DOVER Corp
Form 10-K
February 12, 2016

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For fiscal year ended December 31, 2015

Commission File Number: 1-4018
Dover Corporation
(Exact name of registrant as specified in its charter)

Delaware	53-0257888
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3005 Highland Parkway
Downers Grove, Illinois 60515
(Address of principal executive offices)

Registrant's telephone number: (630) 541-1540

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value $1	New York Stock Exchange
2.125% Notes due 2020	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes o No þ

Indicate by check mark 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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes þ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. þ

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o
		(Do not check if a smaller reporting company)	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No þ

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of the close of business on June 30, 2015 was $10,980,690,400. The registrant's closing price as reported on the New York Stock Exchange-Composite Transactions for June 30, 2015 was $70.18 per share. The number of outstanding shares of the registrant's common stock as of January 29, 2016 was 155,009,407.

Documents Incorporated by Reference: Part III — Certain Portions of the Proxy Statement for Annual Meeting of Shareholders to be held on May 5, 2016 (the "2016 Proxy Statement").

Special Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K, especially "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Such statements relate to, among other things, operating and strategic plans, income, earnings, cash flows, foreign exchange, changes in operations, acquisitions, industries in which Dover businesses operate, anticipated market conditions and our positioning, global economies, and operating improvements. Forward-looking statements may be indicated by words or phrases such as "anticipates," "expects," "believes," "suggests," "will," "plans," "should," "would," "could," and "forecast," or the use of the future tense and similar words or phrases. Forward-looking statements are subject to inherent risks and uncertainties that could cause actual results to differ materially from current expectations, including, but not limited to, oil and natural gas demand, production growth, and prices; changes in exploration and production spending by Dover's customers and changes in the level of oil and natural gas exploration and development; changes in customer demand and capital spending; economic conditions generally and changes in economic conditions globally and in markets served by Dover businesses, including well activity and U.S. industrials activity; Dover's ability to achieve expected savings from integration and other cost-control initiatives, such as lean and productivity programs as well as efforts to reduce sourcing input costs; the impact of interest rate and currency exchange rate fluctuations; the ability of Dover's businesses to expand into new geographic markets; Dover's ability to identify and successfully consummate value-adding acquisition opportunities or planned divestitures; the impact of loss of a significant customer, or loss or non-renewal of significant contracts; the ability of Dover's businesses to develop and launch new products, timing of such launches and risks relating to market acceptance by customers; the relative mix of products and services which impacts margins and operating efficiencies; increased competition and pricing pressures; the impact of loss of a single-source manufacturing facility; short-term capacity constraints; increases in the cost of raw materials; domestic and foreign governmental and public policy changes or developments, including environmental regulations, conflict minerals disclosure requirements, tax policies, and export/import laws; protection and validity of patent and other intellectual property rights; the impact of legal matters and legal compliance risks; conditions and events affecting domestic and global financial and capital markets; and a downgrade in Dover's credit ratings which, among other matters, could make obtaining financing more difficult and costly. Certain of these risks and uncertainties are described in more detail in "Item 1A. Risk Factors" of this Annual Report on Form 10-K. Dover undertakes no obligation to update any forward-looking statement, except as required by law.

The Company may, from time to time, post financial or other information on its Internet website, www.dovercorporation.com. The Internet address is for informational purposes only and is not intended for use as a hyperlink. The Company is not incorporating any material on its website into this report.

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PART I

ITEM 1. BUSINESS

Overview

Dover is a diversified global manufacturer delivering innovative equipment and components, specialty systems and support services through four major operating segments: Energy, Engineered Systems, Fluids, and Refrigeration & Food Equipment. The Company's entrepreneurial business model encourages, promotes, and fosters deep customer engagement and collaboration, which has led to Dover's well-established and valued reputation for providing superior customer service and industry-leading product innovation. Unless the context indicates otherwise, references herein to "Dover," "the Company," and words such as "we," "us," and "our" include Dover Corporation and its subsidiaries. Dover was incorporated in 1947 in the State of Delaware and became a publicly traded company in 1955. Dover is headquartered in Downers Grove, Illinois and currently employs approximately 26,000 people worldwide.

Dover's businesses are aligned in four segments and organized around our key end markets focused on growth strategies. The segment structure is also designed to provide increased opportunities to leverage Dover's scale and capitalize on productivity initiatives. Dover's four segments are as follows:

- Our Energy segment, serving the Drilling & Production, Bearings & Compression, and Automation end markets, is a provider of customer-driven solutions and services for safe and efficient production and processing of fuels worldwide and has a strong presence in the bearings and compression components and automation markets.

- Our Engineered Systems segment is comprised of two platforms, Printing & Identification and Industrials, and is focused on the design, manufacture and service of critical equipment and components serving the fast-moving consumer goods, digital textile printing, vehicle service, environmental solutions and industrial end markets.

- Our Fluids segment, serving the Fluid Transfer and Pumps end markets, is focused on the safe handling of critical fluids across the retail fueling, chemical, hygienic, oil and gas and industrial end markets.

- Our Refrigeration & Food Equipment segment is a provider of innovative and energy efficient equipment and systems serving the commercial refrigeration and food service end markets.

The following table shows the percentage of total revenue and segment earnings generated by each of our four segments for the years ended December 31, 2015, 2014 and 2013:

	Revenue			Segment Earnings		
	2015	2014	2013	2015	2014	2013
Energy	21 %	26 %	26 %	17 %	34 %	35 %
Engineered Systems	34 %	31 %	30 %	36 %	29 %	27 %
Fluids	20 %	18 %	18 %	26 %	19 %	17 %
Refrigeration & Food Equipment	25 %	25 %	26 %	21 %	18 %	21 %

Management Philosophy

Our businesses are committed to operational excellence and to being market leaders as measured by market share, customer service, growth, profitability, and return on invested capital. Our operating structure of four business segments allows for focused acquisition activity, accelerates opportunities to identify and capture operating synergies, including global sourcing and supply chain integration, and advances the development of our executive talent. Our segment and executive management set strategic direction, initiatives and goals for our operating companies, and also provide oversight, allocate and manage capital, are responsible for major acquisitions, and provide other services. We foster an operating culture with high ethical standards, trust, respect, and open communication, designed to allow individual growth and operational effectiveness.

In addition, we are committed to creating value for our customers, employees, and shareholders through sustainable business practices that protect the environment and the development of products that help our customers meet their sustainability goals.

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We have accelerated our efforts and processes around innovation, focusing on technologies which create tangible value for our customers.

Our companies are increasing their focus on efficient energy usage, greenhouse gas reduction, and waste management as they strive to meet the global environmental needs of today and tomorrow.

Company Goals

We are committed to driving shareholder return through three key objectives. First, we are committed to achieving annual organic sales growth of 3% to 5% over a long-term business cycle, absent extraordinary economic conditions, complemented by acquisition growth. Second, we continue to focus on segment margin expansion through productivity initiatives, including supply chain activities, targeted, thoughtful restructuring activities, strategic pricing, and portfolio shaping. Third, we are committed to generating free cash flow as a percentage of sales greater than 11% through strong performance, productivity improvements, and active working capital management. We support these goals through (1) alignment of management compensation with financial objectives, (2) well-defined and actively managed merger and acquisition processes, and (3) talent development programs.

Business Strategy

To achieve our goals, we are focused on execution of the following three key business strategies:

Positioning ourselves for growth

We have aligned our business segments to focus on the needs of customers in key end markets that are well-positioned for future growth. We capitalize on our expertise while maintaining an intense focus on our customers and their needs. We maintain and emphasize our entrepreneurial culture and continuously innovate to address our customers' needs to help them win in the markets they serve.

In particular, our businesses are well-positioned to capitalize on trends in the areas of global energy demand, continuous productivity improvement, sustainability, energy efficiency, consumer product safety, and growth of consumerism in emerging economies. For instance, our Energy segment, despite recent market trends, is focusing on expansion in high growth regions and technologies, accelerating capabilities to drive international growth, and increasing investment in innovation to drive customer productivity and cash flow. Our Engineered Systems segment combines its engineering technology, unique product advantages, and applications expertise to address market needs and requirements including digital conversion, productivity solutions, sustainability, consumer product safety, and growth in emerging economies. The Fluids segment is focused on accelerated growth within the chemical/plastics, retail fueling, fluid transfer, industrial, and hygienic markets as well as globalizing brands across geographies while expanding sales channels and engineering support. In particular, we are pursuing further growth in the hygienic and polymers/plastics markets. Our Refrigeration & Food Equipment segment is responding to our customers' energy efficiency, sustainability and food safety concerns as a result of government regulations, with innovative new products. In addition, we are broadening our product offerings targeted toward retail refrigeration and food service customers with enhanced productivity and merchandising products.

Capturing the benefits of common ownership

We are committed to operational excellence through our Dover Excellence program. This program focuses on free cash flow generation, productivity to support the ongoing investment in product innovation and customer expansion activities, the continuous evaluation of operating efficiencies, and the continued consolidation of back office support. Through this program we have implemented various productivity initiatives, such as supply chain management and lean manufacturing to maximize our efficiency as well as workplace safety initiatives to help ensure the health and welfare of our employees. We foster the sharing of best practices throughout the organization. To ensure success, our businesses place strong emphasis on continual quality improvement and new product development to better serve customers and expand into new product and geographic markets. We have also developed regional support centers and shared manufacturing centers in the U.S., China, Brazil, and India. Further, we continue to make significant investments in talent development, recognizing that the growth and development of our employees are essential for our continued success.

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Disciplined capital allocation

Our businesses generate annual free cash flow of approximately 11% of revenue. We are focused on the most efficient allocation of our capital to maximize investment returns. To do this, we grow and support our existing businesses, with average annual investment in capital spending approximating 2 - 2.5% of revenue with a focus on internal projects to expand markets, develop products, and boost productivity. We continue to evaluate our portfolio for strategic fit and intend to make additional acquisitions focused on our key growth markets which include printing and identification, refrigeration and food equipment, pumps and fluid transfers and select energy markets. We consistently provide shareholder returns by paying dividends, which have increased annually over each of the last 60 years. We will also continue to repurchase our shares to offset the impact of dilution, as a minimum.

Portfolio Development

Acquisitions

Our acquisition program has two key elements. First, we seek to acquire value creating add-on businesses that enhance our existing businesses either through their global reach and customers, or by broadening their product mix. Second, in the right circumstances, we will strategically pursue larger, stand-alone businesses that have the potential to either complement our existing businesses or allow us to pursue innovative technologies within our key growth spaces. Over the past three years (2013 – 2015), we have spent over $1.7 billion to purchase 21 businesses that strategically fit within our business model. In the fourth quarter of 2015, we acquired three businesses for an aggregate purchase price of $561.3 million. These businesses include Gala Industries and Reduction Engineering Scheer, expanding our Fluids segment's plastics and polymers product and integrated systems portfolio. In addition, we acquired JK Group, a global manufacturer and provider of innovative digital inks for the textile printing market, that compliments the Printing & Identification platform within our Engineered Systems segment. In 2014, we acquired Accelerated for approximately $435.7 million, expanding our artificial lift footprint within our Energy segment. Accelerated, now part of our Drilling and Production businesses, is an integrated provider of equipment, parts, and services for handling fluids in oil and gas production. In 2013, we acquired 10 businesses for aggregate consideration of $322.8 million, including Finder Pompe, which we acquired in the fourth quarter of 2013 for approximately $142.2 million to expand our Fluids portfolio.

Subsequent to year end, we acquired the dispenser and system businesses of Tokheim Group S.A.S. ("Tokheim") for a purchase price of approximately €411.3 million, or $448.7 million. Tokheim will be integrated with our Fluid Transfer end market within our Fluids segment and will enable us to provide the most complete solutions available for our retail fueling customers.

For more details regarding acquisitions completed over the past two years, see Note 2 Acquisitions in the Consolidated Financial Statements in Item 8 of this Form 10-K. Our future growth depends in large part on finding and acquiring successful businesses, as a substantial number of our current businesses operate in relatively mature markets. While we expect to generate annual organic growth of 3% - 5% over a long-term business cycle absent extraordinary economic conditions, sustained organic growth at these levels for individual businesses is difficult to achieve consistently each year. Our success is also dependent on the ability to successfully integrate our acquired businesses within our existing structure. To track post-merger integration and accountability, we utilize an internal scorecard and defined processes to help ensure expected synergies are realized and value is created.

Dispositions

We routinely review our portfolio to evaluate whether our businesses continue to be essential contributors to our long-term strategy. Occasionally, we may also make an opportunistic sale of one of our businesses based on specific market conditions and strategic considerations. Accordingly, in an effort to reduce our exposure to cyclical markets and focus on our higher margin growth spaces, during the past three years (2013 – 2015) we have sold five businesses for aggregate consideration of $957.1 million.

During 2015, we completed the sale of Datamax O'Neil and Sargent Aerospace. In addition, during the fourth quarter of 2015 we completed the divestiture of a product line within the Refrigeration and Food Equipment segment. We expect to make further dispositions in the future, none of which, individually, are expected to be significant.

The financial position and results of operations for Datamax O'Neil and Sargent Aerospace have been presented as discontinued operations for all periods presented. For more details, see Note 3 Disposed and Discontinued Operations in the Consolidated Financial Statements in Item 8 of this Form 10-K.

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In addition, in February 2014, we divested of a significant portion of our technology business with the spin-off of Knowles as discussed below.

Spin-Off of Knowles

On February 28, 2014, we completed the separation of Knowles Corporation ("Knowles") from Dover through the pro rata distribution of 100% of the common stock of Knowles to Dover's stockholders of record as of the close of business on February 19, 2014. Each Dover shareholder received one share of Knowles common stock for every two shares of Dover common stock held as of the record date. As a result, Knowles became an independent, publicly traded company listed on the New York Stock Exchange, and Dover retains no ownership interest in Knowles. The distribution was structured to be tax-free to Dover and its shareholders for U.S. federal income tax purposes.

Business Segments

As noted previously, we currently operate through four business segments that are aligned with the key end markets they serve and comprise our operating and reportable segments: Energy, Engineered Systems, Fluids, and Refrigeration & Food Equipment. For financial information about our segments and geographic areas, see Note 16 Segment Information in the Consolidated Financial Statements in Item 8 of this Form 10-K.

Energy

Our Energy segment serves the Drilling & Production, Bearings & Compression, and Automation end markets. This segment is a provider of customer driven solutions and services for safe and efficient production and processing of fuels worldwide. This segment consists of the following end markets:

- Drilling & Production – Our businesses serving the drilling and production end markets design and manufacture products that promote efficient and cost-effective drilling, including long-lasting polycrystalline diamond cutters ("PDCs") for applications in down-hole drilling tools and facilitate the extraction and movement of fuel from the ground, including steel sucker rods, down-hole rod pumps, electric submersible pumps, progressive cavity pumps and drive systems, and plunger lifts. In addition, these businesses manufacture winches, hoists, gear drives, and electronic monitoring solutions for energy, infrastructure, and recovery markets worldwide.

- Bearings & Compression – These businesses manufacture various compressor parts that are used in natural gas production, distribution, and oil refining markets. Product offerings include bearings, bearing isolators, seals and remote condition monitoring systems that are used for rotating machinery applications such as turbo machinery, motors, generators and compressors used in energy, utility, marine and other industries.

- Automation – These businesses design and manufacture products that promote efficient drilling and production of oil and gas including quartz pressure transducers and hybrid electronics used in down-hole monitoring devices, chemical injection pumps, automated pump controllers, artificial lift optimization software, diagnostic instruments for reciprocating machinery, and control valves.

Our Energy segment’s sales are made directly to customers and through various distribution channels. We manufacture our products primarily in North America, and our sales are concentrated in North America with an increasing level of international sales directed primarily to Europe, Australia, and Asia.

Engineered Systems

Our Engineered Systems segment is focused on the design, manufacture and service of critical equipment and components within the Printing & Identification and Industrials platforms, as described below.

- Printing & Identification – Printing & Identification is a worldwide supplier of precision marking and coding, digital textile printing, soldering and dispensing equipment, and related consumables and services. Our Printing & Identification platform primarily designs and manufactures equipment and consumables used for printing variable information (such as bar coding of dates and serial numbers) on fast moving consumer goods, capitalizing on expanding food and product safety requirements and growth in emerging markets. In addition, our businesses serving the textile market are benefiting from a significant shift from analog to digital printing, resulting from shorter runs and more complex fashion designs, as well as increasing regulatory and environmental standards.

- Industrials – These businesses serve the vehicle service, industrial automation, and waste and recycling markets, providing a wide range of products and services which have broad customer applications.

The businesses in the industrial automation market provide a wide range of modular automation components including manual clamps, power clamps, rotary and linear mechanical indexers, conveyors, pick and place units, glove ports and manipulators, as well as end-of-arm robotic grippers, slides, and end effectors. These products serve a very broad market including food processing, packaging, paper processing, medical, electronic, automotive, nuclear, and general industrial products.

Our businesses serving waste and recycling markets provide products and services for the refuse collection industry and for on-site processing and compaction of trash and recyclable materials. Products are sold to municipal customers, national accounts, and independent waste haulers through a network of distributors and directly in certain geographic areas.

