

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

October 27, 2014

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

ROPER INDUSTRIES, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)
DELAWARE

(STATE OR OTHER JURISDICTION OF INCORPORATION)

1-12273

51-0263969

(COMMISSION FILE NUMBER)

(IRS EMPLOYER IDENTIFICATION NO.)

**6901 PROFESSIONAL PKWY. EAST, SUITE 200, SARASOTA,
FLORIDA**

34240

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(ZIP CODE)

(941) 556-2601

(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

(FORMER NAME OR ADDRESS, IF CHANGED SINCE LAST REPORT)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On October 27, 2014, Roper Industries, Inc. (the "Company") issued a press release containing information about the Company's results of operations for the quarter ended September 30, 2014. A copy of the press release is furnished as [Exhibit 99.1](#). In the press release, the Company uses several non-GAAP financial measures: non-GAAP Revenue, non-GAAP Gross Profit, non-GAAP Gross Margin, non-GAAP Net Income, non-GAAP Diluted Earnings per Share, EBITDA and Free Cash Flow.

Business combination accounting rules required Roper to account for the fair value of deferred revenue assumed in connection with the 2013 acquisition of Sunquest Information Systems, and the 2014 acquisitions of Foodlink and Strategic Healthcare Programs ("SHP"). The fair value is based on the assumed cost of having a third-party provide the relevant support services rather than the contracted amount under the contracts. Because the fair value is less than the contracted amount, Roper's GAAP revenues for the one year period subsequent to the acquisition will not reflect the full amount of revenue that would have otherwise been recorded by the acquired companies had they remained independent companies. The Adjusted Revenue measure is intended to reflect the full amount that would have recognized as revenue, absent the fair value adjustment.

In the second quarter of 2013, business combination accounting rules required Roper to account for the fair value of accounts receivable at acquisition date for revenue that was "earned but not recognized" at the date of purchase of Managed Healthcare Associates, Inc. ("MHA"). Roper's GAAP revenues for the one year period subsequent to the acquisition did not reflect the full amount of revenue that would have otherwise been recorded by MHA had they remained an independent company. The Adjusted Revenue measure is intended to reflect the full amount that MHA would have recognized as revenue, absent the fair value adjustment.

In the third quarter of 2014, business combination accounting rules required Roper to increase the carrying value of the inventory (inventory step-up) to fair value at the date of purchase of Innovative Product Achievements ("IPA"). Roper's GAAP gross profit for the two quarters subsequent to the acquisition will not reflect the full amount of gross profit that would have otherwise been recorded by IPA had they remained an independent company. The Adjusted Gross Profit measure is intended to reflect the full amount that IPA would have recognized, absent the fair value adjustment.

The non-GAAP Gross Margin, non-GAAP Net Income and non-GAAP Diluted Earnings per Share reflect these fair value adjustments. The Company believes these non-GAAP measures are useful to investors as a measure of the ongoing performance of its business.

EBITDA as shown in the press release is defined as net earnings plus (a) interest expense, (b) income taxes and (c) depreciation and amortization. The Company believes EBITDA is an important indicator of operational performance of the Company's business because it provides a link between profitability and operating cash flow. EBITDA as calculated by the Company is not necessarily comparable to similarly titled measures reported by other companies. In addition, EBITDA: (a) does not represent net income or cash flows from operations as defined by GAAP; (b) is not necessarily indicative of cash available to fund the Company's cash flow needs; and (c) should not be considered as an alternative to net earnings, operating income, cash flows from operating activities or the Company's other financial information determined under GAAP. The Company believes that the line on the Company's consolidated statement of operations entitled net earnings is the most directly comparable GAAP measure to EBITDA.

Free Cash Flow is defined as "Cash Provided by Operating Activities" ("Operating Cash Flow") as stated in Roper's Consolidated Statements of Cash Flows, reduced by capital expenditures. The Company believes that Free Cash Flow is useful to investors as a basis for comparing its performance with other companies. Roper's measure of Free Cash Flow may not be comparable to similar measures used by other companies.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 Press Release of the Company dated October 27, 2014.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Roper Industries, Inc.
(Registrant)

BY: /s/ John Humphrey
John Humphrey,
Vice President and Chief Financial Officer

Date: October 27, 2014

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of the Company dated October 27, 2014

Contact Information:

Investor Relations
941-556-2601
investor-relations@roperind.com



Roper Industries Announces Record Third Quarter Results

**GAAP Diluted Earnings Per Share (DEPS) \$1.54; Adjusted DEPS \$1.55
Operating Cash Flow of \$226 million, 25.6% of Revenue
Full Year Guidance Increased**

Sarasota, Florida, October 27, 2014 ... Roper Industries, Inc. (NYSE: ROP) reported financial results for the third quarter ended September 30, 2014.

