SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 FORM 10-Q

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

For three months ended March 31, 1997

Commission File No. 1-4018

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

Delaware (State of Incorporation)

53-0257888 (I.R.S. Employer Identification No.)

10017

280 Park Avenue, New York, NY (Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (212) 922-1640

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes X No

The number of shares outstanding of the Registrant's common stock as of the close of the period covered by this report was 112,184,966.

# ITEM 1. FINANCIAL STATEMENTS

## DOVER CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENT OF EARNINGS THREE MONTHS ENDED MARCH 31,

# (000 OMITTED)

	1997	1996
Net Sales Cost of sales	\$1,008,781 670,914	\$999,473 664,276
Gross profit Selling & administrative expenses	337,867 222,516	335,197 206,745
Operating Profit	115,351 =======	
Other deductions (Income): Interest expense Interest income Foreign exchange All other, net	10,987 (4,056) (6,077) (6,139)	(5,632) (310)
Total	(5,285)	4,397
Earnings before taxes on income Federal & other taxes on income	120,636 42,136	124,055
Net earnings	\$ 78,500	\$ 77,745
Weighted average number of common shares outstanding during the period	112,564	113,746
Net earnings per common share	\$0.70 ======	

## CONSOLIDATED STATEMENT OF RETAINED EARNINGS THREE MONTHS ENDED MARCH 31,

# (000 OMITTED)

	1997	1996
Retained earnings at January 1 Net earnings	\$1,470,008 78,500	\$1,152,187 77,745
Deduct: Common stock cash dividends	\$1,548,508	\$1,229,932
\$0.17 per share (\$0.15 in 1996)	19,160	17,069
Retained earnings at end of period	\$1,529,348 =========	\$1,212,863 =======

## DOVER CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEET

(000 OMITTED)

