industries. The largest operations are Heil, acquired in 1993 (trailerized tanks and refuse collecting vehicles), Tipper Tie (clip closures for food packaging), Marathon, (solid waste compaction, transporting and recycling equipment), Rotary Lift (automotive lifts), DovaTech (welding, cutting and laser equipment and supplies) and Groen (food service equipment). Other Dover Industries operations produce auto collision measuring and repair systems, commercial refrigeration, welding torches, plasma cutting products and screw machines.

Dover Resources manufactures components and equipment primarily for the automotive, fluid handling, petroleum and chemical industries. Its largest businesses are De-Sta-Co (compressor valves and workholding devices), OPW Fueling Components (gasoline nozzles and related service station equipment), and Blackmer (rotary vein and progressive cavity pumps and gas compressors). In late 1996, Dover Resources acquired Tulsa Winch, a producer of winches and speed reducers and in 1997 Hydro Systems (cleaning chemical dispensing equipment). Also in 1996, Wittemann, part of Dover Resources, made an "add-on" acquisition of Realcold, a manufacturer of merchant CO2 and refrigeration systems. Other Dover Resources companies produce liquid monitoring, filtration and control systems, oil and gas production equipment, and other valve, instrumentation and control systems and products. During 1997, two Dover Resources Companies made three "add-on" acquisitions. Blackmer acquired Mouvox, a leading French producer of positive displacement pumps and De-Sta-Co Industries made two smaller acquisitions of producers of automation devices.

Dover Technologies sells assembly equipment, screen printers, and

soldering machines for the printed circuit board industry, as well as components for communications (including wireless) and military applications. The most significant business in this segment is Universal Instruments which, in 1997, accounted for almost half of Technologies' sales. In 1997 Universal Instruments' sales were the highest in its history and operating profit rebounded from 1996 and nearly equaled 1995's record results. Universal Instruments is the world's largest producer of thru-hole printed circuit board assembly equipment, as well as a significant manufacturer of surface mount printed circuit board assembly equipment. During 1996, Dover Technologies sold Measurement Systems, Inc., a manufacturer of manual positioning controls. In the third quarter of 1996, Quadrant, which is part of Dover Technologies, acquired KVG, a manufacturer of high frequency crystals and oscillators. In November 1996, Dover Technologies acquired Everett Charles Technologies, based in Pomona, California. Everett Charles is the leading producer of machines for the testing of circuitry on printed circuit boards before the boards are populated with components. In addition, it is the leader in design and manufacture of test fixtures for populated boards and the largest producer of spring-loaded test probes, which are used in both bare-board and populated-board testing. Late in 1997, Soltec acquired Vitronics, a U.S. based manufacturer of reflow soldering ovens.

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, 1997, see pages 8-22 and 33-34 of the 1997 Annual Report, which are hereby incorporated by reference.

Raw Materials

Dover's operating companies use a wide variety of raw materials, primarily metals and 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

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problems, nor are any such problems anticipated. To date, fluctuations in the cost of raw materials have not had a material impact on operating profits.

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, improve product reliability and reduce production costs. During 1997, approximately \$114.4 million was spent on research and development, compared with \$98.9 million and \$94.4 million in 1996 and 1995, respectively.

Intellectual Property

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.

Many of the Company's products are sold under various registered and unregistered trademarks and tradenames owned or licensed by the Company. Among the most significant are: A-C Compressor, Blackmer, De-Sta-Co, Davenport, DEK, Dover, Duncan, Everett Charles, Groen, Heil, Imaje, Marathon, Norris, OPW, Rotary Lift, Sargent, SWEP, Tipper Tie, Tranter and Universal.

Seasonality

Dover's operations are generally not seasonal, although performance

tends to be stronger in the second and fourth quarters of the year.

Customers

Dover's businesses serve thousands of customers, no one of which accounted for more than 10% of sales in 1997. Within each of the five segments, no customer accounted for more than 10% of segment sales in 1997.

Backlog

Backlog generally is not considered a significant factor in Dover's businesses, as most products have relatively short delivery periods. It is more relevant to those businesses which produce larger and more sophisticated machines, or have long-term government contracts, primarily A-C Compressor, Belvac, Dover Elevator International, Heil Trailer, Mark Andy, Sargent Controls and Universal.