Roper reports results – including revenue, operating margin, net income and diluted earnings per share – on a GAAP and adjusted basis. Adjusted measures are reconciled to the corresponding GAAP measures at the end of this release.

Third quarter GAAP diluted earnings per share (DEPS) were \$1.54, a 13% increase over last year. Adjusted diluted earnings per share were \$1.55, a 9% increase over last year. GAAP revenue increased 7% to \$884 million and adjusted revenue increased 6% to \$885 million. Orders increased to \$893 million and enterprise book-to-bill was 1.01x for the quarter.

GAAP gross margin increased 100 basis points to 59.3% and adjusted gross margin increased to 59.4%, a 70 basis point gain over the prior year. EBITDA margin was a record 33.6% for the quarter. Operating cash flow in the quarter was \$226 million, representing 145% conversion of GAAP Net Income.

"Our businesses continue to perform exceptionally well," said Brian Jellison, Roper's Chairman, President and CEO. "Revenue growth in the quarter was broad-based, with organic increases in each segment. We are encouraged by the continued strength in orders, which exceeded revenue in all four segments. We delivered free cash flow of \$217 million, representing 24.5% of revenue."

"We invested \$303 million in three acquisitions during the quarter," continued Mr. Jellison. "Strategic Healthcare Programs (SHP) and Innovative Product Achievements (IPA) are outstanding additions to our growing Medical platform. FoodLink® brings technology for food traceability and commerce solutions to our iTradeNetwork business. We are pleased with the performance of these businesses and are excited about their growth opportunities. Looking forward, we finished the quarter with substantial capacity for future acquisitions and have an attractive pipeline of opportunities."

2014 Outlook and Guidance

Roper is increasing its full year adjusted diluted earnings per share guidance to \$6.32 – \$6.38, from its previous range of \$6.27 - \$6.37, and establishing fourth quarter adjusted diluted earnings per share guidance of \$1.75 - \$1.81.

The company's guidance includes the recognition of acquired revenue which is excluded under GAAP's purchase accounting rules, and also excludes certain items as detailed later in this press release under the heading "Use of Non-GAAP Financial Measures." The company's guidance excludes the impact of any future acquisitions or divestitures.

Use of Non-GAAP Financial Measures

The company supplements its consolidated financial statements presented on a GAAP basis with certain non-GAAP financial information to provide investors with greater insight, increase transparency and allow for a more comprehensive understanding of the information used by management in its financial and operational decision-making. Reconciliation of non-GAAP measures to their most directly comparable GAAP measures are included in the accompanying financial schedules or tables. Non-GAAP financial measures disclosed by the company should not be considered a substitute for, or superior to, financial measures prepared in accordance with GAAP. The financial results prepared in accordance with GAAP and reconciliations from these results should be carefully evaluated.

Table 1: Revenue Growth Detail

	2014	2013	V%
Q3 GAAP Revenue	\$ 884	\$ 828	7%
Add: Purchase Accounting Adjustment to Acquired Revenue (Sunquest, MHA)		9	
Add: Purchase Accounting Adjustment to Acquired Deferred Revenue (SHP, FoodLink)	1		
Q3 Adjusted Revenue	<u>\$ 885</u>	<u>\$ 837</u>	<u>6%</u>

Components of Adjusted Revenue Growth

Organic	4%
Acquisitions	2%
Foreign Exchange	--%
Total Growth	<u>6%</u>

Table 2: Reconciliation of Q3 2014 GAAP DEPS to Adjusted DEPS

	2014	2013	V%
GAAP Diluted Earnings Per Share (DEPS)	\$ 1.54	\$ 1.36	13%
Add: Purchase Accounting Adjustment to Acquired Deferred Revenue (FoodLink, SHP), net of tax	\$ 0.01		
Add: Acquisition-Related Inventory Step-up Charge (IPA), net of tax	\$ 0.00		
Add: Purchase Accounting Adjustment for Acquired Revenue (Sunquest, MHA)		\$ 0.06	
Adjusted DEPS	<u>\$ 1.55</u>	<u>\$ 1.42</u>	<u>9%</u>