Assets:       Current assets:       \$ 113,366       \$ 199,955         Cash & Cash & Cush equivalents       \$ 12,209       17,839         Receivables, net of allowance for doubtful accounts       717,594       715,495         Inventories       \$ 33,226       499,870         Prepaid expenses       \$ 53,152       \$ 56,654         Total current assets       1,432,046       1,469,831         Accumulated depreciation       (630,426)       (612,648)         Net property, plant & equipment       \$ 599,121       494,933         Intangible assets, net of amortization       971,185       963,182         Other accured expenses       \$ 72,958       10,258       10,258         Liabilities:       \$ 22,959,628       \$ 22,993,379       \$ 37,613         Current liabilities:       \$ 345,559       \$ 488,651       \$ 37,613         Current liabilities:       \$ 10,258       10,258       10,258         Vorted compensation & employee benefits       108,196       134,516       \$ 489,651         Current liabilities:       \$ 10,258       104,516       \$ 139,598       \$ 488,651         Current liabilities:       \$ 108,196       \$ 130,598       \$ 449,659       \$ 488,651         Current liabilities       \$ 10,955		March 31, 1997	December 31, 1996
Current assets: Cash & cash equivalents Marketable securities Securities Securities Securities Securities Securities Securities Securities Total current assets Total current assets Property, plant & equipment (at cost) Accumulated depreciation Net property, plant & equipment Securities Sec	Assets:		
Cash a cash equivalents \$ 133,366 \$ 199,955 Marketable scurities Total current assets 727,594 Property, plant & equipment (at cost) 1,139,641 Accumulated depreciation (630,420) (632,043) Met property, plant & equipment (509,121, 449,93) Thrangible assets, net of amortization 971,185 963,182 Other ansets 1,02,946 1,233 1,439,754 Met property, plant & equipment 509,121, 449,933 Thrangible assets, net of amortization 971,185 963,182 Other intangible assets 1,02,283 10,258 Current liabilities: Current inabilities: Notes payable 5445,589 4486,651 Current naturities of long-term debt 783 3,754 Accured compensation & employee benefits 108,128 202,763 Accured compensation & employee benefits 108,128 202,763 Accured compensation & employee benefits 2,135 104,912 Income taxes 42,210 1,430,135 228,955 Deferred charges & 44,535 298, 104,916 Other accured expenses 207,115 226,992 Income taxes 44,213 54,088 Deferred taxes 44,223 54,088 Deferre			
Marketable securities         18,286         17,839           Receivables, net of allowance for doubtful accounts         77,7594         775,495           Inventories         523,726         439,870           Prepaid expenses         59,152         56,654           Total current assets         1,139,641         1,166,981           Accumulated depreciation         (630,420)         (612,048)           Net property, plant & equipment         509,121         494,933           Intangible assets, net of amortization         971,185         963,182           Other intangible assets         10,258         10,258         10,258           Deferred charges & other assets         37,018         35,193			
Receivables, net of allowance for doubtful accounts         717,594         715,495           Inventories         52,726         499,870           Prepnid expenses         59,152         56,664           Total current assets         1,432,046         1,489,813           Property, plant & equipment (at cost)         1,139,641         1,106,981           Accumulated depreciation         (632,0420)         (612,048)           Intangible assets, net of amortization         971,185         963,182           Other intangible assets         10,255         10,258           Deferred charges & other assets         37,018         35,193           Current liabilities:         52,959,628         \$2,993,379           Current maturities of long-term debt         793         3,754           Accound insurance         108,935         104,916           Other accrued expenses         207,115         206,992           Income taxes         22,219         1,439           Total current liabilities         1,194,075         1,139,104           Longe taxes         417,079         116,958           Other accrued expenses         242,121         54,963           Deferred taxes         41,213         54,963           Deferred dompensation </td <td></td> <td></td> <td></td>			
Inventories       523,726       499,870         Prepaid expenses       59,152       56,654         Total current assets       1,432,046       1,489,813         Property, plant & equipment (at cost)       1,139,641       1,106,981         Accumulated depreciation       (630,429)       (632,048)         Net property, plant & equipment       509,121       494,933         Intangible assets, net of amortization       971,185       963,182         Other intangible assets       37,018       35,193         Deferred charges & other assets       37,018       35,193         Current liabilities:			
Prepaid expenses         59,152         56,654           Total current assets         1,432,046         1,482,046         1,482,046           Property, plant & equipment (at cost)         1,139,641         1,196,981           Accumulated depreciation         (613,429)         (612,048)           Intangible assets, net of amortization         971,185         963,182           Other intangible assets         10,258         10,258           Deferred charges & other assets         37,018         35,193           Current liabilities:         52,959,628         \$2,993,379           Current maturities of long-term debt         793         3,754           Accound payable         189,122         202,763           Current maturities of long-term debt         104,905         130,598           Accound insurance         108,335         104,916           Other accrued expenses         207,115         206,992           Income taxes         42,210         1,439           Total current liabilities         1,144,075         1,139,104           Long-term debt         255,135         252,955           Deferred compensation         54,912         57,559           Stockholders' equity:         206,2111         13,818           <			
