DOVER Corp
Form 10-K
February 13, 2015

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, 2014

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, 2014 was $15,139,169,562. The registrant's closing price as reported on the New York Stock Exchange-Composite Transactions for June 30, 2014 was $90.95 per share. The number of outstanding shares of the registrant's common stock as of February 6, 2015 was 163,045,137.

Documents Incorporated by Reference: Part III — Certain Portions of the Proxy Statement for Annual Meeting of Shareholders to be held on May 7, 2015 (the "2015 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, changes in operations, industries in which Dover businesses operate, and operating improvements. Forward-looking statements may be indicated by words or phrases such as "anticipates," "expects," "believes," “suggests," "will," "plans," "should," "would," "could," "management is of the opinion that," 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; economic conditions generally and changes in economic conditions globally and in markets served by Dover businesses, including well activity, U.S. industrials activity and the status of economic recovery in Europe; 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; Dover's ability to achieve expected savings from integration and other cost-control initiatives, such as lean and productivity programs; changes in customer demand or 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, and tax policies; Dover's ability to attract and retain qualified personnel; protection and validity of patent and other intellectual property rights; breaches of data security; the impact of legal matters and legal compliance risks; the ability of third parties to comply with their commitments to us; Dover's ability to timely complete certain dispositions; restrictions on certain corporate transactions for a period of time after the Knowles spin-off; the impact of interest rate and currency exchange rate fluctuations; 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" on 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 Corporation 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 27,000 people worldwide within its continuing operations.

On February 28, 2014, the Company 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.

In the first quarter of 2014, Dover announced the realignment of its businesses into a new segment structure, consisting of four segments and organized around its key end markets to better focus on growth strategies. The new structure is designed also 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 oil, natural gas liquids, and gas worldwide, and has a strong presence in the bearings and compression components 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 printing and identification, 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, and industrial end markets.

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

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, 2014, 2013 and 2012:

	Revenue	Segment Earnings

	2014	2013	2012	2014	2013	2012
Energy	26 %	26 %	27 %	34 %	35 %	39 %
Engineered Systems	31 %	30 %	32 %	29 %	27 %	27 %
Fluids	18 %	18 %	17 %	19 %	17 %	15 %
Refrigeration & Food Equipment	25 %	26 %	24 %	18 %	21 %	19 %

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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 and two platforms 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, 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, 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 developing products that help our customers meet their sustainability goals. 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 over the midterm of 2% to 4%, complemented by acquisition growth. Secondly, we continue to focus on segment margin expansion through productivity initiatives, including supply chain activities, strategic pricing, and portfolio shaping. Lastly, we are committed to generating free cash flow as a percentage of sales greater than 10% through disciplined capital allocation, 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. In particular, our businesses are well-positioned to capitalize on growth trends in the areas of global energy demand, sustainability, consumer product safety, and emerging economies. For instance, our Energy segment is positioned to continue expansion in high growth spaces, accelerate capabilities to drive international growth, and increase investment in innovation and technology 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 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. Our Refrigeration & Food Equipment segment is responding to energy efficiency, sustainability and food safety as a result of government regulations, principally in the U.S. and Europe.

Capturing the benefits of common ownership

We are committed to operational excellence, and have implemented various productivity initiatives, such as supply chain management, lean manufacturing, and facility consolidations to maximize our efficiency, coupled with 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.

Disciplined capital allocation

Our businesses generate annual free cash flow of approximately 10% 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 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 spaces: energy, product ID, industrials, refrigeration and food equipment, and fluid solutions. We consistently provide shareholder returns by paying dividends, which have increased annually over each of the last 59 years. We will also continue to repurchase our shares consistent with our previously announced share repurchase programs.

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 (2012 – 2014), we have spent over $2.2 billion to purchase 24 businesses that strategically fit within our business model. In the fourth quarter of 2014 we acquired Accelerated Companies for approximately $435.7 million. Accelerated is an integrated provider of equipment, parts, and services for handling fluids associated with oil and gas production and expands our artificial lift footprint within our Energy Segment. In 2013, we acquired 10 businesses for an 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 segment. In 2012, we spent approximately $603.2 million to acquire Anthony International, a leading manufacturer of specialty glass, commercial glass refrigerator and freezer doors, lighting systems, and display equipment. The acquisition of Anthony expands our portfolio of industry-leading technology in the refrigeration space and provides access to new geographies and new markets, most notably the convenience store market. Recent significant acquisitions have also included Maag Pump Systems, a European acquisition for our Fluids segment, which we acquired in the first quarter of 2012 for approximately $265.8 million and Production Control Services, acquired in the second quarter of 2012 for consideration totaling $220.0 million, which added to our artificial lift technology in our Energy segment.

For more details regarding acquisitions completed over the past two years, see Note 3 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 2% - 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 tool kit and defined processes to help ensure synergies are realized and value is created, as had been planned when the acquisition was made.

Dispositions

We continually 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 (2012 – 2014) we have sold two businesses for aggregate consideration of $267.8 million in addition to the Knowles spin-off as discussed below. Furthermore, the Company has classified Datamax O'Neil and Sargent Aerospace as held for sale as of December 31, 2014 and expects to complete the sale of these businesses in the first and second quarters of 2015, respectively.

The financial position and results of operations for these businesses have been presented as discontinued operations for all periods presented. For more details, see Note 4 Disposed and Discontinued Operations in the Consolidated Financial Statements in Item 8 of this Form 10-K.

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Spin-Off of Knowles

On February 28, 2014, the Company 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. Following the spin-off of Knowles, Dover re-aligned its segment structure to ensure it is properly organized to execute its future growth plans.

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 17 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 oil, natural gas liquids, and gas worldwide. This segment consists of the following lines of business:

- Drilling & Production – Our businesses serving the drilling market 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. Our businesses serving the production market design and manufacture products and components that 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, swing drives, auger drives, slewing ring bearings, hydraulic pump, and electronic monitoring solutions for energy, infrastructure, and recovery markets worldwide.

- Bearings & Compression – These businesses manufacture various compressor parts that are used in the natural gas production, distribution, and oil refining markets. In addition, we offer 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 tools and monitoring devices, chemical injection and metering pumps, automated pump controllers, rod pumping optimization software, diagnostic instruments and sensors for reciprocating machinery, control valves and instrumentation; and pressure, temperature, and flow monitoring equipment.

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 largely to Europe, Australia, and Asia.

Engineered Systems

Our Engineered Systems segment is focused on the design, manufacture and service of critical equipment and components serving the printing & identification, vehicle service, waste handling, and select niche industrial end markets. To better serve its end markets, the segment manages its products and services through two core business platforms, Printing & Identification and Industrials, as described below.

- Printing & Identification - The Printing & Identification platform is a worldwide supplier of precision marking & coding, digital textile, soldering and dispensing equipment, and related consumables and services. Our businesses serving this market primarily design and manufacture marking & coding products used for printing variable information

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(such as date codes and serial numbers) on fast moving consumer goods, capitalizing on expanding food and product safety requirements and growth in emerging markets. In addition, our business serving the textile market is 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 - The businesses in this platform serve the vehicle service, industrial automation, and waste and recycling markets. Our businesses serving the vehicle service markets provide a wide range of products and services that are utilized in vehicle, maintenance, repair, and modification.

