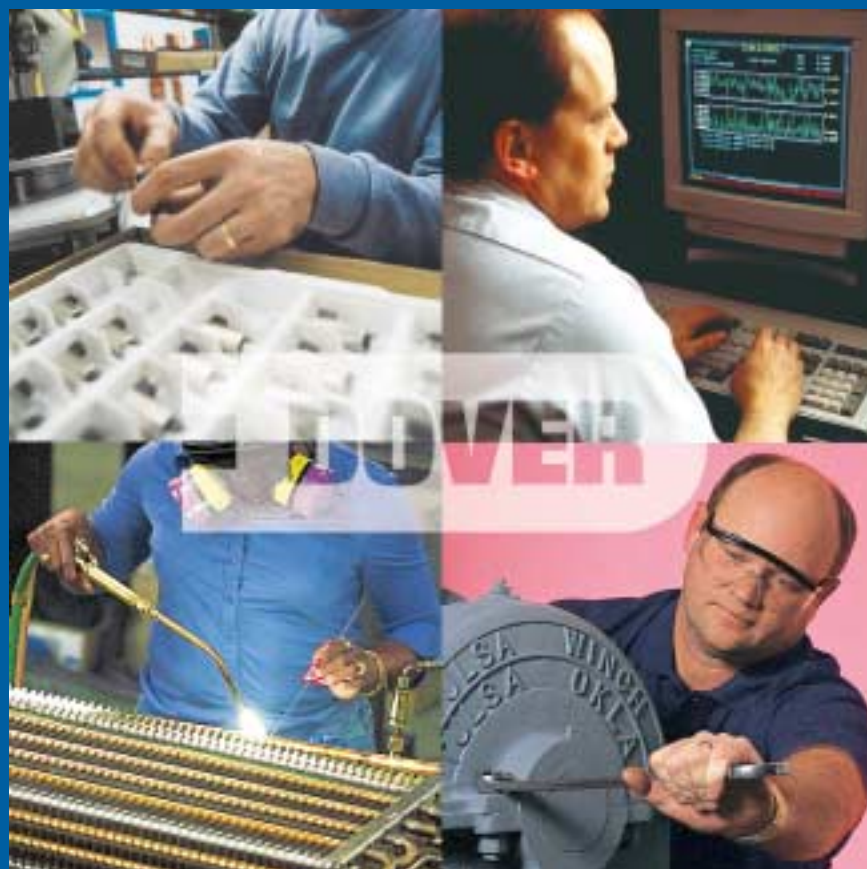




TDOWER





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DOVER'S BUSINESS PHILOSOPHY

Our goal is to be the leader in every market we serve, to the benefit of our customers and our shareholders. To achieve and maintain market leadership, we manage according to this consistent philosophy:

- Perceive customers' real needs and provide products and services to meet or exceed them,
- Provide better products and services than competitors,
- Invest to maintain competitive advantage, and
- Expect a fair price for the extra value we add.

Success demands a constant focus on product quality and innovation, and exceptional customer service. It requires a long-term orientation.

Dover enhances its market leadership and shareholder value by acquiring like-minded businesses that strengthen our existing market positions and offer new markets.

Intrinsic to Dover's success is a decentralized management style that gives the maximum possible autonomy to the talented people who manage our companies.

Dover will continue to adapt to market conditions, but its philosophy, which has served shareholders well for 46 years, will not change.

Dover Corporation and Subsidiaries

COMPARATIVE FINANCIAL HIGHLIGHTS

(Dollars in thousands, except per share figures)	2001	2000	1999
Net sales	\$4,459,695	\$5,192,691	\$4,228,465
Earnings before taxes	\$ 238,434	\$ 747,631	\$ 584,948
Net earnings	\$ 166,839	\$ 516,764	\$ 385,557
Per common share			
Continuing net earnings per diluted share	\$ 0.82	\$ 2.48	\$ 1.81
Dividends	\$.52	\$.48	\$.44
Capital expenditures	\$ 166,839	\$ 190,057	\$ 122,540
Acquisitions	\$ 281,819	\$ 506,251	\$ 599,171
Purchase of treasury stock	\$ 32,155	\$ 5,874	\$ 671,670
Cash flow	\$ 386,801	\$ 707,876	\$ 556,095
Return on average equity	7.0%	24.6%	22.6%
Number of employees	26,634	29,489	26,584

"Comparative Financial Highlights" represents results from continuing operations.

"Continuing net earnings per diluted share" and "Return on average equity" exclude gains and losses from sale of businesses and equity investments in 2000 and 1999.

"Acquisitions" represents the acquisition purchase price adjusted for long-term debt assumed and cash acquired on the date of acquisition.

"Cash Flow" represents net earnings from continuing operations plus depreciation and amortization.

The year 2001 was one of the most difficult in Dover's history. While doing whatever has been necessary to counter the market challenges, we have been focused on doing the right things to restore the strong and sustained growth that has been a Dover hallmark throughout its nearly five decades.

In 2001, sales declined 14% to \$4.5 billion, and earnings on a continuing basis fell 68% to \$166.8 million, or \$.82 per diluted share. Before the non-recurring charges of \$86.8 million, earnings were \$1.10 per share. The sales and earnings declines resulted primarily from a sharp contraction in the electronics industry that slashed sales, earnings and bookings in our Dover Technologies segment. A number of companies in our other three segments succeeded in improving their results, but many others did not, as the general industrial markets they serve continued to show the weakness that began to surface in 2000.

Volatility and the Long Term

The unprecedented boom-and-bust volatility of the electronics industry in recent years has been extraordinary. Dover benefited hugely in 2000 as unexpectedly vigorous and ultimately unsustainable growth in demand, particularly from the industry's telecommunications segment, generated record sales and profit growth for Dover Technologies companies. The down side of the cycle hit in 2001, as segment sales and bookings tumbled to fractions of their year-earlier numbers and profits evaporated.

Although volatility of this magnitude is incredibly difficult to deal with, our companies handled it well. They managed to ramp up production quickly in the up-cycle to create real value without building in excessive cost, and then downsized appropriately to meet the changed reality of the marketplace. Throughout they have continued doing the right things in order to maintain their core capabilities, and have continued to invest in product development. As a result, they are primed to achieve solid gains when the markets they serve turn upward again.

Dover, with its long-term orientation, has been well rewarded over the years for its participation in the electronics industry, despite this volatility. Because electronics has become as fundamental to the U.S. and world economies as oil and gas, and because the electronics industry is expected to keep growing faster than GDP for many years to come, the rewards will continue in the future.

The Dover Approach

Dover's emphasis on continually doing the right things even during market downturns is the primary reason why our companies typically emerge from downturns better positioned than when they went in. Our financial strength allows our company presidents to take a long-term view. We expect them to respond effectively to deteriorating markets, but not to sacrifice long-term growth for a quick fix. Rather, we encourage them to continue to invest for future gains, whether by changing their production or business methods, re-thinking their sales and marketing operations, developing new products, or making add-on acquisitions. In the text sections that follow this letter, we have focused on activities of eight Dover companies to illustrate how this approach is common throughout Dover, contributing to market leadership.

Emphasis on "Doing the Right Things"

A key reason we rebound strongly is because our operating companies do the right things. Two decades ago, severe competition from abroad led Dover (like many other companies) to take a hard look at the way our businesses operated. The result was a new focus on making our manufacturing and other processes far more efficient and on serving our customers much better. Our company presidents have been engaged in "continuous improvement" ever since, deploying such techniques as focused factories, cellular manufacturing, Six Sigma, Kaizen and others. Dover companies conduct multiple programs designed to lower costs, shorten lead times, reduce inventories, improve quality or make it easier for the customers to get what they want when they want it. This continuing effort, which we describe broadly as "Doing The Right Things," is helping our companies weather the current downturn while setting the stage for vigorous growth when markets begin to turn up.