Total current assets       1,432,046       1,489,813         Property, plant & equipment (at cost)       1,139,641       1,106,981         Accumulated depreciation       (630,420)       (612,048)         Net property, plant & equipment       569,121       494,933         Intangible assets, net of amortization       971,185       963,182         Other intangible assets       10,258       10,258         Deferred charges & other assets       37,018       35,193         Current liabilities:       \$ <ul> <li>Current liabilities:</li> <li>Current liabilities:</li> <li>Current liabilities:</li> <li>Current liabilities:</li> <li>Current liabilities:</li> <li>Current liabilities:</li> <li>102,55</li> <li>104,955</li> <li>124,925</li> <li>126,935</li> <li>126,935</li></ul>			
Property, plant & equipment (at cost)         1,139,641         1,106,981           Accumulated depreciation         (630,420)         (612,948)           Net property, plant & equipment         569,121         494,933           Intangible assets, net of amortization         971,185         963,182           Other intangible assets         10,256         10,256           Deferred charges & other assets         37,013         35,193           Elabilities:         10,259,628         52,993,379           Elabilities:         108,325         109,258           Current liabilities:         198,128         202,763           Accound payable         198,128         202,763           Accound insurance         108,335         104,916           Other accrued expenses         207,115         206,992           Income taxes         42,210         1,330           Total current liabilities         1,104,075         1,139,04           Long-term debt         255,135         252,955           Deferred taxes         44,213         54,068           Deferred taxes         44,213         54,068           Deferred taxes         20,111         13,818           Cound the translation adjustiments         1,529,348 <td< td=""><td></td><td></td><td></td></td<>			
Property, plant & equipment (at cost)       1,136,641       1,166,981         Accumulated depreciation       (632,4420)       (612,646)         Net property, plant & equipment       599,122       444,033         Intangible assets, net of amortization       971,185       963,122         Other intangible assets       10,256       10,256         Deferred charges & other assets       37,018       35,193         Liabilities:       37,018       35,193         Current liabilities:       52,959,628       \$2,993,379         Current liabilities:       793       3,754         Accound compensation & employee benefits       108,985       104,955         Accrued insurance       130,958       36,982         Accrued insurance       1265,135       226,763         Long-term debt       793       3,754         Courde compensation & employee benefits       108,335       104,916         Other accrued expenses       126,915       1,439         Income taxes       42,210       1,430         Total current liabilities       1,104,075       1,139,104         Long-term debt       255,135       252,955         Deferred taxes       44,213       54,968         Common stock       117,	Total current assets		
Accumulated depreciation         (630,420)         (632,642)         (632,642)           Net property, plant & equipment         569,121         494,933           Intangible assets, net of amortization         971,185         963,182           Other intangible assets         10,258         10,258           Deferred charges & other assets         37,618         35,193           itabilities:         itabilities:         itabilities:           Current liabilities:         793         3,754           Notes payable         198,128         202,763           Accrued compensation & employee benefits         101,905         130,598           Accrued insurance         198,335         104,916           Other accrued expenses         207,115         206,692           Income taxes         42,210         1,430           Total current liabilities         1,04,075         1,139,104           Long-term debt         225,135         252,955           Deferred taxes         44,213         54,663           Current liabilities         11,0975         1,139,104           Long-term debt         255,135         252,955           Deferred taxes         24,912         57,550           Stockholders' equity:         13,682	Property plant & equipment (at cost)		
Net property, plant & equipment         509,121         494,933           Intangible assets, net of amortization         971,125         963,182           Other intangible assets         10,258         10,258           Deferred charges & other assets         37,018         35,193           \$2,959,628         \$2,993,379			
Net property, plant & equipment         509,121         494,933           Intangible assets, net of amortization Other intangible assets         971,185         963,182           Other intangible assets         10,258         10,258           Deferred charges & other assets         37,018         35,193           tabilities:         tabilities:         tabilities:           Current liabilities:         tabilities:         tabilities:           Current liabilities:         793         3,754           Accounds payable         198,128         202,763           Accrued compensation & employee benefits         108,935         104,916           Other accrued expenses         207,115         206,992           Income taxes         1,104,075         1,139,104           Long-term debt         24,210         1,430           Total current liabilities         1,104,075         1,39,104           Long-term debt         282,955         25,955           Deferred Compensation         54,912         57,550           Stockholders' equity:			
