

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 the fiscal year ended December 31, 2008

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ___ to ___

Commission File Number 1-12273

ROPER INDUSTRIES, INC.

(Exact name of Registrant as specified in its charter)

Delaware **51-0263969**
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

6901 Professional Parkway East, Suite 200
Sarasota, Florida 34240
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(941) 556-2601**

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

<u>Title of Each Class</u>	<u>Name of Each Exchange On Which Registered</u>
Common Stock, \$0.01 Par Value	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 No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
 Yes No

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 No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) 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.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act).
 Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark if the registrant is a shell company (as defined in Rule 12-b2 of the Act). Yes No

Based on the closing sale price on the New York Stock Exchange on June 30, 2008, the aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant was: \$5,913,756,279.

Number of shares of Registrant's Common Stock outstanding as of February 20, 2009: 89,765,578.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement to be furnished to Stockholders in connection with its Annual Meeting of Stockholders to be held on June 3, 2009, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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Information About Forward-Looking Statements

This Annual Report on 10-K ("Annual Report") includes and incorporates by reference "forward-looking statements" within the meaning of the federal securities laws. In addition, we, or our executive officers on our behalf, may from time to time make forward-looking statements in reports and other documents we file with the SEC or in connection with oral statements made to the press, potential investors or others. All statements that are not historical facts are "forward-looking statements." The words "estimate," "project," "intend," "expect," "believe," "anticipate," and similar expressions identify forward-looking statements. These forward-looking statements include statements regarding our expected financial position, business, financing plans, business strategy, business prospects, revenues, working capital, liquidity, capital needs, interest costs and income, in each case relating to our company as a whole, as well as statements regarding acquisitions, potential acquisitions and the benefits of acquisitions.

Forward-looking statements are estimates and projections reflecting our best judgment and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Examples of forward-looking statements in this report include but are not limited to our expectations regarding our ability to generate operating cash flows and reduce debt and associated interest expense and our expectations regarding growth through acquisitions. Important assumptions relating to the forward-looking statements include, among others, assumptions regarding demand for our products, the cost, timing and success of product upgrades and new product introductions, raw materials costs, expected pricing levels, the timing and cost of expected capital expenditures, expected outcomes of pending litigation, competitive conditions, general economic conditions and expected synergies relating to acquisitions, joint ventures and alliances. These assumptions could prove inaccurate. Although we believe that the estimates and projections reflected in the forward-looking statements are reasonable, our expectations may prove to be incorrect. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include:

- general economic conditions;
- difficulty making acquisitions and successfully integrating acquired businesses;
- any unforeseen liabilities associated with future acquisitions;
- limitations on our business imposed by our indebtedness;
- unfavorable changes in foreign exchange rates;
- difficulties associated with exports;
- risks and costs associated with our international sales and operations;
- increased directors and officers liability and other insurance costs;
- risk of rising interest rates;
- product liability and insurance risks;
- increased warranty exposure;
- future competition;
- the cyclical nature of some of our markets;
- reduction of business with large customers;
- risks associated with government contracts;
- changes in the supply of, or price for, parts and components;
- environmental compliance costs and liabilities;
- risks and costs associated with asbestos-related litigation;
- potential write-offs of our substantial intangible assets;
- our ability to successfully develop new products;
- failure to protect our intellectual property;
- economic disruption caused by terrorist attacks, health crises or other unforeseen events; and
- the factors discussed in Item 1A to this Annual Report under the heading "Risk Factors."

We believe these forward-looking statements are reasonable. However, you should not place undue reliance on any forward-looking statements, which are based on current expectations. Further, forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update any of them in light of new information or future events.

PART I

ITEM 1. BUSINESS

Our Business

Roper Industries, Inc. ("Roper" or the "Company") was incorporated on December 17, 1981 under the laws of the State of Delaware. We are a diversified growth company that designs, manufactures and distributes energy systems and controls, scientific and industrial imaging products and software, industrial technology products and radio frequency ("RF") products and services. We market these products and services to selected segments of a broad range of markets including RF applications, water, energy, research and medical, education, security and other niche markets.

We pursue consistent and sustainable growth in sales and earnings by emphasizing continuous improvement in the operating performance of our existing businesses and by acquiring other carefully selected businesses that offer high value-added services, engineered products and solutions and are capable of achieving growth and maintaining high margins. We compete in many niche markets and believe that we are the market leader or a competitive alternative to the market leader in the majority of these markets.

Market Share, Market Expansion, and Product Development

Leadership with Engineered Content for Niche Markets. We maintain a leading position in many of our markets. We believe our market positions are attributable to the technical sophistication of our products, the applications expertise used to create our advanced products and systems, and our distribution and service capabilities. Our operating units grow their businesses through new product development and development of new applications and services for existing products to satisfy customer needs. In addition, our operating units grow our customer base by expanding our distribution, selling other products through our existing channels and entering adjacent markets.

Diversified End Markets and Geographic Reach. Over the past decade, we have strategically expanded the number of end markets we serve to increase revenue and business stability and expand our opportunities for growth. We have a global presence, with sales of products manufactured and exported from the United States ("U.S.") and manufactured abroad and sold to customers outside the U.S. totaling \$919 million in 2008, compared to \$859 million in 2007. Information regarding our international operations is set forth in Note 14 of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K ("Annual Report").

Research and Development. We conduct applied research and development to improve the quality and performance of our products and to develop new technologies and products. Our research and development spending increased to \$87.4 million in 2008 as compared to \$67.9 and \$58.6 million in 2007 and 2006, respectively. Research and development expense as a percentage of sales increased to 3.8% in 2008 from 3.2% in 2007. The increase is due to acquisitions made during 2008 which have higher research and development spending compared to many other Roper entities, and continued investment in existing businesses.

Our Business Segments

Our operations are reported in four market-focused segments around common customers, markets, sales channels, technologies and common cost opportunities. The segments are: Industrial Technology, Energy Systems and Controls, Scientific and Industrial Imaging, and RF Technology. Financial information about our business segments is presented in Note 14 of the Notes to Consolidated Financial Statements.

Scientific and Industrial Imaging

Our Scientific and Industrial Imaging segment principally offers high performance digital imaging products and software, patient positioning products and software in medical applications and handheld and vehicle mount computers and software. These products and solutions are provided through five U.S.-based and one Canadian-based operating units. For 2008, this segment had net sales of \$375.5 million, representing 16.3% of our total net sales.

Digital Imaging Products and Software - We manufacture and sell extremely sensitive, high-performance charged couple device ("CCD") and complementary metal oxide semiconductor ("CMOS") cameras, detectors and related software for a variety of scientific and industrial uses, which require high resolution and/or high speed digital video, including transmission electron microscopy and spectroscopy applications. We principally sell these products for use within academic, government research, semiconductor, security, automotive, and other end-user markets such as biological and material science. They are frequently incorporated into products by OEMs.

Patient Positioning Products and Software - We manufacture and sell patient positioning devices, image-guided therapy software and supply diagnostic and therapeutic disposable products used in conjunction with ultrasound imaging for minimally invasive medical procedures.

Handheld and Vehicle Mount Computers and Software - We manufacture and sell fully rugged handheld and vehicle mount computers for utility, principally water management, and non-utility markets and we develop and sell software to assist in utility meter reading and service order management.

Backlog - - Our Scientific and Industrial Imaging segment companies have lead times of up to several months on many of their product sales, although standard products are often shipped within two weeks of receipt of order. Blanket purchase orders are placed by certain original equipment manufacturers ("OEMs") and end-users, with continuing requirements for fulfillment over specified periods of time. The segment's backlog of firm unfilled orders, including blanket purchase orders, totaled \$80.0 million at December 31, 2008, as compared to \$74.8 million at December 31, 2007.

Distribution and Sales - Distribution and sales occur through direct sales personnel, manufacturers' representatives, value added resellers ("VARs"), OEMs and distributors.

Energy Systems and Controls

Our Energy Systems and Controls segment principally produces control systems, fluid properties testing equipment, industrial valves and controls, vibration and other non-destructive inspection and measurement products and solutions, which are provided through six U.S.-based operating units. For 2008, this segment had net sales of \$548.2 million, representing 23.8% of our total net sales.

Control Systems - We manufacture control systems and panels and provide related engineering and commissioning services for turbomachinery applications, predominately in energy markets.

Fluid Properties Testing Equipment - We manufacture and sell automated and manual test equipment to determine physical and elemental properties, such as sulfur and nitrogen content, flash point, viscosity, freeze point and distillation, of liquids and gases for the petroleum and other industries.

Industrial Valves and Controls - We manufacture and distribute a variety of valves, sensors, switches and control products used on engines, compressors, turbines and other powered equipment for the oil and gas, pipeline, power generation, marine engine and general industrial markets. Many of these products are designed for use in hazardous environments.

Sensors and Controls - We manufacture sensors and control equipment including pressure sensors, temperature sensors, measurement instruments and control software for global rubber, plastics and process industries.

Non-destructive Inspection and Measurement Instrumentation - We manufacture non-destructive inspection and measurement solutions including measurement probes, robotics, and vibration sensors, switches and transmitters. These solutions are applied principally in energy markets. Many of these products are designed for use in hazardous environments.

Backlog - The Energy Systems and Controls operating units' sales reflect a combination of standard products and large engineered projects. Standard products generally ship within two weeks of receipt of order, and large engineered projects may have lead times of several months. As such, backlog may fluctuate depending upon the timing of large project awards. This segment's backlog of firm unfilled orders totaled \$85.0 million at December 31, 2008 compared to \$93.1 million at December 31, 2007.

Distribution and Sales - Distribution and sales occur through direct sales offices, manufacturers' representatives and distributors in both the U.S. and various other countries.

Industrial Technology

Our Industrial Technology segment produces industrial pumps, equipment and consumables for materials analysis, industrial leak testing equipment, flow measurement and metering equipment and water meter and automatic meter reading (“AMR”) products and systems. These products and solutions are provided through six U.S.-based and two European-based operating units. For 2008, this segment had net sales of \$687.6 million, representing 29.8% of our total net sales.

Industrial Pumps - We manufacture and distribute a wide variety of pumps. These pumps vary significantly in complexity and in pumping method employed, which allows for the movement and application of a diverse range of liquids and solids including low and high viscosity liquids, high solids content slurries and chemicals. Our pumps are used in large and diverse sets of end markets such as oil and gas, agricultural, water and wastewater, chemical and general industrial.

Materials Analysis Equipment and Consumables - We manufacture and sell equipment and supply various types of consumables necessary to prepare materials samples for testing and analysis. These products are used mostly within the academic, government research, electronics, material science, basic materials, steel and automotive end-user markets.

Industrial Leak Testing Equipment - We manufacture and sell products and systems to test for leaks and confirm the integrity of assemblies and sub-assemblies in automotive, medical, industrial and consumer products applications.

Flow Measurement Equipment - We manufacture and distribute turbine and positive displacement flow meters, emissions measurement equipment and flow meter calibration products for aerospace, automotive, power generation and other industrial applications.

Water Meter and AMR Products and Systems - We manufacture and distribute several classes of water meter products serving the residential, and certain commercial and industrial water management markets, and several lines of automatic meter reading products and systems serving these markets.

Backlog - - The Industrial Technology operating units’ sales reflect a combination of standard products and specially engineered, application-specific products. Standard products are typically shipped within two weeks of receipt of order, with certain valve and pump products shipped on an immediate basis. Application-specific products typically ship within 6 to 12 weeks following receipt of order. However, larger project orders and blanket purchase orders for certain OEMs may extend shipment for longer periods. This segment’s backlog of firm unfilled orders, including blanket purchase orders, totaled \$59.1 million at December 31, 2008, as compared to \$93.1 million at December 31, 2007.

Distribution and Sales - Distribution and sales occur through direct sales personnel, manufacturers’ representatives and distributors.

RF Technology

Our RF Technology segment provides radio frequency identification (“RFID”) and other communication related technology and software solutions that are used primarily in comprehensive toll and traffic systems and processing, security and access control, campus card systems, freight matching, mobile asset tracking and water sub-metering and remote monitoring applications. These products and solutions are provided through six U.S.-based and one European-based operating units. This segment had sales of \$695.0 million for the year ended December 31, 2008, representing 30.1% of our total net sales.

Toll and Traffic Systems - We manufacture and sell toll tags and monitoring systems as well as provide transaction and violation processing services for toll and traffic systems to both governmental and private sector entities. In addition, we provide intelligent traffic systems that assist customers in improving traffic flow and infrastructure utilization.

Freight Matching - We maintain an electronic marketplace that matches available capacity of trucking units with the available loads of freight to be moved from location to location throughout North America.

Card Systems/Integrated Security Solutions - We provide card systems and integrated security solutions to education, health care and various other markets. In the education and health care markets, we also provide an integrated nutrition management solution.

Backlog - The RF Technology operating units’ sales reflect a combination of standard products, large engineered projects, and multi-year operations and maintenance contracts. Standard products generally ship within two weeks of receipt of order, and large engineered projects may have lead times of several months. As such, backlog may fluctuate depending upon the timing of large project awards. This segment’s backlog of firm unfilled orders totaled \$365.7 million at December 31, 2008 compared to \$271.3 million at December 31, 2007.

Distribution and Sales - Distribution and sales occur through direct sales personnel, manufacturers’ representatives and distributors.

Materials and Suppliers

We believe that most materials and supplies used by us are readily available from numerous sources and suppliers throughout the world. However, some of our components and sub-assemblies are currently available from a limited number of suppliers. Some high-performance components for digital imaging products can be in short supply and/or suppliers have occasional difficulty manufacturing such components to our specifications. We regularly investigate and identify alternative sources where possible, and we believe that these conditions equally affect our competitors. Thus far, supply shortages have not had a material adverse effect on Roper’s sales although delays in shipments have occurred following such supply interruptions.

Environmental Matters and Other Governmental Regulation

Our operations and properties are subject to laws and regulations relating to environmental protection, including laws and regulations governing air emissions, water discharges, waste management and workplace safety. We use, generate and dispose of hazardous substances and waste in our operations and, as a result, could be subject to potentially material liabilities relating to the investigation and clean-up of contaminated properties and to claims alleging personal injury. We are required continually to conform our operations and properties to these laws and adapt to regulatory requirements in all countries as these requirements change. We have experienced, and expect to continue to experience, modest costs relating to our compliance with environmental laws and regulations. In connection with our acquisitions, we may assume significant environmental liabilities, some of which we may not be aware of, or may not be quantifiable, at the time of

acquisition. In addition, new laws and regulations, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination or the imposition of new clean-up requirements could increase our environmental compliance costs or subject us to new or increased liabilities.

Customers

No customer accounted for 10% or more of net sales for 2008 for any segment or for Roper as a whole.

Competition

Generally, our products and solutions face significant competition, usually from a limited number of competitors. We believe that we are a leader in most of our markets, and no single company competes with us over a significant number of product lines. Competitors might be large or small in size, often depending on the life cycle and maturity of the technology employed. We compete primarily on product quality, performance, innovation, technology, price, applications expertise, distribution channel access and customer service capabilities.

Patents and Trademarks

In addition to trade secrets, unpatented know-how, and other intellectual property rights, we own or license the rights under a number of patents, trademarks and copyrights relating to certain of our products and businesses. We also employ various methods, including confidentiality and non-disclosure agreements with employees, to protect our trade secrets and know-how. We believe that our operating units are not substantially dependent on any single patent, trademark, copyright, or other item of intellectual property or group of patents, trademarks or copyrights.

Employees

As of December 31, 2008, we had approximately 7,900 total employees, with approximately 5,800 located in the United States. Approximately 275 of our employees are subject to collective bargaining agreements. We have not experienced any work stoppages and consider our relations with our employees to be good.

Available Information

All reports filed electronically by Roper with the United States Securities and Exchange Commission ("SEC"), including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and our annual proxy statements, as well as any amendments to those reports, are accessible at no cost on our website at www.roperind.com. These filings are also accessible on the SEC's website at www.sec.gov. You may also read and copy any material Roper files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The Company's Corporate Governance Guidelines; the charters of the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee; and the Code of Business Conduct & Ethics are also available on the Company's website.

We have included the Chief Executive Officer and the Chief Financial Officer certifications regarding Roper's public disclosure required by Section 302 of the Sarbanes-Oxley Act of 2002 as Exhibits 31.1 and 31.2 of this report. Additionally, Roper filed with the New York Stock Exchange (the "NYSE") the Chief Executive Officer certification regarding Roper's compliance with the NYSE's Corporate Governance Listing Standards (the "Listing Standards") pursuant to Section 303A.12(a) of the Listing Standards. The certification was filed with the NYSE on July 3, 2008 and indicated that the Chief Executive Officer was not aware of any violations of the Listing Standards by the Company.

ITEM 1A. RISK FACTORS

Risks Relating to Our Business

Our indebtedness may affect our business and may restrict our operating flexibility.

As of December 31, 2008, we had approximately \$1.27 billion in total consolidated indebtedness. In addition, we had approximately \$524 million undrawn availability under our senior unsecured credit facility, as well as the ability to request additional term loans or revolving credit commitments not to exceed \$350 million in aggregate. Our total consolidated debt could increase using this additional borrowing capacity. Subject to certain restrictions contained in our senior unsecured credit facility, we may incur additional indebtedness in the future, including indebtedness incurred to finance, or which is assumed in connection with, acquisitions.

Our level of indebtedness and the debt servicing costs associated with that indebtedness could have important effects on our operations and business strategy. For example, our indebtedness could:

- place us at a competitive disadvantage relative to our competitors, some of which have lower debt service obligations and greater financial resources than us;
- limit our ability to borrow additional funds;
- limit our ability to complete future acquisitions;
- limit our ability to pay dividends;
- limit our ability to make capital expenditures; and
- increase our vulnerability to general adverse economic and industry conditions.

Our ability to make scheduled principal payments of, to pay interest on, or to refinance our indebtedness and to satisfy our other debt obligations will depend upon our future operating performance, which may be affected by factors beyond our control. In addition, there can be no assurance that future borrowings or equity

financing will be available to us on favorable terms for the payment or refinancing of our indebtedness. If we are unable to service our indebtedness, our business, financial condition and results of operations would be materially adversely affected.

Our senior unsecured credit facility contains financial covenants requiring us to achieve certain financial and operating results and maintain compliance with specified financial ratios. Our ability to meet the financial covenants or requirements in our senior unsecured credit facility may be affected by events beyond our control, and we may not be able to satisfy such covenants and requirements. A breach of these covenants or our inability to comply with the financial ratios, tests or other restrictions contained in our senior unsecured credit facility could result in an event of default under this facility, which in turn could result in an event of default under the terms of our other indebtedness. Upon the occurrence of an event of default under our senior unsecured credit facility, and the expiration of any grace periods, the lenders could elect to declare all amounts outstanding under the facility, together with accrued interest, to be immediately due and payable. If this were to occur, our assets may not be sufficient to fully repay the amounts due under this facility or our other indebtedness.

Unfavorable changes in foreign exchange rates may significantly harm our business.

Several of our operating companies have transactions and balances denominated in currencies other than the U.S. dollar. Most of these transactions and balances are denominated in euros, Canadian dollars, British pounds, Danish krone and Japanese yen. Sales by our operating companies whose functional currency is not the U.S. dollar represented approximately 24% of our total net sales for the year ended December 31, 2008 compared to 28% for the year ended December 31, 2007. Unfavorable changes in exchange rates between the U.S. dollar and those currencies could significantly reduce our reported sales and earnings. At present, we do not hedge against foreign currency risks.

We export a significant portion of our products. Difficulties associated with the export of our products could harm our business.

Sales to customers outside the U.S. by our businesses located in the U.S. account for a significant portion of our net sales. These sales accounted for approximately 16% and 17% of our net sales for the years ended December 31, 2008 and December 31, 2007, respectively. We are subject to risks that could limit our ability to export our products or otherwise reduce the demand for these products in our foreign markets. Such risks include, without limitation, the following:

- unfavorable changes in or noncompliance with U.S. and other jurisdictions' export requirements;
- restrictions on the export of technology and related products;
- unfavorable changes in or noncompliance with U.S. and other jurisdictions' export policies to certain countries;
- unfavorable changes in the import policies of our foreign markets; and
- a general economic downturn in our foreign markets.

The occurrence of any of these events could reduce the foreign demand for our products or could limit our ability to export our products and, therefore, could materially negatively affect our future sales and earnings.

The effects of the recent global financial crisis and general weakness in the global economy may impact our business.

The recent global financial crisis and general weakness in the global economy have resulted in a general tightening in the credit markets, lower levels of liquidity and corresponding increases in the rates of default and bankruptcy, and extreme volatility in credit, equity and fixed income markets. These macroeconomic developments have had adverse effects on our customers and could have adverse effects on our business, including decreased revenue from the sales of products and increased financing costs due to the failure of financial institutions. The combination of some or all of these factors could adversely affect our results of operations and ability to execute our business strategy.

Economic, political and other risks associated with our international operations could adversely affect our business.

As of December 31, 2008, approximately 19% of our long-lived assets, excluding goodwill and intangibles, were attributable to operations outside the U.S. We expect our international operations to contribute materially to our business for the foreseeable future. Our international operations are subject to varying degrees of risk inherent in doing business outside the U.S. including, without limitation, the following:

- adverse changes in a specific country's or region's political or economic conditions, particularly in emerging markets;
- trade protection measures and import or export requirements;
- trade liberalization measures which could expose our international operations to increased competition;
- subsidies or increased access to capital for firms that are currently, or may emerge as, competitors in countries in which we have operations;
- partial or total expropriation;
- potentially negative consequences from changes in tax laws;
- difficulty in staffing and managing widespread operations;
- differing labor regulations;
- differing protection of intellectual property;
- unexpected changes in regulatory requirements;
- longer payment cycles of foreign customers and difficulty in collecting receivables in foreign jurisdictions; and
- international sentiment towards the U.S.

The occurrence of any of these events could materially harm our business.

Our growth strategy includes acquisitions. We may not be able to identify suitable acquisition candidates, complete acquisitions or integrate acquisitions successfully.

Our future growth is likely to depend to some degree on our ability to acquire and successfully integrate new businesses. We intend to continue to seek additional acquisition opportunities both to expand into new markets and to enhance our position in existing markets globally. There are no assurances, however, that we will be able to successfully identify suitable candidates, negotiate appropriate acquisition terms, obtain necessary financing on acceptable terms, complete proposed acquisitions, successfully integrate acquired businesses into our existing operations or expand into new markets. Once integrated, acquired operations may not achieve levels of revenues, profitability or productivity comparable with those achieved by our existing operations, or otherwise perform as expected.

Acquisitions involve numerous risks, including difficulties in the integration of the operations, technologies, services and products of the acquired companies and the diversion of management's attention from other business concerns. Although our management will endeavor to evaluate the risks inherent in any particular transaction, there are no assurances that we will properly ascertain all such risks. In addition, prior acquisitions have resulted, and future acquisitions could result, in the incurrence of substantial additional indebtedness and other expenses. Future acquisitions may also result in potentially dilutive issuances of equity securities. Difficulties encountered with acquisitions may have a material adverse effect on our business, financial condition and results of operations.

Product liability, insurance risks and increased insurance costs could harm our operating results.

Our business exposes us to potential product liability risks that are inherent in the design, manufacturing and distribution of our products. In addition, certain of our products are used in potentially hazardous environments. We currently have product liability insurance; however, we may not be able to maintain our insurance at a reasonable cost or in sufficient amounts to protect us against potential losses. We also maintain other insurance policies, including directors and officers' liability insurance. Our insurance costs increased in recent periods and may continue to increase in the future. We believe that we have adequately accrued estimated losses, principally related to deductible amounts under our insurance policies, with respect to all product liability and other claims, based upon our past experience and available facts. However, a successful product liability or other claim or series of claims brought against us could have a material adverse effect on our business, financial condition and results of operations. In addition, a significant increase in our insurance costs could have an adverse impact on our operating results.

Our operating results could be adversely affected by a reduction of business with our large customers.

In some of our businesses, we derive a significant amount of revenue from large customers. The loss or reduction of any significant contracts with any of these customers could materially reduce our revenue and cash flows. Additionally, many of our customers are government entities. In many situations, government entities can unilaterally terminate or modify our existing contracts without cause and without penalty to the government agency.

We face intense competition. If we do not compete effectively, our business may suffer.

We face intense competition from numerous competitors. Our products compete primarily on the basis of product quality, performance, innovation, technology, price, applications expertise, system and service flexibility and established customer service capabilities. We may not be able to compete effectively on all of these fronts or with all of our competitors. In addition, new competitors may emerge, and product lines may be threatened by new technologies or market trends that reduce the value of these product lines. To remain competitive, we must develop new products, respond to new technologies and periodically enhance our existing products in a timely manner. We anticipate that we may have to adjust prices of many of our products to stay competitive.

Changes in the supply of, or price for, parts and components used in our products could affect our business.

We purchase many parts and components from suppliers. The availability and prices of parts and components are subject to curtailment or change due to, among other things, suppliers' allocations to other purchasers, interruptions in production by suppliers, changes in exchange rates and prevailing price levels. Some high-performance components for digital imaging products may be in short supply and/or suppliers may have occasional difficulty manufacturing these components to meet our specifications. In addition, some of our products are provided by sole source suppliers. Any change in the supply of, or price for, these parts and components could affect our business, financial condition and results of operations.

Environmental compliance costs and liabilities could increase our expenses and adversely affect our financial condition.

Our operations and properties are subject to laws and regulations relating to environmental protection, including laws and regulations governing air emissions, water discharges, waste management and workplace safety. These laws and regulations can result in the imposition of substantial fines and sanctions for violations and could require the installation of costly pollution control equipment or operational changes to limit pollution emissions and/or decrease the likelihood of accidental hazardous substance releases. We must conform our operations and properties to these laws and adapt to regulatory requirements in the countries in which we operate as these requirements change.

We use and generate hazardous substances and wastes in our operations and, as a result, could be subject to potentially material liabilities relating to the investigation and clean-up of contaminated properties and to claims alleging personal injury. We have experienced, and expect to continue to experience, costs relating to compliance with environmental laws and regulations. In connection with our acquisitions, we may assume significant environmental liabilities, some of which we may not be aware of at the time of acquisition. In addition, new laws and regulations, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination or the imposition of new clean-up requirements could require us to incur costs or become the basis for new or increased liabilities that could have a material adverse effect on our business, financial condition and results of operations.

Some of the industries in which we operate are cyclical, and, accordingly, our business is subject to changes in the economy.

Some of the business areas in which we operate are subject to specific industry and general economic cycles. Certain businesses are subject to industry cycles, including but not limited to, the industrial, energy and semiconductor markets. Accordingly, any downturn in these or other markets in which we participate could materially adversely affect us. If demand changes and we fail to respond accordingly, our results of operations could be materially adversely affected in any given quarter. The business cycles of our different operations may occur contemporaneously. Consequently, the effect of an economic downturn may have a magnified negative effect on our business.

Our intangible assets are valued at an amount that is high relative to our total assets, and a write-off of our intangible assets would negatively affect our results of operations and total capitalization.

Our total assets reflect substantial intangible assets, primarily goodwill. At December 31, 2008, goodwill totaled \$2.12 billion compared to \$2.00 billion of stockholders' equity, which was 53% of our total assets of \$3.97 billion. The goodwill results from our acquisitions, representing the excess of cost over the fair value of the net assets we have acquired. We assess at least annually whether there has been an impairment in the value of our intangible assets. If future operating performance at one or more of our business units were to fall significantly below current levels, if competing or alternative technologies emerge or if business valuations decline, we could incur, under current applicable accounting rules, a non-cash charge to operating earnings for goodwill impairment. Any determination requiring the write-off of a significant portion of unamortized intangible assets would negatively affect our results of operations and total capitalization, the effect of which could be material.

We depend on our ability to develop new products, and any failure to develop or market new products could adversely affect our business.

The future success of our business will depend, in part, on our ability to design and manufacture new competitive products and to enhance existing products so that our products can be sold with high margins. This product development may require substantial investment by us. There can be no assurance that unforeseen problems will not occur with respect to the development, performance or market acceptance of new technologies or products or that we will otherwise be able to successfully develop and market new products. Failure of our products to gain market acceptance or our failure to successfully develop and market new products could reduce our margins, which would have an adverse effect on our business, financial condition and results of operations.

Our technology is important to our success and our failure to protect this technology could put us at a competitive disadvantage.

Because many of our products rely on proprietary technology, we believe that the development and protection of intellectual property rights through patents, copyrights, trade secrets, trademarks, confidentiality agreements and other contractual provisions is important to the future success of our business. Despite our efforts to protect proprietary rights, unauthorized parties or competitors may copy or otherwise obtain and use our products or technology. The steps we have taken may not prevent unauthorized use of our technology, particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the U.S. Current and future actions to enforce these rights may result in substantial costs and diversion of resources and we make no assurances that any such actions will be successful.

Any business disruptions due to political instability, armed hostilities, incidents of terrorism or natural disasters could adversely impact our financial performance.

If terrorist activity, armed conflict, political instability or natural disasters occur in the U.S. or other locations, such events may negatively impact our operations, cause general economic conditions in the U.S. and abroad to deteriorate or cause world-wide demand for U.S. products to decline. A prolonged economic slowdown or recession in the U.S. or in other areas of the world could reduce the demand for our products, and therefore, negatively affect our future sales and profits. Any of these events could have a significant impact on our business, financial condition or results of operations and may result in the volatility of the market price of our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

There were no unresolved comments received from the SEC regarding Roper's periodic or current reports within the last 180 days prior to December 31, 2008.

ITEM 2. PROPERTIES

Roper's corporate offices, consisting of 22,000 square feet of leased space, are located at 6901 Professional Parkway East, Sarasota, Florida. We have established 118 principal locations around the world to support our operations, of which 44 are manufacturing facilities, and the remaining 74 locations provide sales, service and administrative support functions. We consider our facilities to be in good operating condition and adequate for their present use and believe that we have sufficient plant capacity to meet our current and anticipated operating requirements.

The following table summarizes the size, location and usage of our principal properties as of December 31, 2008.

Segment	Region	Office	Office & Manufacturing	
		Leased	Leased	Owned
(amounts in thousands of square feet)				
Industrial Technology	US	42	159	559
	Canada	36	-	-
	Europe	30	92	485
	Asia	9	-	-
	Mexico	-	60	-
Energy Systems & Controls	US	-	346	-
	Canada	-	43	-
	Europe	10	8	128
	Asia	6	-	-
Scientific & Industrial Imaging	US	43	134	127
	Canada	-	70	-
	Europe	-	21	-
RF Technology	US	505	168	-
	Canada	11	-	-
	Europe	-	-	16
	Middle East	140	-	-

ITEM 3. LEGAL PROCEEDINGS

We are defendants in various lawsuits involving product liability, employment practices and other matters, none of which we believe will have a material adverse effect on our consolidated financial position or results of operations. The majority of such claims are subject to insurance coverage.

We and/or one of our subsidiaries are named as defendants, along with many other companies, in asbestos-related personal injury or wrongful death actions. The allegations in these actions are vague, general and speculative. Given the state of these claims, it is not possible to determine the potential liability, if any.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY-HOLDERS

There were no matters submitted to a vote of our security-holders during the fourth quarter of 2008.

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

Our common stock trades on the NYSE under the symbol “ROP”. The table below sets forth the range of high and low sales prices for our common stock as reported by the NYSE as well as cash dividends declared during each of our 2008 and 2007 quarters.

		High	Low	Cash Dividends Declared
2008	4 th Quarter	\$ 54.66	\$ 35.19	\$ 0.0825
	3 rd Quarter	65.49	54.75	0.0725
	2 nd Quarter	67.70	59.39	0.0725
	1 st Quarter	61.01	50.05	0.0725
2007	4 th Quarter	\$ 70.81	\$ 60.43	\$ 0.0725
	3 rd Quarter	65.50	58.36	0.0650
	2 nd Quarter	58.36	53.88	0.0650
	1 st Quarter	55.14	48.61	0.0650

Based on information available to us and our transfer agent, we believe that as of February 20, 2009 there were 285 record holders of our common stock.

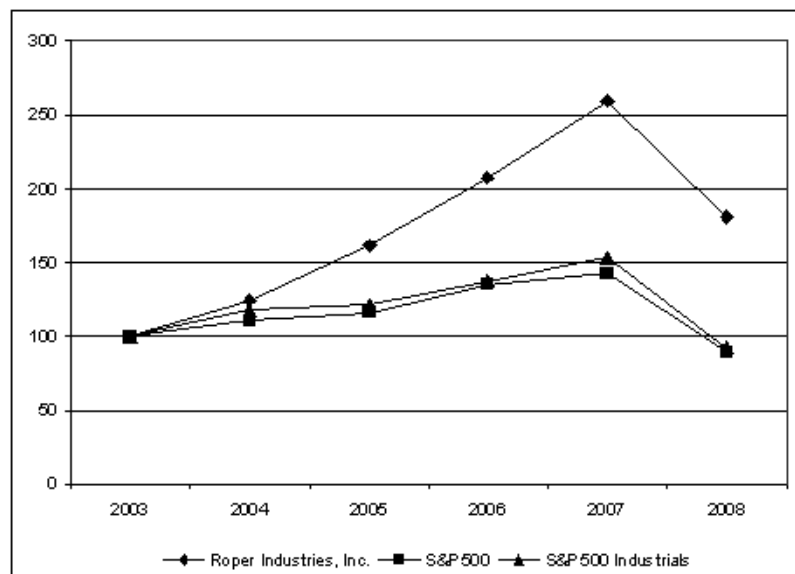
Dividends - Roper has declared a cash dividend in each quarter since our February 1992 initial public offering and we have annually increased our dividend rate since our initial public offering. In November 2008, our Board of Directors increased the quarterly dividend paid January 31, 2009 to \$0.0825 per share from \$0.0725 per share, an increase of 13.8%. The timing, declaration and payment of future dividends will be at the sole discretion of our Board of Directors and will depend upon our profitability, financial condition, capital needs, future prospects and other factors deemed relevant by our Board of Directors.

Recent Sales of Unregistered Securities - In 2008, there were no sales of unregistered securities.

Performance Graph - This performance graph shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of Roper under the Securities Act of 1933, as amended, or the Exchange Act.

The following graph compares, for the five year period ended December 31, 2008, the cumulative total stockholder return for the Company’s common stock, the Standard and Poor’s 500 Stock Index (the “S&P 500”) and the Standard and Poor’s 500 Industrials Index (the “S&P 500 Industrials”). Measurement points are the last trading day of each of the Company’s fiscal years ended December 31, 2003, December 31, 2004, December 31, 2005, December 31, 2006, December 31, 2007 and December 31, 2008. The graph assumes that \$100 was invested on December 31, 2003 in the common stock of the Company, the S&P 500 and the S&P 500 Industrials and assumes reinvestment of any dividends. The stock price performance on the following graph is not necessarily indicative of future stock price performance.

	12/31/03	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08
Roper Industries, Inc.	100.00	124.26	162.21	207.35	259.29	180.96
S&P 500	100.00	110.88	116.33	134.70	142.10	89.53
S&P 500 Industrials	100.00	118.03	120.78	136.83	153.29	92.09



The information set forth in Item 12 “Securities Authorized for Issuance under Equity Compensation Plans” is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The following summary consolidated selected financial data for and as of the end of the years ended December 31, 2008, 2007, 2006, 2005 and 2004 was derived from our audited consolidated financial statements. Our consolidated financial statements for and as of the end of each of the years ended December 31, 2008,

2007, 2006, 2005 and 2004 were audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm.

You should read the table below in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our Consolidated Financial Statements and related notes included in this Annual Report (amounts in thousands, except per share data).

	Years ended December 31,				
	2008⁽¹⁾	2007⁽²⁾	2006⁽³⁾	2005⁽⁴⁾	2004⁽⁵⁾
Operations data:					
Net sales	\$ 2,306,371	\$ 2,102,049	\$ 1,700,734	\$ 1,453,731	\$ 969,764
Gross profit	1,188,288	1,058,395	861,325	726,407	485,045
Income from operations	486,161	438,354	337,653	264,899	171,302
Net earnings	286,515	250,033	193,324	153,175	93,852
Per share data:					
Basic earnings per share	\$ 3.20	\$ 2.83	\$ 2.23	\$ 1.79	\$ 1.26
Diluted earnings per share	3.06	2.68	2.13	1.74	1.24
Dividends declared	0.30	0.27	0.24	0.22	0.20
Balance sheet data:					
Working capital ⁽⁶⁾	\$ 239,099	\$ 283,607	\$ 39,846	\$ (7,418)	\$ 302,610
Total assets	3,971,538	3,453,184	2,995,359	2,522,306	2,366,404
Long-term debt, less current portion	1,033,689	727,489	726,881	620,958	855,364
Stockholders’ equity	2,003,738	1,789,806	1,486,839	1,249,788	1,114,086

⁽¹⁾ Includes results from the acquisitions of CBORD Holdings Corp. from February 20, 2008, Chalwyn Ltd. from June 18, 2008, Getloaded.com, LLC from July 17, 2008, Horizon Software Holdings, Inc. from August 27, 2008 and Technolog Holdings Ltd. from September 10, 2008.

⁽²⁾ Includes results from the acquisitions of JLT Mobile Computers, Inc. from February 21, 2007, DJ Instruments from February 28, 2007, Roda Deaco Valve, Ltd. from March 22, 2007, Dynamic Instruments, Inc. from June 21, 2007, and Black Diamond Advanced Technology, LLC from September 24, 2007.

⁽³⁾ Includes results from the acquisitions of Sinmed Holding International BV from April 5, 2006, Intellitrans, LLC from April 26, 2006, Lumenera Corporation from July 25, 2006, AC Analytic Controls BV from August 8, 2006 and Dynisco Parent, Inc. from November 30, 2006.

⁽⁴⁾ Includes results from the acquisitions of Inovonics Corporation from February 25, 2005, CIVCO Holding, Inc. from June 17, 2005 and MEDTEC, Inc. from November 30, 2005.

⁽⁵⁾ Includes results from the acquisitions of the power generation business of R/D Tech from June 7, 2004 and TransCore Holdings, Inc. from December 13, 2004.

⁽⁶⁾ The years ended December 31, 2008, 2007, 2006 and 2005 include \$230 million of senior subordinated convertible notes required to be classified as short-term debt, based upon the triggering of the conversion feature of the notes due to increases in the trading price of the Company’s stock.

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

You should read the following discussion in conjunction with "Selected Financial Data" and our Consolidated Financial Statements and related Notes included in this Annual Report.

Overview

We are a diversified growth company that designs, manufactures and distributes energy systems and controls, scientific and industrial imaging products and software, industrial technology products and radio frequency products and services. We market these products and services to selected segments of a broad range of markets including RF applications, water, energy, research and medical, education, security and other niche markets.

We pursue consistent and sustainable growth in earnings by emphasizing continuous improvement in the operating performance of our existing businesses and by acquiring other carefully selected businesses. Our acquisitions have represented both bolt-ons and new strategic platforms. We strive for high cash and earnings returns from our acquisition investments. On February 20, 2008, we purchased CBORD Holdings Corp. ("CBORD"), a provider of card systems and integrated security solutions to higher education, healthcare and other markets. On March 20, 2008, we acquired Tech-Pro, Inc. ("Tech-Pro"), a manufacturer of physical testing instruments for the rubber and plastic industries. On June 18, 2008, we purchased Chalwyn Limited ("Chalwyn"), an air shut-off valve provider. On July 17, 2008, we purchased the assets, intellectual property and internet domain names of Getloaded.com, LLC ("Getloaded"), adding new subscribers to our existing freight matching services. On August 27, 2008, we purchased Horizon Software Holdings, Inc. ("Horizon"), a provider of comprehensive software solutions and related services for the K-12 education market. On September 10, 2008 we purchased Technolog Holdings Limited ("Technolog"), an end-to-end solutions provider for network monitoring, pressure management, automatic meter reading and smart metering solutions.

Application of Critical Accounting Policies

Our Consolidated Financial Statements are prepared in conformity with generally accepted accounting principles in the United States, ("GAAP"). A discussion of our significant accounting policies can also be found in the notes to our Consolidated Financial Statements for the year ended December 31, 2008 included in this Annual Report.

GAAP offers acceptable alternative methods for accounting for certain issues affecting our financial results, such as determining inventory cost, depreciating long-lived assets and recognizing revenue. We have not changed the application of acceptable accounting methods or the significant estimates affecting the application of these principles in the last three years in a manner that had a material effect on our financial statements.

Effective January 1, 2006, the Company adopted the provisions of Statement of Financial Accounting Standard ("SFAS") No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123R"), which requires the Company to recognize expense for the grant date fair value of its employee stock option awards. The Company recognizes the expense of all share-based awards on a straight-line basis over the employee's requisite service period (generally the vesting period of the award).

On January 1, 2007 the Company adopted the provisions of Financial Accounting Standards Board ("FASB") Interpretation ("FIN") No. 48, "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109" ("FIN 48"). This Interpretation requires the Company to recognize in the consolidated financial statements only those tax positions determined to be "more likely than not" of being sustained upon examination based on the technical merits of the positions.

The preparation of financial statements in accordance with GAAP requires the use of estimates, assumptions, judgments and interpretations that can affect the reported amounts of assets, liabilities, revenues and expenses, the disclosure of contingent assets and liabilities and other supplemental disclosures.

The development of accounting estimates is the responsibility of our management. Our management discusses those areas that require significant judgments with the audit committee of our Board of Directors. The audit committee has reviewed all financial disclosures in our annual filings with the SEC. Although we believe the positions we have taken with regard to uncertainties are reasonable, others might reach different conclusions and our positions can change over time as more information becomes available. If an accounting estimate changes, its effects are accounted for prospectively.

Our most significant accounting uncertainties are encountered in the areas of accounts receivable collectibility, inventory valuation, future warranty obligations, revenue recognition (percent of completion), income taxes and goodwill and indefinite-lived asset analyses. These issues, except for income taxes, which are not allocated to our business segments, affect each of our business segments. These issues are evaluated primarily using a combination of historical experience, current conditions and relatively short-term forecasting.

Accounts receivable collectibility is based on the economic circumstances of customers and credits given to customers after shipment of products, including in certain cases credits for returned products. Accounts receivable are regularly reviewed to determine customers who have not paid within agreed upon terms, whether these amounts are consistent with past experiences, what historical experience has been with amounts deemed uncollectible and the impact that current and near-term forecast economic conditions might have on collection efforts in general and with specific customers. The returns and other sales credit allowance is an estimate of customer returns, exchanges, discounts or other forms of anticipated concessions and is treated as a reduction in revenue. The returns and other sales credits histories are analyzed to determine likely future rates for such credits. At December 31, 2008, our allowance for doubtful accounts receivable was \$11.2 million and our allowance for sales returns and sales credits was \$1.5 million, for a total of \$12.7 million, or 3.2% of total gross accounts receivable. This percentage is influenced by the risk profile of the underlying receivables, and the timing of write-offs of accounts deemed uncollectible. The total allowance at December 31, 2008 is \$0.8 million higher than at December 31, 2007 and is unchanged as a percent of sales.