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, 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 reciprocating 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 industries.

- Refrigeration – Our businesses manufacture refrigeration systems, refrigeration display cases, walk-in coolers and freezers, 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 platforms are used by the supermarket industry, “big-box” retail and convenience stores, the commercial/industrial refrigeration industry, institutional and commercial foodservice and food production markets, and beverage can-making

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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.

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 has trended upward over the past few years, particularly for various grades of steel, copper, aluminum, and select other commodities. Although some cost increases 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 2014, we spent $118.4 million for research and development, including qualified engineering costs. In 2013 and 2012, research and development spending totaled $117.2 million and $123.6 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.

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.

Customers

We serve thousands of customers, no one of which accounted for more than 10% of our consolidated revenue in 2014. Given our diversity of served markets, customer concentrations are quite varied. Businesses supplying the waste and recycling,

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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, aerospace, 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.

Backlog

Backlog is more relevant to our businesses that produce larger and more sophisticated machines or have long-term contracts, primarily for the Refrigeration and Food Equipment markets of our Refrigeration & Food Equipment segment. Our total backlog relating to our continuing operations as of December 31, 2014 and 2013 was $1.2 billion for both periods.

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 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), Domino Printing
	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)
	Pumps	IDEX Corp, Ingersoll Rand, ITT, SPX Corp.
Refrigeration & Food Equipment	Refrigeration	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,		
	2014	2013	2012
Energy	28 %	33 %	30 %
Engineered Systems	48 %	47 %	48 %
Fluids	53 %	51 %	47 %
Refrigeration & Food Equipment	35 %	36 %	35 %
Total percentage of revenue derived from customers outside of the U.S.	40 %	41 %	40 %

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 17 Segment Information to the Consolidated Financial Statements in Item 8 of this Form 10-K.

Environmental 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.

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. We have committed to reducing our overall energy and greenhouse gas intensity indexed to net revenue by 20% from 2010 to 2020. We also participated as a respondent in the 2013 Carbon Disclosure Project.

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 some of 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.

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 27,000 employees in our ongoing operations as of December 31, 2014.

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. 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.

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 products and services, and could have a material adverse effect on our financial condition, results of operations and cash flows.

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

Approximately 40% of our revenues from continuing operations for 2014 and 41% of our revenues for 2013 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:

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

- 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.

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.

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- 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 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, and 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.

- 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.

- 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.

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- 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 and unable to 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. 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.

- The proposed disposition of certain of our businesses may not be completed on the currently contemplated timeline or terms, or at all.

There can be no assurance that the contemplated dispositions will be completed on the anticipated terms or timeframe, or at all.

- 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,

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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 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. 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.

- 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 long-term debt as of December 31, 2014. 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.

- In connection with the Knowles spin-off, the tax rules applicable to the distribution of shares to our shareholders may restrict us from engaging in certain corporate transactions or from raising equity capital beyond certain thresholds for a period of time after the spin-off, as applicable.

We received a private letter ruling from the Internal Revenue Service ("IRS") substantively to the effect that, among other things, the distribution of shares to our shareholders, will qualify as tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code (the "Code"). To preserve the tax-free treatment of the distribution of shares to our shareholders, we will be subject to restrictions with respect to our activities, including restrictions relating to certain issuances or repurchases of our common stock, asset sales, mergers and liquidations.

These restrictions may limit our ability to pursue strategic transactions of a certain magnitude that involve the issuance or acquisition of our stock or engage in new businesses or other transactions that might increase the value of our business. These restrictions may also limit our ability to raise significant amounts of cash through the issuance of stock, especially if our stock price were to suffer substantial declines, or through the sale of certain of our assets.

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• Indemnification agreements with Knowles may not fully protect us against certain liabilities.

In connection with the spin-off, Knowles agreed to indemnify us for any losses relating to the conduct of the Knowles business. There can be no assurance that the indemnity agreements will be sufficient to protect us against the full amount of any liabilities that may arise, or that the indemnitors will be able to fully satisfy their indemnification obligations. The failure to receive amounts for which we are entitled to indemnification could adversely affect our results of operations, cash flows and financial condition.

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 continuing operations as of December 31, 2014 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	67	66	77	210	2,815	1,691
Engineered Systems	39	33	86	158	3,205	1,520
Fluids	34	6	19	59	2,457	1,460
Refrigeration & Food Equipment	30	20	22	72	1,975	2,696

	Locations					Expiration dates of leased facilities (in years)	
	North America	Europe	Asia	Other	Total	Minimum	Maximum
Energy	131	5	9	5	150	1	15
Engineered Systems	41	46	42	1	130	1	10
Fluids	16	15	16	4	51	1	10
Refrigeration & Food Equipment	34	14	11	3	62	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, 2014 and 2013, we have reserves totaling $32.9 million and $34.0 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, 2014 and 2013, 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 affect 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 13, 2015, 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	61	Chief Executive Officer and Director (since December 2008) and President (since June 2008).
Ivonne M. Cabrera	48	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	55	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	44	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	54	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	51	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	56	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	49	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.	56	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	45	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.
Kevin P. Buchanan	59	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.
Paul E. Goldberg	51	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.
Raymond T. McKay, Jr.	61	Vice President (since February 2004) and Controller (since November 2002) of Dover.
Brian P. Moore	44	Vice President, Treasurer (since November 2011) of Dover; prior thereto Senior Director, Investor Relations (from April 2010 to October 2011) of USG Corporation; prior thereto Director of Credit & Accounts Receivable (from December 2008 to April 2010) of USG.
Michael Y. Zhang	51	Vice President (since May 2010) of Dover and President, Asia (since May 2011) of Dover; prior thereto Managing Director (from January 2009 to May 2011) of Dover Regional Headquarters, China.

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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 adjusted close prices of our stock and the frequency and the amount of dividends paid during the last two years is as follows:

	2014			2013		
	Market Prices (1)		Dividends	Market Prices (1)		Dividends
	High	Low	per Share	High	Low	per Share
First Quarter	$81.02	$67.34	$0.375	$59.95	$53.31	$0.350
Second Quarter	90.11	79.69	0.375	65.14	54.70	0.350
Third Quarter	90.22	79.94	0.400	75.04	61.88	0.375
Fourth Quarter	82.76	67.76	0.400	78.67	70.49	0.375
			$1.550			$1.450

(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 30, 2015 was approximately 21,387. 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

During the fourth quarter of 2014, we made the following purchases of Dover shares:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value in Thousands) of Shares that May Yet Be Purchased under the Plans or Programs (2) May 2012 Program	November 2012 Program
October 1 to October 31	951,767	$78.82	951,767	1,809,576	$—
November 1 to November 30	621,535	80.47	621,535	1,188,041	—
December 1 to December 31	1,150,000	72.57	1,150,000	38,041	—
For the Fourth Quarter	2,723,302	$76.56	2,723,302	38,041	$—

(1) In May 2012, the Board of Directors renewed its standing authorization of the Company's share repurchase program, on terms consistent with its prior five-year authorization which expired at that time. This renewal authorized the repurchase of up to 10,000,000 shares of the Company's common stock during the five-year period ending May 2017. All shares repurchased during the fourth quarter were purchased under this program.

