FINAL TRANSCRIPT

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PRESENTATION

Operator

Good morning and welcome to the first-quarter 2010 Dover Corporation earnings conference call. With us today are Bob Livingston, President and Chief Executive Officer of Dover Corporation; Brad Cerepak, Vice President and CFO of Dover Corporation; and Paul Goldberg, Treasurer and Director of Investor Relations at Dover Corporation. After the speakers' opening remarks there will be a question-and-answer period. (Operator Instructions).

As a reminder, ladies and gentlemen, this conference is being recorded, and your participation implies consent to all reporting of this call. If you do not agree with these terms, please disconnect at this time. Thank you. I would now like to turn the call over to Mr. Paul Goldberg. Mr. Goldberg, please go ahead sir.

Paul Goldberg - *Dover Corporation - Treasurer, Director IR*

Thank you, Christy. Good morning and welcome to Dover's first-quarter earnings call. With me today are Bob Livingston, Dover's President and Chief Executive Officer, and Brad Cerepak, our CFO.

Today's call will begin with comments from Bob and Brad on Dover's first-quarter operating and financial performance and our updated outlook for the rest of 2010. We will then open the call up to questions. And in the interest of time we kindly ask that you limit yourself to one question with a follow-up.

Please note that our current earnings release, investor supplement and associated presentation can be found on our website, www.DoverCorporation.com. This call will be available for playback through May 7, and the audio portion of this call will be archived on our website for three months. The replay telephone number is 800-642-1687. When accessing the playback you'll need to supply the following reservation code, 66592109.

Before we get started I would like to remind everyone that our comments today, which are intended to supplement your understanding of Dover, may contain certain forward-looking statements that are inherently subject to uncertainties. We caution everyone to be guided in their analysis of Dover Corporation by referring to Form 10-K for a list of factors that could cause our results to differ from those anticipated in any such forward-looking statement.

We also undertake no obligation to publicly update or revise any forward-looking statement, except as required by law. We would also direct your attention to our website where considerably more information can be found.

With that I would like to turn this call over to Bob.

Bob Livingston - *Dover Corporation - President, CEO*

Thanks, Paul. Good morning everyone and thank you for joining us for this morning's conference call. The first quarter was much improved across Dover, and better than anticipated. Revenue increased 15% over last year, and our orders were 41% above a weak first quarter of 2009.

Our 2009 acquisitions contributed 5% revenue growth in the quarter. Positive trends noted in the second half of '09 continued in Electronic Technologies, Energy, and Product ID, and business activity also improved in Fluid Solutions and Material Handling.

Clearly we are seeing evidence of a global economic recovery across a wide portion of our portfolio, and we expect these trends to benefit to us next quarter and for the year. Thus we have increased guidance for the year, and Brad will discuss our updated outlook later in the call.

With that, let's move to our first-quarter results. Today we reported first-quarter earnings per share of $0.65, up 97% from last year. First-quarter revenue was $1.6 billion, an increase of 15% over last year and 5% sequentially. First-quarter revenue was stronger than expected at Fluid Management and Electronic Technologies, slightly better than expected at Industrial Products.

Revenue at Engineered Systems was as anticipated and order rates were robust. The order rates at Engineered Systems have them well-positioned for a strong seasonal upswing the next two quarters.

Net earnings from continuing operations were $122 million, nearly double last year's result. I was very pleased to see bookings accelerate as the quarter progressed. For the quarter bookings were $1.8 billion, again up 41% over the prior year and a 13% sequential improvement.

For the second consecutive quarter sequential bookings growth was double-digit. And the strength of those bookings was across a wide portion of our portfolio. Bookings increased in all segments on both a year-over-year and sequential basis. Book-to-bill finished at 1.12.

Operating margin for the quarter was 15%, up 480 basis points. Margins improved at Industrial Products, Engineered Systems, and Electronic Technologies, and remained strong at Fluid Management. Sequentially margins improved at each segment.

These solid results reflect higher volume and the continuing benefits of restructuring actions taken in 2009. It was very gratifying to see how well our companies converted volume to earnings.

In the first quarter we generated free cash flow of $48 million, 3% of revenue. Our first quarter is traditionally the weakest in terms of cash flow generation. This quarter's cash flow also reflects an increase in working capital to support revenue growth. I remain confident that full-year free cash flow will be around 10% of revenue.

