

ROPER INDUSTRIES INC /DE/
Form 424B5
November 29, 2004
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-119931

The information in this prospectus supplement and the accompanying prospectus is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where such offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated November 24, 2004

PROSPECTUS SUPPLEMENT

(To prospectus dated November 16, 2004)

4,100,000 Shares

Common Stock

Our common stock is listed on the New York Stock Exchange under the symbol ROP. On November 22, 2004, the last reported sale price for our common stock as reported on the New York Stock Exchange was \$61.71 per share.

We will use the proceeds from this offering, together with stock options and borrowings under our amended and restated senior secured credit facility, which we refer to as our new senior secured credit facility, to pay for our acquisition of TransCore Holdings, Inc., or TransCore, repay our existing credit facility and pay related fees and expenses. The closing of this offering is conditioned upon the completion of our new senior secured credit facility and the TransCore acquisition. We expect this offering to close concurrently with our new senior secured credit facility and the TransCore acquisition. We refer you to Prospectus Supplement Summary Acquisition Financing and Related Transactions in this prospectus supplement.

Holders of shares purchased in this offering will initially be entitled to one vote per share. Holders of our common stock who have held their shares for at least four years without a change in beneficial ownership are entitled to five votes per share. If there is no change in beneficial ownership of the shares you purchase in this offering for at least four years, the shares will become entitled to five votes per share until a change in beneficial ownership occurs, at which time the shares will revert to one vote per share for a period of at least four years. See "Description of Common Stock" in the accompanying prospectus.

Investing in our common stock involves risks. See Risk Factors beginning on page S-18 of this prospectus supplement.

	<u>Per Share</u>	<u>Total</u>
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to us	\$	\$

The underwriters may also purchase up to an additional 615,000 shares from us at the public offering price less the underwriting discount, within 30 days from the date of this prospectus supplement to cover any overallotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about December 1, 2004.

Sole Book-Running Manager

Merrill Lynch & Co.

JPMorgan

Robert W. Baird & Co.

Wachovia Securities

Friedman Billings Ramsey

The date of this prospectus supplement is _____, 2004.

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We have not authorized anyone to provide you with any information other than the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. This document may only be used where it is legal to offer and sell the

common stock.

This prospectus supplement is part of, and you should read it in conjunction with, the accompanying prospectus. Unless the context otherwise requires, references in this prospectus supplement to Roper, we, us and our and similar references refer to Roper Industries, Inc., a Delaware corporation, and its consolidated subsidiaries, including, after giving effect to the TransCore acquisition, TransCore. TransCore refers to TransCore Holdings, Inc., a Delaware corporation, and its consolidated subsidiaries.

This prospectus supplement and the accompanying prospectus contain some of our and TransCore's trademarks and service marks.

Market and industry data used throughout this prospectus supplement and the accompanying prospectus, including information relating to market share and trends, is based on our good faith estimates. These estimates were based on our review of internal surveys, independent industry publications and other publicly available information. Although we believe these sources are reliable, we have not independently verified this information.

Certain persons participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of our common stock. Such transactions may include stabilization and the purchase of common stock to cover short positions. For a description of these activities, see Underwriting.

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Special Note Regarding Forward-Looking Statements

This prospectus supplement includes and incorporates by reference forward-looking statements within the meaning of the federal securities laws. All statements that are not historical facts are forward-looking statements. The words estimate, project, intend, expect, should, will, anticipate and similar expressions identify forward-looking statements. In particular, this prospectus supplement contains forward-looking statements regarding the TransCore acquisition and its benefits to our business, and as described in the risk factor We may not be able to realize the anticipated benefits from the TransCore acquisition, and we may experience unforeseen liabilities in connection with the acquisition, we may not be able to realize these benefits to our business. Other forward-looking statements include statements regarding our expected financial position, business, financing plans, business strategy, business prospects, net sales, working capital, liquidity, capital needs, interest costs and income and potential 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. 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. In particular, the forward-looking statements regarding the TransCore acquisition are subject to the risks described in Risk Factors. Important factors that could cause actual results to differ materially from our other estimates or projections contained in the forward-looking statements include:

- completion of the TransCore acquisition;
- if completed, our ability to integrate TransCore into our operations;
- our ability to finance the TransCore acquisition on satisfactory terms;
- any unforeseen liabilities associated with historical or 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;
- difficulty making acquisitions and successfully integrating acquired businesses;

increased product liability and insurance risks and costs;

increased directors and officers liability and other insurance costs;

increased warranty exposure;

future competition;

the cyclical nature of our markets;

changes in the supply of, or price for, parts and components;

environmental compliance costs and liabilities;

risks and costs associated with asbestos-related litigation;

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potential write-offs of our intangible assets;

our ability to successfully develop new products;

failure to protect our technology;

risk associated with TransCore's government contract work;

trade tariffs that may be applied due to the U.S. government's delay in complying with certain WTO directives;

terrorist attacks; and

those factors listed in this prospectus supplement under Risk Factors, as well as those included in our SEC filings incorporated by reference in this prospectus supplement and the accompanying prospectus.

