



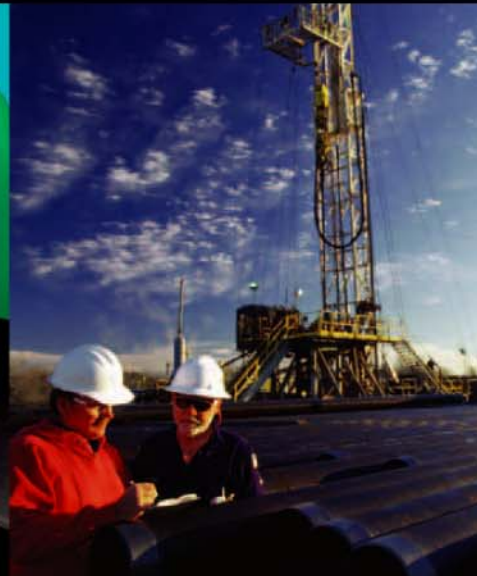
*PERFORMANCE***COUNTS**



INDUSTRIAL PRODUCTS



ENGINEERED SYSTEMS



FLUID MANAGEMENT

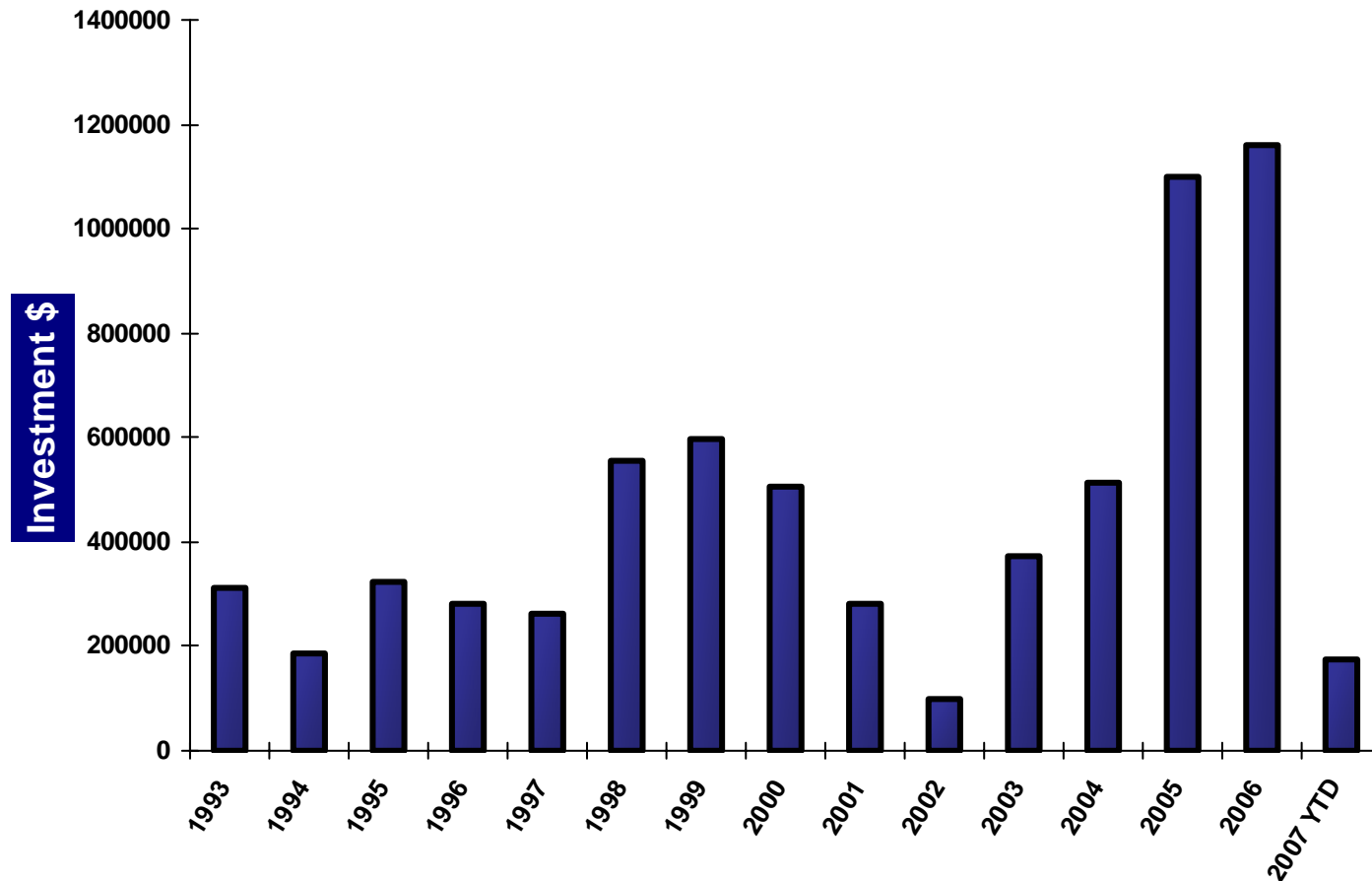


ELECTRONIC TECHNOLOGIES