Our acquisition pipeline remains active as we continue to look for opportunities which complement our strong positions and diversify our geographic footprint. Though we did not close any deals in the first quarter, we remain confident we will complete some strategic add-ons as the year unfolds.

Now let me turn the call over to Brad for comments on our segment performance.

Brad Cerepak - *Dover Corporation - CFO*

Thanks, Bob. Good morning everyone. I would like to first cover our first-quarter segment performance and then discuss some additional financial information. I would like to start on slide five.

As Bob mentioned, sequential revenue increased 5% across Dover. This performance was better than anticipated and better than our normal seasonal pattern. Revenue grew 13% sequentially at Fluid Management and 5% in Industrial Products, while Engineered Systems revenue increased 2%. Electronic Technologies' revenue was essentially flat. We were pleased with this performance, as Electronic Technologies' first-quarter tends to be seasonally weaker than the fourth.

From a bookings perspective we saw sequential improvements at all four segments. Also of note, March bookings were by far the strongest month of the quarter.

Turning to slide six. Industrial Products posted revenue of $429 million and $51 million of earnings. Though revenue was down 1% from last year, earnings improved 48%. This strong earnings performance was a result of volume improvements at some of our higher gross margin operating companies, and the benefit of our prior restructuring efforts.

Bookings were $435 million, an increase of 32%, indicating improving trends in most end markets. Industrial Products produced a quarterly operating margin of 11.9%, which was up 400 basis points from last year, and 170 basis points sequentially. Again, our earlier rightsizing actions continue to put this segment in a strong position to leverage any market recovery.

With respect to our Material Handling platform, sales increased 1% to $189 million, while earnings increased 135%, driven by strong results at Warn and DE-STA-CO. This resulted in platform margins up over 800 basis points from 2009.

For the quarter, bookings were $204 million, an increase of 72% over last year and 13% sequentially, yielding a book-to-bill of 1.08. North American construction trends are modestly improving and our order rates in our military winch business are strong.

With respect to our Mobile Equipment platform, sales were $240 million, down 3% from last year, while earnings increased 8%. Margins increased 150 basis points, capitalizing on improving automotive service markets and the aggressive restructuring actions and business integrations completed in 2009. Bookings were $231 million in the quarter, an increase of 10% over the prior year, but down 9% sequentially reflecting lumpy military orders.

As discussed last quarter, the commercial aerospace and core petroleum and bulk trailer markets remain challenged, and are having a negative effect on platform growth.

Turning to slide seven. At Engineered Systems sales were $484 million, an increase of 21%. And segment earnings increased 27% to $55 million. Bookings for the quarter were $589 million, an increase of 43% over the prior year and a 21% sequential improvement, resulting in a book-to-bill of 1.22.

The year-over-year growth in revenue is largely attributable to strength in Product ID and acquisitions of Tyler & Barker. For the quarter operating margin was 11.3%, a 50 basis point improvement over last year. The margin performance was the result of solid Product ID leverage, partially offset by product mix at Hill Phoenix, and a weak restaurant equipment market served by Unified Brands.

In respect to our Product Identification platform, Markem-Imaje continued to benefit from solid market dynamics, both in the fast moving consumer goods and industrial end markets. This strength was partially offset by some weakness at Datamax-O'Neil. Despite that, first-quarter sales were $212 million, an increase of 20% including 5% from FX. Earnings increased 69%, and margins increased over 500 basis points compared to last year. We expect continuing improvements in these end markets supported by a book-to-bill of 1.04.

The Engineered Products platform posted an increase in revenue of 22% to $272 million, although earnings declined 3%, resulting in margins declining 260 basis points. The primary drivers were a weak product mix at Hill Phoenix through the first half of the quarter, and weak market conditions and lower volume at Unified Brands. The 2009 acquisitions of Barker & Tyler provided revenue of $57 million in the first quarter.

Engineered Products bookings were $368 million, an increase of 56% over the prior-year period and 40% sequentially, for a book-to-bill of 1.35. This seasonal improvement is higher than normal and largely driven by Hill Phoenix with a book-to-bill of 1.42. As a result, the second and third quarters should be very strong for our Hill Phoenix business.