Acquisitions: A Core Competency

For close to half a century, Dover shareholders have benefited from our ability to generate free cash flow and invest it profitably in acquisitions, one of our key reinvestment choices. Making profitable acquisitions, which can accelerate sales and earnings growth,



Dover Subsidiary Presidents and Chief Executive Officers: (from left) John E. Pomeroy, Dover Technologies International, Inc.; Lewis E. Burns, Dover Industries, Inc.; Jerry W. Yochum, Dover Diversified, Inc.; Ronald L. Hoffman, Dover Resources, Inc.



Dover Corporation Chairman and Chief Executive Officer, Thomas L. Reece at November 2001 Dover Investor Meeting.

is truly a Dover core competency. We review hundreds and hundreds of potential acquisitions to find the ones we are interested in pursuing. We are opportunistic in purchasing attractive stand-alone businesses, and our companies are proactive in pursuing strategic, add-on acquisitions that will enhance their technology or product lines, boost market share or help them expand into related fields. During the three year period 1998 to 2000 alone, we invested \$1.661 billion in nine stand-alone and 46 add-on acquisitions. In 2001, we invested another \$281.8 million in one stand-alone and 10 add-on acquisitions.

After the terrorist attacks of September 11, there was a general fall-off in the number of suitable acquisition candidates and in the short term our attention was focused elsewhere. Now with these events behind us, and with continuing strong cash flows and lower debt, I am confident that there will be excellent acquisition opportunities for selective cash buyers such as Dover, as the economy begins to regain its momentum during 2002.

Adding to our success in acquiring excellent companies is Dover's decentralized management style, which has strong appeal for entrepreneurs and ambitious management teams who understand and embrace the concept of "Doing The Right Things Right." As we have often noted, our company presidents have a great deal of autonomy when achieving high standards of performance and integrity. Typically, they rise to the challenge and our shareholders are the primary beneficiaries.

Management and Board Changes

At year end, Rudy Herrmann retired as President and Chief Executive Officer of Dover Resources, after eight years in that position. He will be missed. Succeeding Rudy in that key position is Ron Hoffman, who was Executive Vice President of Dover Resources and had been the President and driving force behind the growth of Tulsa Winch, both before and after Dover acquired it in 1995.

I also want to thank Roderick Fleming for his service as a Dover Director since 1995. Roddie has decided not to stand for reelection because of the press of other business endeavors. His financial acumen has been helpful, particularly as a member of the Audit Committee. At the same time, we have been fortunate to find

and welcome Bernard Rethore, who joined our Board last November. Bernie is an experienced manufacturing business executive, having served most recently as Chairman and Chief Executive Officer of Flowserve Corporation.

A Positive View of 2002 and Beyond

At this writing, the electronics markets seem likely to stabilize in the first half of 2002, albeit at depressed levels, and comparisons with 2001 should improve during the second half. Our electronics companies are well positioned to benefit when the upturn occurs, and our companies expect to enjoy better results when weak U.S. industrial markets begin to strengthen, although this is unlikely to occur before the second half of the year. In our global marketplace, Europe followed the U.S. into less robust economic activity, and much of Asia, except for China, followed Europe, suggesting that domestic sales will recover first.

Preserving the long-term health of their businesses has required our company presidents to align their operations to market realities, and layoffs have been a regrettable but unavoidable result. This has been painful for management, but, of course, more painful for those who have lost their jobs. I thank them publicly for their contributions, wish them well, and hope some can rejoin us when conditions improve.

I also want to thank the dedicated Dover employees who continue to give their best every day under difficult circumstances. I am grateful as well to our customers for their loyalty, to our suppliers for their cooperation, and to our shareholders for their continuing support.

Dover's future remains bright.

Sincerely,

Thomas L. Reece
Chairman and Chief Executive Officer
February 15, 2002

TECHNOLOGIES

Alphasem AG

Hans-Rudolf Meister
President

Products: Semiconductor assembly equipment
www.alphasem.com

Dielectric Laboratories

Brian DuPell
President

Products: High frequency capacitors
www.dilabs.com

DEK Printing Machines

John F. Hartner,
Managing Director

Products: Automated screen printers for printed circuit boards and semiconductors.
www.dek.com

Dow-Key Microwave

David W. Wightman,
President

Products: Microwave/R.F. switches.
www.dowkey.com

DT Magnetics

Wm. F. Barry Hegarty,
President

Products: Custom transformer and inductor magnetics.
www.dtmagnetics.com

Everett Charles Technologies

David R. Van Loan,
President

Products: Spring probes, test equipment and test fixtures for printed circuit boards and semiconductors.
www.ectinfo.com

Imaje

Omar Kerbage,
President

Products: continuous inkjet printers, consumables.
www.imaje.com

K&L Microwave

Louis Abbagnaro,
President

Products: Microwave/R.F. filters.
www.klmicrowave.com

Novacap

Dr. Andre P. Galliath,
President

Products: Application specific multilayer capacitors.
www.novacap.com

OK International

Michael J. Gouldsmith,
President

Products: Bench top tools for printed circuit board assembly and repair.
www.okinternational.com

Quadrant Technologies

Robert A. Livingston
President

Arcom Wireless Inc.
Products: Microwave transceivers.

Communication Techniques, Inc.

Products: Microwave frequency sources.

Vectron

International, Inc.

Products: Precision crystal devices.
www.vectron.com

Universal Instruments Corporation

Ian P. McEvoy
President

Products: Automated assembly equipment for printed circuit boards.
www.uic.com

Vitronics Soltec

Jeroen Schmits,
President

Products: Automated soldering equipment for printed circuit boards.
www.vitronics-soltec.com

INDUSTRIES

Chief Automotive Systems

Timothy J. Sandker
Acting President

Products: Auto collision measuring and repair systems.
www.chiefautomotive.com

DovaTech

A. Patrick Cunningham,
President

Products: CO2 and solid-state lasers; and industrial water chillers.
www.dovatech.com

Groen

Ronald A. Rosati,
President

Products: Commercial food service cooking equipment.
www.groen.com

Heil Environmental

Glenn M. Chambers,
President

Products: Refuse collection vehicles and dump bodies.
www.heilco.com

Heil Trailer International

Robert A. Foster,
President

Products: Liquid and dry bulk tank trailers, trucks and intermodal containers, and other specialty trailers.
www.heiltrailer.com

Kurz-Kasch

Neal M. Allread
President

Products: Electromagnetic stators and specialty plastic products.
www.kurz-kasch.com

Marathon Equipment

Edward A. Furnari,
President

Products: Waste compactors, conveyors, balers, hoists, shredders, grinders, transfer stations and recycling equipment.
www.marathonequipment.com

PDO

Charles R. Lieb,
President

Products: Touchless vehicle wash equipment.
www.pdqinc.com

Randell

Lynn L. Bay,
President

Products: Commercial refrigeration; food service preparation and holding equipment; ventilation systems.
www.randell.com

Rotary Lift

Michael G. Jobe,
President

Products: Hydraulically actuated vehicle service lifts and wheel alignment racks.
www.rotarylif.com

Somero

John T. Cooney,
President

Products: Laser controlled concrete floor placing and screeding equipment.
www.somero.com

Texas Hydraulics

J. Nisha Lobo,
President

Products: Engineered hydraulic cylinders and other fluid power components.
www.texashyd.com

Tipper Tie

W. David Pierce,
President

Products: Clip closures, packaging systems, netting, and wire products.
www.tippertie.com

Triton Systems

Ernest L. Burdette,
President

Products: Off-premise ATMs.
www.tritonatm.com

DIVERSIFIED

Belvac

*E. James Schneiders,
President*

Products: Can necking, trimming, shaping equipment; plastic container machinery.
www.belvac.com

Crenlo

*Thomas E. Bell
President*

Products: Construction and agriculture equipment cabs; electronic enclosures.
www.crenlo.com

Hill PHOENIX

*Ralph Coppola,
President*

Products: Commercial refrigeration systems; refrigerated display cases; walk-in coolers; electrical distribution products.
www.hillphoenix.com

Langbein & Engelbracht

*Jost Weimer,
President*

Products: Paint systems; environmental control equipment; air handling systems.
www.l-e.de

Mark Andy

John Eulich, President

Products: Narrow web printing presses; press-room automation equipment; plastic container printing equipment.
www.markandy.com

Performance Motorsports Inc.