Total Company backlog as of December 31, 1997 and 1996 was \$1,103 million and \$871 million, 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 where the key competitive factors are customer service, product quality and

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innovation. In addition, since most of Dover's manufacturing operations are in the United States, Dover usually is a more significant competitor domestically than in foreign markets.

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. Its primary competitors are Otis, Westinghouse/Schindler and Montgomery/Kone. 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. Its primary competitors are Japanese producers, including Fuji Machine, Panasonic and TDK.

Within the other three segments, competition is primarily domestic, although an increasing number of Dover subsidiaries see more international competitors and several serve markets which are predominantly international, particularly A-C Compressor, Alberta Oil Tool, Belvac, Civacon, CRL, De-Sta-Co, Duncan, Norris, OPW Fueling Components, Ronningen-Petter, Tipper Tie Technopak, Tranter and Wittemann.

International

For foreign sales and assets, see Note 15 to the Consolidated Financial Statements on page 32 of the 1997 Annual Report, which is incorporated herein by reference. Export sales of domestic operations were \$896 million in 1997, \$825.9 million in 1996, and \$780.3 million in 1995.

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

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

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 substances. 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.

Employees

The Company had about 28,800 employees as of December 31, 1997.

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Item 2. PROPERTIES

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 |
| Diversified | 28 | 6 | 44 | 2,186 | 480 |
| Elevator | 5 | 40 | 200 | 312 | 2,015 |
| Industries | 36 | 8 | 27 | 3,089 | 355 |
| Resources | 60 | 14 | 35 | 2,541 | 473 |
| Technologies | 46 | 14 | 104 | 1,113 | 1,059 |

| | Locations | | | Leased | Facilities |
|--------------|-------------------|--------|-------|-----------------------|--------------------------|
| | North American | Europe | Other | Expiration Minimum | Dates (years) Maximum |
| Diversified | 43 | 21 | 4 | 1 | 16 |
| Elevator | 193 | 7 | 19 | 1 | 61 |
| Industries | 57 | 9 | -- | 1 | 9 |
| Resources | 80 | 16 | 3 | 1 | 16 |
| Technologies | 55 | 55 | 47 | 1 | 20 |

The facilities are generally well maintained and suitable for the operations conducted. The productive capacity of its plants is generally 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. Dover has also been involved with an examination by the Internal Revenue Service (the "IRS") of the Company's 1990 and 1991 Federal income tax returns. The IRS completed its examination of such returns in 1994 and has proposed additional taxes aggregating \$36.2 million plus interest. During 1996, the IRS completed its examination of the Company's 1992 and 1993 Federal income tax returns and has proposed additional taxes and penalties aggregating \$18.6 million plus interest. The Company is vigorously contesting both actions. The IRS is currently examining the Company's 1994 and 1995 Federal income tax returns. 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 12 to the Consolidated Financial Statements on page 31 of the 1997 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, results of operations or cash flows, taken as a whole.

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

Not applicable.

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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 20, 1998, and their positions with the Company (and, where relevant, prior business experience) for the past five years are as follows:

| Name - - - - - | Age --- | Positions Held and Prior Business Experience ----- |
|--------------------|------------|--|
| Gary L. Roubos | 61 | Chairman (since August 1989) and Director; previously President (through May 1993) and Chief Executive Officer (through May 1994). |
| Thomas L. Reece | 55 | Chief Executive Officer (since May 1994), President and Director (since May 1993); previously President of Dover Resources, Inc. |
| John F. McNiff | 55 | Vice President-Finance, Treasurer and (since May 1996) Director. |
| Robert G. Kuhbach | 50 | Vice President, General Counsel and Secretary (since May 1993); prior thereto Senior Vice President (later Executive Vice President and a Director), Secretary and General Counsel (through February 1992) of Sudbury, Inc., (industrial products). |
| Robert A. Tyre | 53 | Vice President-Corporate Development (since February 1995); prior thereto President, Rye Transaction Consultants, Inc. (acquisition consultants), from February 1993 to January 1995; prior thereto for more than five years, Vice President, Booz oAllen & Hamilton, Inc. (management consultants). |
| Alfred Suesser | 65 | Controller. |
| Lewis E. Burns | 59 | Vice President and President of Dover Industries, Inc. |
| Nigel P. Davis | 47 | Vice President (since May 1996) and President of Dover Elevator International, Inc. (since October 1995); prior thereto for more than five years, Managing Director, Hammond & Champness, Ltd., subsidiary of Dover Elevator International, Inc. |
| Rudolf J. Herrmann | 47 | Vice President (since November 1993) and President of Dover Resources, Inc. (since May 1993); prior thereto, President of Rotary Lift division of Dover Industries, Inc. |
| John E. Pomeroy | 56 | Vice President (since November 1993) and President of Dover Technology International, Inc. |