Table 3: Adjusted Net Income Reconciliation

	Q3 2014
GAAP Net Earnings	\$ 155.5
Purchase Accounting Adjustment to Acquired Deferred Revenue (FoodLink, SHP), net of tax	0.6
Acquisition-Related Inventory Step-up Charge (IPA), net of tax	<u>0.3</u>
Adjusted Net Earnings	\$ 156.4

Table 4: Adjusted Gross Margin Reconciliation

	2014	2013	V bps
Q3 GAAP Revenue	\$ 884.1	\$ 827.8	
Add: Purchase Accounting Adjustment to Acquired Revenue (Sunquest, MHA)		8.9	
Add: Purchase Accounting Adjustment to Acquired Deferred Revenue (SHP, FoodLink)	0.9		
Rounding	<u>0.1</u>		
Q3 Adjusted Revenue (A)	885.1	<u>\$ 836.7</u>	
Q3 GAAP Gross Profit	524.0	482.6	
Add: Purchase Accounting Adjustment to Acquired Revenue (Sunquest, MHA)		8.9	
Add: Purchase Accounting Adjustment to Acquired Deferred Revenue (SHP, FoodLink)	0.9		
Add: Acquisition-Related Inventory Step-up Charge (IPA)	0.4		
Rounding	<u>0.1</u>		
Adjusted Gross Profit (B)	525.4	<u>491.5</u>	
GAAP Gross Margin	59.3%	58.3%	+100 bps
Adjusted Gross Margin (B) / (A)	59.4%	58.7%	+70 bps

Table 5: Free Cash Flow

	Q3 2014
Operating Cash Flow	\$ 226
Less: Capital Expenditures	(9)
Free Cash Flow	<u>\$ 217</u>

Table 6: EBITDA Reconciliation

	Q3 2014
GAAP Revenue	\$ 884
Purchase Accounting Adjustment to Acquired Deferred Revenue (FoodLink, SHP)	<u>1</u>
Adjusted Revenue (A)	<u>\$ 885</u>
GAAP Net Earnings	\$ 155.5
Add: Depreciation	10.4
Add: Amortization	39.7
Add: Interest Expense	20.0
Add: Taxes	70.7
Purchase Accounting Adjustment to Acquired Deferred Revenue (FoodLink, SHP)	0.9
Acquisition-Related Inventory Step-up Charge (IPA)	<u>0.4</u>
EBITDA (B)	<u>\$ 297.6</u>
EBITDA Margin (B) / (A)	33.6%

Table 7: Q4 Guidance Reconciliation

	<u>Low End</u>	<u>High End</u>
GAAP Diluted Earnings Per Share Guidance	\$ 1.74	\$ 1.80
Purchase Accounting Adjustment for Acquired Deferred Revenue (FoodLink, SHP), net of tax	\$ 0.01	\$ 0.01
Acquisition-Related Inventory Step-up Charge (IPA), net of tax	\$ 0.00	\$ 0.00
Adjusted Diluted Earnings Per Share Guidance	<u>\$ 1.75</u>	<u>\$ 1.81</u>

Table 8: Full Year Guidance Reconciliation

	<u>Low End</u>	<u>High End</u>
GAAP Diluted Earnings Per Share Guidance	\$ 6.29	\$ 6.35
Purchase Accounting Adjustment for Acquired Deferred Revenue (FoodLink, SHP), net of tax	\$ 0.02	\$ 0.02
Acquisition-Related Inventory Charge (IPA), net of tax	\$ 0.01	\$ 0.01
Adjusted Diluted Earnings Per Share Guidance	<u>\$ 6.32</u>	<u>\$ 6.38</u>

Conference Call to be Held at 8:30 AM (ET) Today

A conference call to discuss these results has been scheduled for 8:30 AM ET on Monday, October 27, 2014. The call can be accessed via webcast or by dialing +1 888-438-5525 (US/Canada) or +1 719-457-2689, using confirmation code 3987678. Webcast information and conference call materials will be made available in the Investors section of Roper's website (www.roperind.com) prior to the start of the call. Telephonic replays will be available for up to two weeks by calling +1 719-457-0820 and using the access code 3987678.

About Roper Industries

Roper Industries is a diversified technology company and is a constituent of the S&P 500, Fortune 1000, and the Russell 1000 indices. Roper provides engineered products and solutions for global niche markets, including software information networks, medical, water, energy, and transportation. Additional information about Roper is available on the company's website at www.roperind.com.