# CORPORATE DEVELOPMENT

BOB TYRE  
November 9, 2007

# Dover's Acquisition History



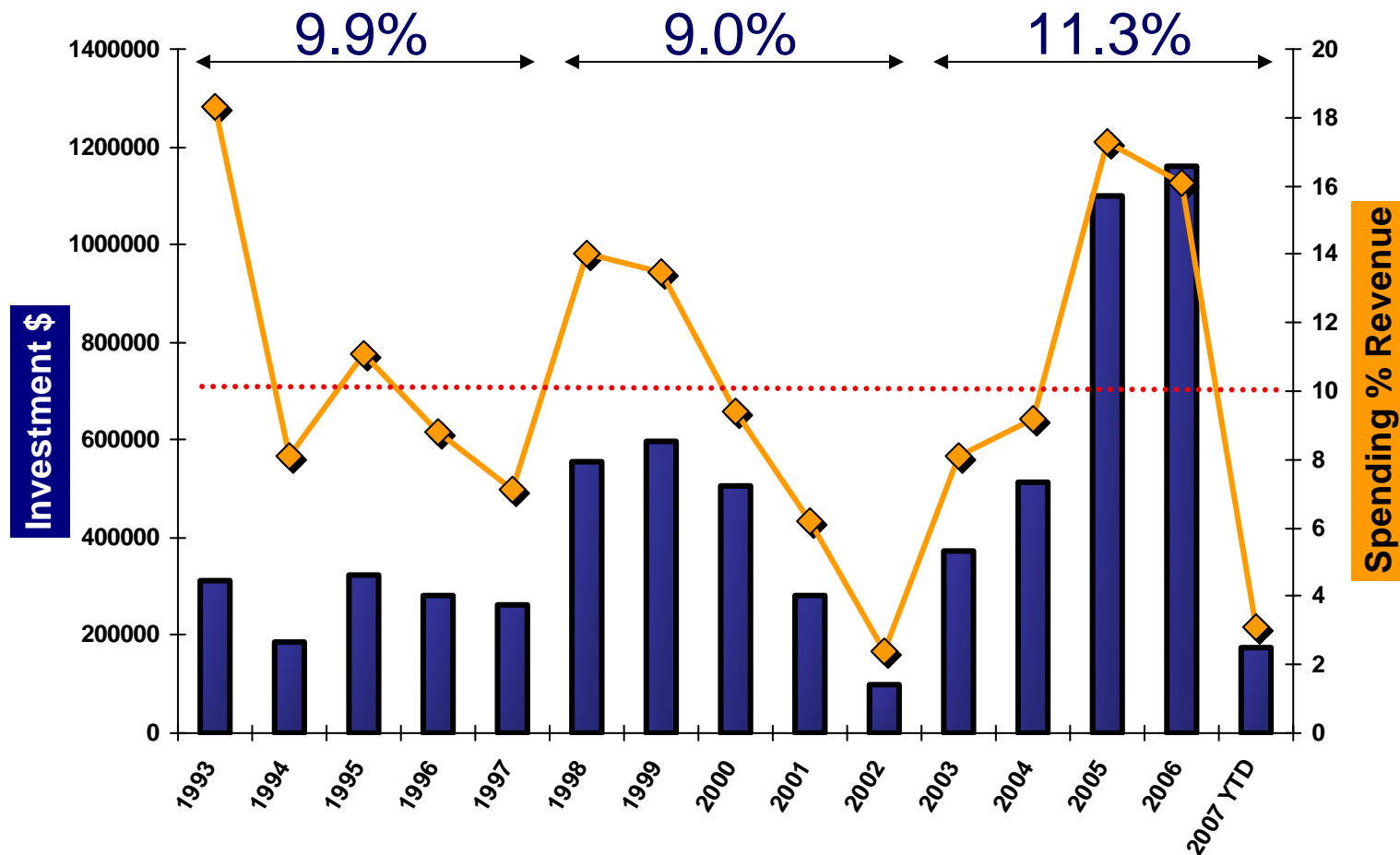
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# Dover's Acquisition History



