

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, 1998
1-4018

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.)

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

10017
(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 No

The number of shares outstanding of the Registrant's common stock as of the close of the period covered by this report was 222,987,323.

Part. I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

DOVER CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENT OF EARNINGS
 Three Months Ended March 31,
 (000 omitted)

	UNAUDITED	
	1998	1997
	-----	-----
Net sales	\$1,148,584	\$1,008,781
Cost of sales	752,450	670,914
	-----	-----
Gross profit	396,134	337,867
Selling & administrative expenses	253,408	222,516
	-----	-----
Operating profit	142,726	115,351
	-----	-----
Other deductions (income):		
Interest expense	11,926	10,987
Interest income	(5,314)	(4,056)
Foreign exchange	1,499	(6,077)
All other, net	(1,756)	(6,139)
	-----	-----
Total	6,355	(5,285)
	-----	-----
Earnings before taxes on earnings	136,371	120,636
Federal & other taxes on earnings	46,376	42,136
	-----	-----
Net earnings	\$ 89,995	\$ 78,500
	=====	=====
Net earnings per common share		
- Basic	\$0.40	\$0.35
	=====	=====
- Diluted	\$0.40	\$0.35
	=====	=====
Weighted average number of common shares outstanding during the period		
- Basic	222,775	225,128
	=====	=====
- Diluted	224,822	227,082
	=====	=====

CONSOLIDATED STATEMENT OF COMPREHENSIVE EARNINGS
 Three Months Ended March 31,
 (000 omitted)

	UNAUDITED	
	1998	1997
	-----	-----
Net earnings	\$ 89,995	\$ 78,500
	-----	-----
Other comprehensive earnings, net of tax:		
Foreign currency translation adjustments	(1,344)	(20,127)
Unrealized gains (losses) on securities:		
Unrealized holding (losses) gains arising during period	(3,312)	(1,535)
Less: reclassification adjustment for gains included in net earnings	6	2
	-----	-----
Total unrealized gains (losses) on securities (tax 1,305 in 1998)	(3,318)	(1,537)
	-----	-----
Other comprehensive earnings	(4,662)	(21,664)
	-----	-----
Comprehensive earnings	\$ 85,333	\$ 56,836
	=====	=====

DOVER CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENT OF RETAINED EARNINGS
 Three Months Ended March 31,
 (000 omitted)

	UNAUDITED	
	1998	1997
Retained earnings at January 1	\$ 1,703,335	\$ 1,470,009
Net earnings	89,995	78,500
	1,793,330	1,548,509
Deduct:		
Common stock cash dividends	21,175	19,161
\$ 0.095 per share (\$0.085 in 1997)	21,175	19,161
Retained earnings at end of period	\$ 1,772,155	\$ 1,529,348

DOVER CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(000 omitted)

	UNAUDITED March 31, 1998	December 31, 1997
	-----	-----
Assets:		
Current assets:		
Cash & cash equivalents	\$ 106,282	124,780
Marketable securities	24,267	21,929
Receivables, net of allowance for doubtful accounts	804,726	818,293
Inventories	610,016	562,830
Prepaid expenses	65,293	63,513
	-----	-----
Total current assets	1,610,584	1,591,345
	-----	-----
Property, plant & equipment (at cost)	1,311,111	1,262,288
Accumulated depreciation	(724,410)	(691,709)
	-----	-----
Net property, plant & equipment	586,701	570,579
	-----	-----
Intangible assets, net of amortization	1,151,726	1,068,310
Other intangible assets	10,368	10,368
Deferred charges & other assets	38,815	36,922
	=====	=====
	\$ 3,398,194	\$ 3,277,524
	=====	=====
Liabilities:		
Current liabilities:		
Notes payable	\$ 508,530	\$ 435,920
Current maturities of long-term debt	960	897
Accounts payable	223,825	226,936
Accrued compensation & employee benefits	118,249	158,815
Accrued insurance	114,547	107,818
Other accrued expenses	237,108	241,581
Income taxes	45,096	24,606
	-----	-----
Total current liabilities	1,248,315	1,196,573
	-----	-----
Long-term debt	261,647	262,630
Deferred taxes	44,604	40,458
Deferred compensation	69,181	74,279
Stockholders' equity:		
Preferred stock	--	--
Common stock	234,927	234,507
Additional paid-in surplus	7,972	658
Cumulative translation adjustments	(39,239)	(37,895)
Unrealized holding gains (losses)	2,472	5,790
	-----	-----
Accumulated other comprehensive earnings	(36,767)	(32,105)
	-----	-----
Retained earnings	1,772,155	1,703,336
	-----	-----
Subtotal	1,978,287	1,906,396
Less: treasury stock	203,840	202,812
	-----	-----
	1,774,447	1,703,584
	-----	-----
	\$ 3,398,194	\$ 3,277,524
	=====	=====