The information provided in this press release contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements may include, among others, statements regarding operating results, the success of our internal operating plans, and the prospects for newly acquired businesses to be integrated and contribute to future growth, profit and cash flow expectations. Forward-looking statements may be indicated by words or phrases such as "anticipate," "estimate," "plans," "expects," "projects," "should," "will," "believes," "intends" and similar words and phrases. These statements reflect management's current beliefs and are not guarantees of future performance. They involve risks and uncertainties that could cause actual results to differ materially from those contained in any forward-looking statement. Such risks and uncertainties include our ability to integrate acquisitions and realize expected synergies. We also face other general risks, including our ability to realize cost savings from our operating initiatives, general economic conditions, changes in foreign exchange rates, difficulties associated with exports, risks associated with our international operations, difficulties in making and integrating acquisitions, risks associated with newly acquired businesses, increased product liability and insurance costs, increased warranty exposure, future competition, changes in the supply of, or price for, parts and components, environmental compliance costs and liabilities, risks and cost associated with asbestos related litigation, potential write-offs of our substantial intangible assets, and risks associated with obtaining governmental approvals and maintaining regulatory compliance for new and existing products. Important risks may be discussed in current and subsequent filings with the SEC. You should not place undue reliance on any forward-looking statements. These statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Roper Industries, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets (unaudited)
(Amounts in thousands)

ASSETS	September 30, 2014	December 31, 2013
CURRENT ASSETS:		
Cash and cash equivalents	\$ 564,112	\$ 459,720
Accounts receivable	528,734	519,075
Inventories	213,440	204,923
Unbilled receivable	103,124	86,945
Deferred taxes	65,230	64,464
Other current assets	58,051	38,210
Total current assets	<u>1,532,691</u>	<u>1,373,337</u>
PROPERTY, PLANT AND EQUIPMENT, NET	<u>115,243</u>	<u>117,310</u>
OTHER ASSETS:		
Goodwill	4,731,394	4,549,998
Other intangible assets, net	2,020,798	2,039,136
Deferred taxes	29,051	28,773
Other assets	81,089	76,427
Total other assets	<u>6,862,332</u>	<u>6,694,334</u>
TOTAL ASSETS	<u>\$ 8,510,266</u>	<u>\$ 8,184,981</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 145,660	\$ 150,313
Accrued compensation	115,167	107,953
Deferred revenue	221,552	209,332
Other accrued liabilities	161,057	153,712
Income taxes payable	-	4,275
Deferred taxes	7,495	6,490
Current portion of long-term debt	11,074	11,016
Total current liabilities	<u>662,005</u>	<u>643,091</u>
NONCURRENT LIABILITIES:		
Long-term debt	2,358,474	2,453,836
Deferred taxes	753,798	783,805
Other liabilities	87,765	91,199
Total liabilities	<u>3,862,042</u>	<u>3,971,931</u>
STOCKHOLDERS' EQUITY:		
Common stock	1,021	1,013
Additional paid-in capital	1,317,906	1,229,233
Retained earnings	3,359,297	2,959,196
Accumulated other comprehensive earnings	(10,680)	43,083
Treasury stock	(19,320)	(19,475)
Total stockholders' equity	<u>4,648,224</u>	<u>4,213,050</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 8,510,266</u>	<u>\$ 8,184,981</u>

Roper Industries, Inc. and Subsidiaries
Condensed Consolidated Statements of Earnings (unaudited)
(Amounts in thousands, except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Net sales	\$ 884,122	\$ 827,810	\$ 2,603,349	\$ 2,348,955
Cost of sales	360,082	345,185	1,067,191	999,247
Gross profit	524,040	482,625	1,536,158	1,349,708
Selling, general and administrative expenses	278,382	263,276	820,434	765,436
Income from operations	245,658	219,349	715,724	584,272
Interest expense	20,013	24,705	59,352	67,924
Other income	552	409	1,042	453
Earnings from continuing operations before income taxes	226,197	195,053	657,414	516,801
Income taxes	70,687	58,730	197,317	144,211
Net Earnings	\$ 155,510	\$ 136,323	\$ 460,097	\$ 372,590
Earnings per share:				
Basic	\$ 1.55	\$ 1.37	\$ 4.61	\$ 3.76
Diluted	\$ 1.54	\$ 1.36	\$ 4.56	\$ 3.72
Weighted average common and common equivalent shares outstanding:				
Basic	100,068	99,207	99,837	99,058
Diluted	101,006	100,302	100,803	100,152

Roper Industries, Inc. and Subsidiaries
Selected Segment Financial Data (unaudited)
(Amounts in thousands and percents of net sales)