*James A. Johnson,
President*

Products: High performance pistons; connecting rods; cylinder liners and related engine components.
www.doverpmi.com

Sargent

*William W. Spurgeon,
President*

Products: Submarine fluid controls; aircraft hydraulic controls; self-lubricating bearings; aircraft fasteners; auto-claves.
www.sargentcontrols.com

SWF

*Marcus H. Shiveley,
President*

Products: Automated packaging machinery
www.swfcompanies.com

Tranter

*Jack Ditterline,
President*

Products: Gasketed, plate/frame, compact brazed and welded heat exchangers; transformer radiators.
www.tranter.com

Waukesha Bearings

*Donald A. Fancher,
President*

Products: Fluid film bearings; torque and tension tools; remote material handling equipment and isolators.
www.waukbearing.com

RESOURCES

Blackmer

*Carmine F. Bosco,
President*

Products: Rotary vane, eccentric disk, progressive cavity, peristaltic, positive displacement pumps; centrifugal pumps, vane & screw type mobile compressors, reciprocating stationary gas compressors.
www.blackmer.com

C. Lee Cook

*David Jackson,
President*

Products: Piston rings, packing for gas/engine compressors and specialty sealing applications; compressor rods, pistons, valves, vanes, and repair services.
www.cleecook.com

De-Sta-Co Industries

*Jon H. Simpson,
President*

Products: Manual toggle clamps, pneumatic and hydraulic workholding devices; factory automation components and assemblies.
www.destaco.com

De-Sta-Co

Manufacturing

Bob Leisure, President

Products: Reed valves for compressors and stamped precision components.
www.destacomufacturing.com

Duncan Parking Systems

*James A. Elsner,
President*

Products: Parking control products and systems.
www.duncanindustries.com

Hydro Systems Company

*Jeffrey A. Rowe,
President*

Products: Mechanical and electronic dispensing systems.
www.hydrosystemsco.com

OPW Fluid Transfer Group

*John Anderson,
President*

Civacon/Knappco/Sure Seal
Products: Tank truck valves and electronic monitoring systems; Valves and manhole access devices for truck, rail, and industrial applications.
www.civacon.com

Midland Manufacturing

Products: Tank car and barge valves, safety valves, and liquid level measuring devices.
www.midlandmfg.net

OPW Engineered Systems

Products: Loading arms, swivels joints, sight flow indicators, isolation rings.
www.opw-es.com

OPW Fueling Components

*David J. Ropp,
President*

Products: Liquid and gas fueling nozzles, fittings, valves, environmental protection products and tire inflation equipment; fuel management systems and tank monitors.
www.opw-fc.com

Petroleum Equipment Group

*James R. Kosh,
President*

*James L. Mitchell,
President*

Alberta Oil Tool (Canada)

Products: Sucker rods, fittings, valves and controls; process valves and instrumentation systems.
www.aot.ab.ca

Norris

Products: Sucker rods, couplings, well servicing equipment.
www.norrisrods.com

Quartzdyne

*Robert B. Wiggins,
President*

Products: Quartz-based pressure transducers.
www.quartzdyne.com

RPA Process Technologies

Peter Scovic, President

Products: Liquid pressure filter systems, solids recovery systems, and high-viscosity mixer-extruder systems.
www.rpaprocess.com

Tulsa Winch Group

Steven Oden, President

Products: Worm and planetary gear winches, speed reducers, swing drives, wheel drives; electronic load monitoring systems.
www.tulsaWinch.com

Wilden Pump & Engineering Co.

*Bruce J. Bartells,
CEO/CFO*

*John D. Allen,
President/COO*

Products: air operated double diaphragm pumps.
www.wildenpump.com

Wittmann

*William Geiger,
President*

Products: CO2 gas generation and recovery systems, gas refrigeration systems.
www.wittmann.com

Market Leadership is Earned by Staying Close to the Customer



Universal Instruments Corporation, headquartered in Binghamton, New York.

Staying close to the customer, a particular challenge in today's fast-changing, global marketplace, is a key goal at every Dover company. Two Dover companies – Universal Instruments and Imaje – illustrate the imagination and attention to detail that success in this effort requires.

Both companies serve customers that are not only located in other countries, but are increasingly likely to be global enterprises, operating in dozens of locations. Universal, which draws about half of its revenue from Asia, has long deployed much of its direct sales staff there to stay close to its customers. Today, China has become a huge and fast-growing market – a market in which it is crucial to be as close as possible to the customer. Universal concluded that this required manufacturing in China. Accordingly, Universal is establishing manufacturing and engineering in China to make its sophisticated, flexible chip-placement equipment for Chinese and international OEMs and contract manufacturers.

Imaje, which makes high speed product code printing equipment that enables manufacturers to identify and track their products, has consistently remained close to its worldwide customers by having sales and service subsidiaries nearby. Imaje has direct sales/service offices in some 29 countries plus manufacturing facilities in China and the U.S. in addition to its French headquarters. Through constant attention to its customers, Imaje – like Universal – found that multinational corporations expected the same degree and quality of service everywhere, and that they wanted not just specific technology but solutions to a broad spectrum of needs.

In Imaje's case, customers wanted coding not only on products

but also on outside packaging in order to integrate and track operations from production to pallet. Imaje met that need by acquiring a Swedish company that puts coding on cartons and pallets, and a small French company with software for tracking products from origin to customer. By providing this management information to its customers, Imaje helps improve their operations, making itself more valuable to them and strengthening the relationship.

Similarly, many of Universal's customers, with operations in various parts of the world, rely on Universal's sophisticated information system. Major customer uses range from ordering online to tapping into its knowledge bases to access product specifications, best practices, case histories, troubleshooting tips, spare parts catalogs and industry white papers. In this way, Universal has made itself an integral and valuable part of its customers' business processes.

Universal also runs a lab for a consortium of electronics industry companies that it set up to work on projects of mutual interest, an effort that helps keep Universal closely attuned to evolving technical issues and needs.

Like many Dover companies, Universal and Imaje are keeping themselves close to their customers by listening carefully, adapting quickly, and constantly looking for innovative ways to help the customer improve its business.

Imaje, the leading producer of continuous ink-jet printers at their facility in Valence, France.



New Products Are the Lifblood of Market Leadership



Rotary Lift's inbay™ product at the Madison, Indiana headquarters.

Like other Dover companies, Rotary Lift and OPW Fueling Components have successfully maintained their longstanding market leadership by anticipating where their markets were going and being ready.

Rotary Lift's new inbay™ automotive lift is a case in point. Although its hydraulic lift technology had long dominated the automotive service lift markets, Rotary — one of the original four Dover companies — concluded it needed a new product breakthrough to assure future growth. Early in 2001, besides focusing on improvements to existing products, the company established a new-product development team to meet emerging needs stemming from the growing complexity of automotive technology. Rotary knew that employers were desperate to boost the productivity of their skilled technicians, who are scarce and expensive.

Rotary's solution, called inbay™, incorporated advanced computer technology right into the lift, enabling the technician, without leaving his post, to access instant information about a make and model or component, as well as instructions on repairs and warranty information. The result: faster, more accurate repairs. Because lifts can function for decades, Rotary designed the information technology portion of the product in modular form for easy upgrading. Enhancements will bring even greater integration of information and productivity options to the shop floor.

Launched June 2001, inbay™ is developing significant momentum among car makers, dealers and retail auto servicing chains, reinforcing Rotary's market leadership.

For OPW Fueling Components and its Petro Vend unit, the tough environmental regulations of recent years, including required replacement of underground fuel storage tanks, have pro-

vided continuing opportunities to develop effective and environmentally friendly products to meet customers' changing needs.

