



**FOR IMMEDIATE RELEASE**

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**DOVER REPORTS FOURTH QUARTER AND FULL YEAR 2003 RESULTS**

New York, New York (January 26, 2004). Dover Corporation (NYSE: DOV) earned \$285.2 million or \$1.40 diluted earnings per share (EPS) from continuing operations for the full year 2003, compared to \$207.8 million or \$1.02 EPS from continuing operations in the comparable period last year, an increase of 37%. Net earnings before the cumulative effect of accounting changes for the full year of 2003 were \$292.9 million or \$1.44 EPS, including \$7.7 million of earnings or \$.04 EPS from discontinued operations compared to \$171.8 million or \$0.84 EPS, for the same period of 2002, which included \$36.1 million or \$.18 EPS in losses from discontinued operations. Sales for the full year of 2003 were \$4,413.3 million, an increase of 9% as compared to \$4,053.6 million for the comparable period last year.

For the fourth quarter, Dover's earnings more than doubled to \$80.7 million or \$.39 EPS from continuing operations, compared to \$38.8 million or \$.19 EPS from continuing operations in the comparable period last year. Net earnings before the cumulative effect of accounting changes for the fourth quarter of 2003 were \$76.3 million or \$.37 EPS, which included \$4.4 million of losses from discontinued operations or \$.02 EPS, compared to net earnings of \$15.0 million or \$.07 EPS for the fourth quarter of 2002 which included \$23.7 million or \$.12 EPS in losses from discontinued operations. Sales in the fourth quarter of 2003 were \$1,198.0 million, an increase of 19% as compared to \$1,007.8 million for the fourth quarter last year.

Commenting on the results and the current outlook, Thomas L. Reece, Chairman and CEO, said: "Dover's performance in 2003 generated the second highest sales and third highest net earnings in our history. This is a strong indication that we are finally emerging from the manufacturing recession of the past three years. These results are also a testament to the ability of Dover's operating management to increase our operating leverage in a very difficult environment. Our ongoing efforts to optimize operations and reduce costs while continuing to invest in innovative new products, processes and solid R&D have enhanced our competitive position in the marketplace. Going forward, we will be well-positioned to capitalize on the increase in demand in the markets we serve.

"While we are very pleased with our full year results, I am particularly encouraged by the overall trends coming out of the fourth quarter, which suggest that 2004 will be even better. Resources, our most profitable segment, reported record profits of \$136.9 million, and we expect last year's Warn acquisition and further improvements in many of Resource's energy and fluids handling businesses to drive an even stronger performance in 2004. Diversified also

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showed positive improvements in sales, earnings and margins for the fourth quarter compared to both the third quarter and prior year and posted strong bookings in December. In particular, Hill Phoenix continues to gain market share by providing its customers with innovative products while increasing its overall operating leverage. Strong fourth quarter bookings at Sargent, Tranter PHE and Crenlo also were encouraging as they suggest continued improvements at Diversified. At Industries, while full year results were down compared to 2002, the trends over the past three quarters have been positive, and bookings, particularly late in the year, and year end backlog were both up significantly. There are particularly encouraging signs at key Industries companies like Rotary Lift, Heil Environmental, PDQ, Tipper Tie and Triton.

“At Technologies, the story is quite positive overall, although we believe some caution is warranted in projecting the rate of further improvements in CBAT and SEC results. As we said a year ago, we expected to achieve a solid "single digit" earnings margin by the end of 2003 in CBAT and SEC. CBAT hit that target in the third quarter and now must reinvest to support important new product introductions. SEC would have met that target in the fourth quarter had it not been for the loss experienced by K & L Microwave when it exited China and refocused its business. Imaje had its best earnings year in 2003 and strongest bookings quarter on record in the fourth quarter, aided only in part by a favorable foreign exchange environment. Imaje continues to gain market share by offering an ever more complete line of marking and coding products. Technologies' CBAT equipment companies that serve the "early recovery" sector of the industry have all seen meaningful improvements in sales, bookings and backlog in the third and fourth quarters with modestly improved margins. The balance of the CBAT companies, particularly Universal, are bringing exciting new products to market, utilizing new Chinese assembly operations and sourcing arrangements and optimizing efficiencies under extremely competitive market conditions. It will take several months for these companies to absorb the higher infrastructure costs and the inherent inefficiency related to commercialization of new products. We fully expect that these efforts will be successful, as recent bookings and year-end backlogs are up at both CBAT and SEC sequentially for the past two quarters.”