Fluids

Our Fluids segment is focused on the safe handling of critical fluids across the retail fueling, chemical, hygienic, oil and gas, and industrial markets. The segment serves two broad global end markets: Fluid Transfer and Pumps.

- Fluid Transfer – Providing fully integrated fluid handling solutions from refineries and chemical-processing plants through point-to-point transfers, transportation, and delivery to the final point of consumption at retail and commercial fueling operations around the globe. This end market also specializes in the manufacturing of connectors for use in a variety of bio-processing applications. We strive to optimize safety, efficiency, reliability, and environmental sustainability through innovative fluid handling and information management solutions.

- Pumps – The pumps and compressors are used to transfer liquid and bulk products and are sold to a wide variety of markets, including the refined fuels, LPG, food/sanitary, transportation, and chemical process industries. The pumps include positive displacement and centrifugal pumps that are used in demanding and specialized fluid transfer process applications.

Fluids' products are manufactured primarily in the United States, Europe, and China, and are sold throughout the world directly and through a network of distributors.

Refrigeration & Food Equipment

Our Refrigeration & Food Equipment segment is a provider of innovative and energy efficient equipment and systems serving the commercial refrigeration and food service end markets.

- Refrigeration – Our businesses manufacture refrigeration systems, refrigeration display cases, specialty glass, commercial glass refrigerator and freezer doors, and brazed heat exchangers used in industrial and climate control.

- Food Equipment – Our businesses manufacture electrical distribution products and engineering services, commercial food service equipment, cook-chill production systems, custom food storage and preparation products, kitchen ventilation systems, conveyer systems, beverage can-making machinery, and packaging machines used for meat, poultry, and other food products.

The majority of the refrigeration/food systems and machinery that are manufactured or serviced by the Refrigeration & Food Equipment segment are used by the supermarket industry, including “big-box” retail and convenience stores, the commercial/industrial refrigeration industry, institutional and commercial food service and food production markets, and beverage can-making industries. Refrigeration & Food Equipment's products are manufactured primarily in North America, Europe, and Asia and are sold globally, directly and through a network of distributors.

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Raw Materials

We use a wide variety of raw materials, primarily metals and semi-processed or finished components, which are generally available from a number of sources. As a result, shortages or the loss of any single supplier have not had, and are not likely to have, a material impact on operating profits. While the required raw materials are generally available, commodity pricing can be volatile, particularly for various grades of steel, copper, aluminum, and select other commodities. Although cost increases in commodities may be recovered through increased prices to customers, our operating results are exposed to such fluctuations. We attempt to control such costs through fixed-price contracts with suppliers and various other programs, such as our global supply chain activities.

Research and Development

Our businesses are encouraged to develop new products as well as to upgrade and improve existing products to satisfy customer needs, expand revenue opportunities domestically and internationally, maintain or extend competitive advantages, improve product reliability, and reduce production costs. During 2015, we spent $115.0 million for research and development, including qualified engineering costs. In 2014 and 2013, research and development spending totaled $118.4 million and $117.2 million, respectively.

Our Engineered Systems segment expends significant effort in research and development because the rate of product development by their customers is often quite high. Our businesses that develop product identification and printing equipment believe that their customers expect a continuing rate of product innovation, performance improvement, and reduced costs. The result has been that product life cycles in these markets generally average less than five years with meaningful sales price reductions over that time period.

Our other segments contain many businesses that are also involved in important product improvement initiatives. These businesses also concentrate on working closely with customers on specific applications, expanding product lines and market applications, and continuously improving manufacturing processes. Most of these businesses experience a much more moderate rate of change in their markets and products than is generally experienced by the Engineered Systems segment.

Intellectual Property and Intangible Assets

Our businesses own many patents, trademarks, licenses, and other forms of intellectual property, which have been acquired over a number of years and, to the extent relevant, expire at various times over a number of years. A large portion of our businesses' intellectual property consists of patents, unpatented technology, and proprietary information constituting trade secrets that we seek to protect in various ways, including confidentiality agreements with employees and suppliers where appropriate. In addition, a significant portion of our intangible assets relate to customer relationships. While our intellectual property and customer relationships are important to our success, the loss or expiration of any of these rights or relationships, or any group of related rights or relationships, is not likely to materially affect our results on a consolidated basis. We believe that our commitment to continuous engineering improvements, new product development, and improved manufacturing techniques, as well as strong sales, marketing, and service efforts, are significant to our general leadership positions in the niche markets we serve.

Customers

We serve thousands of customers, none one of which accounted for more than 10% of our consolidated revenue in 2015. Given our diversity of served markets, customer concentrations are quite varied. Businesses supplying the waste and recycling, agricultural, defense, energy, automotive, and commercial refrigeration industries tend to deal with a few large customers that are significant within those industries. This also tends to be true for businesses supplying the power generation and chemical industries. In the other markets served, there is usually a much lower concentration of customers, particularly where the companies provide a substantial number of products and services applicable to a broad range of end-use applications.

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Seasonality

In general, our businesses, while not strongly seasonal, tend to have stronger revenue in the second and third quarters, particularly those serving the transportation, construction, waste and recycling, petroleum, commercial refrigeration, and food service markets. Our businesses serving the major equipment markets, such as power generation, chemical, and processing industries, have longer lead times geared to seasonal, commercial, or consumer demands, and tend to delay or accelerate product ordering and delivery to coincide with those market trends that tend to moderate the aforementioned seasonality patterns.

Backlog

Backlog is more relevant to our businesses that produce larger and more sophisticated machines or have long-term contracts, primarily for the markets within our Fluids and Refrigeration & Food Equipment segments. Our total backlog relating to our continuing operations as of December 31, 2015 and 2014 was $1.0 billion and $1.2 billion, respectively.

Competition

Our competitive environment is complex because of the wide diversity of our products manufactured and the markets served. In general, most of our businesses are market leaders that compete with only a few companies, and the key competitive factors are customer service, product quality, price, and innovation. However, as we become increasingly global, we are exposed to more competition. A summary of our key competitors by end market within each of our segments follows:

Segment	End Market	Key Competitors
Energy	Drilling & Production /Automation	DeBeers Group (Element Six), Schlumberger Ltd.,Weatherford International Ltd., General Electric (Lufkin), Baker Hughes, BORETS, and Novomet
	Bearings & Compression	Compression Products International, Hoerbiger Holdings AG, John Crane, Kingsbury
Engineered Systems	Printing & Identification	Danaher Corp. (Videojet), Brother Industries Ltd (Domino Printing), Electronics for Imaging
	Industrials	Oshkosh Corp. (McNeilus), Siemens AG (Weiss GmbH), Challenger Lifts, Labrie Enviroquip Group, and numerous others
Fluids	Fluid Transfer	Danaher Corp. (Gilbarco Veeder-Root), Franklin Electric, Gardner Denver, Inc. (Emco Wheaton), Wayne
	Pumps	IDEX Corp, Ingersoll Rand, ITT, SPX Corp.
Refrigeration & Food Equipment	Refrigeration	Panasonic (Hussman Corp.), Lennox International (Kysor/Warren), Alfa Laval
	Food Equipment	Manitowoc Company, Illinois Tool, Middleby

International

Consistent with our strategic focus on positioning our businesses for growth, we continue to increase our expansion into international markets, particularly in developing economies in South America, Asia, the Middle East, and Eastern Europe.

Most of our non-U.S. subsidiaries and affiliates are currently based in France, Germany, the Netherlands, Sweden, Switzerland, the United Kingdom and, with increasing emphasis, Australia, Canada, China, Malaysia, India, Mexico, Brazil, Eastern Europe, and the Middle East.

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The following table shows annual revenue derived from customers outside the U.S. as a percentage of total annual revenue for each of the last three years, by segment and in total:

	% Non-U.S. Revenue by Segment Years Ended December 31,		
	2015	2014	2013
Energy	26 %	28 %	33 %
Engineered Systems	45 %	48 %	47 %
Fluids	49 %	53 %	51 %
Refrigeration & Food Equipment	33 %	35 %	36 %
Total percentage of revenue derived from customers outside of the U.S.	39 %	40 %	41 %

Our international operations are subject to certain risks, such as price and exchange rate fluctuations and non-U.S. governmental restrictions, which are discussed further in "Item 1A. Risk Factors." For additional details regarding our non-U.S. revenue and the geographic allocation of the assets of our continuing operations, see Note 16 Segment Information to the Consolidated Financial Statements in Item 8 of this Form 10-K.

Environmental Matters

Sustainability

In response to our concerns around global sustainability, in 2010, we developed and implemented a process to conduct an inventory of greenhouse gas emissions. Since then, we have evaluated our climate change risks and opportunities and have developed an energy and climate change strategy that includes clearly defined goals and objectives, along with prioritized programs and projects for achieving energy use and greenhouse gas emissions reductions. To further promote our sustainability efforts, we have committed to reducing our overall energy and greenhouse gas intensity indexed to net revenue by 20% from 2010 to 2020. We have also participated as a voluntary respondent in the Carbon Disclosure Project since 2010.

All of our segments are investigating the energy efficiencies related to their operations and the use of their products and services by customers. In some instances, our businesses may be able to help customers reduce their energy needs. Increased demand for energy-efficient products, based on a variety of drivers (including, but not limited to, reduction of greenhouse gas emissions) could result in increased sales for a number of our businesses.

Other Matters

Our operations are governed by a variety of international, national, state, and local environmental laws. We are committed to continued compliance and believe our operations generally are in substantial compliance with these laws. In a few instances, particular plants and businesses have been the subject of administrative and legal proceedings with governmental agencies or private parties relating to the discharge or potential discharge of regulated substances. Where necessary, these matters have been addressed with specific consent orders to achieve compliance.

There have been no material effects upon our earnings and competitive position resulting from our compliance with laws or regulations enacted or adopted relating to the protection of the environment. We are aware of a number of existing or upcoming regulatory initiatives intended to reduce emissions in geographies where our manufacturing and warehouse/distribution facilities are located and have evaluated the potential impact of these regulations on our businesses. We anticipate that direct impacts from regulatory actions will not be significant in the short- to medium-term. We expect the regulatory impacts associated with climate change regulation would be primarily indirect and would result in "pass through" costs from energy suppliers, suppliers of raw materials, and other services related to our operations.

Employees

We had approximately 26,000 employees as of December 31, 2015.

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Other Information

We make available through the "Financial Reports" link on our Internet website, http://www.dovercorporation.com, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to these reports. We post each of these reports on the website as soon as reasonably practicable after the report is filed with the Securities and Exchange Commission. The information on our Internet website is not incorporated into this Form 10-K.

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ITEM 1A. RISK FACTORS

The risk factors discussed in this section should be considered together with information included elsewhere in this Form 10-K and should not be considered the only risks to which we are exposed. In general, we are subject to the same general risks and uncertainties that impact many other industrial companies such as general economic, industry and/or market conditions, and growth rates; the impact of natural disasters, and their effect on global markets; possible future terrorist threats and their effect on the worldwide economy; and changes in laws or accounting rules. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may impair our business, including our results of operations, liquidity, and financial condition.

- Our results may be impacted by current domestic and international economic conditions and uncertainties.

Our businesses may be adversely affected by disruptions in the financial markets or declines in economic activity both domestically and internationally in those countries in which we operate. These circumstances will also impact our suppliers and customers in various ways which could have an impact on our business operations, particularly if global credit markets are not operating efficiently and effectively to support industrial commerce.

Our Energy segment is subject to risk due to the volatility of global energy prices and regulations that impact drilling and production, with overall demand for our products and services impacted by depletion rates, global economic conditions and related energy demands.

Negative changes in worldwide economic and capital market conditions are beyond our control, are highly unpredictable, and can have an adverse effect on our revenue, earnings, cash flows, and cost of capital.

- Trends in oil and natural gas prices may affect the drilling and production activity, profitability and financial stability of our customers and therefore the demand for, and profitability of, our energy products and services, which could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

The oil and gas industry historically has experienced periodic downturns, including the significant downturn experienced in 2015. Demand for our energy products and services is sensitive to the level of drilling and production activity of, and the corresponding capital spending by, oil and natural gas companies. The level of drilling and production activity is directly affected by trends in oil and natural gas prices, which have been recently volatile and may continue to be volatile. In particular, the prices of oil and natural gas were highly volatile in 2014 and 2015 and declined dramatically.

Prices for oil and natural gas are subject to large fluctuations in response to changes in the supply of and demand for oil and natural gas, market uncertainty, geopolitical developments and a variety of other factors that are beyond our control. Even the perception of longer-term lower oil and natural gas prices can reduce or defer major capital expenditures by our customers in the oil and gas industry. Given the long-term nature of many large-scale development projects, a significant downturn in the oil and gas industry could result in the reduction in demand for our energy and pumps products and services, and could have a material adverse effect on our financial condition, results of operations and cash flows.

- We are subject to risks relating to our existing international operations and expansion into new geographical markets.

Approximately 39% of our revenues from continuing operations for 2015 and 40% of our revenues for 2014 were derived outside the United States. We continue to focus on penetrating global markets as part of our overall growth strategy and expect sales from outside the United States to continue to represent a significant portion of our revenues. In addition, many of our manufacturing operations and suppliers are located outside the United States. Our international operations and our global expansion strategy are subject to general risks related to such operations, including:

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- o political, social, and economic instability and disruptions;
- o government embargoes or trade restrictions;
- o the imposition of duties and tariffs and other trade barriers;
- o import and export controls;
- o limitations on ownership and on repatriation or dividend of earnings;
- o transportation delays and interruptions;
- o labor unrest and current and changing regulatory environments;
- o increased compliance costs, including costs associated with disclosure requirements and related due diligence;
- o the impact of loss of a single-source manufacturing facility;
- o difficulties in staffing and managing multi-national operations;
- o limitations on our ability to enforce legal rights and remedies; and
- o access to or control of networks and confidential information due to local government controls and vulnerability of local networks to cyber risks.

If we are unable to successfully manage the risks associated with expanding our global business or adequately manage operational risks of our existing international operations, the risks could have a material adverse effect on our growth strategy involving expansion into new geographical markets or our results of operations and financial position.

- Our exposure to exchange rate fluctuations on cross-border transactions and the translation of local currency results into U.S. dollars could negatively impact our results of operations.

We conduct business through our subsidiaries in many different countries, and fluctuations in currency exchange rates could have a significant impact on the reported results of operations, which are presented in U.S. dollars. For example, foreign exchange rates had an unfavorable impact on our revenue for the year ended December 31, 2015. A significant and growing portion of our products are manufactured in lower-cost locations and sold in various countries. Cross-border transactions, both with external parties and intercompany relationships, result in increased exposure to foreign exchange effects. Accordingly, significant changes in currency exchange rates, particularly the Euro, Pound Sterling, Swiss franc, Chinese Renminbi (Yuan), and the Canadian dollar, could cause fluctuations in the reported results of our businesses' operations that could negatively affect our results of operations. Additionally, the strengthening of certain currencies such as the Euro and U.S. dollar potentially exposes us to competitive threats from lower cost producers in other countries. Our sales are translated into U.S. dollars for reporting purposes.
The strengthening of the U.S. dollar could result in unfavorable translation effects as the results of foreign locations are translated into U.S. dollars.

- Increasing product/service and price competition by international and domestic competitors, including new entrants, and our inability to introduce new and competitive products could cause our businesses to generate lower revenue, operating profits, and cash flows.

Our competitive environment is complex because of the wide diversity of the products that our businesses manufacture and the markets they serve. In general, most of our businesses compete with only a few companies. Our ability to compete effectively depends on how successfully we anticipate and respond to various competitive factors, including new products and services that may be introduced by competitors, changes in customer preferences, new business models and technologies, and pricing pressures. If our businesses are unable to anticipate their competitors' development of new products and services, and/or identify customer needs and preferences on a timely basis, or successfully introduce new products and services in response to such competitive factors, they could lose customers to competitors. If our businesses do not compete effectively, we may experience lower revenue, operating profits, and cash flows.

- Our businesses and their profitability and reputation could be adversely affected by domestic and foreign governmental and public policy changes (including environmental and employment regulations and tax policies such as export subsidy programs, research and experimentation credits, carbon emission regulations, and other similar programs), risks associated with emerging markets, changes in statutory tax rates, and unanticipated outcomes with respect to tax audits.

Our businesses' domestic and international sales and operations are subject to risks associated with changes in local government laws (including environmental and export/import laws), regulations, and policies. Failure to comply with any of these laws could result in civil and criminal, monetary, and non-monetary penalties as well as potential damage to our reputation. In addition, we cannot provide assurance that our costs of complying with new and evolving regulatory reporting requirements and current or future laws, including environmental protection, employment, data security, data privacy, and

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health and safety laws, will not exceed our estimates. In addition, we have invested in certain countries, including Brazil, Russia, India, and China, and may in the future invest in other countries, any of which may carry high levels of currency, political, compliance, or economic risk. While these risks or the impact of these risks are difficult to predict, any one or more of them could adversely affect our businesses and reputation.