Intangible assets, net of amortization       971,185       963,182         Other intangible assets       10,258       10,258         Deferred charges & other assets       37,018       35,193         Intabilities:         Intabilities:         Current liabilities:         Current liabilities:         Notes payable       \$ 445,589       \$ 488,651         Current debt       793       3,754         Accound compensation & employee benefits         101,905       130,598       202,763         Accrued compensation & employee benefits       101,905       130,598         Accrued expenses       207,115       2266,992         Income taxes       42,210       1,439       1449,075       1,139,104         Long-term debt       255,135       252,955       252,955         Deferred Compensation       54,912       57,559       559         Stockholders' equity:         Tradiction adjustments       (18,227)       1,909         Umrealized holding gains (losses)       2,126       3,663         Additional pain's urplus         Common stock       140,414       1	Net property, plant & equipment		
Other intangible assets       10,258       10,258         Deferred charges & other assets       37,018       35,193         \$2,959,628       \$2,993,379         Liabilities:       ************************************			
Deferred charges & other assets       37,018       35,193         \$2,959,628       \$2,993,379			
Liabilities:			
£2,959,628         \$2,993,379           Liabilities:	Deferred charges & other assets		
Liabilities: Current liabilities: Notes payable Current maturities of long-term debt Accounds payable Accound spayable Accound compensation & employee benefits Accound insurance 108,325 Accued compensation & employee benefits Accound insurance 108,335 101,905 130,598 Accrued expenses 207,115 206,992 Income taxes Total current liabilities 1,104,075 1,139,104 Long-term debt 255,135 252,955 Deferred taxes Accued compensation Stockholders' equity: Treferred stock Common stock Additional paid-in surplus Common stock Additional paid-in surplus Current liabilities 1,17,079 116,858 Additional paid-in surplus Currents Subtotal Losses) Subtotal Less: treasury stock 11,501,293 1,480,702 2,295,025 2,229,55 2,229,55 2,229,55 2,229,55 2,229,55 2,229,55 2,229,55 2,229,55 2,229,55 2,229,55 2,229,55 2,229,55 2,229,55 2,229,55 2,229,55 2,229,55 2,229,55 2,229,55 2,229,55 2,220 1,606,247 1,606,247 1,501,293 1,489,702 1,501,293 1,489,702 1,501,293 1,489,702 2,299,628 2,299,9,028 2,2993,379			
Current liabilities:         Notes payable       \$ 445,589       \$ 488,651         Current maturities of long-term debt       793       3,754         Accounts payable       198,128       202,763         Accrued compensation & employee benefits       101,905       130,598         Accrued insurance       108,335       104,916         Other accrued expenses       207,115       206,992         Income taxes       42,210       1,430         Total current liabilities       1,104,075       1,139,104         Long-term debt       255,135       252,955         Deferred taxes       44,213       54,068         Deferred Compensation       54,912       57,550         Stockholders' equity:			, , ,
Current liabilities:         Notes payable       \$ 445,589       \$ 488,651         Current maturities of long-term debt       793       3,754         Accounts payable       198,128       202,763         Accrued compensation & employee benefits       101,905       130,598         Accrued insurance       108,335       104,916         Other accrued expenses       207,115       206,992         Income taxes       42,210       1,430         Total current liabilities       1,104,075       1,139,104         Long-term debt       255,135       252,955         Deferred taxes       44,213       54,068         Deferred Compensation       54,912       57,550         Stockholders' equity:	Liphilition		
Notes payable         \$ 445,589         \$ 488,651           Current maturities of long-term debt         793         3,754           Accounds payable         198,128         202,763           Accrued compensation & employee benefits         101,905         130,598           Accrued insurance         108,335         104,916           Other accrued expenses         207,115         206,992           Income taxes         42,210         1,430           Total current liabilities         1,104,075         1,139,104           Long-term debt         255,135         252,955           Deferred taxes         44,213         54,068           Deferred taxes         44,213         54,068           Deferred taxes         20,111         13,818           Cumulative translation adjustments         (18,227)         1,900           Unrealized holding gains (losses)         2,126         3,663           Retained earnings         1,529,338         1,470,008           Subtotal         1,650,437         1,606,247           Less: treasury stock         149,144         116,545			
Notes payable         \$ 445,589         \$ 488,651           Current maturities of long-term debt         793         3,754           Accounds payable         198,128         202,763           Accrued compensation & employee benefits         101,905         130,598           Accrued insurance         108,335         104,916           Other accrued expenses         207,115         206,992           Income taxes         42,210         1,430           Total current liabilities         1,104,075         1,139,104           Long-term debt         255,135         252,955           Deferred taxes         44,213         54,068           Deferred taxes         44,213         54,068           Deferred taxes         20,111         13,818           Cumulative translation adjustments         (18,227)         1,900           Unrealized holding gains (losses)         2,126         3,663           Retained earnings         1,529,348         1,470,008           Subtotal         1,650,437         1,606,247           Less: treasury stock         149,144         116,545           1,520,528         \$2,959,628         \$2,993,379	Current liabilities:		
Current maturities of long-term debt       793       3,754         Accounts payable       198,128       202,763         Account compensation & employee benefits       101,905       130,598         Accrued insurance       108,335       104,916         Other accrued expenses       207,115       206,992         Income taxes       42,210       1,430         Total current liabilities       1,104,075       1,139,104         Long-term debt       255,135       252,955         Deferred taxes       44,213       54,068         Deferred compensation       54,912       57,550         Stockholders' equity:		\$ 445,589	\$ 488,651