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER 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 sales prices of such stock, and the frequency and the amount of dividends paid during the last two years, is set forth on Page 35 of the 1997 Annual Report and incorporated herein by reference. On December 15, 1997, Registrant effected a 2 for 1 stock split in the form of a stock dividend payable to holders of record on November 28, 1997.

The number of holders of record of the Registrants' Common Stock as of February 27, 1998, as shown by the records of the Registrants' transfer agent was 13,040. This figure includes participants in the Registrants' 401 (k) program.

On December 16, 1997, pursuant to the 1996 Non-Employee Directors' Stock Compensation Plan, the company issued 1,400 shares of its Common Stock to each of its seven outside directors as compensation for serving as a director of the Company during 1997.

Item 6. SELECTED FINANCIAL DATA

The information for the years 1987 through 1997 is set forth in the table "11-Year Consolidated Summary of Selected Financial Data" in the 1997 Annual Report on pages 36 and 37 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 1997 Annual Report on pages 8-21 and 33-34 is incorporated herein by reference.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

INTEREST RATES

The Company's exposure to market risk for changes in interest rates relates primarily to the fair value of long-term fixed interest rate debt, commercial paper borrowings and investments in cash equivalents. Generally, the fair market value of fixed-interest rate debt will increase as interest rates fall and decrease as interest rates rise. A 65 basis point increase in interest rates (10% of the Company's long-term debt interest rate) would have an immaterial effect on the fair value of the Company's long-term debt. Commercial paper borrowings under revolving credit facilities are at variable interest rates, and have maturities of three months or less. A 55 basis point increase in the interest rates (10% of the Company's weighted average commercial paper interest rate) on commercial paper borrowings would have an immaterial impact on the Company's pre-tax earnings. All highly liquid investments, including highly liquid debt instruments purchased with an original maturity of three months or less are considered cash equivalents. The Company places its investments in cash equivalents with high credit quality issuers and limits the amount of exposure to any one issuer. A 54 basis point decrease in interest rates (10% of the Company's weighted average interest rate) would have an immaterial impact on the Company's pretax earnings. The Company does not enter into derivative financial or derivative commodity instruments for trading or speculative purposes.

FOREIGN EXCHANGE

The Company conducts business in various foreign currencies, primarily in Canada, Europe, Australia, Japan and other Asian countries. Therefore, changes in the value of the currencies of

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these countries affect the Company's financial position and cash flows when translated into U.S. Dollars. As of December 31, 1997 the Company had not established a foreign currency hedging program. The Company has mitigated and will continue to mitigate, a portion of its currency exposure through decentralized operating companies in which all costs are local-currency based. A 10% change in the value of all foreign currencies would have an immaterial effect on the Company's financial position and cash flows.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information set forth in the 1997 Annual Report on pages 22 through 32 is incorporated herein by reference.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS 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 "1. Election of Directors" in the 1998 Proxy Statement relating to the 1998 Annual Meeting of Stockholders 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 Registrant" in Part I of this Annual Report on Form 10-K and is incorporated in this Item 10 by reference. The information with respect to Section 16(a) reporting compliance required to be included in this Item 10 is included under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the 1998 Proxy Statement and is incorporated in this Item 10 by reference.

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 "Executive Compensation" in the 1998 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 1998 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 "1. Election of Directors-Directors' Compensation" in the 1998 Proxy Statement and is incorporated in this Item 13 by reference.

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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 1997 Annual Report, which financial statements are incorporated herein by reference:

- (A) Report of Independent Accountants.
- (B) Consolidated balance sheets as of December 31, 1997 and 1996.
- (C) Consolidated statements of earnings for the years ended December 31, 1997, 1996 and 1995.
- (D) Consolidated statements of retained earnings for the years ended December 31, 1997, 1996 and 1995.
- (E) Consolidated statements of cash flows for the years ended December 31, 1997, 1996 and 1995.
- (F) Notes to consolidated financial statements.
- (2) Financial Statement Schedule

The following financial statement schedule is attached to Part IV of this report on form 10-K:

Schedule II -- Valuation and Qualifying Accounts

Report of Independent Accountants.