Our effective tax rate is impacted by changes in the mix among earnings in countries with differing statutory tax rates, changes in the valuation allowance of deferred tax assets, and changes in tax laws. The amount of income taxes and other taxes paid can be adversely impacted by changes in statutory tax rates and laws and are subject to ongoing audits by domestic and international authorities. If these audits result in assessments different from amounts estimated, then our financial results may be adversely affected by unfavorable tax adjustments.

- Some of our businesses may not anticipate, adapt to, or capitalize on technological developments and this could cause these businesses to become less competitive and lead to reduced market share, revenue, operating profits, and cash flows.

Certain of our businesses sell their products in industries that are constantly experiencing change as new technologies are developed. In order to grow and remain competitive in these industries, they must adapt to future changes in technology to enhance their existing products and introduce new products to address their customers' changing demands. If these businesses are unable to adapt to the rapid technological changes, it could adversely affect our consolidated results of operations, financial position, and cash flows.

- We could lose customers or generate lower revenue, operating profits, and cash flows if there are significant increases in the cost of raw materials (including energy) or if we are unable to obtain raw materials.

We purchase raw materials, sub-assemblies, and components for use in our manufacturing operations, which expose us to volatility in prices for certain commodities. Significant price increases for these commodities could adversely affect operating profits for certain of our businesses. While we generally attempt to mitigate the impact of increased raw material prices by hedging or passing along the increased costs to customers, there may be a time delay between the increased raw material prices and the ability to increase the prices of products, or we may be unable to increase the prices of products due to a competitor's pricing pressure or other factors. In addition, while raw materials are generally available now, the inability to obtain necessary raw materials could affect our ability to meet customer commitments and satisfy market demand for certain products. Consequently, a significant price increase in raw materials, or their unavailability, may result in a loss of customers and adversely impact revenue, operating profits, and cash flows.

- Our growth and results of operations may be adversely affected if we are unsuccessful in our capital allocation and acquisition program.

We expect to continue our strategy of seeking to acquire value creating add-on businesses that broaden our existing position and global reach as well as, in the right circumstances, strategically pursue larger acquisitions that could have the potential to either complement our existing businesses or allow us to pursue a new platform. However, there can be no assurance that we will be able to continue to find suitable businesses to purchase, that we will be able to acquire such businesses on acceptable terms, or that all closing conditions will be satisfied with respect to any pending acquisition. If we are unsuccessful in our acquisition efforts, then our ability to continue to grow at rates similar to prior years could be adversely affected. In addition, we face the risk that a completed acquisition may underperform relative to expectations. We may be unable to achieve synergies originally anticipated, exposed to unexpected liabilities or unable to sufficiently integrate completed acquisitions into our current business and growth model. Further, if we fail to allocate our capital appropriately, in respect of either our acquisition program or organic growth in our operations, we could be overexposed in certain markets and geographies and unable to expand into adjacent products or markets. These factors could potentially have an adverse impact on our operating profits and cash flows.

- Our operating profits and cash flows could be adversely affected if we cannot achieve projected savings and synergies.

We are continually evaluating our cost structure and seeking ways to capture synergies across our operations. If we are unable to reduce costs and expenses through our various programs, it could adversely affect our operating profits and cash flows.

- Unforeseen developments in contingencies such as litigation could adversely affect our financial condition.

We and certain of our subsidiaries are, and from time to time may become, parties to a number of legal proceedings incidental to their businesses involving alleged injuries arising out of the use of their products, exposure to hazardous substances, or patent infringement, employment matters, and commercial disputes. The defense of these lawsuits may require significant expenses and divert management's attention, and we may be required to pay damages that could adversely affect our financial condition. In addition, any insurance or indemnification rights that we may have may be insufficient or unavailable to protect us against potential loss exposures.

- The indemnification provisions of acquisition and disposition agreements by which we have acquired or sold companies may not fully protect us and may result in unexpected liabilities.

Certain of the acquisition agreements by which we have acquired companies require the former owners to indemnify us against certain liabilities related to the operation of the company before we acquired it. In most of these agreements, however, the liability of the former owners is limited and certain former owners may be unable to meet their indemnification responsibilities. Similarly, the purchasers of our discontinued operations may from time to time agree to indemnify us for operations of such businesses after the closing. In addition, in connection with the spin-off, Knowles agreed to indemnify us for any losses relating to the conduct of the Knowles business. We cannot be assured that any of these indemnification provisions will fully protect us, and as a result we may face unexpected liabilities that adversely affect our profitability and financial position.

- Failure to attract, retain, and develop personnel or to provide adequate succession plans for key management could have an adverse effect on our operating results.

Our growth, profitability, and effectiveness in conducting our operations and executing our strategic plans depend in part on our ability to attract, retain, and develop qualified personnel, align them with appropriate opportunities, and maintain adequate succession plans for key management positions and support for strategic initiatives. If we are unsuccessful in these efforts, our operating results could be adversely affected and we could miss opportunities for growth and efficiencies.

- Our business operations may be adversely affected by information systems interruptions or intrusion.

We depend on various information technologies throughout our company to administer, store and support multiple business activities. If these systems are damaged, cease to function properly, or are subject to cyber-security attacks, such as those involving unauthorized access, malicious software and/or other intrusions, we could experience production downtimes, operational delays, other detrimental impacts on our operations or ability to provide products and services to our customers, the compromising of confidential or otherwise protected information, destruction or corruption of data, security breaches, other manipulation or improper use of our systems or networks, financial losses from remedial actions, loss of business or potential liability, and/or damage to our reputation. While we attempt to mitigate these risks by employing a number of measures, including employee training, technical security controls, and maintenance of backup and protective systems, our systems, networks, products and services remain potentially vulnerable to known or unknown threats, any of which could have a material adverse affect on our business, financial condition or results of operations.

- Our reputation, ability to do business, and results of operations may be impaired by improper conduct by any of our employees, agents, or business partners.

While we strive to maintain high standards, we cannot provide assurance that our internal controls and compliance systems will always protect us from acts committed by our employees, agents, or business partners that would violate U.S. and/or non-U.S. laws or fail to protect our confidential information, including the laws governing payments to government officials, bribery, fraud, anti-kickback and false claims rules, competition, export and import compliance, money laundering, and data privacy laws, as well as the improper use of proprietary information or social media. Any such violations of law or improper actions could subject us to civil or criminal investigations in the U.S. and in other jurisdictions, could lead to substantial civil or criminal, monetary and non-monetary penalties, and related shareholder lawsuits, could lead to increased costs of compliance and could damage our reputation.

- Our revenue, operating profits, and cash flows could be adversely affected if our businesses are unable to protect or obtain patent and other intellectual property rights.

Our businesses own patents, trademarks, licenses, and other forms of intellectual property related to their products. Our businesses employ various measures to maintain and protect their intellectual property. These measures may not prevent their intellectual property from being challenged, invalidated, or circumvented, particularly in countries where intellectual property rights are not highly developed or protected. Unauthorized use of these intellectual property rights could adversely impact the competitive position of our businesses and have a negative impact on our revenue, operating profits, and cash flows.

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- A significant decline in the future economic outlook of our businesses and expected future cash flows could result in goodwill or intangible asset impairment charges which would negatively impact our results of operations.

We have significant goodwill and intangible assets on our balance sheet as a result of current and past acquisitions. The valuation and classification of these assets and the assignment of useful lives involve significant judgments and the use of estimates. The testing of goodwill and intangibles for impairment requires significant use of judgment and assumptions, particularly as it relates to the determination of fair market value. A decrease in the long-term economic outlook and future cash flows of our businesses could significantly impact asset values and potentially result in the impairment of intangible assets, including goodwill. Charges relating to such impairments could have a material adverse effect on our financial condition and results of operations in the periods recognized. Although fair values currently exceed carrying values in all of our businesses, the value of our businesses within the Energy segment were unfavorably impacted by the steep declines in revenue and order rates during the year as drilling and production activity fell due to unfavorable oil prices and lower U.S. rig counts.

- Our borrowing costs may be impacted by our credit ratings developed by various rating agencies.

Three major ratings agencies (Moody’s, Standard and Poor’s, and Fitch Ratings) evaluate our credit profile on an ongoing basis and have each assigned high ratings for our short-term and long-term debt as of December 31, 2015. Although we do not anticipate a material change in our credit ratings, if our current credit ratings deteriorate, then our borrowing costs could increase, including increased fees under our five-year credit facility, and our access to future sources of liquidity may be adversely affected.

- Customer requirements and new regulations may increase our expenses and impact the availability of certain raw materials, which could adversely affect our revenue and operating profits.

Our businesses use parts or materials that are impacted by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") requirement for disclosure of the use of "conflict minerals" mined in the Democratic Republic of the Congo and adjoining countries. It is possible that some of our businesses' customers will require "conflict free" metals in products purchased from us. We are in the process of determining the country of origin of certain metals used by our businesses, as required by the Dodd-Frank Act. The supply chain due diligence and verification of sources may require several years to complete based on the current availability of smelter origin information and the number of vendors. We may not be able to complete the process in the time frame required because of the complexity of our supply chain. Other governmental social responsibility regulations also may impact our suppliers, manufacturing operations, and operating profits.

The need to find alternative sources for certain raw materials or products because of customer requirements and regulations may impact our ability to secure adequate supplies of raw materials or parts, lead to supply shortages, or adversely impact the prices at which our businesses can procure compliant goods.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

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ITEM 2. PROPERTIES

The number, type, location and size of the properties used by our operations as of December 31, 2015 are shown in the following charts, by segment:

	Number and nature of facilities				Square footage (in 000s)	
	Manufacturing	Warehouse	Sales / Service	Total	Owned	Leased
Energy	58	56	61	175	2,668	1,524
Engineered Systems	38	33	81	152	3,176	1,688
Fluids	40	13	21	74	7,756	2,429
Refrigeration & Food Equipment	25	18	26	69	1,802	2,522

	Locations					Expiration dates of leased facilities (in years)	
	North America	Europe	Asia	Other	Total	Minimum	Maximum
Energy	125	5	—	4	134	1	15
Engineered Systems	42	43	42	1	128	1	12
Fluids	19	18	21	1	59	1	10
Refrigeration & Food Equipment	31	11	12	3	57	1	15

We believe our owned and leased facilities are well-maintained and suitable for our operations.

ITEM 3. LEGAL PROCEEDINGS

A few of our subsidiaries are involved in legal proceedings relating to the cleanup of waste disposal sites identified under federal and state statutes which provide for the allocation of such costs among "potentially responsible parties." In each instance, the extent of the subsidiary’s liability appears to be very small in relation to the total projected expenditures and the number of other "potentially responsible parties" involved and it is anticipated to be immaterial to us on a consolidated basis. In addition, a few of our subsidiaries are involved in ongoing remedial activities at certain plant sites, in cooperation with regulatory agencies, and appropriate reserves have been established. At December 31, 2015 and 2014, we have reserves totaling $30.6 million and $32.9 million, respectively, for environmental and other matters, including private party claims for exposure to hazardous substances, that are probable and estimable.

The Company and certain of its subsidiaries are also parties to a number of other legal proceedings incidental to their businesses. These proceedings primarily involve claims by private parties alleging injury arising out of use of the Company’s products, exposure to hazardous substances, patent infringement, employment matters, and commercial disputes. Management and legal counsel, at least quarterly, review the probable outcome of such proceedings, the costs and expenses reasonably expected to be incurred and currently accrued to-date, and the availability and extent of insurance coverage. The Company has reserves for legal matters that are probable and estimable and not otherwise covered by insurance, and at December 31, 2015 and 2014, these reserves are not significant. While it is not possible at this time to predict the outcome of these legal actions, in the opinion of management, based on the aforementioned reviews, the Company is not currently involved in any legal proceedings which, individually or in the aggregate, could have a material effect on its financial position, results of operations, or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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EXECUTIVE OFFICERS OF THE REGISTRANT

All of our officers are elected annually at the first meeting of the Board of Directors following our annual meeting of shareholders, and are subject to removal at any time by the Board of Directors. Our executive officers as of February 12, 2016, and their positions with Dover (and, where relevant, prior business experience) for the past five years, are as follows:

Name	Age	Positions Held and Prior Business Experience
Robert A. Livingston	62	Chief Executive Officer and Director (since December 2008) and President (since June 2008).
Ivonne M. Cabrera	49	Senior Vice President, General Counsel and Secretary of Dover (since January 2013); prior thereto Vice President, Deputy General Counsel, and Assistant Secretary of Dover (from November 2012 to December 2012); prior thereto Vice President, Business Affairs and General Counsel of Knowles Electronics, LLC (from February 2011 to December 2012); prior thereto Vice President (from May 2010 to February 2011), Deputy General Counsel and Assistant Secretary (from February 2004 to February 2011) of Dover.
Brad M. Cerepak	56	Senior Vice President and Chief Financial Officer (since May 2011) of Dover; prior thereto Vice President and Chief Financial Officer (from August 2009 to May 2011) of Dover.
C. Anderson Fincher	45	Vice President (since May 2011) of Dover and President and Chief Executive Officer (since February 2014) and Executive Vice President (from November 2011 to February 2014) of Dover Engineered Systems; prior thereto Executive Vice President (from May 2009 to November 2011) of Dover Industrial Products.
Jay L. Kloosterboer	55	Senior Vice President, Human Resources (since May 2011) of Dover; prior thereto Vice President, Human Resources (from January 2009 to May 2011) of Dover.
William C. Johnson	52	Vice President (since May 2014) of Dover and President and Chief Executive Officer (since February 2014) of Dover Refrigeration & Food Equipment; prior thereto President and Chief Executive Officer (from August 2006 to March 2014) of Hill Phoenix Inc.
Stephen R. Sellhausen	57	Senior Vice President, Corporate Development (since May 2011) of Dover; prior thereto Vice President, Corporate Development (from January 2009 to May 2011) of Dover.
Sivasankaran Somasundaram	50	Vice President (since January 2008) of Dover and President and Chief Executive Officer (since August 2013) of Dover Energy; prior thereto Executive Vice President (from November 2011 to August 2013) of Dover Energy; prior thereto Executive Vice President (from January 2010 to November 2011) of Dover Fluid Management; President (from January 2008 to December 2009) of Dover's Fluid Solutions Platform.
William W. Spurgeon, Jr.	57	Vice President (since October 2004) of Dover and President and Chief Executive Officer (since February 2014) of Dover Fluids; prior thereto President and Chief Executive Officer (from August 2013 to February 2014) of Dover Engineered Systems; prior thereto President and Chief Executive Officer (from November 2011 to August 2013)

		of Dover Energy; prior thereto President and Chief Executive Officer (from July 2007 to November 2011) of Dover Fluid Management.
Russell E. Toney	46	Senior Vice President, Global Sourcing (since February 2015) of Dover; prior thereto General Manager, Market Development (from January 2013 to February 2015) of GE Energy Management; prior thereto Commercial Leader (from January 2011 to January 2013) of GE Energy Global Industries; prior thereto General Manager, Global Sourcing (from March 2007 to January 2011) of GE Energy Services.
Sandra A. Arkell	47	Vice President, Controller (since August 2015) of Dover; prior thereto Assistant Controller (2009 to August 2015) of Dover.
Kevin P. Buchanan	60	Vice President, Tax (since July 2010) of Dover; prior thereto Deputy General Counsel, Tax (from November 2009 to June 2010) and Vice President, Tax (from May 2000 to October 2009) of Monsanto Company.

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Name	Age	Positions Held and Prior Business Experience
Paul E. Goldberg	52	Vice President, Investor Relations (since November 2011) of Dover; prior thereto Treasurer and Director of Investor Relations (from February 2006 to November 2011) of Dover.
James M. Moran	50	Vice President, Treasurer (since November 2015) of Dover; prior thereto Senior Vice President and Treasurer (June 2013 to August 2015) of Navistar International Corporation (“NIC”); prior thereto Vice President and Treasurer (2008 to June 2013) of NIC; also served as Senior Vice President and Treasurer of Navistar, Inc. (June 2013 to August 2015) and Vice President and Treasurer of Navistar, Inc. (2008 to June 2013); also served as Senior Vice President and Treasurer of Navistar Financial Corporation (“NFC”) (April 2013 to August 2015) and Vice President and Treasurer of NFC (January 2013 to April 2013).

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information and Dividends

The principal market in which Dover common stock is traded is the New York Stock Exchange. Information on the high and low close prices of our stock and the frequency and the amount of dividends paid during the last two years is as follows:

	2015			2014		
	Market Prices		Dividends	Market Prices (1)		Dividends
	High	Low	per Share	High	Low	per Share
First Quarter	$74.50	$68.59	$0.400	$81.02	$67.34	$0.375
Second Quarter	77.77	69.40	0.400	90.11	79.69	0.375
Third Quarter	70.03	55.99	0.420	90.22	79.94	0.400
Fourth Quarter	66.57	56.51	0.420	82.76	67.76	0.400
			$1.640			$1.550

(1) Due to the February 28, 2014 distribution of Knowles, the high and low close prices shown above for each quarter prior to the distribution have been adjusted for comparability purposes.