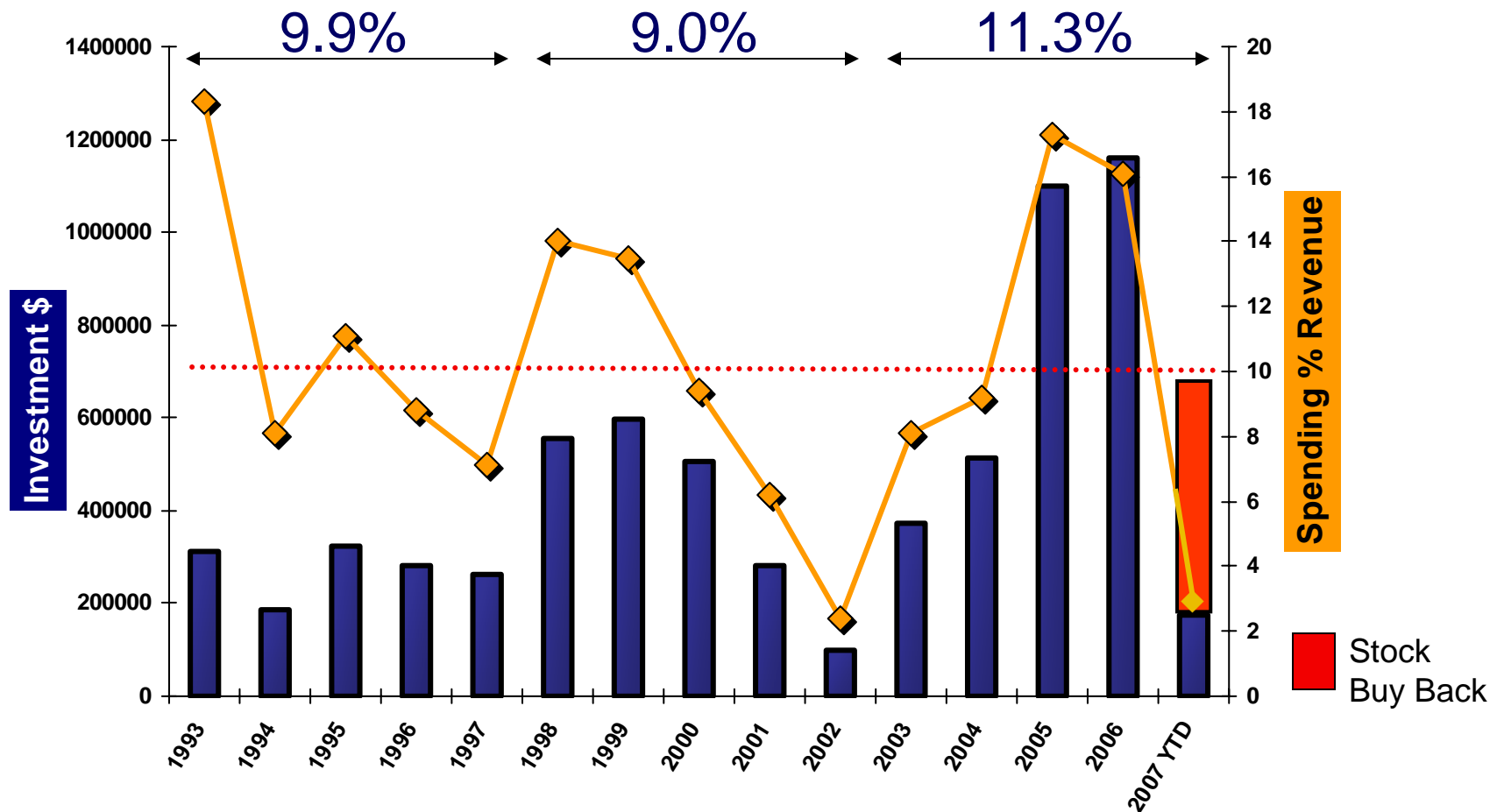
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# Dover's Acquisition History