## **SEGMENT RESULTS**

### **Diversified**

(in thousands, unaudited)	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2003	2002	% Change	2003	2002	% Change
Net sales	\$ 302,215	\$ 270,188	11.9%	\$ 1,168,256	\$ 1,115,776	4.7%
Earnings	33,207	24,515	35.5%	131,867	127,454	3.5%
Operating margins	11.0%	9.1%		11.3%	11.4%	
Bookings	302,648	264,082	14.6%	1,161,012	1,082,316	7.3%
Book-to-Bill	1.00	0.98		0.99	0.97	
Backlog	334,349	331,234	0.9%			

Diversified's fourth quarter results were a significant improvement over the prior year, with positive earnings comparisons at eight of its eleven operating companies. The significant contributors were SWEP, Hill Phoenix, SWF, Waukesha and Mark Andy, all of which had favorable comparisons to prior year performance, somewhat offset by Belvac which produced solid results, but earnings comparisons were down due to a very strong prior year's quarter. Hill Phoenix was the largest contributor to earnings on the strength of its display case and refrigeration systems business units. SWEP delivered the largest year-over-year improvement, driven primarily by increased sales volume, improved productivity and favorable currency rates. Both Mark Andy's and Waukesha's earnings and margins doubled from the prior year's quarter, as recent cost cutting and restructuring initiatives took effect. Although SWF continued to struggle with a weak market, the comparison to prior year was favorable. Overall, total bookings at Diversified were up 15% in the fourth quarter particularly at Sargent, which set a

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record based on new submarine ship set orders. SWEP, Tranter PHE, Mark Andy and Crenlo also registered strong increases.

For the year, Hill Phoenix leveraged productivity gains and cost reductions to increase margins and produce record sales, earnings and cash flow, while gaining additional market share through the continued expansion of several of its key customers. Sargent's earnings were down slightly compared to prior year, as its strong military business and a successful acquisition in Canada were offset by the extended commercial aerospace downturn. Performance Motorsports' earnings declined for the first time since being acquired in 1998, as they dealt with acquisition integration, several production issues and a weak powersports market. The weak power generation market also continued to negatively impact Waukesha, and a charge to close a manufacturing facility further reduced earnings. Order intake increased in the second half of the year at SWEP, fueling a 60% earnings increase over the prior year. Current backlog and bookings remain high at SWEP, supporting continued strong performance for the first half of 2004. Benefiting from strong machine sales to Russia and Australia, Belvac improved earnings 64% over the prior year on a six point margin increase. Tranter PHE, despite lower earnings, saw significant growth in non-U.S. markets as brisk order intake from Europe and Asia produced record bookings. The remaining operating companies did not have a meaningful impact on segment results.

## Industries

(in thousands, unaudited)	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2003	2002	% Change	2003	2002	% Change
Net sales	\$ 278,543	\$ 253,839	9.7%	\$ 1,039,930	\$ 1,034,714	0.5%
Earnings	36,132	30,514	18.4%	121,200	137,547	-11.9%
Operating margins	13.0%	12.0%		11.7%	13.3%	
Bookings	320,174	221,046	44.8%	1,105,046	995,552	11.0%
Book-to-Bill	1.15	0.87		1.06	0.96	
Backlog	201,866	119,881	68.4%			

Industries' fourth quarter results were much improved over the prior year's quarter, with positive earnings comparisons at seven of its twelve operating companies, particularly PDQ, Heil Environmental and Rotary. The largest contributor to quarterly earnings was PDQ, due to a record sales performance, driven by successful new product introductions coupled with productivity improvements. Heil Environmental also had increased earnings and was able to maintain its market leading position as it experienced a 39% increase in bookings. Rotary Lift's earnings improved, driven by strong overseas performance. Chief Automotive's sales of computerized measuring products increased earnings, while DI Foodservice's earnings decreased slightly due to ongoing merger costs and weak end markets. The remaining operating companies reported relatively flat earnings despite increased sales volumes.

For the full year, Industries earned 12% less on essentially flat sales, reflecting plant closing costs and margin pressure from earlier in the year. Nevertheless, quarterly sales and earnings improved sequentially as the year progressed, culminating in fourth quarter results topping the three previous quarters, reflecting market share increases across the majority of companies. The biggest contributors were PDQ, resulting from strong new product sales as mentioned above, and Tipper Tie, which benefited from strong overseas performance, capitalizing on the opening of the Eastern European markets. Kurz-Kasch, DovaTech and Somero showed modest improvements.

Offsetting these positive contributors were a number of companies whose performance declined significantly versus last year, primarily as a result of continued market weakness. Specifically,

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Heil Environmental's earnings were down 30% as markets contracted for the third consecutive year. However, full year bookings and backlog were up, reflecting favorable year over year comparisons for the last two quarters. Heil Trailer closed two facilities, which negatively impacted earnings, but full year bookings were up 50% and backlog tripled as strong military shipments are expected to lead to improved performance in 2004. Weak institutional markets contributed to DI Foodservice's performance, along with ongoing costs to integrate the Groen, Randell and Avtec businesses. Marathon's margins declined during 2003 due to pricing pressures driven by market weakness and strong competition. Strength in Chief Automotive's computerized measuring products was more than offset by market contraction in their frame-straightening product line. Triton's revenues were the highest in their history, driven by successful new product introductions, although earnings were relatively flat due to new product start-up costs. The remaining companies had a modest positive impact on full year sales.