(2) As of December 31, 2014, the number of shares still available for repurchase under the May 2012 share repurchase authorization was 38,041. This authorization was canceled and replaced in January 2015 with a new standing share repurchase authorization approved by the Board of Directors, whereby the Company may repurchase up to 15,000,000 shares of its common stock over the following three years. In November 2012, the Board of Directors approved a $1 billion share repurchase program authorizing repurchases of Dover's common stock over the following 12 to 18 months. This program was completed in the first quarter of 2014.

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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, 2009 in Dover Corporation common stock, the S&P 500 index, and a peer group index.

The 2014 peer index consists of the following 36 public companies selected by the Company.

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

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ITEM 6. SELECTED FINANCIAL DATA

dollars in thousands except share data	2014	2013	2012	2011	2010
Revenue	$7,752,728	$7,155,096	$6,626,648	$6,051,011	$5,069,665
Earnings from continuing operations	778,140	797,527	650,075	579,348	447,413
Net earnings	775,235	1,003,129	811,070	895,243	700,104
Basic earnings (loss) per share:					
Continuing operations	$4.67	$4.66	$3.58	$3.12	$2.39
Discontinued operations	(0.02)	1.20	0.89	1.70	1.35
Net earnings	4.65	5.86	4.47	4.82	3.75
Weighted average shares outstanding	166,692,000	171,271,000	181,551,000	185,882,000	186,897,000
Diluted earnings (loss) per share:					
Continuing operations	$4.61	$4.60	$3.53	$3.07	$2.37
Discontinued operations	(0.02)	1.18	0.88	1.67	1.34
Net earnings	4.59	5.78	4.41	4.74	3.70
Weighted average shares outstanding	168,842,000	173,547,000	183,993,000	188,887,000	189,170,000
Dividends per common share	$1.55	$1.45	$1.33	$1.18	$1.07
Capital expenditures	$166,033	$141,694	$146,502	$152,764	$125,962
Depreciation and amortization	307,188	278,033	229,934	193,353	160,377
Total assets	9,090,385	10,855,181	10,429,618	9,456,408	8,562,894
Total debt	3,030,997	2,828,479	2,800,116	2,187,252	1,807,476

All results and data in the table above reflect continuing operations, unless otherwise noted. As a result, the data presented above will not necessarily agree to previously issued financial statements. See Note 4 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 3 Acquisitions for additional information regarding the impact of 2014 and 2013 acquisitions.

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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, 2014. 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 Estimates and Recent Accounting Standards
- Special Notes Regarding 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.

On February 28, 2014, the Company completed the separation of 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. The distribution was structured to be tax-free to Dover and its shareholders for U.S. federal income tax purposes.

In the first quarter of 2014, Dover announced the realignment of its businesses into a new segment structure, consisting of four segments and organized around its key end markets to better focus on growth strategies. The new structure is designed also to provide increased opportunities to leverage Dover's scale and capitalize on productivity initiatives.

In connection with management's evaluation of Dover's businesses for their strategic fit within Dover's operations, the Company announced in the fourth quarter of 2014 its intention to divest Datamax O'Neil and Sargent Aerospace, two businesses within the Engineered Systems segment. Accordingly, these businesses were reclassified to discontinued operations. The Company has reached a definitive agreement to sell Datamax O'Neil. Also excluded from continuing operations are the results of operations of DEK International and Everett Charles Technologies (including the Multitest business, collectively "ECT"), until their respective dates of sale of third quarter 2014 and fourth quarter 2013, respectively. The Company completed the sale of DEK International in the third quarter of 2014 for total proceeds of $170.6 million, which resulted in an after-tax loss on sale of $6.9 million. In addition, the Company recognized a gain on sale of $3.2 million in 2014 in connection with a working capital adjustment of $4.5 million for ECT. The results presented herein represent continuing operations, excluding the results of these businesses, as well as the results of Knowles prior to the spin-off.

Full year 2014 consolidated revenue from continuing operations was $7.8 billion, an increase of $597.6 million, as compared to prior year reflecting an increase in organic revenue of 4.4%, a 4.4% increase in acquisition-related revenue and a negligible impact due to foreign currency translation. Increases across all four segments were led by strong results in our Engineered Systems, Fluids and Energy segments. Our Engineered Systems segment achieved solid growth across both platforms, resulting in overall revenue growth of 9.5% as compared to the prior year. Within the Printing & Identification platform of Engineered Systems, our recent acquisition MS Printing performed well as did our core printing and coding businesses. In addition, the Industrials platform achieved broad-based growth led by our auto-related and waste handling businesses. Our Fluids segment performed well with revenue growth of 15.7% as compared to the prior year, as continuing robust market conditions for Fluid Transfer products and solid Pumps markets resulted in strong organic growth, supplemented by acquisition-related growth. In our Energy segment, revenue growth of nearly 9.0% largely driven by recent acquisitions, solid U.S. Drilling & Production customer activity, as well as generally healthy Bearings & Compression markets. Our Refrigeration & Food Equipment segment generated revenue growth of 1.8%, with solid performance in our Refrigeration end market, partially offset by the impact of product mix within our Food Equipment end market.

Gross profit increased $195.7 million, or 7.0%, to $3.0 billion, reflecting the benefit of increased sales volumes mainly due to broad-based order and shipment activity. This growth was partially offset by higher restructuring charges in the current year, as well as higher labor costs. 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 increased 7.8% over the prior year to $7.8 billion, representing year-over-year growth across our Energy, Engineered Systems and Fluids segments of 8.8%, 11.4% and 13.7%, respectively. This growth was partially offset by a 1.0% decrease for our Refrigeration & Food Equipment segment. Overall, the book-to-bill of 1.00 slightly decreased as compared to the prior year. Backlog of $1.2 billion remained relatively flat as compared to prior year.

From a geographic perspective for the year, our North American, European and Asian markets were all solid, whereas Latin America was weak. We anticipate our North American growth will moderate, specifically for our Energy segment, due to the recent decline in global oil markets; however, we expect North America to remain a solid market for our other three segments.

We acquired a total of seven businesses in 2014 for total net consideration of $802.3 million. These businesses were acquired to complement and expand upon existing operations within our Energy, Fluids and Refrigeration & Food Equipment segments and the Printing & Identification platform of the Engineered Systems segment. Included in these acquisitions was the October 1, 2014 acquisition of Accelerated Companies LLC ("Accelerated"), a supplier of artificial lift and fluid handling solutions to oil and gas production markets. The business is now part of Dover Artificial Lift, a business unit within Dover's Energy segment. The total purchase price for this acquisition, net of cash acquired and including final working capital adjustments, was approximately $435.7 million, which was funded with commercial paper.

In addition to the aforementioned acquisitions, we completed previously announced actions to adjust our costs and further streamline our businesses. These actions resulted in full year 2014 restructuring charges of $44.8 million, of which $37.4 million was incurred in the fourth quarter of 2014. We expect to incur restructuring charges of approximately $17.0 million to $20.0 million in the first quarter of 2015, with approximately $12.0 million to $15.0 million of these charges within our Energy segment. The 2015 cost savings expected to be realized as a result of the restructuring programs initiated in late 2014 and early 2015 is expected to be within the range of $70.0 million to $75.0 million. In light of the economic uncertainty, particularly for the Energy end markets, it is possible that additional programs may be implemented throughout the remainder of 2015.