Moving to slide eight. At Fluid Management both sales and earnings increased 15% to $381 million and $87 million, respectively. Bookings were $388 million, an increase of 32% from the prior year and 12% sequentially, resulting in a book-to-bill of 1.02. First-quarter operating margin was 22.8%, flat with last year, but a 270 basis point sequential improvement. We continue to see signs of improving end markets in this segment.

Our Energy platform is highly correlated with the improving North American rig count, which increased 20% from year-end. Platform revenue increased 16% to $205 million, while earnings were 18% higher. Margin improved 50 basis points from the prior-year period on higher volumes and the benefits of restructuring. Quarterly bookings were $209 million, an increase of 46% year-over-year and 18% sequentially. Book-to-bill was 1.02, reflecting solid dynamics in most served end markets.

The Fluid Solutions platform generated revenue of $176 million, an increase of 14%. Earnings increased 25%, resulting in an 180 basis point margin improvement. Bookings increased 19% year-over-year to $179 million and increased 6% sequentially. We are beginning to see modest, but broad improvement, in most of this platform's served markets.

Now turning to slide nine. Electronic Technologies end markets were up significantly year-over-year, with high demand for electronic assembly equipment and MEMS microphones. Revenue was $291 million, an increase of 36% over 2009. Earnings were $45 million, a tremendous improvement over the $12 million loss that occurred last year. Operating margin was 15.4%, driven by significantly higher volume and the benefit of earlier restructuring. Book-to-bill continues to be strong at 1.23.

Our electronic assembly equipment companies continue to see an improving order book for the fourth consecutive quarter. In fact, order rates increased 33% sequentially. We expect the favorable climate in electronic assembly markets to continue in the near term. These favorable market conditions resulted in a book-to-bill of 1.44 for these companies.

It was another solid quarter for our communication components companies, primarily reflecting strength at Knowles, and improving conditions in the telecom infrastructure markets. Bookings continue to be strong with a book to bill of [1.11].

Having reviewed the segments, I now would like to briefly provide some additional financial data, starting on slide 10. First-quarter net interest expense of $27 million was up $5 million from last year, but in line with our full-year guidance. The first-quarter result reflected lower returns on invested balances.

Our net debt to total capitalization was 19.4%, a 100 basis point increase from year-end 2009 due to increases in working capital. Turning to taxes, our first-quarter tax rate was 31.4%, 370 basis points below last year's rate, due to favorable geographic mix. We still expect the full-year rate to be in the range of 29% to 30%.

Corporate expense for the first quarter was $33 million, up $9 million from last year and in line with our full-year expectations.

Turning to slide 11. As discussed, the first quarter was quite strong for us, both in terms of revenue and bookings. We have raised our full-year outlook for organic revenue growth to reflect the current demand environment. We now expect organic revenue growth to be in the range of 7% to 10%.

Breaking this down by segment, Industrial Products revenue should increase 1% to 4%. Engineered Systems should grow at 5% to 7% for the year. Fluid Solutions' overall revenue growth should be in the 10% to 12% range. Electronic Technologies should grow revenue in the high teens to the low 20% range.

We expect acquisition-related growth to be roughly 3% for transactions completed in 2009. The impact of FX is assumed to be approximately neutral for the full year. All other items remain principally unchanged from our January call. Based on these revised revenue expectations we are now forecasting 2010 EPS to be in the range up of $2.70 to $2.95.

Now let's go to the full-year earnings bridge on slide 12. As you would expect, volume is the primary driver of the increase in earnings. Volume, product mix and pricing should improve earnings $0.56 to $0.80. This compares favorably with our range of $0.22 to $0.46.

Restructuring and productivity continue to be a big driver of EPS growth for us in 2010, primarily due to the absence of restructuring costs and carryover benefits. Our 2009 acquisitions will deliver $0.10, and our tax rate impact is a function of our improved earnings forecast. All other categories are largely unchanged from our last call.

Based on our revenue range we would expect full-year EPS growth of 36% to 48%. With that, I would like to turn the call back over to Bob.

Bob Livingston - *Dover Corporation - President, CEO*

Thanks, Brad. Good review. I was pleased with our performance in the first quarter, especially with regard to revenue and booking growth, conversion and operating margin. We expect to see an even stronger second quarter, partly due to seasonality. While line of sight is somewhat limited with regard to the back half of 2010, we also expect those year-over-year comparisons to be favorable.