## Resources

(in thousands, unaudited)	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2003	2002	% Change	2003	2002	% Change
Net sales	\$ 284,195	\$ 219,670	29.4%	\$ 982,658	\$ 872,898	12.6%
Earnings	34,918	30,117	15.9%	136,851	124,380	10.0%
Operating margins	12.3%	13.7%		13.9%	14.2%	
Bookings	280,205	207,351	35.1%	990,057	867,155	14.2%
Book-to-Bill	0.99	0.94		1.01	0.99	
Backlog	104,362	70,876	47.2%			

Resources' results for the fourth quarter improved over the prior year, with positive earnings comparisons at eight of twelve operating companies. Most businesses benefited from stronger markets worldwide, as well as management-led initiatives to reduce cost and grow market share. Key positive contributors to the quarterly results were Warn, the Energy Products Group and OPW Fueling Components. Warn, acquired on October 1, 2003, was a significant driver of Resources' revenue and earnings growth in the quarter even after the impact of purchase accounting. However, the positive operating leverage at these companies was partially offset by unfavorable comparisons at Blackmer, which absorbed costs related to manufacturing realignments, Texas Hydraulics, and a loss at RPA reflecting significant restructuring costs in France. The result of these unfavorable quarterly events reduced Resources' quarterly margin comparison to the prior year. Most Resources companies with strong global positions benefited from the weaker dollar and improved business activity, particularly in Asia and Europe.

For the full year, all 12 Resources operating companies increased bookings, 10 increased sales, and eight improved earnings as compared to prior year. In 2003, the Energy Products Group and C. Lee Cook provided much of the earnings gain. These businesses were favorably impacted by demand generated by increased prices for oil and gas. The long-term view of this market continues to be very positive. The OPW companies both had an exceptionally strong year as a result of new environmental regulations, global growth initiatives, global sourcing and continued focus on cost reductions. They opened new facilities in China and Brazil, strengthening their global reach. De-Sta-Co Industries had improved sales and earnings as it expanded its served markets, patented new products and refined distribution channels globally. The pump companies, Blackmer and Wilden, faced various challenges in 2003 which hurt their earnings, although both made strides to improve their product lines, global reach and competitiveness and had full year positive increases in bookings and backlog. Texas Hydraulics was down significantly due to the continued slow down in construction equipment demand, but both it and Tulsa Winch showed some signs of improvement as the year ended with increased bookings trends and strong backlog. Hydro Systems generated positive comparisons to prior year due to its expansion into Asia and Latin America, as well as significant contributions from

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new product introductions in Europe. RPA Process Technologies experienced a very difficult year on a global basis due to continued weakness in its primary markets—pulp, paper, and refining - resulting in a significant loss.

### Technologies

(in thousands, unaudited)	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2003	2002	% Change	2003	2002	% Change
Net sales	\$ 335,679	\$ 265,588	26.4%	\$ 1,231,241	\$ 1,036,472	18.8%
Segment earnings (losses)	23,741	(27,688)	-	84,763	(30,339)	-
Operating margins	7.1%	-10.4%		6.9%	-2.9%	
Bookings	354,176	261,417	35.5%	1,275,598	1,046,903	21.8%
Book-to-Bill	1.06	0.98		1.04	1.01	
Backlog	182,427	127,752	42.8%			

The fourth quarter saw continued growth in bookings at all three Technologies platforms, reporting a 7% sequential increase and a 36% increase over the fourth quarter of 2002. While quarterly sales and earnings were up 26% and \$51.4 million over the fourth quarter of 2002, respectively, sales growth slowed in the fourth quarter to 2% sequentially and earnings decreased \$6.1 million to \$23.7 million, reflecting \$4.1 million in foreign exchange losses. There were positive quarterly earnings comparisons at 10 of the 13 operating companies. Both full year and fourth quarter results for 2002 include inventory, restructuring and other pre-tax charges of \$35.2 million and \$25.1 million, respectively.

For the full year, all businesses except the two SEC microwave companies had significant positive sales and earnings improvements, reflecting substantial internal operating improvements, plus better external market conditions.

### Circuit Board Assembly and Test (CBAT)

(in thousands, unaudited)	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2003	2002	% Change	2003	2002	% Change
Net sales	\$199,270	\$152,579	30.6%	\$731,749	\$598,646	22.2%
Segment earnings (losses)	12,406	(28,984)	-	43,691	(55,722)	-
Operating margins	6.2%	-19.0%		6.0%	-9.3%	
Bookings	212,478	148,463	43.1%	760,923	615,522	23.6%
Book-to-Bill	1.07	0.97		1.04	1.03	
Backlog	107,036	72,166	48.3%			

For the fourth quarter, CBAT companies showed modest bookings growth over the third quarter with significant increased demand for back end semiconductor products at Everett Charles Technologies and Alphasem, and improvements at all other companies except DEK and Universal. Although sales were down slightly over the third quarter due to the timing of bookings, book to bill was 1.07. This resulted in lower earnings in the quarter compared to the prior quarter, including modest losses at Universal and Hover-Davis, as overall CBAT margins dropped from 10% to 6%. While Universal's long-term prospects continue to improve with a stronger backlog and positive book-to-bill, it is experiencing increased infrastructure costs as it transitions to new products and expands its Chinese assembly operation, which is not expected to reach full commercialization until the second half of 2004.