We regularly compare inventory quantities on hand against anticipated future usage, which we determine as a function of historical usage or forecasts related to specific items in order to evaluate obsolescence and excessive quantities. When we use historical usage, this information is also qualitatively compared to business trends to evaluate the reasonableness of using historical information as an estimate of future usage. Business trends can change rapidly and these events can affect the evaluation of inventory balances. At December 31, 2008, inventory reserves for excess and obsolete inventory were \$30.1 million, or 13.9% of gross inventory cost, as compared to \$28.4 million, or 14.0% of gross inventory cost, at December 31, 2007. The inventory reserve as a percent of gross inventory cost will continue to fluctuate based upon specific identification of reserves needed based upon changes in our business as well as the physical disposal of our obsolete inventory.

Most of our sales are covered by warranty provisions that generally provide for the repair or replacement of qualifying defective items for a specified period after the time of sale, typically 12 months. Future warranty obligations are evaluated using, among other factors, historical cost experience, product evolution and

customer feedback. Our expense for warranty obligations was less than 1% of net sales for each of the years ended December 31, 2008, 2007, and 2006.

Revenues related to the use of the percentage-of-completion method of accounting are dependent on a comparison of total costs incurred compared with total estimated costs for a project. During the year ended December 31, 2008, we recognized revenue of approximately \$127.9 million using this method, primarily for major turn-key, longer term toll and traffic and energy projects. Approximately \$135.5 million and \$94.8 million of revenue was recognized using this method during the years ended December 31, 2007 and December 31, 2006, respectively. At December 31, 2008, approximately \$206.8 million of revenue related to unfinished percentage-of-completion contracts had yet to be recognized. Contracts accounted for under this method are generally not significantly different in profitability from revenues accounted for under other methods.

Income taxes can be affected by estimates of whether and within which jurisdictions future earnings will occur and if, how and when cash is repatriated to the United States, combined with other aspects of an overall income tax strategy. Additionally, taxing jurisdictions could retroactively disagree with our tax treatment of certain items, and some historical transactions have income tax effects going forward. Accounting rules require these future effects to be evaluated using current laws, rules and regulations, each of which can change at any time and in an unpredictable manner. During 2008, our effective income tax rate was 34.3%, which was lower than the 2007 rate of 34.8%, due primarily to certain foreign tax planning initiatives.

Roper accounts for goodwill in a purchase business combination as the excess of the cost over the fair value of net assets acquired. Business combinations can also result in other intangible assets being recognized. Amortization of intangible assets, if applicable, occurs over their estimated useful lives. SFAS No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142") requires companies to cease amortizing goodwill that existed at June 30, 2001 and establishes a two-step method for testing goodwill for impairment on an annual basis (or an interim basis if an event occurs that might reduce the fair value of a reporting unit below its carrying value). Total goodwill includes 25 different business components with individual amounts ranging from zero to approximately \$502 million. SFAS 142 also requires that an identifiable intangible asset that is determined to have an indefinite useful economic life not be amortized, but separately tested for impairment using a one-step fair value based approach. Roper conducts these reviews for all of its reporting units during the fourth quarter of the fiscal year. No impairment resulted from the annual reviews performed in 2008.

Results of Operations

The following table sets forth selected information for the years indicated. Dollar amounts are in thousands and percentages are of net sales.

	Years ended December 31,		
	2008	2007	2006
Net sales			
Industrial Technology	\$ 687,622	\$ 644,436	\$ 549,993
Energy Systems and Controls ⁽¹⁾	548,214	516,420	343,699
Scientific and Industrial Imaging ⁽²⁾	375,542	376,163	338,906
RF Technology ⁽³⁾	694,993	565,030	468,136
Total	\$ 2,306,371	\$ 2,102,049	\$ 1,700,734
Gross profit:			
Industrial Technology	48.5%	48.2%	47.9%
Energy Systems and Controls	53.8	53.6	54.2
Scientific and Industrial Imaging	55.0	54.9	56.8
RF Technology	50.8	46.8	46.8
Total	51.5	50.4	50.6
Operating profit:			
Industrial Technology	25.9%	25.6%	23.4%
Energy Systems and Controls	23.1	24.5	26.3
Scientific and Industrial Imaging	19.9	19.5	21.4
RF Technology	23.0	20.7	17.3
Total	23.4	22.9	21.9
Corporate administrative expenses	(2.3)%	(2.0)%	(2.0)%
Income from continuing operations	21.1	20.9	19.9
Interest expense	(2.3)	(2.5)	(2.6)
Loss on extinguishment of debt	(0.1)	—	—
Other income/(expense)	0.2	(0.1)	—
Income from continuing operations before taxes	18.9	18.3	17.3
Income taxes	(6.5)	(6.4)	(5.9)
Net earnings	12.4%	11.9%	11.4%

(1) Includes results from the acquisitions of Tech-Pro from March 20, 2008, Chalwyn from June 18, 2008, DJ Instruments from February 28, 2007, Roda Deaco from March 22, 2007, Dynamic Instruments from June 21, 2007, AC Controls from August 8, 2006 and Dynisco from November 30, 2006.

(2) Includes results from the acquisitions of JLT from February 21, 2007, Sinmed from April 5, 2006, and Lumenera from July 25, 2006.

(3) Includes results from the acquisitions of CBORD from February 20, 2008, Getloaded from July 17, 2008, Horizon from August 27, 2008, Technolog from September 10, 2008, Black Diamond from September 24, 2007, and Intellitrans from April 26, 2006.

Year Ended December 31, 2008 Compared to Year Ended December 31, 2007

Net sales for the year ended December 31, 2008 were \$2.31 billion as compared to sales of \$2.10 billion for the year ended December 31, 2007, an increase of 9.7%. This increase was the result of sales from acquired companies and internal growth. Our 2008 results included a full year of sales from our 2007 acquisitions of JLT, DJ Instruments, Roda Deaco, Dynamic Instruments and Black Diamond. These results also included ten months of sales from CBORD, nine months from

Tech-Pro, six months from Chalwyn, five months from Getloaded, four months from Horizon and three months from Technolog. Net sales of these acquisitions accounted for approximately \$133 million of our 2008 net sales increase over 2007 and growth of our other business accounted for \$71 million of the increase, or internal growth of 3.4% including a 1% foreign currency exchange impact.

Our Scientific and Industrial Imaging segment reported a \$0.6 million or 0.2% decrease in net sales for the year ended December 31, 2008 over the year ended December 31, 2007. The decrease was attributable to the year over year impact of the removal of the Redlake motion camera product line. Internal growth for 2008 was 0.8% led by increased sales in our medical businesses, partially offset by slowing sales in our industrial camera businesses.

In our Energy Systems and Controls segment, net sales for the year ended December 31, 2008 increased by \$31.8 million or 6.2% over the year ended December 31, 2007. Approximately \$18 million of the increase was due to full year results from the 2007 acquisitions of DJ Instruments, Roda Deaco, and Dynamic Instruments, as well as partial year results from the 2008 acquisitions of Tech-Pro and Chalwyn. Internal growth was approximately \$14 million or 2.8%, led by strength in our protective technology and oil and gas pipeline controls businesses.

Net sales for our Industrial Technology segment increased by \$43.2 million or 6.7% for the year ended December 31, 2008 over the year ended December 31, 2007. The increase was due to broad-based moderate growth in all businesses in this segment.

In our RF Technology segment, net sales for the year ended December 31, 2008 increased by \$130.0 million or 23.0% over the year ended December 31, 2007. The partial year results from the acquisitions of CBORD, Getloaded, Horizon, and Technolog and full-year results of 2007 acquisitions accounted for approximately \$119 million of the increase. Internal growth increased 1.9% due to growth in our intelligent traffic systems business, offset by anticipated declines in our large Middle East project as it transitions from the design and installation phase to operations and maintenance.

Our overall gross profit percentage was 51.5% for the year ended December 31, 2008, as compared to 50.4% for the year ended December 31, 2007 due to operating leverage on increased sales. Our Industrial Technology, Energy Systems and Controls, and Scientific and Industrial Imaging segments gross margins were relatively unchanged in 2008 as compared to 2007. Our RF Technology segment gross margins increased to 50.8% in 2008 as compared to 46.8% in 2007, due to the favorable mix within existing businesses and higher gross margins at acquired businesses.

Selling, general and administrative ("SG&A") expenses increased to 30.4% of net sales for the year ended December 31, 2008 from 29.5% of net sales for the year ended December 31, 2007. The increase is primarily due to the higher SG&A structure in our education market businesses within the RF Technology segment. In addition, corporate expenses increased due to higher equity compensation costs and the additional costs to the Company due to the increase in Roper's stock price on the grant dates of stock awards.

Interest expense increased \$1.5 million, or 2.8%, for the year ended December 31, 2008 compared to the year ended December 31, 2007, primarily due to higher average debt balances throughout 2008, offset by lower interest rates on our variable debt throughout the year.

The change in other income for the year ended December 31, 2008 as compared to the year ended December 31, 2007 was primarily due to foreign exchange gains at our non-U.S. based companies on U.S. dollar cash, receivables and payables balances as the U.S. dollar strengthened against most currencies in the fourth quarter of 2008. These foreign exchange gains were offset by a \$3.1 million pre-tax debt restructuring charge in the third quarter of 2008 related to the refinancing of our credit facility.

During 2008, our effective income tax rate was 34.3% versus 34.8% in 2007. This decrease was due primarily to certain foreign tax planning initiatives.

At December 31, 2008, the functional currencies of our European and Canadian subsidiaries were weaker against the U.S. dollar compared to currency exchange rates at December 31, 2007. The net result of these changes led to a decrease in the foreign exchange component of comprehensive earnings of \$86.7 million in the year ending December 31, 2008. Approximately \$59.8 million of these adjustments related to goodwill and are not expected to directly affect our projected future cash flows. For the entire year of 2008, operating profit increased by less than 1% of sales due to fluctuations in non-U.S. currencies.

The following table summarizes our net sales order information for the years ended December 31, 2008 and 2007 (dollar amounts in thousands).

	<u>2008</u>	<u>2007</u>	<u>change</u>
Industrial Technology	\$ 656,176	\$ 639,348	2.6%
Energy Systems and Controls	541,472	525,899	3.0
Scientific and Industrial Imaging	383,543	377,653	1.6
RF Technology	722,670	575,100	25.7
Total	<u>\$ 2,303,861</u>	<u>\$ 2,118,000</u>	<u>8.8%</u>

The increase in sales orders is due to internal growth of 2.3% with the remainder from acquisitions. The Industrial Technology segment net orders strengthened in most markets over the prior year. Net orders in the Energy Systems and Controls segment increased due to the 2007 and 2008 acquisitions. Scientific and Industrial Imaging net orders increased due to strength in our medical business and camera sales into the security and teleconferencing application markets, offset by decreases in industrial cameras sales. The RF Technology segment experienced strong order growth for projects in the tolling and traffic control businesses.

The following table summarizes sales order backlog information at December 31, 2008 and 2007 (dollar amounts in thousands). Roper's policy is to include in backlog only orders scheduled for shipment within twelve months.

	<u>2008</u>	<u>2007</u>	<u>change</u>
Industrial Technology	\$ 59,128	\$ 93,076	(36.5)%
Energy Systems and Controls	84,997	93,102	(8.7)
Scientific and Industrial Imaging	80,020	74,834	6.9
RF Technology	365,669	271,305	34.8
Total	<u>\$ 589,814</u>	<u>\$ 532,317</u>	<u>10.8%</u>

Year Ended December 31, 2007 Compared to Year Ended December 31, 2006

Net sales for the year ended December 31, 2007 were \$2.10 billion as compared to sales of \$1.70 billion for the year ended December 31, 2006, an increase of 23.6%. This increase was the result of sales from acquired companies and strong internal growth. Our 2007 results included a full year of sales from our 2006

acquisitions of Sinmed, Intellitrans, Lumenera, AC Controls, and Dynisco. These results also included ten months of sales from JLT and DJ Instruments, nine months from Roda Deaco, six months from Dynamic Instruments and three months from Black Diamond, all purchased in 2007. Net sales of these acquisitions accounted for approximately \$158 million of our 2007 net sales increase over 2006 and growth of our other business accounted for \$243 million of the increase, or internal growth of 14.5% including a 2% foreign currency exchange impact.

Our Scientific and Industrial Imaging segment reported an increase in net sales of \$37.3 million or 11.0% for the year ended December 31, 2007 over the year ended December 31, 2006. The increase was attributable to the full-year impact of Sinmed and Lumenera acquired in 2006, and partial year impact of JLT in 2007, which accounted for approximately \$23 million of the increase over prior year. Internal growth was 4.2%, which was related to increased sales in the electron microscopy market due to higher demand from OEM customers, offset by weakness in our motion camera product line and decreased sales of handheld computers due to supplier issues encountered during the year. The supplier issues were resolved in 2007 and did not impact operations in 2008.

In our Energy Systems and Controls segment, net sales for the year ended December 31, 2007 increased by \$172.7 million or 50.3% over the year ended December 31, 2006. Approximately \$127 million of the increase was due to full year results from the 2006 acquisitions of AC Controls and Dynisco, as well as partial year results for DJ Instruments, Roda Deaco, and Dynamic Instruments. Internal growth was approximately \$45 million or 14%, primarily from strength in the oil and gas related businesses, which have benefited from the strong global oil and gas market, as well as improved market penetration in our control valve business.

Net sales for our Industrial Technology segment increased by \$94.4 million or 17.2% for the year ended December 31, 2007 over the year ended December 31, 2006. The increase was due primarily to high market penetration for our new radio-frequency integrated water meter at Neptune Technologies, accounting for 63% of the year over year growth. In addition, sales in our materials testing businesses were up \$19 million over the prior year due to increased unit sales.

In our RF Technology segment, net sales for the year ended December 31, 2007 increased by \$96.9 million or 20.7% over the year ended December 31, 2006. The full-year results of Intellitrans, purchased in April, 2006, and four months from the acquisition of Black Diamond on September 24, 2007, accounted for approximately \$7 million of the increase. Internal growth increased 19.3% due to strong performance in our traffic and tolling business, which benefited in 2007 from a large Middle East project that continued into 2008.

Our overall gross profit percentage was 50.4% for the year ended December 31, 2007, as compared to 50.6% for the year ended December 31, 2006. Industrial Technology gross margins increased to 48.2% as compared to 47.9% in the prior year. Our Energy Systems and Controls segment gross margins decreased to 53.6% in 2007 as compared to 54.2% in 2006, due to the mix change within the segment caused by the inclusion of the lower gross margin Dynisco business. Our Scientific and Industrial Imaging segment gross margins were 54.9% in 2007 as compared to 56.8% in 2006, due primarily to the additional costs related to the DAP touch screen quality issue. Our RF Technology segment gross margins remained constant at 46.8% in both 2007 and 2006.

Selling, general and administrative expenses decreased to 29.5% of net sales for the year ended December 31, 2007 from 30.8% of net sales for the year ended December 31, 2006. The decrease is due to leverage from higher sales while making a conscious effort to control general and administrative expenses.

Interest expense increased \$7.4 million, or 16.5%, for the year ended December 31, 2007 compared to the year ended December 31, 2006, primarily due to higher average debt balances throughout 2007 related to the November 30, 2006 acquisition of Dynisco, and additional borrowings throughout the year for the 2007 acquisitions offset by payments on these balances throughout the year.

The change in other income for the year ended December 31, 2007 as compared to the year ended December 31, 2006 was primarily due to foreign exchange losses at our non-U.S. based companies on U.S. dollar cash, receivables and payables balances as the U.S. dollar weakened against most currencies in 2007.

During 2007, our effective income tax rate was 34.8% versus 34.0% in 2006. This increase was due primarily to the expiration of the extraterritorial income inclusion offset somewhat by an increased benefit from our foreign rate differential.

At December 31, 2007, the functional currencies of our European and Canadian subsidiaries were stronger against the U.S. dollar compared to currency exchange rates at December 31, 2006. The net result of these changes led to an increase in the foreign exchange component of comprehensive earnings of \$52.3 million in the year period ending December 31, 2007. Approximately \$34.8 million of these adjustments related to goodwill and are not expected to directly affect our projected future cash flows. For the entire year of 2007, operating profit increased by approximately 1% of sales due to fluctuations in non-U.S. currencies.

The following table summarizes our net sales order information for the years ended December 31, 2007 and 2006 (dollar amounts in thousands).

	<u>2007</u>	<u>2006</u>	<u>change</u>
Industrial Technology	\$ 639,348	\$ 589,322	8.5%
Energy Systems and Controls	525,899	346,880	51.6
Scientific and Industrial Imaging	377,653	341,178	10.7
RF Technology	575,100	511,188	12.5
Total	<u>\$ 2,118,000</u>	<u>\$ 1,788,568</u>	<u>18.4%</u>

The increase in sales orders is due to internal growth of 9.7% with the remainder from acquisitions. The Industrial Technology segment net orders strengthened in most markets over the prior year. Net orders in the Energy Systems and Controls segment increased due to the 2006 and 2007 acquisitions, which accounted for 38.7% of the increase. In addition, there was strong internal growth in our fluid properties testing, non-destructive testing and valve and control businesses. Scientific and Industrial Imaging net orders increased from the inclusion of orders from 2006 and 2007 acquisitions, and also from stronger orders in the electron microscopy market, which led to the higher backlog at 2007 in the Scientific and Industrial Imaging segment. The RF Technology segment experienced strong order growth including a significant international project which began in the fourth quarter of 2006 and continued throughout 2007.

The following table summarizes sales order backlog information at December 31, 2007 and 2006 (dollar amounts in thousands). Roper's policy is to include in backlog only orders scheduled for shipment within twelve months.

	<u>2007</u>	<u>2006</u>	<u>change</u>
Industrial Technology	\$ 93,076	\$ 95,539	(2.6)%
Energy Systems and Controls	93,102	79,217	17.5
Scientific and Industrial Imaging	74,834	68,600	9.1
RF Technology	271,305	261,243	3.9
Total	<u>\$ 532,317</u>	<u>\$ 504,599</u>	<u>5.5%</u>

Financial Condition, Liquidity and Capital Resources

Net cash provided by operating activities was \$434.4 million for the year ended December 31, 2008, \$343.8 million for the year ended December 31, 2007 and \$262.5 million for the year ended December 31, 2006. The 2008 increase was primarily due to higher earnings over the prior year and improved receivables collection. Cash used by investing activities during 2008, 2007, and 2006 were primarily business acquisition costs. Cash from financing activities during each of these years was largely debt repayments and borrowings for acquisitions. Financing activities in 2008 included replacing our previous \$1.355 billion secured credit facility with our current \$1.1 billion unsecured credit facility and the issuance of our \$500 million senior notes.

Net working capital (current assets, excluding cash, less total current liabilities, excluding debt) was \$294.9 million at December 31, 2008 compared to \$305.9 million at December 31, 2007. We acquired approximately \$7.9 million of net current assets through business acquisitions during 2008.

Total debt was \$1.3 billion at December 31, 2008 (38.7% of total capital) compared to \$1.1 billion at December 31, 2007 (37.2% of total capital). Our increased debt at December 31, 2008 compared to December 31, 2007 was due to the replacement of our previous \$1.355 billion secured credit facility with our current \$1.1 billion unsecured credit facility and the issuance of our \$500 million senior notes.

Our \$1.1 billion credit facility consists of a two year \$350 million term loan and a five year \$750 million revolving loan. The weighted average interest rate on the borrowings under the facility at December 31, 2008 was 1.90%. At December 31, 2008, our debt consisted of \$230 million in senior subordinated convertible notes due in 2034, \$500 million in senior notes due 2013, the \$350 million term loan due 2010 and \$179 million on the revolving loan. In addition, we had \$8.5 million of other debt in the form of capital leases and several smaller facilities that allow for borrowings or the issuance of letters of credit in various foreign locations to support our non-U.S. businesses. The Company had \$51.1 million of outstanding letters of credit at December 31, 2008, of which \$47.3 million were covered by our lending group, thereby reducing its remaining revolving credit capacity commensurately. We expect that our available borrowing capacity, combined with existing cash balances and cash flows expected to be generated from existing businesses, will be sufficient to fund normal operating requirements and finance additional acquisitions.

We were in compliance with all debt covenants related to our credit facilities throughout the year ended December 31, 2008.

Capital expenditures of \$30.0 million, \$30.1 million and \$32.2 million were incurred during 2008, 2007 and 2006, respectively. In the future, we expect capital expenditures as a percentage of sales to be less than 2% of annual sales.

Description of Certain Indebtedness

Senior Unsecured Credit Facility - On July 7, 2008, the Company entered into a new \$1.1 billion unsecured credit facility with JPMorgan Chase Bank, N.A., as administrative agent, and a syndicate of lenders, which replaces its \$1.355 billion amended and restated secured credit facility, dated as of December 13, 2004. The \$1.1 billion facility is composed of a \$350 million term loan facility maturing July 7, 2010 and a five year \$750 million revolving credit facility maturing July 7, 2013. The Company may also, subject to compliance with specified conditions, request additional term loans or revolving credit commitments in an aggregate amount not to exceed \$350 million.

The facility contains various affirmative and negative covenants which, among other things, limit our ability to incur new debt, make certain investments and acquisitions, sell assets and grant liens, make restricted payments (including the payment of dividends on our common stock) and capital expenditures, or change our line of business. We also are subject to financial covenants which require us to limit our consolidated total leverage ratio and to maintain a consolidated interest coverage ratio. The most restrictive covenant is the consolidated total leverage ratio which is limited to 3.5.

Senior Notes - On August 6, 2008, we issued \$500 million aggregate principal amount of 6.625% senior notes due August 15, 2013 (the "Notes"). The Notes bear interest at a fixed rate of 6.625% per year, payable semi-annually in arrears on February 15 and August 15 of each year, beginning February 15, 2009. The interest payable on the Notes is subject to adjustment if either Moody's Investors Service or Standard & Poor's Ratings Services downgrades the rating assigned to the Notes.

We may redeem some or all of the Notes at any time or from time to time, at 100% of their principal amount plus a make-whole premium based on a spread to U.S. Treasury securities as described in the indenture relating to the Notes.

The Notes are unsecured senior obligations of the Company and rank equally in right of payment with all of the Company's existing and future unsecured and unsubordinated indebtedness. The Notes are effectively subordinated to any of the Company's existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness. The Notes are not guaranteed by any of the Company's subsidiaries and are effectively subordinated to all existing and future indebtedness and other liabilities of the Company's subsidiaries.

Senior Subordinated Convertible Notes - In December 2003, we issued \$230 million of senior subordinated convertible notes at an original issue discount of 60.498%, resulting in an effective yield of 3.75% per year to maturity. Interest on the notes is payable semiannually, beginning July 15, 2004, until January 15, 2009. After that date, we will not pay cash interest on the notes prior to maturity unless contingent cash interest becomes payable. Instead, after January 15, 2009, interest will be recognized at the effective rate of 3.75% and will represent accrual of original issue discount, excluding any contingent cash interest that may become payable. We will pay contingent cash interest to the holders of the notes during any six month period commencing after January 15, 2009 if the average trading price of a note for a five trading day measurement period preceding the applicable six month period equals 120% or more of the sum of the issue price, accrued original issue discount and accrued cash interest, if any, for such note. The contingent cash interest payable per note in respect of any six month period will equal the annual rate of 0.25%.

The notes are unsecured senior subordinated obligations, rank junior to our existing and future senior secured indebtedness and rank equally with our existing and future senior subordinated indebtedness.

As originally issued, each \$1,000 principal amount of the notes will be convertible at the option of the holder into 12.422 shares of our common stock (giving effect to the 2-for-1 stock split effective August 26, 2005 and subject to further adjustment), if (i) the sale price of our common stock reaches, or the trading price of the notes falls below, specified thresholds, (ii) if the notes are called for redemption or (iii) if specified corporate transactions have occurred. Upon conversion, we would have the right to deliver, in lieu of common stock, cash or a combination of cash and common stock. On November 19, 2004, the Company began a consent solicitation to amend the notes such that the Company would pay the same conversion value upon conversion of the notes, but would change how the conversion value is paid. In lieu of receiving exclusively shares of common stock or cash upon conversion, noteholders would receive cash up to the value of the accreted principal amount of the notes converted and, at the Company's option, any remainder of the conversion value would be paid in cash or shares of common stock. The consent solicitation was successfully completed on December 6, 2004 and the amended conversion provisions were adopted.

Holders may require us to purchase all or a portion of their notes on January 15, 2009, January 15, 2014, January 15, 2019, January 15, 2024, and January 15, 2029, at stated prices plus accrued cash interest, if any, including contingent cash interest, if any. We may only pay the purchase price of such notes in cash and not in common stock.

We may redeem for cash all or a portion of the notes at any time on or after January 15, 2009 at redemption prices equal to the sum of the issue price plus accrued original issue discount and accrued cash interest, if any, including contingent cash interest, if any, on such notes to the applicable redemption date.

As of September 30, 2005, the senior subordinated convertible notes were reclassified from long term to short term debt as the notes became convertible on October 1, 2005 based upon the Company's common stock trading above the trigger price for at least 20 trading days during the 30 consecutive trading-day period ending on September 30, 2005.

In accordance with EITF 04-8, "The Effect of Contingently Convertible Debt on Diluted Earnings Per Share," the Company is required to include in its diluted weighted-average common share calculation an increase in shares based upon the difference between the Company's average closing stock price for the period and the conversion price of \$31.80. This is calculated using the treasury stock method.

Contractual Cash Obligations and Other Commercial Commitments and Contingencies

The following tables quantify our contractual cash obligations and commercial commitments at December 31, 2008 (dollars in thousands).

Contractual Cash Obligations	Total	Payments Due in Fiscal Year					Thereafter
		2009	2010	2011	2012	2013	
Long-term debt	\$ 1,260,668	\$ 231,668	\$ 350,000	\$ —	\$ —	\$ 679,000	\$ —
Senior Note interest	169,306	34,598	33,585	33,585	33,677	33,861	—
Capital leases	6,848	2,159	1,847	1,023	523	340	956
Operating leases	99,862	27,635	21,003	13,726	10,374	8,036	19,088
Total	<u>\$ 1,536,684</u>	<u>\$ 296,060</u>	<u>\$ 406,435</u>	<u>\$ 48,334</u>	<u>\$ 44,574</u>	<u>\$ 721,237</u>	<u>\$ 20,044</u>

Other Commercial Commitments	Total Amount Committed	Amounts Expiring in Fiscal Year					
		2009	2010	2011	2012	2013	Thereafter
Standby letters of credit and bank guarantees	\$ 51,082	\$ 47,670	\$ 1,262	\$ 319	\$ 85	\$ 1,746	\$ —

We have excluded \$26 million related to the liability for uncertain tax positions under FIN 48 from the tables as the current portion is not material, and we are not able to reasonably estimate the timing of the long term portion of the liability. See Note 8 of the Notes to Consolidated Financial Statements.

At December 31, 2008, the Company had outstanding surety bonds of \$239 million.

At December 31, 2008 and 2007, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

We believe that internally generated cash flows and the remaining availability under our various credit facilities will be adequate to finance normal operating requirements and further acquisition activities. Although we maintain an active acquisition program, any further acquisitions will be dependent on numerous factors and it is not feasible to reasonably estimate if or when any such acquisitions will occur and what the impact will be on our activities, financial condition and results of operations. We may also explore alternatives to attract additional capital resources.

We anticipate that our recently acquired businesses as well as our other businesses will generate positive cash flows from operating activities, and that these cash flows will permit the reduction of currently outstanding debt in accordance with the repayment schedule. However, the rate at which we can reduce our debt during 2009 (and reduce the associated interest expense) will be affected by, among other things, the financing and operating requirements of any new acquisitions and the financial performance of our existing companies. None of these factors can be predicted with certainty.

Recently Issued Accounting Standards

See Note 1 of the Notes to Consolidated Financial Statements for information regarding the effect of new accounting pronouncements on our financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to interest rate risks on our outstanding borrowings, and to foreign currency exchange risks on our transactions denominated in currencies other than the U.S. dollar. We are also exposed to equity market risks pertaining to the traded price of our common stock.

At December 31, 2008, we had a combination of fixed and floating rate borrowings. Our \$1.1 billion senior credit facility contains \$350 million in variable rate term loans and a \$750 million variable rate revolver. At December 31, 2008, the weighted average interest rate was 1.90% on the variable portion of the term loans and revolver. Our \$500 million senior notes have a fixed interest rate of 6.625%, and our \$230 million senior unsecured convertible notes have a fixed interest rate of 3.75%. At December 31, 2008, the prevailing market rates for long term notes were between 1.8% and 4.7% higher than the fixed rates on our debt instruments.

At December 31, 2008, Roper's outstanding variable-rate borrowings under the \$1.1 billion credit facility were \$529 million. An increase in interest rates of 1% would increase our annualized interest costs by \$5.3 million.

Several of our businesses have transactions and balances denominated in currencies other than the U.S. dollar. Most of these transactions or balances are denominated in euros, Canadian dollars, British pounds, Danish krone or Japanese yen. Sales by companies whose functional currency was not the U.S. dollar

were 24% of our total sales and 71% of these sales were by companies with a European functional currency. The U.S. dollar weakened against most currencies during the first three quarters of 2008 and then strengthened significantly in the fourth quarter of 2008, which resulted in a 1% sales increase due to foreign currency exchange. The difference between 2008 operating income for these companies translated into U.S. dollars during 2008 and operating income translated into U.S. dollars during 2007 was less than 1%. If these currency exchange rates had been 10% different throughout 2008 compared to currency exchange rates actually experienced, the impact on our expected net earnings would have been approximately 3.5%.

The changes in these currency exchange rates relative to the U.S. dollar during 2008 compared to currency exchange rates at December 31, 2007 resulted in a decrease in net assets of \$86.7 million that was reported as a component of comprehensive earnings, \$59.8 million of which was attributed to goodwill. Goodwill changes from currency exchange rate changes do not directly affect our reported earnings or cash flows.

The trading price of Roper's common stock influences the valuation of stock award grants and the effects these grants have on our results of operations. The stock price also influences the computation of potentially dilutive common stock which includes both stock awards and the premium over the conversion price on senior subordinated convertible notes to determine diluted earnings per share. The stock price also affects our employees' perceptions of various programs that involve our common stock. We believe the quantification of the effects of these changing prices on our future earnings and cash flows is not readily determinable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Shareholders of Roper Industries, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of earnings, of stockholders' equity and comprehensive earnings, and of cash flows, present fairly, in all material respects, the financial position of Roper Industries, Inc. and its subsidiaries at December 31, 2008 and December 31, 2007, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2), presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under item 9A. Our responsibility is to express opinions on these financial statements, financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 8 to the consolidated financial statements, the Company changed the manner in which it accounts for uncertain tax positions in 2007.

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

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

As described in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A, management has excluded CBORD Holdings Corp.; Tech-Pro, Inc.; Chalwyn, Ltd.; GetLoaded.com, LLC; Horizon Software International, LLC; and Technolog Holdings Ltd. from its assessment of internal control over financial reporting as of December 31, 2008, because they were acquired by the Company in purchase business combinations during 2008. We have also excluded CBORD Holdings Corp.; Tech-Pro, Inc.; Chalwyn, Ltd.; GetLoaded.com, LLC; Horizon Software International, LLC; and Technolog Holdings Ltd. from our audit of internal control over financial reporting. CBORD Holdings Corp.; Tech-Pro, Inc.; Chalwyn, Ltd.; GetLoaded.com, LLC; Horizon Software

International, LLC; and Technolog Holdings Ltd. are wholly-owned subsidiaries whose aggregate total assets and aggregate total revenues represent 7.2% and 5.4%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2008.

PricewaterhouseCoopers LLP
Atlanta, GA
February 27, 2009

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2008 and 2007

(in thousands, except per share data)

	<u>2008</u>	<u>2007</u>
Assets		
Cash and cash equivalents	\$ 178,069	\$ 308,768
Accounts receivable, net	376,855	359,808
Inventories, net	185,919	174,138
Deferred taxes	29,390	27,800
Unbilled Receivables	61,168	60,218
Other current assets	<u>26,906</u>	<u>20,405</u>
Total current assets	858,307	951,137
Property, plant and equipment, net	112,463	107,513
Goodwill	2,118,852	1,706,083
Other intangible assets, net	804,020	613,505
Deferred taxes	28,050	23,854
Other assets	<u>49,846</u>	<u>51,092</u>
Total assets	<u>\$ 3,971,538</u>	<u>\$ 3,453,184</u>
Liabilities and Stockholders' Equity		
Accounts payable	\$ 121,807	\$ 115,809
Accrued liabilities	261,682	194,055
Income taxes payable	1,892	24,121
Deferred taxes	—	2,442
Current portion of long-term debt	<u>233,827</u>	<u>331,103</u>
Total current liabilities	619,208	667,530
Long-term debt, net of current portion	1,033,689	727,489
Deferred taxes	272,077	221,411
Other liabilities	<u>42,826</u>	<u>46,948</u>
Total liabilities	<u>1,967,800</u>	<u>1,663,378</u>
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share; 2,000 shares authorized; none outstanding	—	—
Common stock, \$0.01 par value per share; 350,000 shares authorized; 91,909 shares issued and 89,721 outstanding at December 31, 2008 and 90,995 shares issued and 88,773 outstanding at December 31, 2007.	919	910
Additional paid-in capital	798,486	757,318
Retained earnings	1,204,521	944,886
Accumulated other comprehensive earnings	21,513	108,732
Treasury stock 2,188 shares at December 31, 2008 and 2,222 shares at December 31, 2007	<u>(21,701)</u>	<u>(22,040)</u>
Total stockholders' equity	<u>2,003,738</u>	<u>1,789,806</u>
Total liabilities and stockholders' equity	<u>\$ 3,971,538</u>	<u>\$ 3,453,184</u>

See accompanying notes to consolidated financial statements.

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS
 Years ended December 31, 2008, 2007 and 2006
 (Dollar and share amounts in thousands, except per share data)

	Years ended December 31,		
	2008	2007	2006
Net sales	\$ 2,306,371	\$ 2,102,049	\$ 1,700,734
Cost of sales	1,118,083	1,043,654	839,409
Gross profit	1,188,288	1,058,395	861,325
Selling, general and administrative expenses	702,127	620,041	523,672
Income from operations	486,161	438,354	337,653
Interest expense	53,680	52,195	44,801
Loss on extinguishment of debt	3,133	—	—
Other income (expense)	6,607	(2,502)	20
Earnings from continuing operations before income taxes	435,955	383,657	292,872
Income taxes	149,440	133,624	99,548
Net earnings	<u>\$ 286,515</u>	<u>\$ 250,033</u>	<u>\$ 193,324</u>
Earnings per share:			
Basic	\$ 3.20	\$ 2.83	\$ 2.23
Diluted	\$ 3.06	\$ 2.68	\$ 2.13
Weighted average common shares outstanding:			
Basic	89,468	88,390	86,842
Diluted	93,699	93,229	90,880

See accompanying notes to consolidated financial statements.

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE EARNINGS

Years ended December 31, 2008, 2007 and 2006

(in thousands, except per share data)

	Common Stock		Additional paid-in capital	Unearned compensation on restricted stock grants	Retained earnings	Accumulated other comprehensive earnings	Treasury stock	Total stockholders equity	Compre- hensive earnings
	Shares	Amount							
Balances at December 31, 2005	85,960	\$ 883	\$ 685,450	\$ (15,128)	\$ 549,603	\$ 51,731	\$ (22,751)	\$ 1,249,788	\$ 128,657
Net earnings	—	—	—	—	193,324	—	—	193,324	\$ 193,324
Reclassification due to change in accounting principle-SFAS 123R	—	—	(15,128)	15,128	—	—	—	—	—
Stock option exercises	1,188	12	20,692	—	—	—	—	20,704	—
Treasury stock sold	38	—	1,193	—	—	—	374	1,567	—
Currency translation adjustments, net of \$5,802 tax	—	—	—	—	—	17,768	—	17,768	17,768
Stock based compensation	—	—	15,415	—	—	—	—	15,415	—
Restricted stock grants	593	5	(1,410)	—	—	—	—	(1,405)	—
Stock option tax benefit	—	—	11,539	—	—	—	—	11,539	—
Reduction in unrealized gain on derivative, shown net of \$(289) tax	—	—	—	—	—	(537)	—	(537)	(537)
Adjustment to adopt SFAS No. 158, net of \$159 tax	—	—	—	—	—	(296)	—	(296)	—
Dividends declared (\$0.24125 per share)	—	—	—	—	(21,028)	—	—	(21,028)	—
Balances at December 31, 2006	87,779	\$ 900	\$ 717,751	\$ —	\$ 721,899	\$ 68,666	\$ (22,377)	\$ 1,486,839	\$ 210,555
Adjustment to adopt FIN No. 48	—	—	—	—	(3,349)	—	—	(3,349)	—
Net earnings	—	—	—	—	250,033	—	—	250,033	\$ 250,033
Stock option exercises	791	8	15,256	—	—	—	—	15,264	—
Treasury stock sold	27	—	1,426	—	—	—	337	1,763	—
Currency translation adjustments, net of \$9,979 tax	—	—	—	—	—	42,326	—	42,326	42,326
Stock based compensation	—	—	20,716	—	—	—	—	20,716	—
Restricted stock grants	176	2	(3,560)	—	—	—	—	(3,558)	—
Stock option tax benefit	—	—	5,729	—	—	—	—	5,729	—
Reduction in unrealized gain on derivative, shown net of \$(1,217) tax	—	—	—	—	—	(2,260)	—	(2,260)	(2,260)
Dividends declared (\$0.2675 per share)	—	—	—	—	(23,697)	—	—	(23,697)	—
Balances at December 31, 2007	88,773	\$ 910	\$ 757,318	\$ —	\$ 944,886	\$ 108,732	\$ (22,040)	\$ 1,789,806	\$ 290,099
Net earnings	—	—	—	—	286,515	—	—	286,515	\$ 286,515
Stock option exercises	462	5	11,032	—	—	—	—	11,037	—
Treasury stock sold	34	—	1,555	—	—	—	339	1,894	—
Currency translation adjustments, net of \$9,404 tax	—	—	—	—	—	(86,679)	—	(86,679)	(86,679)
Stock based compensation	—	—	30,905	—	—	—	—	30,905	—
Restricted stock grants	452	4	(7,967)	—	—	—	—	(7,963)	—
Stock option tax benefit	—	—	5,643	—	—	—	—	5,643	—
Reduction in unrealized gain on derivative, shown net of \$(291) tax	—	—	—	—	—	(540)	—	(540)	(540)
Dividends declared (\$0.30 per share)	—	—	—	—	(26,880)	—	—	(26,880)	—
Balances at December 31, 2008	89,721	\$ 919	\$ 798,486	\$ —	\$ 1,204,521	\$ 21,513	\$ (21,701)	\$ 2,003,738	\$ 199,296

See accompanying notes to consolidated financial statements.

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2008, 2007 and 2006

(in thousands)

	Years ended December 31,		
	2008	2007	2006
Cash flows from operating activities:			
Net earnings	\$ 286,515	\$ 250,033	\$ 193,324
Adjustments to reconcile net earnings to cash flows from operating activities:			
Depreciation and amortization of property, plant and equipment	33,900	31,805	29,939
Amortization of intangible assets and deferred financing costs	69,208	61,375	52,105
Non-cash stock compensation	30,905	20,688	15,415
Changes in operating assets and liabilities, net of acquired businesses:			
Accounts receivable	14,609	(21,243)	(34,580)
Inventories	(8,728)	(489)	(14,442)
Unbilled Receivables	(950)	(30,971)	(5,032)
Accounts payable and accrued liabilities	9,209	14,219	32,943
Income taxes payable	(177)	23,840	(4,506)
Other, net	(53)	(5,450)	(2,628)
Cash provided by operating activities	<u>434,438</u>	<u>343,807</u>	<u>262,538</u>
Cash flows from investing activities:			
Acquisitions of businesses, net of cash acquired	(704,764)	(106,942)	(352,125)
Capital expenditures	(30,047)	(30,107)	(32,153)
Other, net	(4,483)	(5,339)	(2,387)
Cash used in investing activities	<u>(739,294)</u>	<u>(142,388)</u>	<u>(386,665)</u>
Cash flows from financing activities:			
Proceeds from senior unsecured term loan	350,000	—	—
Proceeds from senior notes	500,000	—	—
Repayment of borrowings under prior credit facility	(908,620)	—	—
Principal borrowings/(payments) on term notes under prior credit facility	(49,125)	234,500	(32,750)
Borrowings/(payments) under revolving line of credit, net	313,000	(206,900)	158,413
Debt issuance costs	(10,226)	—	—
Cash dividends to stockholders	(25,887)	(22,954)	(20,402)
Treasury stock sales	1,894	1,763	1,567
Stock award tax excess windfall benefit	5,359	7,876	10,771
Proceeds from stock option exercises	11,037	15,263	20,692
Other	487	—	—
Cash provided by financing activities	<u>187,919</u>	<u>29,548</u>	<u>138,291</u>
Effect of exchange rate changes on cash	<u>(13,762)</u>	<u>8,323</u>	<u>2,198</u>
Net increase (decrease) in cash and cash equivalents	(130,699)	239,290	16,362
Cash and cash equivalents, beginning of year	<u>308,768</u>	<u>69,478</u>	<u>53,116</u>
Cash and cash equivalents, end of year	<u>\$ 178,069</u>	<u>\$ 308,768</u>	<u>\$ 69,478</u>
Supplemental disclosures:			
Cash paid for:			
Interest	\$ 39,063	\$ 50,157	\$ 43,721
Income taxes, net of refunds received	<u>\$ 144,258</u>	<u>\$ 101,908</u>	<u>\$ 93,284</u>
Noncash investing activities:			
Net assets of businesses acquired:			
Fair value of assets, including goodwill	\$ 774,164	\$ 112,112	\$ 408,571
Liabilities assumed	(69,400)	(5,170)	(56,446)
Cash paid, net of cash acquired	<u>\$ 704,764</u>	<u>\$ 106,942</u>	<u>\$ 352,125</u>

See accompanying notes to consolidated financial statements.

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements
Years ended December 31, 2008, 2007 and 2006

(1) Summary of Accounting Policies

Basis of Presentation – These financial statements present consolidated information for Roper Industries, Inc. and its subsidiaries (“Roper” or the “Company”). All significant intercompany accounts and transactions have been eliminated.

Nature of the Business – Roper is a diversified growth company that designs, manufactures and distributes energy systems and controls, scientific and industrial imaging products and software, industrial technology products and radio frequency products and services. We market these products and services to selected segments of a broad range of markets, including radio frequency applications, water, energy, research and medical, education, security and other niche markets.