Holders

The number of holders of record of Dover common stock as of January 29, 2016 was approximately 19,701. This figure includes participants in our domestic 401(k) program.

Securities Authorized for Issuance Under Equity Compensation Plans

Information regarding securities authorized for issuance under our equity compensation plans is contained in Part III, Item 12 of this Form 10-K.

Recent Sales of Unregistered Securities

None.

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Issuer Purchases of Equity Securities

In January 2015, the Board of Directors approved a standing share repurchase authorization, whereby the Company may repurchase up to 15,000,000 shares of its common stock over the following three years. No repurchases were made in the fourth quarter of 2015. As of December 31, 2015, the number of shares still available for repurchase under the January 2015 share repurchase authorization was 6,771,458.

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Performance Graph

This performance graph does not constitute soliciting material, is not deemed filed with the SEC, and is not incorporated by reference in any of our filings under the Securities Act of 1933 or the Exchange Act of 1934, whether made before or after the date of this Form 10-K and irrespective of any general incorporation language in any such filing, except to the extent we specifically incorporate this performance graph by reference therein.

Comparison of Five-Year Cumulative Total Return *
Dover Corporation, S&P 500 Index & Peer Group Index

Total Shareholder Returns

Data Source: Research Data Group, Inc

*Total return assumes reinvestment of dividends.
This graph assumes $100 invested on December 31, 2010 in Dover Corporation common stock, the S&P 500 index, and a peer group index.

The 2015 peer index consists of the following 35 public companies selected by the Company.

3M Company	FMC Technologies Inc.	Rockwell Automation Inc.
Actuant Corp.	Honeywell International Inc.	Roper Industries Inc.
AMETEK Inc.	Hubbell Incorporated	Snap-On Inc.
Amphenol Corp.	IDEX Corporation	SPX Corporation
Cameron International Corp.	Illinois Tool Works Inc.	Teledyne Technologies Inc.
Carlisle Companies Inc.	Ingersoll-Rand PLC	Textron Inc.
Corning Inc.	Lennox International Inc.	The Timken Company
Crane Company	Nordson Corp.	Tyco International Limited
Danaher Corporation	Parker-Hannifin Corp.	United Technologies Corp.
Eaton Corporation	Pentair Limited	Vishay Intertechnology Inc.
Emerson Electric Co.	Precision Castparts Corp.	Weatherford International Limited
Flowserve Corporation	Regal Beloit Corp.	

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ITEM 6. SELECTED FINANCIAL DATA

in thousands except per share data	2015	2014	2013	2012	2011
Revenue	$6,956,311	$7,752,728	$7,155,096	$6,626,648	$6,051,011
Earnings from continuing operations	595,881	778,140	797,527	650,075	579,348
Net earnings	869,829	775,235	1,003,129	811,070	895,243
Basic earnings (loss) per share:					
Continuing operations	$3.78	$4.67	$4.66	$3.58	$3.12
Discontinued operations	1.74	(0.02)	1.20	0.89	1.70
Net earnings	5.52	4.65	5.86	4.47	4.82
Weighted average shares outstanding	157,619	166,692	171,271	181,551	185,882
Diluted earnings (loss) per share:					
Continuing operations	$3.74	$4.61	$4.60	$3.53	$3.07
Discontinued operations	1.72	(0.02)	1.18	0.88	1.67
Net earnings	5.46	4.59	5.78	4.41	4.74
Weighted average shares outstanding	159,172	168,842	173,547	183,993	188,887
Dividends per common share	$1.64	$1.55	$1.45	$1.33	$1.18
Capital expenditures	$154,251	$166,033	$141,694	$146,502	$152,764
Depreciation and amortization	327,089	307,188	278,033	229,934	193,353
Total assets	8,619,763	9,030,291	10,801,659	10,394,628	9,430,884
Total debt	2,768,464	3,030,997	2,828,479	2,800,116	2,187,252

All results and data in the table above reflect continuing operations, unless otherwise noted. See Note 3 Disposed and Discontinued Operations in the Consolidated Financial Statements in Item 8 of this Form 10-K for additional information on disposed and discontinued operations and Note 2 Acquisitions for additional information regarding the impact of 2015 and 2014 acquisitions.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand our results of operations and financial condition for the three years ended December 31, 2015. The MD&A should be read in conjunction with our Consolidated Financial Statements and Notes included in Item 8 of this Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed elsewhere in this Form 10-K, particularly in Item 1A. "Risk Factors" and in the "Special Note Regarding Forward-Looking Statements" preceding Part I of this Form 10-K.

Throughout this MD&A, we refer to measures used by management to evaluate performance, including a number of financial measures that are not defined under accounting principles generally accepted in the United States of America ("GAAP"). These include organic revenue, organic revenue growth, free cash flow and adjusted working capital. Organic revenue and organic growth refer to revenue and revenue growth excluding the impacts of foreign exchange, acquisitions and divestitures. Free cash flow is operating cash flow less capital spending, while adjusted working capital refers to accounts receivable, plus inventory, less accounts payable. We believe these measures provide investors with important information that is useful in understanding our business results and trends. Reconciliations within this MD&A provide more details on the use and derivation of these measures.

The MD&A is organized as follows:

- Overview and Outlook
- Consolidated Results of Operations
- Segment Results of Operations
- Financial Condition
- Cash Flow Summary and Liquidity and Capital Resources
- Critical Accounting Policies and Recent Accounting Standards
- Non-GAAP Disclosures

OVERVIEW AND OUTLOOK

Dover is a diversified global manufacturer delivering innovative equipment and components, specialty systems and support services through four major operating segments: Energy, Engineered Systems, Fluids, and Refrigeration & Food Equipment.

Full year 2015 consolidated revenue from continuing operations was $7.0 billion, a decrease of $796.4 million or 10.3%, as compared to the prior year. This decrease included a decline in organic revenue of 9.8%, an unfavorable impact of 3.9% from foreign currency, and 0.1% decline due to a disposed product line, partially offset by a 3.5% increase in acquisition-related revenue. Overall, customer pricing had a minimal unfavorable impact of 0.2% on revenue for the year.

Our Energy segment revenue decreased $533.6 million, or 26.4%, from the prior year. This decrease included a 34.3% decline in organic revenue and a 1.4% decrease due to foreign currency impacts, partially offset by 9.3% of acquisition related growth. The decline in organic revenue within our Energy segment was largely attributable to the significant deterioration within the oil and gas markets. Within our Engineered Systems segment, revenue decreased $43.1 million, or 1.8%, from the prior year. In spite of this overall decline, organic revenue grew 3.2% and acquisitions contributed 0.9% growth which was offset by 5.9% of the unfavorable impact of foreign currency rates. Our Fluids segment revenue decreased $31.3 million, or 2.2%, comprised of 0.8% organic revenue growth and 2.4%

revenue growth attributable to acquisitions, offset by 5.4% unfavorability due to foreign currency. Within our Refrigeration & Food Equipment segment revenue declined $189.8 million, or 9.9%, from the prior year, including declines of 7.8% in organic revenue, 2.4% related to foreign currency, and 0.4% due to the disposition of a product line (See Note 3 Disposed and Discontinued Operations for additional information), partially offset by 0.7% of acquisition related growth.

Gross profit decreased $406.1 million, or 13.7%, to $2.6 billion, primarily as a result of the decline in sales partially offset by supply chain cost containment initiatives and the benefits of prior restructuring actions. For further discussion related to our consolidated and segment results, see "Consolidated Results of Operations" and "Segment Results of Operations," respectively, within Management's Discussion and Analysis of Financial Condition and Results of Operations.

Bookings decreased 12.3% over the prior year to $6.8 billion, driven primarily by weakness within our Energy segment which declined 29.1%. The decrease in full company bookings included a decrease in organic bookings of 11.8%, 3.6% as a result of unfavorable foreign exchange rates, and a 0.1% decrease due to dispositions, partially offset by a 3.2% increase in acquisition-related bookings. Bookings across the Engineered Systems, Fluids, and Refrigeration & Food Equipment segments decreased by 5.7%, 5.8% and 7.8%, respectively. Overall, our book-to-bill was 0.98, a slight decrease from the prior year's book-to-bill of 1.00. Backlog as of December 31, 2015 was $994.6 million, down from $1.2 billion from the prior year.

From a geographic perspective, revenue declined in North America, Europe, Asia, and Latin America. The decrease in North America was primarily driven by the significant deterioration of oil and gas markets and the loss of share with a major food retail customer. The decrease in Europe and Latin America was primarily due to the unfavorable impact of foreign currency rates. Asia was down modestly due to weakness in industrial markets in China.

We acquired four businesses in 2015 for total net consideration of $567.8 million. These businesses were acquired primarily to complement and expand upon existing operations within our Fluids and Engineered Systems segments. In addition, in 2015, in conjunction with the regular review of our portfolio and the fit of our businesses, we completed the divestitures of the Sargent Aerospace and Datamax O'Neil businesses, which were previously classified as discontinued operations. We also completed the divestiture of a product line within our Refrigeration & Food Equipment segment during the fourth quarter of 2015. The operating results of this business remain within our consolidated results for 2015 as the disposal did not qualify to be classified as a discontinued operation.

During 2015, we continued our focus on operating efficiencies through our Dover Excellence Program. This program focuses on free cash flow generation, productivity to support the ongoing investment in product innovation and customer expansion activities, the continuous evaluation of operating efficiencies, and the continued consolidation of back office support. As a result of the Dover Excellence Program focus, we generated free cash flow of $794.8 million or 11.4% of revenue, an increase of $10.7 million and 13 basis points over the prior year. In addition the Dover Excellence Program's focus on supply chain initiatives generated approximately $40 million in cost savings during 2015. During the year we also took actions to right-size our businesses to reflect difficult market conditions, especially within our Energy segment. These actions resulted in full year 2015 restructuring charges of $55.2 million, of which $30.8 million was within the Energy segment. The 2016 cost savings expected to be realized as a result of the restructuring programs and other cost management actions initiated in 2015 is expected to be within the range of $40.0 million to $50.0 million. We expect additional programs may be implemented throughout 2016 with related restructuring charges in the range of $10 to $20 million.

During the year ended December 31, 2015, the Company purchased a total of approximately 8.2 million shares of its common stock in the open market at a total cost of $600.2 million, or approximately $72.94 per share. These share repurchases were made under the January 2015 share authorization through which the Board of Directors authorized total repurchases of 15 million shares of the Company's common stock. As of December 31, 2015, the approximate number of shares still available for repurchase under the January 2015 share repurchase authorization was 6.8 million. In 2015 we continued our history of increasing our annual dividend payments to shareholders and paid a total of $258.0 million in dividends to our shareholders.

LOOKING FORWARD

In 2016, we expect revenue growth in our Engineered Systems, Fluids and Refrigeration & Food Equipment segments. We also expect revenue to further decline in Energy, impacted by continuing deterioration within the oil and gas markets. In all, we expect 2016 revenue growth of 1% to 4%. This growth will be comprised of an organic revenue decline of 1% to 4%, growth from acquisitions of approximately 7%, and a negative impact from foreign currency of approximately 2%. We expect overall growth will be driven by acquisitions, primarily within the Fluids and Engineered Systems segments, and new product introduction, primarily within the Engineered Systems and Refrigeration & Food Equipment segments. Within the Energy segment, North American markets are expected to continue to decline due to reduced rig counts and capital spending resulting from lower oil prices. Our Energy business's international revenue, comprising approximately 24% of segment revenue, is expected to remain stable to modestly improving. Our estimate for Energy in 2016 is based on an average annual price per barrel of oil of approximately $40 versus the current market price around $30.

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We expect to generate free cash flow in 2016 of approximately 11.0% of revenue. In total, we expect full year diluted earnings per share from continuing operations ("EPS") to be in the range of $3.85 to $4.05. Our 2016 guidance includes the impact of disposed product lines, the benefit of previously executed restructuring actions and share repurchases, and the impact of foreign currency translation.

If global or domestic economic conditions accelerate or deteriorate, especially energy markets, our operating results for 2016 could be materially different than currently projected.

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CONSOLIDATED RESULTS OF OPERATIONS

As discussed in Note 3 Disposed and Discontinued Operations to the Consolidated Financial Statements in Item 8 of this Form 10-K, in the fourth quarter of 2014, we reclassified certain businesses in the Engineered Systems segment to discontinued operations based on our decision to divest these businesses. The results of operations of these businesses have been removed from the results of continuing operations and are presented within results of discontinued operations for all periods presented.

	Years Ended December 31,			% / Point Change	
(dollars in thousands, except per share figures)	2015	2014	2013	2015 vs. 2014	2014 vs. 2013
Revenue	$6,956,311	$7,752,728	$7,155,096	(10.3)%	8.4%
Cost of goods and services	4,388,167	4,778,479	4,376,505	(8.2)%	9.2%
Gross profit	2,568,144	2,974,249	2,778,591	(13.7)%	7.0%
Gross profit margin	36.9%	38.4%	38.8%	(1.5)	(0.4)
Selling and administrative expenses	1,647,382	1,758,765	1,616,921	(6.3)%	8.8%
Selling and administrative as a percent of revenue	23.7%	22.7%	22.6%	1.0	0.1
Interest expense, net	127,257	127,179	120,654	0.1%	5.4%
Other income, net	(7,105)	(5,902)	(4,970)	nm*	nm*
Provision for income taxes	204,729	316,067	248,459	(35.2)%	27.2%
Effective tax rate	25.6%	28.9%	23.8%	(3.3)	5.1
Earnings from continuing operations	595,881	778,140	797,527	(23.4)%	(2.4)%
Earnings (loss) from discontinued operations, net	273,948	(2,905)	205,602	nm*	nm*
Earnings from continuing operations per common share - diluted	$3.74	$4.61	$4.60	(18.9)%	0.2%

* nm: not meaningful

Revenue

Our 2015 consolidated revenue decreased $796.4 million, or 10.3% to $7.0 billion compared to 2014, reflecting an organic decline of 9.8%, an unfavorable impact of 3.9% from foreign currency translation, and 0.1% decline due to a disposed product line, offset by growth from acquisitions of 3.5%. Acquisition growth of 3.5% was largely driven by the recent acquisitions of JK Group, Gala Industries, and Reduction Engineering Scheer within our Engineered Systems and Fluids segments, respectively as well as the full-year benefit from the October 2014 acquisition of Accelerated within the Energy segment. Overall customer pricing was slightly unfavorable, impacting consolidated revenue 0.2%.

Our 2014 consolidated revenue increased 8.4% to $7.8 billion compared with 2013, reflecting organic growth of 4.4%, acquisition- related growth of 4.4% and a slightly unfavorable impact from foreign currency translation. All four segments grew solidly year-over-year. Acquisition growth of 4.4% was largely driven by our Energy segment with the acquisitions of Accelerated and WellMark.

Gross Profit

Our gross profit decreased $406.1 million, or 13.7%, in 2015 compared with 2014, primarily due to the significant decline in sales volumes partially offset by supply chain cost containment initiatives and the benefits of prior restructuring actions. Gross profit margin declined 150 basis points due to an unfavorable product mix as those businesses with historically higher margin contributions experienced significant revenue declines.

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Our gross profit increased $195.7 million or 7.0% in 2014 compared with 2013, reflecting the benefit of increased sales volumes. Gross profit margin declined 40 basis points due to the impact of higher restructuring costs of $14.4 million, higher acquisition- related depreciation and amortization of $15.4 million, and higher one-time labor costs as we completed the transition to new production sites.

Selling and Administrative Expenses

Selling and administrative expenses decreased $111.4 million, or 6.3%, in 2015 compared with 2014 reflecting the impact of cost savings realized as the result of restructuring programs and reduced discretionary spending. As a percentage of revenue, selling and administrative expenses increased 100 basis points in 2015 to 23.7%, reflecting deleveraging of fixed administrative costs, particularly within the Energy segment. Additionally, higher restructuring costs of $8.9 million as compared to 2014 also contributed to higher selling and administrative expenses relative to the revenue base.

Higher selling and administrative expenses in 2014 relative to 2013 reflect general increases across the segments in support of higher volumes. As a percentage of revenue, selling and administrative expenses increased 10 basis points in 2014 to 22.7% as compared to 22.6% for 2013. Results for 2014 include a $3.6 million one-time settlement charge for lump-sum payments made to participants in our U.S. defined benefit pension plan. Selling and administrative expenses for the 2013 period also include certain one-time gains of $6.8 million associated with the sale of land in Switzerland and pension curtailment gain of $4.4 million recognized in connection with the freeze of future service benefits for the U.S. benefit plans. Adjusting for these one-time items, selling and administrative expenses as a percentage of revenue improved 20 basis points in 2014 relative to 2013 as a result of leverage from higher revenue levels, which more than offset higher acquisition-related depreciation and amortization and increased restructuring charges.

Non-Operating Items

Interest expense, net, remained relatively flat at $127.3 million in 2015 due to higher interest rates on commercial paper year over year offset by lower interest on the Euro-denominated debt and on the $400.0 million notes issued during the fourth quarter. In 2014, our interest expense, net, increased 5.4% to $127.2 million due primarily to higher interest rates on the euro-denominated debt issued in the fourth quarter of 2013.