DOVER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
Three Months Ended March 31,
(000 omitted)

	UNAUDITED	
	1998	1997
	-----	-----
Cash flows from operating activities:		
Net earnings	\$ 89,995	\$ 78,500
	-----	-----
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	28,386	24,331
Amortization	12,604	10,425
Net increase (decrease) in deferred taxes	4,066	(9,936)
Net increase (decrease) in LIFO reserves	486	276
Increase (decrease) in deferred compensation	(5,098)	(2,633)
Other, net	(6,105)	(13,605)
Changes in assets & liabilities (excluding acquisitions):		
Decrease (increase) in accounts receivable	20,275	6,928
Decrease (increase) in inventories, excluding LIFO reserve	(36,228)	(11,394)
Decrease (increase) in prepaid expenses	(1,425)	(2,044)
Increase (decrease) in accounts payable	(6,656)	(8,515)
Increase (decrease) in accrued expenses	(40,939)	(29,256)
	-----	-----
Increase (decrease) in federal & other taxes on income	24,464	38,305
	-----	-----
Total adjustments	(6,170)	2,882
	-----	-----
Net cash provided by operating activities	83,825	81,382
	-----	-----
Cash flows from (used in) investing activities:		
Net sale (purchase) of marketable securities	(2,339)	(369)
Additions to property, plant & equipment	(33,786)	(27,377)
Acquisitions, net of cash & cash equivalents	(117,038)	(46,563)
Purchase of treasury stock	(1,028)	(32,607)
	-----	-----
Net cash from (used in) investing activities	(154,191)	(106,916)
	-----	-----
Cash flows from (used in) financing activities:		
Increase (decrease) in notes payable	69,943	(44,485)
Reduction of long-term debt	(1,062)	(1,522)
Proceeds from exercise of stock options	4,161	4,113
Cash dividends to stockholders	(21,175)	(19,161)
	-----	-----
Net cash from (used in) financing activities	51,867	(61,055)
	-----	-----
Net increase (decrease) in cash & cash equivalents	(18,499)	(86,589)
Cash & cash equivalents at beginning of period	124,781	199,955
	=====	=====
Cash & cash equivalents at end of period	\$ 106,282	\$ 113,366
	=====	=====

DOVER CORPORATION
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 1998

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 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 :

	(000 omitted)	
	----- UNAUDITED	
	March 31, 1998	December 31, 1997
	-----	-----
Raw materials	\$ 246,009	\$ 228,128
Work in progress	209,879	194,638
Finished goods	201,011	186,462
	-----	-----
Total	656,899	609,228
Less LIFO reserve	46,883	46,398
	=====	=====
Net amount per balance sheet	\$ 610,016	\$ 562,830
	=====	=====

NOTE C - Accumulated other Comprehensive Earnings

In June 1997, the Financial Accounting Standards Board issued Statement Financial Accounting Standards No. 130, "Reporting Comprehensive Income". This statement is effective for financial statements issued for periods beginning after December 15, 1997, including interim periods. This new statement requires that more detail, on certain balance sheet information (cumulating translation adjustments and unrealized holding gains), be included in two separate disclosures. a) Consolidated statement of comprehensive earnings included with financial statements. b) Accumulated other comprehensive earnings by components reconciled from beginning of period to the end (see below). More information on these items can be found in the 1997 Annual Report footnotes 1. A. and J.

Accumulated other comprehensive earnings, by components are summarized as follows:

	UNAUDITED	(000 omitted)	
	-----	-----	-----
	Accumulated Other Comprehensive Earnings (losses)	Cumulative Translation Adjustments	Unrealized Holding Gains (losses)
	-----	-----	-----
Beginning balance	\$ (32,105)	\$ (37,895)	\$ 5,790
Current-period change	(4,662)	(1,344)	(3,318)
	-----	-----	-----
Ending balance	\$ (36,767)	\$ (39,239)	\$ 2,472
	=====	=====	=====

NOTE D - 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 on Form 10-K which was filed with the Securities and Exchange Commission on March 30, 1998.

Net earnings as reported was used in computing both basic EPS and diluted EPS without further adjustment. The Company does not have a complex capital structure; accordingly, the entire difference between basic weighted average shares and diluted weighted average shares results from assumed stock option exercise. The diluted EPS computation was made using the treasury stock method.