During the year ended December 31, 2014, the Company purchased a total of approximately 7.5 million shares of its common stock in the open market at a total cost of $601.1 million, or approximately $80.50 per share. Included in this total are 3.6 million shares repurchased to complete the November 2012 $1.0 billion stock repurchase program. The remaining 3.9 million of share repurchases in 2014 were made pursuant to the share repurchase program approved in May 2012. As of December 31, 2014, the approximate number of shares still available for repurchase under the May 2012 share repurchase authorization was 0.1 million. This authorization was canceled and replaced in January 2015 with a new standing share repurchase authorization approved by the Board of Directors, whereby the Company may repurchase up to 15 million shares of its common stock over the following three years. In addition, we continued our history of increasing our annual dividend payments to shareholders by paying $258.5 million in dividends in 2014.

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Looking forward to 2015, we expect the following:

- Within our Energy segment, lower revenue in our U.S.-based Drilling & Production businesses, however, we continue to expect our international oil and gas activity and our Bearings & Compression businesses to grow;
- Within our Engineered Systems segment, continued growth driven by strong dynamics in our Industrials platform and global growth in Printing & Identification;
- The continuation of solid global markets in our Fluids segment driven by increased regulatory activity, a positive retail fueling environment and new product introductions;
- Within our Refrigeration & Food Equipment segment, growth supported by our focus on customer service and best-in-class products; and
- Continued share repurchases under the new standing authorization approved in January 2015.

Our 2015 guidance anticipates the combined impact of lower oil prices, discontinued operations, share repurchase activity and the impact of foreign currency translation. We expect total revenue growth of 1% to (2%), primarily reflecting our outlook for Energy. Within our total revenue forecast, organic growth is anticipated to be approximately 1% to (2%), completed acquisitions will provide approximately 2% growth, and the impact of foreign currency translation is expected to have a negative impact of 2%. In total, we expect full year adjusted EPS to be in the range of $4.70 to $4.95.

If global or domestic economic conditions accelerate or deteriorate, our operating results for 2015 could be materially different than currently projected.

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CONSOLIDATED RESULTS OF OPERATIONS

As discussed in Note 4 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)	2014	2013	2012	2014 vs. 2013	2013 vs. 2012
Revenue	$7,752,728	$7,155,096	$6,626,648	8.4 %	8.0 %
Cost of goods and services	4,778,479	4,376,505	4,046,659	9.2 %	8.2 %
Gross profit	2,974,249	2,778,591	2,579,989	7.0 %	7.7 %
Gross profit margin	38.4 %	38.8 %	38.9 %	(0.4)	(0.1)
Selling and administrative expenses	1,758,765	1,616,921	1,520,961	8.8 %	6.3 %
Selling and administrative as a percent of revenue	22.7 %	22.6 %	23.0 %	0.1	(0.4)
Interest expense, net	127,179	120,654	121,269	5.4 %	(0.5)%
Other (income) expense, net	(5,902)	(4,970)	6,694	nm*	nm*
Provision for income taxes	316,067	248,459	280,990	27.2 %	(11.6)%
Effective tax rate	28.9 %	23.8 %	30.2 %	5.1	(6.4)
Earnings from continuing operations	778,140	797,527	650,075	(2.4)%	22.7 %
(Loss) earnings from discontinued operations, net	(2,905)	205,602	160,995	nm*	nm*
Earnings from continuing operations per common share - diluted	$4.61	$4.60	$3.53	0.2 %	30.3 %

* nm: not meaningful

Revenue

Our 2014 consolidated revenue increased $597.6 million, or 8.4% to $7.8 billion, reflecting organic growth of 4.4%, growth from acquisitions of 4.4%, and a minor 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 and included recent acquisitions such as Accelerated and WellMark.

Our 2013 consolidated revenue increased 8.0% to $7.2 billion compared with 2012, reflecting organic growth of 2.1%, growth from acquisitions of 5.9% and a negligible impact from currency translation. All four of our segments generated 2013 organic revenue growth, with the majority attributed to volume increases driven by strength in Energy, Refrigeration and Food Equipment, and many of the other industrial markets served by our Engineered Systems segment.

Gross Profit

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.

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Our gross profit increased $198.6 million or 7.7% in 2013 compared with 2012, reflecting the benefit of increased sales volumes, favorable net material costs, and benefits from productivity initiatives. The benefit from these factors were partly offset with higher depreciation and amortization expense of $15.7 million. Gross profit margin was consistent year over year, with the operating leverage achieved by the higher volumes being offset by the impact of normal pricing concessions, business mix and higher labor costs.

Selling and Administrative Expenses

Selling and administrative expenses increased $141.8 million, or 8.8%, in 2014 compared with 2013 primarily due to general increases across the segments in support of higher volumes. The current year expense included higher restructuring costs of $21.3 million to align our businesses with anticipated market conditions and $15.0 million additional depreciation and amortization expense relating primarily to the recent acquisitions of Finder Pompe, Wellmark, and Accelerated.

As a percentage of revenue, selling and administrative expenses increased 10 basis points in 2014 to 22.7%. 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 a result of leverage from higher revenue levels, which more than offset higher acquisition-related depreciation and amortization and increased restructuring charges.

Higher selling and administrative expenses in 2013 relative to 2012 reflect general increases across the segments in support of higher volumes. As a percentage of revenue, selling and administrative expenses decreased to 22.6% in 2013 compared with 23.0% in 2012. This 40 basis point improvement is the a result of leverage from the higher revenue levels which offset higher acquisition-related depreciation and amortization charges of $11.6 million. Approximately 20 basis points of this improvement is attributable to the $11.2 million of one-time items recognized in 2013 as discussed above.

Non-Operating Items

Interest expense, net, increased $6.5 million, or 5.4%, to $127.2 million in 2014 primarily due to higher interest expense related to the euro-denominated debt issued in the fourth quarter of 2013. In 2013, our interest expense, net, decreased 0.5% to $120.7 million due primarily to lower interest rates on commercial paper borrowings for the period.

Other expense (income), net in 2014, 2013, and 2012 includes $2.1 million, $5.6 million, and $9.2 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 insurance settlements for property damage of $5.1 million and $7.4 million in 2014 and 2013, respectively. Other income for 2014 also included $1.7 million for earnings on minority investments during the year. Other expense, net in 2012 also included royalty income and other miscellaneous non-operating gains and losses, none of which are individually significant.

Income Taxes

We operate globally, and 27.8%, 31.7%, and 31.2% of our pre-tax earnings in 2014, 2013, and 2012, respectively, were generated in foreign jurisdictions. Foreign earnings are generally subject to local country tax rates that are well 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 2014 effective tax rate on continuing operations was 28.9% compared to the 2013 rate of 23.8%. The 2014 rate was impacted by $11.3 million of favorable net discrete items, principally related to settlements of uncertain tax matters. The 2013 effective tax rate was impacted by other 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 signed into law on January 2, 2013. After adjusting for discrete items, the effective tax rates were 29.9% for 2014 and 31.0% for 2013.

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

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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 $27.0 million. Some portion of such change may be reported as discontinued operations. We believe adequate provision has been made for all income tax uncertainties.

