



Dover Corporation Second Quarter 2011 Conference Call

July 22, 2011

10:30 am ET



Forward Looking Statements

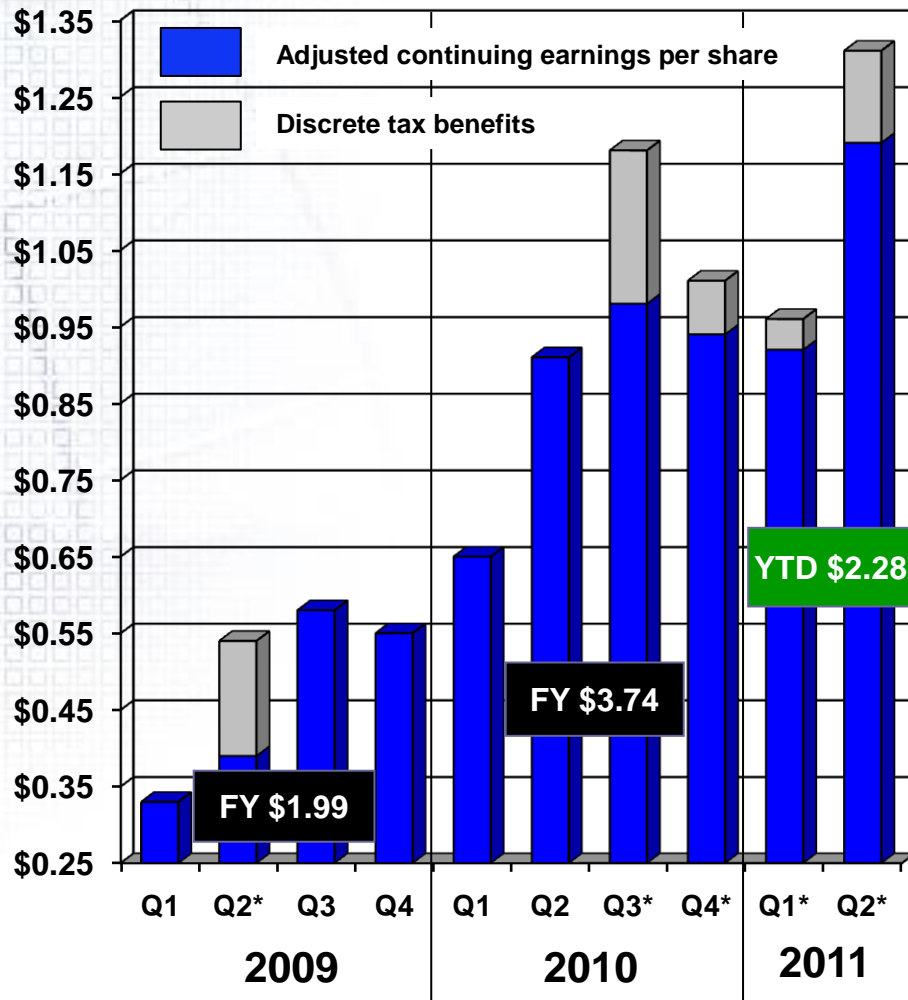
We want to remind everyone that our comments may contain forward-looking statements that are inherently subject to uncertainties. We caution everyone to be guided in their analysis of Dover Corporation by referring to our Form 10-K for a list of factors that could cause our results to differ from those anticipated in any such forward-looking statements.

We would also direct your attention to our internet site, www.dovercorporation.com, where considerably more information can be found.