All other schedules are not required and have been omitted.

- (3) See (c) below.
- (b) No reports on Form 8-K were filed during the fourth quarter of the fiscal year ended December 31, 1997.
- (c) Exhibits:
 - (3)(i) Restated Certificate of Incorporation of the Company and Amendments thereto filed as Exhibit 3(a) to Annual Report on Form 10-K for year ended December 31, 1989, and Amendment thereto, filed as Exhibit 3(i) to Form 10-Q for quarter ended September 30, 1996 is incorporated by reference.
 - (3)(ii) By-Laws of the Company filed as Exhibit 3(ii) to Quarterly Report on Form 10-Q for Period Ended September 30, 1993, are incorporated by reference.
 - (4)(a) Amended and Restated Rights Agreement, dated as of November 15, 1996, between Dover Corporation and Harris Trust Company of New York, filed as Exhibit 1 to Form 8-A/A dated November 15, 1996, is incorporated by reference.

- (4)(b) The Company agrees to furnish to the Commission, upon request, a copy of any instrument with respect to long-term debt under which the total amount of securities authorized does not exceed 10 percent of the total consolidated assets of the Company.
- (10)(a) 1984 Incentive Stock Option and Cash Performance Program, filed as 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 Exhibit 99 to Registration Statement on Form S-8 filed under Securities Act of 1933 (Reg. No. 33-01419), is incorporated by reference.*
- (c) 1995 Incentive Stock Option and 1995 Cash Performance Program, included as Exhibit A to the Proxy Statement dated March 15, 1995, is incorporated by reference.*

(d) 1996 Non-Employee Directors' Stock Compensation Plan included as Exhibit A to the Proxy Statement dated March 15, 1996 is incorporated by reference.

(e) Executive Officer Annual Incentive Plan included as Exhibit A to the Proxy Statement Dated March 16, 1998 is incorporated by reference.*

(13) Incorporated portions of Dover's Annual Report to Stockholders for its fiscal year ended December 31, 1997, as filed with the Commission by EDGAR on March 11, 1998, are incorporated by reference.

(21) Subsidiaries of Dover.

(23) Consent of Coopers & Lybrand L.L.P.

(24) Form of Power of Attorney.

(27) Financial Data Schedules (in EDGAR filing only).

* Executive compensation plan or arrangement.

(d) Not applicable.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) 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

By: /s/Thomas L. Reece

Thomas L. Reece
President and Chief Executive Officer

Date: March 27, 1998

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 |
|--------------------|---|----------------|
| - - - - - | ----- | ---- |
| /s/Thomas L. Reece | | |
| ----- | | |
| Thomas L. Reece | President and Chief Executive Officer and Director (Principal Executive Officer) | March 27, 1998 |
| | | |
| /s/John F. McNiff | | |
| ----- | | |
| John F. McNiff | Treasurer and Director (Principal Financial Officer) | March 27, 1998 |
| | | |
| /s/Alfred Suesser | | |
| ----- | | |
| Alfred Suesser | Controller (Principal Accounting Officer) | March 27, 1998 |
| | | |
| /s/Gary L. Roubos | | |
| ----- | | |
| Gary L. Roubos | Chairman and Director* | March 27, 1998 |