Accounts Receivable - Accounts receivable were stated net of an allowance for doubtful accounts and sales allowances of \$12.7 million and \$11.9 million at December 31, 2008 and 2007, respectively. Outstanding accounts receivable balances are reviewed periodically, and allowances are provided at such time that management believes reasonable doubt exists that such balances will be collected within a reasonable period of time. The returns and other sales credit allowance is an estimate of customer returns, exchanges, discounts or other forms of anticipated concessions and is treated as a reduction in revenue.

Cash and Cash Equivalents - Roper considers highly liquid financial instruments with remaining maturities at acquisition of three months or less to be cash equivalents. Roper had no cash equivalents at December 31, 2008 and \$198 million at December 31, 2007.

Earnings per Share – Basic earnings per share were calculated using net earnings and the weighted average number of shares of common stock outstanding during the respective year. Diluted earnings per share were calculated using net earnings and the weighted average number of shares of common stock and potential common stock outstanding during the respective year. Potentially dilutive common stock consisted of stock options, restricted stock awards and the premium over the conversion price on our senior subordinated convertible notes based upon the trading price of the company’s common stock. The effects of potential common stock were determined using the treasury stock method (in thousands).

	Years ended December 31,		
	2008	2007	2006
Basic shares outstanding	89,468	88,390	86,842
Effect of potential common stock			
Common stock awards	1,155	1,511	1,823
Senior subordinated convertible notes	3,076	3,328	2,215
Diluted shares outstanding	93,699	93,229	90,880

As of and for the years ended December 31, 2008, 2007 and 2006, there were 190,000, 29,000 and 79,000 outstanding stock options that were not included in the determination of diluted earnings per share because doing so would have been antidilutive.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Fair Value of Financial Instruments - Roper’s long-term debt at December 31, 2008 included \$500 million of fixed-rate notes, the interest rate on which was 1.8% lower than prevailing market rates which results in a valuation of approximately \$465 million. Our short-term debt included \$230 million of fixed-rate notes which were at fair value due to the short term nature of the debt. Most of Roper’s other borrowings at December 31, 2008 were at various interest rates that adjust relatively frequently under its \$1.1 billion credit facility. The fair value for each of these borrowings at December 31, 2008 was estimated to be the face value of these borrowings.

Foreign Currency Translation - Assets and liabilities of subsidiaries whose functional currency is not the U.S. dollar were translated at the exchange rate in effect at the balance sheet date, and revenues and expenses were translated at average exchange rates for the period in which those entities were included in Roper’s financial results. Translation adjustments are reflected as a component of other comprehensive earnings.

Impairment of Long-Lived Assets – The Company determines whether there has been an impairment of long-lived assets, excluding goodwill and identifiable intangible assets that are determined to have indefinite useful economic lives, when certain indicators of impairment are present. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future gross, undiscounted cash flows associated with the asset would be compared to the asset’s carrying amount to determine if a write-down to market value is required. Future adverse changes in market conditions or poor operating results of underlying long-lived assets could result in losses or an inability to recover the carrying value of the long-lived assets that may not be reflected in the assets’ current carrying value, thereby possibly requiring an impairment charge in the future.

Income Taxes – Roper is a U.S.-based multinational company and the calculation of its worldwide provision for income taxes requires analysis of many factors, including income tax systems that vary from country to country, and the United States’ treatment of non-U.S. earnings. The Company provides income taxes for unremitted earnings of foreign subsidiaries that are not considered permanently reinvested overseas. As of December 31, 2008, the approximate amount of earnings of foreign subsidiaries that the Company considers permanently reinvested and for which deferred taxes have not been provided was approximately \$238 million. Because of the availability of U.S. foreign tax credits, it is not practicable to determine the U.S. federal income tax liability that would be payable if such earnings were not reinvested indefinitely.

On January 1, 2007 the Company adopted the provisions of FIN 48, “Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109.” This Interpretation requires the Company to recognize in the consolidated financial statements only those tax positions determined to be “more likely than not” of being sustained upon examination based on the technical merits of the positions. As a result of the adoption of FIN 48, the Company recorded an increase of \$3.3 million in the liability for unrecognized tax benefits, which was accounted for as a decrease to the January 1, 2007 balance of retained earnings.

Certain assets and liabilities have different bases for financial reporting and income tax purposes. Deferred income taxes have been provided for these differences.

Goodwill and Other Intangibles – Roper accounts for goodwill in a purchase business combination as the excess of the cost over the fair value of net assets acquired. Business combinations can also result in other intangible assets being recognized. Amortization of intangible assets, if applicable, occurs over their estimated useful lives. SFAS No. 142, “Goodwill and Other Intangible Assets,” requires companies to cease amortizing goodwill that existed at June 30, 2001 and establishes a two-step method for testing goodwill for impairment on an annual basis (or an interim basis if an event occurs that might reduce the fair value of a reporting unit below its carrying value). Total goodwill includes 25 different business components with individual amounts ranging from zero to approximately \$502 million. SFAS 142 also requires that an identifiable intangible asset that is determined to have an indefinite useful economic life not be amortized, but separately tested for impairment using a one-step fair value based approach. Roper conducts these reviews for all of its reporting units during the fourth quarter of the fiscal year. No impairment resulted from the annual reviews performed in 2008.

Inventories - Inventories are valued at the lower of cost or market. Cost is determined using the first-in, first-out method. The Company writes down its inventory for estimated obsolescence or excess inventory equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and market conditions.

Other Comprehensive Earnings – Comprehensive earnings includes net earnings and all other non-owner sources of changes in a company’s net assets. The differences between net earnings and comprehensive earnings were currency translation adjustments and the unrealized gain related to an interest rate swap, net of tax.

Property, Plant and Equipment and Depreciation and Amortization - Property, plant and equipment is stated at cost less accumulated depreciation and amortization. Depreciation and amortization are provided for using principally the straight-line method over the estimated useful lives of the assets as follows:

Buildings	20-30 years
Machinery	8-12 years
Other equipment	3-5 years

Capitalized Software – The Company accounts for capitalized software under Statement of Position (“SOP”) 98-1, “Accounting for the Costs of Computer Software Developed or Obtained for Internal Use.” Among other provisions, SOP 98-1 requires that entities capitalize certain internal-use software costs once certain criteria are met. Under SOP 98-1, overhead, general and administrative and training costs are not capitalized. Capitalized software was \$14.5 million and \$11.3 million at December 31, 2008 and 2007, respectively.

Recently Released Accounting Pronouncements – In June 2008, the FASB issued FASB Staff Position (“FSP”) EITF 03-6-1, “Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities” (“FSP EITF 03-6-1”). FSP EITF 03-6-1 clarified that all outstanding unvested share-based payment awards that contain rights to nonforfeitable dividends participate in undistributed earnings with common shareholders. Awards of this nature are considered participating securities and the two-class method of computing basic and diluted earnings per share must be applied. FSP EITF 03-6-1 is effective for fiscal years beginning after December 15, 2008. The implementation of this standard will not have a material impact on our consolidated financial position and results of operations.

In May 2008, the FASB issued FSP APB 14-1, “Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)” (“FSP APB 14-1”). FSP APB 14-1 clarifies that convertible debt instruments that may be settled in cash upon either mandatory or optional conversion (including partial cash settlement) are not addressed by paragraph 12 of APB Opinion No. 14, “Accounting for Convertible Debt and Debt issued with Stock Purchase Warrants.” Additionally, FSP APB 14-1 specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity’s nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. FSP APB 14-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. We will adopt FSP APB 14-1 on January 1, 2009, and this standard must be applied on a retrospective basis. The adoption of FSP APB 14-1 will result in the recognition of an estimated \$8 million decrease to retained earnings as a cumulative effect of accounting change, net as of January 1, 2007. We have determined that the adoption of FSP APB 14-1 would result in a non-cash reduction in basic and diluted earnings per common share from continuing operations before cumulative effect of accounting change by approximately \$0.05 per share for each of the years ended December 31, 2008, 2007 and 2006.

In May 2008, the FASB issued SFAS No. 162, “The Hierarchy of Generally Accepted Accounting Principles” (“SFAS 162”). This standard is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with generally accepted accounting principles in the United States for non-governmental entities. SFAS 162 is effective 60 days following approval by the SEC of the Public Company Accounting Oversight Board’s amendments to AU Section 411, “The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles.” We do not expect SFAS 162 to have a material impact on the preparation of our consolidated financial statements.

In April 2008, the FASB issued FSP No. 142-3, “Determination of the Useful Life of Intangible Assets” (“FSP 142-3”). FSP 142-3 amends the factors an entity should consider in developing renewal or extension assumptions used in determining the useful life of recognized intangible assets under FASB Statement No. 142, “Goodwill and Other Intangible Assets”. This new guidance applies prospectively to intangible assets that are acquired individually or with a group of other assets in business combinations and asset acquisitions. FSP 142-3 is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. Early adoption is prohibited. The adoption of FSP 142-3 will require certain additional disclosures beginning January 1, 2009 and application to useful life estimates prospectively for intangible assets acquired after December 31, 2008. We are currently evaluating the impact, if any, that FSP 142-3 will have on our consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133,” (“SFAS 161”) which requires enhanced disclosures about an entity’s derivative and hedging activities. SFAS 161 is effective for fiscal years and interim periods beginning after November 15, 2008. This Statement will not impact the Company’s consolidated financial position as it is disclosure-only in nature.

In September 2006, the FASB issued SFAS No. 157, “Fair Value Measurements,” (“SFAS 157”) which clarifies the definition of fair value, establishes a framework for measuring fair value and expands the disclosures on fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007. In February 2008, the FASB issued FSP 157-2 “Partial Deferral of the Effective Date of Statement 157” (“FSP 157-2”). FSP 157-2 delays the effective date of SFAS 157, for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually) to fiscal years beginning after November 15, 2008. The adoption of SFAS 157 did not have a material effect on the consolidated financial position for fair value measurements made during 2008. While the Company does not expect the adoption of this Statement to have a material impact on its consolidated financial position in subsequent reporting periods, the Company continues to monitor any additional

implementation guidance that is issued that addresses the fair value measurements for certain financial assets, nonfinancial assets and nonfinancial liabilities not disclosed at fair value in the financial statements on at least an annual basis.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" ("SFAS 141(R)"). SFAS 141(R) establishes principles and requirements for how an acquirer in a business combination recognizes and measures the assets acquired, liabilities assumed, and any noncontrolling interest (previously referred to as minority interest) in the acquiree. The provisions of SFAS 141(R) are effective for business combinations occurring on or after January 1, 2009.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements" ("SFAS 160"). SFAS 160 establishes requirements for ownership interests in subsidiaries held by parties other than the Company (sometimes called "minority interests") be clearly identified, presented, and disclosed in the consolidated statement of financial position within equity, but separate from the parent's equity. All changes in the parent's ownership interests are required to be accounted for consistently as equity transactions and any noncontrolling equity investments in deconsolidated subsidiaries must be measured initially at fair value. SFAS 160 is effective, on a prospective basis, for fiscal years beginning after December 15, 2008. However, presentation and disclosure requirements must be retrospectively applied to comparative financial statements. The Company is currently assessing the impact of SFAS 160 on its consolidated financial position and results of operations.

Research and Development - Research and development costs include salaries and benefits, rents, supplies, and other costs related to various products under development. Research and development costs are expensed in the period incurred and totaled \$87.4 million, \$67.9 million and \$58.6 million for the years ended December 31, 2008, 2007 and 2006, respectively.

Revenue Recognition and Product Warranties - The Company recognizes revenue when all of the following criteria are met:

- persuasive evidence of an arrangement exists
- delivery has occurred or services have been rendered
- the seller's price to the buyer is fixed or determinable, and
- collectibility is reasonably assured.

In addition, the Company recognizes revenue from the sale of product when title and risk of loss pass to the customer, which is generally when product is shipped. The Company recognizes revenue from services rendered upon customer acceptance. Revenues under certain relatively long-term and relatively large-value construction projects are recognized under the percentage-of-completion method using the ratio of costs incurred to total estimated costs as the measure of performance. The Company recognized revenues of approximately \$127.9 million, \$135.5 million and \$94.8 million for the years ended December 31, 2008, 2007 and 2006, respectively, using this method. Estimated losses on any projects are recognized as soon as such losses become known.

The Company sells certain of its products to customers with a product warranty that provides that customers can return a defective product during a specified warranty period following the purchase in exchange for a replacement product, repair at no cost to the customer or the issuance of a credit to the customer. The Company accrues its estimated exposure to warranty claims based upon current and historical product sales date, warranty costs incurred and any other related information known to the Company.

Stock-Based Compensation - Effective January 1, 2006, Roper adopted the provisions of SFAS 123R, which requires recognition of expense for the grant date fair value of its employee stock option awards. The Company estimates the fair value of its option awards using the Black-Scholes option valuation model and recognizes the expense of all share-based awards on a straight-line basis over the employee's requisite service period (generally the vesting period of the award).

Effective January 1, 2006 and in accordance with SFAS 123R, the Company presents the cash flows resulting from the tax benefits arising from tax deductions in excess of the compensation cost recognized for stock award exercises (excess tax benefits) as financing cash flows.

(2) Business Acquisitions

2008 Acquisitions - During the year ended December 31, 2008, Roper completed six business combinations. The results of operations of the acquired companies have been included in Roper's consolidated results since the date of each acquisition. Supplemental pro forma information has not been provided as the acquisitions did not have a material impact on Roper's consolidated results of operations individually or in aggregate.

CBORD Acquisition - The largest of the 2008 acquisitions was the purchase of all outstanding shares of CBORD Holdings Corporation on February 20, 2008. CBORD, whose operations are reported in the RF Technology segment, is a provider of card systems and integrated security solutions to higher education, healthcare and other markets. CBORD's principal facilities are located in Ithaca, New York. The aggregate gross purchase price was \$375 million of cash, which includes amounts incurred for direct external transaction costs associated with the acquisition.

Roper acquired CBORD due to growth prospects in CBORD's end markets of education and health care. In addition, CBORD has excellent customer retention and strong recurring revenues. We also see opportunities to realize complementary technologies within our RF Technology segment to CBORD's product offerings.

The allocation of the purchase resulted in \$158 million of identifiable intangible assets, and \$258 million of goodwill. The following table (in thousands) summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition.

	February 20, 2008
Current assets	\$ 31,666
Other assets	4,916
Intangible assets	158,180
Goodwill	257,871
Total assets acquired	<u>452,633</u>
Current liabilities	(34,823)
Other liabilities	(42,887)
Net assets acquired	<u>\$ 374,923</u>

Of the \$158 million of acquired intangible assets, \$28 million was assigned to trade names that are not subject to amortization. The remaining \$130 million of acquired intangible assets have a weighted-average useful life of approximately 15 years. The intangible assets that make up that amount include customer relationships of \$114 million (20 year weighted-average useful life), unpatented technology of \$12 million (6 year weighted-average useful life), and protective rights of \$4 million (5 year weighted-average useful life).

The majority of the \$258 million of goodwill is not expected to be deductible for tax purposes.

Other 2008 acquisitions - The aggregate purchase price of all other acquisitions made in 2008 totaled \$331 million, which includes amounts incurred for direct external transaction costs associated with the acquisitions. We recorded approximately \$219 million in goodwill and \$122 million in other identifiable intangibles in connection with these acquisitions. The majority of the goodwill is not expected to be deductible for tax purposes.

On March 20, 2008, we acquired the assets of Tech-Pro, Inc. a provider of industrial test instruments and software in our Energy Systems & Controls segment.

On June 18, 2008, we acquired all of the outstanding shares of Chalwyn Limited, a U.K.-based air shut-off valve provider in our Energy Systems & Controls segment.

On July 17, 2008, we acquired the assets, intellectual property and domain name of Getloaded.com, LLC, which adds new subscribers for our freight matching services in the RF Technology segment.

On August 27, 2008, we acquired the assets of Horizon Software Holdings, Inc., a leading provider of comprehensive software solutions and related services that complements CBORD's higher education business to allow us to better serve the entire education spectrum. The operations of Horizon are reported in the RF Technology segment.

On September 10, 2008, we acquired all of the outstanding shares of Technolog Holdings Limited, a U.K.-based end-to-end solutions provider for network monitoring, pressure management, automatic meter reading and smart metering solutions. The operations of Technolog are reported in the RF Technology segment.

Of the \$122 million of acquired intangible assets, \$22 million was assigned to trade names that are not subject to amortization. The remaining \$100 million of acquired intangible assets have a weighted-average useful life of approximately 13 years. The intangible assets that make up that amount include customer relationships of \$82 million (14 year weighted-average useful life), unpatented technology of \$14 million (9 year weighted-average useful life), protective rights of \$2 million (7 year weighted-average useful life) and backlog of \$2 million (1 year weighted-average useful life).

2007 Acquisitions - During the year ended December 31, 2007, Roper completed six business combinations for an aggregate purchase price of \$106 million, which includes amounts incurred for direct external transaction costs associated with the acquisitions. The results of operations of the acquired companies have been included in Roper's consolidated results since the date of each acquisition. Supplemental pro forma information has not been provided as the acquisitions did not have a material impact on Roper's consolidated results of operations individually or in aggregate. We recorded approximately \$40 million in goodwill and \$50 million in other identifiable intangibles in connection with these acquisitions. The majority of the goodwill is not expected to be deductible for tax purposes.

On February 21, 2007, we acquired all the outstanding shares of JLT Mobile Computers, Inc., a provider of rugged computers and software for mobile computing. The operations of JLT are included in the Scientific and Industrial Imaging segment.

On February 28, 2007, we acquired the assets of DJ Instruments, a manufacturer and provider of pressure measurement sensors. The operations of DJ Instruments are included in the Energy Systems and Controls segment.

On March 22, 2007, we acquired the assets of Roda Deaco Valve Ltd., a Canadian-based developer and manufacturer of air intake cut-off devices. The operations of Roda Deaco are included in the Energy Systems and Controls segment.

On June 21, 2007, we acquired all the outstanding shares of Dynamic Instruments, Inc., including its wholly owned subsidiary, Hardy Instruments, Inc., a provider of audio recording, vibration monitoring and process control equipment for commercial and military markets. The operations of Dynamic Instruments are included in the Energy Systems and Controls segment.

On September 24, 2007, we acquired the assets of Black Diamond Advanced Technology, LLC, a provider of rugged mobile computers. The operations of Black Diamond are included in the RF Technology segment.

Of the \$50 million of acquired intangible assets, \$12 million was assigned to trade names that are not subject to amortization. The remaining \$38 million of acquired intangible assets have a weighted-average useful life of approximately 10 years. The intangible assets that make up that amount include customer relationships of \$35 million (10 year weighted-average useful life) and unpatented technology of \$3 million (11 year weighted-average useful life).

2006 Acquisitions - During the year ended December 31, 2006, Roper completed five business combinations. The results of operations of the acquired companies have been included in Roper's consolidated results since the date of each acquisition. Supplemental pro forma information has not been provided as the acquisitions did not have a material impact on Roper's consolidated results of operations individually or in aggregate.

Dynisco Acquisition - The largest of the 2006 acquisitions was the purchase of all outstanding shares of Dynisco Parent, Inc., a provider of highly engineered sensors and software used in testing, measurement and control applications. The operations of Dynisco are included in the Energy Systems and Controls segment. Dynisco's principal facilities are located in Franklin, Massachusetts; Akron, Ohio; and Grand Island, New York. The aggregate gross purchase price of the Dynisco acquisition was approximately \$247 million of cash and includes amounts incurred for direct external transaction costs associated with the acquisition.

Roper acquired Dynisco as a strategic fit for our businesses which determine physical and elemental properties of various liquids and materials and to gain Dynisco's base of recurring business, technical and engineering competencies, and market channels. The purchase price reflected these factors and Dynisco's historically strong margins and operating cash flows, and its future prospects and growth potential.

The allocation of the purchase resulted in \$120 million of identifiable intangible assets, and \$153 million of goodwill, the majority of which is not expected to be deductible for tax purposes. The following table (in thousands) summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition.

	November 30, 2006
Current assets	\$ 28,924
Other assets	3,730
Intangible assets	119,690
Goodwill	153,297
Total assets acquired	305,641
Current liabilities	(33,201)
Other liabilities	(25,579)
Net assets acquired	\$ 246,861

Of the \$120 million of acquired intangible assets, \$12 million was assigned to trade names that are not subject to amortization. The remaining \$108 million of acquired intangible assets have a weighted-average useful life of approximately 17 years. The intangible assets that make up that amount include customer relationships of \$89 million (19 year weighted-average useful life), unpatented technology of \$11 million (9 year weighted-average useful life), software of \$7 million (9 year weighted-average useful life), and patents of \$1 million (8 year weighted-average useful life).

Other 2006 Acquisitions - The aggregate purchase price of all other acquisitions made in 2006 totaled \$96 million, which includes amounts incurred for direct external transaction costs associated with the acquisitions. We recorded approximately \$63 million in goodwill and \$26 million in other identifiable intangibles in connection with these acquisitions. The majority of the goodwill is not expected to be deductible for tax purposes.

On April 5, 2006, the Company acquired all the outstanding shares of Sinmed Holding International B.V., a European-based maker of medical positioning equipment. The operations of Sinmed are included in the Scientific and Industrial Imaging segment.

On April 26, 2006, the Company acquired the assets of Intellitrans, LLC, a provider of asset tracking technology. The operations of Intellitrans are included in the RF Technology segment.

On July 25, 2006, the Company acquired all the outstanding shares of Lumenera Corporation, a Canadian-based developer and manufacturer of high performance digital cameras for industrial, scientific and security markets. The operations of Lumenera are included in the Scientific and Industrial Imaging segment.

On August 8, 2006, the Company acquired all the outstanding shares of AC Analytical Controls Holding B.V., a European-based provider of chromatographic analyzers for the petrochemical industry. The operations of AC Controls are included in the Energy Systems and Controls segment.

Of the \$26 million of acquired intangible assets, \$3 million was assigned to trade names that are not subject to amortization. The remaining \$23 million of acquired intangible assets have a weighted-average useful life of approximately 9 years. The intangible assets that make up that amount include customer relationships of \$16 million (11 year weighted-average useful life), unpatented technology of \$5 million (5 year weighted-average useful life) and backlog of \$1 million (2 year weighted-average useful life).

(3) Inventories

The components of inventories at December 31 were as follows (in thousands):

	2008	2007
Raw materials and supplies	\$ 120,604	\$ 113,327
Work in process	26,913	28,503
Finished products	68,510	60,698
Inventory reserves	(30,108)	(28,390)
	<u>\$ 185,919</u>	<u>\$ 174,138</u>

(4) Property, Plant and Equipment

The components of property, plant and equipment at December 31 were as follows (in thousands):

	2008	2007
Land	\$ 2,947	\$ 2,936
Buildings	59,821	52,795
Machinery, tooling and other equipment	229,486	207,906
	292,254	263,637
Accumulated depreciation and amortization	(179,791)	(156,124)
	<u>\$ 112,463</u>	<u>\$ 107,513</u>

Depreciation expense was \$33,900, \$31,805 and \$29,939 for the years ended December 31, 2008, 2007 and 2006, respectively.

(5) Goodwill

Industrial Technology	Energy Systems and Controls	Scientific and Industrial Imaging	RF Technology	Total
(in thousands)				

Balances at December 31, 2006	\$ 428,290	\$ 364,548	\$ 393,776	\$ 464,594	\$ 1,651,208
Goodwill acquired	—	49,325	7,929	3,239	60,493
Currency translation adjustments	13,735	7,750	9,437	3,925	34,847
Reclassifications and other	118	(40,739)	48	108	(40,465)
Balances at December 31, 2007	<u>\$ 442,143</u>	<u>\$ 380,884</u>	<u>\$ 411,190</u>	<u>\$ 471,866</u>	<u>\$ 1,706,083</u>
Goodwill acquired	—	15,795	—	460,771	476,566
Currency translation adjustments	(18,482)	(8,800)	(10,838)	(21,677)	(59,797)
Reclassifications and other	—	(6,223)	126	2,097	(4,000)
Balances at December 31, 2008	<u>\$ 423,661</u>	<u>\$ 381,656</u>	<u>\$ 400,478</u>	<u>\$ 913,057</u>	<u>\$ 2,118,852</u>

Goodwill acquired during the year ended December 31, 2008 was attributable to the acquisitions of CBORD, Tech-Pro, Chalwyn, Getloaded, Horizon and Technolog. The reclassifications and other are the result of final purchase price allocations from deferred tax accounting and final asset valuations related to 2007 acquisitions.

(6) Other intangible assets, net

	<u>Cost</u>	<u>Accum. amort.</u>	<u>Net book value</u>
	(in thousands)		
Assets subject to amortization:			
Customer related intangibles	\$ 504,850	\$ (99,079)	\$ 405,771
Unpatented technology	46,116	(13,714)	32,402
Software	58,152	(24,278)	33,874
Patents and other protective rights	33,480	(18,246)	15,234
Backlog	16,560	(13,196)	3,364
Trade secrets	6,930	(3,443)	3,487
Assets not subject to amortization:			
Trade names	119,373	—	119,373
Balances at December 31, 2007	<u>\$ 785,461</u>	<u>\$ (171,956)</u>	<u>\$ 613,505</u>
Assets subject to amortization:			
Customer related intangibles	\$ 683,130	\$ (137,794)	\$ 545,336
Unpatented technology	70,693	(22,232)	48,461
Software	58,053	(30,215)	27,838
Patents and other protective rights	38,195	(21,998)	16,197
Backlog	18,257	(17,024)	1,233
Trade secrets	5,116	(3,890)	1,226
Assets not subject to amortization:			
Trade names	163,729	—	163,729
Balances at December 31, 2008	<u>\$ 1,037,173</u>	<u>\$ (233,153)</u>	<u>\$ 804,020</u>

Amortization expense of other intangible assets was \$64,017, \$55,653, and \$46,756 during the years ended 2008, 2007 and 2006, respectively. Estimated amortization expense for the five years subsequent to 2008 is \$66,236, \$62,078, \$59,044, \$56,120 and \$54,565 for 2009, 2010, 2011, 2012 and 2013, respectively.

(7) Accrued Liabilities

Accrued liabilities at December 31 were as follows (in thousands):

	<u>2008</u>	<u>2007</u>
Wages and other compensation	\$ 63,878	\$ 63,365
Commissions	13,419	14,081
Warranty	9,885	8,486
Accrued dividend	7,403	6,438
Deferred revenue	73,308	32,638
Billings in excess of cost	18,398	9,728
Customer deposits	13,825	8,794
Interest	18,649	6,299
Other	42,917	44,226
	<u>\$ 261,682</u>	<u>\$ 194,055</u>

(8) Income Taxes

Earnings before income taxes for the years ended December 31, 2008, 2007 and 2006 consisted of the following components (in thousands):

	<u>2008</u>	<u>2007</u>	<u>2006</u>
United States	\$ 267,386	\$ 253,841	\$ 191,649
Other	168,569	129,816	101,223
	<u>\$ 435,955</u>	<u>\$ 383,657</u>	<u>\$ 292,872</u>

Components of income tax expense for the years ended December 31, 2008, 2007 and 2006 were as follows (in thousands):

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Current:			
Federal	\$ 77,920	\$ 82,923	\$ 53,937
State	12,309	6,940	4,896
Foreign	40,739	39,062	29,942
Deferred:			
Federal	19,526	4,343	11,506
Foreign	(1,054)	356	(733)
	<u>\$ 149,440</u>	<u>\$ 133,624</u>	<u>\$ 99,548</u>

Reconciliations between the statutory federal income tax rate and the effective income tax rate for the years ended December 31, 2008, 2007 and 2006 were as follows:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Federal statutory rate	35.00%	35.00%	35.00%
Extraterritorial income exclusion	—	—	(1.04)
Foreign rate differential	(2.54)	(1.66)	(0.97)
R&D tax credits	(0.41)	(0.44)	(0.36)
State taxes, net of federal benefit	2.02	1.93	1.67
Other, net	0.21	—	(0.31)
	<u>34.28%</u>	<u>34.83%</u>	<u>33.99%</u>

The deferred income tax balance sheet accounts arise from temporary differences between the amount of assets and liabilities recognized for financial reporting and tax purposes.

Components of the deferred tax assets and liabilities at December 31 were as follows (in thousands):

	<u>2008</u>	<u>2007</u>
Deferred tax assets:		
Reserves and accrued expenses	\$ 42,408	\$ 31,352
Inventories	6,914	5,764
Net operating loss carryforwards	3,983	3,930
Foreign tax credits	1,244	7,862
R&D credits	757	747
Plant and equipment	2,134	1,999
Total deferred tax assets	<u>\$ 57,440</u>	<u>\$ 51,654</u>
Deferred tax liabilities:		
Reserves and accrued expenses	\$ 38,734	\$ 43,580
Amortizable intangible assets	233,130	180,058
Other	213	215
Total deferred tax liabilities	<u>\$ 272,077</u>	<u>\$ 223,853</u>

At December 31, 2008, Roper had approximately \$11.9 million of U.S. federal net operating loss carryforwards. If not utilized, these carryforwards will expire in years 2023 through 2027. Additionally, Roper had foreign tax credit carryforwards and research and development credit carryforwards. Roper has not recognized a valuation allowance since management has determined that it is more likely than not that the results of future operations will generate sufficient taxable income to realize these deferred tax assets.

The Company provides income taxes for unremitted earnings of foreign subsidiaries that are not considered permanently reinvested overseas. As of December 31, 2008, the approximate amount of earnings of foreign subsidiaries that the Company considers permanently reinvested and for which deferred taxes have not been provided was approximately \$237.8 million. Because of the availability of U.S. foreign tax credits, it is not practicable to determine the U.S. federal income tax liability that would be payable if such earnings were not reinvested indefinitely.

The Company adopted the provisions of FIN 48, "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109," on January 1, 2007. This Interpretation requires the Company to recognize in the consolidated financial statements only those tax positions determined to be "more likely than not" of being sustained upon examination based on the technical merits of the positions.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	<u>2008</u>	<u>2007</u>
Beginning balance	\$ 20,773	\$ 19,628
Additions for tax positions of prior periods	960	84
Additions for tax positions of the current period	3,086	2,876
Reductions for tax positions of prior years for:		
Settlements with taxing authorities during the period	(1,609)	—
Lapse of applicable statute of limitations	(572)	(1,815)
Ending balance	<u>\$ 22,638</u>	<u>\$ 20,773</u>

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is \$12.0 million. Interest and penalties related to unrecognized tax benefits are classified as a component of income tax expense and totaled \$1.1 million in 2008. Accrued interest and penalties were \$2.1 million at December 31, 2007 and \$3.2 million at December 31, 2008. During the next twelve months, it is expected that the unrecognized tax benefits will be reduced by a net \$1.1 million, due mainly to a lapse in the applicable statute of limitations.

The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax of multiple state, city and foreign jurisdictions. The Company's federal income tax returns for 2005 through the current period remain subject to examination and the relevant state, city and foreign statutes vary. There are no

current tax examinations in progress where the Company expects the assessment of any significant additional tax in excess of amounts reserved.

(9) Long-Term Debt

On July 7, 2008, the Company entered into a new \$1.1 billion unsecured credit facility with JPMorgan Chase Bank, N.A., as administrative agent, and a syndicate of lenders, which replaces its \$1.355 billion amended and restated secured credit facility, dated as of December 13, 2004. The \$1.1 billion facility is composed of a \$350.0 million term loan facility maturing July 7, 2010 and a five year \$750.0 million revolving credit facility maturing July 7, 2013. The Company may also, subject to compliance with specified conditions, request additional term loans or revolving credit commitments in an aggregate amount not to exceed \$350.0 million.

On August 6, 2008, we issued \$500 million aggregate principal amount of 6.625% senior notes due August 15, 2013 (the "Notes"). The Notes bear interest at a fixed rate of 6.625% per year, payable semi-annually in arrears on February 15 and August 15 of each year, beginning February 15, 2009. The interest payable on the Notes is subject to adjustment if either Moody's Investors Service or Standard & Poor's Ratings Services downgrades the rating assigned to the Notes.

We may redeem some or all of the Notes at any time or from time to time, at 100% of their principal amount plus a make-whole premium based on a spread to U.S. Treasury securities as described in the indenture relating to the Notes.

The Notes are unsecured senior obligations of the Company and rank equally in right of payment with all of the Company's existing and future unsecured and unsubordinated indebtedness. The Notes are effectively subordinated to any of the Company's existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness. The Notes are not guaranteed by any of the Company's subsidiaries and are effectively subordinated to all existing and future indebtedness and other liabilities of the Company's subsidiaries.

Other debt includes \$230 million of senior subordinated convertible notes due 2034.

Total debt at December 31 consisted of the following (table amounts in thousands):

	<u>2008</u>	<u>2007</u>
\$350 million term loan	\$ 350,000	\$ —
\$750 million revolving credit facility	179,000	—
\$955 million term loan	—	823,745
\$400 million revolving credit facility	—	—
Senior Notes	500,000	—
Senior Subordinated Convertible Notes	230,000	230,000
Other	8,516	4,847
Total debt	<u>1,267,516</u>	<u>1,058,592</u>
Less current portion	233,827	331,103
Long-term debt	<u>\$ 1,033,689</u>	<u>\$ 727,489</u>

Our principal \$1.1 billion credit facility, \$500 million senior notes and \$230 million senior subordinated convertible notes provide substantially all of our daily external financing requirements. The interest rate on the borrowings under the \$1.1 billion credit facility is calculated based upon various recognized indices plus a margin as defined in the credit agreement. At December 31, 2008, the weighted average interest rate on the term and revolver loans was 1.90%. At December 31, 2008, our debt consisted of the \$500 million senior notes, \$230 million in senior subordinated convertible notes, \$350 million term loans and a \$179 million revolver balance. In addition, we had \$8.5 million of other debt in the form of capital leases, several smaller facilities that allow for borrowings or the issuance of letters of credit in various foreign locations to support our non-U.S. businesses and \$51 million of outstanding letters of credit at December 31, 2008. We expect that our available additional borrowing capacity combined with the cash flows expected to be generated from existing business will be sufficient to fund normal operating requirements and finance some additional acquisitions.

The Company recorded a \$3.1 million non-cash pre-tax debt extinguishment charge in the third quarter of 2008 related to the early termination of the previous \$1.355 billion secured credit facility. This charge reflects the unamortized fees associated with the \$1.355 billion secured credit facility and was reported as other expense.

In December 2003, we issued through a public offering \$230 million of 3.75% subordinated convertible notes due in 2034 at an original issue discount of 60.498% (the "Convertible Notes"). The Convertible Notes are subordinated in right of payment and collateral to all of our existing and future senior debt. Interest on the notes is payable semiannually, beginning July 15, 2004, until January 15, 2009. After that date, we will not pay cash interest on the notes prior to maturity unless contingent cash interest becomes payable. Instead, after January 15, 2009, interest will be recognized at the effective rate of 3.75% and will represent accrual of original issue discount, excluding any contingent cash interest that may become payable. We will pay contingent cash interest to the holders of the notes during any six month period commencing after January 15, 2009 if the average trading price of a note for a five trading day measurement period preceding the applicable six month period equals 120% or more of the sum of the issue price, accrued original issue discount and accrued cash interest, if any, for such note. The contingent cash interest payable per note in respect of any six month period will equal the annual rate of 0.25%. As originally issued, holders could convert their notes into 12.422 shares of our common stock (giving effect for the 2-for-1 stock split effective August 26, 2005), subject to adjustment, only (1) if the sale price of our common stock reaches, or the trading price of the notes falls below, specified thresholds, (2) if the notes are called for redemption, or (3) if specified corporate transactions have occurred. Upon conversion, we would have had the right to deliver, in lieu of our common stock, cash or common stock or a combination of cash and common stock. On December 6, 2004, the Company completed a consent solicitation to amend the notes such that the Company pays the same conversion value upon conversion of the notes, but changes how the conversion value is paid. In lieu of receiving exclusively shares of common stock or cash upon conversion, noteholders would receive cash up to the value of the accreted principal amount of the notes converted and, at the Company's option, any remainder of the conversion value would be paid in cash or shares of common stock. Holders may require us to purchase all or a portion of their notes on January 15, 2009 at a price of \$395.02 per note, on January 15, 2014 at a price of \$475.66 per note, on January 15, 2019 at a price of \$572.76 per note, on January 15, 2024 at a price of \$689.68 per note, and on January 15, 2029 at a price of \$830.47 per note, in each case plus accrued cash interest, if any, and accrued contingent cash interest, if any. We may only pay the purchase price of such notes in cash and not in common stock. In addition, if we experience a change in control, each holder may require us to purchase for cash all or a portion of such holder's notes at a price equal to the sum of the issue price plus accrued original issue discount for non-tax purposes, accrued cash interest, if any, and accrued contingent cash interest, if any, to the date of purchase.

As of September 30, 2005, our \$230 million of senior subordinated convertible notes were reclassified from long term to short term debt as the notes became convertible on October 1, 2005 based upon the Company's common stock trading above the trigger price for at least 20 trading days during the 30 consecutive trading-day periods ending on September 30, 2005.

Our \$1.1 billion credit facility contains various affirmative and negative covenants which, among other things, limit our ability to incur new debt, make certain investments and acquisitions, sell assets and grant liens, make restricted payments (including the payment of dividends on our common stock) and capital expenditures, or change our line of business. We also are subject to financial covenants which require us to limit our consolidated total leverage ratio and to maintain a consolidated interest coverage ratio. The most restrictive covenant is the consolidated total leverage ratio which is limited to 3.5.

At December 31, 2008, and 2007, the Company was in compliance with our debt covenants.

Future maturities of long-term debt during each of the next five years ending December 31 and thereafter were as follows (in thousands):

2009	\$	233,827
2010		351,847
2011		1,023
2012		523
2013		679,340
Thereafter		956
	\$	<u>1,267,516</u>

(10) Retirement and Other Benefit Plans

Roper maintains eight defined contribution retirement plans under the provisions of Section 401(k) of the Internal Revenue Code covering substantially all U.S. employees not subject to collective bargaining agreements. Roper partially matches employee contributions. Its costs related to these plans were \$12.9 million, \$10.3 million and \$9.9 million for 2008, 2007 and 2006, respectively.

Roper also maintains various defined benefit retirement plans covering employees of non-U.S. and certain U.S. subsidiaries and a plan that supplements certain employees for the contribution ceiling applicable to the Section 401(k) plans. The costs and accumulated benefit obligations associated with each of these plans were not material.

(11) Stock-Based Compensation

The Roper Industries, Inc. Amended and Restated 2006 Incentive Plan ("2006 Plan") is a stock-based compensation plan used to grant incentive stock options, nonqualified stock options, restricted stock, stock appreciation rights or equivalent instruments to the Company's employees, officers, directors and consultants. The 2006 Plan replaced the Amended and Restated 2000 Incentive Plan ("2000 Plan"), and no additional grants will be made from the 2000 Plan or the Non-employee Director Plan. The number of shares reserved for issuance under the 2006 plan is 8,000,000, plus the 17,000 remaining shares that were available to grant under the 2000 Plan at June 28, 2006, plus any shares underlying outstanding awards under the 2000 plan that terminate or expire unexercised, or are cancelled, forfeited or lapse for any reason subsequent to June 28, 2006. At December 31, 2008, 5,429,000 shares were available to grant.

In the Roper Industries, Inc., Employee Stock Purchase Plan ("ESPP"), all employees in the U.S. and Canada are eligible to designate up to 10% of eligible earnings to purchase Roper's common stock at a discount to the average closing price of its common stock at the beginning and end of a quarterly offering period. Effective January 1, 2008, the ESPP was modified to change the discount from 10% to 5%. The common stock sold to the employees may be either treasury stock, stock purchased on the open market, or newly issued shares.

The Company recognized stock based compensation expense of \$30.9 million and \$20.7 million for the years ended December 31, 2008 and 2007, respectively. The total tax effect recognized in net income related to stock based compensation during 2008 and 2007 was \$10.8 million and \$7.2 million, respectively. The tax benefit from option exercises and restricted stock vesting under all plans totaled approximately \$5.6 million and \$5.7 million in 2008 and 2007, respectively.

Stock Options – Stock options are typically granted at prices not less than 100% of market value of the underlying stock at the date of grant. Stock options typically vest over a period of up to three to five years from the grant date and generally expire seven to ten years after the grant date. The Company recorded \$8.2 and \$5.1 million of compensation expense relating to outstanding options during 2008 and 2007, respectively, as a component of corporate and certain segment general and administrative expenses.

The Company estimates the fair value of its option awards using the Black-Scholes option valuation model that uses the assumptions noted in the following table. The stock volatility for each grant is measured using the weighted average of historical daily price changes of the Company's common stock over the most recent period equal to the expected life of the grant. The expected term of options granted is derived from historical data to estimate option exercises and employee terminations, and represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The weighted average fair value of options granted in 2008, 2007 and 2006 were calculated using the following weighted average assumptions:

	2008	2007	2006
Weighted average fair value (\$)	12.83	15.50	13.19
Risk-free interest rate (%)	2.87	4.69	4.67
Average expected option life (years)	5.02	5.02	4.51
Expected volatility (%)	21.10	23.08	28.24
Expected dividend yield (%)	0.53	0.50	0.54

The following table summarizes the Company's activities with respect to its stock option plans for the year ended December 31, 2008:

Number of shares	Weighted average	Weighted average	Aggregate intrinsic value
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		exercise price per share	contractual term		
Outstanding at January 1, 2008	3,656,000	\$ 30.84			
Granted	1,051,000	55.50			
Exercised	(463,000)	23.59			
Canceled	(57,000)	46.74			
Outstanding at December 31, 2008	4,187,000	37.77	5.20	\$ 42,411,000	
Exercisable at December 31, 2008	2,611,000	\$ 28.06	4.01	\$ 42,285,000	

The following table summarizes information for stock options outstanding at December 31, 2008:

Exercise price	Outstanding options			Exercisable options	
	Number	Average exercise price	Average remaining life (years)	Number	Average exercise price
\$ 3.97 – 20.00	609,000	\$ 17.72	3.5	609,000	\$ 17.72
20.01 – 30.00	894,000	21.82	3.8	894,000	21.82
30.01 – 40.00	597,000	31.45	3.8	593,000	31.39
40.01 – 50.00	500,000	43.62	4.3	332,000	43.64
50.00 – 60.00	1,559,000	54.81	7.4	180,000	53.64
60.00 – 70.81	28,000	64.10	7.6	3,000	64.44
\$ 3.97 – 70.81	4,187,000	\$ 37.77	5.2	2,611,000	\$ 28.06

At December 31, 2008, there was \$14.5 million of total unrecognized compensation expense related to nonvested options granted to both employees and directors under the Company's share-based payment plans. That cost is expected to be recognized over a weighted-average period of 2.5 years. The total intrinsic value of options exercised in 2008 and 2007 was \$16.3 million and \$29.8 million, respectively. Cash received from option exercises under all plans in 2008 and 2007 was approximately \$11.0 million and \$15.3 million, respectively.