Accrued compensation & employee benefits       101,905       130,598         Accrued insurance       108,335       104,916         Other accrued expenses       207,115       206,992         Income taxes       42,210       1,430         Total current liabilities       1,104,075       1,139,104         Long-term debt       255,135       252,955         Deferred taxes       44,213       54,068         Deferred Compensation       54,912       57,550         Stockholders' equity:			
Accrued insurance       108,335       104,916         Other accrued expenses       207,115       206,992         Income taxes       42,210       1,430         Total current liabilities       1,104,075       1,139,104         Long-term debt       255,135       252,955         Deferred taxes       44,213       54,668         Deferred Compensation       54,912       57,550         Stockholders' equity:		198,128	202,763
Other accrued expenses         207,115         206,992           Income taxes         42,210         1,430           Total current liabilities         1,104,075         1,139,104           Long-term debt         255,135         252,955           Deferred taxes         44,213         54,068           Deferred Compensation         54,912         57,550           Stockholders' equity:			
Income taxes       42,210       1,430         Total current liabilities       1,104,075       1,139,104         Long-term debt       255,135       252,955         Deferred taxes       44,213       54,068         Deferred Compensation       54,912       57,550         Stockholders' equity:			
Total current liabilities       1,104,075       1,139,104         Long-term debt       255,135       252,955         Deferred taxes       44,213       54,068         Deferred Compensation       54,912       57,550         Stockholders' equity:         Preferred stock       -         Common stock       117,079       116,858         Additional paid-in surplus       20,111       13,818         Cumulative translation adjustments       (18,227)       1,900         Unrealized holding gains (losses)       2,126       3,663         Retained earnings       1,529,348       1,470,008         Subtotal         Less: treasury stock       149,144       116,545			,
Total current liabilities       1,104,075       1,139,104         Long-term debt       255,135       252,955         Deferred taxes       44,213       54,068         Deferred Compensation       54,912       57,550         Stockholders' equity:	Income Laxes		
Long-term debt       255,135       252,955         Deferred taxes       44,213       54,068         Deferred Compensation       54,912       57,550         Stockholders' equity:         Preferred stock         Common stock         Additional paid-in surplus       20,111       13,818         Cumulative translation adjustments       (18,227)       1,900         Unrealized holding gains (losses)       2,126       3,663         Retained earnings       1,650,437       1,606,247         Less: treasury stock       149,144       116,545	Total current liabilities		
Deferred taxes       44,213       54,068         Deferred Compensation       54,912       57,550         Stockholders' equity:			
Deferred Compensation       54,912       57,550         Stockholders' equity:			
Preferred stock           Common stock       117,079       116,858         Additional paid-in surplus       20,111       13,818         Cumulative translation adjustments       (18,227)       1,900         Unrealized holding gains (losses)       2,126       3,663         Retained earnings       1,529,348       1,470,008         Subtotal       1,650,437       1,606,247         Less: treasury stock       149,144       116,545         1,501,293       1,489,702	Deferred Compensation		
Preferred stock           Common stock       117,079       116,858         Additional paid-in surplus       20,111       13,818         Cumulative translation adjustments       (18,227)       1,900         Unrealized holding gains (losses)       2,126       3,663         Retained earnings       1,529,348       1,470,008         Subtotal       1,650,437       1,606,247         Less: treasury stock       149,144       116,545         1,501,293       1,489,702	Stockholders' equity:		
Common stock       117,079       116,858         Additional paid-in surplus       20,111       13,818         Cumulative translation adjustments       (18,227)       1,900         Unrealized holding gains (losses)       2,126       3,663         Retained earnings       1,529,348       1,470,008         Subtotal       1,650,437       1,606,247         Less: treasury stock       149,144       116,545         Intervent       1,501,293       1,489,702         Subtotal       1,501,293       1,489,702         Subtotal       1,501,293       1,489,702			
Additional paid-in surplus       20,111       13,818         Cumulative translation adjustments       (18,227)       1,900         Unrealized holding gains (losses)       2,126       3,663         Retained earnings       1,529,348       1,470,008         Subtotal       1,650,437       1,606,247         Less: treasury stock       149,144       116,545         Image: store sto			
Cumulative translation adjustments       (18,227)       1,900         Unrealized holding gains (losses)       2,126       3,663         Retained earnings       1,529,348       1,470,008         Subtotal       1,650,437       1,606,247         Less: treasury stock       149,144       116,545         1,501,293       1,489,702         \$2,959,628       \$2,993,379			
Unrealized holding gains (losses) Retained earnings Subtotal Less: treasury stock 2,126 3,663 1,529,348 1,470,008  1,650,437 149,144 116,545  1,501,293 1,489,702  \$2,959,628 \$2,993,379			,
Retained earnings       1,529,348       1,470,008         Subtotal       1,650,437       1,606,247         Less: treasury stock       149,144       116,545         1,501,293       1,489,702         \$2,959,628       \$2,993,379			
Subtotal       1,650,437       1,606,247         Less: treasury stock       149,144       116,545         1,501,293       1,489,702         \$2,959,628       \$2,993,379			
Less: treasury stock 149,144 116,545 1,501,293 1,489,702 \$2,959,628 \$2,993,379	notation out intrigo		
Less: treasury stock 149,144 116,545 1,501,293 1,489,702 \$2,959,628 \$2,993,379	Subtotal	1,650,437	1,606,247
1,501,293 1,489,702 	Less: treasury stock	149,144	116,545
\$2,959,628 \$2,993,379			