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**Specialty Electronic Components (SEC)**

(in thousands, unaudited)	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2003	2002	% Change	2003	2002	% Change
Net sales	\$57,210	\$49,946	14.5%	\$ 211,575	\$ 205,635	2.9%
Segment earnings (losses)	1,696	(4,828)	-	7,316	(12,070)	-
Operating margins	3.0%	-9.7%		3.5%	-5.9%	
Bookings	60,391	46,036	31.2%	221,145	199,255	11.0%
Book-to-Bill	1.06	0.92		1.05	0.97	
Backlog	53,074	42,740	24.2%			

Vectron, the largest company in this group, showed positive results with sales growing 23% from the same quarter last year and 11% sequentially, with operating margin reaching 10% in the quarter, up from a loss last year and 7% in the third quarter. Bookings at Vectron increased 30% for the quarter as compared to the prior year. K&L Microwave continued to restructure its operations, exiting completely from Asian manufacturing. As a result, K&L reported a loss for the quarter and the year. Excluding this loss, the other SEC business reported a \$9.9 million improvement in earnings over the fourth quarter of 2002 and reported fourth quarter operating margins of 10%. Improvements came from continued successes in the military, space, medical and industrial markets, and increased orders from their major telecom and datacom customers. With a renewed focus on military and industrial markets, K&L Microwave should return to profitability in 2004. Excepting K& L, all other SEC companies experienced sequential sales and earnings growth in the quarter.

**Imaje**

For the fourth quarter, Imaje's sales increased 26% over the same period in 2002. This reflects improved execution of Imaje's logistics and distribution networks coupled with continued focus on new product development. Sales for 2003, as compared to 2002, were positively impacted by a 20% strengthening of the Euro against the dollar. However, margins continue to be pressured as the majority of Imaje's product costs are incurred in Euros. Consequently, Imaje is in the process of expanding its production and delivery platforms in both China and North America. These efforts should be accomplished by mid-2004. Imaje's strategy of product diversification is taking hold as sales of other than small character ink jet products grew to 21% of sales from 17% in 2002, while at the same time ink jet unit sales grew 17% year over year. Bookings in the quarter were up 22% from the prior year and the book-to-bill ratio for the quarter was 1.03. Ending backlog increased 74% from the end of last year. Full year bookings increased 26% from last year, and the full year book-to-bill ratio was 1.02.

**Other Information:**

Discontinued operations losses for the quarter were \$4.4 million compared to \$23.7 million for the same period last year. In the fourth quarter of 2003, Dover discontinued five businesses in the Diversified, Industries and Resources segments. Comparatively, during the fourth quarter of 2002, Dover discontinued six businesses in the Resources and Technologies segments. 2003 operational earnings from discontinued operations of \$2.4 million or \$.01 EPS for the fourth quarter and \$5.3 million or \$.03 EPS for the year were offset by the write-down of the discontinued businesses to their estimated fair value. Discontinued operations earnings for the year were \$7.7 million compared to losses of \$36.1 million last year, and were primarily from the favorable resolution of certain outstanding litigation and tax matters, as well as tax benefits related to losses on sales of businesses. These items were partially offset by charges related to contingent liabilities from the entities sold and the write-down of the businesses discontinued to their estimated fair value.

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For the full year of 2002, the impact of the adoption of the Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets", resulted in a net loss of \$121.3 million or \$.60 EPS. The adoption resulted in a goodwill impairment charge of \$345.1 million (\$293.0 million net of tax or \$1.44 EPS). The adoption discontinued the amortization of goodwill effective January 1, 2002.

The effective tax expense rate for continuing operations for the fourth quarter of 2003 was 20.8% compared to last year's fourth quarter tax benefit rate of 27.0%. The 2003 fourth quarter rate benefited from the utilization of net operating loss carry forwards related to international locations. For the full year of 2003, the effective tax rate for continuing operations was 23.3%, compared to 21.1% for last year. The low effective tax rates are largely due to the continuing benefit from tax credit programs such as those for R&D combined with the benefit from U.S. export programs, lower effective foreign tax rates and the recognition of certain capital loss benefits. During the fourth quarter, the Company received tax refunds of approximately \$151.5 million related to federal tax return filings. The proceeds from the tax refund were used to pay down commercial paper borrowings and for other general corporate purposes.

Net debt levels decreased \$63.5 million during 2003 and the net debt to total capitalization ratio decreased by approximately 4 percentage points during the period. The following table provides a reconciliation of net debt to total capitalization with the GAAP information found in the attached financial statements.

Net Debt to Total Capitalization Ratio (in thousands, unaudited)	December 31, 2003	December 31, 2002
Short-term debt and commercial paper	\$ 63,669	\$ 23,761
Long-term debt	1,003,915	1,030,299
Less: Cash, equivalents and marketable securities	371,397	294,335
Net debt	696,187	759,725
Add: Stockholders' equity	2,742,671	2,394,834
Total capitalization	\$ 3,438,858	\$ 3,154,559
Net debt to total capitalization	20.2%	24.1%

Free cash flow for the twelve months ended December 31, 2003 increased significantly as cash generated from operations improved \$236.5 million compared to last year. The 2003 improvement in free cash flow reflects improved net earnings, lower tax payments and tax refunds, offset slightly by an increase in working capital. Year-to-date discretionary contributions to the defined benefit pension plans were approximately \$48.5 million. Dover did not repurchase shares of its common stock on the open market during the quarter. The following table is a reconciliation of free cash flow with cash flows from operating activities.

