

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.)

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 112,184,966.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

(000 OMITTED)

	1997	1996
	----	----
Net Sales	\$1,008,781	\$999,473
Cost of sales	670,914	664,276
	-----	-----
Gross profit	337,867	335,197
Selling & administrative expenses	222,516	206,745
	-----	-----
Operating Profit	115,351	128,452
	=====	=====
Other deductions (Income):		
Interest expense	10,987	11,526
Interest income	(4,056)	(5,632)
Foreign exchange	(6,077)	(310)
All other, net	(6,139)	(1,187)
	-----	-----
Total	(5,285)	4,397
	=====	=====
Earnings before taxes on income	120,636	124,055
Federal & other taxes on income	42,136	46,310
	-----	-----
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	\$0.68
	=====	=====

CONSOLIDATED STATEMENT OF RETAINED EARNINGS
THREE MONTHS ENDED MARCH 31,

(000 OMITTED)

	1997	1996
	----	----
Retained earnings at January 1	\$1,470,008	\$1,152,187
Net earnings	78,500	77,745
	-----	-----
	\$1,548,508	\$1,229,932
Deduct:		
Common stock cash dividends		
\$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)

	March 31, 1997	December 31, 1996
	-----	-----
Assets:		

Current assets:		
Cash & cash equivalents	\$ 113,366	\$ 199,955
Marketable securities	18,208	17,839
Receivables, net of allowance for doubtful accounts	717,594	715,495
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	(630,420)	(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
Deferred charges & other assets	37,018	35,193
	-----	-----
	\$2,959,628	\$2,993,379
	=====	=====
Liabilities:		

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:		

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
	-----	-----
	\$2,959,628	\$2,993,379
	=====	=====

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
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	(13,605)	6,230
Changes in assets & liabilities (excluding acquisitions):		
Decrease (increase) in accounts receivable	6,928	33,138
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	38,305	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)	(1,005)
	-----	-----
Net cash from (used in) investing activities	(106,916)	(97,092)
	-----	-----
Cash flows from (used in) financing activities:		
Increase (decrease) 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)
	-----	-----
Net increase (decrease) in cash & cash equivalents	(86,589)	(14,924)
Cash & cash equivalents at beginning of period	199,955	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 is 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".

PART II OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

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

5
1,000

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

42,436

0

0

0

0

0

0.70

0.70