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 1998 as compared to the position at December 31, 1997. First quarter acquisitions, amounting to \$120 million, was the principal reason for this decrease.

Working capital decreased from \$394.8 million at the end of last year to \$362.3 million at March 31, 1998.

At March 31, 1998, 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 \$640.6 million represented 26.5% of total capital. This compares with 24.5% at December 31, 1997.

(2) MATERIAL CHANGES IN RESULTS OF OPERATIONS:

The Company earned \$.40 per share in its first quarter ended March 31, 1998, a 14% increase from \$.35 per share earned in last year's first quarter. Both per share figures reflect Dover's 2 for 1 stock split in 1997 and are on a diluted basis. The 1997 earnings included \$9.6 million pre-tax, equal to \$.03 per share, from non-recurring currency gains and a license sale, (all in the Technologies segment) as reported last year.

During the first quarter Dover completed five acquisitions, investing \$120 million. Dover is involved in active discussion with other companies and hopes to conclude additional acquisitions during 1998. On March 18th, Dover filed a shelf registration with the S.E.C. for \$350 million of debt securities. The Company has not announced specific plans for issuance of these securities.

The largest of the five acquisitions in the first quarter were Quartzdyne (now a part of the Resources segment) and Wiseco (now part of Diversified). Quartzdyne (Salt Lake City, Utah) makes highly specialized quartz pressure transducers whose principal use is in oil/gas drilling. Wiseco (Mentor, Ohio) designs and manufacturers high performance pistons for racing cars, motorcycles, power boats, and other such applications where engine power/efficiency are critical. Three Dover companies...Heil Tank Trailer, Tranter and Dover Elevator - -- made small acquisitions to expand their product lines and/or geographical scope. These five acquisitions had no impact on first quarter EPS but should add to earnings later in the year after high, initial, acquisition premium write-offs have been absorbed.

The gain in Dover's first quarter earnings was driven by strength in the Industries, Resources and Diversified segments. Sales of their almost 40 individual "niche-market" businesses are heavily concentrated in North America and Europe, where strong economies are fueling demand for specialty machinery and precision components. Each of these segments had a profit gain of more than 20% with a combined increase of 28%. Of the 36 individual niche businesses owned last year, 24 showed profit gains with 16 up more than 30%.

Dover Industries:

In Dover Industries (earnings up 22% on a 14% sales gain), the largest increases were at Heil Tank Trailer, whose largely U.S. market has strengthened significantly during the past 6 months raising backlog to more than double a year ago; and at Heil Environmental, which achieved significant operating margin leverage as shipments improved more than 15%. Bookings and backlog are strong here as well, due to better penetration of the independent waste hauler market and improved spending by large national accounts.

Dover Resources:

At Dover Resources (earnings up 29% on a 13% sales gain), the largest increase was achieved by OPW Fueling Components, reflecting stronger demand by gasoline retailers for its vapor recovery, environmental, and safety products as well as improved margins. All companies involved in fluid transfer (pumps, valves, loading/unloading equipment and safety devices) had a strong quarter. In oil/gas related areas, the addition of Quartzdyne offset modest declines at Norris, Norriseal, and AOT. Duncan continued to benefit from its technological superiority in electronic parking meters as sales were almost double last year, bookings were strong, and quarterly earnings set a record.

Dover Diversified:

Diversified's 35% earnings gain on a 31% sales increase reflects both substantial internal earnings growth and above normal sales growth due to acquisitions. Both Tranter and Hill Phoenix had good year-over-year sales growth, which they leveraged into even stronger earnings gains. Other businesses owned in last year's first quarter had mixed results, yielding an overall 21% earnings gain on an 11% sales increase for last year's Q1 companies. The acquisitions of Wiseco, SWF and 4 other "add-on" companies since Q1 of 1997 provided 20 points of the 31% segment sales gain, but added less than \$3 million to earnings due to acquisition premium write-offs.

Dover Elevator:

Dover Elevator contributed a 5% earnings gain on nearly flat sales, reflecting continued improvement in North America and the sale last year of its European operations. Their pretax margin of 11.5% is believed by Dover to be the best of any major elevator company. New elevator bookings in the U.S. and Canada rose 11% from last year with March very strong. Transfer of manufacturing activities from the company's oldest plant to new facilities and the implementation of a new SAP computer system are both proceeding as planned. Elevator continues to expect a record year in 1998.