Dover's Q2 2011 Performance

Continuing Earnings Per Share



	Q2	Q2/Q2	1H	1H/1H
Revenue	\$ 2.2B	↑ 21%	\$ 4.1B	↑ 22%
EPS (cont.)	\$1.31	↑ 44%	\$2.28	↑ 47%
Bookings	\$2.2B	↑ 15%	\$4.5B	↑ 21%
Seg. Margins	17.4%	↑ 50 bps	16.5%	↑ 50 bps
Organic Rev.		↑ 14%		↑ 16%
Acq. Growth		↑ 4%		↑ 4%
FCF (a)	\$136M	↓ 26%	\$215M	↓ 7%

- Strong results are broad-based, as all segments achieved double-digit growth in revenue and earnings
- Solid organic revenue growth, with Fluid Management, Industrial Products and Electronic Technologies all over 15%
- Segment operating margin of 17.4% is Dover's best ever
- Bookings strength is primarily driven by oil & gas and global infrastructure resulting in a book-to-bill of 1.03

* Includes discrete tax benefits of \$0.15 EPS in Q2 2009, \$0.20 EPS in Q3 2010, \$0.07 in Q4 2010, \$0.04 in Q1 2011 and \$0.12 in Q2 2011



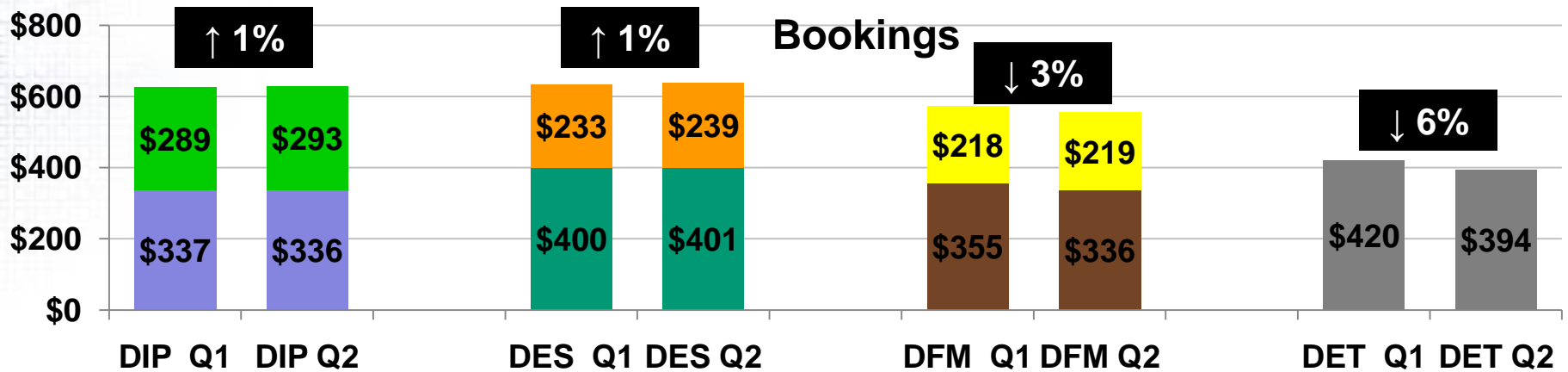
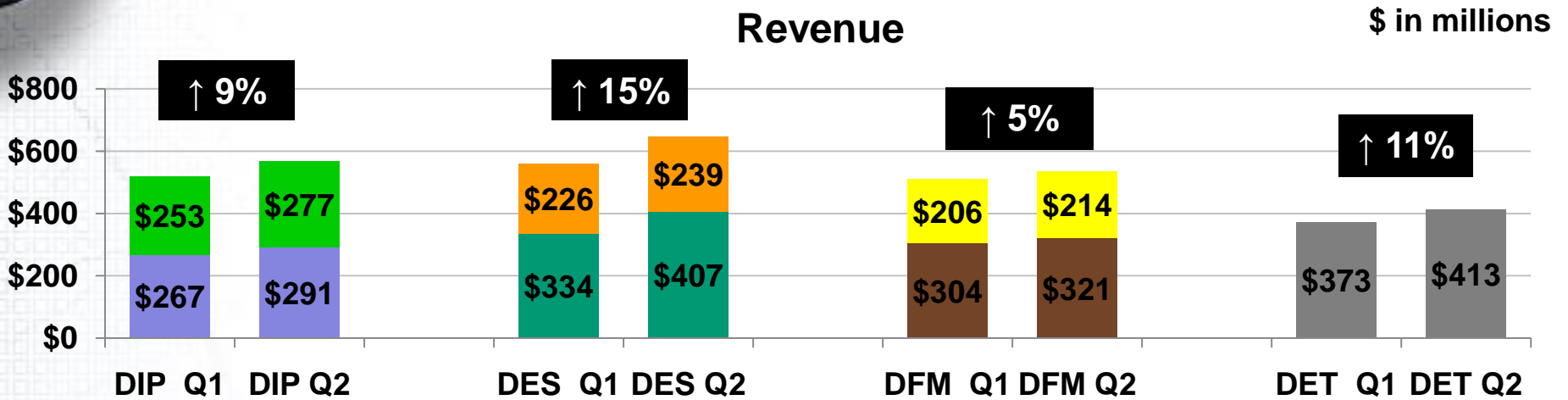
Revenue