/s/David H. Benson

David H. Benson Director*

March 27, 1998

/s/Magalen O. Bryant

Magalen O. Bryant Director*

March 27, 1998

/s/Jean-Pierre M. Ergas

Jean-Pierre M. Ergas Director*

March 27, 1998

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/s/Roderick J. Fleming

Roderick J. Fleming Director*

March 27, 1998

/s/John F. Fort

John F. Fort Director*

March 27, 1998

/s/James L. Koley

James L. Koley Director*

March 27, 1998

/s/Anthony J. Ormsby

Anthony J. Ormsby Director*

March 27, 1998

* By: /s/Robert G. Kuhbach

Robert G. Kuhbach

Attorney-in-Fact

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EXHIBIT INDEX

- (3) (i) Restated Certificate of Incorporation of the Company and Amendments thereto, filed as Exhibit 3(a) to Annual Report on Form 10-K for year ended December 31, 1989, and Amendment thereto, filed as Exhibit 3(a) to Form 10-Q for quarter ended September 30, 1996 is incorporated by reference.
- (ii) By-Laws of the Company filed as Exhibit 3(ii) to Quarterly Report on Form 10-Q for Period Ended September 30, 1993, are incorporated by reference.
- (4) (a) Amended and Restated Rights Agreement, dated as of November 15, 1996, between Dover Corporation and Harris Trust Company of New York, filed as Exhibit 1 to Form 8-A/A dated November 15, 1996, is incorporated by reference.
- (10) (a) 1984 Incentive Stock Option and Cash Performance Program, filed as 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 Exhibit 99 to

Registration Statement on Form S-8 filed under Securities Act of 1933 (Reg. No.33-01419), is incorporated by reference.

(c) 1995 Incentive Stock Option and 1995 Cash Performance Program, included as Exhibit A to the Proxy Statement dated March 15, 1995, is incorporated by reference.

(d) 1996 Non-Employee Directors' Stock Compensation Plan, included as Exhibit A to the Proxy Statement, dated March 15, 1996 is incorporated by reference.

(e) Executive Officer Annual Incentive Plan included as Exhibit A to the Proxy Statement dated March 16, 1998, is incorporated by reference.

- (13) Incorporated portions of Dover's Annual Report to Stockholders for its fiscal year ended December 31, 1997, as filed with the Commission by EDGAR on March 11, 1998, are incorporated by reference.
- (21) Subsidiaries of Dover.
- (23) Consent of Coopers & Lybrand L.L.P.
- (24) Form of Power of Attorney.
- (27) Financial Data Schedule (in EDGAR filing only).

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SCHEDULE II

DOVER CORPORATION AND SUBSIDIARIES

Valuation and Qualifying Accounts

Years Ended December 31, 1997, 1996, 1995

| | Balance at Beginning of Year ----- | Additions Charged to Cost and Expense ----- | Deductions (1) ----- | Balance at Close of Year ----- |
|---------------------------------|---|---|----------------------------|---|
| | (000's omitted) | | | |
| Year Ended December 31, 1997 | | | | |
| Allowance for Doubtful Accounts | \$24,821 | \$10,167 | \$7,831 | \$27,157 |
| Year Ended December 31, 1996 | | | | |
| Allowance for Doubtful Accounts | \$22,325 | \$9,491 | \$6,995 | \$24,821 |
| Year Ended December 31, 1995 | | | | |
| Allowance for Doubtful Accounts | \$14,326 | \$9,616 | \$1,617 | \$22,325 |

Notes:

- (1) Represents uncollectible accounts written off and reduction of prior years' over-provision less recoveries of accounts previously written off, net of \$492, \$921 and \$3,260 related to acquisitions and divestitures in 1997, 1996 and 1995, respectively.

| Balance at Beginning of Year ----- | Charged (Credited) to Cost and Expense ----- | Acquired by Acquisition or Merger ----- | Balance at Close of Year ----- |
|---|--|--|---|
| (000's omitted) | | | |

| | | | | |
|------------------------------|----------|---------|-------|----------|
| Year Ended December 31, 1997 | | | | |
| Lifo Reserve | \$45,781 | \$617 | \$ -- | \$46,398 |
| Year Ended December 31, 1996 | | | | |
| Lifo Reserve | \$45,815 | \$ (34) | \$ -- | \$45,781 |
| Year Ended December 31, 1995 | | | | |
| Lifo Reserve | \$41,304 | \$4,511 | \$ -- | \$45,815 |

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of Dover Corporation:

Our report on our audits of the consolidated financial statements of Dover Corporation and subsidiaries has been incorporated by reference in this Form 10-K from the 1997 Annual Report of Dover Corporation and appears on page 32 therein. In connection with our audits of such financial statements, we have also audited the related financial statement schedule as listed in the index under Item 14 (a) of this Form 10-K.

In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

Coopers & Lybrand L.L.P.