Free Cash Flow (in thousands, unaudited)	Twelve Months Ended December 31,	
	2003	2002
Cash flow provided by operating activities	\$ 593,666	\$ 357,144
Less: Capital expenditures	(96,400)	(96,417)
Dividends to stockholders	(115,504)	(109,436)
Free cash flow	\$ 381,762	\$ 151,291

During 2003, corporate expenses increased \$9.7 million compared to the prior year due to higher insurance and compensation costs, and costs incurred for Sarbanes-Oxley compliance, various tax planning projects and other corporate initiatives.

On October 1, 2003, Dover acquired Warn Industries Inc. for approximately \$325 million in cash. Warn, located in Portland, Oregon, is the industry leader in the design, manufacture and marketing of high-performance vehicular winches. The Warn acquisition, after purchase

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accounting, was accretive to Dover's earnings during the fourth quarter of 2003. Warn, with annual sales in excess of \$150 million, is a stand alone operating company within the Resources segment. The acquisition was originally financed with existing cash on hand and commercial paper borrowings. During the fourth quarter, all the commercial paper borrowings associated with the acquisition were repaid.

Also during the fourth quarter, Dover acquired two small add-ons, one in each of the Industries and Technologies market segments. Neither of these acquisitions had a material impact on the quarterly financial results. For the full year Dover invested \$372.4 million in acquisitions compared to \$100.1 million last year, on an economic cost basis.

In an effort to provide investors with additional information regarding the company's results as determined by generally accepted accounting principles (GAAP), the company also discloses non-GAAP information which management believes provides useful information to investors. Free cash flow, net debt and capitalization are not financial measures under GAAP, should not be considered as a substitute for cash flows from operating activities, debt and equity, as determined in accordance with GAAP and may not be comparable to similarly titled measures reported by other companies. Management believes the net debt to capitalization ratio and free cash flow are important measures of liquidity and operating performance because they provide both management and investors a measurement of cash generated from operations that is available to fund acquisitions and repay debt.

The Dover website will host a Webcast of the fourth quarter and full year 2003 conference call at 9:00 AM Eastern Time on Tuesday, January 27, 2004. The conference call will also be made available for replay on the website. Additional information on Dover's fourth quarter and full year 2003 results and its operating companies can be found on the company website, (<http://www.dovercorporation.com>).

Dover Corporation makes information available to the public, orally and in writing, which may use words like "expects" and "believes", which are "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. This press release contains forward-looking statements regarding future events and the performance of Dover Corporation that involve risks and uncertainties that could cause actual results to differ materially including, but not limited to, failure to achieve expected synergies, failure to successfully integrate acquisitions, the impact of continued events in the Middle East on the worldwide economy, economic conditions, customer demand, increased competition in the relevant market, and others. Dover Corporation refers you to the documents that it files from time to time with the Securities and Exchange Commission, such as its reports on Form 10-K, Form 10-Q and Form 8-K, which contain additional important factors that could cause its actual results to differ from its current expectations and from the forward-looking statements contained in this press release.

####TABLES TO FOLLOW

**DOVER CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**  
(unaudited) (in thousands, except per share figures)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2003	2002	2003	2002
Net sales	\$ 1,198,014	\$ 1,007,817	\$ 4,413,296	\$ 4,053,593
Cost of sales	787,046	684,784	2,892,874	2,722,674
Gross profit	410,968	323,033	1,520,422	1,330,919
Selling and administrative expenses	289,893	270,045	1,076,664	996,209
Operating profit	121,075	52,988	443,758	334,710
Interest expense, net	14,578	15,680	62,166	64,787
All other (income) expense, net	4,609	6,788	9,700	6,554
Total	19,187	22,468	71,866	71,341
Earnings from continuing operations, before taxes on income	101,888	30,520	371,892	263,369
Federal and other taxes on income	21,186	(8,250)	86,676	55,523
Net earnings from continuing operations	80,702	38,770	285,216	207,846
Net earnings (losses) from discontinued operations	(4,383)	(23,741)	7,711	(36,058)
Net earnings before cumulative effect of change in accounting principle	76,319	15,029	292,927	171,788
Cumulative effect of change in accounting principle, net of tax	-	-	-	(293,049)
Net earnings (losses)	<u>\$ 76,319</u>	<u>\$ 15,029</u>	<u>\$ 292,927</u>	<u>\$ (121,261)</u>

Net earnings (losses) per common share:

Basic

- Continuing operations	\$ 0.40	\$ 0.19	\$ 1.41	\$ 1.02
- Discontinued operations	(0.02)	(0.12)	0.04	(0.18)
- Total net earnings before cumulative effect of change in accounting principle	0.38	0.07	1.45	0.85
- Cumulative effect of change in accounting principle	-	-	-	(1.45)
- Net earnings (losses)	<u>\$ 0.38</u>	<u>\$ 0.07</u>	<u>\$ 1.45</u>	<u>\$ (0.60)</u>