Q2 2011	Industrial Products	Engineered Systems	Fluid Management	Electronic Technologies	Total Dover
Organic	20%	8%	16%	17%	14%
Net Acquisitions	2%	-	14%	-	4%
Currency	1%	4%	2%	2%	3%
Total	23%	12%	32%	19%	21%

1H 2011	Industrial Products	Engineered Systems	Fluid Management	Electronic Technologies	Total Dover
Organic	20%	11%	18%	21%	16%
Net Acquisitions	1%	-	14%	-	4%
Currency	1%	3%	1%	2%	2%
Total	22%	14%	33%	23%	22%



Sequential Results – Q1 11 / Q2 11



- Material Handling
- Engineered Products
- Electronic Technologies
- Mobile Equipment
- Fluid Solutions
- Energy
- Product Identification



Industrial Products

Quarterly Comments

\$ in millions

- Revenue and bookings growth was broad-based, led by strong downstream energy activity and solid infrastructure markets

- Margin impacted by product mix, increased investment in sales and marketing, and the one-time gain on a property sale in Q2 2010

- Book-to-bill at 1.11

- Backlog grew 40% to \$702 million

	Q2 2011	Q2 2010	% Change
Revenue	\$567	\$462	+23%
Earnings	\$ 73	\$ 62	+19%
Margin	12.9%	13.3%	↓ 40 bps
Bookings	\$628	\$512	+23%

	1H 2011	1H 2010	% Change
Revenue	\$1,086	\$891	+22%
Earnings	\$ 138	\$113	+22%
Margin	12.7%	12.6%	↑ 10 bps
Bookings	\$1,254	\$947	+32%



Engineered Systems

Quarterly Comments

\$ in millions

- All companies posted revenue gains with retail refrigeration having the largest positive impact
- Strong earnings leverage and operating margin performance at Engineered Products were offset by new product launch related costs at Product ID
- Product ID's results improve sequentially within the quarter on increased sales activities
- Bookings up 6%, led by strong activity at SWEP, partially offset by a moderating refrigeration case market; book-to-bill is 0.99

	Q2 2011	Q2 2010	% Change
Revenue	\$646	\$577	+12%
Earnings	\$ 94	\$ 85	+11%
Margin	14.6%	14.7%	↓ 10 bps
Bookings	\$640	\$602	+6%

	1H 2011	1H 2010	% Change
Revenue	\$1,206	\$1,061	+14%
Earnings	\$ 161	\$ 139	+16%
Margin	13.4%	13.1%	↑ 30 bps
Bookings	\$1,273	\$1,191	+7%



Fluid Management

Quarterly Comments

\$ in millions

- Revenue growth was broad-based, especially at our businesses serving the oil & gas markets
- Operating margin improvement driven by volume; especially strong revenue growth in Energy
- Fluid Solutions continues to perform at a high level with strong activity in their petro-chemical and energy markets
- Book-to-bill of 1.04