New York, New York
February 6, 1998

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LIST OF SUBSIDIARIES

Domestic Subsidiaries

| Name - ---- | State of Incorporation ----- |
|---|------------------------------------|
| A-C Compressor Corporation | Delaware |
| Belvac Production Machinery, Inc. | Delaware |
| Chief Automotive Management Systems Inc. | Delaware |
| Chief Automotive Systems, Inc. | Delaware |
| Delaware Capital Formation, Inc. | Delaware |
| Delaware Capital Holdings, Inc. | Delaware |
| DovaTech Inc. | Delaware |
| Dover Diversified, Inc. | Delaware |
| Dover Elevator Company | Delaware |
| Dover Elevator International, Inc. | Delaware |
| Dover Elevator Systems, Inc. | Delaware |
| Dover Europe Corporation | Delaware |
| Dover Exports, Ltd. | Barbados |
| Dover Holdings de Mexico SA DE CV | Mexico |
| Dover Industries, Inc. | Delaware |
| Dover Resources, Inc. | Delaware |
| Dover Technology International, Inc. | Delaware |
| Dow-Key Microwave, Inc. | Delaware |
| Duncan Industries Parking Control Systems Corp. | Delaware |
| Everett Charles Technologies | Delaware |
| General Elevator Company, Incorporated | Maryland |
| GFS Manufacturing, Inc. | Delaware |
| Hasstech, Inc. | Delaware |
| Hill-Phoenix, Inc. | Delaware |
| Hydro Systems Company | Delaware |
| K&L Microwave, Inc. | Delaware |
| Light Machines Corporation | New Hampshire |
| Marathon Equipment Company | Delaware |
| Mark Andy, Inc. | Missouri |
| Miami Elevator Company | Delaware |
| Midland Manufacturing, Inc. | Delaware |
| Novacap, Inc. | Delaware |
| Pathway Bellows, Inc. | Delaware |
| Petro Vend, Inc. | Delaware |
| Phoenix Refrigeration Systems, Inc. | Georgia |
| PRC Corporation | New Jersey |
| Randell Manufacturing, Inc. | Delaware |
| Randell Refrigeration, Inc. | Delaware |
| Randell Warehouse of Arizona, Inc. | Delaware |
| Refrigeration Systems, Inc. | Delaware |
| Revod Corporation | Delaware |
| Robohand, Inc. | Delaware |
| Security Elevator Company | Delaware |

| | |
|-----------------------------------|------------|
| Sound Elevator Company | Delaware |
| Stark Manufacturing, Inc. | Delaware |
| Texas Hydraulics, Inc. | Delaware |
| The Heil Company | Delaware |
| The Wittemann Company, Inc. | Delaware |
| Thermal Equipment Corporation | California |
| Tipper Tie, Inc. | Delaware |
| TNI, Inc. | Delaware |
| Tranter, Inc. | Michigan |
| Tulsa Winch, Inc. | Delaware |
| Universal Instruments Corporation | Delaware |
| Vectron Laboratories, Inc. | Delaware |
| Vectron Technologies, Inc. | Delaware |

Waukesha Bearings Corp.
Weldcraft Products, Inc.

Wisconsin
Delaware

Foreign Subsidiaries

| Name - ---- | Jurisdiction ----- |
|--|-----------------------|
| A-C Compressor Canada | Canada |
| Allgemeine Aufzugswartung GmbH | Germany |
| Chief Automotive Limited | United Kingdom |
| Chief Automotive Systems Canada, Inc. | Canada |
| De-Sta-Co (Asia) Company, Limited | Thailand |
| De-Sta-Co Metallerteugnisse GmbH | Germany |
| DEK GmbH | Germany |
| DEK Printing Machines Ltd. | United Kingdom |
| Dover Corporation (Canada) Limited | Canada |
| Dover Europe Aufzug GmbH | Germany |
| Dover Exports, Ltd. | Barbados |
| Dover France Holdings SARL | France |
| Dover International, B.V. | Netherlands |
| Dover UK Finance Limited | United Kingdom |
| Dover UK Finance Services Limited | United Kingdom |
| Dover UK Holdings Limited | United Kingdom |
| DTI-ARB, Inc. | Canada |
| Grapas Nacionales de Mexico C.V. de S.A. | Mexico |
| Heat Transfer Technology S.A. (HTT) | Switzerland |
| Imaje, S.A. | France |
| Langbein & Englebracht, GmbH | Germany |
| Luther & Maezler, GmbH | Germany |
| Marte S. R. L. | Italy |
| Petro Vend Europe Inc. | United Kingdom |
| Petro Vend of Canada, Inc. | Canada |
| Petro Vend, Inc. | Poland |
| ReHeat N.V. | Belgium |
| Sincotron - Nordic | Sweden |
| Soltec Group B.V. | Netherlands |
| Soltec International, B.V. | Netherlands |
| Sweep A.G. | Switzerland |
| Technopack ewald hagedoen Nederland b.v | Netherlands |
| Tipper Tie-Technopack GmbH | Germany |
| Unibras A.G. | Switzerland |