Restricted Stock Awards - During 2008 and 2007, the Company granted 610,000 and 240,000 shares, respectively, of restricted stock to certain employee and director participants under the 2006 Plan. Restricted stock awards generally vest over a period of 1 to 3 years. The weighted average fair value of the shares granted in 2008 was \$55.68 per share. The Company recorded approximately \$22.7 million and \$15.3 million of compensation expense related to outstanding shares of restricted stock held by employees and directors during 2008 and 2007, respectively. A summary of the Company's nonvested shares activity for 2008 is as follows:

	Number of shares	Weighted average fair value
Nonvested at January 1, 2008	663,000	\$ 43.13
Granted	610,000	55.68
Vested	(476,000)	51.65
Forfeited	(5,000)	54.45
Nonvested at December 31, 2008	792,000	\$ 53.83

At December 31, 2008, there was \$25.4 million of total unrecognized compensation expense related to nonvested shares granted to both employees and directors under the Company's share-based payment plans. That cost is expected to be recognized over a weighted-average period of 3.1 years. There were 476,000 and 231,000 shares that vested during 2008 and 2007, respectively. Unrecognized compensation expense related to nonvested shares of restricted stock awards is recorded as a reduction to additional paid-in capital in shareholder's equity at December 31, 2008.

Employee Stock Purchase Plan - During 2008, 2007 and 2006, participants of the ESPP purchased 34,000, 33,000 and 38,000 shares, respectively, of Roper's common stock for total consideration of \$1.9 million, \$1.7 million, and \$1.6 million, respectively. All of these shares were purchased from Roper's treasury shares. The Company recorded \$0, \$250,000, and \$227,000 of compensation expense relating to the stock purchase plan during 2008, 2007 and 2006, respectively.

(12) Common Stock Transactions

At the 2006 Shareholder Meeting, shareholders approved an amendment to the Restated Certificate of Incorporation, to eliminate time phase voting and give all outstanding shares of common stock of the Company one vote on matters properly submitted to the shareholders of the Company for their vote. Previously, Roper's restated Certificate of Incorporation provided that each outstanding share of Roper's common stock entitled the holder thereof to five votes per share, except that holders of outstanding shares with respect to which there had been a change in beneficial ownership during the four years immediately preceding the applicable record date would have been entitled to one vote per share.

On January 8, 2006, the Roper Shareholder Rights Plan expired. This plan had provided that one Preferred Stock Purchase Right (a "Right") accompanied each outstanding share of common stock. Such Rights only became exercisable, or transferable apart from the common stock, ten business days after a person or group acquires various specified levels of beneficial ownership.

(13) Contingencies

Roper, in the ordinary course of business, is the subject of, or a party to, various pending or threatened legal actions, including those pertaining to product liability and employment practices. It is vigorously contesting all lawsuits that, in general, are based upon claims of the kind that have been customary over the past several years. After analyzing the Company's contingent liabilities on a gross basis and, based upon past experience with resolution of its product liability

and employment practices claims and the limits of the primary, excess, and umbrella liability insurance coverages that are available with respect to pending claims, management believes that adequate provision has been made to cover any potential liability not covered by insurance, and that the ultimate liability, if any, arising from these actions should not have a material adverse effect on the consolidated financial position, results of operations or cash flows of Roper.

Over recent years there has been a significant increase in certain U.S. states in asbestos-related litigation claims against numerous industrial companies. Roper or its subsidiaries have been named defendants in some such cases. No significant resources have been required by Roper to respond to these cases and Roper believes it has valid defenses to such claims and, if required, intends to defend them vigorously. Given the state of these claims it is not possible to determine the potential liability, if any.

Roper's rent expense was approximately \$24.8 million, \$25.4 million and \$21.8 million for 2008, 2007 and 2006, respectively. Roper's future minimum property lease commitments totaled \$93.6 million at December 31, 2008. These commitments included \$24.2 million in 2009, \$19.2 million in 2010, \$13.0 million in 2011, \$10.2 million in 2012, \$8.0 million in 2013 and \$19.0 million thereafter.

A summary of the Company's warranty accrual activity for the year ended December 31, 2008 is presented below (in thousands):

Balance at beginning of year	Additions charged to costs and expenses	Deductions	Other	Balance at end of year
\$ 8,486	9,920	(8,415)	(106)	\$ 9,885

At December 31, 2008 the Company had outstanding surety bonds of \$239 million.

(14) Segment and Geographic Area Information

Our operations are reported in four market-focused segments around common customers, markets, sales channels, technologies and common cost opportunities. The segments are: Industrial Technology, Energy Systems and Controls, Scientific and Industrial Imaging, and RF Technology. Products included within the Industrial Technology segment are industrial pumps, flow measurement and metering equipment, and industrial valves and controls, and equipment and consumables for materials analysis and industrial leak testing. The Energy Systems and Controls segment's products include control systems, equipment and consumables for fluid properties testing, vibration and other non-destructive inspection and measurement products and services. Our Scientific and Industrial Imaging segment offers high performance digital imaging products and software, patient positioning products and software in medical applications and handheld and vehicle mounted computers and software. The RF Technology segment includes products and systems related to comprehensive toll and traffic systems and processing, security and access control, campus card systems, freight matching, mobile asset tracking and water sub-metering and remote temperature monitoring applications. Roper's management structure and internal reporting are also aligned consistent with these four segments.

There were no material transactions between Roper's business segments during 2008, 2007 and 2006. Sales between geographic areas are primarily of finished products and are accounted for at prices intended to represent third-party prices. Operating profit by business segment and by geographic area is defined as sales less operating costs and expenses. These costs and expenses do not include unallocated corporate administrative expenses. Items below income from operations on Roper's statement of earnings are not allocated to business segments.

Identifiable assets are those assets used primarily in the operations of each business segment or geographic area. Corporate assets were principally comprised of cash, recoverable insurance claims, deferred compensation assets, unamortized deferred financing costs and property and equipment.

Selected financial information by business segment for 2008, 2007 and 2006 follows (in thousands):

	Industrial Technology	Energy Systems and Controls	Scientific and Industrial Imaging	RF Technology	Corporate	Total
2008						
Net sales	\$ 687,622	\$ 548,214	\$ 375,542	\$ 694,993	\$ —	\$ 2,306,371
Operating profit	178,270	126,609	74,739	159,787	(53,244)	486,161
Total assets:						
Operating assets	184,445	199,049	126,657	246,785	6,375	763,311
Intangible assets, net	639,988	538,367	473,655	1,270,862	—	2,922,872
Other	6,814	3,522	24,322	(12,975)	(8,405)	13,278
Total						3,699,461
Capital expenditures	12,385	6,618	2,895	7,905	244	30,047
Depreciation and other amortization	24,899	19,568	17,780	38,439	2,422	103,108
2007						
Net sales	\$ 644,436	\$ 516,420	\$ 376,163	\$ 565,030	\$ —	\$ 2,102,049
Operating profit	164,750	126,367	73,230	117,057	(43,050)	438,354
Total assets:						
Operating assets	183,639	209,152	129,342	191,889	8,060	722,082
Intangible assets, net	671,806	550,798	497,072	599,912	—	2,319,588
Other	37,665	30,749	21,601	23,236	74,410	187,661
Total						3,229,331
Capital expenditures	9,687	6,749	4,752	8,823	96	30,107
Depreciation and other amortization	25,601	19,093	18,183	28,079	2,224	93,180
2006						
Net sales	\$ 549,993	\$ 343,699	\$ 338,906	\$ 468,136	\$ —	\$ 1,700,734
Operating profit	128,668	90,390	72,485	81,068	(34,958)	337,653
Total assets:						
Operating assets	175,426	184,653	133,899	145,876	7,258	647,112
Intangible assets, net	669,491	438,261	478,356	609,236	—	2,195,344
Other	4,348	6,728	20,283	(10,949)	(39,215)	(18,805)
Total						2,823,651
Capital expenditures	11,966	10,108	3,595	6,194	290	32,153

Summarized data for Roper's U.S. and foreign operations (principally in Canada, Europe and Asia) for 2008, 2007 and 2006, based upon the country of origin of the Roper entity making the sale, was as follows:

	United States	Non-U.S.	Eliminations	Total
	(in thousands)			
2008				
Sales to unaffiliated customers	\$ 1,709,844	\$ 596,507	\$ —	\$ 2,306,351
Sales between geographic areas	102,954	182,551	(285,505)	—
Net sales	<u>\$ 1,812,798</u>	<u>\$ 779,058</u>	<u>\$ (285,505)</u>	<u>\$ 2,306,351</u>
Long-lived assets	<u>\$ 122,005</u>	<u>\$ 29,131</u>	<u>\$ —</u>	<u>\$ 151,136</u>
2007				
Sales to unaffiliated customers	\$ 1,572,660	\$ 529,389	\$ —	\$ 2,102,049
Sales between geographic areas	90,268	165,735	(256,003)	—
Net sales	<u>\$ 1,662,928</u>	<u>\$ 695,124</u>	<u>\$ (256,003)</u>	<u>\$ 2,102,049</u>
Long-lived assets	<u>\$ 125,800</u>	<u>\$ 27,439</u>	<u>\$ —</u>	<u>\$ 153,239</u>
2006				
Sales to unaffiliated customers	\$ 1,305,772	\$ 394,962	\$ —	\$ 1,700,734
Sales between geographic areas	86,491	120,502	(206,993)	—
Net sales	<u>\$ 1,392,263</u>	<u>\$ 515,464</u>	<u>\$ (206,993)</u>	<u>\$ 1,700,734</u>
Long-lived assets	<u>\$ 118,692</u>	<u>\$ 26,241</u>	<u>\$ —</u>	<u>\$ 144,933</u>

Export sales from the United States during the years ended December 31, 2008, 2007 and 2006 were \$358 million, \$359 million and \$234 million, respectively. In the year ended December 31, 2008, these exports were shipped primarily to Europe (26%), Canada (15%), Middle East (13%), Japan (7%), China (6%), South America (6%), rest of Asia (17%), and other (10%).

Sales to customers outside the United States accounted for a significant portion of Roper's revenues. Sales are attributed to geographic areas based upon the location where the product is ultimately shipped. Roper's net sales for the years ended December 31, 2008, 2007 and 2006 are shown below by region, except for Canada, which is the only country in which we have had greater than 5% of our total sales for any of the three years presented.

	Industrial Technology	Energy Systems and Controls	Scientific and Industrial Imaging	RF Technology	Total
	(in thousands)				
2008					
Canada	\$ 39,831	\$ 40,951	\$ 8,814	\$ 30,909	\$ 120,505
Europe	110,590	171,627	111,373	21,372	414,962
Asia	50,333	90,265	69,820	4,473	214,891
Middle East	3,766	23,506	1,576	34,418	63,266
Rest of the world	27,406	58,330	7,732	11,993	105,461
Total	<u>\$ 231,926</u>	<u>\$ 384,679</u>	<u>\$ 199,315</u>	<u>\$ 103,165</u>	<u>\$ 919,085</u>
2007					
Canada	\$ 39,841	\$ 38,306	\$ 6,331	\$ 31,506	\$ 115,984
Europe	97,394	163,640	111,614	5,073	377,721
Asia	43,873	84,925	68,721	907	198,426
Middle East	3,722	27,171	1,381	52,669	84,943
Rest of the world	22,311	45,194	7,569	6,426	81,500
Total	<u>\$ 207,141</u>	<u>\$ 359,236</u>	<u>\$ 195,616</u>	<u>\$ 96,581</u>	<u>\$ 858,574</u>
2006					
Canada	\$ 34,259	\$ 19,763	\$ 4,668	\$ 25,908	\$ 84,598
Europe	81,799	115,790	87,822	2,534	287,945
Asia	39,248	44,589	65,277	517	149,631
Middle East	3,815	25,573	1,119	4,348	34,855
Rest of the world	12,823	34,014	5,454	953	53,244
Total	<u>\$ 171,944</u>	<u>\$ 239,729</u>	<u>\$ 164,340</u>	<u>\$ 34,260</u>	<u>\$ 610,273</u>

(15) Concentration of Risk

Financial instruments which potentially subject the Company to credit risk consist primarily of cash, cash equivalents and trade receivables.

The Company maintains cash and cash equivalents with various major financial institutions. Cash equivalents include investments in commercial paper of companies with high credit ratings, investments in money market securities and securities backed by the U.S. Government. At times such amounts may exceed the F.D.I.C. limits. The Company limits the amount of credit exposure with any one financial institution and believes that no significant concentration of credit risk exists with respect to cash investments.

Trade receivables subject the company to the potential for credit risk with customers. To reduce credit risk, the Company performs ongoing evaluations of its customers' financial condition.

(16) Quarterly Financial Data (unaudited)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in thousands, except per share data)			
2008				
Net sales	\$ 542,995	\$ 594,414	\$ 593,100	\$ 575,862
Gross profit	276,390	305,330	308,760	297,808
Income from operations	108,266	126,541	132,299	119,055
Net earnings	63,582	75,673	75,199	72,061
Earnings from continuing operations before change in accounting principle per common share:				
Basic	0.71	0.85	0.84	0.80
Diluted	0.68	0.80	0.80	0.78
2007				
Net sales	\$ 478,427	\$ 530,636	\$ 532,902	\$ 560,084
Gross profit	238,148	262,395	271,779	286,073
Income from operations	92,851	107,956	113,738	123,809
Net earnings	51,434	61,229	65,140	72,230
Earnings from continuing operations before change in accounting principle per common share:				
Basic	0.59	0.69	0.74	0.81
Diluted	0.56	0.66	0.70	0.77

The sum of the four quarters may not agree with the total for the year due to rounding.

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

Schedule II – Consolidated Valuation and Qualifying Accounts
 Years ended December 31, 2008, 2007 and 2006

	Balance at beginning of year	Additions charged to costs and expenses	Deductions	Other	Balance at end of year
	(in thousands)				
Allowance for doubtful accounts and sales allowances					
2008	\$ 11,907	\$ 5,953	\$ (5,402)	\$ 200	\$ 12,658
2007	9,003	4,957	(2,429)	376	11,907
2006	8,625	1,259	(1,539)	658	9,003
Reserve for inventory obsolescence					
2008	\$ 28,390	\$ 6,321	\$ (4,063)	\$ (540)	\$ 30,108
2007	27,348	4,649	(5,402)	1,795	28,390
2006	25,420	5,220	(5,366)	2,074	27,348

Deductions from the allowance for doubtful accounts represented the net write-off of uncollectible accounts receivable. Deductions from the inventory obsolescence reserve represented the disposal of obsolete items.

Other included the allowance for doubtful accounts and reserve for inventory obsolescence of acquired businesses at the dates of acquisition, the effects of foreign currency translation adjustments for those companies whose functional currency was not the U.S. dollar, reclassifications and other.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have been no changes in accountants or disagreements with accountants on accounting and financial disclosures.

ITEM 9A. CONTROLS AND PROCEDURES

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in Internal Control-Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2008. The Company's internal control over financial reporting as of December 31, 2008 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein, which expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2008.

Management excluded CBORD, Tech-Pro, Chalwyn, Getloaded, Horizon and Technolog from its assessment of internal control over financial reporting as of December 31, 2008, because they were acquired by the Company in purchase business combinations during 2008. CBORD, Tech-Pro, Chalwyn, Getloaded, Horizon and Technolog are wholly-owned subsidiaries whose excluded aggregate assets represent 7.2%, and whose aggregate total revenues represent 5.4%, of the related consolidated financial statement amounts as of and for the year ended December 31, 2008.

Evaluation of Disclosure Controls and Procedures

As required by SEC rules, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. This evaluation was carried out under the supervision and with the participation of our management, including our principal executive officer and principal financial officer. Based on this evaluation, we have concluded that our disclosure controls and procedures are effective as of December 31, 2008.

Disclosure controls and procedures are our controls and other procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act are accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting that occurred during the fourth quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

There were no disclosures of any information required to be filed on Form 8-K during the fourth quarter of 2008 that were not filed.

PART III

Except as otherwise indicated, the following information required by the Instructions to Form 10-K is incorporated herein by reference from the sections of the Roper Proxy Statement for the annual meeting of shareholders to be held on June 3, 2009, as specified below:

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

"Board of Directors;" "Section 16(a) Beneficial Ownership Reporting Compliance;" "Corporate Governance;" and "Board Committees and Meetings."

ITEM 11. EXECUTIVE COMPENSATION

"Compensation Discussion and Analysis;" "Executive Compensation;" "Director Compensation;" "Compensation Committee Interlocks and Insider Participation;" and "Compensation Committee Report."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

"Beneficial Ownership."

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information as of December 31, 2008 regarding compensation plans (including individual compensation arrangements) under which our equity securities are authorized for issuance.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved by Shareholders ⁽¹⁾	4,187,000	\$ 37.77	5,429,000
Equity Compensation Plans Not Approved by Shareholders	-	-	-
Total	4,187,000	\$ 37.77	5,429,000

⁽¹⁾ Consists of the 1991 Stock Option Plan, the Amended and Restated 2000 Stock Incentive Plan, the 1993 Stock Plan for Non-Employee Directors (no additional equity awards may be granted under these three plans) and the 2006 Incentive Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

“Review and Approval of Related Party Transactions” and “Director Independence.”

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Fees paid to the Company’s independent registered public accounting firm are disclosed under the caption “Ratification of the Selection of an Independent Registered Public Accountants.”

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as a part of this Annual Report.

(1) Consolidated Financial Statements: The following consolidated financial statements are included in Part II, Item 8 of this report.

Consolidated Balance Sheets as of December 31, 2008 and 2007

Consolidated Statements of Earnings for the years ended December 31, 2008, 2007 and 2006

Consolidated Statements of Stockholders' Equity and Comprehensive Earnings for the years ended December 31, 2008, 2007 and 2006

Consolidated Statements of Cash Flows for the years ended December 31, 2008, 2007 and 2006

Notes to Consolidated Financial Statements

(2) Consolidated Valuation and Qualifying Accounts for the years ended December 31, 2008, 2007 and 2006

(b) Exhibits

Exhibit No.	Description of Exhibit
(a)3.1	Amended and Restated Certificate of Incorporation.
(b)3.2	Amended and Restated By-Laws.
(c)3.3	Certificate of Amendment, amending Restated Certificate of Incorporation.
(d)3.4	Certificate Eliminating References to Roper Industries, Inc.'s Series A Preferred Stock from the Certificate of Incorporation of Roper Industries, Inc. dated November 16, 2006.
(e)3.5	Certificate of Amendment, amending Restated Certificate of Incorporation.
(f)4.2	Form of Indenture for Debt Securities.
4.3	Form of Debt Securities (included in Exhibit 4.4).
(g)4.4	First Supplemental Indenture between Roper Industries, Inc. and SunTrust Bank, dated as of December 29, 2003.
(h)4.5	Second Supplemental Indenture between Roper Industries, Inc. and Sun Trust Bank, dated as of December 7, 2004.
(i)4.6	Form of Senior Indenture.
4.7	Form of Note (included in Exhibit 4.6).
(j)10.01	1991 Stock Option Plan, as amended. †
(k)10.02	1993 Stock Plan for Nonemployee Directors, as amended and restated. †
(l)10.03	Form of Amended and Restated Indemnification Agreement. †
10.04	Employee Stock Purchase Plan, as amended, filed herewith. †
10.05	2000 Stock Incentive Plan, as amended, filed herewith. †
10.06	Non-Qualified Retirement Plan, as amended, filed herewith. †
10.07	Brian D. Jellison Employment Agreement, dated as of December 29, 2008, filed herewith. †
(m)10.08	Timothy J. Winfrey offer letter dated May 20, 2002. †
(n)10.09	Credit Agreement, dated as of July 7, 2008, among Roper Industries, Inc., as parent borrower, the foreign subsidiary borrowers of Roper Industries, Inc. from time to time parties thereto, the several lenders from time to time parties thereto, Bank of Tokyo-Mitsubishi UFJ Trust Company and BNP Paribas, as documentation agents, Wachovia Capital Markets, LLC and Banc of America Securities, LLC, as syndication agents, and JPMorgan Chase Bank, N.A., as administrative agent.
(o)10.10	Form of Executive Officer Restricted Stock Award Agreement. †
(p)10.11	Brian D. Jellison Restricted Stock Unit Award Agreement. †
(q)10.12	Offer letter for John Humphrey, dated March 31, 2006. †
(r)10.13	2006 Incentive Plan, as amended. †
(s)10.14	Form of Restricted Stock Agreement for Employee Directors. †
(t)10.15	Form of Restricted Stock Agreement for Non-Employee Directors. †
(u)10.16	Form of Restricted Stock Agreement for Employees. †
(v)10.17	Form of Incentive Stock Option Agreement. †
(w)10.18	Form of Non-Statutory Stock Option Agreement. †
10.19	Director Compensation Plan, as amended, filed herewith. †
10.20	David B. Liner offer letter dated July 21, 2005, filed herewith. †
10.21	Amendment to John Humphrey offer letter, filed herewith. †
10.22	Amendment to Timothy J. Winfrey offer letter, filed herewith. †
10.23	Amendment to David B. Liner offer letter, filed herewith. †
21.1	List of Subsidiaries, filed herewith.
23.1	Consent of Independent Registered Public Accounting Firm, filed herewith.
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer, filed herewith.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer, filed herewith.
32.1	Section 1350 Certification of Chief Executive and Chief Financial Officers, filed herewith.

(a) Incorporated herein by reference to Exhibit 3.1 to the Roper Industries, Inc. Quarterly Report on Form 10-Q filed March 17, 2003 (file no. 1-12273), as amended by the Certificate Eliminating References to the Company's Series A Preferred Stock from the Certificate of Incorporation of Roper Industries, Inc. dated November 16, 2006, incorporated herein by reference to Exhibit 3.1 to the Roper Industries, Inc. Current Report on Form 8-K filed November 16, 2006 (file no. 1-12273).

(b) Incorporated herein by reference to Exhibit 3.1 to the Roper Industries, Inc. Current Report on Form 8-K filed February 19, 2009 (file no. 1-12273).

(c) Incorporated herein by reference to Exhibit 10.1 to the Roper Industries, Inc. Quarterly Report on Form 10-Q filed August 9, 2006 (file no. 1-

- 12273)
- (d) Incorporated herein by reference to Exhibit 3.1 to the Roper Industries, Inc. Current Report on Form 8-K filed November 17, 2006 (file no. 1-12273).
 - (e) Incorporated herein by reference to Exhibit 3.1 to the Roper Industries, Inc. Quarterly Report on Form 10-Q filed on August 9, 2007 (file no. 1-12273).
 - (f) Incorporated herein by reference to Exhibit 4.2 to the Roper Industries, Inc. Pre-Effective Amendment No. 1 to the Registration Statement on Form S-3 filed November 28, 2003 (file no. 333-110491).
 - (g) Incorporated herein by reference to Exhibit 4.1 to the Roper Industries, Inc. Current Report on Form 8-K filed January 13, 2004 (file no. 1-12273).
 - (h) Incorporated herein by reference to Exhibit 4.1 to the Roper Industries, Inc. Current Report on Form 8-K filed December 7, 2004 (file no. 1-12273).
 - (i) Incorporated herein by reference to Exhibit 4.1 to the Registration Statement on Form S-3 filed July 29, 2008 (file no. 333-152590).
 - (j) Incorporated herein by reference to Exhibit 10.02 to the Roper Industries, Inc. Annual Report on Form 10-K filed January 21, 1998 (file no. 1-12273).
 - (k) Incorporated herein by reference to Exhibit 10.2 to the Roper Industries, Inc. Quarterly Report on Form 10-Q filed June 16, 2003 (file no. 1-12273).
 - (l) Incorporated herein by reference to Exhibit 10.04 to the Roper Industries, Inc. Quarterly Report on Form 10-Q filed August 31, 1999 (file no. 1-12273).
 - (m) Incorporated herein by reference to Exhibits 10.06 and 10.09 to the Roper Industries, Inc. Annual Report on Form 10-K/A filed November 3, 2003 (file no. 1-12273).
 - (n) Incorporated herein by reference to Exhibit 10.1 to the Roper Industries, Inc. Current Report on Form 8-K filed July 7, 2008 (file no. 1-12273).
 - (o) Incorporated herein by reference to Exhibits 99.1 and 99.2 to the Roper Industries, Inc. Current Report on Form 8-K filed December 30, 2004 (file no. 1-12273).
 - (p) Incorporated herein by reference to Exhibit 10.1 to the Roper Industries, Inc. Quarterly Report on Form 10-Q filed August 9, 2006 (file no. 1-12273).
 - (q) Incorporated herein by reference to Exhibit 10.1 to the Roper Industries, Inc. Quarterly Report on Form 10-Q filed November 7, 2008 (file no. 1-12273).
 - (r) Incorporated herein by reference to Exhibits 10.1, 10.2, 10.3, 10.4 and 10.5 to the Roper Industries, Inc. Current Report on Form 8-K filed December 6, 2006 (file no. 1-12273).

† Management contract or compensatory plan or arrangement.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Roper has duly caused this Report to be signed on its behalf by the undersigned, therewith duly authorized.

ROPER INDUSTRIES, INC.
(Registrant)

By: /S/ BRIAN D. JELLISON
Brian D. Jellison, President and Chief
Executive Officer

February 27, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of Roper and in the capacities and on the dates indicated.

<u>/S/ BRIAN D. JELLISON</u> Brian D. Jellison	President, Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	February 27, 2009
<u>/S/ JOHN HUMPHREY</u> John Humphrey	Vice President, Chief Financial Officer (Principal Financial Officer)	February 27, 2009
<u>/S/ PAUL J. SONI</u> Paul J. Soni	Vice President and Controller (Principal Accounting Officer)	February 27, 2009
<u>/S/ W. LAWRENCE BANKS</u> W. Lawrence Banks	Director	February 27, 2009
<u>/S/ DAVID W. DEVONSHIRE</u> David W. Devonshire	Director	February 27, 2009
<u>/S/ JOHN F. FORT, III</u> John F. Fort, III	Director	February 27, 2009
<u>/S/ ROBERT D. JOHNSON</u> Robert D. Johnson	Director	February 27, 2009
<u>/S/ ROBERT E. KNOWLING</u> Robert E. Knowling	Director	February 27, 2009
<u>/S/ WILBUR J. PREZZANO</u> Wilbur J. Prezzano	Director	February 27, 2009
<u>/S/ RICHARD F. WALLMAN</u> Richard F. Wallman	Director	February 27, 2009
<u>/S/ CHRISTOPHER WRIGHT</u> Christopher Wright	Director	February 27, 2009

ROPER INDUSTRIES, INC.

AMENDED AND RESTATED EMPLOYEE STOCK PURCHASE PLAN

This Document restates in its entirety the Employee Stock Purchase Plan previously adopted by the shareholders of the Company on March 17, 2000 and includes the amendments thereto adopted by the Board of Directors of the Company and implemented on July 1, 2001 and August 30, 2007.

1. Purpose. The purpose of the Roper Industries, Inc. Employee Stock Purchase Plan (the "Plan") is to provide employees of the subsidiaries of Roper Industries, Inc. (the "Company") with an opportunity to participate in the benefit of stock ownership and to acquire an interest in the Company through the purchase of common stock, \$.01 par value per share, of the Company (the "Common Stock"). The Company intends the Plan to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, the provisions of the Plan shall be construed so as to extend and limit participation in a manner consistent with the requirements of Code Section 423.

2. Definitions.

- (a) "Compensation" means the base pay, commissions and bonus amount paid to an Employee by a Plan Sponsor with respect to an Offering Period (defined below). Bonuses and commissions shall be treated as Compensation, if at all, pursuant to such rules as may be determined from time to time by the Company.
- (b) "Employee" shall mean any person, including an officer, who is customarily employed for more than 20 hours per week and for more than five months during any calendar year, and who is having payroll taxes withheld from his/her Compensation on a regular basis, by a Plan Sponsor.
- (c) "Plan Sponsor" means the Company and any Subsidiary which adopts the Plan with the approval of the Company.
- (d) "Subsidiary" means an entity which may be treated as a "subsidiary corporation" within the meaning of Code Section 424(f).

3. Eligibility.

- (a) Any Employee who has been employed by a Plan Sponsor for at least six months immediately before the Beginning Date (defined below) of an Offering Period (defined below) shall be eligible to participate in the Plan for that Offering Period.
- (b) No Employee shall be granted purchase rights if, immediately after the grant, that Employee would own shares or hold outstanding rights to purchase shares, or both, possessing five percent (5%) or more of the total combined voting power or value of all classes of the Company or any Subsidiaries.
- (c) A person shall cease to be an active participant upon the earliest to occur of:
 - (i) the date of a withdrawal under Paragraph 10(a) or (b) below; or
 - (ii) the date of a termination of employment from all Plan Sponsors.

4. Offering Period. Offering Period shall mean each calendar quarter beginning with the calendar quarter commencing January 1, 2000 and each calendar quarter thereafter until the Plan is otherwise amended or terminated. Each Offering Period will begin on the first day of that period (the "Beginning Date") and end on the last day of that period (the "Exercise Date").

5. Participation. The Company will make available to each eligible Employee an authorization notice (the "Authorization") which must be completed to effect his or her right to commence participation in the Plan. An eligible Employee may become a participant for an Offering Period by completing the Authorization and delivering same to the Company at least one day prior to the appropriate Beginning Date (except, with respect to the first Beginning Date, such later date as is administratively feasible). All employees granted purchase rights under the Plan shall have the same rights and privileges, except that the amount of Common Stock which may be purchased under such rights may vary in a uniform manner according to Compensation.

A participant will be deemed to have elected to participate in each subsequent Offering Period following his or her initial election to participate following his or her initial election to participate in the Plan, unless (i) a written withdrawal notice for that period is delivered to the Plan Administrator at least one week prior to the Beginning Date of an immediately succeeding Offering Period for which the participant desires to withdraw from participation and (ii) provides other information in accordance with the procedures designated by the Plan Administrator.

A participant who has elected not to participate in an Offering Period may resume participation in the same manner and pursuant to the same rules as any eligible Employee making an initial election to participate in the Plan.

6. Method of Payment. A participant may contribute to the Plan through payroll deductions, as follows:

- (a) A participant shall elect on the Authorization to have deduction made from the participant's Compensation for the Offering Period at a rate which, expressed as a percentage of Compensation in whole number increments of at least one percent (1%), but not in excess of ten percent (10%), of the participant's Compensation.
- (b) All payroll deductions made for a participant shall be credited to the participant's account under the Plan. All payroll deductions made from participants' Compensation shall be commingled with the general assets of the Company and no separate fund shall be established. Participants accounts are solely for bookkeeping purposes and the Company shall not be obligated to pay interest on any payroll deductions credited to participant's accounts.
- (c) A participant may not alter the rate of payroll deductions during the Offering Period; however, an existing participant may change the rate of payroll deductions effective for the immediately succeeding Offering Period by filing a revised Authorization within the same deadline as applies to new participants for that Offering Period.

(d) Dividends paid on shares of Common Stock held by the custodian identified in Paragraph 9 for the benefit of a participant also shall be applied to the purchase of shares of Common Stock for the Offering Period in which the dividends are paid, unless the participant has withdrawn from the Plan or otherwise ceases to be an active participant (such dividends are referred to herein as 'Credited Dividends'). Credited Dividends shall be credited to the participant's bookkeeping account under the Plan; shall be commingled with the general assets of the Company and the Company shall not be obligated to pay interest on any such dividends.

7. Granting of Purchase Rights.

(a) As of the first day of each Offering Period, a participant shall be granted purchase rights for a number of shares of Common Stock, subject to the adjustments provided for in Paragraph 11 (a) below, determined according to the following procedure:

- Step 1 - - Determine the amount of the participant payroll deduction and Credited Dividends during the Offering Period;
- Step 2 - - Determine the amount which represents the Purchase Price (as defined below); and
- Step 3 - - Divide the amount determined in Step 1 by the amount determined in Step 2 and round the quotient down to the nearest whole number.

Notwithstanding the foregoing and subject to Paragraph 7(c) below, the maximum number of shares of Common Stock for which a participant may be granted purchase rights for an Offering Period is 775.

(b) For each Offering Period, the purchase price of shares of Common Stock to be purchased with a participant's payroll deductions and Credited Dividends shall be the average of (i) 95% of the fair market value of a share of Common Stock on the Beginning Date, and (ii) 95% of the price of the fair market value of a share of Common stock on the Exercise Date (the "Purchase Price").

(c) Notwithstanding the foregoing, no participant shall be granted purchase rights which permit that to purchase shares under all employee purchase plans of the Company and its Subsidiaries at a rate which exceeds \$25,000 of the fair market value of the shares (determined at the time the rights are granted) for each calendar year in which such rights are outstanding at any time.

(d) For purposes of this Paragraph, the fair market value of a share of Common Stock on the Beginning Date and the Exercise Date as of each such date, or the most immediately preceding business day with respect to which the information required in the following clauses is available, shall be determined as follows: (i) if the Common Stock is traded on a national securities exchange, the closing sale price on that date; (ii) if the Common Stock is not traded on any such exchange, the closing sale price as reported by the National Association of Securities Dealers, Inc. Automated Quotation Systems ("NASDAQ"); (iii) if no such closing sale price information is available on the national securities exchange or NASDAQ, the average of the closing bid and asked prices as reported by the national securities exchange or NASDAQ within a reasonable period prior to such date; or (iv) if there are no such closing bid and asked prices within a reasonable period, the determination of fair market value shall be determined by the Company taking into account material facts and circumstances pertinent to such determination, as determined by the Company in its sole discretion.

8. Exercise of Purchase Rights. Unless a timely withdrawal has been effected pursuant to Paragraph 10 below, a participant's rights for the purchase of shares of Common Stock during an Offering Period will be automatically exercised on the Exercise Date for that Offering Period for the purchase of the maximum number of full shares which the sum of the payroll deductions and Credited Dividends credited to the participant's account on that Exercise Date can purchase at the Purchase Price.

9. Delivery. As soon as administratively feasible after the end of each Exercise Date, the Company shall deliver to a custodian designated by the Plan Administrator (as defined in Paragraph 12 below), the shares of Common Stock purchased upon the exercise of the purchase rights. A participant shall not be allowed to sell, assign, pledge or otherwise transfer any shares of Common Stock purchased by him or her under the Plan until the expiration of fifteen (15) months from the last day of the Offering Period for which such shares were acquired (the "Applicable Restriction Period") except as contemplated by Paragraph 13. Once any Applicable Restriction Period has expired, a participant may elect at any time thereafter to have the applicable shares of Common Stock delivered to the participant or to an account established by the participant with any brokerage firm. The disposition of any payroll deductions and Credited Dividends credited to a participant's account during the Offering Period not used for the purchase of shares (the "Cash Excess") shall be as follows:

(a) If the participant has elected to withdraw from the Plan as of the end of the Offering Period, the Plan Administrator shall deliver the Cash Excess to the participant.

(b) If the participant has not elected to withdraw from the Plan as of the end of the Offering Period, the Cash Excess shall be applied to the purchase of shares of Common Stock in the immediately succeeding Offering Period.

A participant may not direct the Plan Administrator to sell any shares of Common Stock credited to his or her account, regardless of whether such shares are otherwise immediately deliverable to him or her. The cost of any disposition of shares of Common Stock acquired through participation in the Plan shall be the sole responsibility of the participant.

10. Withdrawal.

(a) A participant will be deemed to have elected to participate in each subsequent Offering Period following his or her initial election to participate in the Plan, unless (i) a written withdrawal notice is delivered to the Plan Administrator at least one week prior to the Beginning Date of an immediately succeeding Offering Period for which the participant desires to withdraw from the Plan and, (ii) provides any other information in accordance with the procedures designated by the Plan Administrator.

(b) A participant who for any reason, including retirement, termination of employment or death, ceases to be an eligible Employee prior to the Exercise Date during an Offering Period will be deemed to have requested a withdrawal from the Plan as of the date of retirement, termination of employment or death.

(c) Upon the withdrawal of a participant from the Plan under the terms of this Paragraph during an Offering Period, the participant's unexercised purchase rights under this Plan shall immediately terminate.

(d) In the event a participant withdraws or is deemed to have withdrawn from the Plan under this Paragraph, all payroll deductions and Credited Dividends credited to the participant's account will be paid to the participant as soon as administratively feasible after the end of the calendar year in which the withdrawal is deemed to have occurred, unless, if applicable, such an inactive participant becomes an active participant again prior to the distribution of his or her cash account. Any shares of Common Stock held by the custodian on behalf of such a participant will be delivered to the participant at the end of the expiration of the Applicable Restriction Period, unless, if applicable, such an inactive participant becomes an active participant again prior to the distribution of such shares. In the event of the participant's death, all payroll deductions, Credited Dividends and shares of Common Stock shall be paid to the Participant's beneficiary, estate or other party as contemplated by Paragraph 13.

(e) A participant who has elected to withdraw from the Plan may resume participation in the same manner and pursuant to the same rules as any eligible Employee making an initial election to participate in the Plan.

11. Stock.

(a) The maximum number of shares of Common Stock to be sold to participants under the Plan shall be 500,000 shares, subject to adjustment upon changes in capitalization of the Company as provided in Paragraph 15 below. The shares of Common Stock to be sold to participants under the Plan, may, at the election of the Company, include treasury shares, shares originally issued for such purpose, or shares purchased in the open market. If the total number of shares of Common Stock then available under the Plan for which purchase rights are to be exercised in accordance with Paragraph 8 exceeds the number of such shares then available under the Plan, the Company shall make a pro rata allocation of the shares available in as nearly a uniform manner as shall be practicable and as it shall determine to be equitable. If purchase rights expire or terminate for any reason without being exercised in full, the unpurchased shares subject to the rights shall again be available for the purposes of the Plan.

(b) A participant will have no interest in shares of Common Stock covered by his or her purchase rights until such rights have been exercised.

(c) Shares to be delivered to a participant under the Plan will be registered in the name of the participant, or, if the participant so directs, by written notice to the Plan Administrator prior to the Exercise Date, in the names of the participant and one other person designated by the participant, as joint tenants with rights of survivorship, to the extent permitted by applicable law.

12. Administration. The Plan shall be administered by the Company (the "Plan Administrator"). The Plan Administrator shall be vested with full authority to make, administer and interpret such rules and regulations as it deems necessary to administer the Plan, and any determination or action of the Plan Administrator in connection with the interpretation or administration of the Plan shall be final and binding upon all participants and any and all persons claiming under or through any participant.

13. Designation of Beneficiary.

(a) A participant may file with the Plan Administrator a written designation of a beneficiary who is to receive any cash to his or her credit under the Plan in the event of the participant's death before an Exercise Date, or any shares of Common Stock and cash to his or her credit under the Plan in the event of the participant's death on or after an Exercise Date but prior to the delivery of such shares and cash. A beneficiary may be changed by the participant at any time by notice in writing to the Plan Administrator.

(b) Upon the death of a participant and upon receipt by the Company of the proof the identity and existence at the time of the participant's death of a beneficiary designated by the participant in accordance with the immediately preceding Subparagraph, the Company shall deliver such shares or cash, or both, to the beneficiary. In the event a participant dies and is not survived by a then living or in existence beneficiary designated by him in accordance with the immediately preceding Subparagraph, the Company shall deliver such shares or cash, or both, to the personal representative of the estate of the deceased participant. If to the knowledge of the Company no personal representative has been appointed within ninety (90) days following the date of the participant's death, the Company, in its discretion, may deliver such shares or cash, or both, to the surviving spouse of the deceased participant, or to any one or more dependents or relatives of the deceased participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

(c) No designated beneficiary shall, prior to the death of the participant by whom the beneficiary has been designated, acquire any interest in the shares or cash credited to the participant under the Plan.

14. Transferability. Neither payroll deductions credited to a participant's account nor any rights with regard to the exercise or purchase rights or to receive any shares under the Plan may be assigned, transferred, pledge or otherwise disposed of in any way by the participant. Any attempted assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw funds in accordance with Paragraph 10 above.

15. Adjustments Upon Changes in Capitalization. In the event that the outstanding shares of Common stock of the Company are hereafter increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of a recapitalization, reclassification, stock split, combination of shares or dividend payable in shares of Common Stock, an appropriate adjustment shall be made by the Plan Administrator to the number and kind of shares available for the granting of purchase rights, or as to which outstanding purchase rights shall be exercisable, and to the purchase Price. No fractional shares shall be issued or optioned in making any such adjustments. All adjustments made by the Plan Administrator under this Paragraph shall be conclusive.

Subject to any required action by the shareholders, if the Company shall be a party to any reorganization involving merger or consolidation with respect to which the Company will not be the surviving entity or acquisition of substantially all of the stock or assets of the Company, the Plan Administrator in its discretion (a) may declare the Plan's termination in the same manner as if the Board of Directors of the Company had terminated the Plan pursuant to paragraph 16 below, or (b) may declare that any purchase rights granted hereunder shall pertain to and apply with appropriate adjustment as determined by the Plan Administrator to the securities of the resulting corporation to which a holder of the number of shares of Common Stock subject to such rights would have been entitled.

Any issue by the Company of any class of preferred stock, or securities convertible into shares of common or preferred stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Purchase price of shares of Common Stock subject to any purchase rights except as specifically provided otherwise in this Paragraph 15. The grant of purchase rights pursuant to the plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge or to consolidate or to dissolve, liquidate or sell, or transfer all or any part of its business or assets.

16. Amendment or Termination.

- (a) The Board of Directors of the Company may at any time terminate or amend the Plan. The cash balances and shares of Common Stock credited to participants' accounts as of the date of any Plan termination shall be delivered to those participants as soon as administratively feasible following the effective date of the Plan's termination.
- (b) Prior approval of the shareholders shall be required with respect to any amendment which would require the sale of more shares than are authorized under Paragraph 11 of the plan.
- (c) Where prior approval of the stockholders of the Company shall be required with respect to a proposed Plan amendment under applicable federal, state or local law, the Company shall obtain such approval prior to the effective date of any such amendment.

17. Notices. All notices or other communications by a participant to the Plan Administrator under or in connection with the Plan shall be deemed to have been duly given when received by the Secretary of the Company or when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

18. No Contract. This Plan shall not be deemed to constitute a contract between the Company or any Subsidiary and any eligible Employee or to be a consideration or an inducement for the employment of any Employee. Nothing contained in this Plan shall be deemed to give any Employee the right to be retained in the service of the Company or any Subsidiary or to interfere with the right of the Company or any Subsidiary to discharge any Employee at any time regardless of the effect which such discharge shall have upon him or her or as a participant of the Plan.

19. Waiver. No liability whatever shall attach to or be incurred by any past present or future shareholders, officers or directors, as such, of the Company or any Subsidiary, under or by reason of any of the terms, conditions or agreements contained in this Plan or implied the reform, and any and all liabilities of, and any and all rights and claims against, the Company or any Subsidiary, or any shareholder, officer or director as such, whether arising at common law or in equity or created by statute or constitution or otherwise, pertaining to this Plan, are hereby expressly waived and released by every eligible Employee as a part of the consideration for any benefits by the Company under this Plan.