Other expense (income), net in 2015, 2014, and 2013 includes $1.6 million, $2.1 million, and $5.6 million, respectively, of net foreign exchange losses resulting from the re-measurement and settlement of foreign currency denominated balances. These foreign exchange losses were more than offset by other nonrecurring items including income due to insurance settlements for property damage of $3.6 million, $5.1 million and $7.4 million in 2015, 2014 and 2013, respectively. Other income for 2015 and 2014 also included $3.3 million and $1.7 million, respectively, for earnings on equity method investments during the year.

Income Taxes

Our businesses span the globe with 33.8%, 27.8%, and 31.7% of our pre-tax earnings in 2015, 2014, and 2013, respectively, generated in foreign jurisdictions. Foreign earnings are generally subject to local country tax rates that are below the 35.0% U.S. statutory rate. We also benefit from tax holidays and incentives in a number of the foreign jurisdictions. As a result, our effective non-U.S. tax rate is typically significantly lower than the U.S. statutory rate.

The 2015 effective tax rate on continuing operations was 25.6% compared to the 2014 rate of 28.9%. The 2015 and 2014 rates were impacted by $17.5 million and $11.3 million of favorable net discrete items, principally related to settlements of uncertain tax matters. After adjusting for discrete items, the effective tax rates were 27.8% for 2015 and 29.9% for 2014. Our 2015 tax rate was lower than the prior year due to the mix of earnings driven principally by reduced U.S. earnings within our Energy segment.

We believe it is reasonably possible during the next twelve months that uncertain tax positions may be settled, which could result in a decrease in the gross amount of unrecognized tax benefits. This decrease may result in an income tax benefit. Due to the potential for resolution of federal, state, and foreign examinations, and the expiration of various statutes of limitation, our gross unrecognized tax benefits balance may change within the next twelve months by a range of zero to $18.0 million. Some portion of such change may be reported as discontinued operations. We believe adequate provision has been made for all income tax uncertainties.

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The 2013 effective tax rate on continuing operations was 23.8%. The effective tax rate in 2013 was impacted by favorable net discrete items totaling $75.5 million, principally related to the conclusion of certain U.S. federal, state and international tax audits, a favorable court opinion, certain cross-border tax consequences and the effect of the American Tax Relief Act of 2012 which was enacted on January 2, 2013. After adjusting for discrete and other items, the effective tax rate for 2013 was 31.0%.

Earnings from Continuing Operations

Earnings from continuing operations decreased 23.4% to $595.9 million, or $3.74 EPS in 2015, compared with earnings from continuing operations of $778.1 million, or $4.61 EPS, in 2014. These results include discrete tax benefits of $17.5 million, or $0.11 EPS, in 2015 and $11.3 million, or $0.07 EPS, in 2014. Excluding these tax benefits, earnings from continuing operations decreased 24.6% in 2015 primarily due to lower revenues and additional restructuring charges, partially offset by benefits from productivity and cost containment initiatives. EPS decreased in 2015 as a result of lower earnings, partially offset by lower weighted average shares outstanding relative to 2014 due to approximately eight million shares repurchased during the year.

Earnings from continuing operations decreased 2.4% in 2014, compared with earnings from continuing operations of $797.5 million, or $4.60 EPS, in 2013. These results include discrete tax benefits of $11.3 million in 2014 and $75.5 million, or $0.43 EPS, in 2013. Excluding these tax benefits, earnings from continuing operations increased 6.2% primarily due to higher revenues and benefits from productivity and cost containment initiatives, offset by higher restructuring and acquisition-related expenses. EPS increased in 2014, reflecting the impact of higher earnings and lower weighted average shares outstanding relative to 2013 due to over seven million shares repurchased during the year.

Discontinued Operations

The results of discontinued operations for the year ended December 31, 2015, primarily include the gain on sale of $265.6 million as a result of the sale of Datamax O'Neil and Sargent Aerospace and $6.3 million of earnings attributable to those businesses prior to their disposal. These businesses were previously included in the results of the Engineered Systems segment and were reclassified to discontinued operations in 2014.

The results of discontinued operations for the year ended December 31, 2014 totaled a net loss of $2.9 million. This amount includes a loss on the sale of DEK of $6.9 million and a gain of $3.2 million in connection with a working capital adjustment for ECT, which was sold in 2013. Also reflected within the net loss from discontinued operations is $32.3 million of after-tax earnings for those businesses classified as discontinued operations, including Datamax O'Neil and Sargent Aerospace, $27.1 million of spin-off costs and a pension settlement charge of $4.4 million, net of tax, attributable to lump sum payments made to Knowles participants in Dover's qualified defined benefit pension plan.

Earnings from discontinued operations for the year ended December 31, 2013 were $205.6 million, which primarily reflects after-tax earnings of the five businesses classified as discontinued operations as well as discrete tax benefits of $54.8 million, $30.1 million of spin-off costs, and $18.3 million of interest on tax obligations in foreign jurisdictions. Also reflected in discontinued operations is a net loss on the sale of ECT, including impairments, of $21.5 million and $14.0 million of impairment relating to DEK.

Refer to Note 3 Disposed and Discontinued Operations in the Consolidated Financial Statements in Item 8 of this Form 10-K for additional information on disposed and discontinued operations.

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Restructuring Activities

2015 Restructuring Activities

The Company incurred $55.2 million of restructuring charges during 2015 including the programs described below.

- The Energy segment incurred restructuring charges of $30.8 million related to various programs across the segment focused on workforce reductions and field service consolidations. These programs were initiated to better align cost base with the significantly lower demand environment.

- The Engineered Systems segment recorded $13.3 million of restructuring charges relating to headcount reductions across various businesses primarily related to optimization of administrative functions within the Printing & Identification platform and U.S. manufacturing consolidation within the Industrials platform.

- The Fluids segment recorded $4.9 million of restructuring charges principally related to reduction in workforce for those businesses serving the Pumps markets. Additional restructuring was completed in the pumps businesses for facility consolidation.

- The Refrigeration & Food Equipment segment recorded restructuring charges of $5.8 million, primarily related to asset impairments due to exit plans at targeted facilities and headcount reductions.

We anticipate that much of the benefit of these 2015 programs will be realized in 2016 and into 2017. We also expect to fund the remainder of the 2015 programs currently underway over the next 12 to 18 months. In light of the economic uncertainty in certain of our end markets and our continued focus on improving our operating efficiency, it is possible that additional programs may be implemented throughout the remainder of 2016.

2014 Restructuring Activities

The Company incurred $44.8 million of restructuring charges during 2014 including the programs described below.

- The Energy segment incurred restructuring charges of $7.5 million, related principally to a facility consolidation in its businesses serving the compression markets and a reduction in workforce.

- The Engineered Systems segment recorded $6.6 million of restructuring charges relating to facility consolidations within both the Printing & Identification and Industrials platforms, as well as actions taken to optimize costs related to engineering, sales, and administrative functions within the Printing & Identification platform.

- The Fluids segment recorded $3.8 million of restructuring charges principally related to reduction in workforce for those businesses serving the Pumps markets.

- The Refrigeration & Food Equipment segment recorded restructuring charges of $24.9 million, primarily related to headcount reductions and exit plans at targeted facilities, including approximately $17.5 million related to the closure of a European-based facility within Refrigeration.

- Corporate recorded restructuring charges of approximately $2.0 million, primarily severance expense, resulting from the Company's decision to realign its businesses into a new segment structure in the first quarter of 2014 following the spin-off of Knowles.

Restructuring initiatives in 2013 were limited to a few targeted facility consolidations and headcount reductions. We incurred restructuring charges of $9.1 million relating to such activities. See Note 8 Restructuring Activities in the Consolidated Financial Statements in Item 8 of this Form 10-K for additional details regarding our recent restructuring activities.

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SEGMENT RESULTS OF OPERATIONS

The summary that follows provides a discussion of the results of operations of each of our four reportable operating segments (Energy, Engineered Systems, Fluids, and Refrigeration & Food Equipment). Each of these segments is comprised of various product and service offerings that serve multiple end markets. See Note 16 Segment Information in the Consolidated Financial Statements in Item 8 of this Form 10-K for a reconciliation of segment revenue, earnings, and operating margin to our consolidated revenue, earnings from continuing operations, and operating margin. Segment EBITDA and segment EBITDA margin, which are presented in the segment discussion that follows, are non-GAAP measures and do not purport to be alternatives to operating income as a measure of operating performance. We believe that these measures are useful to investors and other users of our financial information in evaluating ongoing operating profitability as they exclude the depreciation and amortization expense related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors. For further information, see the Non-GAAP Disclosures at the end of this Item 7.

Energy

Our Energy segment, serving the Drilling & Production, Bearings & Compression, and Automation end markets, is a provider of customer-driven solutions and services for safe and efficient production and processing of fuels worldwide and has a strong presence in the bearings and compression components and automation markets.

	Years Ended December 31,			% Change	
(dollars in thousands)	2015	2014	2013	2015 vs. 2014	2014 vs. 2013
Revenue:					
Drilling & Production	$1,009,416	$1,459,514	$1,378,225	(30.8)%	5.9%
Bearings & Compression	306,387	347,470	341,628	(11.8)%	1.7%
Automation	167,877	210,255	134,000	(20.2)%	56.9%
Total	$1,483,680	$2,017,239	$1,853,853	(26.4)%	8.8%
Segment earnings	$173,190	$461,815	$459,649	(62.5)%	0.5%
Operating margin	11.7%	22.9%	24.8%		
Segment EBITDA	$314,969	$573,771	$558,724	(45.1)%	2.7%
Segment EBITDA margin	21.2%	28.4%	30.1%		
Other measures:					
Depreciation and amortization	$141,779	$111,956	$99,075	26.6%	13.0%
Bookings	1,429,260	2,016,411	1,853,562	(29.1)%	8.8%
Backlog	155,586	233,347	206,790	(33.3)%	12.8%

Components of revenue growth:	2015 vs. 2014	2014 vs. 2013
Organic (decline) growth	(34.3)%	3.1%
Acquisitions	9.3%	6.6%
Foreign currency translation	(1.4)%	(0.9)%
	(26.4)%	8.8%

2015 Versus 2014

Revenue generated by our Energy segment decreased $533.6 million, or 26.4%, as compared with 2014, composed of an organic revenue decline of 34.3% and an unfavorable impact from foreign currency translation of 1.4%, offset by 9.3% acquisition-related growth. This decline in revenue was the result of significantly lower demand from our customers as a result of the

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dramatic decrease in the price of oil during 2015 and a decline of approximately 47% in the year over year average number of active drilling rigs in the U.S. The impact of strategic customer price reductions on revenue was approximately 1.7% in 2015.

- Drilling & Production end market revenue (representing 68.0% of segment revenue) decreased $450.1 million, or 30.8%, due to significantly reduced demand and customer inventory reductions in our North American markets caused by the decrease in the price of oil and reduced number of active drilling rigs. The decrease in revenue for Drilling & Production was partially offset by acquisition-related growth, mainly due to our acquisition of Accelerated in the fourth quarter of 2014.

- Bearings & Compression end market revenue (representing 20.7% of segment revenue) decreased $41.1 million, or 11.8% due to ongoing declines in our Bearings end market, as slower OEM build rates continued, especially with oil and gas customers.

- Automation end market revenue (representing approximately 11.3% of segment revenue) decreased $42.4 million, or 20.2%. The favorable impact of recent acquisitions was more than offset by customer project delays, as low oil prices and uncertainties resulted in reduced capital spending by service and exploration and production companies.

Segment earnings decreased $288.6 million, or 62.5%, for our Energy segment, as compared to the prior year, primarily driven by lower volume for our businesses serving the Drilling & Production end market as well as higher acquisition-related depreciation and amortization of approximately $10.1 million over the prior year. In addition, restructuring charges increased $23.3 million over the prior year, as the segment continued targeted workforce reductions and field service consolidations.

Bookings for the year ended December 31, 2015 decreased 29.1% compared to 2014, reflecting ongoing market weakness. Backlog at December 31, 2015 decreased 33.3% compared to the prior year due to decreased demand in all three end markets primarily due to lower oil prices. Segment book-to-bill was 0.96.

2014 Versus 2013

Energy segment revenue for the year increased $163.4 million, an 8.8% increase over the prior year including organic growth of 3.1%, acquisition-related growth of 6.6%, slightly offset by an unfavorable impact from foreign currency translation of 0.9%. Customer pricing was neutral when comparing 2014 to the prior year.

- Drilling & Production revenue (representing 72.4% of 2014 segment revenue) increased $81.3 million, or 5.9%. Growth was driven by strong U.S. drilling and artificial lift activity and the impact of acquisitions, particularly Accelerated Companies LLC, purchased in October 2014. This growth was partially offset by expected lower project-related shipments in Australia and lower demand for winches in the military and infrastructure markets.

- Bearings & Compression revenue (representing 17.2% of 2014 segment revenue) increased $5.8 million, or 1.7%. This growth resulted from increased demand in our Compression end market, partially offset by softness in our Bearings end market due to slower OEM build rates.

- Automation revenue (representing 10.4% of 2014 segment revenue) increased $76.3 million, or 56.9%, primarily resulting from growth relating to the 2014 acquisitions of Wellmark Holdings, Inc. and Timberline Manufacturing as well as the full year impact of the 2013 acquisition of SPIRIT. Growth in 2014 was also driven by strong drilling activity and increased sensor replacement in the downhole pressure transducers business.

Energy earnings in 2014 increased $2.2 million compared to 2013, or 0.5%, primarily due to higher Drilling and Automation revenue partially offset by higher acquisition-related depreciation and amortization of approximately $22.0 million, as well as higher restructuring costs of $8.4 million. The operating margin decrease of 190 basis points was also partially impacted by unfavorable material pricing in the artificial lift businesses.

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Engineered Systems

Our Engineered Systems segment is comprised of two platforms, Printing & Identification and Industrials, and is focused on the design, manufacture and service of critical equipment and components serving the fast-moving consumer goods, digital textile printing, vehicle service, environmental solutions and industrials end markets.

	Years Ended December 31,			% Change	
(dollars in thousands)	2015	2014	2013	2015 vs. 2014	2014 vs. 2013
Revenue:					
Printing & Identification	$943,670	$988,884	$877,875	(4.6)%	12.6%
Industrials	1,399,243	1,397,081	1,300,095	0.2%	7.5%
	$2,342,913	$2,385,965	$2,177,970	(1.8)%	9.5%
Segment earnings	$376,961	$386,998	$347,497	(2.6)%	11.4%
Operating margin	16.1%	16.2%	16.0%		
Segment EBITDA	$436,875	$448,944	$406,555	(2.7)%	10.4%
Segment EBITDA margin	18.6%	18.8%	18.7%		
Other measures:					
Depreciation and amortization	$59,914	$61,946	$59,058	(3.3)%	4.9%
Bookings					
Printing & Identification	$937,215	$993,204	$879,531	(5.6)%	12.9%
Industrials	1,369,438	1,451,847	1,316,228	(5.7)%	10.3%
	$2,306,653	$2,445,051	$2,195,759	(5.7)%	11.4%
Backlog					
Printing & Identification	$98,288	$110,359	$95,597	(10.9)%	15.4%
Industrials	250,725	282,598	231,748	(11.3)%	21.9%
	$349,013	$392,957	$327,345	(11.2)%	20.0%
Components of revenue growth:				2015 vs. 2014	2014 vs. 2013
Organic growth				3.2%	6.2%
Acquisitions				0.9%	4.1%
Foreign currency translation				(5.9)%	(0.8)%
				(1.8)%	9.5%

2015 Versus 2014

Engineered Systems revenue for 2015 decreased $43.1 million, or 1.8% as compared to 2014 primarily driven by an unfavorable impact from foreign currency of 5.9%, partially offset by organic growth of 3.2% and acquisition-related growth of 0.9%. The Engineered Systems segment derived 45% of its revenues outside the U.S. in 2015, primarily within Europe. A significant portion of the segment's sales were impacted by the strengthening of the U.S. dollar against the Euro and other global currencies in 2015. Customer pricing did not have a significant impact on the segment in 2015.

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Revenue derived from our Printing & Identification platform (representing 40.3% of segment revenue) decreased $45.2 million, or 4.6%. The growth in organic revenue of 4.6% and acquisition-related growth of 2.2% was more than offset by the negative impact of foreign currency translation of 11.4%, as the Euro and several other currencies weakened against the U.S. dollar.

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- Revenue of our Industrials platform (representing 59.7% of segment revenue), increased $2.2 million, or 0.2%, as compared to the prior year. Organic growth of 2.3% was driven by continued strong results in our waste handling and auto-related businesses, partially offset by softness in other Industrials businesses. This increase was partially offset by a 2.1% unfavorable foreign currency translation impact.

Engineered Systems segment earnings in 2015 decreased $10.0 million, or 2.6%, compared with 2014. Increased volume as a result of organic growth was more than offset by the significant, unfavorable impact from foreign currency and higher restructuring charges of $6.7 million. Operating margin remained flat with the prior year, reflecting productivity gains and the benefits from completed restructuring initiatives.