OPW's PISCES™, for example, is a system that prevents leaks between underground storage tanks and the fuel pumps they serve by using flexible, double-walled piping and sturdy, molded plastic sumps to provide easy access to tank fittings, pipe connections and submersible pumps. The patented flexible piping eliminates leaks that typically develop around rigid joints. The piping's outer wall provides crush resistance and allows replacement of the inner piping without excavation.

When federal regulations required new gasoline nozzles designed to keep fumes from escaping a car's tank during fueling, OPW developed them. When Congress later mandated that such fumes must be drawn back into the storage tank, it soon became clear that the resulting pressure build-up would cause most tanks to vent those fumes into the atmosphere. OPW, anticipating the EVR (enhanced vapor recovery) rules now being written to deal with this problem, developed an easily monitored, membrane-based technique to separate air from fuel vapors, returning the vapors to the tank in liquid form while venting the air to the atmosphere.

Since 1998, continuous monitoring has been required for all underground storage tanks in the U.S. Petro Vend devised an accurate, electronic tank gauging system, combining magnetostrictive technology with exact temperature measurements. The system detects minute leaks, and provides precise inventory control. With an eye to markets in non-English-speaking countries as well, Petro Vend marked the system's controls with simple icons, rather than language-specific labels.

OPW Fueling Components headquartered in Cincinnati, Ohio.



Continuous Improvement is the Responsibility of Market Leaders



Texas Hydraulics' Temple, Texas operation.

For Dover companies, operating in a competitive business environment where cutting costs and adding value are critical to success, continuous improvement is a way of life. Texas Hydraulics and Hill PHOENIX illustrate two approaches.

Texas Hydraulics, a market leader in custom-engineered hydraulic cylinders, embraces the concept of the lean enterprise: relentless elimination of waste, step-by-step improvements that are everyone's job, and total employee involvement. The well-understood goal is to serve the company's three primary stakeholders – customers, stockholders and employees. Guided by a set of principles and values, including 'the best idea wins,' employees are encouraged to innovate and share ideas for improving every business process.

This approach has helped Texas Hydraulics transform itself. Cellular manufacturing has replaced the traditional batch and queue approach. Pull systems have replaced push systems, providing the customer increased quality and flexibility. Cells are organized around product families to facilitate designing for ease of manufacture, consistent quality and ongoing improvement. Cross-training expands employees' skills. At every level, visual scoreboards help align activities with company goals, and the company uses a simple visual tool quarterly to evaluate each employee, set expectations, provide feedback and reward performance. The company holds frequent Kaizen events, in which cross-functional teams focus their analytical skills and creativity intensely on a given process to achieve a significant improvement in a short period of time.

This process continually creates 'Lean Champions,' whose passionate belief in the 'new business paradigm' is driving continuous improvement throughout the Texas Hydraulics organization.

At Hill PHOENIX, which has evolved from industry follower to a strong No. 2 in recent years, the key to continuous improvement is a management vision, a strong team to execute it, and relentless efforts to measure improvements in every process. The company examined each of its business and manufacturing processes, starting with product design, benchmarking itself against the best in other industries.

The supermarket chains that buy the company's refrigerated display cases, refrigeration systems and walk-in coolers often change their plans during construction or remodeling. Hill PHOENIX knew it had to adapt more quickly to avoid maintaining large, costly inventories. So it developed a common platform, adding customer specified components to create custom display cases. While less agile competitors struggled with large finished goods inventories, Hill PHOENIX eliminated them altogether, manufacturing to order and leading the industry in inventory turns.

Many of the seasoned executives Hill PHOENIX recruited applied their previous experience with cost-reduction or process improvement strategies, including benchmarking and sharing of best practices. As a result, the company has been able to cut costs and lead times by partnering with suppliers to deliver parts and materials "just in time" from consigned inventory in space leased to suppliers within Hill PHOENIX facilities.

For Hill PHOENIX, continuous improvement also means finding ways to leverage its technology leadership to lower customers' operating costs. By developing an innovative refrigeration technology, Second Nature™, the company is able to offer customers a system that cuts refrigerant costs, minimizes leaks, and simplifies regulatory compliance. A patented warm fluid defrost system reduces costly "shrink" – product waste caused by moisture loss that erodes weight, quality and value in meat and other products.

Hill-PHOENIX's Colonial Heights, Virginia operation.



Strategic Acquisitions

Enhance

Market Leadership



Tulsa Winch's Jenks, Oklahoma headquarters.

In addition to acquiring stand-alone businesses, investments in strategic add-ons has been growing. The recent experience of two Dover companies – Waukesha Bearings and Tulsa Winch – illustrates what Dover's focused acquisition approach is intended to accomplish, and why it has worked so well.

As the end of 1998, Waukesha was looking for add-on acquisitions to accelerate the growth of one or more of its three businesses: fluid-film bearings for large rotating equipment; torque tools for tightening very large bolts, and master/slave manipulating equipment for handling radioactive or hazardous materials.

In February 1999, Waukesha acquired U.K.-based Hydratight and merged it into its Sweeney unit, the overall world leader in torque tool technology. Hydratight makes tensioners, which use a different technique to tighten large bolts precisely, and is the world leader in that niche. While Hydratight was strongest in Europe, with a focus on North Sea oil and gas markets, Sweeney was U.S. oriented, targeting the Gulf of Mexico and domestic oil and gas markets. The companies complement each other in satisfying large industrial customer needs. Although the job of integrating the two continues, the product and geographic fit are excellent. Hydratight Sweeney (HTS) is the only company offering both technologies to customers worldwide.

In another segment of its business, fluid-film bearings, Waukesha is the U.S. market leader and has long sought to expand its geographic customer base. In August 2001, after several years of courtship, Waukesha acquired Federal Mogul RPB, a U.K.-based company that was the largest European maker of fluid-film bearings. The combined company is now the world leader, No. 1 in both the U.S. and Europe, and No. 2 in Japan. Federal Mogul RPB

also brought Waukesha potentially important magnetic bearing technology and a strong R & D focus.

Tulsa Winch, a leading maker of winches for the petroleum and construction industries was purchased by Dover in 1996, and has significantly expanded its product offerings, revenues and profitability. In 1999, it acquired DP Winch, also Oklahoma-based, the world leader in winches for military applications and a leader in winches for the towing and recovery industry. In 2000, Tulsa Winch added Pullmaster, a Canadian company that is a leader in winches for the logging, marine and fishing industries. The same year, it also purchased Greer, a California company that makes electronic load-monitoring equipment for the mobile crane industry.

When acquired, Tulsa Winch, DP Winch and Pullmaster were all privately held companies. Their manager/owners were concerned about their companies' future under a new owner, and were attracted by Dover's management philosophy and its track record of helping acquired companies to grow. The managers of Greer, previously a division of a British company, were pleased with the prospect of Dover funding that could enable the company to grow. The managers of these acquired companies also decided that even with the contributions to synergies through combining businesses, there would be more entrepreneurial freedom and less bureaucracy than with other acquirers.

Thus Dover's acquisition success derives not only from an ability to find complementary and strategically valuable targets, but also from the strong appeal of Dover's approach to managing those companies after their acquisition.

Waukesha Bearings Corporation's Antigo, Wisconsin facility.