Lastly, as we have begun to recover from the depths of the recession, I have been encouraged to hear multiple success stories from our business leaders with respect to marketshare gains, new product launches, traction in our supply chain initiative, and the excellent performance of our 2009 acquisitions. We believe we are well positioned in our markets and our business leaders are focused on growth. I am confident they will deliver.

Before I close, I would like to once again acknowledge the tremendous efforts of our operating companies with regard to margin performance. I was both encouraged and quite proud by how quickly our operating companies drove margins back to 15%. This puts us on a solid footing to deliver full-year margins on par with prior peak levels.

With that, I will turn it back to Paul for questions.

Paul Goldberg - *Dover Corporation - Treasurer, Director IR*

Thanks, Bob. Before we turn it over to Christy to compile questions, I just want to remind everybody again so that we can answer everybody's question, if you would limit your questions to one with a follow-up. Thanks.

And at this point, Christy, could you compile the questions?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Scott Davis, Morgan Stanley.

Scott Davis - *Morgan Stanley - Analyst*

Good start to the year for sure.

Bob Livingston - *Dover Corporation - President, CEO*

We think so too.

Scott Davis - *Morgan Stanley - Analyst*

One of the things that really surprised us versus our modeling -- there are several things, but when you think about this $0.50 of net benefit from restructuring productivity, is that -- help me understand at least. Is that based on current volumes that you saw in 1Q, or does that number go up as volumes go up, just given that the fixed cost leverage there? Or is that -- I guess, I just don't know how that number is compiled.

Brad Cerepak - *Dover Corporation - CFO*

I think that is right. We are seeing more benefits than we last estimated in our previous guidance. I would say that is principally due to, again, being able to leverage the existing workforce we have. We haven't added that many heads through the first quarter. That could change as the year progresses, but right now we are seeing benefits improving. I think we said last time carryover was $35 million to $40 million. We are seeing it now closer to $60 million.

Scott Davis - *Morgan Stanley - Analyst*

Okay, I get it. Let's try Technologies. It has always been a tough business for those of us in industrial land to understand. How do you think about how you grew versus the market? I suspect there has been some real share shifts in MEMS, but is there a way to measure market growth when you think about your performance versus the market, or is this a rising tide that lifts all boats and the market has really come back strong too?

Bob Livingston - *Dover Corporation - President, CEO*

I think it is a little bit of both. If you -- you need to look at Electronic Technologies and look at the two different groupings, communication component companies versus the assembly and test companies. The growth rate in the assembly and test companies has been quite strong, not just in the first quarter, but during the second half of '09 versus the trough there in the first half of '09. That type -- that level of growth, that level of change I would say is not unusual or abnormal when you come out of a low point in the electronic cycle.

I think your real question is, are we capturing share or are we just riding with the market? I think in some targeted areas we are capturing share. MEMS, I would point to one, as we continue to see our growth in MEMS outpace the growth in the cell phone market. I am thinking some new product launches within the assembly and test companies, the product launches have been quite successful.

Scott Davis - *Morgan Stanley - Analyst*

Just last there, a quick follow-up. When you think about a book-to-bill in this particular business, how much visibility do you have? Is it a very short cycle time or are these longer -- some of these orders longer-term orders?

Bob Livingston - *Dover Corporation - President, CEO*

I would say the bulk of our orders are going to be delivered within 12 weeks of order. So I would label them as short cycle. Scott, don't predict, or don't model, another book-to-bill of 1.4 in the second quarter.

Scott Davis - *Morgan Stanley - Analyst*

You got it. Thanks guys.

Operator

Nigel Coe, Deutsche Bank.

Nigel Coe - *Deutsche Bank - Analyst*

Just want to echo Scott's points about the strong start to the year there. So just semiconductor and North American gas, there has been some concern about the second half, maybe towards the back end of this year, about those two markets. To what extent have you -- first of all, what is your view on this? And secondly to what extent have you built that into your model?

Bob Livingston - *Dover Corporation - President, CEO*

I guess we would share those concerns, and I think we have built them into our model. If you look at our growth -- our revised guidance on growth for the year, 7% to 10% organic, we had 7% in the first quarter. We've got an easier comp going into the second quarter. But even with that, I will tell you that our organic growth forecast for the second quarter is midteens.