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## DOVER CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENT OF CASH FLOWS INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS THREE MONTHS ENDED MARCH 31, (000 OMITTED)

	1997	1996
Cash flows from operating activities:		
Net income	\$ 78,500	\$ 77,745
Adjustments to reconcile net income to net cash Provided by operating activities:		
Depreciation	24,331	20,543 9,713 (4,230) 395 (5,860) 6,230
Amortization	10,425	9,713
Net increase (decrease) in deferred taxes	(9,936)	(4,230)
Net increase (decrease) in LIFO reserves	276	395
Increase (decrease) in deferred compensation	(2,633)	(5,860)
Other, net Changes in essents & lightlitics (evoluding seguisitions):	(13,605)	6,230
Changes in assets & liabilities (excluding acquisitions): Decrease (increase) in accounts receivable	6 028	22 128
Decrease (increase) in inventories, excluding LIFO reserve	(11 394)	(29,993)
Decrease (increase) in prepaid expenses	(2,044)	(2,147)
Increase (decrease) in accounts payable	(8,515)	(2,504)
Increase (decrease) in accrued expenses	(29,256)	(28,076)
Increase (decrease) in federal & other taxes on income	<b>`</b> 38, 305	33,642
		33,138 (29,993) (2,147) (2,504) (28,076) 33,642
Total adjustments	2,882	30,841
Net cash provided by operating activities	81,382 =======	108,586
	=======	
Cash flows from (used in) investing activities:		
Net sale (purchase) of marketable securities	(369)	(1,553)
Additions to property, plant & equipment	(27,377)	(35,685)
Acquisitions, net of cash & cash equivalents	(46,563)	(58,849)
Purchase of treasury stock	(32,607)	(1,553) (35,685) (58,849) (1,005)
Net cash from (used in) investing activities	(106,916)	(97,092)
Cash flows from (used in) financing activities:		
Increase (decrèase) in notes payable	(44,485)	(6,211)
Reduction of long-term debt	(1,522)	(5,608)
Proceeds from exercise of stock options	4,113	2,469
Cash dividends to stockholders	(19,161)	(17,068)
Net cash from (used in) financing activities	(61,055)	(26,418)
		(6,211) (5,608) 2,469 (17,068) (26,418)
Net increase (decrease) in cash & cash equivalents	(86,589)	(14,924)
Cash & cash equivalents at beginning of period	199,955	(14,924) 121,698
Cash & cash equivalents at end of period	\$ 113,366 =======	\$ 106,774
	========	========