CONDENSED STATEMENTS OF EARNINGS

(in thousands, except per share figures)

Statement of earnings for the years ended December 31,	2001	2000	1999
Net sales	\$4,459,695	\$5,192,691	\$4,228,465
Cost of sales	3,064,326	3,292,645	2,693,079
Gross profit	1,395,369	1,900,046	1,535,386
Selling and administrative expenses	1,096,346	1,081,336	929,635
Operating profit	299,023	818,710	605,751
All other expenses	60,589	71,079	20,803
Earnings before taxes on income	238,434	747,631	584,948
Federal and other taxes on income	71,595	230,867	199,391
Net earnings from continuing operations	166,839	516,764	385,557
Net earnings from discontinued operations	81,698	2,848	543,435
Net earnings	\$ 248,537	\$ 519,612	\$ 928,992
Net earnings per common share:			
Basic –Continuing operations	\$ 0.82	\$ 2.55	\$ 1.84
–Discontinued operations	.40	.01	2.60
–Net earnings	\$ 1.22	\$ 2.56	\$ 4.44
Diluted–Continuing operations	\$ 0.82	\$ 2.52	\$ 1.83
–Discontinued operations	.40	.02	2.58
–Net earnings	\$ 1.22	\$ 2.54	\$ 4.41
Weighted average number of common shares outstanding during the period:			
Basic	202,925	202,971	209,063
Diluted	204,013	204,677	210,679

CONDENSED BALANCE SHEETS

December 31, (in thousands)	2001	2000
Assets		
Cash, cash equivalents and marketable securities	\$ 176,862	\$ 185,989
Receivables, net of allowances for doubtful accounts	675,233	869,510
Inventories	660,601	750,599
Prepaid expenses and other current assets	142,232	102,576
Total current assets	1,654,928	1,908,674
Net property, plant and equipment	761,361	715,244
Goodwill, net of amortization	1,946,423	1,793,556
Intangibles net of amortization, and other assets	229,553	262,393
Assets from discontinued operations	9,937	213,896
	\$4,602,202	\$4,893,763
Liabilities and Stockholders' Equity		
Notes payable	\$ 39,783	\$ 839,880
Current maturities of long-term debt	3,997	2,657
Payables and accrued expenses	620,092	683,455
Federal and other taxes on income	155,299	43,535
Total current liabilities	819,171	1,569,527
Long-term debt	1,033,243	631,846
Deferred income taxes	102,853	67,760
Other deferrals (principally compensation)	107,555	145,102
Liabilities from discontinued operations	19,841	37,953
Stockholders' equity	2,519,539	2,441,575
	\$4,602,202	\$4,893,763

CONDENSED STATEMENTS OF CASH FLOWS

Increase (decrease) in cash and cash equivalents

For the years ended December 31, (in thousands)	2001	2000	1999
Cash flow from operating activities:			
Net earnings	\$ 248,537	\$ 519,612	\$ 928,992
(Earnings) loss from discontinued operations	14,896	(16,443)	(19,497)
(Gain) loss on sale of discontinued operations	(96,594)	13,595	(523,938)
(Gain) loss on sale of marketable securities	—	(13,741)	—
Depreciation and amortization	219,963	191,112	170,537
(Gain) loss on sale of businesses	—	3,246	(10,256)
Working capital changes	282,693	(158,342)	(102,206)
Other, net	9,352	6,363	(12,084)
Net cash from operating activities of continuing operations	678,847	545,402	431,548
Cash flows from (used in) investing activities:			
Proceeds from the sale of marketable securities	—	14,185	—
Property, plant and equipment additions, net of proceeds from sales	(153,452)	(182,997)	(120,298)
Acquisitions (net of cash and cash equivalents)	(274,062)	(442,658)	(575,011)
Proceeds from sale of businesses	—	16,919	40,096
Net cash from (used in) investing activities of continuing operations	(427,514)	(594,551)	(655,213)
Cash flows from (used in) financing activities:			
Increase (decrease) in notes payable	(803,315)	532,023	(135,440)
Increase (decrease) in long-term debt	391,813	(26,702)	(7,437)
Purchase of treasury stock	(32,155)	(5,874)	(671,670)
Proceeds from exercise of stock options	3,945	9,003	7,521
Cash dividend to stockholders	(105,563)	(97,468)	(91,808)
Net cash from (used in) financing activities of continuing operations	(545,275)	410,982	(898,834)
Effect of exchange rate changes on cash and cash equivalents	(7,521)	(4,100)	(6,982)
Cash from (used in) discontinued operations	8,509	(11,628)	32,472
Taxes paid on gain from sale of elevator market segment	9,793	(302,369)	(21,786)
Proceeds, from sale of discontinued operations	278,378	—	1,160,000
Net increase (decrease) in cash and cash equivalents	(4,783)	43,736	41,205
Cash and cash equivalents at beginning of year	180,648	136,912	95,707
Cash and cash equivalents at end of year	\$ 175,865	\$ 180,648	\$ 136,912

CONTINUING SALES AND OPERATING PROFIT BY MARKET SEGMENT

For the Years Ended December 31, (in thousands)	2001	2000	1999
Sales:			
Dover Technologies	\$1,257,964	\$2,100,004	\$1,457,792
Dover Industries	1,160,147	1,203,431	1,100,807
Dover Diversified	1,104,613	1,019,307	908,867
Dover Resources	942,503	877,405	766,235
Consolidated total (after intramarket eliminations)	\$4,459,695	\$5,192,691	\$4,228,465
Operating profit:			
Dover Technologies	\$ (12,953)	\$ 391,960	\$ 226,761
Dover Industries	142,234	190,978	169,178
Dover Diversified	93,330	150,607	132,018
Dover Resources	115,011	120,003	107,381
Gain (loss) on dispositions, net	—	10,495	10,256
Interest income, interest expense and general corporate expenses, net	(99,188)	(116,412)	(60,646)
Consolidated earnings before taxes	\$ 238,434	\$ 747,631	\$ 584,948

(All Shareholders and potential investors are encouraged to refer to Dover Corporation's Annual Report on Form 10-K filed with the Securities Exchange Commission for more detailed and complete information)

Summary Management Discussion and Analysis

Operations:

Dover Corporation's sales declined 14% from the prior year to \$4.5 billion, and net earnings from continuing operations declined 68% to \$166.8 million. Net earnings per diluted share from continuing operations declined 67%, from \$2.52 in 2000 to \$.82 in 2001. During the year various restructuring programs to reduce the overall cost structure, to eliminate non-strategic product lines and facilities, and established inventory, accounts receivable, and other reserves resulted in a total charge to continuing operations in 2001 of \$86.8 million, \$68.4 million of which related to the third and fourth quarter.

Dover Technologies' sales in 2001 declined 40% from the prior year to \$1,258.0 million, with a loss of \$13.0 million, following record earnings of \$392.0 million in 2000, a "boom" year for the electronics manufacturing market. The primary reason for these declines was the impact on Dover Technologies of the collapse of the technology sector.

As demand for electronics equipment dropped, Dover Technologies' Circuit Board Assembly and Test (CBAT) customers curtailed spending for CBAT equipment products. CBAT sales declined 52% to \$651.3 million, and record 2000 earnings of \$265.2 million became a \$53.2 million loss. Customer demand for the large circuit board production equipment declined throughout the year, turning profits to losses, which peaked in the third quarter. The reaction to the downturn was to "right-size" the business by reducing employment and eliminating all but critical operating expenses. In the fourth quarter, with demand stability at depressed levels and the benefits of substantial cost reductions, losses began to slow. The CBAT consumables business, more dependent on customer's production volumes, was also very weak all year.

Technologies' Specialty Electronics Components (SEC) businesses were similarly affected, particularly given their product focus on the higher technology data communications, telecommunications and networking markets. SEC sales declined 25% to \$397.8 million, and record earnings in 2000 of \$104.0 million fell to \$31.2 million. Order intake dropped precipitously in the first quarter of 2001, and backlog declined all year. SEC's customers were hurt as the collapse of the "dot-com bubble" left a glut of unused equipment and capacity expansion, which end-customers could not support, particularly as new markets and applications failed to materialize and many customers restricted or eliminated spending. The one bright spot, Imaje, the French based industrial ink-jet printer manufacturer, had another very successful year.

Dover Industries' sales in 2001 declined 4% to \$1,160.1 million, as general weakness in its industrial and commercial markets impacted most companies. Heil Environmental, Texas Hydraulics, Somero and the food service markets of Groen and Randell experienced the largest sales declines. Continuing earnings of \$142.2 million were

reduced for the year by \$4.6 million in charges to restructure certain businesses and establish other reserves. Without those charges, earnings were down 23% from \$191 million in 2000. Segment operating profit margins declined from 15.9% to 12.3%. The major earnings declines occurred at Triton, Dovatech, Texas Hydraulics, Tipper Tie, and the waste equipment companies.