We take that down significantly in the second half, even though it is still favorable. We are looking at organic growth comparisons to the second half of last year of mid-single digits.

So why? You have touched on the two whys, the electronics business and our energy business. With respect to energy, the guys had a great start here to the year. We had a good first quarter. We are modeling that to essentially go sideways for the balance of the year.

We take some of the steam off the engine, so to speak, at Electronic Technologies in the second half. There is some seasonality that we expect to return to that business in the fourth quarter. I think we are recognizing that in our modeling.

Nigel Coe - *Deutsche Bank - Analyst*

Great. Great color there. And then 15% margin, that is up for your long-term margin goal. What does this tell us about your -- the potential for long-term margins? You had 15% margins in the first quarter of a real recovery. What does that tell us about -- where do you think margins can go longer-term?

Bob Livingston - *Dover Corporation - President, CEO*

Well, longer-term, let's look at the next couple of years instead of the next seven. We were very pleased with the margin performance in the first quarter. As I said in my prepared comments, I think it sets us up well to return to our peak margin performance, and we will achieve that this year. It will be between 15% to 16% operating margins.

I think we do have some upside beyond that. It is something that we are discussing and looking at quite diligently across the businesses. But for modeling purposes within a couple of years I see us very capable of being at 17% margins or perhaps a bit better.

Nigel Coe - *Deutsche Bank - Analyst*

Great. Then just one final one for me. The backlog build at Hill Phoenix was terrific. How much of that was due to some orders coming from Target? And how does that develop as you go through the year, because I am assuming that could recur as you go through 2010?

Bob Livingston - *Dover Corporation - President, CEO*

Wow, remind me what the book-to-bill was for Hill Phoenix in the first quarter, Brad, it was astounding. I think it was 1.4 or 1.45. And I am not sure we've ever had a book to bill at Hill Phoenix in this level of nosebleed territory.

I don't know what the percentage of our bookings were from Target. We were very pleased with the Target awards we had in the first quarter. They were higher than we had planned coming into the quarter. We are expecting the guys to have a very, very strong second and third quarter as they satisfy the customers that have awarded us this business in the first quarter.

Operator

John Inch, BofA Merrill Lynch.

John Inch - *BofA Merrill Lynch - Analyst*

Bob, Dover was one of the most aggressive companies at taking out capacity and headcount in the downturn. As we are rolling into some of these book to bill numbers and accelerating economy for a lot of your businesses, how are you feeling about capacity generally within Dover? And just how does that dovetail with your actions and just your ability to satisfy demand in the near term? How should we be thinking about those and how are you thinking about it?

Bob Livingston - *Dover Corporation - President, CEO*

Well, there is two parts to the capacity response, or response to the increasing orders. One is our work force, the second part is our supply chain. I think if you look at the data that has been shared here, headcount was up in the first quarter. I think we added about 700 employees in the first quarter. Most of them, more than half of the employment increase in the first half was in Asia. So we are not reluctant to add employees and bring them back as the business conditions warrant or dictate.

Supply chain is a bit of a different issue. We continue -- we have seen it during the first quarter, and I would expect we would continue to see it in the early part here of the second quarter, some constraints on the supply chain, especially around the electronics area. The other parts of the business I wouldn't label that as a significant concern.

John Inch - *BofA Merrill Lynch - Analyst*

Bob, just talking about initiatives, can you just remind us where things stand on that point, meaning maybe you could talk a little bit about supply rationalization? The recovery being so strong, has that put some of these activities on hold as you try and just manage for recovery versus some of the pruning? And just maybe remind us what the cost benefits are this year, next year?

Bob Livingston - *Dover Corporation - President, CEO*

Let me respond to the more general question. Are we putting any of our activities on hold, and the answer is no. We still expect to end the year and go into 2011 with the same financial benefits that we gave you on our guidance call in January. The traction and the activity in that area remains very strong and very positive.

John Inch - *BofA Merrill Lynch - Analyst*

Is it still early or has any of it gotten better or worse? Is there any other sort of commentary you can provide?

Bob Livingston - *Dover Corporation - President, CEO*

In some of the initiatives around some of the commodity spend areas the anticipated benefits are coming in a bit stronger than we had modeled. And a few others a little bit of the opposite.

John Inch - *BofA Merrill Lynch - Analyst*

Again, how much of a financial benefit this year and next year?