The 2012 effective tax rate on continuing operations was 30.2%. The effective tax rate in 2012 was favorably impacted by net discrete and other items totaling $17.8 million, arising principally from settlements with the U.S. federal and state taxing authorities. After adjusting for discrete and other items, the effective tax rate for 2012 was 32.1%.

Earnings from Continuing Operations

Earnings from continuing operations decreased 2.4% to $778.1 million, or $4.61 diluted earnings per share ("EPS") in 2014, compared with earnings from continuing operations of $797.5 million, or $4.60 EPS, in 2013. Excluding the impact of discrete tax benefits of $11.3 million, or $0.07 EPS, in 2014 and $75.5 million, or $0.43 EPS, in 2013, earnings from continuing operations increased 6.2%. The increase in these adjusted earnings for 2014 is primarily due to higher revenues and benefits from productivity and cost containment initiatives, offset by higher restructuring and acquisition-related expenses. Excluding the impact of discrete tax items, EPS increased 9.1% 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.

Earnings from continuing operations increased 22.7% to $797.5 million, or $4.60 EPS in 2013, compared with earnings from continuing operations of $650.1 million, or $3.53 EPS, in 2012. Excluding the impact of discrete tax benefits of $75.5 million, in 2013 and $17.8 million, or $0.10 EPS, in 2012, earnings from continuing operations increased 14.2%. The increase in 2013 adjusted earnings is primarily the result of higher revenues, offset in part by higher labor costs across all segments, as well as higher acquisition-related expenses, including depreciation and amortization. Excluding the impact of discrete tax items, EPS increased 21.2% in 2013, which reflects the increase in earnings, as well as the impact of six million share buybacks during the period.

Discontinued Operations

The results of discontinued operations reflect the results of Datamax O'Neil and Sargent Aerospace, which were reclassified to discontinued operations in the fourth quarter of 2014. These results also include Knowles prior to the distribution on February 28, 2014 and the results of DEK and ECT prior to their respective sale dates of July 2, 2014 and November 30, 2013.

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 the prior year. Also reflected within the net loss from discontinued operations is $32.3 million of after-tax earnings for those businesses classified as discontinued operations, $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 totaled net earnings of $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.

Earnings from discontinued operations for the year ended December 31, 2012 totaled net earnings of $161.0 million, which primarily reflects after-tax earnings of the five businesses classified as discontinued operations as well as various expense and accrual adjustments relating to other discontinued operations. This activity was offset by a goodwill impairment charge recognized in connection with the anticipated sale of ECT of $51.9 million, net of tax.

Refer to Note 4 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

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.

Of the restructuring charges above, $37.4 million was incurred in Q4 2014 principally due to streamlining business across the organization. We expect to incur restructuring charges of approximately $17.0 million to $20.0 million in the first quarter of 2015, with the majority of these charges in the Energy segment. We anticipate that much of the benefit of the 2014 and 2015 programs will be realized over the remainder of 2015 and into 2016. We also expect to fund the remainder of the 2014 programs currently underway, as well those commenced in 2015, 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 2015.

2013 Restructuring Activities

During 2013, we initiated restructuring actions relating to ongoing cost reduction efforts, including targeted facility consolidations and headcount reductions at certain businesses. As a result, in 2013, we incurred restructuring charges totaling $9.1 million related to these programs, as follows:

- The Engineered Systems segment incurred restructuring charges of $3.6 million, mainly relating to facility consolidations and other headcount reduction programs undertaken to optimize its cost structure.

- The Fluids segment incurred restructuring charges of $0.9 million, principally relating to rationalization of global headcount to better align its footprint with present market conditions.

- The Refrigeration & Food Equipment segment incurred restructuring charges of $5.5 million, primarily relating to a facility consolidation and related headcount reductions within its operations to better reflect the current market dynamics.

Restructuring initiatives in 2012 were limited to a few targeted facility consolidations. We incurred restructuring charges of $13.9 million relating to such activities. See Note 9 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

This 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 17 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, Automation, and Bearings & Compression end markets, is a provider of customer driven solutions and services for safe and efficient production and processing of oil, natural gas liquids, and gas worldwide, and has a strong presence in the bearings and compression components markets.

	Years Ended December 31,			% Change	
(dollars in thousands)	2014	2013	2012	2014 vs. 2013	2013 vs. 2012
Revenue:					
Drilling & Production	$1,459,514	$1,378,225	$1,315,599	5.9 %	4.8 %
Bearings & Compression	347,470	341,628	337,131	1.7 %	1.3 %
Automation	210,255	134,000	135,565	56.9 %	(1.2)%
Total	$2,017,239	$1,853,853	$1,788,295	8.8 %	3.7 %
Segment earnings	$461,815	$459,649	$466,801	0.5 %	(1.5)%
Operating margin	22.9 %	24.8 %	26.1 %		
Segment EBITDA	$573,771	$558,724	$554,722	2.7 %	0.7 %
Segment EBITDA margin	28.4 %	30.1 %	31.0 %		
Other measures:					
Depreciation and amortization	$111,956	$99,075	$87,921	13.0 %	12.7 %
Bookings	2,016,411	1,853,562	1,801,580	8.8 %	2.9 %
Backlog	233,347	206,790	224,284	12.8 %	(7.8)%

	2014 vs. 2013	2013 vs. 2012
Components of revenue growth:		
Organic growth	3.1 %	0.3 %
Acquisitions	6.6 %	3.4 %
Foreign currency translation	(0.9)%	— %
	8.8 %	3.7 %

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 a 0.9% unfavorable impact from foreign currency translation.

- 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

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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 $76.2 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.

Bookings for the year ended December 31, 2014 increased 8.8% compared to 2013, primarily due to broad-based growth across our product lines. Backlog at December 31, 2014 increase 12.8% compared to the prior year, mainly due to large projects booked in our Bearings end market.

2013 Versus 2012

Revenue generated by our Energy segment increased $65.6 million, or 3.7%, compared with 2012. The increase was driven primarily by acquisition growth of 3.4% and organic growth of 0.3%. There was a negligible impact from foreign currency translation.

- Drilling & Production revenue (representing 74.4% of 2013 segment revenue) increased by $62.6 million, or 4.8%, driven by a large artificial lift project in Australia and market share gains and international growth in Drilling end markets, partially offset by softer demand for winch products in the energy and recovery markets.

- Bearings & Compression revenue (representing 18.4% of 2013 segment revenue) increased by $4.5 million, or 1.3%, reflecting a small increase in Bearing end market shipments, partially offset by slightly lower Compression product sales.

- Automation revenue (representing 7.2% of 2013 segment revenue) decreased by $1.6 million, or 1.2%, driven by prior year customer upgrade programs in our downhole pressure transducers business that did not repeat.

Energy's earnings decreased $7.2 million, or 1.5%, primarily resulting from lower yields and higher costs of new drilling products, lower sales of winch products and investments in compression product expansion. Operating margin decreased 130 basis points compared to the prior year due to the lower yields and higher costs of new drilling products, unfavorable product mix in artificial lift products and investments in compression product expansion.

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Engineered Systems

Our Engineered Systems segment is comprised of two platforms, Industrials and Printing & Identification, and is focused on the design, manufacture and service of critical equipment and components serving the vehicle service, environmental solutions, industrial, and printing and identification markets. As discussed previously, Datamax O'Neil, a business previously within the the Printing & Identification platform, and Sargent Aerospace, previously within the Industrials platform, were reclassified to discontinued operations in the fourth quarter of 2014. The discussion that follows addresses continuing operations of the segment.