20. Securities Law Restrictions. Shares of Common Stock shall not be issued under the Plan unless (a) the exercise of the related option and the issuance and delivery of the shares pursuant thereto shall comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act of 1933, as amended, and any rules and regulations promulgated pursuant to such laws and with the requirements of any stock exchange upon which the shares may then be listed; and (b) the express approval of counsel for the Company with respect to such compliance is first obtained. The Company reserves the right to place an appropriate legend on any certificate representing shares of Common Stock issuable under the Plan with any such legend reflecting restrictions on the transfer of the shares as may be necessary to assure the availability of applicable exemptions under federal and state securities laws.

21. Approval of Shareholders. The Plan shall be submitted to the shareholders of the Company for their approval within twelve (12) months after the adoption of the Plan by the Board of Directors of the Company. The Plan is conditional upon approval of the shareholders of the Company and failure to receive their approval shall render the Plan and all outstanding purchase rights issued thereunder void and of no effect.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed as of this 30th of August, 2007.

ROPER INDUSTRIES, INC.

/s/ David B. Liner

By: David B. Liner

Title: Vice President, General Counsel and Secretary

**ROPER INDUSTRIES, INC.
2000 STOCK INCENTIVE PLAN, AS AMENDED AND RESTATED**

ROPER INDUSTRIES, INC.
2000 STOCK INCENTIVE PLAN, AS AMENDED AND RESTATED

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**ROPER INDUSTRIES, INC.
2000 STOCK INCENTIVE PLAN, AS AMENDED AND RESTATED**

SECTION I. DEFINITIONS

1.1 **Definitions.** Whenever used herein, the masculine pronoun will be deemed to include the feminine, and the singular to include the plural, unless the context clearly indicates otherwise, and the following capitalized words and phrases are used herein with the meaning thereafter ascribed:

- (a) “**Board of Directors**” means the board of directors of the Company.
- (b) “**Code**” means the Internal Revenue Code of 1986, as amended.
- (c) “**Committee**” means the Compensation Committee of the Board of Directors.
- (d) “**Company**” means Roper Industries, Inc. or any successor thereto.
- (e) “**Deferred Stock Award**” means a stock award described in Section 3.4A.
- (f) “**Disability**” has the same meaning as provided in the long-term disability plan or policy maintained or, if applicable, most recently maintained, by the Company or, if applicable, any Subsidiary of the Company for the Participant. If no long-term disability plan or policy was ever maintained on behalf of the Participant or, if the determination of Disability relates to an Incentive Stock Option, Disability means that condition described in Code Section 22(e)(3), as amended from time to time. In the event of a dispute, the determination of Disability will be made by the Committee and will be supported by advice of a physician competent in the area to which such Disability relates.
- (g) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time.
- (h) “**Fair Market Value**” with regard to a date means:
 - (1) the average of the high and low prices at which Stock shall have been sold on that date or the last trading date prior to that date as reported by the NASDAQ Stock Market (or, if applicable, as reported by a national securities exchange selected by the Committee on which the shares of Stock are then actively traded) and published in *The Wall Street Journal*,
 - (2) if Stock is not traded on a securities exchange, but is reported by the NASDAQ Stock Market and market information is published on a regular basis in *The Wall Street Journal*, the average of the published high and low sales prices for that date or the last business day prior to that date as published in *The Wall Street Journal*,
 - (3) if such market information is not published on a regular basis, the average of the high bid and low asked prices of Stock in the over-the-counter market on that date or the last business day prior to that date, as reported by the NASDAQ Stock Market, or, if not so reported, by a generally accepted reporting service, or
 - (4) if Stock is not publicly traded, as determined in good faith by the Committee with due consideration being given to (i) the most recent independent appraisal of the Company, if such appraisal is not more than twelve months old and (ii) the valuation methodology used in any such appraisal provided that, for purposes of granting awards other than Incentive Stock Options, Fair Market Value of the shares of Stock may be determined by the Committee by reference to the average market value determined over a period certain or as of specified dates, to a tender offer price for the shares of Stock (if settlement of an award is triggered by such an event) or to any other reasonable measure of fair market value.
- (i) “**Incentive Stock Option**” means an option contemplated by the provisions of Code Section 422 or any successor thereto.
- (j) “**Option**” means a Non-Qualified Stock Option or an Incentive Stock Option
- (k) “**Non-Qualified Stock Option**” means an option that is not designated as, or otherwise intended to be, an Incentive Stock Option.
- (l) “**Over 10% Owner**” means an individual who at the time an Incentive Stock Option is granted owns Stock possessing more than 10% of the total combined voting power of the Company or one of its Subsidiaries, determined by applying the attribution rules of Code Section 424(d).
- (m) “**Participant**” means an individual who receives a Stock Incentive hereunder.
- (n) “**Performance Unit Award**” refers to a performance unit award as described in Section 3.5.
- (o) “**Plan**” means the Roper Industries, Inc. 2000 Stock Incentive Plan, as amended and restated.
- (p) “**Stock**” means Company’s common stock, par value \$.01.
- (q) “**Stock Appreciation Right**” means a stock appreciation right described in Section 3.3.
- (r) “**Stock Award**” means a stock award described in Section 3.4.
- (s) “**Stock Incentive Agreement**” means an agreement between the Company and a Participant or other documentation evidencing an award of a Stock Incentive.
- (t) “**Stock Incentive Program**” means a written program established by the Committee, pursuant to which Stock Incentives are awarded under the Plan under uniform terms, conditions and restrictions set forth in such written program.
- (u) “**Stock Incentives**” means, collectively, Incentive Stock Options, Non-Qualified Stock Options, Performance Units, Stock Appreciation Rights, Stock Awards and Deferred Stock Awards.

- (v) “Subsidiary” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, with respect to Incentive Stock Options, at the time of the granting of the Option, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in the chain. A Subsidiary shall include any entity other than a corporation to the extent permissible under Code Section 424(f) and applicable regulations and rulings thereunder.
- (w) “Termination of Employment” means the termination of the employee-employer relationship between a Participant and the Company and its affiliates, regardless of whether severance or similar payments are made to the Participant for any reason, including, but not by way of limitation, a termination by resignation, discharge, death, Disability or retirement. The Committee will, in its absolute discretion, determine the effect of all matters and questions relating to a Termination of Employment, including, but not by way of limitation, the question of whether a leave of absence constitutes a Termination of Employment.

SECTION 2 THE STOCK INCENTIVE PLAN

2.1 Purpose of the Plan. The Plan is intended to (a) provide incentive to officers, key employees and consultants of the Company and its affiliates to stimulate their efforts toward the continued success of the Company and to operate and manage the business in a manner that will provide for the long-term growth and profitability of the Company; (b) encourage stock ownership by officers and key employees by providing them with a means to acquire a proprietary interest in the Company, to acquire shares of Stock, or to receive compensation which is based upon appreciation in the value of Stock; and (c) provide a means of obtaining, rewarding and retaining key personnel and consultants.

2.2 Stock Subject to the Plan. Subject to adjustment in accordance with Section 5.2, the maximum number of shares of Stock that will be available for issuance under the Plan will be 2,500,000 shares of Stock (the “Maximum Plan Shares”). At no time may the Company have outstanding under the Plan Stock Incentives subject to Section 16 of the Exchange Act and shares of Stock issued in respect of Stock Incentives under the Plan in excess of the Maximum Plan Shares. The shares of Stock attributable to the nonvested, unpaid, unexercised, unconverted or otherwise unsettled portion of any Stock Incentive (other than Options and Stock Appreciation Rights) that is forfeited or cancelled or expires or terminates for any reason without becoming vested, paid, exercised, converted or otherwise settled in full will again be available for purposes of the Plan. The shares of Stock attributable to the nonvested, unpaid, unexercised, unconverted or otherwise unsettled portion of any Option or Stock Appreciation Right that is forfeited or cancelled or expires or terminates for any reason without becoming vested, paid, exercised, converted or otherwise settled in full shall not again be available for purposes of the Plan.

2.3 Administration of the Plan. The Plan is administered by the Committee. The Committee has full authority in its discretion to determine the officers, key employees and consultants of the Company or its affiliates to whom Stock Incentives will be granted and the terms and provisions of Stock Incentives, subject to the Plan. Subject to the provisions of the Plan, the Committee has full and conclusive authority to interpret the Plan; to prescribe, amend and rescind rules and regulations relating to the Plan; to determine the terms and provisions of the respective Stock Incentive Agreements and to make all other determinations necessary or advisable for the proper administration of the Plan. The Committee’s determinations under the Plan need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, awards under the Plan (whether or not such persons are similarly situated). The Committee’s decisions are final and binding on all Participants.

2.4 Eligibility and Limits. Stock Incentives may be granted only to officers, key employees and consultants of the Company, or any affiliate of the Company; provided, however, that an Incentive Stock Option may only be granted to an employee of the Company or any Subsidiary. In the case of Incentive Stock Options, the aggregate Fair Market Value (determined as at the date an incentive stock option is granted) of Stock with respect to which options intended to meet the requirements of Code Section 422 become exercisable for the first time by an individual during any calendar year under all plans of the Company and its Subsidiaries may not exceed \$100,000; provided further, that if the limitation is exceeded, the Incentive Stock Option(s) which cause the limitation to be exceeded will be treated as Non-Qualified Stock Option(s). Eligible participants who are service providers to an affiliate of the Company may be granted Options or Stock Appreciation Rights under this Plan only if the affiliate qualifies as an “eligible issuer of service recipient stock” within the meaning of §1.409A-1(b)(5)(iii)(E) of the final regulations under Code Section 409A.

SECTION 3 TERMS OF STOCK INCENTIVES

3.1 Terms and Conditions of All Stock Incentives.

- (a) The number of shares of Stock as to which a Stock Incentive may be granted will be determined by the Committee in its sole discretion, subject to the provisions of Section 2.2 as to the total number of shares available for grants under the Plan and subject to the limits on Options and Stock Appreciation Rights in the following sentence. The maximum number of shares of Stock with respect to which Options or Stock Appreciation Rights may be granted during any one year period to any employee may not exceed 300,000, subject to adjustment in accordance with Section 5.2.
- (b) Each Stock Incentive will either be evidenced by a Stock Incentive Agreement in such form and containing such terms, conditions and restrictions as the Committee may determine to be appropriate, or be made subject to the terms of a Stock Incentive Program, containing such terms, conditions and restrictions as the Committee may determine to be appropriate. Each Stock Incentive Agreement or Stock Incentive Program is subject to the terms of the Plan and any provisions contained in the Stock Incentive Agreement or Stock Incentive Program that are inconsistent with the Plan are null and void.
- (c) The date a Stock Incentive is granted will be the date on which the Committee has approved the terms of, and the satisfaction of any conditions applicable to, the grant of the Stock Incentive and has determined the recipient of the Stock Incentive and the number of shares covered by the Stock Incentive, and has taken all such other actions necessary to complete the grant of the Stock Incentive.
- (d) Any Stock Incentive may be granted in connection with all or any portion of a previously or contemporaneously granted Stock Incentive. Exercise or vesting of a Stock Incentive granted in connection with another Stock Incentive may result in a pro rata surrender or cancellation of any related Stock Incentive, as specified in the applicable Stock Incentive Agreement or Stock Incentive Program.
- (e) Unless otherwise permitted by the Committee, Stock Incentives are not transferable or assignable except by will or by the laws of descent and distribution and are exercisable, during the Participant’s lifetime, only by the Participant; or in the event of the Disability of the Participant, by the legal representative of the Participant; or in the event of death of the Participant, by the legal representative of the Participant’s estate or if no legal representative has been appointed, by the successor in interest determined under the Participant’s will. Notwithstanding the foregoing, the Committee shall not permit Incentive Stock Options to be transferred or assigned beyond the limitations set forth in this Section 3.1(e).
- (f) Notwithstanding the foregoing, the maximum aggregate number of shares of Stock issued under Performance Units, Stock Appreciation Rights, Stock Awards and Deferred Stock Awards shall not exceed thirty three and one-third percent (33¹/3%) of the Maximum Plan Shares.

3.2 Terms and Conditions of Options. Each Option granted under the Plan must be evidenced by a Stock Incentive Agreement. At the time any Option is granted, the Committee will determine whether the Option is to be an Incentive Stock Option or a Non-Qualified Stock Option, and the Option must be clearly identified as to its status as such. Incentive Stock Options may only be granted to employees of the Company or any Subsidiary. At the time any Incentive Stock Option granted under the Plan is exercised, the Company will be entitled to legend the certificates representing the shares of Stock purchased pursuant to the Option to clearly identify them as representing the shares purchased upon the exercise of an Incentive Stock Option. An Incentive Stock Option may only be granted within ten (10) years from the earlier of the date the Plan is adopted or approved by the Company's stockholders.

(a) Option Price. Subject to adjustment in accordance with Section 5.2 and the other provisions of this Section 3.2, the exercise price (the "Exercise Price") per share of Stock purchasable under any Option must be as set forth in the applicable Stock Incentive Agreement, but in no event may the Exercise Price be less than 100% of Fair Market Value. In addition, with respect to each grant of an Incentive Stock Option to a Participant who is an Over 10% Owner, the Exercise Price may not be less than 110% of the Fair Market Value on the date the Option is granted. Without the approval of shareholders, the Committee shall not, whether through amendment, cancellation, replacement grants, or any other means, take any action to reduce the exercise price of previously granted Options if such action would result in variable accounting treatment for such Options under FASB Interpretation No. 44 or any subsequent interpretations of APB Opinion No. 25. With regard to other terms of awards, the Committee shall have no authority to waive or modify any such award term after the award has been granted to the extent the waiver or modified term would be mandatory under the plan for any award newly granted at the date of the waiver or modification.

(b) Any Incentive Stock Option granted to a Participant who is not an Over 10% is not exercisable after the expiration of ten (10) years from the date the Option is granted. Any Incentive Stock Option granted to an Over 10% Owner is not exercisable from the expiration of five (5) years from the date the Option is granted. Any Non-Qualified Stock Option granted to a Participant is not exercisable after the expiration of ten (10) years from the date the Non-Qualified Stock Option is granted.

(c) Payment. Payment for all shares of Stock purchased pursuant to the exercise of an Option will be made in any form or manner authorized by the Committee in the related Stock Incentive Agreement or by any amendment thereto, including, but not limited to, cash or, if the Stock Incentive Agreement provides:

(i) by delivery to the Company of a number of shares of Stock which have been owned by the holder for at least six (6) months prior to the date of exercise having an aggregate Fair Market Value of not less than the product of the Exercise Price multiplied by the number of shares the Participant intends to purchase upon the exercise of the Option on the date of delivery; or

(ii) by a deemed delivery of a number of shares of Stock which the Participant identifies in a notice to the Company and which had been owned by the holder for at least six (6) months, in which event the Company shall only deliver to the Participant pursuant to the exercise of the Option with such deemed delivery of shares a number of shares equal to the excess of the number of shares so purchased on such exercise of the Option over the number of shares described in such notice; or I

(iii) in an exercise effected through delivery of an irrevocable notice of exercise to a broker.

Any delivery or deemed delivery of shares of Stock shall be valued at Fair Market Value on the date of the delivery of such shares to the Company or, in the case of a deemed delivery, the date the related notice is delivered to the Company.

Further, except as prohibited by law, the Committee may in its discretion authorize (at the time an Option is granted or thereafter) Company financing to assist the Participant as to payment of the Exercise Price on such terms as may be offered by the Committee in its discretion.

(d) Conditions to the Exercise of an Option. Each Option granted under the Plan is exercisable by whom, at such time or times, or upon the occurrence of such event or events, and in such amounts, as the Committee specifies in the Stock Incentive Agreement; provided, however, that subsequent to the grant of an Option, the Committee, at any time before complete termination of such Option, may accelerate the time or times at which such Option may be exercised in whole or in part, including, without limitation, upon any change in control described by the Stock Incentive Agreement and may permit the Participant or any other designated person to exercise the Option, or any portion thereof, for all or part of the remaining Option term, notwithstanding any provision of the Stock Incentive Agreement to the contrary.

(e) Termination of Incentive Stock Option. With respect to an Incentive Stock Option, in the event of Termination of Employment of a Participant, the Option or portion thereof held by the Participant which is unexercised will expire, terminate, and become unexercisable no later than the expiration of three (3) months after the date of Termination of Employment; provided, however, that in the case of a holder whose Termination of Employment is due to death or Disability, one (1) year will be substituted for such three (3) month period; provided, further that such time limits may be exceeded by the Committee under the terms of the grant, in which case, the incentive stock option will be a Non-Qualified Stock Option if it is exercised after the time limits that would otherwise apply. For purposes of this Subsection (e), Termination of Employment of the Participant will not be deemed to have occurred if the Participant is employed by another corporation (or a parent or subsidiary corporation of such other corporation) which has assumed the Incentive Stock Option of the Participant in a transaction to which Code Section 424(a) is applicable.

(f) Special Provisions for Certain Substitute Options. Notwithstanding anything to the contrary in this Section 3.2, any Option issued in substitution for an option previously issued by another entity, which substitution occurs in connection with a transaction to which Code Section 424(a) is applicable, may provide for an exercise price computed in accordance with such Code Section and the regulations thereunder and may contain such other terms and conditions as the Committee may prescribe to cause such substitute Option to contain as nearly as possible the same terms and conditions (including the applicable vesting and termination provisions) as those contained in the previously issued option being replaced thereby.

(g) No Deferral Feature. No Option shall provide for any feature for the deferral of compensation other than the deferral of recognition of income until the later of the exercise or disposition of the Option.

3.3 Terms and Conditions of Stock Appreciation Rights. Each Stock Appreciation Right granted under the Plan must be evidenced by a Stock Incentive Agreement. A Stock Appreciation Right entitles the Participant to receive the excess of (1) the Fair Market Value of a specified or determinable number of shares of the Stock at the time of payment or exercise over (2) a specified or determinable price which, in the case of a Stock Appreciation Right granted in connection with an Option, may not be less than the Exercise Price for that number of shares subject to that Option. A Stock Appreciation Right granted in connection with a Stock Incentive may only be exercised to the extent that the related Stock Incentive has not been exercised, paid or otherwise settled. The base amount on which a Stock Appreciation Right is calculated shall not be reduced by the Committee following its date of grant.

(a) Settlement. Upon settlement of a Stock Appreciation Right, the Company must pay to the Participant the appreciation in cash or shares of Stock

(valued at the aggregate Fair Market Value on the date of payment or exercise) as provided in the Stock Incentive Agreement or, in the absence of such provision, as the Committee may determine.

- (b) **Conditions to Exercise.** Each Stock Appreciation Right granted under the Plan is exercisable or payable at such time or times, or upon the occurrence of such event or events, and in such amounts, as the Committee specifies in the Stock Incentive Agreement; provided, however, that subsequent to the grant of a Stock Appreciation Right, the Committee, at any time before complete termination of such Stock Appreciation Right, may accelerate the time or times at which such Stock Appreciation Right may be exercised or paid in whole or in part.
- (c) **No Deferral Feature.** No Stock Appreciation Right shall provide for any feature for the deferral of compensation other than the deferral of recognition of income until the later of the exercise or disposition of the Stock Appreciation Right.

3.4 **Terms and Conditions of Stock Awards.**

- (a) The number of shares of Stock subject to a Stock Award and restrictions or conditions on such shares, if any, will be as the Committee determines, and the certificate for such shares will bear evidence of any restrictions or conditions. Subsequent to the date of the grant of the Stock Award, the Committee has the power to permit, in its discretion, an acceleration of the expiration of an applicable restriction period with respect to any part or all of the shares awarded to a Participant. Subject to Subsections (b) and (c) below, the Committee may require a cash payment from the Participant in an amount no greater than the aggregate Fair Market Value of the shares of Stock awarded determined at the date of grant in exchange for the grant of a Stock Award or may grant a Stock Award without the requirement of a cash payment.
- (b) [Reserved]
- (c) Any Stock Award that does not contain forfeitability provisions shall be granted only in lieu of salary or cash bonuses otherwise payable to a Participant and may be granted at up to a 15% discount to the Fair Market Value of the Stock as of the date of grant, but only if the Stock is subject to material restrictions on transferability.

3.4A **Terms and Conditions of Deferred Stock Awards**

- (a) A Deferred Stock Award shall represent a contractual right to receive shares of Stock that only will be issued to a Participant after a specified deferral period or the satisfaction of specified conditions, or both, and such an award may be made either alone, in addition to or in tandem with other awards granted under the Plan and/or cash awards made outside of the Plan. The Committee shall determine the Participants to whom and the time or times at which a Deferred Stock Award shall be made, the number of shares of Stock to be awarded to any person, the duration of the deferred period (the "Deferral Period") during which, and the conditions under which, the issuance of the Stock will be deferred and the other terms and conditions of the award in addition to those set forth in subsection (b). The provisions of deferred Stock Awards need not be the same with respect to each recipient.
- (b)
 - (i) A Deferred Stock Award shall be evidenced by an Stock Incentive Agreement.
 - (ii) At the expiration of the Deferral Period, where applicable, share certificates shall be issued to the Participant, or his legal representative, in a number equal to the shares covered by the Deferred Stock Award.
 - (iii) At the time the Deferred Stock Award is made, the Committee may in its own discretion provide for the payment of amounts under a Deferred Stock Award equal to any dividends paid on shares of Stock equal to the number of shares of Stock covered by the Deferred Stock Award. Such amounts will be paid to the Participant currently, or deferred and deemed to be reinvested in additional share of Stock subject to the award, or otherwise reinvested, all as determined at the time of the award by the Committee, in its sole discretion. Unless otherwise provided in the applicable Stock Incentive Agreement, Deferred Stock Awards will be entitled to full dividend rights and any dividends paid thereon will be paid or distributed to the holder no later than the end of the calendar year in which the dividends are paid to shareholders or, if later, the 15th day of the third month following the date the dividends are paid to shareholders.
 - (iv) Subject to the provisions of the Stock Incentive Agreement and this Section 3.4A, if the Participant incurs a Termination of Employment for any reason during the Deferral Period for a Deferred Stock Award, the Participant's right to the issuance of the Stock subject to such award will vest, or be forfeited, in accordance with the terms and conditions established by the Committee at or after the award is made.
 - (v) Based on service, performance and/or such other factors or criteria as the Committee may determine, the Committee may, at or after making the Deferred Stock Award, accelerate the vesting of all or any part of any Deferred Stock Award and/or waive the deferral limitations for all or any part of such award.

3.5 **Terms and Conditions of Performance Unit Awards.** A Performance Unit Award shall entitle the Participant to receive, at a specified future date, payment of a number of shares of Stock having Fair Market Value equal to the value of a specified or determinable number of units (stated in terms of a designated or determinable dollar amount per unit) granted by the Committee. At the time of the grant, the Committee must determine the base value of each unit, the number of units subject to a Performance Unit Award, the performance factors applicable to the determination of the ultimate payment value of the Performance Unit Award and the period over which Company performance shall be measured. The Committee may provide for an alternate base value for each unit under certain specified conditions.

- (a) **Payment.** Payment in respect of Performance Unit Awards shall be in the form of shares of Stock (valued at Fair Market Value as of the date payment is owed), all on such terms and conditions as provided in the applicable Stock Incentive Agreement or Stock Incentive Program or, in the absence of such provision, as the Committee may determine.
- (b) **Conditions to Payment.** Each Performance Unit Award granted under the Plan shall be payable at such time or times, or upon the occurrence of such event or events, and in such amounts, as the Committee shall specify in the applicable Stock Incentive Agreement or Stock Incentive Program; provided, however, that subsequent to the grant of a Performance Unit Award, the Committee, at any time before complete termination of such Performance Unit Award, may accelerate the time or times at which such Performance Unit Award may be paid in whole or in part.

3.6 **Treatment of Awards Upon Termination of Employment.** Except as otherwise provided by Plan Section 3.2(e), any award under this Plan to a Participant who has experienced a Termination of Employment may be cancelled, accelerated, paid or continued, as provided in the applicable Stock Incentive Agreement or Stock Incentive Program, or, in the absence of such provision, as the Committee may determine. The portion of any award exercisable in the event of continuation or the amount of any payment due under a continued award may be adjusted by the Committee to reflect the Participant's period of service from the date of grant through the date of the Participant's Termination of Employment or such other factors as the Committee determines are relevant to its decision to continue the award.

SECTION 4 RESTRICTIONS ON STOCK

4.1 Escrow of Shares. Any certificates representing the shares of Stock issued under the Plan will be issued in the Participant's name, but, if the applicable Stock Incentive Agreement or Stock Incentive Program so provides, the shares of Stock will be held by a custodian designated by the Committee (the "Custodian"). Each applicable Stock Incentive Agreement or Stock Incentive Program providing for transfer of shares of Stock to the Custodian must appoint the Custodian as the attorney-in-fact for the Participant for the term specified in the applicable Stock Incentive Agreement or Stock Incentive Program, with full power and authority in the Participant's name, place and stead to transfer, assign and convey to the Company any shares of Stock held by the Custodian for such Participant, if the Participant forfeits the shares under the terms of the applicable Stock Incentive Agreement or Stock Incentive Program. During the period that the Custodian holds the shares subject to this Section, the Participant is entitled to all rights, except as provided in the applicable Stock Incentive Agreement or Stock Incentive Program, applicable to shares of Stock not so held. Any dividends declared on shares of Stock held by the Custodian must provide in the applicable Stock Incentive Agreement or Stock Incentive Program, be paid directly to the Participant or, in the alternative, be retained by the Custodian or by the Company until the expiration of the term specified in the applicable Stock Incentive Agreement or Stock Incentive Program and shall then be delivered, together with any proceeds, with the shares of Stock to the Participant or to the Company, as applicable.

4.2 Restrictions on Transfer. The Participant does not have the right to make or permit to exist any disposition of the shares of Stock issued pursuant to the Plan except as provided in the Plan or the applicable Stock Incentive Agreement or Stock Incentive Program. Any disposition of the shares of Stock issued under the Plan by the Participant not made in accordance with the Plan or the applicable Stock Incentive Agreement or Stock Incentive Program will be void. The Company will not recognize, or have the duty to recognize, any disposition not made in accordance with the Plan and the applicable Stock Incentive Agreement or Stock Incentive Program, and the shares so transferred will continue to be bound by the Plan and the applicable Stock Incentive Agreement or Stock Incentive Program.

SECTION 5 GENERAL PROVISIONS

5.1 Withholding. The Company must deduct from all cash distributions under the Plan any taxes required to be withheld by federal, state or local government. Whenever the Company proposes or is required to issue or transfer shares of Stock under the Plan or upon the vesting of any Stock Award or settlement of any Deferred Stock Award, the Company has the right to require the recipient to remit to the Company an amount sufficient to satisfy any federal, state and local withholding tax requirements prior to the delivery of any certificate or certificates for such shares or the vesting of such Stock Award or settlement of such Deferred Stock Award. A Participant may pay the withholding tax in cash, or, if the applicable Stock Incentive Agreement or Stock Incentive Program provides, a Participant may elect to have the number of shares of Stock he is to receive reduced by, or with respect to a Stock Award or Deferred Stock Award, tender back to the Company, the smallest number of whole shares of Stock which, when multiplied by the Fair Market Value of the shares of Stock determined as of the Tax Date (defined below), is sufficient to satisfy the minimum required federal, state and local, if any, withholding taxes arising from exercise or payment of a Stock Incentive (a "Withholding Election"). A Participant may make a Withholding Election only if both of the following conditions are met:

- (a) the Withholding Election must be made on or prior to the date on which the amount of tax required to be withheld is determined (the "Tax Date") by executing and delivering to the Company a properly completed notice of Withholding Election as prescribed by the Committee; and
- (b) any Withholding Election made will be irrevocable except on six months advance written notice delivered to the Company; however, the Committee may in its sole discretion disapprove and give no effect to the Withholding Election.

5.2 Changes in Capitalization; Merger; Liquidation.

- (a) Mandatory Adjustments. In the event of a nonreciprocal transaction between the Company and its shareholders that causes the per-share value of the Stock to change (including, without limitation, any stock dividend, stock split, spin-off, rights offering, or large nonrecurring cash dividend), the authorization limits under Sections 2.2 and 3.1(a) shall be adjusted proportionately, and the Committee shall make such adjustments to the Plan and Stock Incentive Awards as it deems necessary, in its sole discretion, to prevent dilution or enlargement of rights immediately resulting from such transaction. Action by the Committee may include: (i) adjustment of the number and kind of shares that may be delivered under the Plan; (ii) adjustment of the number and kind of shares subject to outstanding Stock Incentive Awards; (iii) adjustment of the exercise price of outstanding Stock Incentive Awards or the measure to be used to determine the amount of the benefit payable on a Stock Incentive Award; and (iv) any other adjustments that the Committee determines to be equitable. Notwithstanding the foregoing, the Committee shall not make any adjustments to outstanding Options or SARs that would constitute a modification or substitution of the stock right under Treas. Reg. Sections 1.409A-1(b)(5)(v) that would be treated as the grant of a new stock right or change in the form of payment for purposes of Code Section 409A. Without limiting the foregoing, in the event of a subdivision of the outstanding Stock (stock-split), a declaration of a dividend payable in shares, or a combination or consolidation of the outstanding Stock into a lesser number of shares, the authorization limits under Sections 2.2 and 3.1(a) shall automatically be adjusted proportionately, and the shares of Stock then subject to each Stock Incentive Award shall automatically, without the necessity for any additional action by the Committee, be adjusted proportionately without any change in the aggregate purchase price therefor.
- (b) Discretionary Adjustments. Upon the occurrence or in anticipation of any corporate event or transaction involving the Company (including, without limitation, any merger, reorganization, recapitalization, combination or exchange of shares, or any transaction described in Section 5.2(a)), the Committee may, in its sole discretion, provide (i) that Stock Incentive Awards will be settled in cash rather than Stock, (ii) that Stock Incentive Awards will become immediately vested and exercisable and will expire after a designated period of time to the extent not then exercised, (iii) that Stock Incentive Awards will be assumed by another party to a transaction or otherwise be equitably converted or substituted in connection with such transaction, (iv) that outstanding Stock Incentive Awards may be settled by payment in cash or cash equivalents equal to the excess of the Fair Market Value of the underlying Stock, as of a specified date associated with the transaction, over the exercise price of the Stock Incentive Award, (v) that performance targets and performance periods for Performance Awards will be modified, or (vi) any combination of the foregoing. The Committee's determination need not be uniform and may be different for different Participants whether or not such Participants are similarly situated.
- (c) Incentive Stock Options. To the extent that any adjustments made pursuant to this Section 5.2 cause Incentive Stock Options to cease to qualify as Incentive Stock Options, such Options shall be deemed to be Non-Qualified Stock Options.
- (d) General. The existence of the Plan and the Stock Incentives granted pursuant to the Plan must not affect in any way the right or power of the Company to make or authorize any adjustment, reclassification, reorganization or other change in its capital or business structure, any merger or consolidation of the Company, any issue of debt or equity securities having preferences or priorities as to the Stock or the rights thereof, the dissolution or liquidation of the Company, any sale or transfer of all or any part of its business or assets, or any other corporate act or proceeding.

5.3 Cash Awards. The Committee may, at any time and in its discretion, grant to any holder of a Stock Incentive the right to receive, at such times and in such amounts as determined by the Committee in its discretion, a cash amount which is intended to reimburse such person for all or a portion of the federal, state

and local income taxes imposed upon such person as a consequence of the receipt of the Stock Incentive or the exercise of rights thereunder.

5.4 Compliance with Code. All Incentive Stock Options to be granted hereunder are intended to comply with Code Section 422, and all provisions of the Plan and all Incentive Stock Options granted hereunder must be construed in such manner as to effectuate that intent.

5.5 Right to Terminate Employment or Services. Nothing in the Plan or in any Stock Incentive confers upon any Participant the right to continue as an employee or officer of the Company or any of its affiliates or to continue to provide services in any other respect or to affect the right of the Company or any of its affiliates to terminate the Participant's employment or other relationship at any time.

5.6 Non-Alienation of Benefits. Other than as specifically provided herein or pursuant to the terms of the applicable Stock Incentive Agreement or Stock Incentive Program, no benefit under the Plan may be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge; and any attempt to do so shall be void. No such benefit may, prior to receipt by the Participant, be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the Participant.

5.7 Restrictions on Delivery and Sale of Shares; Legends. Each Stock Incentive is subject to the condition that if at any time the Committee, in its discretion, shall determine that the listing, registration or qualification of the shares covered by such Stock Incentive upon any securities exchange or under any state or federal law is necessary or desirable as a condition of or in connection with the granting of such Stock Incentive or the purchase or delivery of shares thereunder, the delivery of any or all shares pursuant to such Stock Incentive may be withheld unless and until such listing, registration or qualification shall have been effected. If a registration statement is not in effect under the Securities Act of 1933 or any applicable state securities laws with respect to the shares of Stock purchasable or otherwise deliverable under Stock Incentives then outstanding, the Committee may require, as a condition of exercise of any Option or as a condition to any other delivery of Stock pursuant to a Stock Incentive, that the Participant or other recipient of a Stock Incentive represent, in writing, that the shares received pursuant to the Stock Incentive are being acquired for investment and not with a view to distribution and agree that the shares will not be disposed of except pursuant to an effective registration statement, unless the Company shall have received an opinion of counsel that such disposition is exempt from such requirement under the Securities Act of 1933 and any applicable state securities laws. The Company may include on certificates representing shares delivered pursuant to a Stock Incentive such legends referring to the foregoing representations or restrictions or any other applicable restrictions on resale as the Company, in its discretion, shall deem appropriate.

5.8 Listing and Legal Compliance. The Committee may suspend the exercise or payment of any Stock Incentive so long as it determines that securities exchange listing or registration or qualification under any securities laws is required in connection therewith and has not been completed on terms acceptable to the Committee.

5.9 Termination and Amendment of the Plan. The Board of Directors at any time may amend or terminate the Plan without stockholder approval; provided, however, that the Board of Directors may condition any amendment on the approval of stockholders of the Company if such approval is necessary or advisable with respect to tax, securities or other applicable laws. Except as provided in Section 3.2(a), the Board of Directors at any time may amend or terminate the Plan without shareholder approval; provided, however, that the Board of Directors may condition any amendment on the approval of stockholders of the Company if the Board of Directors in its discretion determines that such approval is necessary or advisable with respect to tax, securities or other applicable laws.

5.10 Stockholder Approval. The Plan must be submitted to the stockholders of the Company for their approval within twelve (12) months before or after the adoption of the Plan by the Board of Directors. If such approval is not obtained, any Stock Incentive granted hereunder will be void.

5.11 Choice of Law. The laws of Delaware shall govern the Plan, to the extent not preempted by federal law, without reference to the principles of conflict of laws.

5.12 Effective Date of Plan. This Plan was approved by the Board of Directors as of December 24, 1999, and become effective upon its approval by the Company's shareholders on March 17, 2000.

5.13. Special Provisions related to Section 409A of the Code.

- (a) Notwithstanding anything in the Plan or in any Stock Incentive Agreement to the contrary, to the extent that any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable under the Plan or any Stock Incentive Agreement by reason the occurrence of a change in control or the Participant's Disability or Termination of Employment, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless (i) the circumstances giving rise to such change in control, Disability or Termination of Employment meet the description or definition of "change in control event", "disability" or "separation from service", as the case may be, in Section 409A of the Code and applicable final regulations (without giving effect to any elective provisions that may be available under such definitions), or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A of the Code by reason of the short-term deferral exemption or otherwise. This provision does not prohibit the vesting of any Award upon a change in control, Disability or Termination of Employment, however defined. If this provision prevents the payment or distribution of any amount or benefit, such payment or distribution shall be made on the next earliest payment or distribution date or event specified in the Stock Incentive Agreement that is permissible under Section 409A.
- (b) If any one or more Awards granted under the Plan to a Participant could qualify for any separation pay exemption described in Treas. Reg. Section 1.409A-1(b)(9), but such Awards in the aggregate exceed the dollar limit permitted for the separation pay exemptions, the Company (acting through the Committee or the Head of Human Resources) shall determine which Awards or portions thereof will be subject to such exemptions.
- (c) Notwithstanding anything in the Plan or in any Stock Incentive Agreement to the contrary, if any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable under this Plan or any Stock Incentive Agreement by reason of a Participant's separation from service during a period in which the Participant is a Specified Employee (as defined below), then, subject to any permissible acceleration of payment by the Committee under Treas. Reg. Section 1.409A-3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes):
 - (i) if the payment or distribution is payable in a lump sum, the Participant's right to receive payment or distribution of such non-exempt deferred compensation will be delayed until the earlier of the Participant's death or the first day of the seventh month following the Participant's separation from service; and
 - (ii) if the payment or distribution is payable over time, the amount of such non-exempt deferred compensation that would otherwise be payable during the six-month period immediately following the Participant's separation from service will be accumulated and the Participant's right to receive payment or distribution of such accumulated amount will be delayed until the earlier of the Participant's death or the first day of the seventh month following the Participant's separation from service, whereupon the accumulated amount will be paid or distributed to the Participant and the normal payment or distribution schedule for any remaining payments or distributions will resume.

For purposes of this Plan, the term "Specified Employee" has the meaning given such term in Code Section 409A and the final regulations thereunder, *provided, however*, that, as permitted in such final regulations, the Company's Specified Employees and its application of the six-month delay rule of Code Section 409A(a)

(2)(B)(i) shall be determined in accordance with rules adopted by the Board or any committee of the Board, which shall be applied consistently with respect to all nonqualified deferred compensation arrangements of the Company, including this Plan.

The foregoing is hereby acknowledged as being the Roper Industries, Inc. 2000 Stock Incentive Plan, originally adopted by the shareholders on March 17, 2000, as most recently amended and restated by the Board of Directors on December 29, 2008.

ROPER INDUSTRIES, INC.

By: /s/ David B. Liner

Its: General Counsel and Corporate Secretary

ROPER INDUSTRIES, INC.

NON-QUALIFIED RETIREMENT PLAN

AMENDED AND RESTATED
EFFECTIVE JANUARY 1, 2009

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ARTICLE I

Establishment and Purpose

Roper Industries, Inc. (the "Company") hereby amends and restates the Roper Industries, Inc. Non-Qualified Retirement Plan, originally effective January 1, 1995, amended and restated effective March 1, 2002 (the "Plan"), effective January 1, 2009 (but see Section 2.21). This amendment and restatement applies to all amounts previously or hereafter deferred under the Plan, it being expressly intended that this amendment and restatement shall constitute a material modification of the Plan as in effect on October 3, 2004, such that all amounts deferred under the Plan prior to January 1, 2005, shall be subject to Code Section 409A. The Plan shall be effective for Non-Employee Directors commencing January 1, 2009.

The purpose of the Plan is to attract and retain key employees and non-employee directors by providing each Participant with an opportunity to defer receipt of a portion of their salary, bonus, and other specified compensation. The Plan is not intended to meet the qualification requirements of Code Section 401(a), but is intended to meet the requirements of Code Section 409A, and shall be operated and interpreted consistent with that intent.

The Plan constitutes an unsecured promise by a Participating Employer to pay benefits in the future. Participants in the Plan shall have the status of general unsecured creditors of the Company or the Adopting Employer, as applicable. Each Participating Employer shall be solely responsible for payment of the benefits of its employees and their beneficiaries. The Plan is unfunded for Federal tax purposes and is intended to be an unfunded arrangement for eligible employees who are part of a select group of management or highly compensated employees of the Employer within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. Any amounts set aside to defray the liabilities assumed by the Company or an Adopting Employer will remain the general assets of the Company or the Adopting Employer and shall remain subject to the claims of the Company's or the Adopting Employer's creditors until such amounts are distributed to the Participants.

ARTICLE II

Definitions

- 2.1 Account. Account means a bookkeeping account maintained by the Committee to record the payment obligation of a Participating Employer to a Participant as determined under the terms of the Plan. The Committee may maintain an Account to record the total obligation to a Participant and component Accounts to reflect amounts payable at different times and in different forms. Reference to an Account means any such Account established by the Committee, as the context requires. Accounts are intended to constitute unfunded obligations within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA.
- 2.2 Account Balance. Account Balance means, with respect to any Account, the total payment obligation owed to a Participant from such Account as of the most recent Valuation Date.
- 2.3 Adopting Employer. Adopting Employer means an Affiliate who, with the consent of the Company, has adopted the Plan for the benefit of its eligible employees.
- 2.4 Affiliate. Affiliate means a corporation, trade or business that, together with the Company, is treated as a single employer under Code Section 414(b) or (c).
- 2.5 Beneficiary. Beneficiary means a natural person, estate, or trust designated by a Participant to receive payments to which a Beneficiary is entitled in accordance with provisions of the Plan. The Participant's spouse, if living, otherwise the Participant's estate, shall be the Beneficiary if: (i) the Participant has failed to properly designate a Beneficiary, or (ii) all designated Beneficiaries have predeceased the Participant.
- A former spouse shall have no interest under the Plan, as Beneficiary or otherwise, unless the Participant designates such person as a Beneficiary after dissolution of the marriage, except to the extent provided under the terms of a domestic relations order as described in Code Section 414(p)(1)(B).
- 2.6 Business Day. A Business Day is each day on which the New York Stock Exchange is open for business.
- 2.7 Change in Control. Change in Control, with respect to a Participating Employer that is organized as a corporation, occurs on the date on which any of the following events occur (i) a change in the ownership of the Participating Employer; (ii) a change in the effective control of the Participating Employer; (iii) a change in the ownership of a substantial portion of the assets of the Participating Employer.

For purposes of this Section, a change in the ownership of the Participating Employer occurs on the date on which any one person, or more than one person acting as a group, acquires ownership of stock of the Participating Employer that, together with stock held by such person or group constitutes more than 50% of the total fair market value or total voting power of the stock of the Participating Employer. A change in the effective control of the Participating Employer occurs on the date on which either (i) a person, or more than one person acting as a group, acquires ownership of stock of the Participating Employer possessing 30% or more of the total voting power of the stock of the Participating Employer, taking into account all such stock acquired during the 12-month period ending on the date of the most recent acquisition, or (ii) a majority of the members of the Participating Employer's Board of Directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such Board of Directors prior to the date of the appointment or election, but only if no other corporation is a majority shareholder of the Participating Employer. A change in the ownership of a substantial portion of assets occurs on the date on which any one person, or more than one person acting as a group, other than a person or group of persons that is related to the Participating Employer, acquires assets from the Participating Employer that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Participating Employer immediately prior to such acquisition or acquisitions, taking into account all such assets acquired during the 12-month period ending on the date of the most recent acquisition.

An event constitutes a Change in Control with respect to a Participant only if the Participant performs services for the Participating Employer that has experienced the Change in Control, or the Participant's relationship to the affected Participating Employer otherwise satisfies the requirements of Treasury Regulation Section 1.409A-3(i)(5)(ii).

The determination as to the occurrence of a Change in Control shall be based on objective facts and in accordance with the requirements of Code Section 409A.