At Heil Environmental, a cyclical downturn, the loss of business from a major customer, and a municipal market slow down after September 11th led results for the year to fall below those of the prior two years. Marathon, subject to the same market factors, was similarly impacted. Though cushioned by its broad product line, and leading market position, it faced strong price competition. Triton, acquired in early 2000, continued to under-perform expectations. Adverse factors included a glut of low priced competitor's ATM machines that flooded the market, slowing domestic market growth and resultant price competition, new product development and introduction delays and manufacturing inefficiencies. DovaTech's laser and laser cooler business was hit hard by the economic downturn, particularly in solid-state applications for the telecommunications industry. Texas Hydraulics had a substantial decline in sales and earnings, but modest margin deterioration, due to good cost control. All served markets were down, particularly its important aerial lift and utility platform markets. Tipper Tie was hurt by the European "mad cow" and "hoof and mouth" disease scares, where roughly 50% of its sales are made. Throughout the year it also suffered from fierce price competition in a weak market and miscues in product introductions. Heil Trailer had a second straight year of lower results because capital spending programs at the major oil companies were hurt by industry consolidations, and the market for dry bulk trailers remained very weak. Rotary Lift's sales and earnings were flat with the prior year even though market demand was down 12%. Rotary improved its leading market share position, in part due to new product introductions. Groen's institutional food service equipment market and Randell's restaurant chain market were both weak, and sales and earnings declined from 2001. Chief Automotive's sales and earnings were down in 2001, but the company maintained market leadership and high returns on operating investment. Somero, acquired in mid-1999, failed to meet expectations, with sales and earnings declines again in 2001. PDQ improved sales and earnings based on new market introductions, close attention to competitive pricing, and continual cost reductions.

Dover Diversified's sales increased 8% in 2001 to \$1,104.6 million. Continuing earnings of \$93.3 million were reduced \$18.1 million by charges for business restructurings and other reserves. Before these charges, earnings were down 26%. Segment profit margins declined to 8.4% from 14.8%.

A substantial portion of this decline relates to Crenlo, where strong earnings in 2000 became a significant loss in 2001, caused by a variety of management challenges complicated by a weak market. Hill Phoenix, Diversified's largest unit, had dramatic increases in sales and earnings, which was a function of market share gain (in a declining market) linked to positioning with the fastest growing customers, and penetrating new key accounts. Tranter, one of Diversified's largest businesses, was its largest prof-

it contributor despite significant margin erosion due to weak industrial capital spending, and U.S. dollar strength which helped foreign competitors and hurt the profitability of Tranter's foreign operations. Sargent's 2001 sales and earnings were up sharply due to a strong backlog and stable conditions in both the aerospace and marine markets for much of the year, although aerospace orders declined precipitously after the September 11th events. Waukesha Bearings set an earnings record in 2001 on sharply higher sales, caused by strong demand for gas turbine bearings and a major acquisition late in the year. Performance Motorsports Inc. had higher sales and earnings in 2001 based on two acquisitions, a strong core business, and operational improvements. Mark Andy's printing markets were weak throughout 2001, leading to a substantial drop in profits, despite an acquisition and substantial cost cutting. SWF's sales increased substantially in 2001 largely due to acquisitions in 2000 and 2001, but earnings declined due to a weak packaging market and acquisition integration issues and expenses. Belvac, now structured to perform well in its cyclical market, suffered from weak markets but maintained strong margins. Langbein & Engelbracht's had a modest sales increase and slight earnings decline in a price competitive market.

Dover Resources' sales in 2001 increased 7% to a record \$942.5 million, largely due to strength in the oil and gas production markets served by Petroleum Equipment Group ("PEG"), C. Lee Cook and Quartzdyne, and the full year impact of add-on acquisitions in 2000. Earnings of \$115.0 million were reduced by \$8.6 million to restructure certain businesses and to establish other reserves. Without those charges, earnings would have been slightly higher than the prior year. Operating profit margins declined from 13.7% in 2000 to 12.2% in 2001, as very difficult conditions in the automotive and transportation markets impacted several Dover Resources companies.

PEG's 2001 sales and earnings were up, as demand from the oil and gas production markets was strong across all product lines, particularly for sucker rods used in oil production and particularly in the first half of the year. C. Lee Cook's record sales and earnings results reflected strong demand from gas production and distribution customers for its gas compressor components, though demand declined later in the year as gas production increased and prices declined in a weaker economy. Quartzdyne also had record sales and earnings in 2001, as higher oil well drilling and completions increased demand for its pressure transducer products. OPW Fueling Components managed a modest sales increase with flat earnings and margins in a market where service station construction activity has slowed. OPW Fluid Transfer Group's results suffered from weakness in its petroleum, dry bulk, chemical and petrochemical transportation-related businesses, but maintained respectable margins. Wilden had modest sales and profit declines in generally weak markets as a result of operational improvements, higher international sales, and a new product line introduction. In weak markets, Blackmer significantly improved profits in 2001, largely from increased European sales and margins. Tulsa Winch Group had record sales and earnings due to full year impact of acquisitions, strong demand from its OEM customers early in the year and a strong market for its oil field product line. De-Sta-Co Industries' profits dropped due to low demand for its clamping and workplace automation products, particularly because of dependency on the domestic automotive industry and weak international markets made worse by the strong U.S. dollar. De-Sta-Co Manufacturing maintained profits by reducing costs in the face of severe margin pressure from its automotive customer base, and by year end finalized plans to exit an under-performing business segment. RPA Process Technologies (RPA) significantly improved sales

and operating profits as its European unit recovered from a very poor performance in 2000, despite weak capital spending in RPA's markets. Hydro Systems had a record year for both sales and earnings, as a result of new product and market initiatives and cost reduction efforts. The global market for carbon dioxide generation and recovery equipment supplied by Wittemann remains quite depressed. Although Duncan had another difficult year in 2001, a reduced cost structure and increased customer focus improved second half results.

Financial Condition:

Net cash from operating activities increased to \$678.8 million in 2001 from \$545.4 million in 2000, driven primarily by a \$282.7 decrease in working capital (principally receivables and inventory) offset by a 52 % decline in net earnings or \$271.1 million. Net cash used in investment activities aggregated \$427.5 million in 2001 compared with \$594.6 million in 2000. The change from year to year was primarily due to decreased acquisition spending.

Net debt (notes payable plus long-term debt and current maturities of long-term debt less cash and equivalents and marketable securities) decreased to \$900.2 million or 26.3% of total capital at December 31, 2001, compared with \$1,288.4 million or 34.5% at December 31, 2000. A "shelf registration" for up to \$1 billion in senior debt securities was filed in the first quarter of the year and used to issue \$400.0 million of 6.50% Notes due February 15, 2011. The proceeds reduced short-term commercial paper borrowings. The current long term credit rating is A-1 (Standard & Poors) and A+ (Moody's). The Company typically finances its short term borrowing requirements, if any, in the commercial paper market. In addition, the Company has a \$750 million contractual Revolving Credit Agreement with a group of 15 banks, which is available for short term financing in the event of a disruption in the commercial paper market. The current short term credit ratings are A-1 (Standard & Poors) and P-1 (Moody's). During 2001 the entire capital expenditure program (\$166.8 million) was financed internally.

Significant Accounting Issues in 2001:

Discontinued Operations:

In October of 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", effective for fiscal years beginning after December 15, 2001. Encouraged by FASB, the Company early adopted this new policy in the fourth quarter. All prior interim and full year reporting periods have been restated to reflect the treatment of discontinued operations under this new accounting policy. These operations include, effective April 10, 2001, the welding equipment businesses of DovaTech (Dover Industries segment) and, effective May 31, 2001, A-C Compressor (Dover Diversified segment). Four additional small businesses, which were designated as held for sale in the fourth quarter, were also discontinued in 2001. Three are from the Dover Diversified segment and one is from the Dover Resources segment.