## DOVER CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 1997

#### NOTE A - Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and changes in financial position in conformity with generally accepted accounting principles. In the opinion of the Company, all adjustments, consisting only of normal recurring items necessary for a fair presentation of the operating results have been made. The results of operations of any interim period are subject to year-end audit and adjustments, and are not necessarily indicative of the results of operations for the fiscal year.

## NOTE B - Inventory

Inventories, by components, are summarized as follows:

	MARCH 31, 1997	DECEMBER 31, 1996
Raw materials	\$172,359	\$165,064
Work in progress	229,452	219,729
Finished goods	167,972	160,858
Total	569,783	545,651
Less LIFO reserve	46,057	45,781
Net amount per balance sheet	\$523,726	\$499,870

#### NOTE C - Additional Information

For a more adequate understanding of the Company's financial position, operating results, business properties and other matters, reference is made to the Company's annual report Form 10-K which was filed with the Securities and Exchange Commission in March 1997.

In February, 1997 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings per Share". This statement in effective for financial statements issued for periods ending after December 15, 1997 including interim periods. The new Statement requires two separate disclosures: a) Basic Earnings per Share and b) Diluted Earnings per Share. The Company has a simple capital structure and has determined that the effect of this Statement will not be material.

# Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(1) MATERIAL CHANGES IN CONSOLIDATED FINANCIAL CONDITION:

The Company's liquidity decreased during the first quarter of 1997 as compared to the position at December 31, 1996. Acquisitions and repurchases of common stock, as mentioned below, more than accounts for this decrease.

Working capital decreased from \$352.0 million at the end of last year to \$329.2 million at March 31, 1997.

At March 31, 1997, net debt (defined as long-term debt plus current maturities on long-term debt plus notes payable less cash and equivalents and marketable securities) of \$569.9 million represented 27.5% of total capital. This compares with 26.2% at December 31, 1996.

## (2) MATERIAL CHANGES IN RESULTS OF OPERATIONS:

The Company earned \$.70 per share in its first quarter ended March 31, 1997, compared to \$.68 per share in last year's first quarter. Sales and net income both increased 1%. Dover completed one stand-alone and three add-on acquisitions in the quarter at a cost of \$52 million and repurchased \$33 million of its own common stock (616,000 shares at \$53/share).

Earnings in the first quarter of 1997 included \$9.6 million (\$.06 per share) of non-recurring items (exchange gains and license fees in the Technologies segment). Earnings in the prior year's quarter included a \$2.6 million (\$.02 per share) gain from the sale of a leasing business (Industries segment). Shipments and recurring operating profits were somewhat below Dover's expectations, but bookings were very positive (especially in Technologies). Backlog improved during the quarter in each of Dover's five business segments, and by 19% for the Company as a whole, and orders exceeded shipments for most companies.

#### DOVER TECHNOLOGIES:

Dover Technologies' profits improved by 13% to \$36.6 million as sales rose 5% to \$259 million. However, without the previously mentioned paid-up-license sale and foreign currency gain, profits would have declined 17%. Sales comparisons were helped by acquisitions in the second half of 1996 (principally Everett Charles Technologies) and by two small add-on acquisitions (Telefilter and Quarzkeramik by Quadrant) in the current quarter. Also, Everett Charles acquired a German maker of bare-board testing equipment (Luther & Maelzer) in March. These companies added about \$30 million to the quarter's sales but only modestly to income due to acquisition related costs. Most companies in the segment achieved higher earnings than prior year with the notable exception of Universal Instruments, whose recurring profits dropped sharply. Universal began the quarter with a lower backlog than at the start of 1996 and which contained a less favorable product mix. Production in March also fell short of targets due to part shortages. Image, Everett Charles, Quadrant and K&L -the next four largest Technologies companies-all had higher operating profits than in 1996.

Bookings at Dover Technologies were very strong with a book-to-bill ratio of 1.3. Universal had record quarterly bookings that were 1.5 times shipments. The level of bookings at DTI exceeded expectations and is not forecasted to be maintained, although second quarter bookings are likely to exceed prior year. Improved backlogs should lead to higher shipments and operating profits in the second quarter with favorable year-over-year comparisons.

#### DOVER INDUSTRIES:

Dover Industries' profits were in line with expectations but down 21% from last year. The major factors in this decline were operating profit drops at Heil Trailer, Heil Refuse and Marathon (\$6 million from last year's strong results), the sale of Dieterich Standard in mid-1996 and last year's \$2.6 million non-recurring gain from the sale of a leasing business. Strengthened sales and earnings at Groen and Randell (food service equipment) and continued growth at Texas Hydraulics and Rotary Lift were partial offsets. Heil Refuse and Marathon provide equipment to the solid waste hauling industry, where a decline in customer capital spending last year diminished backlog. Order recovery has not yet reached expected levels. The book-to-bill for these two companies in the quarter was 1.1, but the level of orders and of March 31 backlog were below last year. At Heil Trailer, first quarter orders exceeded last year by more than 50% and bookings exceeded billings by 12%. Backlog remains below prior year, but has been improving since the middle of last year's fourth quarter. Dover Industries total bookings (adjusted for Dieterich Standard) were up slightly from last year. A better earnings comparison at Industries is expected in the second quarter with strong year-over-year gains possible in the second half.