Bob Livingston - *Dover Corporation - President, CEO*

We feel very positive with the guidance we gave you in January with respect to those financial targets.

Operator

[Jeffery Fay], [Barco Research Partners].

Jeffery Fay - *Barco Research Partners - Analyst*

I wonder if you could help us just triangulate what the organic revenue growth was in Hill Phoenix and the entire refrigeration franchise in the quarter? I am backing into down 4% or 5%. Right ballpark?

Bob Livingston - *Dover Corporation - President, CEO*

On the core?

Jeffery Fay - *Barco Research Partners - Analyst*

Yes, on the core.

Bob Livingston - *Dover Corporation - President, CEO*

That's correct. The guys at Hill Phoenix had the unenviable position this year of comparing to a very, very strong quarter in 2009. I think their organic sales in the first quarter were slightly negative, maybe 3 points.

Jeffery Fay - *Barco Research Partners - Analyst*

3 points.

Bob Livingston - *Dover Corporation - President, CEO*

It has a lot to do with just timing and product mix and customer awards, and is it going to ship in March or is it going to ship in April.

Jeffery Fay - *Barco Research Partners - Analyst*

Yes, I totally understand. Just want to have the base right as we think about rolling into the season here.

Bob Livingston - *Dover Corporation - President, CEO*

We view the seasonal upswing to be quite positive in respect to our modeling right now.

Jeffery Fay - *Barco Research Partners - Analyst*

Yes, absolutely. Bob, you made a comment about M&A in the pipeline looking better. Should we expect anything out of the ordinary this year in terms of size or magnitude or number of deals, or is it in the sweet spot, midsize tuck-in type deals?

Bob Livingston - *Dover Corporation - President, CEO*

You asked the question, but you make a statement. I don't think I said that it has improved. I said it was still quite active. I wouldn't label the pipeline here today as much improved versus where it was 90 days ago.

We have a lot of interesting opportunities in our pipeline. I think you should still expect that any add-on acquisitions -- any acquisitions we do this year view them to be strategic add-ons to existing, I call it, strong positions we have in our portfolio and small to midsized type of acquisitions.

Jeffery Fay - *Barco Research Partners - Analyst*

How about on the sell side of things, any increase in your internal preparatory activity or external interest in maybe some of your non-core assets?

Bob Livingston - *Dover Corporation - President, CEO*

Well, I can't comment on external interest. There is no change on our preparatory processes, to use your language.

Operator

Steve Tusa, JPMorgan.

Steve Tusa - *JPMorgan - Analyst*

I think a good start to the year is quite an understatement, so a really good quarter. On price cost you mentioned a couple of times, and I guess in the queue there were some commentary around the refrigeration business and maybe a little bit in energy. If you could just maybe talk about it broadly what you are seeing across the portfolio on price cost, and what you're assuming on raw materials in the back half of the year.

Brad Cerepak - *Dover Corporation - CFO*

Let me answer the question just overall for Dover. When we originally put out guidance back in January, we were assuming there is going to be some price cost pressure. At that time we said it would be 60 to 75 basis points impact on margin. Today we see that as a little bit higher, let's say we are estimating out in this guidance about 100 basis points, mostly all driven by commodities.

Now I would then go one step further to say it is more prevalent in some of our businesses than others, where we have a higher spend on commodities. But, again, you're talking about a pretty small impact, mostly second half related.

Bob Livingston - *Dover Corporation - President, CEO*

I think, Steve, perhaps the only other cover I would add to that, if you look at our modeling and our revised guidance for the year, our first-quarter gross margin was 38% plus a little bit. We see us sustaining that for the balance of the year.

Steve Tusa - *JPMorgan - Analyst*

Right. Are there any particular areas where it is more acute? Can you maybe just talk about that in refrigeration? And obviously Hill Phoenix is having a great start to the year, so maybe the volume just overwhelms that, but is there any particular areas where you're seeing more?

Bob Livingston - *Dover Corporation - President, CEO*

Actually, I am not concerned about the gross margin and the commodity cost management at Hill Phoenix. They do an outstanding job at that. I think the only thing that happened in the first quarter that probably cost us -- I'm going to guess and say maybe $0.01, Brad, was the rapid increase in nickel in the first quarter. And we did feel that impact as well.