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# Disciplined Acquisition Process

- Patience
- Opportunities
- Priorities

**We Remain Very Active In Seeking Strategic Acquisitions**

# Evolution of Acquisition Strategy

Same → QUALITY

## Stand Alone

- Market Leading
- Strong Brand
- Strong Management
- Financial Record
- Consumables

## Add-On

- Strategic Fit
- Synergy

Different → FOCUS & SYNERGY

## Segments

- Industrial
- Engineered
- Fluid
- Electronics

## Platforms

Material Handling  
Mobile Equipment

Product Identification  
Engineered Products

Energy  
Fluid Solutions

**Easier To Be Pro-Active And For M&A Community To ID Opportunities**

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# Evolution of Acquisition Strategy

Different → FOCUS & SYNERGY

<u>Segments</u>	<u>Platforms</u>	<u>Recent Acquisitions</u>
Industrial	Material Handling Mobile Equipment	→ PALADIN – WARN → Blitz – Hanmecson – Avborne
Engineered	Product Identification Engineered Products	→ MARKEM – DATAMAX – O'Neil
Fluid	Energy Fluid Solutions	→ US SYNETHETIC – Flexbar – C-Tech → COLDER – Almatec – Griswold
Electronics		→ KNOWLES – Corning FC – POLE/ZERO

**Easier To Be Pro-Active And For M&A Community To ID Opportunities**

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# Results Are Meeting Expectations

- 2003 to 2007 YTD:
  - Acquisitions spending approximately \$2.8B
  - 8 acquisitions > \$100 million  
(Knowles, Markem, Paladin, Warn, Colder, Datamax, USS, Pole/Zero)
- On Balance, Results Are Meeting Our Expectations
  - IRR: Our long-term investment metric → 12+% (WACC +  $\approx$  25%)
  - EPS: Our near-term investor metric →

Revenue	21%
EBITDA	26%
EPS	21%

Note: These figures are for the combined total of the above 8 acquisitions



# Note: Divestitures

- No Change In Philosophy → Own Long Term
- Constant Portfolio Review

## **2001 to 2007 YTD**

- 38 units sold/discontinued
  - \$1.0+B proceeds
  - Reduced volatility of tech sector
  - Replaced low growth, lower margin with higher growth, higher margin
- Selective Pruning Is An On-Going Process



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**PERFORMANCECOUNTS**



# Supply Chain Council

- ❑ **Spring '01: Grass Roots Gathering 16 Attendees / 7 Companies**
  - Explore leveraging purchasing volume opportunities
- ❑ **Fall '04: Group Called Purchasing Council**
  - 50 members / 50% of our companies
- ❑ **Today: Group Formally Called Supply Chain Council**
  - >100 active members - - virtually every Dover company
  - Infrastructure in place
    - Full time SCC leader
    - Steering Committee with members from every Dover Segment
    - Organized by functional teams
      - Metal
      - MRO
      - Logistics
      - LCC
      - Europe
      - Metrics
- ❑ **Results → Gaining Momentum**
  - Hard cash saving '07 → \$10mm (2x '06)  
'08F → \$20+mm