- 2.8 Claimant. Claimant means a Participant or Beneficiary filing a claim under Article XII of this Plan.
- 2.9 Code. Code means the Internal Revenue Code of 1986, as amended from time to time.
- 2.10 Code Section 409A. Code Section 409A means section 409A of the Code, and regulations and other guidance issued by the Treasury Department and Internal Revenue Service thereunder. References to such Section or guidance in this Plan include references to such provisions as they may be modified.
- 2.11 Committee. Committee means the committee appointed by the Board of Directors of the Company (or the appropriate committee of such board) to administer the Plan. If no designation is made, the Chief Executive Officer of the Company or his delegate shall have and exercise the powers of the Committee.
- 2.12 Company. Company means Roper Industries, Inc.
- 2.13 Company Contribution. Company Contribution means a credit by a Participating Employer to a Participant's Account(s) in accordance with the provisions of Article V of the Plan. Company Contributions are credited at the sole discretion of the Participating Employer and the fact that a Company Contribution is credited in one year shall not obligate the Participating Employer to continue to make such Company Contribution in subsequent years. Unless the context clearly indicates otherwise, a reference to Company Contribution shall include Earnings attributable to such contribution.
- 2.14 Compensation.
- (a) Eligible Employee. Compensation means base salary, bonus, commission, and such other cash or equity-based compensation (if any) approved by the Committee as Compensation that may be deferred under this Plan. Compensation shall not include any compensation that has been previously deferred under this Plan or any other arrangement subject to Code Section 409A.
 - (b) Non-Employee Director. Compensation means the Total Annual Retainer, Meeting Fees and/or Cash Dividend Equivalents, as defined in the Roper Industries, Inc. Director Compensation Plan.
- 2.15 Compensation Deferral Agreement. Compensation Deferral Agreement means an agreement between a Participant and a Participating Employer that specifies (i) the amount of each component of Compensation that the Participant has elected to defer to the Plan in accordance with the provisions of Article IV, and (ii) the Payment Schedule applicable to one or more Accounts. The Committee may permit different deferral amounts for each component of Compensation and may establish a minimum or maximum deferral amount for each such component. Unless otherwise specified by the Committee in the Compensation Deferral Agreement, Participants may defer up to 100% of their base salary and up to 100% of other types of Compensation for a Plan Year. A Compensation Deferral Agreement may also specify the investment allocation described in Section 8.4.
- 2.16 Death Benefit. Death Benefit means the benefit payable under the Plan to a Participant's Beneficiary(ies) upon the Participant's death as provided in Section 6.1 of the Plan.
- 2.17 Deferral. Deferral means a credit to a Participant's Account(s) that records that portion of the Participant's Compensation that the Participant has elected to defer to the Plan in accordance with the provisions of Article IV. Unless the context of the Plan clearly indicates otherwise, a reference to Deferrals includes Earnings attributable to such Deferrals.
- Deferrals shall be calculated with respect to the gross cash Compensation payable to the Participant prior to any deductions or withholdings, but shall be reduced by the Committee as necessary so that it does not exceed 100% of the cash Compensation of the Participant remaining after deduction of all required income and employment taxes, other employee benefit deductions, and other deductions required by law. Changes to payroll withholdings that affect the amount of Compensation being deferred to the Plan shall be allowed only to the extent permissible under Code Section 409A.
- 2.18 Disability Benefit. Disability Benefit means the benefit payable under the Plan to a Participant in the event such Participant is determined to be Disabled. For the avoidance of doubt, Non-Employee Directors are not eligible for Disability Benefits under the Plan.
- 2.19 Disabled. Disabled means that a Participant is, by reason of any medically-determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, (i) unable to engage in any substantial gainful activity, or (ii) receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Participant's employer. The Committee shall determine whether a Participant is Disabled in accordance with Code Section 409A provided, however, that a Participant shall be deemed to be Disabled if determined to be totally disabled by the Social Security Administration or the Railroad Retirement Board.
- 2.20 Earnings. Earnings mean an adjustment to the value of an Account in accordance with Article VIII.
- 2.21 Effective Date. Effective Date for this amendment and restatement generally means January 1, 2009. The foregoing notwithstanding, Sections 4.7 and 4.8 hereof are effective January 1, 2005 and Section 7.6 is effective January 1, 2008. The Plan was originally effective January 1, 1995 and was previously amended and restated effective March 1, 2002.
- 2.22 Eligible Employee. Eligible Employee means a member of a "select group of management or highly compensated employees" of a Participating Employer within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, as determined by the Committee from time to time in its sole discretion.
- 2.23 Employee. Employee means a common-law employee of an Employer.
- 2.24 Employer. Employer means, with respect to Employees it employs, the Company and each Affiliate.
- 2.25 ERISA. ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time.
- 2.26 Fiscal Year Compensation. Fiscal Year Compensation means Compensation earned during one or more consecutive fiscal years of a Participating Employer, all of which is paid after the last day of such fiscal year or years.
- 2.27 Non-Employee Director. Non-Employee Director means a director of the Company who is not an employee of the Company or any of its Affiliates.
- 2.28 Participant. Participant means an Eligible Employee who has received notification of his or her eligibility to defer Compensation under the Plan under Section 3.1, a Non-Employee Director and any other person with an Account Balance greater than zero, regardless of whether such individual continues to

be an Eligible Employee or a Non-Employee Director. A Participant's continued participation in the Plan shall be governed by Section 3.2 of the Plan.

- 2.29 Participating Employer. Participating Employer means the Company and each Adopting Employer.
- 2.30 Payment Schedule. Payment Schedule means the date as of which payment of an Account under the Plan will commence and the form in which payment of such Account will be made.
- 2.31 Performance-Based Compensation. Performance-Based Compensation means Compensation where the amount of, or entitlement to, the Compensation is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least twelve consecutive months. Organizational or individual performance criteria are considered pre-established if established in writing by not later than ninety (90) days after the commencement of the period of service to which the criteria relate, provided that the outcome is substantially uncertain at the time the criteria are established. The determination of whether Compensation qualifies as "Performance-Based Compensation" will be made in accordance with Treas. Reg. Section 1.409A-1(e) and subsequent guidance.
- 2.32 Plan. Generally, the term Plan means the "Roper Industries, Inc. Non-Qualified Retirement Plan" as amended and restated herein and as may be further amended from time to time hereafter. However, to the extent permitted or required under Code Section 409A, the term Plan may in the appropriate context also mean a portion of the Plan that is treated as a single plan under Treas. Reg. Section 1.409A-1(c), or the Plan or portion of the Plan and any other nonqualified Non-Qualified Retirement Plan or portion thereof that is treated as a single plan under such section.
- 2.33 Plan Year. Plan Year means January 1 through December 31.
- 2.34 Retirement. For Participants other than Non-Employee Directors, Retirement means Separation from Service after attainment of any age where the combination of the Participant's age and number of Years of Service equals or exceeds 65. For Participants who are Non-Employee Directors, Retirement means Separation from Service for any reason.
- 2.35 Retirement Benefit. Retirement Benefit means the benefit payable to a Participant under the Plan following the Retirement of the Participant.
- 2.36 Retirement/Termination Account. Retirement/Termination Account means an Account established by the Committee to record the amounts payable to a Participant that have not been allocated to a Specified Date Account. Unless the Participant has established a Specified Date Account, all Deferrals and Company Contributions shall be allocated to a Retirement/Termination Account on behalf of the Participant.
- 2.37 Separation from Service. An Employee incurs a Separation from Service upon termination of employment with the Employer other than due to death or Disability. Whether a Separation from Service has occurred shall be determined by the Committee in accordance with Code Section 409A.

Except in the case of an Employee on a bona fide leave of absence as provided below, an Employee is deemed to have incurred a Separation from Service if the Employer and the Employee reasonably anticipated that the level of services to be performed by the Employee after a date certain would be reduced to 20% or less of the average services rendered by the Employee during the immediately preceding 36-month period (or the total period of employment, if less than 36 months) disregarding periods during which the Employee was on a bona fide leave of absence.

An Employee who is absent from work due to military leave, sick leave, or other bona fide leave of absence shall incur a Separation from Service on the first date immediately following the later of (i) the six-month anniversary of the commencement of the leave or (ii) the expiration of the Employee's right, if any, to reemployment under statute or contract. Notwithstanding the preceding, however, an Employee who is absent from work due to a physical or mental impairment that is expected to result in death or last for a continuous period of at least six months and that prevents the Employee from performing the duties of his position of employment or a similar position shall incur a Separation from Service on the first date immediately following the 29-month anniversary of the commencement of the leave.

For purposes of determining whether a Separation from Service has occurred, the Employer means the Employer as defined in Section 2.26 of the Plan, except that for purposes of determining whether another organization is an Affiliate of the Company, common ownership of at least 50% shall be determinative.

A Non-Employee Director is deemed to have incurred a Separation from Service upon the ceasing of all services as a Director constituting a "separation from service" (as that term is defined at Treas. Reg. § 1.409A-1(h)) from the Company and any of its Affiliates.

The Committee specifically reserves the right to determine whether a sale or other disposition of substantial assets to an unrelated party constitutes a Separation from Service with respect to a Participant providing services to the seller immediately prior to the transaction and providing services to the buyer after the transaction. Such determination shall be made in accordance with the requirements of Code Section 409A.

- 2.38 Specified Date Account. A Specified Date Account means an Account established pursuant to Section 4.3 that will be paid (or that will commence to be paid) at a future date as specified in the Participant's Compensation Deferral Agreement. Unless otherwise determined by the Committee, a Participant may maintain no more than five Specified Date Accounts. A Specified Date Account may be identified in enrollment materials as an "In-Service Account".
- 2.39 Specified Date Benefit. Specified Date Benefit means the benefit payable to a Participant under the Plan in accordance with Section 6.1(c).
- 2.40 Specified Employee. For purposes of this Plan, the term "Specified Employee" has the meaning given such term in Code Section 409A, *provided, however*, that, as permitted in the final Section 409A regulations, the Company's Specified Employees and its application of the six-month delay rule of Code Section 409A(a)(2)(B)(i) shall be determined in accordance with rules adopted by the Board of Directors or a committee thereof, which shall be applied consistently with respect to all nonqualified deferred compensation arrangements of the Company, including this Plan.
- 2.41 Substantial Risk of Forfeiture. Substantial Risk of Forfeiture shall have the meaning specified in Treas. Reg. Section 1.409A-1(d).
- 2.42 Termination Benefit. Termination Benefit means the benefit payable to a Participant under the Plan following the Participant's Separation from Service prior to Retirement. For the avoidance of doubt, Non-Employee Directors are not eligible for Termination Benefits under the Plan, because Retirement for Non-Employee Directors means Separation from Service for any reason.
- 2.43 Unforeseeable Emergency. An Unforeseeable Emergency means a severe financial hardship to the Participant resulting from an illness or accident of the

Participant, the Participant's spouse, the Participant's dependent (as defined in Code section 152(a)), or a Beneficiary; loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The types of events which may qualify as an Unforeseeable Emergency may be limited by the Committee.

2.44 Valuation Date. Valuation Date shall mean each Business Day.

2.45 Year of Service. A Year of Service shall mean each 12-month period of continuous service with the Employer or each 12-month period of continuous service as a Non-Employee Director of the Company.

ARTICLE III

Eligibility and Participation

3.1 Eligibility and Participation.

- (a) An Eligible Employee becomes a Participant upon the earlier to occur of (i) a credit of Company Contributions under Article V or (ii) notification of eligibility to participate.
- (b) A Non-Employee Director becomes a Participant on January 1, 2009 or when such individual becomes a Non-Employee Director, if later.

3.2 Duration. A Participant shall be eligible to defer Compensation and, where applicable, receive allocations of Company Contributions, subject to the terms of the Plan, for as long as such Participant remains an Eligible Employee or a Non-Employee Director. A Participant who is no longer an Eligible Employee or a Non-Employee Director but has not Separated from Service may not defer Compensation under the Plan but may otherwise exercise all of the rights of a Participant under the Plan with respect to his or her Account(s). On and after a Separation from Service, a Participant shall remain a Participant as long as his or her Account Balance is greater than zero and during such time may continue to make allocation elections as provided in Section 8.4. An individual shall cease being a Participant in the Plan when all benefits under the Plan to which he or she is entitled have been paid

ARTICLE IV

Deferrals

4.1 Deferral Elections, Generally.

- (a) A Participant may elect to defer Compensation by submitting a Compensation Deferral Agreement during the enrollment periods established by the Committee and in the manner specified by the Committee, but in any event, in accordance with Section 4.2. A Compensation Deferral Agreement that is not timely filed with respect to a service period or component of Compensation shall be considered void and shall have no effect with respect to such service period or Compensation. The Committee may modify any Compensation Deferral Agreement prior to the date the election becomes irrevocable under the rules of Section 4.2.
- (b) The Participant shall specify on his or her Compensation Deferral Agreement the amount of Deferrals and whether to allocate Deferrals and associated Company Contributions to a Retirement/Termination Account or to a Specified Date Account. If no designation is made or if a designation is invalid (for example, because it fails to defer Compensation for at least one year or, if longer, for the minimum deferral period specified by the Committee), Deferrals (or that portion of Deferrals allocated invalidly) shall be allocated to the Retirement/Termination Account. A Participant may also specify in his or her Compensation Deferral Agreement the Payment Schedule applicable to his or her Plan Accounts. If the Payment Schedule is not specified in a Compensation Deferral Agreement, the Payment Schedule shall be the Payment Schedule specified in Section 6.2.

4.2 Timing Requirements for Compensation Deferral Agreements.

- (a) *First Year of Eligibility.* In the case of the first year in which an Eligible Employee or a Non-Employee Director becomes eligible to participate in the Plan, he or she has up to 30 days following his initial eligibility to submit a Compensation Deferral Agreement with respect to Compensation to be earned during such year. The Compensation Deferral Agreement described in this paragraph becomes irrevocable upon the end of such 30-day period. The determination of whether an Eligible Employee may file a Compensation Deferral Agreement under this paragraph shall be determined in accordance with the rules of Code Section 409A, including the provisions of Treas. Reg. Section 1.409A-2(a)(7).

A Compensation Deferral Agreement filed under this paragraph applies to Compensation earned on and after the date the Compensation Deferral Agreement becomes irrevocable.

- (b) *Prior Year Election.* Except as otherwise provided in this Section 4.2, Participants may defer Compensation by filing a Compensation Deferral Agreement no later than December 31 of the year prior to the year in which the Compensation to be deferred is earned. A Compensation Deferral Agreement described in this paragraph shall become irrevocable with respect to such Compensation as of January 1 of the year in which such Compensation is earned.
- (c) *Performance-Based Compensation.* Participants may file a Compensation Deferral Agreement with respect to Performance-Based Compensation no later than the date that is six months before the end of the performance period, provided that:
 - (i) the Participant performs services continuously from the later of the beginning of the performance period or the date the criteria are established through the date the Compensation Deferral Agreement is submitted; and
 - (ii) the Compensation is not readily ascertainable as of the date the Compensation Deferral Agreement is filed.

A Compensation Deferral Agreement becomes irrevocable with respect to Performance-Based Compensation as of the day immediately following the latest date for filing such election. Any election to defer Performance-Based Compensation that is made in accordance with this paragraph and that becomes payable as a result of the Participant's death or disability (as defined in Treas. Reg. Section 1.409A-1(e)) or upon a Change in Control (as defined in Treas. Reg. Section 1.409A-3(i)(5)) prior to the satisfaction of the performance criteria, will be void.

- (d) *Sales Commissions.* Sales commissions (as defined in Treas. Reg. Section 1.409A-2(a)(12)(i)) are considered to be earned in the taxable year of the Participant in which the sale occurs. The Compensation Deferral Agreement must be filed before the last day of the year preceding the year

in which the sales commissions are earned and becomes irrevocable after that date.

- (e) *Investment Commissions.* Investment commissions (as defined in Treas. Reg. Section 1.409A-2(a)(12)(ii)) are considered to be earned in the 12-month period immediately preceding the date assets are valued for purposes of calculating the commission. Investment Commissions must be deferred under the timing rules set forth in this Section 4.2.
- (f) *Fiscal Year Compensation.* A Participant may defer Fiscal Year Compensation by filing a Compensation Deferral Agreement prior to the first day of the fiscal year or years in which such Fiscal Year Compensation is earned. The Compensation Deferral Agreement described in this paragraph becomes irrevocable on the first day of the fiscal year or years to which it applies.
- (g) *Short-Term Deferrals.* Compensation that meets the definition of a “short-term deferral” described in Treas. Reg. Section 1.409A-1(b)(4) may be deferred in accordance with the rules of Article VII, applied as if the date the Substantial Risk of Forfeiture lapses is the date payments were originally scheduled to commence, provided, however, that the provisions of Section 7.3 shall not apply to payments attributable to a Change in Control (as defined in Treas. Reg. Section 1.409A-3(i)(5)).
- (h) *Certain Forfeitable Rights.* With respect to a legally binding right to a payment in a subsequent year that is subject to a forfeiture condition requiring the Participant’s continued services for a period of at least twelve months from the date the Participant obtains the legally binding right, an election to defer such Compensation may be made on or before the 30th day after the Participant obtains the legally binding right to the Compensation, provided that the election is made at least twelve months in advance of the earliest date at which the forfeiture condition could lapse. The Compensation Deferral Agreement described in this paragraph becomes irrevocable after such 30th day. If the forfeiture condition applicable to the payment lapses before the end of the required service period as a result of the Participant’s death or disability (as defined in Treas. Reg. Section 1.409A-3(i)(4)) or upon a Change in Control (as defined in Treas. Reg. Section 1.409A-3(i)(5)), the Compensation Deferral Agreement will be void unless it would be considered timely under another rule described in this Section.
- (i) *“Evergreen” Deferral Elections.* The Committee, in its discretion, may provide in the Compensation Deferral Agreement that such Compensation Deferral Agreement will continue in effect for each subsequent year or performance period. Such “evergreen” Compensation Deferral Agreements will become effective with respect to an item of Compensation on the date such election becomes irrevocable under this Section 4.2. An evergreen Compensation Deferral Agreement may be terminated or modified prospectively with respect to Compensation for which such election remains revocable under this Section 4.2. A Participant whose Compensation Deferral Agreement is cancelled in accordance with Section 4.6 will be required to file a new Compensation Deferral Agreement under this Article IV in order to recommence Deferrals under the Plan.

- 4.3 Allocation of Deferrals and Company Contributions. A Compensation Deferral Agreement may allocate Deferrals and Company Contributions to one or more Specified Date Accounts and/or to the Retirement/Termination Account. Company Contributions that are made pursuant to Sections 5.1, 5.2, or 5.3 shall be allocated to Specified Date Accounts and/or to the Retirement/Termination Account in the same proportion as elected by the Participant with respect to base salary for the Plan Year during which the Company Contribution is made. The Committee may, in its discretion, establish a minimum deferral period for Specified Date Accounts (for example, the third Plan Year following the year Compensation subject to the Compensation Deferral Agreement is earned).
- 4.4 Deductions from Pay. The Committee has the authority to determine the payroll practices under which any component of Compensation subject to a Compensation Deferral Agreement will be deducted from a Participant’s Compensation.
- 4.5 Vesting. Participant Deferrals shall be 100% vested at all times.
- 4.6 Cancellation of Deferrals. The Committee shall cancel a Participant’s Deferrals (i) for the balance of the Plan Year in which an Unforeseeable Emergency payment is made, (ii) if the Participant receives a hardship distribution under the Employer’s qualified 401(k) plan, through the end of the Plan Year in which the six-month anniversary of the hardship distribution falls, and (iii) during periods in which the Participant is unable to perform the duties of his or her position or any substantially similar position due to a mental or physical impairment that can be expected to result in death or last for a continuous period of at least six months.
- 4.7 Transition Relief; Deferral Elections Filed by March 15, 2005. Notwithstanding the foregoing and any other provisions in the Plan concerning timing of initial deferral elections to the contrary, the Plan Administrator has the authority, pursuant to transition relief provided in Q&A 21 of Notice 2005-1, to permit Participants to make or modify Deferral Elections with respect to Deferrals subject to Code Section 409A that relate all or in part to services performed on or before December 31, 2005, so long as: (i) a Deferral Election with respect to such compensation is properly filed with the Committee prior to March 15, 2005; and (ii) the amounts to which the Deferral Election relate have not been paid or become payable prior to the election.
- 4.8 Transition Relief; Revocation, Termination During 2005. Notwithstanding any provisions in the Plan concerning the prohibition of payments to Participants upon a termination of participation in the Plan or the cancellation of a Deferral Election during a Plan Year to the contrary, the Plan Administrator has the authority, pursuant to transition relief provided in Q&A 20 of Notice 2005-1, to permit a Participant, pursuant to procedures established by the Plan Administrator, to: (i) elect to terminate, or partially terminate, participation in the Plan and receive payment of that portion of his or her vested Account Balance payable under the Plan corresponding to the portion of the Plan to which the termination applies; or (ii) elect to cancel or reduce a Deferral Election with regard to amounts subject to Code Section 409A. An election by a Participant permitted in (i) or (ii) above, shall be made and shall result in payment no later than December 31, 2005.

ARTICLE V

Company Contributions

- 5.1 Base Contributions. Each Participating Employer that sponsors the Roper Industries, Inc. Employees’ Retirement Savings 003 Plan (the “003 plan”) shall credit a Company Contribution to the Account(s) of Participants whose “employer base accounts” in the “003 Plan” are credited with “base contributions” in an amount equal to 3% of such Participant’s Compensation that is in excess of the Code Section 401(a)(17) limit.
- 5.2 Nonqualified Matching Contributions. Each Participating Employer shall credit a Company “Matching” Contribution to the Account(s) of Participants who participate in an Applicable Savings Plan (defined herein) in the amount equal to (i) that portion of the Participant’s Compensation that the Participant has elected to defer to the Plan multiplied by (ii) the matching contribution formula in the Applicable Savings Plan (for example, if a Participant elected to defer \$50,000 to the Plan and the matching contribution formula under the Applicable Savings Plan is 50% of the first 6% of Compensation deferred, the Company Contribution under this Section 5.2 would be calculated as \$50,000 X 6% X 50% = \$1,500). “Applicable Saving Plan” shall mean the Participating Employer’s qualified defined contribution 401(k) plan.

- 5.3 Discretionary Company Contributions. The Participating Employer may, from time to time in its sole and absolute discretion, credit Company Contributions to any Participant in any amount determined by the Participating Employer. Such contributions will be credited to a Participant's Retirement/Termination Account.
- 5.4 Vesting. Company Contributions described in Section 5.1, 5.2, and 5.3 above, and the Earnings thereon, shall be 100% vested. Company Contributions described in Section 5.4, above, (if any) and the Earnings thereon, shall vest in accordance with the vesting scheduled established by the Committee at the time that the Company Contribution is made. All Company Contributions shall become 100% vested upon the occurrence of the earliest of: (i) the death of the Participant while actively employed; (ii) the Disability of the Participant while actively employed, (iii) Retirement of the Participant, or (iv) a Change in Control. The Participating Employer may, at any time, in its sole discretion, increase a Participant's vested interest in a Company Contribution. The portion of a Participant's Accounts that remains unvested upon his or her Separation from Service after the application of the terms of this Section 5.2 shall be forfeited.
- 5.5 Non-Employee Directors Not Eligible. For the avoidance of doubt, Non-Employee Directors are not eligible for Company Contributions under the Plan.

ARTICLE VI

Benefits

- 6.1 Benefits, Generally. A Participant shall be entitled to the following benefits under the Plan:

- (a) *Retirement Benefit.* Upon the Participant's Separation from Service due to Retirement, he or she shall be entitled to a Retirement Benefit. The Retirement Benefit shall be equal to the vested portion of the Retirement/Termination Account, based on the value of that Account as of the end of the month in which Separation from Service occurs. Subject to Section 6.4 hereof, the payment date for the Retirement Benefit will be the first day of the month following the month in which Separation from Service occurs, provided, however, that with respect to a Participant who is a Specified Employee as of the date such Participant incurs a Separation from Service, the payment date will be the first day of the seventh month following the month in which such Separation from Service occurs. If the Retirement Benefit is to be paid in the form of installments, any subsequent installment payments to a Specified Employee will be paid on the anniversary of the date the first payment was made.
- (b) *Termination Benefit.* Upon the Participant's Separation from Service for reasons other than death or Retirement, he or she shall be entitled to a Termination Benefit. The Termination Benefit shall be equal to the vested portion of the Retirement/Termination Account, based on the value of that Account as of the end of the month in which Separation from Service occurs. Subject to Section 6.4 hereof, the payment date for the Termination Benefit will be the first day of the month following the month in which Separation from Service occurs, provided, however, that with respect to a Participant who is a Specified Employee as of the date such Participant incurs a Separation from Service, payment will be made on the first day of the seventh month following the month in which such Separation from Service occurs. For the avoidance of doubt, Non-Employee Directors are not eligible for Termination Benefits under the Plan, because Retirement for Non-Employee Directors means Separation from Service for any reason.
- (c) *Specified Date Benefit.* If the Participant has established one or more Specified Date Accounts, he or she shall be entitled to a Specified Date Benefit with respect to each such Specified Date Account. The Specified Date Benefit shall be equal to the vested portion of the Specified Date Account, based on the value of that Account as of the end of the month designated by the Participant at the time the Account was established, regardless of whether the Participant remains actively employed at the time of distribution of the Specified Date Benefit. Subject to Section 6.4 hereof, the payment date for the Specified Date Benefit will be the first day of the month following the designated month.
- (d) *Death Benefit.* In the event of the Participant's death, his or her designated Beneficiary(ies) shall be entitled to a Death Benefit. The Death Benefit shall be equal to the vested portion of the Retirement/Termination Account and the vested portion of any unpaid balances in any Specified Date Accounts. The Death Benefit shall be based on the value of the Accounts as of the end of the month in which death occurred. Subject to Section 6.4 hereof, the payment date for the Death Benefit will be the first day of the month following the month in which death of the Participant occurred.
- (e) *Disability Benefit.* Upon a determination by the Committee that a Participant is Disabled, he or she shall be entitled to a Disability Benefit. The Disability Benefit shall be equal to the vested portion of the Retirement/Termination Account and the vested portion of any unpaid balances in any Specified Date Accounts. The Disability Benefit shall be based on the value of the Accounts as of the last day of the month in which Disability occurs. Subject to Section 6.4 hereof, the payment date for the Disability Benefit will be the first day of the month following the month during which the Participant was judged by the Committee to have incurred a Disability. For the avoidance of doubt, Non-Employee Directors are not eligible for Disability Benefits under the Plan.
- (f) *Unforeseeable Emergency Payments.* A Participant, other than a Non-Employee Director, who experiences an Unforeseeable Emergency may submit a written request to the Committee to receive payment of all or any portion of his or her vested Accounts. Whether a Participant or Beneficiary is faced with an Unforeseeable Emergency permitting an emergency payment shall be determined by the Committee based on the relevant facts and circumstances of each case, but, in any case, a distribution on account of Unforeseeable Emergency may not be made to the extent that such emergency is or may be reimbursed through insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of Deferrals under this Plan. An approval of a payment due to an Unforeseeable Emergency is subject to the discretion of the Committee. If an emergency payment is approved by the Committee, the amount of the payment shall not exceed the amount reasonably necessary to satisfy the need, taking into account the additional compensation that is available to the Participant as the result of cancellation of deferrals to the Plan, including amounts necessary to pay any taxes or penalties that the Participant reasonably anticipates will result from the payment. The amount of the emergency payment shall be subtracted first from the vested portion of the Participant's Retirement/Termination Account until depleted and then from the vested Specified Date Accounts, beginning with the Specified Date Account with the latest payment commencement date. Emergency payments shall be paid in a single lump sum within the 90-day period following the date the payment is approved by the Committee.

- 6.2 Form of Payment.

- (a) *Retirement Benefit.* A Participant who is entitled to receive a Retirement Benefit shall receive payment of such benefit in a single lump sum, unless the Participant elects on his or her initial Compensation Deferral Agreement to have such benefit paid in one of the following alternative forms of payment (i) substantially equal annual installments over a period of two to ten years, as elected by the Participant; or (ii) a lump sum

payment of a percentage of the balance in the Retirement/Termination Account, with the balance paid in substantially equal annual installments over a period of two to ten years, as elected by the Participant.

- (b) *Termination Benefit.* A Participant who is entitled to receive a Termination Benefit shall receive payment of such benefit in a single lump sum. For the avoidance of doubt, Non-Employee Directors are not eligible for Termination Benefits under the Plan.
- (c) *Specified Date Benefit.* The Specified Date Benefit shall be paid in a single lump sum, unless the Participant elects on the Compensation Deferral Agreement with which the account was established to have the Specified Date Account paid in substantially equal annual installments over a period of two to five years, as elected by the Participant.
- (d) *Death Benefit.* A designated Beneficiary who is entitled to receive a Death Benefit shall receive payment of such benefit in a single lump sum.
- (e) *Disability Benefit.* A Participant who is entitled to receive a Disability Benefit shall receive payment of such benefit in a single lump sum, unless the Participant elects on his or her initial Compensation Deferral Agreement to have such benefit paid in accordance with the Payment Schedule for his or her Retirement Benefit.
- (f) *Small Account Balances.* The Committee may, in its sole discretion which shall be evidenced in writing no later than the date of payment, elect to pay the value of the Participant's Accounts upon a Separation from Service in a single lump sum if the balance of such Accounts is not greater than the applicable dollar amount under Code Section 402(g)(1)(B), provided the payment represents the complete liquidation of the Participant's interest in the Plan.
- (g) *Rules Applicable to Installment Payments.* If a Payment Schedule specifies installment payments, annual payments will be made beginning as of the payment commencement date for such installments and shall continue on each anniversary thereof until the number of installment payments specified in the Payment Schedule has been paid. The amount of each installment payment shall be determined by dividing (a) by (b), where (a) equals the Account Balance as of the Valuation Date and (b) equals the remaining number of installment payments.

For purposes of Article VII, installment payments will be treated as a single form of payment. If a lump sum equal to less than 100% of the Retirement/Termination Account is paid, the payment commencement date for the installment form of payment will be the first anniversary of the payment of the lump sum.

6.3 Acceleration of or Delay in Payments. The Committee, in its sole and absolute discretion, may elect to accelerate the time or form of payment of a benefit owed to the Participant hereunder, provided such acceleration is permitted under Treas. Reg. Section 1.409A-3(j)(4). The Committee may also, in its sole and absolute discretion, delay the time for payment of a benefit owed to the Participant hereunder, to the extent permitted under Treas. Reg. Section 1.409A-2(b)(7). If the Plan receives a domestic relations order (within the meaning of Code Section 414(p)(1)(B)) directing that all or a portion of a Participant's Accounts be paid to an "alternate payee," any amounts to be paid to the alternate payee(s) shall be paid in a single lump sum.

6.4 Payments Treated as Made on the Designated Payment Date. Payments made on the payment date specified in the Plan, or on a later date within the same taxable year of the Participant or Beneficiary, or, if later, by the fifteenth (15th) day of the third calendar month following the payment date specified in the Plan shall be treated as having been made on the payment date; provided, however, that the Participant or Beneficiary is not permitted, directly or indirectly, to designate the taxable year of the payment. In addition, payments made no earlier than 30 days before the designated payment date will likewise be treated as having been made on the payment date so long as the Participant or Beneficiary is not permitted, directly or indirectly, to designate the taxable year of the payment. The foregoing shall be administered in compliance with the provisions of Regulation 1.409A-3(d), which Regulation may authorize other instances in which payments made after the payment date shall be treated as having been made on the payment date.

ARTICLE VII

Modifications to Payment Schedules

- 7.1 Participant's Right to Modify. A Participant may modify any or all of the alternative Payment Schedules with respect to an Account, consistent with the permissible Payment Schedules available under the Plan, provided such modification complies with the requirements of this Article VII.
- 7.2 Time of Election. The date on which a modification election is submitted to the Committee must be at least twelve months prior to the date on which payment is scheduled to commence under the Payment Schedule in effect prior to the modification.
- 7.3 Date of Payment under Modified Payment Schedule. Except with respect to modifications that relate to the payment of a Death Benefit or a Disability Benefit, the date payments are to commence under the modified Payment Schedule must be no earlier than five years after the date payment would have commenced under the original Payment Schedule. Under no circumstances may a modification election result in an acceleration of payments in violation of Code Section 409A.
- 7.4 Effective Date. A modification election submitted in accordance with this Article VII is irrevocable upon receipt by the Committee and becomes effective 12 months after such date.
- 7.5 Effect on Accounts. An election to modify a Payment Schedule is specific to the Account or payment event to which it applies, and shall not be construed to affect the Payment Schedules of any other Accounts.
- 7.6 Transition Relief Modifications. Notwithstanding the foregoing, prior to January 1, 2009, the Committee may permit a Participant to modify any or all of the alternative Payment Schedules with respect to an Account, consistent with the permissible Payment Schedules available under the Plan, and without regard to Sections 7.2, 7.3 and 7.4 hereof, provided such modification complies with the requirements of IRS Notice 2007-86.

ARTICLE VIII

Valuation of Account Balances; Investments

- 8.1 Valuation. Deferrals shall be credited to appropriate Accounts on the date such Compensation would have been paid to the Participant absent the Compensation Deferral Agreement. Company Contributions shall be credited to the Retirement/Termination Account at the times determined by the Committee. Valuation of Accounts shall be performed under procedures approved by the Committee.

- 8.2 Earnings Credit. Each Account will be credited with Earnings on each Business Day, based upon the Participant's investment allocation among a menu of investment options selected in advance by the Committee, in accordance with the provisions of this Article VIII ("investment allocation").
- 8.3 Investment Options. Investment options will be determined by the Committee. The Committee, in its sole discretion, shall be permitted to add or remove investment options from the Plan menu from time to time, provided that any such additions or removals of investment options shall not be effective with respect to any period prior to the effective date of such change.
- 8.4 Investment Allocations. A Participant's investment allocation constitutes a deemed, not actual, investment among the investment options comprising the investment menu. At no time shall a Participant have any real or beneficial ownership in any investment option included in the investment menu, nor shall the Participating Employer or any trustee acting on its behalf have any obligation to purchase actual securities as a result of a Participant's investment allocation. A Participant's investment allocation shall be used solely for purposes of adjusting the value of a Participant's Account Balances.
- A Participant shall specify an investment allocation for each of his Accounts in accordance with procedures established by the Committee. Except as otherwise provided by the Committee, the following provisions of this Section 8.4 shall apply to allocations under the Plan. Allocation among the investment options must be designated in increments of 1%. The Participant's investment allocation will become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Committee, the next Business Day.
- A Participant may change an investment allocation on any Business Day, both with respect to future credits to the Plan and with respect to existing Account Balances, in accordance with procedures adopted by the Committee. Changes shall become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Committee, the next Business Day, and shall be applied prospectively.
- 8.5 Unallocated Deferrals and Accounts. If the Participant fails to make an investment allocation with respect to an Account, such Account shall be invested in an investment option, the primary objective of which is the preservation of capital, as determined by the Committee.

ARTICLE IX

Administration

- 9.1 Plan Administration. This Plan shall be administered by the Committee which shall have discretionary authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of this Plan and to utilize its discretion to decide or resolve any and all questions, including but not limited to eligibility for benefits and interpretations of this Plan and its terms, as may arise in connection with the Plan. Claims for benefits shall be filed with the Committee and resolved in accordance with the claims procedures in Article XII.
- 9.2 Administration Upon Change in Control. Upon a Change in Control of the Company (not of a Participating Employer), the Committee, as constituted immediately prior to such Change in Control, shall continue to act as the Committee. The individual who was the Chief Executive Officer of the Company (or if such person is unable or unwilling to act, the next highest ranking officer) prior to the Change in Control shall have the authority (but shall not be obligated) to appoint an independent third party to act as the Committee.
- Upon such Change in Control, the Company may not remove the Committee, unless 2/3rds of the members of the Board of Directors of the Company and a majority of Participants and Beneficiaries with Account Balances consent to the removal and replacement Committee. Notwithstanding the foregoing, neither the Committee nor the officer described above shall have authority to direct investment of trust assets under any rabbi trust described in Section 11.2.
- The Participating Employer shall, with respect to the Committee identified under this Section, (i) pay all reasonable expenses and fees of the Committee, (ii) indemnify the Committee (including individuals serving as Committee) against any costs, expenses and liabilities including, without limitation, attorneys' fees and expenses arising in connection with the performance of the Committee hereunder, except with respect to matters resulting from the Committee's gross negligence or willful misconduct and (iii) supply full and timely information to the Committee on all matters related to the Plan, any rabbi trust, Participants, Beneficiaries and Accounts as the Committee may reasonably require.
- 9.3 Withholding. The Participating Employer shall have the right to withhold from any payment due under the Plan (or with respect to any amounts credited to the Plan) any taxes required by law to be withheld in respect of such payment (or credit). Withholdings with respect to amounts credited to the Plan shall be deducted from Compensation that has not been deferred to the Plan.
- 9.4 Indemnification. The Participating Employers shall indemnify and hold harmless each employee, officer, director, agent or organization, to whom or to which are delegated duties, responsibilities, and authority under the Plan or otherwise with respect to administration of the Plan, including, without limitation, the Committee and its agents, against all claims, liabilities, fines and penalties, and all expenses reasonably incurred by or imposed upon him or it (including but not limited to reasonable attorney fees) which arise as a result of his or its actions or failure to act in connection with the operation and administration of the Plan to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty, or expense is not paid for by liability insurance purchased or paid for by the Participating Employer. Notwithstanding the foregoing, the Participating Employer shall not indemnify any person or organization if his or its actions or failure to act are due to gross negligence or willful misconduct or for any such amount incurred through any settlement or compromise of any action unless the Participating Employer consents in writing to such settlement or compromise.
- 9.5 Delegation of Authority. In the administration of this Plan, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with legal counsel who shall be legal counsel to the Company.
- 9.6 Binding Decisions or Actions. The decision or action of the Committee in respect of any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations thereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

ARTICLE X

Amendment and Termination

- 10.1 Amendment and Termination. The Company may at any time and from time to time amend the Plan or may terminate the Plan as provided in this Article X. Each Participating Employer may also terminate its participation in the Plan.
- 10.2 Amendments. The Company, by action taken by its Board of Directors, may amend the Plan at any time and for any reason, provided that any such amendment shall not reduce the vested Account Balances of any Participant accrued as of the date of any such amendment or restatement (as if the

Participant had incurred a voluntary Separation from Service on such date) or reduce any rights of a Participant under the Plan or other Plan features with respect to Deferrals made prior to the date of any such amendment or restatement without the consent of the Participant. The Board of Directors of the Company may delegate to the Committee the authority to amend the Plan without the consent of the Board of Directors for the purpose of (i) conforming the Plan to the requirements of law, (ii) facilitating the administration of the Plan, (iii) clarifying provisions based on the Committee's interpretation of the document and (iv) making such other amendments as the Board of Directors may authorize.

10.3 Termination. The Company, by action taken by its Board of Directors, may terminate the Plan and pay Participants and Beneficiaries their Account Balances in a single lump sum at any time, to the extent and in accordance with Treas. Reg. Section 1.409A-3(j)(4)(ix). If a Participating Employer terminates its participation in the Plan, the benefits of affected Employees shall be paid at the time provided in Article VI.

10.4 Application of Code Section 409A. The Plan is intended to constitute a plan of deferred compensation that meets the requirements for deferral of income taxation under Code Section 409A. The Committee, pursuant to its authority to interpret the Plan, is to interpret the Plan in a manner so as to comply with Section 409A.

ARTICLE XI

Informal Funding

11.1 General Assets. Obligations established under the terms of the Plan may be satisfied from the general funds of the Participating Employers, or a trust described in this Article XI. No Participant, spouse or Beneficiary shall have any right, title or interest whatever in assets of the Participating Employers. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Participating Employers and any Employee, spouse, or Beneficiary. To the extent that any person acquires a right to receive payments hereunder, such rights are no greater than the right of an unsecured general creditor of the Participating Employer.

11.2 Rabbi Trust. A Participating Employer may, in its sole discretion, establish a grantor trust, commonly known as a rabbi trust, as a vehicle for accumulating assets to pay benefits under the Plan. Payments under the Plan may be paid from the general assets of the Participating Employer or from the assets of any such rabbi trust. Payment from any such source shall reduce the obligation owed to the Participant or Beneficiary under the Plan.

ARTICLE XII

Claims

12.1 Filing a Claim. Any controversy or claim arising out of or relating to the Plan shall be filed in writing with the Committee which shall make all determinations concerning such claim. Any claim filed with the Committee and any decision by the Committee denying such claim shall be in writing and shall be delivered to the Participant or Beneficiary filing the claim (the "Claimant").

(a) *In General.* Notice of a denial of benefits (other than Disability benefits) will be provided within ninety (90) days of the Committee's receipt of the Claimant's claim for benefits. If the Committee determines that it needs additional time to review the claim, the Committee will provide the Claimant with a notice of the extension before the end of the initial ninety (90) day period. The extension will not be more than ninety (90) days from the end of the initial ninety (90) day period and the notice of extension will explain the special circumstances that require the extension and the date by which the Committee expects to make a decision.

(b) *Disability Benefits.* Notice of denial of Disability benefits will be provided within forty-five (45) days of the Committee's receipt of the Claimant's claim for Disability benefits. If the Committee determines that it needs additional time to review the Disability claim, the Committee will provide the Claimant with a notice of the extension before the end of the initial forty-five (45) day period. If the Committee determines that a decision cannot be made within the first extension period due to matters beyond the control of the Committee, the time period for making a determination may be further extended for an additional thirty (30) days. If such an additional extension is necessary, the Committee shall notify the Claimant prior to the expiration of the initial thirty (30) day extension. Any notice of extension shall indicate the circumstances necessitating the extension of time, the date by which the Committee expects to furnish a notice of decision, the specific standards on which such entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and any additional information needed to resolve those issues. A Claimant will be provided a minimum of forty-five (45) days to submit any necessary additional information to the Committee. In the event that a thirty (30) day extension is necessary due to a Claimant's failure to submit information necessary to decide a claim, the period for furnishing a notice of decision shall be tolled from the date on which the notice of the extension is sent to the Claimant until the earlier of the date the Claimant responds to the request for additional information or the response deadline.

(c) *Contents of Notice.* If a claim for benefits is completely or partially denied, notice of such denial shall be in writing and shall set forth the reasons for denial in plain language. The notice shall (i) cite the pertinent provisions of the Plan document and (ii) explain, where appropriate, how the Claimant can perfect the claim, including a description of any additional material or information necessary to complete the claim and why such material or information is necessary. The claim denial also shall include an explanation of the claims review procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse decision on review. In the case of a complete or partial denial of a Disability benefit claim, the notice shall provide a statement that the Committee will provide to the Claimant, upon request and free of charge, a copy of any internal rule, guideline, protocol, or other similar criterion that was relied upon in making the decision.