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| | |
|--|----------------|
| Universal Hong Kong | Hong Kong |
| Universal Instruments (Electronics) Ltd. | United Kingdom |
| Universal Instruments (Malaysia) Sdn Bhd | Malaysia |
| Universal Instruments Corporation (Singapore) Pte. Ltd. | Singapore |
| Universal Instruments GmbH | Germany |
| Universal Instruments Korea Limited | Korea |
| Universal Instruments S.a.r.l. | France |
| Universal Electronics Systems | Taiwan |
| Universal Instruments de Mexico | Mexico |
| Universal Instruments Corp. Svenska | Sweden |
| Universal Instruments Nordic AS | Norway |

Exhibit 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in (a) the Registration Statement of Dover Corporation on Form S-8 (File No. 333-45661), (b) the Registration Statement of Dover Corporation on Form S-8 (File No. 33-11229, (c) the Registration Statement of Dover Corporation on Form S-8 (File No. 33-01419) and (d) the Registration Statement of Dover Corporation on Form S-3 (File No. 333-48201) of our reports dated February 6, 1998 on our audits of (i) the consolidated balance sheets of Dover Corporation and subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of earnings, retained earnings and cash flows for the years ended December 31, 1997, 1996 and 1995, which report is included in the 1997 Annual Report and incorporated by reference in the 1997 Annual Report on Form 10-K and (ii) the 1997 financial statement schedule of Dover Corporation, which report is included in this Annual Report on Form 10-K.

Coopers & Lybrand L.L.P.

New York, New York
March 27, 1998

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that, a director of Dover Corporation, a Delaware corporation (the "Company"), hereby constitutes and appoints 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, 1997, 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 30th day of January, 1998.

/s/David H. Benson

David H. Benson

/s/Magalen O. Bryant

Magalen O. Bryant

/s/ John-Pierre M. Ergas

John-Pierre M. Ergas

/s/ Roderick J. Fleming

John-Pierre Ergas

/s/John F. Fort

John F. Fort

/s/James L. Koley

James L. Koley

/s/John F. McNiff

John F. McNiff

/s/Anthony J. Ormsby

Anthony J. Ormsby

/s/Thomas L. Reece

Thomas L. Reece

/s/Gary L. Roubos

Gary L. Roubos

<ARTICLE> 5

<LEGEND>

This Schedule contains summary financial information extracted from the Dover Corporation Annual Report to stockholders for the fiscal year ended December 31, 1997, and is qualified in its entirety by reference to such financial statements.

</LEGEND>

<MULTIPLIER> 1,000

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|---|-------------|
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| <PERIOD-END> | DEC-31-1997 |
| <CASH> | 124,780 |
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| <ALLOWANCES> | 27,157 |
| <INVENTORY> | 562,830 |
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| <PP&E> | 1,262,288 |
| <DEPRECIATION> | 691,709 |
| <TOTAL-ASSETS> | 3,277,524 |
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| <BONDS> | 262,630 |
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| <PREFERRED> | 0 |
| <COMMON> | 234,507 |
| <OTHER-SE> | 1,469,077 |
| <TOTAL-LIABILITY-AND-EQUITY> | 3,277,524 |
| <SALES> | 4,547,656 |
| <TOTAL-REVENUES> | 4,547,656 |
| <CGS> | 2,975,920 |
| <TOTAL-COSTS> | 3,934,987 |
| <OTHER-EXPENSES> | (41,137) |
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| <INTEREST-EXPENSE> | 46,888 |
| <INCOME-PRETAX> | 616,836 |
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| <INCOME-CONTINUING> | 405,431 |
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| <EXTRAORDINARY> | 0 |
| <CHANGES> | 0 |
| <NET-INCOME> | 405,431 |
| <EPS-PRIMARY> | 1.82<F1> |
| <EPS-DILUTED> | 1.79 |
| <FN> | |
| <F1> Defined as Basic earnings per common share per the Consolidated statement of earnings. | |
| </FN> | |