	Q2 2011	Q2 2010	% Change
Revenue	\$535	\$404	+32%
Earnings	\$131	\$ 96	+37%
Margin	24.6%	23.8%	↑ 80 bps
Bookings	\$555	\$418	+33%

	1H 2011	1H 2010	% Change
Revenue	\$1,043	\$784	+33%
Earnings	\$ 245	\$183	+34%
Margin	23.5%	23.3%	↑ 20 bps
Bookings	\$1,127	\$806	+40%



Electronic Technologies

Quarterly Comments

\$ in millions

•Revenue growth was driven by strong solar equipment deliveries, and continued strong demand for MEMS microphones; telecom end-markets were soft

•Operating margin increase was driven by good leverage on higher volume

•Sound Solutions acquisition closed in early July and will operate as Knowles Sound Solutions

•Strong bookings gains at Knowles were offset by weaker electronic equipment orders, especially solar equipment, resulting in book-to-bill of 0.95

	Q2 2011	Q2 2010	% Change
Revenue	\$413	\$346	+19%
Earnings	\$ 77	\$ 60	+29%
Margin	18.6%	17.2%	↑ 140 bps
Bookings	\$394	\$394	Flat

	1H 2011	1H 2010	% Change
Revenue	\$786	\$637	+23%
Earnings	\$137	\$104	+31%
Margin	17.4%	16.4%	↑ 100 bps
Bookings	\$814	\$753	+8%



Q2 2011 Overview

	Q2 2011
Net Interest Expense	\$28.1 million, up \$1 million from last year, due to higher outstanding debt
Corporate Expense	\$35.3 million, up \$3 million from last year, and in-line with expectations
Effective Tax Rate (ETR)	Q2 rate was 20.2%. Rate reflects \$0.12 EPS benefit on resolution of certain domestic tax matters. Adjusting for this benefit, the normalized rate would have been 27.4%



FY 2011 Guidance – Update

- Revenue:
 - Core revenue: \approx 12.0% - 14.0%
 - Acquisitions: \approx 6.0% (Sound Solutions = 3%)
 - Total revenue: \approx 18.0% - 20.0%

- Corporate expense: \approx \$135 million (unchanged)

- Interest expense: \approx \$116 million (unchanged)

- Full-Year Tax Rate: \approx 27% – 27.5%*

- Capital expenditures: \approx 2.8% - 3.0% of rev. (unchanged)

- Free cash flow for full year: \approx 10% - 11% of rev. (unchanged)



2011 EPS Guidance Bridge - Cont. Ops

• 2010 EPS – Continuing Ops	\$3.74
– Less 2010 tax benefits:	(\$0.27)
• 2010 Adjusted EPS – Continuing Ops	\$3.47
– Volume, mix, price (inc. FX):	\$0.67 - \$0.76
– Net benefits of productivity:	\$0.26 - \$0.30
– Acquisitions: (inc. Sound Solutions: -\$0.03 to -\$0.05)	\$0.06 - \$0.07
– Investment / Compensation:	(\$0.16 - \$0.20)
– Corporate expense:	-
– Interest:	(\$0.03)
– Tax (including discrete tax benefits ⁽¹⁾ and lower rate):	\$0.23
• 2011 EPS – Continuing Ops	<u>\$4.50 - \$4.60</u>

(1) \$0.04 in Q1 2011 and \$0.12 in Q2 2011



2011 & 2012 Knowles Sound Solutions

	2H 2011	FY 2012
Revenue	\$190M – \$200M	\$400M - \$410M
EPS	-\$0.03 to -\$0.05 (a)	+\$0.18 to +\$0.22

(a) Q3 2011 EPS dilution is expected to be -\$0.06 to -\$0.08; Q4 2011 EPS accretion is expected to be \$0.03

Note: Marginal tax rate for Knowles Sound Solutions is expected to be \approx 15% - 20%