12.2 Appeal of Denied Claims. A Claimant whose claim has been completely or partially denied shall be entitled to appeal the claim denial by filing a written appeal with a committee designated to hear such appeals (the "Appeals Committee"). A Claimant who timely requests a review of the denied claim (or his or her authorized representative) may review, upon request and free of charge, copies of all documents, records and other information relevant to the denial and may submit written comments, documents, records and other information relevant to the claim to the Appeals Committee. All written comments, documents, records, and other information shall be considered "relevant" if the information (i) was relied upon in making a benefits determination, (ii) was submitted, considered or generated in the course of making a benefits decision regardless of whether it was relied upon to make the decision, or (iii) demonstrates compliance with administrative processes and safeguards established for making benefit decisions. The Appeals Committee may, in its sole discretion and if it deems appropriate or necessary, decide to hold a hearing with respect to the claim appeal.

(a) *In General.* Appeal of a denied benefits claim (other than a Disability benefits claim) must be filed in writing with the Appeals Committee no later than sixty (60) days after receipt of the written notification of such claim denial. The Appeals Committee shall make its decision regarding the merits of the denied claim within sixty (60) days following receipt of the appeal (or within one hundred and twenty (120) days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant prior to the

commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Appeals Committee expects to render the determination on review. The review will take into account comments, documents, records and other information submitted by the Claimant relating to the claim without regard to whether such information was submitted or considered in the initial benefit determination.

- (b) *Disability Benefits.* Appeal of a denied Disability benefits claim must be filed in writing with the Appeals Committee no later than one hundred eighty (180) days after receipt of the written notification of such claim denial. The review shall be conducted by the Appeals Committee (exclusive of the person who made the initial adverse decision or such person's subordinate). In reviewing the appeal, the Appeals Committee shall (i) not afford deference to the initial denial of the claim, (ii) consult a medical professional who has appropriate training and experience in the field of medicine relating to the Claimant's disability and who was neither consulted as part of the initial denial nor is the subordinate of such individual and (iii) identify the medical or vocational experts whose advice was obtained with respect to the initial benefit denial, without regard to whether the advice was relied upon in making the decision. The Appeals Committee shall make its decision regarding the merits of the denied claim within forty-five (45) days following receipt of the appeal (or within ninety (90) days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant prior to the commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Appeals Committee expects to render the determination on review. Following its review of any additional information submitted by the Claimant, the Appeals Committee shall render a decision on its review of the denied claim.
- (c) *Contents of Notice.* If a benefits claim is completely or partially denied on review, notice of such denial shall be in writing and shall set forth the reasons for denial in plain language.

The decision on review shall set forth (i) the specific reason or reasons for the denial, (ii) specific references to the pertinent Plan provisions on which the denial is based, (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, or other information relevant (as defined above) to the Claimant's claim, and (iv) a statement describing any voluntary appeal procedures offered by the plan and a statement of the Claimant's right to bring an action under Section 502(a) of ERISA.

- (d) For the denial of a Disability benefit, the notice will also include a statement that the Appeals Committee will provide, upon request and free of charge, (i) any internal rule, guideline, protocol or other similar criterion relied upon in making the decision, (ii) any medical opinion relied upon to make the decision and (iii) the required statement under Section 2560.503-1(j)(5)(iii) of the Department of Labor regulations.

- 12.4 Legal Action. A Claimant may not bring any legal action, including commencement of any arbitration, relating to a claim for benefits under the Plan unless and until the Claimant has followed the claims procedures under the Plan and exhausted his or her administrative remedies under such claims procedures.

If a Participant or Beneficiary prevails in a legal proceeding brought under the Plan to enforce the rights of such Participant or any other similarly situated Participant or Beneficiary, in whole or in part, the Participating Employer shall reimburse such Participant or Beneficiary for all legal costs, expenses, attorneys' fees and such other liabilities incurred as a result of such proceedings. If the legal proceeding is brought in connection with a Change in Control, or a "change in control" as defined in a rabbi trust described in Section 11.2, the Participant or Beneficiary may file a claim directly with the trustee for reimbursement of such costs, expenses and fees. For purposes of the preceding sentence, the amount of the claim shall be treated as if it were an addition to the Participant's or Beneficiary's Account.

- 12.5 Discretion of Appeals Committee. All interpretations, determinations and decisions of the Appeals Committee with respect to any claim shall be made in its sole discretion, and shall be final and conclusive.

ARTICLE XIII

General Provisions

- 13.1 Anti-assignment Rule. No interest of any Participant, spouse or Beneficiary under this Plan and no benefit payable hereunder shall be assigned as security for a loan, and any such purported assignment shall be null, void and of no effect, nor shall any such interest or any such benefit be subject in any manner, either voluntarily or involuntarily, to anticipation, sale, transfer, assignment or encumbrance by or through any Participant, spouse or Beneficiary. Notwithstanding anything to the contrary herein, however, the Committee has the discretion to make payments to an alternate payee in accordance with the terms of a domestic relations order (as defined in Code Section 414(p)(1)(B)).

The Company may assign any or all of its liabilities under this Plan in connection with any restructuring, recapitalization, sale of assets or other similar transactions affecting a Participating Employer without the consent of the Participant.

- 13.2 No Legal or Equitable Rights or Interest. No Participant or other person shall have any legal or equitable rights or interest in this Plan that are not expressly granted in this Plan. Participation in this Plan does not give any person any right to be retained in the service of the Participating Employer. The right and power of a Participating Employer to dismiss or discharge an Employee is expressly reserved. The Participating Employers make no representations or warranties as to the tax consequences to a Participant or a Participant's beneficiaries resulting from a deferral of income pursuant to the Plan.
- 13.3 No Employment Contract. Nothing contained herein shall be construed as constituting a contract or agreement between an Employee and a Participating Employer or a Non-Employee Director and the Company to the effect that the Employee will be employed by the Employer or continue as a Director of the Company for any specific time..
- 13.4 Notice. Any notice or filing required or permitted to be delivered to the Committee under this Plan shall be delivered in writing, in person, or through such electronic means as is established by the Committee. Notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Written transmission shall be sent by certified mail to:

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing or hand-delivered, or sent by mail to the last known address of the Participant.

- 13.5 Headings. The headings of Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.
- 13.6 Invalid or Unenforceable Provisions. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof and the Committee may elect in its sole discretion to construe such invalid or unenforceable provisions in a manner that conforms to applicable law or as if such provisions, to the extent invalid or unenforceable, had not been included.
- 13.7 Lost Participants or Beneficiaries. Any Participant or Beneficiary who is entitled to a benefit from the Plan has the duty to keep the Committee advised of his or her current mailing address. If benefit payments are returned to the Plan or are not presented for payment after a reasonable amount of time, the Committee shall presume that the payee is missing. The Committee, after making such efforts as in its discretion it deems reasonable and appropriate to locate the payee, shall stop payment on any uncashed checks and may discontinue making future payments until contact with the payee is restored.
- 13.8 Facility of Payment to a Minor. If a distribution is to be made to a minor, or to a person who is otherwise incompetent, then the Committee may, in its discretion, make such distribution (i) to the legal guardian, or if none, to a parent of a minor payee with whom the payee maintains his or her residence, or (ii) to the conservator or committee or, if none, to the person having custody of an incompetent payee. Any such distribution shall fully discharge the Committee, the Company, and the Plan from further liability on account thereof.
- 13.9 Governing Law. To the extent not preempted by ERISA, the laws of the State of Florida shall govern the construction and administration of the Plan.

(Signature Page Follows)

IN WITNESS WHEREOF, the undersigned executed this Plan as of the _____ day of _____, 2008, to be effective as of the Effective Date.

Roper Industries, Inc.

By: _____ (Print Name)

Its: _____ (Title)

(Signature)

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (this "Agreement") dated as of December 29, 2008, is between Brian Jellison (the "Executive") and Roper Industries, Inc., a Delaware corporation (the "Company"). This Agreement amends and restates the Employment Agreement between the parties dated as of November 6, 2001 (the "Original Employment Agreement").

WITNESSETH:

WHEREAS, the Company employs the Executive as its President and Chief Executive Officer under terms and conditions as set forth in the Original Employment Agreement; and

WHEREAS, the Company and the Executive desire to amend and restate the original Employment Agreement for the purposes of complying with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury Regulations and Internal Revenue Service guidance thereunder;

NOW, THEREFORE, the parties agree as follows:

1. **Employment.** The Company hereby employs the Executive, and the Executive hereby accepts employment with the Company, upon the terms and subject to the conditions set forth herein.
2. **Term.** This Agreement commenced on November 1, 2001 (the "Effective Date") and shall continue during the period in which the Executive remains employed by the Company (the "Term"). The Executive shall be considered an at-will employee and his employment may be terminated by either party subject to the obligations of the parties upon such termination as may be set forth hereinafter.
3. **Position.** During the Term, the Executive shall serve as President and Chief Executive Officer of the Company.
4. **Duties and Reporting Relationship.** The Executive shall have duties and responsibilities commensurate with his title and status as President and Chief Executive Officer. He shall at all times be the highest-ranking officer of the Company, reporting to the Board of Directors of the Company (the "Board"). During the Term, the Executive shall, on a full time basis, use the Executive's skills and render services to the best of the Executive's abilities in supervising and conducting the operations of the Company and, except for his continuing to serve as a member of the Board of Directors of Champion Enterprises, Inc and on any committees thereof and as a member of the Board of Directors of Tavant, Inc., the Executive shall not engage in any other business activities except with the prior written approval of the Board or its duly authorized designee. The Executive agrees to be employed by the Company in such capacity for the Term, subject to all the covenants and conditions hereinafter set forth.
5. **Place of Performance.** The Executive shall perform his duties and conduct his business at the principal executive offices of the Company, except for required travel on the Company's business.
6. **Salary and Annual Bonus.**
 - (a) **Base Salary.** The Executive's base salary hereunder shall be \$1,000,000 a year, payable no less frequently than monthly and prorated for any partial year of employment. The Board shall review such base salary at least annually and may increase, but not decrease, such base salary as it may deem advisable.
 - (b) **Annual Bonus.** The Company shall provide the Executive with an opportunity to earn upon achievement of target performance goals established by the Compensation Committee of the Board, an annual bonus of up to one hundred percent (100%) of the Executive's base salary (the "Target Bonus").
7. **Vacation, Holidays and Sick Leave.** During the Term, the Executive shall be entitled to paid vacation, paid holidays and sick leave in accordance with the Company's standard policies for its senior executive officers; provided however, that in no event shall the Executive be entitled to less than four (4) weeks of vacation per year.
8. **Business Expenses.** The Executive shall be reimbursed for all ordinary and necessary business expenses incurred by the Executive in connection with the Executive's employment upon timely submission by the Executive of receipts and other documentation as required by the Internal Revenue Code and in conformance with the Company's normal procedures. Notwithstanding the foregoing, (i) the reimbursements provided in any one calendar year shall not affect the amount of reimbursements provided in any other calendar year; (ii) the reimbursement of an eligible expense shall be made as soon as practicable but no later than December 31 of the year following the year in which the expense was incurred; and (iii) Executive's rights pursuant to this Section 8 shall not be subject to liquidation or exchange for another benefit.
9. **Pension and Welfare Benefits.** During the Term, the Executive shall be eligible to participate fully in all health benefits, insurance programs, pension and retirement plans and other employee benefit and compensation arrangements available to senior executive officers of the Company generally. In addition, the Executive shall be entitled to use a new Company paid automobile and the Company will pay initiation and monthly dues for the Executive at a country club of his choice which is reasonably acceptable to the Board of Directors of the Company. Notwithstanding the foregoing, (i) the Company's payment or reimbursements for the automobile and country club dues provided in any one calendar year shall not affect the amount of such payments or reimbursements provided in any other calendar year; (ii) the reimbursement of an eligible expense shall be made as soon as practicable but no later than December 31 of the year following the year in which the expense was incurred; and (iii) Executive's rights pursuant to this Section 9 shall not be subject to liquidation or exchange for another benefit.
10. **Relocation Benefits.** The Executive shall be entitled to relocation benefits in accordance with the Company's relocation policy. In addition and notwithstanding the relocation policy:
 - (a) The Company shall gross-up any portion of such relocation benefits which are taxable to the Executive for all state, federal and local income taxes based on the Executive's highest marginal income tax rates, which amount shall be considered additional relocation benefits;
 - (b) The Company will pay for the Executive's temporary living expenses for up to six months; and

(c) The Executive will not be obligated to return all relocation benefits unless prior to the first anniversary of the Effective Date, the Executive voluntarily terminates his employment with the Company without Good Reason (as defined below) or is terminated by the Company for Cause (as defined below).

11. Stock Options. On the Effective Date, the Company granted to the Executive, pursuant to the terms of the Company's 2000 Stock Incentive Plan (the "Stock Incentive Plan") and the Company's 1991 Stock Option Plan (the "Stock Option Plan"), options to purchase in the aggregate 200,000 shares of common stock of the Company having an exercise price equal to the fair market value of the Company's common stock as of the Effective Date, all of which have since become vested. In the event the Executive's employment is terminated by the Company without Cause (as defined below) or the Executive resigns with Good Reason (as defined below), then that portion of any option (including any additional options that may be granted to the Executive after the Effective Date) that would have vested at the next anniversary of the Effective Date following the Date of Termination shall be and become fully vested on the Date of Termination and, notwithstanding any provision to the contrary in the applicable Stock Option Agreement, any option held by the Executive to the extent then vested, may be exercised and shall not expire until the earlier of (A) the expiration of the option term as set forth in the Stock Option Agreement or (B) the expiration of the severance period set forth in Section 13(d)(ii). In addition to the grant set forth in this Section, the Board or the Compensation Committee thereof may grant to the Executive such other and additional awards under the Stock Incentive Plan (or any successor plan) as may from time to time be deemed appropriate.

12. Termination of Employment.

(a) General. The Executive's employment hereunder may be terminated only under the circumstances described in this Section 12.

(b) Death or Disability.

(i) The Executive's employment hereunder shall automatically terminate upon the death of the Executive.

(ii) If the Company determines in good faith that Executive has become Disabled (as defined below), the Company may terminate the Executive's employment hereunder for any such incapacity (a "Disability"). Executive shall be Disabled if either of the following conditions is met:

(i) Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or (ii) Executive is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.

(c) Termination by the Company. The Company may terminate the Executive's employment hereunder at any time, whether or not for Cause. For purposes of this Agreement, "Cause" shall mean (i) the continuous and willful failure or refusal by the Executive to perform the Executive's duties hereunder (other than any such failure resulting from the Executive's incapacity due to physical or mental illness), which has not ceased within ten (10) days after a written demand for substantial performance is delivered to the Executive by the Company, which demand identifies with particularity the manner in which the Company believes that the Executive has not performed such duties, (ii) the engaging by the Executive in willful misconduct which is materially injurious to the Company, monetarily or otherwise (including, but not limited to, conduct which violates Section 16 hereof) or an act of moral turpitude which is materially injurious to the Company, monetarily or otherwise (including, but not limited to, conduct which violates Section 16 hereof) or (iii) the conviction of the Executive of, or the entering of a plea of nolo contendere by, the Executive with respect to a felony.

For purposes of this provision, no act or failure to act, on the part of Executive shall be considered "willful" unless it is done, or omitted to be done, by Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board of Directors or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless prior to such termination there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the disinterested membership of the Board of Directors at a meeting of such Board of Directors called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity to be heard before such Board of Directors), finding, that, in the good faith opinion of the Board of Directors, the Executive is guilty of the conduct described in clause (i), (ii) or (iii) above.

(d) Termination by the Executive for Good Reason. The Executive shall be entitled to terminate his employment hereunder for Good Reason. For purposes of this Agreement, "Good Reason" shall mean any one of the following acts by the Company, or failures by the Company to act, unless, in the case of any act or failure to act described below, such act or failure to act is corrected within the 30-day cure period described below or unless Executive has otherwise consented thereto in writing:

(i) any material diminution in the Executive's authorities or responsibilities (including reporting responsibilities) or from his status, title, position or responsibilities (including reporting responsibilities) without the Executive's express written consent to accept any such change; the assignment to him of any duties or work responsibilities which are materially inconsistent with such status, title, position or work responsibilities; or any removal of the Executive from, or failure to reappoint or reelect him to any of such positions, except if any such changes are because of Disability, retirement, death or Cause;

(ii) a more than 10% reduction by the Company in the Executive's base salary or Target Bonus as in effect on the date hereof or as the same may be increased from time to time;

(iii) the relocation of the Executive's office at which the Executive is to perform the Executive's duties, to a location more than fifty (50) miles from the location at which the Executive previously performed the Executive's duties hereunder, except for required travel on the Company's business;

(iv) the failure by the Company to comply with any material provision of this Agreement, which failure has not been cured within thirty (30) days after notice of such noncompliance has been given by the Executive to the Company; or

(v) any purported termination of the Executive's employment by the Company which is not effected pursuant to a Notice of Termination satisfying the requirements of Section 12(f) below.

Notwithstanding the foregoing, none of the events described in clauses (i) through (v) of this Section 12(d) will constitute Good Reason unless the Executive has notified the Company in writing describing the events which constitute Good Reason (which notice must be given no later than ninety (90) days after the initial occurrence of such events) and the Company has failed to cure such events within thirty (30) days after the Company's receipt of such written notice. If an event of Good Reason shall remain uncured within such 30-day cure period, the Executive may resign for such event of Good Reason within a period of twenty-three (23) months after the end of such cure period. Absent further guidance to the contrary, the parties intend, believe and take the position that a

resignation by the Executive for Good Reason as defined above effectively constitutes an involuntary separation from service within the meaning of Section 409A of the Code and Treas. Reg §1.409A-1(n)(2).

(e) Voluntary Resignation. Should the Executive wish to resign from his position with the Company or terminate his employment for other than Good Reason during the Term, the Executive shall give sixty (60) days written notice to the Company ("Notice Period"), specifying the date as of which his resignation is to become effective. During the Notice Period, the Executive shall cooperate fully with the Company in an effort to achieve a smooth transition of the Executive's duties and responsibilities to such person(s) as may be designated by the Company. The Company reserves the right to accelerate the Date of Termination by giving the Executive notice, but the Company shall in that case pay and provide the Executive with all payments and benefits he would otherwise have been entitled to (other than disability benefits) had he remained employed through the end of the Notice Period, including payment of amounts due to the Executive under Section 6(a) and, to the extent applicable, Section 6(b) for the balance of the Notice Period. The Company's obligation to continue to employ the Executive or to continue payment of the amounts described in the preceding sentence shall cease immediately if: (1) the Executive has not satisfied his obligations to cooperate fully with a smooth transition or (2) the Company has grounds to terminate the Executive's employment immediately for Cause. Conversely, if during the Notice Period the Executive comes to have grounds to resign with Good Reason (other than the grounds described in Section 12(d)(i) or, only to the extent related to the matters covered in Section 12(d)(i), Section 12(d)(iv)), then Executive may, by notice, deem the resignation to be with Good Reason, in which case the rights and obligations set forth herein for a Good Reason termination shall govern.

(f) Notice of Termination. Any purported termination of the Executive's employment by the Company or by the Executive shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 19. "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

(g) Date of Termination. "Date of Termination" shall mean (i) if the Executive's employment is terminated because of death, the date of the Executive's death, (ii) if the Executive's employment is terminated for Disability, the date Notice of Termination is given, (iii) if the Executive's employment is terminated pursuant to Subsection (c) or (e) hereof or for any other reason (other than death or Disability, Good Reason or Cause), the date specified in the Notice of Termination which shall not be less than sixty (60) days from the date such Notice of Termination is given, (iv) if the Executive's employment is terminated pursuant to Subsection (c) for reasons of Cause, immediately upon delivery the Notice of Termination, and (v) if the Executive's employment is terminated pursuant to Subsection (d) hereof, the date specified in the Notice of Termination which shall not be less than thirty (30) days from the date such Notice of Termination is given.

(h) Change in Control. For purposes of this Agreement, a Change in Control of the Company shall have occurred if:

(i) any "Person" (as defined in Section 3(a)(9) of the Securities Exchange Act of 1934 (the "Exchange Act") as modified and used in Sections 13(d) and 14(d) of the Exchange Act) other than (1) the Company or any of its subsidiaries, (2) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, (4) any creditor of the Company (but not any transferee of such creditor even if such transferee shall also be a creditor) who is issued shares of the Company's common stock in connection with the implementation of the Company's plan of reorganization which shall be effective as of the Effective Date, or (5) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of the Company's common stock), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 40% of the combined voting power of the Company's then outstanding voting securities;

(ii) during any period of not more than two (2) consecutive years, not including any period prior to the Effective Date, individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i), (iii), or (iv) of this Section 12(h)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) 50% or more of the combined voting power of the voting securities of the Company or such surviving or parent entity outstanding immediately after such merger or consolidation or (B) a merger or consolidation in which no person acquires 40% or more of the combined voting power of the Company's or such surviving or parent entity's then outstanding securities; or

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets or all or substantially all of its and its subsidiaries' assets, taken as a whole, (or any transaction having a similar effect).

(i) Return of Property. When the Executive ceases to be employed by the Company, the Executive will promptly surrender to the Company all Company property, including without limitation, all records and other documents belonging to the Company that were obtained by him or entrusted to him during the course of his employment with the Company provided, however, that the Executive may retain copies of such documents as necessary for the Executive's personal records for federal income tax purposes.

13. Compensation During Disability, Death or Upon Termination.

(a) If the Executive's employment is terminated by his death or Disability, the Company shall pay (i) any base salary due to the Executive under Section 6(a) through the date of such termination, (ii) any earned but unpaid bonus from any prior fiscal year of the Company, (iii) all other unpaid amounts, if any, to which the Executive is entitled as of the Date of Termination under any compensation plan or program of the Company, at the time such payments are due, and (iv) an amount equal to the Target Bonus he would have received for the fiscal year that ends on or immediately after the Date of Termination, assuming the Company achieved the target level for which a bonus is paid under the plan described in Section 6(b), prorated for the period beginning on the first day of the fiscal year in which occurs the Date of Termination through the Date of Termination.

(b) If the Executive's employment is terminated by the Company for Cause or by the Executive for other than Good Reason, the Company shall pay the Executive (i) his base salary through the Date of Termination at the rate in effect at the time Notice of Termination is given, (ii) any earned but unpaid bonus from any prior fiscal year of the Company, and (iii) all other unpaid amounts, if any, to which the Executive is entitled as of the Date of Termination under any compensation plan or program of the Company, at the time such payments are due, and the Company shall have no further obligations to the Executive under this Agreement.

(c) If within one (1) year following a Change in Control, either the Company terminates the Executive's employment without Cause or the Executive terminates his employment for Good Reason, then

(i) the Company shall pay the Executive (I) his base salary through the Date of Termination at the rate in effect at the time Notice of Termination is given, (II) any earned but unpaid bonus from any prior fiscal year of the Company, and (III) all other unpaid amounts, if any, to which the Executive is entitled as of the Date of Termination under any compensation plan or program of the Company, at the time such payments are due;

(ii) in lieu of any further salary or other payments to the Executive for periods subsequent to the Date of Termination, the Company shall pay as liquidated damages to the Executive an aggregate lump sum amount (the "Change in Control Severance Payment") equal to the product of (A) the sum of (1) the Executive's base salary at the rate in effect as of the date the Notice of Termination is given and (2) the greater of (I) the average of the annual bonuses actually paid to the Executive by the Company with respect to the two (2) fiscal years which immediately precede the year in which the Date of Termination occurs (provided if there was a bonus paid to the Executive with respect only to one fiscal year that immediately precedes the year in which the Date of Termination occurs, then such single year's bonus shall be utilized in the calculation pursuant to this subclause (I)) and (II) the bonus the Executive would earn based on the Target Bonus applicable for the year of termination and (B) the number two (2.0);

(iii) the Company shall pay the Executive an amount equal to the prorated Target Bonus (prorated in the same manner set forth in Section 13(a) hereof) that would have been paid for the period beginning on the first day of the fiscal year in which the Date of Termination occurs;

(iv) the Company shall continue coverage for the Executive, on the same terms and conditions as would be applicable if the Executive were an active Employee, under the Company's life insurance, medical, health and similar welfare benefit plans (other than group disability benefits) for a period of twenty-four (24) months after the date of Termination (the "Welfare Benefits Continuation Period"); provided, however, that if the Executive would not be eligible for continued coverage under the Company's group medical plans beyond the applicable period under Code Section 4980B (COBRA), then during the nineteenth (19th) month after the Date of Termination, the Company shall pay to the Executive a lump sum cash payment equal to the applicable monthly premium under COBRA (less the 2% administrative fee and less the active-employee rate for such coverage), multiplied by the number of months remaining in the Welfare Benefits Continuation Period. Benefits otherwise receivable by the Executive pursuant to this Section 13(c)(iv) shall be reduced to the extent comparable benefits are actually received by the Executive from a subsequent employer during the Welfare Benefits Continuation Period, and the Executive shall report to the Company any such benefits actually received by him. During the Welfare Benefits Continuation Period, (I) the benefits provided in any one calendar year shall not affect the amount of benefits provided in any other calendar year (other than the effect of any overall coverage benefits under the applicable plans); (II) the reimbursement of an eligible taxable expense shall be made as soon as practicable but not later than December 31 of the year following the year in which the expense was incurred; and (III) the Executive's rights pursuant to this Section 13(c)(iv) shall not be subject to liquidation or exchange for another benefit;

(v) all options, shares of restricted stock, performance shares and any other equity based awards shall be and become fully vested as of the Date of Termination and, notwithstanding any provision to the contrary in the applicable Stock Option Agreement, any such options may be exercised and shall not expire until the earlier of (I) the expiration of the option term as set forth in the Stock Option Agreement or (II) the second anniversary of the Date of Termination; and

(vi) the payments provided for in this Section 13(c) (other than Section 13(c)(iv)) shall be made (I) on a date determined by the Company that is within thirty (30) days following the Date of Termination or (II) if the Executive is a Specified Employee (as defined in Section 27) on the Date of Termination, on any later date required by Section 27(c) of this Agreement.

(d) If either following the first anniversary of or prior to a Change of Control, the Executive terminates his employment for Good Reason or the Company terminates the Executive's employment without Cause, then

(i) the Company shall pay the Executive (I) his base salary through the Date of Termination at the rate in effect at the time Notice of Termination is given, (II) any earned but unpaid bonus from any prior fiscal year of the Company, and (III) all other unpaid amounts, if any, to which the Executive is entitled as of the Date of Termination under any compensation plan or program of the Company, at the time such payments are due;

(ii) if the Date of Termination occurs after December 31, 2008, then in lieu of any further salary or other payments to the Executive for periods subsequent to the Date of Termination, the Company shall pay as liquidated damages to the Executive an aggregate lump sum amount equal to 24 times the Executive's monthly base salary at the rate in effect as of the date the Notice of Termination is given (the "Non-Change in Control Severance Payment");

(iii) the Company shall pay the Executive his Target Bonus prorated (in the manner set forth in Section 13(a) hereof) for the period beginning on the first day of the fiscal year in which occurs the Date of Termination through the Date of Termination;

(iv) the Company shall continue coverage for the Executive, on the same terms and conditions as would be applicable if the Executive were an active employee, under the Company's life insurance, medical, health, and similar welfare benefit plans (other than group disability) for the Welfare Benefits Continuation Period (as defined in Section 13(c)(iv) above); provided, however, that if the Executive would not be eligible for continued coverage under the Company's group medical plans beyond the applicable period under COBRA, then during the nineteenth (19th) month after the Date of Termination, the Company shall pay to the Executive a lump sum cash payment equal to the applicable monthly premium under COBRA (less the 2% administrative fee and less the active-employee rate for such coverage), multiplied by the number of months remaining in the Welfare Benefits Continuation Period. Benefits otherwise receivable by the Executive pursuant to this Section 13(d)(iv) shall be reduced to the extent comparable benefits are actually received by the Executive from a subsequent employer during the Welfare Benefits Continuation Period, and the Executive shall report to the Company any such benefits actually received by him. During the Welfare Benefits Continuation Period, (I) the benefits provided in any one calendar year shall not affect the amount of benefits provided in any other calendar year (other than the effect of any overall coverage benefits under the applicable plans); (II) the reimbursement of an eligible taxable expense shall be made as soon as practicable but not later than December 31 of the year following the year in which the expense was incurred; and (III) the Executive's rights pursuant to this Section 13(d)(iv) shall not be subject to liquidation or exchange for another benefit; and

(v) the payments provided for in this Section 13(d) (other than Sections 13(d)(ii) and (iv)) shall be made (I) on a date determined by the Company that is within thirty (30) days following the Date of Termination, or (II) if the Executive is a Specified Employee (as defined in Section 27 of this Agreement) on the Date of Termination, on any later date required by Section 27(c).

(e) The Executive shall not be required to mitigate the amount of any payment or benefit provided for in this Section 13 by seeking other employment or otherwise, and, except as provided in Sections 13(c)(iv) and 13(d)(iv) hereof, the amount of any payment or benefit provided for in this Section 13 shall not be reduced by any compensation or benefits earned by the Executive as the result of employment by another employer or by retirement benefits or from any other source.

(f) Release. Prior to making any payment pursuant to Sections 13(d)(ii) and 13(d)(iii), the Company shall have the right to require the Executive to sign, and the Executive hereby agrees to sign, an agreement to be bound by the terms of Section 16 of this Agreement and a waiver, in the form attached hereto as Exhibit A, of all claims the Executive may have (including any claims under the Age Discrimination in Employment Act). The Company shall have no obligation to make any payments pursuant to Sections 13(d)(ii) or 13(d)(iii) if the release (if requested by the Company) has not been signed and the revocation period for such release has not expired on or before the time for commencement of such payment as specified in this Agreement.

14. Representations and Covenants.

(a) The Company represents and warrants that this Agreement has been authorized by all necessary corporate action of the Company and is a valid and binding agreement of the Company enforceable against it in accordance with its terms.

(b) The Executive represents and warrants that he is not a party to any agreement or instrument that would prevent him from entering into or performing his duties in any way under this Agreement. The Executive agrees and covenants that he will obtain, and submit to, such physical examinations as may be necessary to facilitate the Company obtaining an insurance policy for its benefit insuring the life of the Executive.

15. Successors; Binding Agreement.

(a) This Agreement is not assignable by the Company except to a successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, provided that such successor expressly assumes and agrees to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

(b) This Agreement is a personal contract and the rights and interests of the Executive hereunder may not be sold, transferred, assigned, pledged, encumbered, or hypothecated by him, except as otherwise expressly permitted by the provisions of this Agreement. This Agreement shall inure to the benefit of and be enforceable by the Executive and his personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amount would still be payable to him hereunder had the Executive continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to his devisee, legatee or other designee or, if there is no such designee, to his estate.

16. Confidentiality and Non-Competition Covenants.

(a) The Executive covenants and agrees that he will not at any time during or at any time after the end of the Term, directly or indirectly, use for his own account, or disclose to any person, firm or corporation, other than authorized officers, directors and employees of the Company or its subsidiaries, Confidential Information (as hereinafter defined) that is treated as trade secrets by the Company and will not at any time during or for five years following the Date of Termination, directly or indirectly, use for his own account, or disclose to any person, firm or corporation, other than authorized officers, directors and employees of the Company or its subsidiaries, any other Confidential Information. As used herein, "Confidential Information" of the Company means information of any kind, nature or description which is disclosed to or otherwise known to the Executive as a direct or indirect consequence of his association with the Company, which information is not generally known to the public or in the business in which the Company is engaged or which information relates to specific opportunities within the scope of the Company's business which were considered by the Executive or the Company during the term of this Agreement. Confidential Information that is treated as confidential trade secrets by the Company shall include, but not be limited to, strategic operating plans and budgets, policy and procedure manuals, computer programs, financial forms and information, patient or resident lists and accounts, supplier information, accounting forms and procedures, personnel policies, information pertaining to the salaries, positions and performance reviews of the Company's employees, information on the methods of the Company's operations, research and data developed by or for the benefit of the Company and information relating to revenues, costs, profits and the financial condition of the Company. Confidential Information does not include any information that (i) is generally known to the public or the business in which the Company engages other than as a result of unauthorized disclosure by the Executive, (ii) can be discovered, compiled or ascertained by a third party without substantial burden or expense, or (iii) was known to the Executive prior to accepting employment with the Company. During the Term and for a period of two (2) years following the termination of the Executive's employment, the Executive shall not, directly or indirectly, solicit or induce any person who is then an employee of the Company or its subsidiaries to terminate his or her employment by the Company or its subsidiaries in order to obtain employment by any person, firm or corporation affiliated with the Executive and the Executive shall not or cause any other person, firm or corporation affiliated with the Executive to hire any employee of the Company or its subsidiaries or any other person who was an employee of the Company or its subsidiaries within the twelve (12) month period prior to the Executive's Date of Termination.

(b) The Executive covenants and agrees that any information, materials, ideas, discoveries, techniques or programs developed or discovered by the Executive in connection with the performance of his duties hereunder shall remain the sole and exclusive property of the Company and, to the extent it constitutes Confidential Information, shall be subject to the covenants contained in the preceding paragraph.

(c) The Executive covenants and agrees that during the Term and for a period of one (1) years following the termination of the Executive's employment, the Executive shall not, directly or indirectly, own an interest in, operate, join, control, or participate as a partner, director, principal, officer, or agent of, enter into the employment of, or act as a consultant to, in any case in which he has control or supervision over a significant portion of any entity which competes with the Company and whose principal business is designing, manufacturing and distributing specialty industrial controls, fluid handling and analytical instrumentation products. Notwithstanding anything herein to the contrary, the foregoing provisions of this Section 16(c) shall not prevent the Executive from acquiring securities representing not more than 5% of the outstanding voting securities of any publicly held corporation.

(d) Without limiting the right of the Company to pursue all other legal and equitable remedies available for violation by the Executive of the covenants contained in this Section 16, it is expressly agreed by the Executive and the Company that such other remedies cannot fully compensate the Company for any such violation and that the Company shall be entitled to injunctive relief, without the necessity of proving actual monetary loss, to prevent any such violation or any continuing violation thereof. Each party intends and agrees that if in any action before any court or agency legally empowered to enforce the covenants contained in this Section 16, any term, restriction, covenant or promise contained herein is found to be unreasonable and accordingly unenforceable, then such term, restriction, covenant or promise shall be deemed modified to the extent necessary to make it enforceable by such court or agency. The covenants contained in Section 16 shall survive the conclusion of the Executive's employment by the Company.

17. Entire Agreement. This Agreement contains all the understandings between the parties hereto pertaining to the matters referred to herein, and on the Effective Date shall supersede all undertakings and agreements, whether oral or in writing, previously entered into by them with respect thereto. The Executive represents that, in executing this Agreement, he does not rely and has not relied upon any representation or statement not set forth herein made by the Company with regard to the subject matter, bases or effect of this Agreement or otherwise.

18. Amendment or Modification. Waiver. No provision of this Agreement may be amended or waived unless such amendment or waiver is agreed to in writing, signed by the Executive and by a duly authorized officer of the Company. No waiver by any party hereto of any breach by another party hereto of any

condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same time, any prior time or any subsequent time.

19. Notices. Any notice to be given hereunder shall be in writing and shall be deemed given when delivered personally, sent by courier or telecopy or registered or certified mail, postage prepaid, return receipt requested, addressed to the party concerned at the address indicated below or to such other address as such party may subsequently give notice of hereunder in writing:

To Executive at: Brian Jellison
4085 Founders Club Drive
Sarasota, FL 34240

To the Company at: Roper Industries, Inc.
6901 Professional Parkway East
Suite 200
Sarasota FL 34240
Attn: Chairman of the Board of Directors

With a copy to: General Counsel
Roper Industries, Inc.
6901 Professional Parkway East
Suite 200
Sarasota FL 34240

Any notice delivered personally or by courier under this Section 19 shall be deemed given on the date delivered and any notice sent by telecopy or registered or certified mail, postage prepaid, return receipt requested, shall be deemed given on the date telecopied or mailed.

20. Severability. If any provision of this Agreement or the application of any such provision to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstances other than those to which it is so determined to be invalid and unenforceable, shall not be affected thereby, and each provision hereof shall be validated and shall be enforced to the fullest extent permitted by law.

21. Survivorship. The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations.

22. Governing Law: Attorney's Fees.

(a) This Agreement will be governed by and construed in accordance with the laws of the State of Georgia, without regard to its conflicts of laws principles.

(b) The prevailing party in any dispute arising out of this Agreement shall be entitled to be paid its reasonable attorney's fees and litigation expenses incurred in connection with such dispute from the other party to such dispute. If the Executive is awarded the right to recover fees and expenses under this Section 22, the reimbursement of an eligible expense shall be made within ten business days after delivery of Executive's written request for payment accompanied with such evidence of fees and expenses incurred as the Company reasonably may require, but in no event later than March 15 of the year after the year in which such rights are established.

23. Dispute Resolution. The Executive and the Company shall not initiate legal proceedings relating in any way to this Agreement or to the Executive's employment or termination from employment with the Company until thirty (30) days after the party against whom the claim is made ("respondent") receives written notice from the claiming party of the specific nature of any purported claims and the amount of any purported damages attributable to each such claim. The Executive and the Company further agree that if respondent submits the claiming party's claim to the CPR Institute for Dispute Resolution, JAMS/Endispute, or other local dispute resolution service for nonbinding mediation prior to the expiration of such thirty (30) day period, the claiming party may not institute legal proceedings against respondent until the earlier of: (a) the completion of good-faith mediation efforts or (b) 90 days after the date on which the respondent received written notice of the claimant's claim(s); provided, however, that nothing in this Section 23 shall prohibit either party from pursuing injunctive or other equitable relief against the other party in circumstances in which such relief is appropriate, prior to, contemporaneous with, or subsequent to invoking or participating in these dispute resolution processes. In all events, the Company shall pay the cost of the mediator, regardless of whether the dispute was or was not resolved or settled through mediation.

24. Headings. All descriptive headings of sections and paragraphs in this Agreement are intended solely for convenience, and no provision of this Agreement is to be construed by reference to the heading of any section or paragraph.

25. Withholdings. All payments to the Executive under this Agreement shall be reduced by all applicable withholding required by federal, state or local tax laws.

26. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

27. Code Section 409A.

(a) This Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements Section 409A of the Code and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder (and any applicable transition relief under Section 409A of the Code).

(b) Notwithstanding anything in this Agreement to the contrary, to the extent that any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable hereunder, or a different form of payment would be effected, by reason of a Change in Control or the Executive's Disability or termination of employment, such amount or benefit will not be payable or distributable to the Executive, and/or such different form of payment will not be effected, by reason of such circumstance unless (i) the circumstances giving rise to such Change in Control, Disability or termination of employment, as the case may be, meet any description or definition of "change in control event", "disability" or "separation from service", as the case may be, in Section 409A of the Code and applicable regulations (without giving effect to any elective provisions that may be available

under such definition), or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A of the Code by reason of the short-term deferral exemption or otherwise. This provision does not prohibit the *vesting* of any amount upon a Change in Control, Disability or termination of employment, however defined. If this provision prevents the payment or distribution of any amount or benefit, such payment or distribution shall be made on the date, if any, on which an event occurs that constitutes a Section 409A-compliant “change in control event”, “disability” or “separation from service,” as the case, may be, or such later date as may be required by Section 27(c) below.

(c) If the Date of Termination occurs during a period in which the Executive is a “Specified Employee” (as defined below), any portion of the Non-Change in Control Severance Payment or the Change in Control Severance Payment, as the case may be, or any portion of any other payment under Section 13 hereof, that is not excluded from Section 409A of the Code by reason of the exemptions in Treas. Reg. §1.409A-1(b)(4) (short-term deferrals), Treas. Reg. §1.409A-1(b)(9) (separation pay exemptions) or any other applicable exemption or exclusion, shall be delayed in order to comply with Section 409A(a)(2)(B)(i) of the Code, and such payments or benefits shall be paid or distributed to the Executive during the five-day period commencing on the earlier of: (i) the expiration of the six-month period measured from the date of the Executive’s “separation from service”, or (ii) the date of the Executive’s death. Upon the expiration of the applicable six-month period under Section 409A(a)(2)(B)(i) of the Code, all payments deferred pursuant to this Section 27(c) shall be paid to the Executive (or the Executive’s estate, in the event of the Executive’s death) in a lump sum payment. Any remaining payments and benefits due under the Agreement shall be paid as otherwise provided in the Agreement. If any amounts or benefits payable hereunder could qualify for one or more separation pay exemptions described in Treas. Reg. §1.409A-1(b)(9), but such payments in the aggregate exceed the dollar limit permitted for the separation pay exemptions, the Company (acting through its head of human resources or any other designated officer) shall determine which portions thereof will be subject to such exemptions.

For purposes of this Agreement, the term “Specified Employee” has the meaning given such term in Code Section 409A and in Treas. Reg. §1.409A-1(i), including Treas. Reg. §1.409A-1(i)(6) in the case of a corporate transaction described therein), provided, however, that, as permitted in such regulations, the Company’s Specified Employees and its application of the six-month delay rule of Code Section 409A(a)(2)(B)(i) shall be determined in accordance with rules adopted by the Board or a committee thereof, which shall be applied consistently with respect to all nonqualified deferred compensation arrangements of the Company, including this Agreement.

(d) If the parties hereto determine that any payments or benefits payable under this Agreement intended to comply with Sections 409A(a)(2), (3) and (4) of the Code do not comply with Section 409A of the Code, the Executive and the Company agree to amend this Agreement, or take such other actions as the Executive and the Company deem reasonably necessary or appropriate, to comply with the requirements of Section 409A of the Code, the Treasury Regulations thereunder (and any applicable transition relief) while preserving the economic agreement of the parties. If any provision of the Agreement would cause such payments or benefits to fail to so comply, such provision shall not be effective and shall be null and void with respect to such payments or benefits, and such provision shall otherwise remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ROPER INDUSTRIES, INC.

BY: /s/ John Humphrey

NAME: John Humphrey

TITLE: Vice President and Chief Financial Officer

EXECUTIVE

/s/ Brian Jellison

Brian Jellison

**ROPER INDUSTRIES, INC.
DIRECTOR COMPENSATION PLAN**

ROPER INDUSTRIES, INC.
DIRECTOR COMPENSATION PLAN

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**ROPER INDUSTRIES, INC.
DIRECTOR COMPENSATION PLAN**

**ARTICLE 1
PURPOSE**

1.1. **BACKGROUND.** This plan is adopted to formalize the compensation for non-employee directors of the Company. The Committee initially adopted the Roper Industries, Inc. Director Compensation Plan on December 11, 2006, which became effective on that date, and was amended in August 2008 (the "Prior Plan"). The Prior Plan is being amended and restated by the adoption of this Director Compensation Plan (the "Plan").

1.2. **PURPOSE.** The purpose of the Plan is to attract, retain and compensate highly-qualified individuals who are not employees of Roper Industries, Inc. or any of its subsidiaries or affiliates for service as members of the Board by providing them with competitive compensation and an ownership interest in the Stock of the Company. The Company intends that the Plan will benefit the Company and its shareholders by allowing Non-Employee Directors to have a personal financial stake in the Company through an ownership interest in the Stock and will closely associate the interests of Non-Employee Directors with that of the Company's shareholders.