Bookings for our Industrials platform decreased 5.7% due to a decline in organic growth and foreign currency translation. Our Printing & Identification bookings decreased 5.6%, due to the impact of foreign currency translation offset by recent acquisitions and organic growth. Segment book-to-bill was 0.98.

2014 Versus 2013

Engineered Systems 2014 revenue increased $208.0 million, or 9.5%, including organic revenue growth of 6.2% and growth from recent acquisitions of 4.1%, partially offset by an unfavorable impact from foreign currency translation of 0.8%. Customer pricing did not have a significant impact on Engineered Systems revenue in 2014 as compared to 2013.

- Revenue within Printing & Identification (representing 41.4% of 2014 segment revenue) increased $111.0 million, or 12.6%, including organic growth of 4.8% and 9.7% acquisition-based growth, partially offset by a 1.9% unfavorable impact of foreign currency translation. Broad-based global growth in both our fast moving consumer goods and industrial businesses, especially in the U.S., drove organic revenue growth. Acquisition growth was primarily driven by MS Printing Solutions, acquired in February 2014, contributing revenue growth of approximately 8.0% as compared to 2013.

- Revenue derived from Industrials (representing 58.6% of 2014 segment revenue) increased $97.0 million, or 7.5%, as compared to the prior year comprising organic growth of 7.1% resulting from broad-based growth led by our auto-related and waste equipment businesses. Acquisition-related revenue increased 0.2%, while foreign currency translation had a favorable impact of 0.1%.

Engineered Systems segment earnings in 2014 increased $39.5 million, or 11.4%, compared with 2013, as a result of increased volume and productivity improvements and recent acquisitions. Operating margin increased 20 basis points compared to 2013, as productivity savings were partially offset by higher acquisition-related costs, including $6.5 million of depreciation and amortization, as well as higher restructuring costs of $3.0 million.

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Fluids

Our Fluids segment, serving the Fluid Transfer and Pumps end markets, is focused on the safe handling of critical fluids across the retail fueling, chemical, hygienic, oil and gas and industrial end markets.

	Years Ended December 31,			% Change	
(dollars in thousands)	2015	2014	2013	2015 vs. 2014	2014 vs. 2013
Revenue:					
Fluid Transfer	$792,971	$778,979	$665,559	1.8 %	17.0 %
Pumps	606,302	651,587	571,279	(6.9)%	14.1 %
Total	$1,399,273	$1,430,566	$1,236,838	(2.2)%	15.7 %
Segment earnings	$262,117	$251,639	$224,523	4.2 %	12.1 %
Operating margin	18.7 %	17.6 %	18.2 %		
Segment EBITDA	$318,195	$312,542	$273,335	1.8 %	14.3 %
Segment EBITDA margin	22.7 %	21.8 %	22.1 %		
Other measures:					
Depreciation and amortization	$56,078	$60,903	$48,812	(7.9)%	24.8 %
Bookings	1,351,191	1,434,358	1,261,922	(5.8)%	13.7 %
Backlog	243,459	277,834	310,330	(12.4)%	(10.5)%
Components of revenue growth:				2015 vs. 2014	2014 vs. 2013
Organic growth				0.8 %	7.5 %
Acquisitions				2.4 %	8.3 %
Foreign currency translation				(5.4)%	(0.1)%
				(2.2)%	15.7 %

2015 Versus 2014

Fluids segment revenue decreased $31.3 million, or 2.2%, compared to 2014, comprised of an unfavorable foreign currency impact of 5.4%, offset by organic growth of 0.8% and acquisition-related growth of 2.4%. Fluids segment revenue experienced some favorability in 2015 as a result of strategic customer pricing offset by pricing pressure in polymer pumps and pressures within the oil and gas markets.

- Fluid Transfer revenue (representing 56.7% of 2015 segment revenue) increased $14.0 million, or 1.8%, compared to the prior year. The Fluid Transfer businesses grew organically and continue to benefit from acquisition-related growth, which partially offset the unfavorable impact of foreign currency translation.

- Pumps revenue (representing 43.3% of 2015 segment revenue) decreased $45.3 million, or 6.9%, as compared with the prior year, as solid results for our plastic and polymer pump business were offset by the impacts of foreign currency and slower activity in oil and gas-related pump end markets.

Fluids segment earnings increased $10.5 million, or 4.2%, for the year ended December 31, 2015 compared to the prior year period, driven by the benefits of completed restructuring and productivity actions. Operating margin expanded 110 basis points, in spite of an increase in depreciation and amortization expense related to recent acquisitions, higher restructuring charges as compared to the prior year period, deal related expenses and the unfavorable impact of foreign currency.

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Bookings for 2015 decreased 5.8% as compared to 2014, and backlog levels decreased 12.4% at December 31, 2015 compared to the prior year end, primarily reflecting the timing of project-related orders within Pumps. Book to bill was 0.97.

2014 Versus 2013

Fluids segment revenue increased $193.7 million, or 15.7%, compared to 2013, comprised of organic revenue growth of 7.5%, acquisition-related growth of 8.3%, partially offset by an unfavorable foreign currency impact of 0.1%. Customer pricing provided favorability due in 2014 as compared to 2013.

- Fluid Transfer revenue (representing 54.5% of 2014 segment revenue) increased $113.4 million, or 17.0%, compared to the prior year. Growth was driven by strong fuel transportation and global retail fueling environment markets, as well as from recent acquisitions.

- Pumps revenue (representing 45.5% of 2014 segment revenue) increased $80.3 million, or 14.1%, as compared with the prior year. Growth was driven by solid global demand, growth from recent acquisitions and new product introductions.

Fluids segment earnings increased $27.1 million, or 12.1%, in 2014 compared to 2013, as volume leverage, productivity initiatives and strategic pricing more than offset incremental costs associated with recent acquisitions, including approximately $10.7 million of depreciation and amortization. Operating margin decreased 60 basis points, primarily due to the aforementioned impact of recent acquisitions, as well as higher restructuring charges to better streamline businesses, particularly within the businesses serving the Pumps end market.

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Refrigeration & Food Equipment

Our Refrigeration & Food Equipment segment is a provider of innovative and energy efficient equipment and systems serving the commercial refrigeration and food service end markets.

	Years Ended December 31,			% Change	
(dollars in thousands)	2015	2014	2013	2015 vs. 2014	2014 vs. 2013
Revenue:					
Refrigeration	$1,336,829	$1,483,157	$1,449,857	(9.9)%	2.3%
Food Equipment	394,601	438,032	437,983	(9.9)%	—%
Total	$1,731,430	$1,921,189	$1,887,840	(9.9)%	1.8%
Segment earnings	$221,299	$238,734	$267,307	(7.3)%	(10.7)%
Operating margin	12.8%	12.4%	14.2%		
Segment EBITDA	$287,373	$307,435	$334,535	(6.5)%	(8.1)%
Segment EBITDA margin	16.6%	16.0%	17.7%		
Other measures:					
Depreciation and amortization	$66,074	$68,701	$67,228	(3.8)%	2.2%
Bookings	1,717,100	1,863,207	1,882,338	(7.8)%	(1.0)%
Backlog	247,352	282,507	347,004	(12.4)%	(18.6)%

Components of revenue growth:	2015 vs. 2014	2014 vs. 2013
Organic (decline) growth	(7.8)%	1.7%
Acquisitions	0.7%	0.2%
Dispositions	(0.4)%	—%
Foreign currency translation	(2.4)%	(0.1)%
	(9.9)%	1.8%

2015 Versus 2014

Refrigeration & Food Equipment segment revenue decreased $189.8 million, or 9.9%, compared to 2014, comprised of an organic revenue decline of 7.8%, an unfavorable impact from foreign currency translation of 2.4%, and a 0.4% decline due to dispositions. The decline was slightly offset by acquisition-related growth of 0.7%. Customer pricing did not have a significant impact on the segments revenue in 2015.

- Refrigeration revenue (representing 77.2% of segment revenue) decreased $146.3 million, or 9.9%, year over year, primarily driven by the anticipated decline in organic revenue due to reduced volume from a major food retail customer, as well as an unfavorable impact from foreign currency translation, primarily the Euro.
- Food Equipment revenue (representing 22.8% of segment revenue) decreased $43.4 million, or 9.9%, compared with the prior year mainly due to market softness in our beverage can forming equipment and food packaging machinery businesses, as well as the unfavorable impact of foreign currency translation.

Refrigeration & Food Equipment segment earnings decreased $17.4 million, or 7.3%, for the year ended December 31, 2015 compared to the prior year period, primarily due to volume declines, partially offset by the benefits of restructuring programs and productivity initiatives. Operating margin increased 40 basis points, reflecting the benefits of restructuring programs and reduced supply chain and manufacturing costs as well as lower restructuring charges in 2015 as compared to the prior year.

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Results of operations for the Refrigeration & Food Equipment segment include a product line that was disposed in the fourth quarter of 2015. The disposal of this product line reduced segment revenue by 0.4% in 2015. The segment recognized a minimal gain on sale upon disposal of this product line.

Bookings for 2015 decreased 7.8% as compared to 2014, and backlog levels decreased 12.4% at December 31, 2015 compared to the prior year end, principally reflecting the reduction of orders from a major food retailer as well as the unfavorable impact of foreign currency translation. Book to bill was 0.99.

2014 Versus 2013

Revenue generated by our Refrigeration & Food Equipment segment in 2014 increased $33.3 million, or 1.8%, compared to 2013. The overall increase in revenue includes organic growth of 1.7%, and acquisition growth of 0.2%. Foreign currency translation had an unfavorable impact of 0.1%. Pricing was neutral in 2014 as compared to 2013.

- Revenue in our Refrigeration end market (representing 77.2% of 2014 segment revenue) increased $33.3 million, or 2.3%, resulting from solid activity with major food retailers.

- Revenue derived from Food Equipment (representing 22.8% of 2014 segment revenue) was flat year over year, where growth in commercial kitchen and can-forming equipments was offset by soft food processing equipment activity.

Refrigeration & Food Equipment segment earnings in 2014 decreased $28.6 million, or 10.7% compared with 2013, with a decrease in operating margin of 180 basis points. The earnings and margin decreases were driven by non-recurring restructuring of $24.9 million ($19.4 million higher as compared to 2013) primarily for the closure of a European-based facility, unfavorable product mix, as well as a $6.8 million land sale gain in the prior year that did not repeat.

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FINANCIAL CONDITION

We assess our liquidity in terms of our ability to generate cash to fund our operating, investing, and financing activities. Significant factors affecting liquidity are: cash flows generated from operating activities, capital expenditures, acquisitions, dispositions, dividends, repurchase of outstanding shares, adequacy of available commercial paper and bank lines of credit, and the ability to attract long-term capital with satisfactory terms. We generate substantial cash from the operations of our businesses and remain in a strong financial position, with sufficient liquidity available for reinvestment in existing businesses and strategic acquisitions.

Cash Flow Summary

The following table is derived from our Consolidated Statement of Cash Flows:

	Years Ended December 31,		
Cash Flows from Continuing Operations (in thousands)	2015	2014	2013
Net Cash Flows Provided By (Used In):			
Operating activities	$949,059	$950,164	$979,612
Investing activities	(34,578)	(782,557)	(361,677)
Financing activities	(1,091,886)	(255,489)	(678,542)

Operating Activities

Cash provided by operating activities in 2015 decreased $1.1 million relative to 2014. This slight decline was driven primarily by lower continuing earnings excluding depreciation and amortization of $162.4 million and lower compensation and expense accruals of $114.1 million, offset by higher cash inflows from working capital of $234.7 million relative to the prior year primarily driven by improvements in inventory, accounts receivable, and accounts payable through active working capital management.

Cash provided by operating activities in 2014 decreased $29.4 million relative to 2013. This decline was driven by higher investments in working capital of $43.4 million in 2014 relative to the prior year primarily due to the impact of timing of inventory purchases and vendor payments. In addition, higher tax payments of approximately $54.0 million contributed to the decline in operating cash flow in 2014. These reductions were partially offset by higher continuing earnings before the impact of depreciation, amortization, and restructuring expenses and lower pension contributions of $16.0 million.

Pension and Post-Retirement Activity: Total contributions to defined benefit pension plans during 2015 were $21.9 million including contributions to our international pension plans and payments of benefits under our nonqualified supplemental pension plan.

The funded status of our qualified defined benefit pension plans is dependent upon many factors, including returns on invested assets, the level of market interest rates, and the level of funding. We contribute cash to our plans at our discretion, subject to applicable regulations and minimum contribution requirements. Cash contributions to the U.S. qualified benefit plans totaled $9.0 million in 2013. Due to the overfunded status of this plan, the Company made no contributions in 2015 and 2014 and expects to make minimal contributions in the near term.

Our significant international pension obligations are located in regions where it is not economically advantageous to pre-fund the plans due to local regulations. Total cash contributions to ongoing international defined benefit pension plans in 2015, 2014, and 2013 totaled $8.4 million, $9.5 million, and $9.8 million, respectively. In 2016, we expect to contribute approximately $6.3 million to our non-U.S. plans. Our non-qualified supplemental pension plan is funded through Company assets as benefits are paid. During 2015 a total of $12.8 million benefits were paid under this plan. See Note 14 Employee Benefit Plans in the Consolidated Financial Statements in Item 8 of this Form 10-K for further discussion regarding our post-retirement plans.

Adjusted Working Capital: In 2015, Adjusted Working Capital (a non-GAAP measure calculated as accounts receivable, plus inventory, less accounts payable) decreased from 2014 by $162.6 million, or 11.3%, to $1.3 billion, which reflected a decrease in receivables of $66.3 million, a decrease in net inventory of $60.8 million, and an increase in accounts payable of $35.5 million. Excluding acquisitions, dispositions, and the effects of foreign exchange translation, adjusted working capital decreased by $147.6 million, or 10.3%.

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Investing Activities

Cash used in investing activities are derived from cash outflows for capital expenditures and acquisitions, partially offset by proceeds from sales of businesses, property, plant and equipment, and short-term investments. The majority of the activity in investing activities was comprised of the following:

- Acquisitions: In 2015, we deployed $567.8 million to acquire four businesses. In comparison, we acquired seven business in 2014 for an aggregate purchase price of approximately $802.3 million. Total acquisition spend in 2013 was nearly $322.8 million and was comprised of ten businesses. See Note 2 Acquisitions in the Consolidated Financial Statements in Item 8 of this Form 10-K for additional information with respect to recent acquisitions.

- Capital spending: Capital expenditures, primarily to support productivity and new product launches were $154.3 million in 2015, $166.0 million in 2014, and $141.7 million in 2013. Our capital expenditures decreased $11.8 million in the 2015 period as compared to 2014, primarily within Energy. We expect 2016 capital expenditures to approximate 2.3% of revenue as compared to capital expenditures of 2.2% of revenue in 2015.

- Proceeds from sale of businesses: In 2015, we generated cash proceeds of $689.3 million, primarily from the sale of Datamax O'Neil and Sargent Aerospace. In 2014, we generated cash proceeds of $191.3 million, primarily from the sale of DEK and $16.3 million from the collection of deferred sale proceeds on the 2013 sale of ECT. Cash proceeds of $76.5 million in 2013 were primarily the result of the sale of ECT.

On January 7, 2016 we acquired the dispenser and system businesses of Tokheim Group S.A.S. ("Tokheim") for a purchase price of approximately €411.3 million , or $448.7 million. Of the total purchase price, €290.0 million, approximately $316.4 million, was funded through incremental borrowings of commercial paper with the remainder funded through available cash on hand.

We anticipate that capital expenditures and any additional acquisitions we make in 2016 will be funded from available cash and internally generated funds and, if necessary, through the issuance of commercial paper, the use of established lines of credit, or by accessing the public debt or equity markets.

Financing Activities

Our cash flow from financing activities generally relates to the use of cash for purchases of our common stock and payment of dividends, offset by net borrowing activity and proceeds from the exercise of stock options. The majority of financing activity was attributed to the following:

- Long-term debt and commercial paper and notes payable, net: During 2015, we decreased net borrowings from commercial paper by $327.0 million, we repaid the Company's $300.0 million of 4.875% notes, which matured October 15, 2015, and we issued $400.0 million, 3.150% notes realizing cash proceeds of $394.3 million, net of discounts and issuance costs. In 2014, we had cash inflow of $251.5 million from commercial paper issuances, principally to fund acquisitions during the period, including Accelerated Companies in the fourth quarter. In December 2013, the Company issued €300.0 million of 2.125% euro-denominated notes due in 2020. The proceeds of $403.8 million from this issuance , net of discounts and issuance costs, were primarily used to repay $381.0 million in commercial paper and fund business acquisitions.