	Years Ended December 31,			% Change	
(dollars in thousands)	2014	2013	2012	2014 vs. 2013	2013 vs. 2012
Revenue:					
Industrials	$1,397,081	$1,300,095	$1,292,844	7.5 %	0.6 %
Printing & Identification	988,884	877,875	850,843	12.6 %	3.2 %
	$2,385,965	$2,177,970	$2,143,687	9.5 %	1.6 %
Segment earnings	$386,998	$347,497	$319,704	11.4 %	8.7 %
Operating margin	16.2 %	16.0 %	14.9 %		
Segment EBITDA	$448,944	$406,555	$380,374	10.4 %	6.9 %
Segment EBITDA margin	18.8 %	18.7 %	17.7 %		
Other measures:					
Depreciation and amortization	$61,946	$59,058	$60,670	4.9 %	(2.7)%
Bookings					
Industrials	$1,451,847	$1,316,228	$1,296,372	10.3 %	1.5 %
Printing & Identification	993,260	879,468	854,762	12.9 %	2.9 %
Eliminations	(56)	63	(225)		
	$2,445,051	$2,195,759	$2,150,909	11.4 %	2.1 %
Backlog					
Industrials	$282,598	$231,748	$234,397	21.9 %	(1.1)%
Printing & Identification	110,359	95,597	93,326	15.4 %	2.4 %
Eliminations	—	—	1		
	$392,957	$327,345	$327,724	20.0 %	(0.1)%

Components of revenue growth:	2014 vs. 2013	2013 vs. 2012
Organic growth	6.2 %	1.6 %
Acquisitions	4.1 %	— %
Foreign currency translation	(0.8)%	— %
	9.5 %	1.6 %

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%.

- Revenue derived from the Industrials platform (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%.

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- Revenue of our Printing & Identification platform (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 markets, 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.

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.

Bookings for our Industrials platform reflected broad-based growth, resulting in an increase of 10.3%. Our Printing & Identification platform's bookings increased 12.9%, due to the impact of recent acquisitions and continued strong activity in our core fast moving consumer goods markets, especially in the U.S. Segment book-to-bill was 1.02.

2013 Versus 2012

Engineered Systems 2013 revenue increased $34.3 million, or 1.6%, due to organic revenue growth of 1.6%.

- Revenue derived from the Industrials platform (representing 59.7% of 2013 segment revenue) increased $7.3 million, or 0.6%, driven by higher demand for waste equipment for large regional haulers and increased demand in vehicle service markets, partially offset by lower demand for equipment serving the mining, utilities, military, and industrial automation machinery sectors.

- Revenue of our Printing & Identification platform (representing 40.3% of 2013 segment revenue) increased $27.0 million, or 3.2%, favorably impacted by market improvements in Europe and developing markets.

Engineered Systems segment earnings in 2013 increased $27.8 million, or 8.7%, compared with 2012, due to the impact of productivity improvements and favorable pricing. In addition, non-recurring gains in 2013 included settlements on insurance related to property damage totaling $3.1 million that partially offset other miscellaneous non-recurring charges, none of which were individually significant. Operating margin increased 110 basis points compared to 2012, primarily attributable to leveraging higher volumes and ongoing productivity improvements, including restructuring savings from actions taken earlier in 2013 and 2012 in the Printing & Identification platform.

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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 oil and gas, retail fueling, chemical, hygienic and industrial markets.

	Years Ended December 31,			% Change	
(dollars in thousands)	2014	2013	2012	2014 vs. 2013	2013 vs. 2012
Revenue:					
Fluid Transfer	$778,979	$665,559	$596,772	17.0 %	11.5 %
Pumps	651,587	571,279	490,754	14.1 %	16.4 %
Total	$1,430,566	$1,236,838	$1,087,526	15.7 %	13.7 %
Segment earnings	$251,639	$224,523	$182,544	12.1 %	23.0 %
Operating margin	17.6 %	18.2 %	16.8 %		
Segment EBITDA	$312,542	$273,335	$223,925	14.3 %	22.1 %
Segment EBITDA margin	21.8 %	22.1 %	20.6 %		
Other measures:					
Depreciation and amortization	$60,903	$48,812	$41,381	24.8 %	18.0 %
Bookings	1,434,358	1,261,922	1,073,665	13.7 %	17.5 %
Backlog	277,834	310,330	195,794	(10.5)%	58.5 %

Components of revenue growth:	2014 vs. 2013	2013 vs. 2012
Organic growth	7.5 %	6.8 %
Acquisitions	8.3 %	6.9 %
Foreign currency translation	(0.1)%	— %
	15.7 %	13.7 %

2014 Versus 2013

Fluids segment revenue increased $193.7 million, or 15.7%, compared to 2013, comprised of organic growth of 7.5%, acquisition-related growth of 8.3%, partially offset by a 0.1% unfavorable foreign currency impact.

- 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%, for the year ended December 31, 2014 compared to the comparable prior year period, 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.

Bookings for 2014 decreased 13.7% as compared to 2013, and backlog levels decreased 10.5% at December 31, 2014 compared to the prior year end, primarily reflecting the timing of project-related orders within Pumps. Book to bill was solid at 1.0.

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2013 Versus 2012

Fluids segment revenue increased $149.3 million, or 13.7%, compared to 2012, attributable to organic revenue growth of 6.8% and acquisition-related growth of 6.9%.

- Fluid Transfer revenue (representing 53.8% of 2013 segment revenue) increased $68.8 million, or 11.5%, year-over-year, reflecting acquisition-related growth from acquisitions made in the forth quarter of 2013, as well as broad-based order and shipment activity.

- Pumps revenue (representing 46.2% of 2013 segment revenue increased $80.5 million, or 16.4%, compared with the prior year, primarily driven by the acquisitions of Ebsray Pumps and Finder Pompe in the second and fourth quarters of 2013, respectively.

Fluids segment earnings increased $42.0 million, or 23.0%, in 2013 compared to 2012, with an increase in operating margin of 140 basis points, as the increased sales volume and productivity initiatives more than offset higher acquisition-related costs, including depreciation and amortization.

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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 industries.

	Years Ended December 31,			% Change	
(dollars in thousands)	2014	2013	2012	2014 vs. 2013	2013 vs. 2012
Revenue:					
Refrigeration	$1,483,157	$1,449,857	$1,222,044	2.3 %	18.6 %
Food Equipment	438,032	437,983	385,558	— %	13.6 %
Total	$1,921,189	$1,887,840	$1,607,602	1.8 %	17.4 %
Segment earnings	$238,734	$267,307	$223,397	(10.7)%	19.7 %
Operating margin	12.4 %	14.2 %	13.9 %		
Segment EBITDA	$307,435	$334,535	$260,692	(8.1)%	28.3 %
Segment EBITDA margin	16.0 %	17.7 %	16.2 %		
Other measures:					
Depreciation and amortization	$68,701	$67,228	$37,295	2.2 %	80.3 %
Bookings	1,863,207	1,882,338	1,596,369	(1.0)%	17.9 %
Backlog	282,507	347,004	360,059	(18.6)%	(3.6)%

Components of segment revenue growth:	2014 vs. 2013	2013 vs. 2012
Organic growth	1.7 %	1.4 %
Acquisitions	0.2 %	16.0 %
Foreign currency translation	(0.1)%	— %
	1.8 %	17.4 %

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%.