Diluted

- Continuing operations	\$ 0.39	\$ 0.19	\$ 1.40	\$ 1.02
- Discontinued operations	(0.02)	(0.12)	0.04	(0.18)
- Total net earnings before cumulative effect of change in accounting principle	0.37	0.07	1.44	0.84
- Cumulative effect of change in accounting principle	-	-	-	(1.44)
- Net earnings (losses)	<u>\$ 0.37</u>	<u>\$ 0.07</u>	<u>\$ 1.44</u>	<u>\$ (0.60)</u>

Weighted average number of common shares outstanding during the period:

Basic	202,773	202,345	202,576	202,571
Diluted	204,361	202,829	203,614	203,346

**DOVER CORPORATION**  
**MARKET SEGMENT RESULTS**  
(unaudited) (in thousands)

	<u>Three Months Ended December 31,</u>		<u>Twelve Months Ended December 31,</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
<b><u>SALES</u></b>				
Diversified	\$ 302,215	\$ 270,188	\$ 1,168,256	\$ 1,115,776
Industries	278,543	253,839	1,039,930	1,034,714
Resources	284,195	219,670	982,658	872,898
Technologies	335,679	265,588	1,231,241	1,036,472
Intramarket eliminations	(2,618)	(1,468)	(8,789)	(6,267)
Net sales	<u>\$ 1,198,014</u>	<u>\$ 1,007,817</u>	<u>\$ 4,413,296</u>	<u>\$ 4,053,593</u>
<b><u>EARNINGS</u></b>				
Diversified	\$ 33,207	\$ 24,515	131,867	127,454
Industries	36,132	30,514	121,200	137,547
Resources	34,918	30,117	136,851	124,380
Technologies	23,741	(27,688)	84,763	(30,339)
Subtotal continuing operations	127,998	57,458	474,681	359,042
Corporate expense	(11,532)	(11,258)	(40,623)	(30,886)
Net interest expense	(14,578)	(15,680)	(62,166)	(64,787)
Earnings from continuing operations, before taxes on income	101,888	30,520	371,892	263,369
Federal and other taxes on income	21,186	(8,250)	86,676	55,523
Net earnings from continuing operations	<u>\$ 80,702</u>	<u>\$ 38,770</u>	<u>\$ 285,216</u>	<u>\$ 207,846</u>

**DOVER CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEET AND STATEMENT OF CASH FLOWS**  
(unaudited) (in thousands)

<b>BALANCE SHEET</b>	December 31, <u>2003</u>	December 31, <u>2002</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 370,379	\$ 293,824
Receivables, net of allowances for doubtful accounts	747,567	641,824
Inventories	639,339	573,540
Prepaid expenses & other current assets	117,300	95,776
Property, plant & equipment, net	717,875	676,196
Goodwill	1,844,701	1,627,865
Intangibles, net	349,328	202,446
Other assets	208,069	167,516
Assets of discontinued operations	164,139	158,398
	<u>\$ 5,158,697</u>	<u>\$ 4,437,385</u>
<b>Liabilities &amp; Stockholders' Equity:</b>		
Short term debt	\$ 63,669	\$ 23,761
Payables and accrued expenses	705,702	571,917
Taxes payable and other deferrals	568,854	353,117
Long-term debt	1,003,915	1,030,299
Liabilities of discontinued operations	73,886	63,457
Stockholders' equity	2,742,671	2,394,834
	<u>\$ 5,158,697</u>	<u>\$ 4,437,385</u>
<b>CASH FLOWS</b>		
	Twelve Months Ended December 31, <u>2003</u>	<u>2002</u>
<b>Operating activities:</b>		
Net earnings (loss)	\$ 292,927	\$ ( 121,261)
Cumulative effective of change in accounting principle	-	293,049
(Earnings) loss from discontinued operations, net of tax	(7,711)	36,058
Depreciation and amortization	151,309	156,946
Net change (increase) decrease in assets, liabilities and other	205,621	36,352
Contributions to defined benefit pension plan	(48,480)	(44,000)
Net cash from (used in) operating activities	<u>593,666</u>	<u>357,144</u>
<b>Investing activities:</b>		
Capital expenditures	(96,400)	(96,417)
Proceeds from sale of property and equipment	9,862	16,676
Acquisitions, net of cash	(362,062)	(99,710)
Net cash from (used in) investing activities	<u>(448,600)</u>	<u>(179,451)</u>
<b>Financing activities:</b>		
Increase (decrease) in debt	13,524	(21,538)
Cash dividends to stockholders	(115,504)	(109,436)
Purchase of treasury stock and proceeds from exercise of stock options	3,699	(9,096)
Net cash from (used in) financing activities	<u>(98,281)</u>	<u>(140,070)</u>
Effect of exchange rate changes on cash	33,671	23,521
Net cash from (used in) discontinued operations	(3,901)	60,720
Net increase (decrease) in cash & equivalents	76,555	121,864
Cash & cash equivalents at beginning of period	293,824	171,960
Cash & cash equivalents at end of period	<u>\$ 370,379</u>	<u>\$ 293,824</u>