	Three months ended September 30,				Nine months ended September 30,			
	2014		2013		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales:								
Industrial Technology	\$ 205,688		\$ 200,684		\$ 607,503		\$ 580,466	
Energy Systems & Controls	170,765		155,058		491,804		456,031	
Medical & Scientific Imaging	268,809		237,338		793,899		645,739	
RF Technology	238,860		234,730		710,143		666,719	
Total	<u>\$ 884,122</u>		<u>\$ 827,810</u>		<u>\$ 2,603,349</u>		<u>\$ 2,348,955</u>	
Gross profit:								
Industrial Technology	\$ 104,012	50.6%	\$ 101,259	50.5%	\$ 306,464	50.4%	\$ 296,414	51.1%
Energy Systems & Controls	99,233	58.1%	88,104	56.8%	281,055	57.1%	256,431	56.2%
Medical & Scientific Imaging	193,132	71.8%	167,433	70.5%	572,738	72.1%	440,718	68.3%
RF Technology	127,663	53.4%	125,829	53.6%	375,901	52.9%	356,145	53.4%
Total	<u>\$ 524,040</u>	<u>59.3%</u>	<u>\$ 482,625</u>	<u>58.3%</u>	<u>\$ 1,536,158</u>	<u>59.0%</u>	<u>\$ 1,349,708</u>	<u>57.5%</u>
Operating profit*:								
Industrial Technology	\$ 62,046	30.2%	\$ 60,753	30.3%	\$ 178,540	29.4%	\$ 164,278	28.3%
Energy Systems & Controls	49,033	28.7%	41,076	26.5%	130,844	26.6%	118,432	26.0%
Medical & Scientific Imaging	91,227	33.9%	71,968	30.3%	275,379	34.7%	179,433	27.8%
RF Technology	69,351	29.0%	66,469	28.3%	203,183	28.6%	183,828	27.6%
Total	<u>\$ 271,657</u>	<u>30.7%</u>	<u>\$ 240,266</u>	<u>29.0%</u>	<u>\$ 787,946</u>	<u>30.3%</u>	<u>\$ 645,971</u>	<u>27.5%</u>
Net Orders:								
Industrial Technology	\$ 205,945		\$ 197,549		\$ 611,074		\$ 581,862	
Energy Systems & Controls	173,172		148,922		490,106		466,414	
Medical & Scientific Imaging	270,881		262,320		799,021		688,673	
RF Technology	243,363		229,484		713,536		711,419	
Total	<u>\$ 893,361</u>		<u>\$ 838,275</u>		<u>\$ 2,613,737</u>		<u>\$ 2,448,368</u>	

* Operating profit is before unallocated corporate general and administrative expenses. These expenses were \$25,999 and \$20,917 for the three months ended September 30, 2014 and 2013, respectively and \$72,222 and \$61,699 for the nine months ended September 30, 2014 and 2013, respectively.

Roper Industries, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (unaudited)
(Amounts in thousands)

	Nine months ended	
	September 30,	
	2014	2013
Net earnings	\$ 460,097	\$ 372,590
Non-cash items:		
Depreciation	30,442	28,269
Amortization	117,179	111,210
Stock-based compensation expense	47,011	40,040
Income taxes	(54,178)	(12,643)
Changes in assets and liabilities:		
Receivables	(21,840)	29,844
Inventory	(8,833)	(15,202)
Accounts payable	(4,969)	3,557
Accrued liabilities	15,311	9,498
Other, net	(988)	(390)
Cash provided by operating activities	<u>579,232</u>	<u>566,773</u>
Business acquisitions, net of cash acquired	(305,254)	(1,014,952)
Capital expenditures	(29,835)	(33,349)
Other, net	(5,304)	1,596
Cash used by investing activities	<u>(340,393)</u>	<u>(1,046,705)</u>
Principal debt borrowings	-	800,000
Principal debt payments	(561)	(502,115)
Revolver payments, net	(95,000)	290,000
Debt issuance costs	-	(7,717)
Dividends	(59,827)	(32,706)
Excess tax benefit from share-based payment	14,892	7,763
Proceeds from stock-based compensation, net	26,424	16,839
Premium on convertible debt conversions	(1,518)	(5,100)
Other, net	2,118	2,556
Cash provided by/(used by) financing activities	<u>(113,472)</u>	<u>569,520</u>
Effect of exchange rate changes on cash	<u>(20,975)</u>	<u>(198)</u>
Net increase in cash and equivalents	104,392	89,390
Cash and equivalents, beginning of period	<u>459,720</u>	<u>370,590</u>
Cash and equivalents, end of period	<u>\$ 564,112</u>	<u>\$ 459,980</u>