- Revenue growth 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.

Bookings for the year ended December 31, 2014 decreased slightly as compared to 2013, reflecting anticipated lower orders for Refrigeration and the timing of orders for Food Equipment. Backlog at December 31, 2014 decreased 18.6% due to the aforementioned timing of orders for Food Equipment. Book to bill was 0.97.

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2013 Versus 2012

Revenue generated by our Refrigeration & Food Equipment segment increased $280.2 million, or 17.4%, compared with 2012. The overall increase in revenue resulted primarily acquisition-related growth of 16.0%, as well as organic revenue growth of 1.4%.

- Our revenue in the Refrigeration market (representing 76.8% of 2013 segment revenue) increased $227.8 million, or 18.6%, primarily reflecting the favorable impact of recent acquisitions, most notably Anthony International acquired in November 2012. These increases in revenue more than offset the impact of delayed shipments to a key retail customer on a specific project.

- Our Food Equipment revenue (representing 23.2% of 2013 segment revenue) increased $52.4 million , or 13.6%, over the prior year reflecting increased demand for beverage can-making equipment and the favorable impact of recent acquisitions.

Refrigeration & Food Equipment's 2013 earnings increased 19.7% compared with 2012, with an increase in operating margin of 30 basis points. The earnings and margin increases were mainly due to the impact of recent acquisitions and productivity savings, partially offset by acquisition-related depreciation and amortization expense.

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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)	2014	2013	2012
Net Cash Flows Provided By (Used In):			
Operating activities	$950,164	$979,612	$968,369
Investing activities	(782,557)	(361,677)	(1,225,330)
Financing activities	(255,489)	(678,542)	(342,942)

Operating Activities

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 due, 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.

Cash provided by operating activities in 2013 increased $11.2 million as compared to the prior year. This increase was driven by higher earnings from continuing operations; however, increased investments in working capital of $77.4 million, mostly due to the timing of customer payments, reduced operating cash flow. Higher long-term and annual incentive compensation payouts in 2013 drove reductions in compensation accruals of approximately $64.3 million. Additionally, higher tax payments of $51.9 million further reduced operating cash flow in 2013.

Pension and Post-Retirement Activity: 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 and $18.0 million in 2013 and 2012, respectively. Due to the overfunded status of this plan, the Company made no contributions in 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 2014, 2013, and 2012 totaled $9.5 million, $9.8 million, and $7.2 million, respectively. In 2015, we expect to contribute approximately $6.5 million to our non-U.S. plans. See Note 15 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 2014, Adjusted Working Capital (a non-GAAP measure calculated as accounts receivable, plus inventory, less accounts payable) increased from 2013 by $165.9 million, or 13.1%, to $1.4 billion, which reflected an increase in receivables of $110.1 million, an increase in net inventory of $148.4 million, and an increase in accounts payable of $92.6 million, generally due to the impact of timing of inventory purchases and vendor payments in 2014. Excluding acquisitions and the effects of foreign exchange translation of $51.3 million, Adjusted Working Capital would have increased by $81.4 million, or 6.4%.

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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 2014, we deployed $802.3 million to acquire seven businesses, including $435.7 million for Accelerated and $158.6 million for WellMark Holdings, Inc., two U.S. acquisitions within the Energy segment. In comparison, we acquired ten business in 2013 for an aggregate purchase price of approximately $322.8 million including $142.2 million for Finder Pompe, a European acquisition in the Fluids segment. Total acquisition spend of nearly $1.1 billion in 2012 was comprised of seven businesses, including $265.8 million for Maag Pump Systems, $119.4 million for PCS, and $603.2 million for Anthony International. See Note 3 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 capacity expansion, innovation, and cost savings, were $166.0 million in 2014, $141.7 million in 2013, and $146.5 million in 2012. Our capital expenditures were approximately $24.3 million higher in the 2014 period as compared to 2013, primarily due to expansion activities in the Bearings & Compression end market. We expect 2015 capital expenditures to approximate 2.3% of revenue.

- Proceeds from sale of businesses: In 2014, we generated cash proceeds of $191.3 million, primarily from the sale of DEK International and $16.3 million from the collection of deferred sale proceeds on the 2013 sale of Everett Charles Technologies, which accounted for the majority of the $76.5 million of cash received in 2013.

- Other investing activities: The majority of other investing activities for 2014 was a minority investment in a business serving the Refrigeration end market.

We anticipate that capital expenditures and any acquisitions we make in 2015 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 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 exercise of stock options. The majority of financing activity was attributed to the following:

- Long-term debt and notes payable: During the 2014 period, we increased net borrowings from commercial paper issuances by $251.5 million 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 the sale of the notes, net of discounts and issuance costs, were primarily used to repay commercial paper, which primarily accounted for the $381.0 million cash outflow during the year, as well as fund business acquisitions. In the 2012 period, we had negligible reductions in long-term debt, but increased borrowings of $607.5 million from commercial paper issuances for the purpose of funding acquisitions.

- Treasury purchases: In November 2012, Dover's Board of Directors approved a $1.0 billion stock repurchase program to drive additional shareholder value. During 2014, the Company completed this program through the repurchase of 3.6 million shares at a total cost of $292.6 million. We used $457.3 million in 2013 to repurchase 6.0 million shares and $250.1 million in 2012 to repurchase 4.0 million shares under this facility. We repurchased an additional 3.9 million shares in 2014 for a total cost of $308.5 million and 8.3 million shares for $493.0 million in 2012 under previous repurchase programs authorized by the board of directors. 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. 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.

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- Dividend payments: Total dividend payments to common shareholders were $258.5 million in 2014, $247.8 million in 2013 and $241.0 million in 2012. Our dividends paid per common share increased 7% to $1.55 per share in 2014 compared to $1.45 per share in 2013. This represents the 59th consecutive year that our dividend has increased.

- Proceeds from the exercise of share-based awards: We had a net cash outflow of $0.8 million in 2014 from the exercise of share-based awards, as compared to a net cash inflow of $7.6 million in 2013 and $43.1 million in 2012. These proceeds have declined in recent periods as the number of stock options are diminishing and a larger number of cashless exercises of equity awards have occurred.

Cash Flows from Discontinued Operations

In 2014, the businesses reported as discontinued operations generated net cash flow of $6.0 million. These cash flows reflect the operating results of Datamax O'Neil and Sargent Aerospace as well as Knowles prior to its spin-off in the first quarter and DEK prior to its sale in the third quarter. Cash flow generated for this period primarily reflects cash generated from operations of approximately $53.8 million, offset by costs incurred for the spin-off of Knowles of $27.1 million and capital expenditures of $20.6 million.

2013 and 2012 cash flows of $65.8 million and $171.1 million, respectively, include full year results for those business classified as discontinued operations, which include Knowles, DEK, ECT, Datamax O'Neil, and Sargent Aerospace. Higher investments in working capital of $115.4 million in 2013 relative to 2012, as well as costs of $30.1 million incurred in 2013 in connection with the spin-off of Knowles contributed to the decline in operating cash flows from discontinued operations in 2013, offset by higher earnings and lower capital expenditures for the period.