Dover Technologies:

Dover Technologies sales increased 15% while its profits either fell 8% or rose 25%, depending on one's view of the \$9.6 million of special gains included last year's results. The sales gain was driven by Everett Charles' internal growth and add-on acquisitions, by Soltec's acquisition of Vitronics, and by market share gains at DEK, whose new equipment has been very well received. Imaje and the components companies achieved modest sales and earnings gains.

Profits at Universal were ahead of last year (adjusted for last year's \$4 million of license income) on a 2% shipment gain, but were well below the levels achieved in last year's second, third and fourth quarters. Improved March bookings put Universal's book-to-bill for the quarter at 1.06, but at a level 28% below last year in total dollars. Technologies' overall book-to-bill was 1.04. Spending within the electronics industry for capital equipment continues to be depressed and Dover does not believe that the seasonally strong March bookings signal an upturn. Present conditions will not allow this segment to match last year's \$195 million of earnings, but improvement from the first quarter profit rate is likely as the year progresses.

Outlook:

Thomas L. Reece, Dover's President and CEO, said "The first quarter was in line with what we have been expecting -- substantial earnings rotation in 1998, with strength switching to our industrial machinery and components companies in the Industries, Resources and Diversified segments. We continue to hope for double-digit EPS growth in 1998, but obviously must improve from where we are to reach this level."

PART II OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(27) Financial Data Schedule. (EDGAR filing only)

Includes amended Financial Data Schedules for periods September 30, 1997, June 30, 1997, December 31, 1996, and September 30, 1996 for restatement of Diluted earning per share. Diluted earnings per share were restated to reflect implementation of SFAS No. 128. Amended Financial Data Schedules also reflect the Dover Corporation 2 for 1 stock split dated November 6, 1997 for Primary (Basic) and Diluted earnings per share amounts.

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 29, 1998

/s/ John F. McNiff

John F. McNiff, Vice President
and Treasurer

Date: April 29, 1998

/s/ Alfred Suesser

Alfred Suesser, Controller and
Assistant Treasurer

3-MOS
DEC-31-1998
JAN-01-1998
MAR-31-1998
106,282
24,267
832,684
27,958
610,016
1,610,584
1,311,111
(724,410)
3,398,194
1,248,315
261,647
234,927
0
0
1,539,520
3,398,194
1,148,584
1,148,584
752,450
1,005,858
257
0
11,926
136,371
46,376
89,995
0
0
0
89,995
0.40
0.40

9-MOS		6-MOS	
DEC-31-1997	JUL-01-1997	DEC-31-1997	APR-01-1997
SEP-30-1997		JUN-30-1997	
	155,621		134,944
	21,239		19,527
	854,309		860,447
	28,319		25,301
	544,305		527,056
1,607,850		1,575,543	
	1,211,835		1,161,948
	(607,401)		(642,316)
	3,244,582		3,125,864
1,252,390		1,216,478	
	257,073		254,923
	117,148		117,140
0		0	
	0		0
	1,508,478		1,433,222
3,244,582			
	3,125,864		
	3,326,536		2,162,792
3,326,536		2,162,792	
	2,190,096		1,429,850
	2,885,440		1,890,452
	(6,448)		(7,103)
	0		0
34,681		23,027	
466,133		305,099	
	160,962		101,684
0		0	
	0		0
	0		0
	0		0
	0		0
	0		0
	1.37		0.91
	1.34		0.90

This Schedule contains summary financial information extracted from the Dover Corporation Annual Report to stockholders for the fiscal year ended December 31, 1996, and is qualified in its entirety by reference to such financial statements.

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YEAR	9-MOS	
DEC-31-1996	DEC-31-1996	DEC-31-1996
JAN-01-1996	JUL-01-1996	JUL-01-1996
DEC-31-1996	SEP-30-1996	SEP-30-1996
	199,955	126,799
	17,839	30,035
	740,316	713,565
	24,821	23,535
	499,870	511,026
1,489,813	1,410,934	
	1,106,981	1,047,892
	612,048	(594,104)
	2,993,379	2,732,868
1,137,768	944,431	
	252,955	257,592
	116,858	116,832
0	0	0
	0	0
	1,372,845	0
2,993,379	2,732,868	
	4,076,284	3,032,284
4,076,284	3,032,284	
	2,709,652	2,011,896
	3,537,610	2,621,505
	(73,525)	(78,967)
	0	0
41,977	31,816	
	588,725	473,247
	198,502	163,321
390,223	0	
	0	0
	0	0
	0	0
	0	0
	390,223	0
	1.72	1.37
	1.69	1.34