The net sales from discontinued operations for the years 2001, 2000 and 1999 were \$68.3 million, \$208.0 million and \$217.9 million, respectively. The loss from discontinued operations of \$19.3 million included impairment charges to reduce businesses held for sale to their fair value, less costs to sell. For these discontinued operations, assets in 2001 and 2000 total \$9.9 million and \$213.9 million and liabilities total \$19.8 million and \$37.9 million, respectively.

Acquisitions and divestitures:

The aggregate economic cost of the one stand-alone and eleven add-on acquisitions in 2001 was approximately \$281.8 million (purchase price paid plus debt assumed, less cash acquired), of which \$164.1 million represents goodwill. These acquisitions added \$139.7 million to sales in 2001, and after the impact of goodwill and other acquisition charges the earnings impact was \$(.04) per diluted share.

Effective April 10, 2001, the Company sold the welding equipment businesses of DovaTech (Dover Industries segment) and effective May 31, 2001, the Company sold A-C Compressor (Dover Diversified segment). As noted above, all amounts in the financial statements for these operations reflect discontinued operations accounting. As a result of these transactions a \$96.6 million net gain was recorded in 2001 discontinued earnings.

Business Restructuring and Other Charges:

In 2001, the Company announced various restructuring programs at selected operating companies to reduce the overall cost structure and eliminate certain non-strategic or redundant product lines and facilities. The total restructuring charges related to these programs in 2001 was \$20.9 million and included employee separation costs and costs associated with facility closings. All restructuring charges were charged to either cost of sales or selling and administrative expenses as a component of operating earnings. The Company expects to complete these restructuring programs by the end of fiscal year 2002.

In addition, the Company established inventory, accounts receivable, and other reserves resulting in a total charge to continuing operations in 2001 of \$86.8 million, \$68.4 million of which related to the third and fourth quarter. These charges were predominately in the Technologies and Diversified segments.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

DOVER CORPORATION

The accompanying consolidated financial statements of Dover Corporation and subsidiaries on Form 10K, from which the condensed financial statements presented herein are derived, have been prepared by management in conformity with U.S. generally accepted accounting principles and, in the judgment of management, present fairly and consistently the company's financial position and results of operations and cash flows. These statements, by necessity, include amounts that are based on management's best estimates and judgments and give due consideration to materiality.

The accounting systems and internal accounting controls of the company are designed to provide reasonable assurance that the financial records are reliable for preparing consolidated financial statements and maintaining accountability for assets and that, in all material respects, assets are safeguarded against loss from unauthorized use or disposition. Qualified personnel throughout the organization maintain and monitor these internal accounting controls on an ongoing basis. The Company's financial staff systematically reviews the adequacy and effectiveness of the controls

and reports thereon. The consolidated financial statements have been audited by PricewaterhouseCoopers LLP, independent auditors. The Audit Committee of the Board of Directors, composed solely of outside directors, meets periodically with management and independent auditors to review matters relating to the quality of financial reporting and internal accounting control and the nature, extent and results of their audits. The Company's independent auditors have free access to the Audit Committee.



Thomas L. Reece
Chairman and Chief Executive Officer



David S. Smith
Vice President, Finance and Chief Financial Officer

INDEPENDENT ACCOUNTANTS' REPORT

PRICEWATERHOUSECOOPERS

To the Board of Directors and Shareholders of Dover Corporation:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheets of Dover Corporation and its subsidiaries as of December 31, 2001 and 2000 and the related consolidated statements of earnings, of comprehensive earnings and retained earnings and of cash flows for each of the three years in the period ended December 31, 2001 (not presented herein), and in our report dated February 8, 2002, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated, in all material respects, in relation to and when read in conjunction with the consolidated financial statements from which it has been derived. As discussed in Note 1 to the consolidated financial statements referred to above, in 2001 the Company changed its accounting method for the impairment or disposal of long-lived assets.



New York, New York
February 8, 2002

5 - YEAR CONSOLIDATED SUMMARY OF SELECTED FINANCIAL DATA FOR CONTINUING OPERATIONS

Dover Continuing Operations (in thousands, except per share figures)	2001	2000	1999	1998	1997
Net sales	\$4,459,695	5,192,691	4,228,465	3,743,180	3,495,081
Cost of sales	3,064,326	3,292,645	2,693,079	2,399,282	2,228,378
Selling and administrative expenses	1,096,346	1,081,336	929,635	844,651	769,995
Interest expense	91,168	97,211	53,037	60,497	46,076
Other income, net	30,579	26,132	32,234	17,723	19,410
Earnings before taxes	238,434	747,631	584,948	456,473	470,042
Income taxes	71,595	230,867	199,391	150,521	159,612
Net earnings	\$ 166,839	516,764	385,557	305,952	310,430
% of sales	3.7%	10.0%	9.1%	8.2%	8.9%
Return on average equity	7.0%	24.6%	22.6%	21.4%	24.4%
EPS per diluted common share:					
Net earnings	\$ 0.82	2.48	1.81	1.36	1.43
Goodwill write-offs (net of tax)	\$ 0.21	0.18	0.15	0.10	0.09
Net earnings before goodwill	\$ 1.03	2.66	1.96	1.46	1.52
Other acquisition write-offs (net of tax)	\$ 0.14	0.16	0.13	0.11	0.16
Net earnings before acquisitions write-offs	\$ 1.17	2.82	2.09	1.57	1.68
EBITACQ	\$ 2.02	4.44	3.26	2.55	2.58
Depreciation and amortization	\$ 219,963	191,112	170,537	155,313	146,818
Net property, plant and equipment	\$ 761,361	715,244	605,241	529,149	483,387
Total assets	\$4,592,265	4,679,867	3,916,711	3,161,089	2,674,952
Total debt	\$1,077,023	1,474,383	905,208	1,038,736	693,318
Capital expenditures	\$ 166,839	190,057	122,540	112,292	109,980
Working capital	\$ 835,757	339,147	264,561	303,267	280,642
Cash flow	\$ 386,801	707,876	556,095	461,265	457,248
Total Dover					
Net earnings including dispositions	\$ 1.22	2.54	4.41	1.69	1.79
Dividends per common share	\$.52	.48	.44	.40	.36
Book value per common share	\$ 12.44	12.02	10.06	8.67	7.65
Acquisitions (economic cost basis)	\$ 281,819	506,251	599,171	556,019	261,460
Common stockholders' equity	\$2,519,539	2,441,575	2,038,756	1,910,884	1,703,584
Common shares outstanding	202,579	203,184	202,629	220,407	222,596
Weighted average number of shares	204,013	204,677	210,679	224,386	226,815
Closing common stock price per share	\$ 37.07	40.56	45.38	36.63	36.13
Number of employees	26,634	29,489	26,584	23,314	21,814

"Dover Continuing Operations"—All results and data in this section reflect continuing operations, which exclude discontinued operations.

"Return on average equity," "Net earnings" per diluted common share, "Net earnings before goodwill" per diluted common share, "Net earnings before acquisition write-offs" per diluted common share and "EBITACQ" per diluted common share and the "Total Dover" "Net earnings" for 2000 and 1999 exclude the net gain from the sale of investments and businesses.

"Net earnings before goodwill" is equal to the sum of net earnings from continuing operations and goodwill write-offs, net of tax, per weighted average diluted common share.

"Net earnings before acquisition write-offs" is equal to the sum of net earnings before goodwill from continuing operations and other acquisition write-offs, net of tax, per weighted average diluted common share.

"EBITACQ" is equal to earnings before taxes, net interest and acquisition write-offs from continuing operations per weighted average diluted common share.

"Cash flow" represents net earnings from continuing operations plus depreciation and amortization.

"Total Dover"—All results and data in this section are on a total Dover basis, which includes discontinued operations.

"Acquisitions (economic cost basis)" represents the acquisition purchase price adjusted for long-term debt assumed and cash acquired on the date of acquisition.

Adjusted, where applicable, to give retroactive effect to the 2 for 1 stock split in 1997.

BOARD OF DIRECTORS

David H. Benson†
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Family & Partners

Jean-Pierre M. Ergas*♦
Chairman and
Chief Executive Officer,
BWAY Corporation

Roderick J. Fleming†
Managing Partner, Fleming
Family & Partners.