Brad Cerepak - *Dover Corporation - CFO*

It was about $0.01.

Bob Livingston - *Dover Corporation - President, CEO*

About $0.01.

Operator

Robert McCarthy, Robert W. Baird.

Robert McCarthy - *Robert W. Baird - Analyst*

What do you ask after such a solid report? I want to ask a question -- I mean, it is relevant to the quarter's numbers, but maybe it goes little bit beyond that too. Looking at Fluid Management, and Brad, as you went through your report on how the individual businesses had done, we had energy up 18% and Fluid Solutions up 25% on an earnings basis. Of course, the whole segment is up only 15%.

I think we all understand that there are some eliminations and adjustments in the earnings numbers that you report to us, or the change relative to what would be reported on an income statement. But maybe it would be useful to remind us why with the two businesses growing earnings faster than what the segment did where the source of incremental expenses come from.

Bob Livingston - *Dover Corporation - President, CEO*

I think -- I am getting a little bit of this as recall. I don't have the data here in front of me. But I do know that the one item that the guys at DFM had at the, I will call it at the segment line, that wasn't showing up in the platform comments were some increased costs around deals and transactions. I believe that was $3 million to $4 million in the first quarter.

Robert McCarthy - *Robert W. Baird - Analyst*

Not related to [in procil], just ongoing work?

Bob Livingston - *Dover Corporation - President, CEO*

A little bit of both.

Robert McCarthy - *Robert W. Baird - Analyst*

I wonder if you could -- can we get to you to be a little more expensive about where you think you're taking some share on the assembly equipment side of the electronics business?

Bob Livingston - *Dover Corporation - President, CEO*

I think we have clearly have seen that in our -- the DEK business with respect to their traditional core printers. And one of the more -- one of the more interesting product launch successes we have had over the last 18 months was a product launch in the depths of the recession in the first quarter of last year by DEK, the solar printing product offering. That has shown very, very strong growth over the last 15 months. And order activity there was quite strong in the first quarter.

Within the test business we have seen very strong order rates at Multitest in their first quarter, and believe we are taking share there.

Robert McCarthy - *Robert W. Baird - Analyst*

Okay, keep it up guys.

Bob Livingston - *Dover Corporation - President, CEO*

Okay, thank you. We are trying.

Operator

Alex Blanton, Ingalls & Snyder.

Alex Blanton - *Ingalls & Snyder - Analyst*

Most of my questions have been asked already, but could you characterize your business geographically? Trends for other companies are stronger outside of the US and Europe than inside. So how is going for you, and where can you capitalize on those geographic trends?

Bob Livingston - *Dover Corporation - President, CEO*

Let me start first with the revenue split for the first quarter, and it is probably not much different than it was during most of last year. North America, and this is both US and Canada, so in North America, it was 60% of our revenue, Europe about 18%, Asia 14% to 15%, Latin America 4% to 5%. And I know I'm missing 2 or 3 points; just call it other.

I think the second part was growth. Am I picking that up true, Alex?

Alex Blanton - *Ingalls & Snyder - Analyst*

Well, yes, other companies are seeing that North American part and European -- Western Europe is relatively weak, and the real strength is in Asia and Latin America.

Bob Livingston - *Dover Corporation - President, CEO*

The first quarter versus a year ago, North America growth was about 9%. Europe was about 8%. Latin America was about 40%, and Asia was about 55%. Of that huge number in Asia, 55%, it was 39% or 40% in China.

Alex Blanton - *Ingalls & Snyder - Analyst*

So what do you do now to capitalize on those kinds of trends going forward? Are you shifting some emphasis to those countries that are rapidly growing or are you leaving that up to individual units or what?

Bob Livingston - *Dover Corporation - President, CEO*

Well, both. It is not something we are responding to this quarter, it is something we have been working on for the past 18 months. Again, not to overemphasize this, but it is a key part. It was the effort we made starting in the second half of '08, but really did complete it last year, was the establishment of our regional headquarters in China, which is providing a fair amount of infrastructure and assistance.

We are clearly are, as we went through the downturn and did our restructuring in the first half of last year, we did as we closed some manufacturing facilities in North America and Europe, at the same time we were bringing up some new facilities in Asia in anticipation of the recovery of the economy. And we think it has benefited us. We will continue to do that.