- Treasury purchases: In January 2015, Dover's Board of Directors approved a new standing share repurchase authorization, whereby the Company may repurchase up to 15 million shares of its common stock over the following three years. This share repurchase authorization replaced the previous November 2012 authorization. These share repurchases are opportunistic buybacks made as part of management's capital allocation strategy. These repurchases are also made to offset the dilutive impact of shares issued under our equity compensation plans. During 2015, we used $600.2 million to repurchase 8.2 million shares under this authorization. As of December 31, 2015, the number of shares still available for repurchase under the January 2015 share repurchase authorization was 6.8 million. During 2014, we completed the repurchase of 7.5 million shares at a total cost of $601.1 million under the May and November 2012 board-approved stock repurchase programs. We used $457.4 million in 2013 to repurchase 6.0 million shares under the November 2012 facility. In addition, in 2013 the Company repurchased 5,951 shares from employees for a total cost of $0.5 million.

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- Dividend payments: Total dividend payments to common shareholders were $258.0 million in 2015, $258.5 million in 2014 and $247.8 million in 2013. Our dividends paid per common share increased 6% to $1.64 per share in 2015 compared to $1.55 per share in 2014. This represents the 60th consecutive year that our dividend has increased.

- Net Proceeds from the exercise of share-based awards: Proceeds from the exercise of share-based awards were $4.0 million, $20.3 million, and $38.9 million in 2015, 2014, and 2013, respectively. These proceeds have declined in recent periods due to the decline in the Company's stock price, the decrease in the number of stock options outstanding, and a larger number of cashless exercises of equity awards. Payments to settle tax obligations on these exercises were $5.0 million, $21.2 million, and $31.3 million in 2015, 2014, and 2013, respectively. These tax payments have been declining in relation to the declining number of exercises in recent years.

- Cash received from Knowles, net of cash distributed: In connection with the separation of Knowles from Dover in 2014, Knowles made a cash payment of $400.0 million to Dover immediately prior to the distribution. Dover received net cash of $360.0 million million upon separation, which reflects the $400.0 million cash payment due net of cash held by Knowles at the time of distribution and retained by it in connection with its separation from Dover. Dover utilized the net proceeds from Knowles to pay down commercial paper and to repurchase shares of its common stock in the first quarter of 2014.

Cash Flows from Discontinued Operations

Cash used in discontinued operations totaled $115.9 million in 2015 as compared to cash provided of $6.0 million in 2014. These cash flows reflect the operating results of Datamax O'Neil and Sargent Aerospace (prior to their sale in 2015), as well as the results of Knowles prior to its spin-off in the first quarter of 2014. Cash used in the 2015 period also includes $110.5 million of taxes paid relating to the gain on the sale of Sargent Aerospace. Cash used in the 2014 period includes costs incurred for the spin-off of Knowles of $27.1 million and capital expenditures of $20.6 million.

In 2013, cash provided by discontinued operations of $65.8 million included full year results for those business classified as discontinued operations, which include Knowles, DEK, ECT, Sargent Aerospace, and Datamax O'Neil. The cash generated from operations was offset by costs incurred for the spin-off of Knowles of $30.1 million and capital expenditures of $101.6 million.

Liquidity and Capital Resources

Free Cash Flow

In addition to measuring our cash flow generation and usage based upon the operating, investing, and financing classifications included in the Consolidated Statements of Cash Flows, we also measure free cash flow (a non-GAAP measure). We believe that free cash flow is an important measure of operating performance because it provides management and investors a measurement of cash generated from operations that is available to repay debt, pay dividends, fund acquisitions, and repurchase our common stock. For further information, see the Non-GAAP Disclosures at the end of this Item 7.

The following table reconciles our free cash flow to cash flow provided by operating activities:

	Years Ended December 31,		
Free Cash Flow (dollars in thousands)	2015	2014	2013
Cash flow provided by operating activities	$949,059	$950,164	$979,612
Less: Capital expenditures	(154,251)	(166,033)	(141,694)

Free cash flow	$794,808	$784,131	$837,918
Free cash flow as a percentage of revenue	11.4 %	10.1 %	11.7 %

For 2015, we generated free cash flow of $794.8 million, representing 11.4% of revenue. Free cash flow in 2014 was $784.1 million or 10.1% of revenue, and $837.9 million, or 11.7% of revenue in 2013. The full year increase in 2015 free cash flow reflects our efforts around operating efficiencies and working capital management through our Dover Excellence program. We expect to generate free cash flow in 2016 of approximately 11.0% of revenue.

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The 2014 decrease in free cash flow compared to 2013 reflects a higher investment in working capital and higher capital expenditures, partially offset by higher earnings from continuing operations before depreciation and amortization.

Net Debt to Net Capitalization

We utilize the net debt to net capitalization calculation (a non-GAAP measure) to assess our overall financial leverage and capacity and believe the calculation is useful to investors for the same reason. The following table provides a reconciliation of net debt to net capitalization to the most directly comparable GAAP measures:

Net Debt to Net Capitalization Ratio (dollars in thousands)	December 31, 2015	December 31, 2014	December 31, 2013
Current maturities of long-term debt	$122	$299,956	$2,778
Commercial paper	151,000	478,000	226,500
Long-term debt	2,617,342	2,253,041	2,599,201
Total debt	2,768,464	3,030,997	2,828,479
Less: Cash and cash equivalents	(362,185)	(681,581)	(803,882)
Net debt	2,406,279	2,349,416	2,024,597
Add: Stockholders' equity	3,644,575	3,700,725	5,377,396
Net capitalization	$6,050,854	$6,050,141	$7,401,993
Net debt to net capitalization	39.8%	38.8%	27.4%

Our net debt to net capitalization ratio increased to 39.8% at December 31, 2015 compared to 38.8% at December 31, 2014. The increase in this ratio was driven by changes in net debt during the period. Net debt increased $56.9 million during the period primarily due to a reduction in cash levels as a result of debt repayments, stock repurchases, and acquisitions, and higher long-term debt outstanding due to the $400.0 million notes issued in the fourth quarter, offset by decreased commercial paper borrowings.

Our net debt to net capitalization ratio increased at December 31, 2014 compared to the prior year-end primarily due to the reduction in our net capitalization of $1.3 billion for the period primarily due to the $1.4 billion distribution of Knowles, $601.1 million in share repurchases, and $258.5 million of dividends, offset by $775.2 million of current earnings. As described above, we also received a cash payment of $360.0 million from Knowles, net of cash distributed, upon separation on February 28, 2014, which was used to fund share repurchases and reduce commercial paper balances. Net debt increased $324.8 million during the period primarily due to increases in commercial paper balances and a reduction in cash levels to fund acquisitions, dividend payments, and other general operating purposes.

We use commercial paper borrowings for general corporate purposes, including the funding of acquisitions and the repurchase of our common stock. On November 10, 2015, we entered into a $1.0 billion unsecured revolving credit facility with a syndicate of banks that replaced a facility with similar terms that was set to expire on November 16, 2016. The new facility will expire on November 10, 2020. This facility is used primarily as liquidity back-up for our commercial paper program. We have not drawn down any loans under this facility nor do we anticipate doing so. If we were to draw down a loan, at our election, the loan would bear interest at a Canadian Dollar, Eurodollar, Swedish Kroner, or Sterling rate based on CDOR, EURIBOR, LIBOR or STIBOR, plus an applicable margin ranging from 0.580% to 1.000% (subject to adjustment based on the rating accorded our senior unsecured debt by S&P and Moody’s) or at a base rate pursuant to a formula defined in the facility. Under this facility, we are required to maintain an interest coverage ratio of EBITDA to consolidated net interest expense of not less than 3.0 to 1. We were in compliance with this covenant and our other long-term debt covenants at December 31, 2015 and had a coverage ratio of 13.3 to 1.0. We are not aware of any potential impairment to our liquidity and expect to remain in compliance with all of our debt covenants.

We also have a current shelf registration statement filed with the SEC that allows for the issuance of additional debt securities that may be utilized in one or more offerings on terms to be determined at the time of the offering. Net proceeds of any offering would be used for general corporate purposes, including repayment of existing indebtedness, capital expenditures, and acquisitions.

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At December 31, 2015, our cash and cash equivalents totaled $362.2 million, of which approximately $196.1 million was held outside the United States. Cash and cash equivalents are invested in highly liquid investment-grade money market instruments and bank deposits with maturities of three months or less. We regularly invest cash in excess of near-term requirements in money market instruments or short-term investments, which consist of investment grade time deposits with original maturity dates at the time of purchase of no greater than three months.

In 2014, we received a one-time cash dividend of approximately $235.0 million as a result of certain restructuring arising from the spin-off of Knowles. The U.S. tax consequences of this intercompany dividend, which were not significant, have been included in our total income tax expense. Cash held by our foreign subsidiaries is generally used to finance foreign operations and investments, including acquisitions. It is our intent to indefinitely reinvest those funds outside the U.S. It is not practicable to estimate the amount of tax payable if some or all of such funds were to be repatriated and the amount of foreign tax credits available to reduce or eliminate the resulting U.S. income tax liability. Management believes it has sufficient liquidity to satisfy its cash needs, including its cash needs in the U.S.

Our ability to obtain debt financing at comparable risk-based interest rates is partly a function of our existing cash-flow-to-debt and debt-to-capitalization levels as well as our current credit standing. Our credit ratings, which are independently developed by the respective rating agencies, were as follows as of December 31, 2015:

	Short Term Rating	Long Term Rating	Outlook
Moody's	P-1	A2	Stable
Standard & Poor's	A-1	A	Negative
Fitch	F1	A	Stable

Short-term ratings of "P-1," "A-1" and "F1" are defined as a strong or superior ability to repay short-term debt obligations. A long-term rating of "A" or "A2" is defined as a strong capacity to meet financial commitments, but susceptible to adverse business or economic conditions.

We believe that existing sources of liquidity are adequate to meet anticipated funding needs at comparable risk-based interest rates for the foreseeable future. Acquisition spending and/or share repurchases could potentially increase our debt. Operating cash flow and access to capital markets are expected to satisfy our various cash flow requirements, including acquisitions and capital expenditures.

Off-Balance Sheet Arrangements and Contractual Obligations

As of December 31, 2015, we had approximately $116.2 million outstanding in letters of credit with financial institutions, which expire at various dates in 2016 through 2020. These letters of credit are primarily maintained as security for insurance, warranty and other performance obligations. In general, we would only be liable for the amount of these guarantees in the event of default in the performance of our obligations, the probability of which we believe is remote.

We have also provided typical indemnities in connection with sales of certain businesses and assets, including representations and warranties and related indemnities for environmental, health and safety, tax, and employment matters. We do not have any material liabilities recorded for these indemnifications and are not aware of any claims or other information that would give rise to material payments under such indemnities.

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A summary of our consolidated contractual obligations and commitments as of December 31, 2015 and the years when these obligations are expected to be due is as follows:

		Payments Due by Period				
(in thousands)	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Other
Long-term debt (1)	$2,617,464	$122	$349,412	$328,592	$1,939,338	$—
Interest payments (2)	1,666,518	122,755	235,972	207,360	1,100,431	—
Rental commitments	261,378	62,892	97,252	50,824	50,410	—
Purchase obligations	63,063	60,770	2,293	—	—	—
Capital leases	5,153	2,830	1,658	422	243	—
Supplemental & post-retirement benefits (3)	170,663	30,336	28,934	30,289	81,104	—
Uncertain tax positions (4)	79,992	—	—	—	—	79,992
Total obligations	$4,864,231	$279,705	$715,521	$617,487	$3,171,526	$79,992

(1) See Note 9 to the Consolidated Financial Statements. Amounts represent principal payments for all long-term debt, including current maturities.

(2) Amounts represent estimate of future interest payments on long-term debt using the interest rates in effect at December 31, 2015.

(3) Amounts represent estimated benefit payments under our unfunded supplemental and post-retirement benefit plans and our unfunded non-U.S. qualified defined benefit plans. See Note 14 to the Consolidated Financial Statements. We also expect to contribute approximately $6.3 million to our non-U.S. qualified defined benefit plans in 2016, which amount is not reflected in the above table.

(4) Due to the uncertainty of the potential settlement of future uncertain tax positions, we are unable to estimate the timing of the related payments, if any, that will be made subsequent to 2015. These amounts do not include the potential indirect benefits resulting from deductions or credits for payments made to other jurisdictions.

Financial Instruments and Risk Management

The diverse nature of our businesses' activities necessitates the management of various financial and market risks, including those related to changes in interest rates, foreign currency exchange rates, and commodity prices. We periodically use derivative financial instruments to manage some of these risks. We do not hold or issue derivative instruments for trading or speculative purposes. We are exposed to credit loss in the event of nonperformance by counterparties to our financial instrument contracts; however, nonperformance by these counterparties is considered unlikely as our policy is to contract with highly-rated, diversified counterparties.

Interest Rate Exposure

As of December 31, 2015 and during the three year period then ended, we did not have any open interest rate swap contracts. However, we may in the future enter into interest rate swap agreements to manage our exposure to interest rate changes. We issue commercial paper, which exposes us to changes in variable interest rates; however, maturities are typically three months or less so a change in rates over this period would not have a material impact on our pre-tax earnings.

We consider our current risk related to market fluctuations in interest rates to be minimal since our debt is largely long-term and fixed-rate in nature. Generally, the fair market value of fixed-interest rate debt will increase as interest rates fall and decrease as interest rates rise. A 100 basis point increase in market interest rates would decrease the 2015 year-end fair value of our long-term debt by approximately $226.9 million. However, since we have no plans to repurchase our outstanding fixed-rate instruments before their maturities, the impact of market interest rate fluctuations on our long-term debt does not affect our results of operations or financial position.

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Foreign Currency Exposure

We conduct business in various non-U.S. countries, primarily in Canada, Mexico, substantially all of the European countries, Brazil, Argentina, China, India, and other Asian countries. Therefore, we have foreign currency risk relating to receipts from customers, payments to suppliers, and intercompany transactions denominated in foreign currencies. We will occasionally use derivative financial instruments to offset such risks, when it is believed that the exposure will not be limited by our normal operating and financing activities. We have formal policies to mitigate risk in this area by using fair value and/or cash flow hedging programs.

Changes in the value of the currencies of the countries in which we operate affect our results of operations, financial position, and cash flows when translated into U.S. dollars, our reporting currency. The strengthening of the U.S. dollar could result in unfavorable translation effects as the results of foreign operations are translated into U.S. dollars. We have generally accepted the exposure to exchange rate movements relative to our investment in non-U.S. operations. We may, from time to time, for a specific exposure, enter into fair value hedges. Previously, we entered into a floating-to-floating cross currency swap agreement with a total notional amount of $50.0 million in exchange for CHF 65.1 million, which matured on October 15, 2015. This transaction hedged a portion of our net investment in non-U.S. operations. The agreement qualified as a net investment hedge and changes in the fair value were reported within the cumulative translation adjustment section of other comprehensive earnings, with any hedge ineffectiveness recognized in current earnings. The fair value of this hedge reflected cumulative losses of $15.6 million at December 31, 2014, reflecting the strengthening of the Swiss franc relative to the U.S. dollar over the term of this arrangement. At maturity on October 15, 2015, the Company settled the outstanding liability on this swap agreement for a total of $17.8 million.

Additionally, the Company has designated the €300.0 million of euro-denominated notes issued December 4, 2013 as a hedge of a portion of its net investment in euro-denominated operations. Due to the high degree of effectiveness between the hedging instruments and the exposure being hedged, fluctuations in the value of the euro-denominated debt due to exchange rate changes are offset by changes in the net investment. Accordingly, changes in the value of the euro-denominated debt are recognized in the cumulative translation adjustment section of other comprehensive income to offset changes in the value of the net investment in euro-denominated operations. Due to the devaluation of the euro relative to the U.S. dollar in the latter half of 2014 and through 2015, the U.S. dollar equivalent of this debt decreased, resulting in the recognition of a gain in other comprehensive income of $35.5 million and $47.6 million for the years ended December 31, 2015 and 2014, respectively.

Commodity Price Exposure

Certain of our businesses are exposed to volatility in the prices of certain commodities, such as aluminum, steel, copper, and various precious metals, among others. Our primary exposure to commodity pricing volatility relates to the use of these materials in purchased component parts or the purchase of raw materials. When possible, we maintain long-term fixed price contracts on raw materials and component parts; however, we are prone to exposure as these contracts expire. We may, from time to time, for a specific exposure, enter into cash flow hedges to mitigate our risk to commodity pricing; however, such contracts outstanding at December 31, 2015 were not significant.

Critical Accounting Policies

Our consolidated financial statements and related public financial information are based on the application of GAAP. GAAP requires the use of estimates, assumptions, judgments, and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenue, and expense amounts we report. These estimates can also affect supplemental information contained in our public disclosures, including information regarding contingencies, risk, and our financial condition. The significant accounting policies used in the preparation of our consolidated financial statements are discussed in Note 1 Description of Business and Summary of Significant Accounting Policies. The accounting assumptions and estimates discussed in the section below are those that we consider most critical to an understanding of our financial statements because they inherently involve significant judgments and estimates. We believe our use of estimates and underlying accounting assumptions conforms to GAAP and is consistently applied. We review valuations based on estimates for reasonableness on a consistent basis.