1.3. **ELIGIBILITY.** Non-Employee Directors of the Company who are Eligible Participants, as defined below, shall automatically be participants in the Plan.

**ARTICLE 2
DEFINITIONS**

2.1 **DEFINITIONS.** Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Incentive Plan. Unless the context clearly indicates otherwise, the following terms shall have the following meanings:

(a) "Base Annual Cash Retainer" means the annual cash retainer (excluding Meeting Fees and expenses) payable by the Company to a Non-Employee Director pursuant to Section 5.1 hereof for service as a director of the Company (i.e., excluding any Supplemental Annual Cash Retainer), as such amount may be changed from time to time.

(b) "Cash Dividend Equivalents" has the meaning set forth in Section 6.2(e) of the Plan.

(c) "Deferral Election Deadline" has the meaning set forth in Section 6.2(d) of the Plan.

(d) "Deferred Compensation Plan" means the Roper Industries, Inc. Non-Qualified Retirement Plan, as amended and restated as of January 1, 2009, or any subsequent nonqualified deferred compensation plan in which Non-Employee Directors are permitted to participate and that is designated by the Committee as the Deferred Compensation Plan for purposes of this Plan.

(e) "Deferred RSU Conversion Date" has the meaning set forth in Section 6.2(d) of the Plan.

(f) "Effective Date" of the Plan has the meaning set forth in Section 8.4 of the Plan.

(g) "Eligible Participant" means any person who is a Non-Employee Director on the Effective Date or becomes a Non-Employee Director while this Plan is in effect; except that during any period a director is prohibited from participating in the Plan by his or her employer or otherwise waives participation in the Plan, such director shall not be an Eligible Participant.

(h) "Equity Award" means stock options, restricted stock, restricted stock units, stock appreciation rights, or other awards based on or derived from the Stock which are authorized under the Incentive Plan for award to Non-Employee Directors.

(i) "Incentive Plan" means the Roper Industries, Inc. 2006 Incentive Plan, or any subsequent equity compensation plan approved by the shareholders of the Company and designated by the Committee as the Incentive Plan for purposes of this Plan.

(j) "Meeting Fees" has the meaning set forth in Section 5.3 of the Plan.

(k) "Non-Employee Director" means a director of the Company who is not an employee of the Company or any of its subsidiaries.

(l) "Plan" means this Roper Industries, Inc. Director Compensation Plan, as amended from time to time.

(m) “Plan Year(s)” means the approximate twelve-month periods between annual meetings of the shareholders of the Company, which, for purposes of the Plan, are the periods for which annual retainers are earned.

(n) “Restricted Stock Unit” or “RSU” has the meaning assigned such term in the Incentive Plan. The terms of Restricted Stock Unit awards granted under the Plan are described in Article 6 of the Plan.

(o) “RSU Conversion Date Election Form” has the meaning set forth in Section 6.2(d) of the Plan.

(p) “Secretary” means the Corporate Secretary of the Company.

(q) “Separation from Service” means separation from service for the Company and its Affiliates in all capacities, within the meaning of Section 409A of the Code and any regulations, revenue procedures or revenue rulings applicable to such law.

(r) “Supplemental Annual Cash Retainer” means the annual cash retainer (excluding Meeting Fees and expenses) payable by the Company to a Non-Employee Director pursuant to Section 5.2 hereof, as such amount may be changed from time to time.

(s) “Total Annual Retainer” for any given Non-Employee Director means the Basic Annual Cash Retainer and any Supplemental Annual Cash Retainer to which he or she is entitled under the Plan.

(t) “Vesting Date” has the meaning described in Section 6.2(b).

ARTICLE 3 ADMINISTRATION

3.1. **ADMINISTRATION.** The Plan shall be administered by the Board or the Committee. Subject to the provisions of the Plan, the Board or the Committee shall be authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make all other determinations necessary or advisable for the administration of the Plan. The Board’s or the Committee’s interpretation of the Plan, and all actions taken and determinations made by the Board or the Committee pursuant to the powers vested in it hereunder, shall be conclusive and binding upon all parties concerned including the Company, its shareholders and persons granted awards under the Plan. The Board or the Committee may appoint a plan administrator to carry out the ministerial functions of the Plan, but the administrator shall have no other authority or powers of the Board or the Committee.

3.2. **RELIANCE.** In administering the Plan, the Board or the Committee may rely upon any information furnished by the Company, its public accountants and other experts. No individual will have personal liability by reason of anything done or omitted to be done by the Company or the Board or the Committee in connection with the Plan. This limitation of liability shall not be exclusive of any other limitation of liability to which any such person may be entitled under the Company’s certificate of incorporation or otherwise.

3.3. **INDEMNIFICATION.** Each person who is or has been a member of the Committee or who otherwise participates in the administration or operation of the Plan shall be indemnified by the Company against, and held harmless from, any loss, cost, liability or expense that may be imposed upon or incurred by him or her in connection with or resulting from any claim, action, suit or proceeding in which such person may be involved by reason of any action taken or failure to act under the Plan and shall be fully reimbursed by the Company for any and all amounts paid by such person in satisfaction of judgment against him or her in any such action, suit or proceeding, provided he or she will give the Company an opportunity, by written notice to the Board, to defend the same at the Company’s own expense before he or she undertakes to defend it on his or her own behalf. This right of indemnification shall not be exclusive of any other rights of indemnification to which any such person may be entitled under the Company’s certificate of incorporation, bylaws, contract or Delaware law.

ARTICLE 4 SHARES

4.1. **SOURCE OF SHARES FOR THE PLAN.** Equity Awards that may be issued pursuant to the Plan shall be issued under the Incentive Plan, subject to all of the terms and conditions of the Incentive Plan. The terms contained in the Incentive Plan are incorporated into and made a part of this Plan with respect to Equity Awards granted pursuant hereto, and any such awards shall be governed by and construed in accordance with the Incentive Plan. In the event of any actual or alleged conflict between the provisions of the Incentive Plan and the provisions of this Plan, the provisions of the Incentive Plan shall be controlling and determinative. This Plan does not constitute a separate source of shares for the grant of the equity awards described herein.

ARTICLE 5 CASH COMPENSATION

5.1. **BASIC ANNUAL CASH RETAINER.** Each Eligible Participant shall be paid a Base Annual Cash Retainer for service as a director during each Plan Year. The amount of the Base Annual Cash Retainer shall be established from time to time by the Board or the Committee. The amount of the Basic Annual Cash Retainer is set forth in Schedule I. Unless deferred pursuant to Section 5.5, the Base Annual Cash Retainer shall be payable in approximately equal quarterly installments in advance, beginning on the date of the annual shareholders meeting.

A prorata Base Annual Cash Retainer will be paid to any person who becomes an Eligible Participant on a date other than the beginning of a Plan Year, based on the number of full months he or she serves as a Non-Employee Director during the Plan Year. Unless deferred pursuant to Section 5.5, payment of such prorated Base Annual Cash Retainer shall begin on the date that the person first becomes an Eligible Participant, and shall resume on a quarterly basis thereafter.

5.2. **SUPPLEMENTAL ANNUAL CASH RETAINER.** Certain Eligible Participants shall be paid a Supplemental Annual Cash Retainer for service as chair of a committee of the Board during a Plan Year, payable at the same times as installments of the Base Annual Cash Retainer are paid (including any deferred payment date pursuant to Section 5.5). The amount and recipients of the Supplemental Annual Cash Retainer shall be established from time to time by the Board or the Committee and shall be set forth in Schedule I, as amended from time to time.

A prorata Supplemental Annual Cash Retainer will be paid to any Eligible Participant who is elected by the Board to a position eligible for a Supplemental Annual Retainer, on a date other than the beginning of a Plan Year, based on the number of full months he or she serves in such position during the Plan Year.

5.3. **MEETING FEES.** Each Non-Employee Director shall be paid meeting fees for attending meetings of the Board or its committees (“Meeting Fees”). The amount of the Meeting Fees shall be established from time to time by the Board or the Committee and shall be set forth in Schedule I, as amended from time to time. If a Non-Employee Director attends a Board meeting and a committee meeting on a single day, he or she shall only receive a Meeting Fee for the Board meeting attended. For purposes of this provision, casual or unscheduled conferences among directors shall not constitute an official meeting. Unless deferred pursuant to Section 5.5, Meeting Fees shall be payable on the date of the applicable meeting to which they relate.

5.4. **TRAVEL EXPENSE REIMBURSEMENT.** All Eligible Participants shall be reimbursed for reasonable travel expenses (including spouse’s expenses to attend events to which spouses are invited) in connection with attendance at meetings of the Board and its committees, or other Company functions at which the Chief Executive Officer or Chair of the Board requests the Non-Employee Director to participate.

5.5. **DEFERAL OF CASH COMPENSATION.** An Eligible Participant may elect to defer some or all of his or her Total Annual Retainer, Meeting Fees and/or Cash Dividend Equivalents pursuant to the terms of the Deferred Compensation Plan. Any such deferrals shall be subject to the election timing and distributions rules set forth in the Deferred Compensation Plan.

ARTICLE 6 EQUITY COMPENSATION

6.1. **EQUITY AWARDS.** Under the Prior Plan, Eligible Participants were granted annual awards of Restricted Stock pursuant to the Incentive Plan. The Committee is authorized to amend this Plan from time to time to award other types of Equity Awards. Beginning with Plan Year 2009, until otherwise determined by the Committee, Equity Awards shall be made hereunder in the form of Restricted Stock Units (“RSUs”) as provided hereafter in this Article 6.

6.2. **RESTRICTED STOCK UNITS** Subject to share availability under the Incentive Plan, each Eligible Participant shall receive an award of RSUs on the day following the Annual Meeting of Shareholders held in that year (beginning with the 2009 Annual Meeting of Shareholders); provided, however, the date of grant of any prorata award shall be made on or as soon as practicable after the date that the grantee first becomes an Eligible Participant (“Annual RSUs”). Annual RSUs shall have the following terms and conditions:

(a) **Number of Annual RSUs.** The number of Annual RSUs to be granted shall be established from time to time by the Board or the Committee and shall be set forth in Schedule I, as amended from time to time. A prorata Annual RSU award will be granted to any person who becomes an Eligible Participant on a date other than the beginning of a Plan Year, based on the number of full months he or she serves as an Eligible Participant during the Plan Year, rounded to the next highest whole share.

(b) **Vesting.** The Annual RSUs shall be credited to a bookkeeping account on behalf of the grantee on the date of grant and shall vest on the applicable date provided below (the “Vesting Date”). Unless and until provided otherwise by the Board or the Committee, the Annual RSUs shall vest as to fifty percent (50%) of the RSUs on the six (6) month anniversary of the date of grant and as to the remaining fifty percent (50%) on the day prior to the Annual Meeting of Shareholders held in the year following the date of grant; provided, however, that any prorata award of Annual RSUs granted to a person who becomes an Eligible Participant on a date other than the beginning of a Plan Year shall vest as to fifty percent (50%) of the RSUs on earlier of the six (6) month anniversary of the date of grant or the day prior to the first Annual Meeting of Shareholders after the date of grant, and as to the remaining fifty percent (50%) on the day prior to the first Annual Meeting of Shareholders after the date of grant.

Notwithstanding the foregoing, the Annual RSUs shall become fully vested on the earlier occurrence of (i) the termination of grantee’s service as a director of the Company due to death or Disability; or (ii) the occurrence of a Change in Control. If the grantee’s service as a director of the Company (whether or not in a Non-Employee Director capacity) terminates other than as described in clause (i) of the foregoing sentence, then the grantee shall forfeit all of his or her right, title and interest in and to any unvested RSUs as of the date of such termination from the Board, such RSUs shall be reconveyed to the Company without further consideration or any act or action by the grantee, and such RSUs shall not be converted to Stock.

(c) **Conversion to Stock.** Each Annual RSU represents the right to receive one share of Stock on a date that is on or after the Vesting Date (the “Conversion Date”). Unless the grantee has made a timely deferral election in accordance with Section 6.2(d), the Conversion Date for the Annual RSUs shall be the Vesting Date.

(d) **Deferral of Conversion of RSUs.** On or before December 31 of each year, or in the case of a Non-Employee Director becoming an Eligible Participant for the first time, within thirty (30) days after he or she first becomes an Eligible Participant (as applicable, the “Deferral Election Deadline”), each Eligible Participant may, by filing with the Secretary an election form in such form as the Secretary shall prescribe which shall be set forth in Schedule II hereto (the “RSU Conversion Date Election Form”), elect to defer the conversion of his Annual RSUs to be granted in the next Plan Year to any of the following dates;

provided such date is after the Vesting Date for the RSUs (the “Deferred RSU Conversion Date”): (i) the date that the Non-Employee Director incurs a Separation from Service for any reason, (iii) the earlier of (A) a date certain specified by the Non-Employee Director, or (B) the date that the Non-Employee Director incurs a Separation from Service for any reason, or (iii) the earlier of (A) a date certain specified by the Non-Employee Director, or (B) the fifth anniversary of the date that the Non-Employee Director incurs a Separation from Service for any reason. If an Eligible Participant makes a deferral election under this Section 6.2(d) for any Plan Year and does not revoke such election before the Deferral Election Deadline for a subsequent Plan Year, such election shall remain in effect for each such subsequent Plan Year unless and until the Eligible Participant shall timely file a new RSU Conversion Date Election Form with the Secretary for a subsequent Plan Year or shall indicate to the Secretary in writing before the next Deferral Election Deadline that he or she desires to revoke any outstanding RSU deferral election with respect to future Plan Years. Shares of Stock will be registered on the books of the Company in the Non-Employee Director’s name as of the Conversion Date. Such Shares of Stock will remain in uncertificated, book-entry form unless the Non-Employee Director requests a stock certificate or certificates for the Shares.

(e) Dividend Equivalents. If and when cash dividends or other cash distributions are paid with respect to the Stock while the RSUs are outstanding, the dollar amount such dividends or distributions with respect to the number of shares of Stock then underlying the RSUs shall be payable to the holder of the RSUs (“Cash Dividend Equivalents”). Unless deferred pursuant to Section 5.5, Cash Dividend Equivalents will be payable to the holder of the RSUs as of the date such dividends or distributions were payable to shareholders. If and when any such dividends or distributions are paid in shares of Stock, the Fair Market Value of such shares of Stock shall be converted into additional RSUs, which shall be subject to the same forfeiture restrictions, restrictions on transferability, and conversion terms as apply to the RSUs with respect to which they were paid.

(f) Other Shareholder Rights. Non-Employee Directors shall not have voting or any other rights as a shareholder of the Company with respect to the RSUs. Upon conversion of the RSUs into shares of Stock at the Conversion Date or any applicable Deferred RSU Conversion Date, the Non-Employee Director will obtain full voting and other rights as a shareholder of the Company.

(g) Other Plan Conditions. To the extent not specified herein, the Annual RSUs granted hereunder shall be subject to the terms and conditions of the Incentive Plan.

6.3. AWARD CERTIFICATES. All Equity Awards granted pursuant to this Plan shall be evidenced by a written award certificate, which shall include such provisions, not inconsistent with the Plan or the Incentive Plan, as may be specified by the Committee. The form of award certificates shall be set forth on Schedule III hereof, as amended from time to time.

6.4. ADJUSTMENTS. The adjustment provisions of the Incentive Plan shall apply with respect to awards of Equity Awards granted pursuant to this Plan.

6.5. TAX MATTERS. Article 6 of the Plan is intended to be a nonqualified, unfunded plan of deferred compensation under the Code. A participant shall have the status of a general unsecured creditor of the Company with respect to his or her right to receive Stock or other payment upon settlement of the Equity Award granted under the Plan. None of the benefits, payments, proceeds or distributions under Article 6 of the Plan shall be subject to the claim of any creditor of any participant or beneficiary, or to any legal process by any creditor of such participant or beneficiary, and none of them shall have any right to alienate, commute, anticipate or assign any of the benefits, payments, proceeds or distributions under Article 6 of the Plan except to the extent expressly provided herein to the contrary.

ARTICLE 7 AMENDMENT, MODIFICATION AND TERMINATION

7.1. AMENDMENT, MODIFICATION AND TERMINATION. The Board or the Committee may, at any time and from time to time, amend, modify or terminate the Plan without shareholder approval; provided, however, that if an amendment to the Plan would, in the reasonable opinion of the Board or the Committee, require shareholder approval under applicable laws, policies or regulations or the applicable listing or other requirements of a securities exchange on which the Stock is listed or traded, then such amendment shall be subject to shareholder approval; and provided further, that the Board or the Committee may condition any other amendment or modification on the approval of shareholders of the Company for any reason. Modification of Equity Awards granted under this Plan shall be subject to the provisions of the Incentive Plan.

ARTICLE 8 GENERAL PROVISIONS

8.1 ADJUSTMENTS. The adjustment provisions of the Incentive Plan shall apply with respect to awards of Restricted Stock or other equity awards outstanding or to be granted pursuant to this Plan.

8.2 DURATION OF THE PLAN. The Plan shall remain in effect until terminated by the Board or the Committee.

8.3 EXPENSES OF THE PLAN. The expenses of administering the Plan shall be borne by the Company.

8.4 EFFECTIVE DATE. The Plan was originally adopted by the Committee on December 11, 2006, and became effective on that date (the “Effective Date”).

The foregoing is hereby acknowledged as being the Roper Industries, Inc. Amended and Restated Director Compensation Plan adopted by the Committee on December 29, 2008.

ROPER INDUSTRIES, INC.

By: /s/ Brian D. Jellison
 Brian D. Jellison
 Chairman of the Board, President and Chief Executive Officer

SCHEDULE I

DIRECTOR COMPENSATION SCHEDULE

The following shall become effective as of January 1, 2009

Basic Annual Cash Retainer (all Directors): \$42,000

Supplemental Annual Cash Retainers:

Chair of Audit Committee: \$5,000

Chair of Compensation Committee: \$5,000

Chair of Nominating and Corporate Governance Committee: \$5,000

Meeting Fees:

Board meeting, attendance in person: \$2,000

Board meeting at which minutes are kept, attendance by telephone: \$1,000

Annual Award of Restricted Stock Units:

4,000 shares

SI-

SCHEDULE II

DIRECTOR ELECTION

AS TO CONVERSION DATE FOR ANNUAL RESTRICTED STOCK UNITS ("RSUs")

The following constitutes the irrevocable election of the undersigned under the Roper Industries, Inc. Director Compensation Plan (the "Plan") with respect to the undersigned's Annual RSUs to be received at the annual shareholders meeting in 2009 and in any future Plan Year for which I have not, before the Deferral Election Deadline for such Plan Year, either (i) revoked this RSU Conversion Date Election Form, or (ii) filed a different RSU Conversion Date Election Form. Capitalized terms used herein and not otherwise defined have the meanings assigned such terms in the Plan.

I hereby elect the following as the Conversion Date for the RSUs that may become vested *[the Conversion Date is the date upon which the Restricted Stock Units will be converted to shares of Stock and become taxable to you]*:

Indicate a percentage after one or more of the following (not to exceed 100% in the aggregate):

_____ The Vesting Date.

_____ The date of my Separation from Service from the Company for any reason.

_____ The earlier of (i) the following date: _____ *[insert any specific future date, but not earlier than one year from the date of grant]*, or (ii) the date of my Separation from Service from the Company for any reason.

_____ The earlier of (i) the following date: _____ *[insert any specific future date, but not earlier than one year from the date of grant]*, or (ii) the fifth anniversary of the date of my Separation from Service from the Company for any reason.

Executed this _____ day of December, 2008.

[NAME OF DIRECTOR]

SCHEDULE III

Form of RSU Certificate

**RESTRICTED STOCK UNIT AWARD CERTIFICATE
for Non-Employee Directors**

Non-transferable
GRANT TO

(“Grantee”)

by Roper Industries, Inc. (the “Company”) of

[_____]

restricted stock units convertible into shares of its common stock, par value \$0.01 (the “Units”)

pursuant to and subject to the provisions of the Roper Industries, Inc. Director Compensation Plan (the “Director Compensation Plan”), which is operated as a subplan of the Roper Industries, Inc. Amended and Restated 2006 Incentive Plan (the “Incentive Plan” and, together with the Directors Compensation Plan, the “Plans”), and to the terms and conditions set forth on the following page. Unless vesting is accelerated in accordance with the Plans, the Units shall vest (become non-forfeitable) in accordance with the following schedule:

Continuous Service as a Director from Grant Date to:	Percent of Units Vested
6-month anniversary of the Grant Date	50%
1 day prior to the next annual meeting of shareholders of the Company	100%

IN WITNESS WHEREOF, Roper Industries, Inc. has caused this Certificate to be executed as of the Grant Date, as indicated below.

ROPER INDUSTRIES, INC.

By: _____

Its: Authorized Officer

Grant Date: _____

TERMS AND CONDITIONS

1. Grant of Units. The Company hereby grants to the Grantee named on page 1 hereof, subject to the restrictions and the terms and conditions set forth in the Plans and in this award certificate (this "Certificate"), the number of restricted stock units indicated on page 1 hereof (the "Units") which represent the right to receive an equal number of Shares of the Company's Stock on the terms set forth in this Certificate. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plans.

2. Vesting of Units. The Units have been credited to a bookkeeping account on behalf of Grantee. The Units will vest and become non-forfeitable on the earliest to occur of the following (the "Vesting Date"):

- (a) as to the percentages of the Units specified on page 1 hereof, on the dates specified on page 1 hereof; provided Grantee is then still a director of the Company on such date, or
- (b) as to all of the Units, upon Grantee's Separation from Service due to death or Disability, or
- (c) as to all of the Units, upon the occurrence of a Change in Control.

If Grantee's service as a director terminates prior to the Vesting Date for any reason other than as described in (b) above, Grantee shall forfeit all right, title and interest in and to the unvested Units as of the date of such termination, the Units will be reconveyed to the Company without further consideration or any act or action by Grantee, and the Units will not be converted to Stock for Grantee.

3. Conversion to Stock. Unless the Units are forfeited prior to the Vesting Date as provided in Paragraph 2, the vested Units will be converted to actual shares of Stock on SELECT ONE BASED ON THE PRE-GRANT ELECTION OF THE DIRECTOR: [the Vesting Date] [the date of Grantee's Separation from Service for any reason] [the earlier of _____, 20__ or the date of Grantee's Separation from Service for any reason] [the earlier of _____, 20__ or the fifth anniversary of the date of Grantee's Separation from Service for any reason] (the "Conversion Date"). Shares of Stock will be registered on the books of the Company in Grantee's name as of the Conversion Date and will remain in uncertificated, book-entry form unless Grantee requests a stock certificate or certificates for the Shares.

4. Dividend Equivalents. Grantee shall be entitled to receive cash payments with respect to each Unit equal to any cash dividends and other distributions paid with respect to a share of Stock, provided that if any such dividends or distributions are paid in shares of Stock, the Fair Market Value of such shares of Stock shall be converted into additional restricted stock units, which shall be subject to the same forfeiture restrictions, restrictions on transferability, and conversion terms as apply to the Units with respect to which they were paid.

5. Rights as Shareholder. The Units do not confer to Grantee any rights of a shareholder of the Company unless and until shares of Stock are in fact registered in connection with the Units. Grantee shall not have voting or any other rights as a shareholder of the Company with respect to the Units. Upon conversion of the Units into shares of Stock, Grantee will obtain full voting and other rights as a shareholder of the Company.

6. Changes in Capital Structure. The provisions of Article 15 of the Incentive Plan shall apply to this award and are incorporated herein by reference. Without limiting the foregoing, in the event the Stock shall be changed into or exchanged for a different number or class of shares of stock or securities of the Company or of another company, whether through reorganization, recapitalization, statutory share exchange, reclassification, stock split-up, combination of shares, merger or consolidation, or otherwise, there shall be substituted for each share of Stock then underlying a Unit subject to this Certificate the number and class of shares into which each outstanding share of Stock shall be so exchanged.

7. Restrictions on Transfer and Pledge. No right or interest of Grantee in the Units may be pledged, hypothecated or otherwise encumbered to or in favor of any party other than the Company or an Affiliate, or be subjected to any lien, obligation or liability of Grantee to any other party other than the Company or an Affiliate. Units are not assignable or transferable by Grantee other than by will or the laws of descent and distribution.

8. No Right to Continued Service. Nothing in this Certificate shall interfere with or limit in any way the right of the Company to terminate Grantee's service as a director at any time, nor confer upon Grantee any right to continue as a director of the Company.

9. Amendment. The Committee may amend, modify or terminate this Certificate without approval of Grantee; provided, however, that such amendment, modification or termination shall not, without Grantee's consent, reduce or diminish the value of this Award determined as if it had been fully vested and settled on the date of such amendment or termination.

10. Plans Control. The terms contained in the Plans are incorporated into and made a part of this Certificate and this Certificate shall be governed by and construed in accordance with the Plans. In the event of any actual or alleged conflict between the provisions of the Plans and the provisions of this Certificate, the provisions of the Plans shall be controlling and determinative. In the event of any actual or alleged conflict between the provisions of the two Plans, the provisions of the Incentive Plan shall be controlling and determinative.

11. Notice. Notices and communications under this Certificate must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to Roper Industries, Inc., 6901 Professional Parkway East, Suite 200, Sarasota, Florida 34240; Attention: Corporate Secretary, or any other address designated by the Company in a written notice to Grantee. Notices to Grantee will be directed to the address of Grantee then currently on file with the Company, or at any other address given by Grantee in a written notice to the Company.



Roper Industries, Inc.

2160 Satellite Blvd., Suite 200
Duluth, GA 30097

July 21, 2005

Mr. David B. Liner
2221 Bloomfield Woods Ct.
West Bloomfield, MI 48323

Re: Offer Letter of Employment

Dear David:

This letter is to confirm our offer of employment to join Roper Industries Inc. ("Roper" or the "Company") as Vice President, General Counsel and Secretary. You will report to the undersigned. We have agreed that you will join the Company on August 1, 2005.

Compensation:

- Your annual base salary will be \$300,000. Your performance will be measured and reviewed as of December 31 of each year starting December 31, 2005, at which time you will be eligible for a salary review.
- You will be eligible for a 2005 incentive bonus of up to 100% of your annual base salary, pro-rated for the time you were with the Company in 2005.
- You will be eligible to participate in the Roper Stock Option program. You will receive 6,000 options at time of hire. Such options will vest in equal installments over three years.
- You will be eligible to receive restricted stock awards. You will receive 4,000 restricted shares at time of hire. The shares will vest on a 3-year cliff vesting schedule.
- You will receive an amount equal to one month's base salary within 30 days of your start date.
- If your employment is terminated by Roper without "cause" (as hereinafter defined) or due to your death or permanent disability prior to the 3rd anniversary of your start date, these options and shares will immediately vest on the termination date.

Employee Benefits:

- You will be eligible for all Company employee benefits available to Roper's corporate officers including disability, health, dental, vision, life insurance, a 401-K Plan (subject to its six-month waiting period) under which the Company would make base and matching contributions of up to 7-1/2% of your salary and a non-qualified deferred compensation plan (no waiting period). Details of these and other benefits will be provided in materials that will be sent to you. Coverage will commence on your start date with Roper to the extent permitted under the applicable plans.
- Customary vacation, holidays and sick leave and business expense reimbursement, including expenses relating to bar association memberships and the cost of continuing legal education.
- An Executive Financial Planning allowance will be provided for an advisor of your choice with accreditations: CPA, CFA or JD.

Auto Car Allowance:

- Roper will lease an automobile of your choice for your use under its corporate officer program.

Relocation:

- Roper will reimburse (and gross up) the customary moving and relocation expenses you incur at the time of your relocation and will provide reasonable temporary accommodations per Roper's policy for corporate officers until your relocation. If you decide to keep your current home in Michigan, the Company will consider, at my sole discretion, making a cash payment to you to help defray the cost of setting up a new residence near our corporate office, provided, however, that such payment, if any, will not exceed the amount that you otherwise would have received if you had sold your home in Michigan and moved your belongings.

Severance:

- If Roper terminates your employment without cause (as used herein, "cause" shall mean your commission of any crime involving the funds or the assets of the Company, your willful breach of the Company's ethical and other policies and guidelines of conduct applicable to you, your personal conduct or misbehavior which is substantially detrimental or threatening to the reputation, prospects, welfare or security of the Company, or your continued non-performance of duties in the manner requested by the Chief Executive Officer after written notice thereof), you will be entitled to receive one year's severance (monthly installments) equal to your then-current monthly base salary and annual bonus, plus 1 year of medical benefit coverage.

Change of Control:

- If a “change of control” occurs, all stock options, shares of restricted stock, and any other equity-based awards held by you which are described in this letter will become fully vested on the date of such change of control. As used herein, “change of control” shall mean that the control of the majority interest in Roper’s common stock passes to a single individual or entity (including related parties) or that Roper merges with another unrelated company and the shareholders of that other company control more than 50% of the common stock of the merged entity.

David, we look forward to you joining the Roper team.

Sincerely yours,

Accepted by:

/s/ Brian D. Jellison

Brian D. Jellison
Chairman, President & CEO

/s/ David B. Liner

David B. Liner

Date: _____

ROPER INDUSTRIES, INC.
409A Amendments to the Offer Letter of Employment with John Humphrey

This Amendment to the Offer Letter of Employment Agreement dated as of March 31, 2006 (the "Offer Letter") between Roper Industries, Inc. (the "Company") and John Humphrey ("Executive") is made this 30th day of December 2008.

The Company and Executive have determined that it is in their best interests to amend the Offer Letter to include special provisions intended to ensure compliance with Internal Revenue Code Section 409A relating to deferred compensation. In consideration of the mutual covenants contained herein and the continued employment of Executive by the Company, the parties agree as follows:

1. The paragraph entitled "Severance" in the Offer Letter is hereby amended by deleting the words "you will be entitled to receive one year's severance (monthly installments) equal to your then-current monthly base salary plus 1 year of medical benefit coverage" and replacing the same with the following:

"you will be entitled to receive one year's severance equal to your then-current annual base salary plus 1 year of medical benefit coverage. Unless a delayed payment date is required under "Section 409A Compliance" below, such severance payment shall be paid in a lump sum no later than March 15 of the year after the year in which your employment is terminated without cause."

2. The Offer Letter is hereby amended by adding the following paragraphs:

"Section 409A Compliance:

- o This Offer Letter shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements Section 409A of the Internal Revenue Code (the "Code") and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder (and any applicable transition relief under Section 409A of the Code).
- o Notwithstanding anything in this Offer Letter to the contrary, to the extent that any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable hereunder by reason of a change of control or your termination of employment, such amount or benefit will not be payable or distributable to you by reason of such circumstance unless (i) the circumstances giving rise to such change of control or termination of employment, as the case may be, meet any description or definition of "change in control event" or "separation from service", as the case may be, in Section 409A of the Code and applicable regulations (without giving effect to any elective provisions that may be available under such definitions), or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A of the Code by reason of the short-term deferral exemption or otherwise. This provision does not prohibit the *vesting* of any amount upon a change of control or termination of employment, however defined. If this provision prevents the payment or distribution of any amount or benefit, such payment or distribution shall be made on the date, if any, on which an event occurs that constitutes a Section 409A-compliant "change in control event" or "separation from service," as the case may be, or such later date as may be required by the following paragraph.
- o If any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable under this Offer Letter by reason of your separation from service during a period in which you are a "specified employee" (as defined in Code Section 409A and applicable regulations), then payment or commencement of such non-exempt amounts or benefits shall be delayed until the earlier of your death or the first day of the seventh month following your separation from service."
- o To the extent that your are entitled to be paid or reimbursed for any expenses under this Offer Letter (i.e., reimbursement of business expenses, provision of automobile or allowance, club dues and expenses, financial planning services and similar reimbursements) the amount reimbursable in any one calendar year shall not affect the amount reimbursable in any other calendar year, and the reimbursement of an eligible expense shall be made within thirty (30) days after delivery of your respective written requests for payment accompanied with such evidence of fees and expenses incurred as the Company reasonably may require, but in any event no later than December 31 of the year after the year in which the expense was incurred. Your rights to payment or reimbursement of any expenses incurred during your employment pursuant to this Offer Letter shall expire no later than December 31 of the year in which you terminate employment and shall not be subject to liquidation or exchange for another benefit."

3. Except as expressly amended hereby, the terms of the Offer Letter shall be and remain unchanged and the Offer Letter as amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF, the Company and Executive have caused this Amendment to be duly executed.

ROPER INDUSTRIES, INC.

By: /s/ Brian D. Jellison
 Brian D. Jellison, Chairman, President and CEO

 /s/ John Humphrey
 John Humphrey

Roper Industries, Inc.
Subsidiary List

Name of Subsidiary	Jurisdiction of Incorporation/Organization
3089554 Nova Scotia Inc.	Canada
4370007 Canada, Inc.	Canada
Abel Equipos, S.A.	Spain
Abel GmbH & Co KG	Germany
Abel Pumpen GmbH	Germany
Abel Pumps, L.P.	Delaware
AC Analytical Control Services B.V	Netherlands
AC Analytical Controls Asia Pacific PTE Ltd.	Shanghai
AC Analytical Controls B.V.	Netherlands
AC Analytical Controls Holding	Korea
AC Analytical Controls Holding B.V.	Netherlands
Acton Research Corporation	Delaware
Alpha Holdings of Delaware 1, LLC	Delaware
Alpha Holdings of Delaware 11, LLC	Delaware
Alpha Technologies B.V.	Netherlands
Alpha Technologies Japan LLC	Delaware
Alpha Technologies S.R.O.	Czech Republic
Alpha Technologies Services, LLC	Delaware
Alpha Technologies UK Ltd.	United Kingdom
Alpha UK Holdings LLC	Delaware
Amot Controls Corporation	Delaware
Amot Controls GmbH	Germany
Amot/Metrix Investment Company	Delaware
Amtech Systems (Hong Kong), Limited	Hong Kong
Amtech Systems LLC	Delaware
Amtech World Corporation	Delaware
CBORD Group, Inc.	Delaware
CBORD Holding Corp.	Delaware
CCC Services, Inc.	Delaware
Chalwyn Ltd.	United Kingdom
Civco Holding, Inc.	Delaware
Civco Medical Instruments Co., Inc.	Iowa
Colorado MEDTEC LLC	Colorado
Compressor Controls (Beijing) Corporation Ltd.	Beijing
Compressor Controls B.V.	Netherlands
Compressor Controls Corporation (a Delaware Corporation) d/b/a in Iowa as Compressor Controls - CIS/EE)	Delaware
Compressor Controls Corporation (an Iowa Corp)	Iowa
Compressor Controls Corporation Middle East	Delaware
Compressor Controls Corporation S.r.l.	Italy
Compressor Corporation Corporation Mauritius Ltd.	Mauritius
Cornell Pump Company	Delaware
Cornell Pump Europe GmbH	Germany
Cruden Bay Limited	United Kingdom
DAP Technologies Corp.	Delaware
DAP Technologies Limited	United Kingdom
DAP Technologies SARL	France
DAP Technologies, Ltd.	Canada
Dynamic Instruments, Inc.	California
Dynisco (UK) Ltd.	United Kingdom
Dynisco B.V.	Netherlands
Dynisco Enterprises GmbH	Germany
Dynisco Enterprises LLC	Delaware
Dynisco Europe GmbH	Germany
Dynisco Europe Holdings 11, B.V.	Netherlands
Dynisco Instruments LLC	Delaware
Dynisco Instruments SARL	France
Dynisco LLC	Delaware
Dynisco Parent, Inc.	Delaware
Dynisco Polymer Test, Inc.	Pennsylvania
Dynisco S.R.L.	Italy
Dynisco SPOL, SRO	Czech Republic
Dynisco –Viatran (M) Sdn Bhd	Malaysia
Dynisco Viatran LLC	Delaware
Dynisco-Viatran Instruments Sdn Bhd	Malaysia
Eclipse Laboratory Automation BV	Holland
Fluid Metering, Inc.	Delaware
FTI Flow Technology, Inc.	Delaware
Gatan GmbH	Germany

Gatan Service Corporation	Pennsylvania
Gatan, Inc.	Pennsylvania
Getloaded Acquisition Corp.	Delaware
Hansen Technologies Corporation	Illinois
Hansen Technologies Europe GmbH.	Germany
Harbour Holding Corp.	Delaware
Hardy Instruments, Inc.	California
Horizon Software International, LLC	Georgia
Imager Labs	California
Inovonics Corporation	Colorado
Integrated Designs L.P.	Delaware
IntelliTrans Canada Ltd.	Canada
IntelliTrans Limited	United Kingdom
IntelliTrans, LLC	Delaware
ISL Holdings, S.A.S.	France
ISL Investissement SARL	France
ISL Scientifique de Laboratoire - ISL, S.A.S.	France
IT Canada Holdings LLC	Delaware
K/S Roper Finance	Denmark
Law 1059 Limited	United Kingdom
Logitech Limited	United Kingdom
Lumenera Corporation	Canada
Lumenera, Inc.	Delaware
Marumoto Struers KK	Japan
Media Cybernetics Inc.	Delaware
MEDTEC S.A.R.L.	France
MEDTEC, Inc.	Iowa
Metrix Instrument Co., L.P.	Delaware
Neptune Technology Group (Canada) Ltd.	Canada
Neptune Technology Group Inc.	Delaware
Neptune Technology Group Mexico S.de R.L. de C.V.	Mexico
Neptune Technology Group Servicios S.de R.L. de C.V.	Mexico
Nippon Roper K.K.	Japan
Northwest Medical Physics Equipment, Inc.	Iowa
Off-Campus Advantage, LLC	Delaware
PAC Denmark ApS	Denmark
PAC GmbH	Germany
Petroleum Analyzer Company LP	Delaware
Petrotech International, Inc.	Louisiana
Quantitative Imaging Corp.	Canada
Redlake MASD, LLC.	Delaware
RI Insurance Limited	Bermuda
RMT, Inc	Arizona
Roda Deaco Valve, Inc.	Canada
Roper Canada Holdings, Inc.	Canada
Roper Canada Partners Inc.	Canada
Roper Capital Deutschland GmbH	Germany
Roper Engineering s.r.o.	Czech Republic
Roper Europe GmbH	Germany
Roper Fundings Deutschland GmbH & Co. KG	Germany
Roper Georgia, Inc.	Delaware
Roper Germany GmbH	Germany
Roper Germany GmbH & Co., KG	Germany
Roper Holdings, Inc.	Delaware
Roper Holdings, Limited	United Kingdom
Roper Hong Kong Holdings, Limited	Hong Kong
Roper Industrial Products Investment Company	Iowa
Roper Industries UK Limited	United Kingdom
Roper Industries B.V.	Netherlands
Roper Industries Denmark ApS	Denmark
Roper Industries Deutschland GmbH	Germany
Roper Industries Limited	United Kingdom
Roper Industries Manufacturing (Shanghai) Co. Ltd.	Shanghai
Roper Industries Mauritius Ltd.	Mauritius
Roper International Products Ltd.	Virgin Islands
Roper LLC	Russia
Roper Luxembourg Holdings S.a.r.l.	Luxembourg
Roper Luxembourg S.a.r.l.	Luxembourg
Roper Marketing India Private Ltd.	India
Roper Mex, L.P.	Delaware
Roper Pump Company	Delaware
Roper Scientific B.V.	Netherlands
Roper Scientific GmbH	Germany
Roper Scientific SAS	France
Roper Scientific, Inc.	Delaware
Roper Southeast Asia LLC	Delaware
Ropintassco 1, LLC	Delaware
Ropintassco 2, LLC	Delaware
Ropintassco 3, LLC	Delaware

Ropintassco 4, LLC	Delaware
Ropintassco 5, LLC	Delaware
Ropintassco 6, LLC	Delaware
Ropintassco 7, LLC	Delaware
Ropintassco Holdings, L.P.	Delaware
Shanghai Roper Industries Trading Co., Ltd.	China
Sinmed B.V.	Netherlands
Sinmed Holding International B.V.	Netherlands
Struers (Shanghai) Trading Co., Ltd.	China
Struers A/S	Denmark
Struers GmbH	Germany
Struers Inc.	Delaware
Struers Limited	United Kingdom
Struers S.A.S.	France
Student Advantage, LLC	Delaware
TC License Ltd.	Bermuda
Technolog Group Limited	United Kingdom
Technolog Holdings Ltd.	United Kingdom
Technolog Limited	United Kingdom
TLP Holdings, LLC	Delaware
TransCore Atlantic, LLC	Delaware
TransCore CNUS, LLC	Delaware
TransCore Commercial Services, LLC	Delaware
TransCore Holdings, Inc.	Delaware
TransCore ITS, LLC	Delaware
TransCore Link Logistics Corporation	Canada
TransCore Nova Scotia Corporation	Canada
TransCore Partners, LLC	Delaware
Transcore Quebec Corporation Inc.	Canada
TransCore, LP	Delaware
Uson GmbH	Germany
Uson L.P.	Delaware
Uson Limited	United Kingdom
Utilitec Limited	United Kingdom
Utilitec Services Limited	United Kingdom
Utility Data Services Limited	United Kingdom
ViaStar Properties, Inc.	Texas
ViaStar Services, LP	Texas
Viatran Corporation	New York
Walter Herzog GmbH	Germany
Zetec Korea, Inc.	Delaware
Zetec Rental Corp.	Delaware
Zetec Services, Inc.	Delaware
Zetec, Inc.	Washington

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-152590) and Form S-8 (Nos. 33-71094, 33-77770, 33-78026, 333-36897, 333-73139, 333-35666, 333-35672, 333-35648, 333-59130, 333-105919, 333-105920, 333-135700) of Roper Industries, Inc. of our report dated February 27, 2009 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K. We also consent to the reference to us under the heading "Selected Financial Data" in this Form 10-K.

PricewaterhouseCoopers LLP
Atlanta, GA
February 27, 2009

I, Brian D. Jellison, certify that:

1. I have reviewed this Annual Report on Form 10-K of Roper Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2009

/s/ Brian D. Jellison

Brian D. Jellison

Chairman of the Board, President and

Chief Executive Officer

(Principal Executive Officer)

I, John Humphrey, certify that:

1. I have reviewed this Annual Report on Form 10-K of Roper Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2009

/s/ John Humphrey
John Humphrey
Vice President,
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Roper Industries, Inc. (the "Company") on Form 10-K for the period ending December 31, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Brian D. Jellison, Chief Executive Officer of the Company, and John Humphrey, Chief Financial Officer of the Company, both hereby certifies, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2009

/s/ Brian D. Jellison

Brian D. Jellison
Chairman of the Board, President and Chief Executive Officer
(Principal Executive Officer)

/s/ John Humphrey

John Humphrey
Vice President,
Chief Financial Officer
(Principal Financial Officer)

This certificate is being made for the exclusive purpose of compliance of the Company with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, and may not be disclosed, distributed or used by any person or for any reason other than specifically required by law.