Dover Corporation  
 RESTATED MARKET SEGMENT DATA FROM CONTINUING OPERATIONS  
 (unaudited) (in thousands, except per share figures)

<b>Operational Profit (Loss)</b>	<b>DDI</b>	<b>DII</b>	<b>DRI</b>	<b>DTI</b>	<b>DOVER</b>
<b>2003</b>					
First Qtr.	\$ 31,238	\$ 26,363	\$ 32,486	\$ 10,497	\$ 100,584
Second Qtr.	36,769	27,797	32,254	20,731	117,551
Third Qtr.	30,653	30,908	37,193	29,794	128,548
Fourth Qtr.	33,207	36,132	34,918	23,741	127,998
YTD - 2003	<u>\$ 131,867</u>	<u>\$ 121,200</u>	<u>\$ 136,851</u>	<u>\$ 84,763</u>	<u>\$ 474,681</u>

<b>2002</b>					
First Qtr.	\$ 29,554	\$ 39,413	\$ 28,964	\$ (6,933)	\$ 90,998
Second Qtr.	38,855	36,320	32,459	3,030	110,664
Third Qtr.	34,530	31,300	32,840	1,252	99,922
Fourth Qtr.	24,515	30,514	30,117	(27,688)	57,458
YTD - 2002	<u>\$ 127,454</u>	<u>\$ 137,547</u>	<u>\$ 124,380</u>	<u>\$ (30,339)</u>	<u>\$ 359,042</u>

<b>Sales</b>	<b>DDI</b>	<b>DII</b>	<b>DRI</b>	<b>DTI</b>	<b>DOVER*</b>
<b>2003</b>					
First Qtr.	\$ 276,171	\$ 241,062	\$ 223,106	\$ 260,042	\$ 998,373
Second Qtr.	301,392	255,688	232,829	306,207	1,094,000
Third Qtr.	288,478	264,637	242,528	329,313	1,122,909
Fourth Qtr.	302,215	278,543	284,195	335,679	1,198,014
YTD - 2003	<u>\$ 1,168,256</u>	<u>\$ 1,039,930</u>	<u>\$ 982,658</u>	<u>\$ 1,231,241</u>	<u>\$ 4,413,296</u>

<b>2002</b>					
First Qtr.	\$ 270,269	\$ 254,982	\$ 210,091	\$ 228,846	\$ 962,800
Second Qtr.	294,724	261,378	225,356	272,682	1,052,715
Third Qtr.	280,595	264,515	217,781	269,356	1,030,261
Fourth Qtr.	270,188	253,839	219,670	265,588	1,007,817
YTD - 2002	<u>\$ 1,115,776</u>	<u>\$ 1,034,714</u>	<u>\$ 872,898</u>	<u>\$ 1,036,472</u>	<u>\$ 4,053,593</u>

\* Total continuing sales after intramarket eliminations.

Dover Corporation  
 RESTATED QUARTERLY DATA FROM CONTINUING OPERATIONS  
 (unaudited) (in thousands, except per share figures)

Quarter	Net Sales	Net Earnings	Per Share	
			Basic	Diluted
<b>2003</b>				
First	\$ 998,373	\$ 57,688	\$ 0.28	\$ 0.28
Second	1,094,000	71,591	0.35	0.35
Third	1,122,909	75,235	0.37	0.37
Fourth	1,198,014	80,702	0.40	0.39
YTD - 2003	\$ 4,413,296	\$ 285,216	\$ 1.41	\$ 1.40
<b>2002</b>				
First	\$ 962,800	\$ 47,882	\$ 0.24	\$ 0.23
Second	1,052,715	64,200	0.32	0.32
Third	1,030,261	56,994	0.28	0.28
Fourth	1,007,817	38,770	0.19	0.19
YTD - 2002	\$ 4,053,593	\$ 207,846	\$ 1.02	\$ 1.02

Dover Corporation  
 RESTATED QUARTERLY DATA FROM DISCONTINUED OPERATIONS  
 (unaudited) (in thousands, except per share figures)

Quarter	Net Sales	Net Earnings (loss)	Per Share	
			Basic	Diluted
<b>2003</b>				
First	\$ 36,601	1,782	\$ 0.01	\$ 0.01
Second	35,281	1,191	0.01	0.01
Third	31,612	9,121	0.05	0.05
Fourth	42,615	(4,383)	(0.02)	(0.02)
YTD - 2003	\$ 146,109	\$ 7,711	\$ 0.04	\$ 0.04
<b>2002</b>				
First	\$ 50,005	\$ (2,766)	\$ (0.01)	\$ (0.01)
Second	48,669	(8,999)	(0.04)	(0.04)
Third	51,236	(552)	0.00	0.00
Fourth	47,487	(23,741)	(0.12)	(0.12)
YTD - 2002	\$ 197,397	\$ (36,058)	\$ (0.18)	\$ (0.18)