- Revenue is recognized when all of the following circumstances are satisfied: a) persuasive evidence of an arrangement exists, b) price is fixed or determinable, c) collectability is reasonably assured, and d) delivery has occurred or services have been rendered. The majority of our revenue is generated through the manufacture and sale of a broad range of specialized products and components, with revenue recognized upon transfer of title and risk of loss, which is generally upon shipment. Service revenue represents less than 5% of our total revenue and is recognized as the services are performed. In limited cases, our revenue arrangements with customers require delivery, installation, testing, certification, or other acceptance provisions to be satisfied before revenue is recognized. We do not have significant multiple deliverable arrangements.

- Inventories for the majority of our subsidiaries, including all international subsidiaries, are stated at the lower of cost, determined on the first-in, first-out (FIFO) basis, or market. Other domestic inventories are stated at cost, determined on the last-in, first-out (LIFO) basis, which is less than market value. Under certain market conditions, estimates and judgments regarding the valuation of inventories are employed by us to properly value inventories. Certain businesses tend to experience somewhat higher levels of inventory value fluctuations, particularly given the relatively high rate of product obsolescence over relatively short periods of time.

- We have significant goodwill and intangible assets on our balance sheet as a result of current and past acquisitions. The valuation and classification of these assets and the assignment of useful lives involve significant judgments and the use of estimates. In addition, the testing of goodwill and intangibles for impairment requires significant use of judgment and assumptions, particularly as it relates to the determination of fair market value. Our intangible assets and reporting units are tested and reviewed for impairment on an annual basis during the fourth quarter, when indicators of impairment exist, or during an interim period when a significant portion of a reporting unit is to be reclassified to discontinued operations or assets held for sale.

When performing an impairment test, we estimate fair value using the income approach. Under the income approach, fair value is determined based on the present value of estimated future cash flows, discounted at an appropriate risk-adjusted rate. We use our internal forecasts to estimate future cash flows and include an estimate of long-term future growth rate based on our most recent views of the long-term outlook for each reporting unit. Actual results may differ from these estimates. The discount rates used in these analyses vary by reporting unit and are based on a capital asset pricing model and published relevant industry rates. We use discount rates commensurate with the risks and uncertainties inherent to each reporting unit and in our internally developed forecasts. Discount rates used in our 2015 reporting unit valuations ranged from 9.5% to 11.0%.

We performed the annual goodwill impairment testing of our nine identified reporting units in the fourth quarter of 2015. Based on the impairment tests performed, the fair value of our reporting units exceeded their carrying value, in most cases, by more than 100%. As such, no goodwill impairment was recognized. While all of our reporting units passed the goodwill impairment test, we noted a decrease in the amount of fair value in excess of carrying value for two of our reporting units within the Energy segment, which together have an aggregate goodwill balance of $957.0 million. These businesses and their estimated cash flows have been impacted by declining oil prices and the resulting economic pressures within the oil and gas industry. In spite of these declines these two reporting units had fair values in excess of their carrying values of 26% and 19%. Should market conditions worsen or persist for an extended period of time, an impairment may occur. We will continue to monitor the long-term outlook and forecasts, including estimated future cash flows, for these businesses in 2016.

- The valuation of our pension and other post-retirement plans requires the use of assumptions and estimates that are used to develop actuarial valuations of expenses and assets/liabilities. Inherent in these valuations are key assumptions, including discount rates, investment returns, projected salary increases and benefits, and mortality rates. Annually, we review the actuarial assumptions used in our pension reporting and compare them with external benchmarks to ensure that they accurately account for our future pension obligations. Changes in assumptions and future investment returns could potentially have a material impact on our pension expense and related funding requirements. Our expected long-term rate of return on plan assets is reviewed annually based on actual returns, economic trends and portfolio allocation. Our discount rate assumption is determined by developing a yield curve based on high quality corporate bonds with maturities matching the plans' expected benefit payment streams. The plans' expected cash flows are then discounted by the resulting year-by-year spot rates. As disclosed in Note 14 Employee Benefit Plans to the Consolidated Financial Statements, the 2015 weighted-average discount rates used to measure our qualified defined benefit, supplemental, and other post-retirement obligations ranged from 2.32% to 4.40%, an increase from the 2014 rates, which ranged from 2.31% to 4.05%. The slightly higher 2015 discount rates are reflective of the increase in global market interest rates over these periods. A 25 basis point decrease in the discount rates used for these plans would have increased the post retirement benefit obligations by approximately $34.2 million from the amount recorded in the financial statements at December 31, 2015. Our pension expense is also sensitive to changes in the expected long-term rate of return on plan assets. A decrease of 25 basis points in the expected long-term rate of return on assets would have increased our defined benefit pension expense by approximately $1.7 million.

- We have significant amounts of deferred tax assets that are reviewed for recoverability and valued accordingly. These assets are evaluated by using estimates of future taxable income streams and the impact of tax planning strategies. Reserves are also estimated, using more likely than not criteria, for ongoing audits regarding federal, state, and international issues that are currently unresolved. We routinely monitor the potential impact of these situations and believe that we have established the proper reserves. Reserves related to tax accruals and valuations related to deferred tax assets can be impacted by changes in tax codes and rulings, changes in statutory tax rates, and our future taxable income levels. The provision for uncertain tax positions provides a recognition threshold and measurement attribute for financial statement tax benefits taken or expected to be taken in a tax return and disclosure requirements regarding uncertainties in income tax positions. The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. We record interest and penalties related to unrecognized tax benefits as a component of our provision for income taxes.

- We have significant accruals and reserves related to the self-insured portion of our risk management program. These accruals require the use of estimates and judgment with regard to risk exposure and ultimate liability. We estimate losses under these programs using actuarial assumptions, our experience, and relevant industry data. We review these factors quarterly and consider the current level of accruals and reserves adequate relative to current market conditions and experience.

- We have established liabilities for environmental and legal contingencies at both the business and corporate levels. A significant amount of judgment and the use of estimates are required to quantify our ultimate exposure in these matters. The valuation of liabilities for these contingencies is reviewed on a quarterly basis to ensure that we have accrued the proper level of expense. The liability balances are adjusted to account for changes in circumstances for ongoing issues and the establishment of additional liabilities for emerging issues. While we believe that the amount accrued to-date is adequate, future changes in circumstances could impact these determinations.

- We establish liabilities for restructuring activities at an operation when management has committed to an exit or reorganization plan and when termination benefits are probable and can be reasonably estimated based on circumstances at the time the restructuring plan is approved by management. Exit costs include future minimum lease payments on vacated facilities and other contractual terminations. In addition, asset impairments may be recorded as a result of an approved restructuring plan. The accrual of both severance and exit costs requires the use of estimates. Though we believe that these estimates accurately reflect the anticipated costs, actual results may be different than the estimated amounts.

- From time to time we sell or discontinue or dispose of certain operations for various reasons. Estimates are used to adjust, if necessary, the assets and liabilities of discontinued operations, including goodwill, to their estimated fair market value. These estimates include assumptions relating to the proceeds anticipated as a result of the sale. Fair value is established using internal valuation calculations along with market analysis of similar-type entities. The adjustments to fair market value of these operations provide the basis for the gain or loss when sold. Changes in business conditions or the inability to sell an operation could potentially require future adjustments to these estimates. We recognized total goodwill impairment charges of $63.8 million in 2013 for certain reporting units included in discontinued operations based on the reduction in fair value implied in the anticipated selling price. No impairment charges were recorded in 2015 or 2014.

- We are required to recognize in our consolidated statements of earnings the expense associated with all share-based payment awards made to employees and directors, including stock options, stock appreciation rights ("SARs"), restricted stock, and performance share awards. We use the Black-Scholes valuation model to estimate the fair value of SARs and stock options granted to employees. The model requires that we estimate the expected life of the SAR or option, expected forfeitures and the volatility of our stock using historical data. We use the Monte Carlo simulation model to estimate fair value of performance share awards which also require us to estimate the volatility of our stock and the volatility of returns on the stock of our peer group as well as the correlation of the returns between the companies in the peer group. For additional information related to the assumptions used, see Note 12 Equity and Cash Incentive Program to the Consolidated Financial Statements in Item 8 of this Form 10-K.

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Recent Accounting Standards

Recently Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers, that introduces a new five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU also requires disclosures sufficient to enable users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, including qualitative and quantitative disclosures about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. This standard is effective for fiscal years beginning after December 15, 2017, including interim periods within that reporting period. We are currently evaluating the new guidance to determine the impact it will have on our consolidated financial statements.

In May 2015, the FASB issued ASU 2015-07, Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), which addresses how certain investments measured at net asset value with redemption dates in the future are categorized within the fair value hierarchy. Topic 820, Fair Value Measurement, permits a reporting entity, as a practical expedient, to measure the fair value of certain investments using the net asset value per share of the investment. Under the new guidance, the requirement to categorize investments for which fair values are measured using the net asset value per share is removed. It also limits disclosures on investments for which the entity has elected to measure the fair value using the practical expedient. This ASU is effective for us January 1, 2016. The adoption of this standard will not have a significant impact on our consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, Interest-Imputation of Interest (Subtopic 835-30):Simplifying the Presentation of Debt Issuance Costs. Under this guidance, debt issuance costs related to a recognized debt liability are required to be presented in the balance sheet as a direct reduction from the carrying amount of such debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by this guidance. In adopting the ASU, we will be required to apply a full retrospective approach to all periods presented. This guidance is effective for us January 1, 2016 and, upon adoption, debt issuance costs of approximately $14 million included in other assets in the consolidated balance sheet as of December 31, 2015 will be reclassified and presented as a reduction to long-term debt.

In July 2015, the FASB issued ASU 2015-11, Inventory (Topic 340): Simplifying the Measurement of Inventory. Under this guidance, entities utilizing the FIFO or average cost method should measure inventory at the lower of cost or net realizable value, whereas net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. This ASU should be applied prospectively and will be effective for us beginning January 1, 2017 with early adoption permitted. We are currently evaluating the new guidance; however, we do not anticipate that the impact to our consolidated financial statements will be significant.

In September 2015, the FASB issued ASU 2015-16, Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments. Under this guidance the cumulative impact of purchase accounting adjustments arising during the one year measurement period from the date of acquisition will be recognized, in full, in the period identified. This guidance is effective for fiscal years beginning after December 15, 2015 and will be applied prospectively to adjustments arising after that date. We do not anticipate that the impact of this standard will have a significant impact on our consolidated financial statements.

Recently Adopted Accounting Standards

In April 2014, the FASB issued ASU 2014-08, which includes amendments that change the requirements for reporting discontinued operations and require additional disclosures about discontinued operations. Under the new guidance, only disposals representing a strategic shift in operations - that is, a major effect on the organization's operations and financial results - should be presented as discontinued operations. Additionally, the ASU requires expanded disclosures about discontinued operations that will provide financial statement users with more information about the assets, liabilities, income, and expenses of discontinued operations. We adopted this guidance in the first quarter of 2015. As a result of this guidance we anticipate future disposals of businesses which historically would have been classified as discontinued operations will no longer qualify for presentation as discontinued operations in our consolidated financial statements.

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In November 2015, the FASB issued ASU 2015-17, Balance Sheet Classification of Deferred Taxes, to simplify the presentation of deferred income taxes. The amendments in this update require that deferred tax assets and liabilities be entirely classified as noncurrent within the statement of financial position. We early adopted this guidance as of December 31, 2015 and applied its provisions retrospectively to all periods presented. Upon adoption, we reclassified $2.8 million of current deferred tax assets from "Deferred tax assets" to "Other assets and deferred charges," $60.5 million of current deferred tax assets from “Deferred tax assets” to “Deferred income taxes” and $0.9 million of current tax liabilities from “Federal and other income taxes” to “Deferred income taxes” as of December 31, 2014.

Non-GAAP Disclosures

In an effort to provide investors with additional information regarding our results as determined by GAAP, we also disclose non-GAAP information which we believe provides useful information to investors. Segment EBITDA, segment EBITDA margin, free cash flow, net debt, net capitalization, the net debt to net capitalization ratio, adjusted working capital, earnings adjusted for non-recurring items, effective tax rate adjusted for discrete and other items, revenue excluding the impact of changes in foreign currency exchange rates, and organic revenue growth are not financial measures under GAAP and should not be considered as a substitute for cash flows from operating activities, debt or equity, earnings, revenue, or working capital as determined in accordance with GAAP, and they may not be comparable to similarly titled measures reported by other companies. We believe that segment EBITDA and segment EBITDA margin are useful to investors and other users of our financial information in evaluating ongoing operating profitability as they exclude the depreciation and amortization expense related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to our competitors. Segment EBITDA is calculated by adding back depreciation and amortization expense to segment earnings. Segment margin is calculated as segment EBITDA divided by segment revenue.

We believe the net debt to net capitalization ratio and free cash flow are important measures of liquidity. Net debt to net capitalization is helpful in evaluating our capital structure and the amount of leverage we employ. Free cash flow provides both management and investors a measurement of cash generated from operations that is available to fund acquisitions, pay dividends, repay debt, and repurchase our common stock. Reconciliations of free cash flow, total debt, and net debt can be found above in this Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operation. We believe that reporting our effective tax rate adjusted for discrete and other items is useful to management and investors as it facilitates comparisons of our ongoing tax rate to prior and future periods and our peers. We believe that reporting adjusted working capital (also sometimes called "working capital"), which is calculated as accounts receivable, plus inventory, less accounts payable, provides a meaningful measure of our operational results by showing the changes caused solely by revenue. We believe that reporting adjusted working capital and revenues at constant currency, which excludes the positive or negative impact of fluctuations in foreign currency exchange rates, provides a meaningful measure of our operational changes, given the global nature of our businesses. We believe that reporting organic revenue and organic revenue growth, which exclude the impact of foreign currency exchange rates and the impact of acquisitions and divestitures, provides a useful comparison of our revenue performance and trends between periods.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by this section is incorporated by reference to the section, Financial Instruments and Risk Management, included within the MD&A in Item 7.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND
FINANCIAL STATEMENT SCHEDULE

Page

(All other schedules are not required and have been omitted)

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f).

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2015. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework (2013).

Based on its assessment under the criteria set forth in Internal Control — Integrated Framework (2013), management concluded that, as of December 31, 2015, the Company's internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

In making its assessment of internal control over financial reporting as of December 31, 2015, management has excluded all companies acquired in purchase business combinations during 2015. The Company is currently assessing the control environments of these acquisitions. The following companies were acquired in purchase business combinations during 2015: JK Group, Gala Industries, Reduction Engineering Scheer, and Gemtron. These companies are wholly-owned by the Company and their revenue for the year ended December 31, 2015 represents approximately 0.5% of the Company's consolidated total revenue for the same period and their assets represent approximately 1.4% of the Company's consolidated assets as of December 31, 2015.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2015 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Dover Corporation:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Dover Corporation and its subsidiaries at December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting, appearing under Item 8. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it classifies deferred taxes on the balance sheet in 2015.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in Management's Report on Internal Control Over Financial Reporting, management has excluded JK Group, Gala Industries, Reduction Engineering Scheer, and Gemtron from its assessment of internal control over financial reporting as of December 31, 2015 because these companies were acquired by the Company in purchase business combinations during 2015. We have also excluded these companies from our audit of internal control over financial reporting. These companies are wholly-owned by the Company and their total assets and total revenues represent 1.4% and 0.5%, respectively, of the related financial statement amounts as of and for the year ended December 31, 2015.

/s/ PricewaterhouseCoopers LLP
Chicago, Illinois
February 12, 2016

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DOVER CORPORATION
CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share figures)

	Years Ended December 31,		
	2015	2014	2013
Revenue	$6,956,311	$7,752,728	$7,155,096
Cost of goods and services	4,388,167	4,778,479	4,376,505
Gross profit	2,568,144	2,974,249	2,778,591
Selling and administrative expenses	1,647,382	1,758,765	1,616,921
Operating earnings	920,762	1,215,484	1,161,670
Interest expense, net	127,257	127,179	120,654
Other income, net	(7,105)	(5,902)	(4,970)
Earnings before provision for income taxes and discontinued operations	800,610	1,094,207	1,045,986
Provision for income taxes	204,729	316,067	248,459
Earnings from continuing operations	595,881	778,140	797,527
Earnings (loss) from discontinued operations, net	273,948	(2,905)	205,602
Net earnings	$869,829	$775,235	$1,003,129
Earnings per share from continuing operations:			
Basic	$3.78	$4.67	$4.66
Diluted	$3.74	$4.61	$4.60
Earnings (loss) per share from discontinued operations:			
Basic	$1.74	$(0.02)	$1.20
Diluted	$1.72	$(0.02)	$1.18
Net earnings per share:			
Basic	$5.52	$4.65	$5.86
Diluted	$5.46	$4.59	$5.78
Weighted average shares outstanding:			
Basic	157,619	166,692	171,271
Diluted	159,172	168,842	173,547
Dividends paid per common share	$1.64	$1.55	$1.45

See Notes to Consolidated Financial Statements

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DOVER CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
(In thousands)

	Years Ended December 31,		
	2015	2014	2013
Net earnings	$869,829	$775,235	$1,003,129
Other comprehensive (loss) earnings, net of tax			