#### DOVER DIVERSIFIED:

Profits in the Diversified segment dropped 5% from last year as the expected decline at Belvac (\$7 million) offset much stronger performances at several other companies. Belvac's unfavorable

comparison, which will be larger in the second quarter, reflects the reduced needs of the aluminum can industry for "necking" equipment after three years during which Belvac struggled to expand production to the levels demanded by its customers. Belvac's shipments began a sharp decline in the third quarter of last year, but are expected to "bottom out" during 1997--as suggested by the first quarter book-to-bill of .98, the best such quarterly comparison in almost two years. Large earnings gains were achieved by the now merged Pathway/TEC operations, by Mark Andy and by Hill-Phoenix. A-C Compressor earnings were flat due to a strike (now settled) that interrupted production in March. These four companies are still operating at margins that are below desired levels and their continued 1997 improvement remains essential within the Diversified segment to offset the large earnings decline that is occurring at Belvac. Orders for Diversified exceeded shipments, but backlog is more than 20% below last year (primarily Belvac). Earnings comparisons will be strongly unfavorable in the second quarter (Belvac's and Diversified's best quarter in 1996) but should improve in the second half.

#### DOVER RESOURCES:

Dover Resources' profits slipped 4% from last year's first quarter despite a sales gain of 9%. Most of the sales increase reflects the 1996 acquisitions of Robohand (by De-Sta-Co Industrial Products) and of Tulsa Winch, as well as the 1997 acquisition of Hydro Systems of Cincinnati, Ohio. Hydro Systems is a maker of dispensing equipment--primarily for the professional cleaning industry. Their impact on Resources' profits was slightly positive, due to acquisition related costs, but should increase as the year progresses. Earnings declined substantially at Midland, as expected, due to the end of the boom in rail tank car production that had helped Midland to record profits in 1996. Profit results of other Resources' companies were mixed, but even with prior year in total. New orders exceeded shipments by 8%, with particular strength at Duncan Parking Systems which won large orders from New York City and Los Angeles for its Eagle 2000 electronic meter. A majority of Resources' companies, including Midland, had first quarter book-to-bill ratios in excess of 1.0. A modest year-over-year profit gain appears possible for the second quarter and for the second half.

#### DOVER ELEVATOR:

Profits at Dover Elevator advanced 10% on a 4% sales gain as margins reached 11%--for the best margin level-since before the 1991 real estate crash. A more favorable product mix of somewhat better priced new elevator work, improved field labor efficiency, selective correction of low margin service business, and tight expense control are responsible for the margin gain. The elevator industry in North America is continuing to see growth in the low-rise (hydraulic) market and in mid-rise (traction) equipment in some geographic areas. Bookings for new elevator work were strong in North America, up over 20% from last year. This was augmented by an even larger gain in International where the UK and Far East were stronger. The earnings outlook remains positive for the second quarter and full year, but significant gains from the first quarter profit level will be difficult to achieve.

## OUTLOOK:

Commenting on first quarter results, Thomas L. Reece, Dover's President and CEO said, "We have been advising investors since mid-1996 that the market dynamics at the two Heil companies, and at Belvac, Midland and Marathon would make early-1997 earnings comparisons difficult for Dover. These five companies did, in fact earn \$15 million less in the first quarter of 1997 than in the comparable 1996 period, but all are fine, well-run, profitable businesses. Some slowness in shipments at Universal was more than offset by a favorable bookings surprise for Technologies in general and Universal in particular. We are off to a good start in our pursuit of a strong earnings year". 8

PART II OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

 $$\operatorname{No}$$  report on Form 8-K was filed during the quarter for which this report is filed.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DOVER CORPORATION

Date: April 23, 1997

/s/ John F. McNiff John F. McNiff, Vice President and Treasurer

Date: April 23, 1997

/s/ Alfred Suesser Alfred Suesser, Controller and Assistant Treasurer

3-MOS DEC-31-1997 JAN-1-1997 MAR-31-1997 113,366 18,208 742,573 24,979 523,726 1,432,046 1,139,541 (630,420) 2,959,628 1,104,075 255,435 0 0 117,079 1,384,214 2,959,628 1,008,781 1,008,781 670,914 895,468 (6,077) 0 10,987 120,636 <sup>42,436</sup> 0 0 0 0 0 0.70 0.70