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)	2014	2013	2012
Cash flow provided by operating activities	$950,164	$979,612	$968,369
Less: Capital expenditures	(166,033)	(141,694)	(146,502)
Free cash flow	$784,131	$837,918	$821,867
Free cash flow as a percentage of revenue	10.1%	11.7%	12.4%

For 2014, we generated free cash flow of $784.1 million, representing 10.1% of revenue and 100.8% of earnings from continuing operations. Free cash flow in 2013 was $837.9 million or 11.7% of revenue, compared to $821.9 million, or 12.4% of revenue in 2012. The full year decrease in 2014 free cash flow reflects a higher investment in working capital and higher capital expenditures, partially offset by higher earnings from continuing operations before depreciation and amortization. We expect to generate free cash flow in 2015 of approximately 11.0% of revenue.

The 2013 increase in free cash flow compared to 2012 reflects higher earnings from continuing operations and lower capital expenditures, partially offset by higher investments in working capital and higher tax payments in 2013.

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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, 2014	December 31, 2013	December 31, 2012
Current maturities of long-term debt	$299,956	$2,778	$3,266
Commercial paper	478,000	226,500	607,500
Long-term debt	2,253,041	2,599,201	2,189,350
Total debt	3,030,997	2,828,479	2,800,116
Less: Cash and cash equivalents	(681,581)	(803,882)	(800,076)
Net debt	2,349,416	2,024,597	2,000,040
Add: Stockholders' equity	3,700,725	5,377,396	4,919,230
Net capitalization	$6,050,141	$7,401,993	$6,919,270
Net debt to net capitalization	38.8%	27.4%	28.9%

Our net debt to net capitalization ratio increased to 38.8% at December 31, 2014 compared to 27.4% at December 31, 2013. The increase in this ratio was driven primarily by 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.

Our net debt to net capitalization ratio decreased slightly at December 31, 2013 compared to the prior year-end due to the significant increase in equity levels driven by current net earnings, offset in part by $28.4 million of additional net borrowings. We replaced commercial paper borrowings in 2013 with the issuance of €300.0 million of 2.125% euro-denominated notes due 2020, from which we received proceeds of approximately $403.8 million.

We use commercial paper borrowings for general corporate purposes, including the funding of acquisitions and the repurchase of our common stock. We currently maintain an unsecured revolving credit facility with a syndicate of banks which permits borrowings up to $1.0 billion and expires on November 10, 2016. 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 Eurodollar or Sterling rate based on LIBOR, plus an applicable margin ranging from 0.565% to 1.225% (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, 2014 and had a coverage ratio of 12.7 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.

At December 31, 2014, our cash and cash equivalents totaled $681.6 million, of which approximately $509.8 million was held outside the United States. Cash and 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.

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In 2014, we made 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. Since the remaining cash our foreign subsidiaries hold 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 United States.

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, 2014:

	Short Term Rating	Long Term Rating	Outlook
Moody's	P-1	A2	Stable
Standard & Poor's	A-1	A	Stable
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, 2014, we had approximately $135.5 million outstanding in letters of credit with financial institutions, which expire at various dates in 2015 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, 2014 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 (5)
Long-term debt (1)	$2,552,997	$299,956	$231	$348,958	$1,903,852	$—
Interest payments (2)	1,658,098	125,534	221,818	193,206	1,117,540	—
Rental commitments	272,935	63,979	93,840	57,580	57,536	—
Purchase obligations	74,914	73,599	1,121	194	—	—
Capital leases	7,202	3,801	2,746	308	347	—
Supplemental & post-retirement benefits (3)	135,510	24,928	17,272	22,094	71,216	—
Uncertain tax positions (4)	95,980	1,105	—	—	—	94,875
Total obligations	$4,797,636	$592,902	$337,028	$622,340	$3,150,491	$94,875

(1) See Note 10 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, 2014.

(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 15 to the Consolidated Financial Statements. We also expect to contribute approximately $6.5 million to our non-U.S. qualified defined benefit plans in 2015, 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 2014. 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

We may, from time to time, enter into interest rate swap agreements to manage our exposure to interest rate changes. As of December 31, 2014, we did not have any open interest rate swap contracts. 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 have an immaterial 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 2014 year-end fair value of our long-term debt by approximately $242.1 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.

Foreign Currency Exposure

We conduct business in various non-U.S. countries, primarily in Canada, Mexico, substantially all of the European countries, Brazil, Argentina, Malaysia, 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, and at December 31, 2014, we had one outstanding floating-to-floating cross currency swap agreement for a total notional amount of $50.0 million in exchange for CHF 65.1 million, which matures on October 15, 2015. This transaction hedges a portion of our net investment in non-U.S. operations. The agreement qualifies as a net investment hedge and changes in the fair value are reported within the cumulative translation adjustment section of other comprehensive earnings, with any hedge ineffectiveness being recognized in current earnings. The fair values at December 31, 2014 and 2013 reflected cumulative losses of $15.6 million and $23.7 million, respectively, due to the strengthening of the Swiss franc relative to the U.S. dollar over the term of this arrangement. Due to the movement in currency rates subsequent to December 31, 2014, the loss on this net investment hedge has increased to approximately $21.0 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 the 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, the U.S. dollar equivalent of this debt decreased, resulting in the recognition of a gain in other comprehensive income of $47.6 million for the year ended December 31, 2014. In contrast, the Company recognized a loss of $6.1 million for the year ended December 31, 2013 due to the appreciation of the euro relative to the U.S. dollar at that time.

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, 2014 were not significant.

Critical Accounting Policies

Our consolidated financial statements and related public financial information are based on the application of generally accepted accounting principles in the United States of America ("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

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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 tangible and intangible assets on our balance sheet that include goodwill and other intangibles related to acquisitions. The valuation and classification of these assets and the assignment of useful depreciation and amortization lives involve significant judgments and the use of estimates. The testing of these intangibles under established accounting guidelines for impairment also requires significant use of judgment and assumptions, particularly as it relates to the identification of reporting units and the determination of fair market value. Our assets and reporting units are tested and reviewed for impairment on an annual basis during the fourth quarter or, when indicators of impairment exist, such as a significant sustained change in the business climate, or when a significant portion of a reporting unit is to be reclassified to discontinued operations, during the interim periods. We estimate fair value using discounted cash flow analyses (i.e. an income approach) which incorporate management assumptions relating to future growth and profitability. Changes in business or market conditions could impact the future cash flows used in such analyses. We believe that our use of estimates and assumptions are reasonable and comply with generally accepted accounting principles. We performed the annual impairment testing of our 16 identified reporting units in the fourth quarter of 2014, and the fair value of all reporting units exceeded the carrying value by at least 60% and, in most cases, significantly more. If the fair value of each of these reporting units was decreased by 10%, the resulting fair value would still have exceeded the carrying value and no impairment would have been recognized. Additionally, we have considered the economic environments in which our businesses operate, particularly our Energy segment, as the recent decline in oil and gas prices have impacted our 2015 projected results. Throughout 2015, we will continue to reassess the Energy markets and related impact on projected results in order to determine whether a triggering event occurs, at which point goodwill testing will be performed.

- 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 actuaria