**DOVER CORPORATION**  
**QUARTERLY MARKET SEGMENT INFORMATION (1)**

**DOVER DIVERSIFIED**

	2002				2003			
	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.
Sales	\$270,269	\$294,724	\$280,595	\$270,188	\$276,171	\$301,392	\$288,478	\$302,215
Segment Earnings	29,554	38,855	34,530	24,515	31,238	36,769	30,653	33,207
Bookings	278,660	278,591	260,983	264,082	278,884	291,608	287,872	302,648
Backlog	370,243	355,946	337,279	331,234	334,701	333,758	333,408	334,349
Book to Bill	1.03	0.95	0.93	0.98	1.01	0.97	1.00	1.00
Margin	10.9%	13.2%	12.3%	9.1%	11.3%	12.2%	10.6%	11.0%

**DOVER INDUSTRIES \***

	2002				2003			
	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.
Sales	\$254,982	\$261,378	\$264,515	\$253,839	\$241,062	\$255,688	\$264,637	\$278,543
Segment Earnings	39,413	36,320	31,300	30,514	26,363	27,797	30,908	36,132
Bookings	244,645	271,509	258,352	221,046	257,844	254,927	272,101	320,174
Backlog	144,080	157,885	152,882	119,881	137,826	141,007	149,236	201,866
Book to Bill	0.96	1.04	0.98	0.87	1.07	1.00	1.03	1.15
Margin	15.5%	13.9%	11.8%	12.0%	10.9%	10.9%	11.7%	13.0%

**DOVER RESOURCES \***

	2002				2003			
	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.
Sales	\$210,091	\$225,356	\$217,781	\$219,670	\$223,106	\$232,829	\$242,528	\$284,195
Segment Earnings	28,964	32,459	32,840	30,117	32,486	32,254	37,193	34,918
Bookings	214,254	236,471	209,079	207,351	232,830	232,368	244,654	280,205
Backlog	77,161	89,974	81,492	70,876	80,068	81,744	84,445	104,362
Book to Bill	1.02	1.05	0.96	0.94	1.04	1.00	1.01	0.99
Margin	13.8%	14.4%	15.1%	13.7%	14.6%	13.9%	15.3%	12.3%

**DOVER TECHNOLOGIES**

	2002				2003			
	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.
Sales	\$228,846	\$272,682	\$269,356	\$265,588	\$260,042	\$306,207	\$329,313	\$335,679
Segment Earnings	(6,933)	3,030	1,252	(27,688)	10,497	20,731	29,794	23,741
Bookings	240,059	287,827	257,600	261,417	276,497	312,692	332,233	354,176
Backlog	119,074	138,213	128,365	127,752	146,415	157,821	158,146	182,427
Book to Bill	1.05	1.06	0.96	0.98	1.06	1.02	1.01	1.06
Margin	-3.0%	1.1%	0.5%	-10.4%	4.0%	6.8%	9.0%	7.1%

(1) Excludes discontinued operations.

\* Segment information has been restated for the move of Texas Hydraulics from Industries to Resources.

**DOVER CORPORATION**

**DOVER TECHNOLOGIES - QUARTERLY MARKET SEGMENT INFORMATION (1)**

**CBAT**

	<b>2002</b>				<b>2003</b>			
	<b>1 Qtr.</b>	<b>2 Qtr.</b>	<b>3 Qtr.</b>	<b>4 Qtr.</b>	<b>1 Qtr.</b>	<b>2 Qtr.</b>	<b>3 Qtr.</b>	<b>4 Qtr.</b>
Sales	\$124,797	\$158,686	\$162,585	\$152,579	\$148,883	\$179,171	\$204,425	\$199,270
Segment Earnings	(13,256)	(10,175)	(3,307)	(28,984)	1,637	10,151	19,497	12,406
Bookings	138,745	175,830	152,485	148,463	160,495	181,804	206,146	212,478
Backlog	65,216	84,101	74,587	72,166	84,953	91,153	90,553	107,036
Book to Bill	1.11	1.11	0.94	0.97	1.08	1.01	1.01	1.07
Margin	-10.6%	-6.4%	-2.0%	-19.0%	1.1%	5.7%	9.5%	6.2%

**SEC**

	<b>2002</b>				<b>2003</b>			
	<b>1 Qtr.</b>	<b>2 Qtr.</b>	<b>3 Qtr.</b>	<b>4 Qtr.</b>	<b>1 Qtr.</b>	<b>2 Qtr.</b>	<b>3 Qtr.</b>	<b>4 Qtr.</b>
Sales	\$53,755	\$56,148	\$45,786	\$49,946	\$50,315	\$52,081	\$51,969	\$57,210
Segment Earnings	(2,657)	(1,139)	(3,446)	(4,828)	3,009	1,865	746	1,696
Bookings	51,304	53,999	47,916	46,036	53,856	51,850	55,048	60,391
Backlog	43,356	42,128	45,650	42,740	46,427	46,304	49,246	53,074
Book to Bill	0.95	0.96	1.05	0.92	1.07	1.00	1.06	1.06
Margin	-4.9%	-2.0%	-7.5%	-9.7%	6.0%	3.6%	1.4%	3.0%

(1) Excludes discontinued operations.