Alex Blanton - *Ingalls & Snyder - Analyst*

It sure looks like it. Thank you.

Operator

Terry Darling, Goldman Sachs.

Terry Darling - *Goldman Sachs - Analyst*

I just wanted to get into some of the segment detail a little bit on the organic growth outlook for the full year. I am wondering if you can share with us first off within the Fluid business your expectations around organic relative to the total 10% to 12% for, first, the energy piece and then the Fluid Solutions piece?

Bob Livingston - *Dover Corporation - President, CEO*

Well, I don't have that breakdown between the platforms within DFM. You can probably follow up with Paul this afternoon or Monday and get that detail.

Terry Darling - *Goldman Sachs - Analyst*

Bob, I guess where I was going with that specifically was, given where US natural gas prices are, I think I had heard you indicate in some of your color commentary that you're expecting -- you are assuming that business stays flat for the rest of the year. I think we've got a number of folks looking for the US rig count to come off. So I am wondering how your guys are thinking about that. Maybe it is not your customers who are pulling back on the rig count, or another mix issue, but maybe you can flesh that out.

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Bob Livingston - *Dover Corporation - President, CEO*

Oh, no, I agree with that. In fact, when we look at our second-quarter forecast, and I will use the word "experts" in parentheses -- when we look at the expert forecast for the second quarter, rig count does start to moderate a little bit. So from our viewpoint the average rig count now in the second-quarter forecast is about level with what the average was in the first quarter, but it is starting to decline.

We see a real mix of forecast for the second half of the year with respect to rig count deployment. But we are assuming that that activity is going to moderate a bit during the year. (multiple speakers).

Terry Darling - *Goldman Sachs - Analyst*

The rig count moderates, but your revenues stay stable, so you are gaining share, or it is not your customers are pulling back on their drilling activity, is that the way to translate that?

Bob Livingston - *Dover Corporation - President, CEO*

That is part of it. But you also have to appreciate that our entire energy business is not directly correlated to rig count deployment. Obviously our sucker rod business is pretty tightly correlated, as well as US synthetics. But US synthetics business is also quite international, so it is not quite as dependent on North America rig count activity as perhaps Norris Sucker Rods.

Terry Darling - *Goldman Sachs - Analyst*

Okay, that's helpful. Then coming back to the electronic business, I am wondering if you can talk about where you see inventories in the channel right now? I think across the tax base broadly people are concerned about some double ordering that may have been going on, and where do you see that for just your businesses?

Bob Livingston - *Dover Corporation - President, CEO*

We have been asking those same questions. It is not unusual when you see a strong recovery off of a deep trough for some customers to be concerned enough about capacity and supply constraints that there is some of that. Within our equipment businesses we don't believe it is happening. We have scrubbed that one pretty hard.

Terry Darling - *Goldman Sachs - Analyst*

Are there some metrics you can help us with, Bob, there in terms of days sales or something like that, range historically where we are right now that you see there?

Bob Livingston - *Dover Corporation - President, CEO*

Nothing that I have here in front of me or anything that I can recall. But I will tell you, when you look at the early activity here in the second quarter, the order rates within the electronics segment as a group, and then even in the individual companies, the April order rates are staying quite strong.

Terry Darling - *Goldman Sachs - Analyst*

Okay, that's helpful. Then just lastly, on second-quarter kind of order rate expectations, obviously you just answered it there for electronics, and clearly your earlier message on not expecting book-to-bill to remain this strong is clear.

But what do you expect for orders, either in total, absolute terms or however you want to couch it, where should our calibration be on second derivative of orders for the second quarter?

Bob Livingston - *Dover Corporation - President, CEO*

I think the best guidance I can give you right now is overall for Dover look at the bookings expectation for the second quarter to be relatively flat with the first.

Operator

Thank you. I will now turn the call over to Paul Goldberg for closing remarks.

Paul Goldberg - *Dover Corporation - Treasurer, Director IR*

Thanks, everyone. This concludes our conference call. I want to thank you again for your continued interest in Dover. We look forward to speaking to you again next quarter. And please follow up with me directly if you have any questions that came out of this call. Thanks a lot, bye.

Operator

Thank you. That concludes today's first-quarter 2010 Dover Corporation earnings conference call. You may now disconnect your lines at this time. And have a wonderful day.