Kristiane C. Graham♦
Private Investor

James L. Koley †*
Chairman, Koley
Jessen, P.C.

Richard K. Lochridge♦
President,
Lochridge & Company, Inc.

Thomas L. Reece*
Chairman, President and
Chief Executive Officer

Bernard G. Rethore
Chairman of the Board
Emeritus, Flowserve
Corporation.

Gary L. Roubos†*
Retired Chairman of the
Board of Dover Corporation,
Director, Bell & Howell;
Omnicom Group, Inc.

Michael B. Stubbs†
Private Investor

* Members of Executive Committee
† Members of Audit Committee
♦ Members of Compensation Committee



OFFICERS

Thomas L. Reece
Chairman, President and
Chief Executive Officer

Lewis E. Burns
Vice President;
President and Chief
Executive Officer,
Dover Industries, Inc.

Charles R. Goulding
Vice President, Taxation

Ronald L. Hoffman
Vice President;
President and Chief
Executive Officer,
Dover Resources, Inc.

Robert G. Kuhbach
Vice President,
General Counsel and Secretary

John E. Pomeroy
Vice President; President
and Chief Executive Officer,
Dover Technologies
International, Inc.

David S. Smith
Vice President, Finance
and Chief Financial Officer

Robert A. Tyre
Vice President,
Corporate Development

Maynard C. Wiff
Vice President,
Information Technology

Jerry W. Yochum
Vice President;
President and Chief
Executive Officer,
Dover Diversified, Inc.

SHAREHOLDER INFORMATION

Investor Inquiries and Corporate News

For quarterly earnings releases, information on conference calls and webcasts, press releases, annual reports, SEC filings including Form 10K, acquisitions, supplemental financial disclosure, and all other corporate news releases, please visit our website at www.dovercorporation.com

Dividends

Quarterly dividends on Dover Corporation common stock are typically paid on or about the 15th day of the months of March, June, September and December.

What is Dover's Ticker Symbol?

Dover's ticker symbol is DOV. The stock trades on the New York Stock Exchange and is one of the corporations listed in the S & P 500.

Annual Shareholders Meeting

The Annual Meeting of Shareholders will be held on Tuesday, April 23, 2002 at 10:00 a.m. (local time) at the Wilmington Trust Company in Wilmington, DE.

Independent Accountants:

PriceWaterhouse Coopers LLP
New York, New York



Shareholder Services

For help with any of the following:

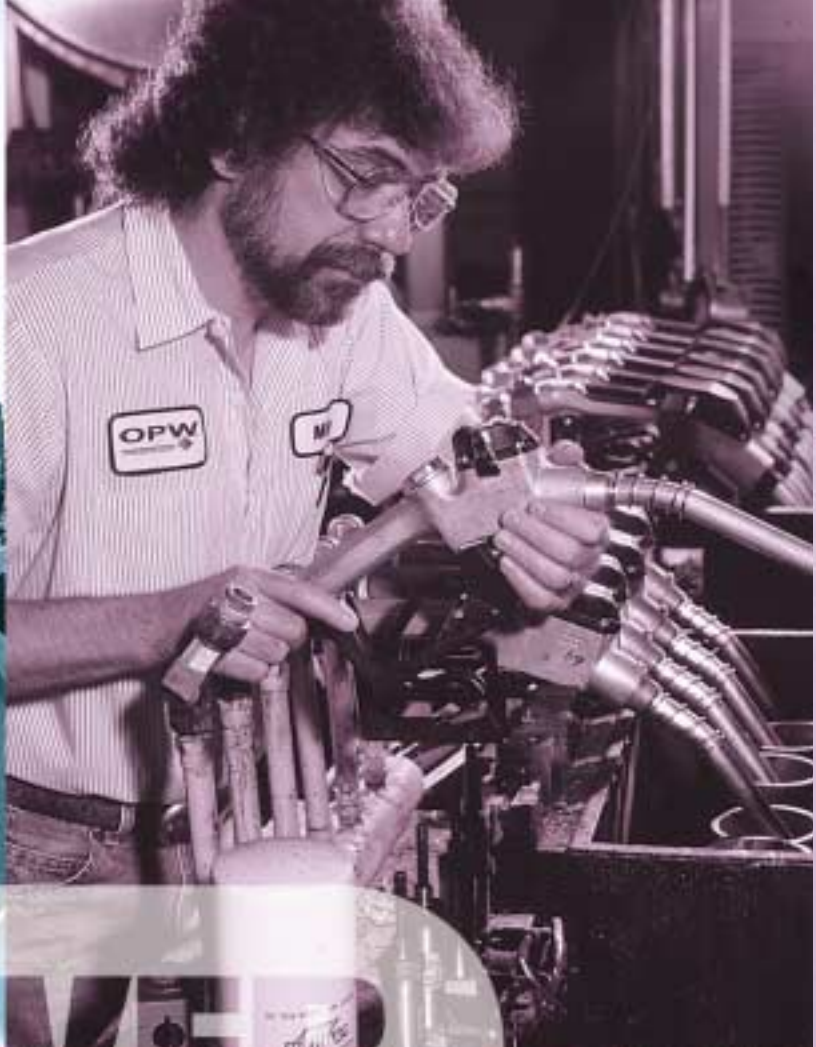
- Address Changes
- Direct deposit of dividends
- Dividend reinvestment
- Lost dividend checks
- Lost stock certificates
- Name Changes
- Shareholder records
- Stock transfers
- IRS Form 1099
- Direct Stock Purchase Plan

Please contact our Transfer Agent/Registrar, Mellon Investor Services, at the following address:

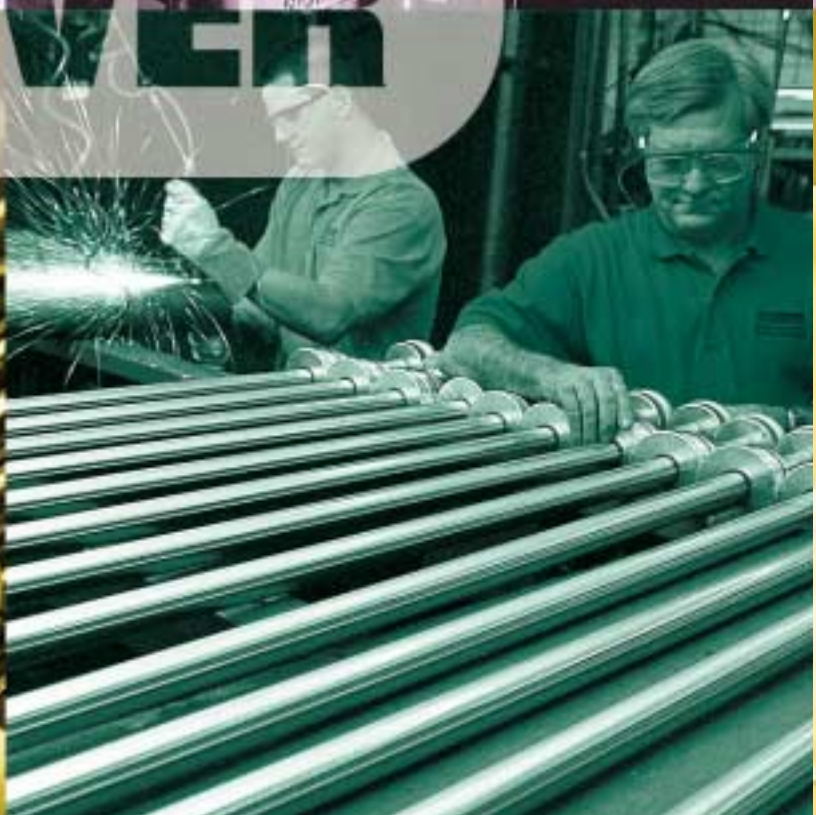
Via Regular Mail:
Mellon Investor Services
P.O. Box 3315
South Hackensack, NJ
07606-1915
Phone (888) 567-8341
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DOVER



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