We believe our forward-looking statements are reasonable; however, undue reliance should not be placed 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 update publicly any of them in light of new information or future events.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary highlights selected information in this prospectus supplement. The summary does not contain all of the information that may be important to you, and you should carefully read the entire prospectus supplement and accompanying prospectus before deciding whether to invest in our common stock. In August 2003, we changed our fiscal year-end from October 31 to December 31 to more closely align our reporting periods with those of our customers. In this prospectus supplement and the accompanying prospectus, references to our fiscal years mean a year ended October 31 for 1992 through 2002, and December 31 for 2003 and thereafter, and references to one of TransCore's years mean a year ended on January 31 following the year referenced. In this prospectus supplement, any pro forma information for Roper and TransCore relates to information for Roper for the year ended December 31, 2003 and for and as of the nine months ended September 30, 2004 and for TransCore for the year ended January 31, 2004 and for and as of the nine months ended October 31, 2004. For the year ended December 31, 2003, pro forma information for Roper also includes adjustments to reflect our acquisition of Neptune Technology Group Holdings, Inc., or NTGH, and related transactions, which occurred on December 29, 2003. In this prospectus supplement, we use the term adjusted EBITDA, which is a financial measure not calculated in accordance with generally accepted accounting principles, or GAAP. We include a reconciliation of this measure to the most directly comparable GAAP measure in Summary Consolidated Financial Data Roper, and Summary Consolidated Financial Data TransCore. Unless otherwise noted herein, the information in this prospectus supplement assumes no exercise of the underwriters' overallotment options in this offering.

Roper Industries

We are a diversified industrial company that designs, manufactures and distributes energy systems and controls, scientific and industrial imaging products and related software, industrial technology products and instrumentation products and services. We market these products and services to selected segments of a broad range of markets including water and wastewater, oil and gas, research, power generation, medical, semiconductor, refrigeration, automotive and general industry.

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, engineered products and solutions and are capable of achieving growth and improving or 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.

We believe that our financial results reflect the high value we provide to our customers, our continuous improvement initiatives, our end market and geographic diversification and our ability to acquire and integrate businesses successfully. From fiscal 1992, the year of our initial public offering, through fiscal 2003, our net sales have grown at a compound annual growth rate of 23% and earnings from continuing operations have grown at a compound annual growth rate of 24%. In fiscal 2003, we generated net sales of \$657 million, adjusted EBITDA of \$124 million, or 19% of net sales, earnings from continuing operations before change in accounting principle of \$48 million and net earnings of \$45 million. During the nine months ended September 30, 2004, we generated net sales of \$693 million, an increase of 42% over the prior year period, adjusted EBITDA of \$149 million, or 21% of net sales, and an increase of 64%, cash flows from operating activities of \$102 million, 76% higher than the prior year period, and net earnings of \$69 million, 59% greater than the comparable prior year period. Our results of operations for the nine months ended September 30, 2004 benefited from our acquisition of Neptune Technology Group Holdings, Inc., or NTGH, made on December 29, 2003.

As described below, on October 6, 2004, we entered into an agreement and plan of merger pursuant to which we have agreed to acquire TransCore Holdings, Inc., or TransCore. TransCore is a leading provider of

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radio frequency identification (RFID) and satellite-based communication technologies and related services that are used by customers to automate and enhance business processes, increase productivity and improve security, largely for transportation-related applications in North America. Pro forma for the acquisition, we would have had net sales of \$963 million and adjusted EBITDA of \$203 million for the first three quarters of 2004.

Our Business Segments

Our operations are organized into four market-focused segments: Instrumentation, Industrial Technology, Energy Systems and Controls and Scientific and Industrial Imaging.

Instrumentation. Our Instrumentation segment provides sophisticated products and solutions that prepare material samples for analysis, test fluid products for physical and elemental properties, detect leaks in consumer and industrial products, perform spectrographic analyses and dispense fluids with extremely high precision. This segment focuses primarily on the test, inspection and measurement applications in oil and gas, research and industrial markets. Our primary business units in this segment are Acton Research/Integrated Designs, Logitech, PAC/Antek Instruments, Struers and Uson.

Industrial Technology. Our Industrial Technology segment provides products and solutions for improving our customers' productivity. Industrial Technology offerings include centrifugal, gear, progressing cavity and diaphragm pumps; refrigeration controls and systems; rotating machinery and process controls; precision metering, measurement and valves for specialty applications; and water meter and automatic meter reading products and systems. This segment provides products and solutions largely for diverse industrial, energy, commercial refrigeration and water and wastewater markets. Our primary business units in this segment are Abel Pump, AMOT Controls, Cornell Pump, Flow Technology, Fluid Metering, Hansen Technologies, Neptune Technology and Roper Pump.

Energy Systems and Controls. Our Energy Systems and Controls segment provides control, monitoring and inspection systems and services, which improve the quality, safety and efficiency of customer equipment and processes, primarily in the energy markets. We offer our customers technologies for vibration measurement and monitoring of rotating and reciprocating machinery, control systems for turbomachinery and non-destructive testing solutions used primarily in power plant inspection and maintenance applications. Our primary business units in this segment are Compressor Controls, Metrix Instruments and Zetec.

Scientific and Industrial Imaging. Our Scientific and Industrial Imaging segment provides solutions that enable research in life and physical sciences and collect and analyze data for a variety of medical, industrial, safety, utility and other applications. Our products include high-performance digital imaging cameras, spectrographic systems, electron microscope accessories, high-speed digital video equipment and image processing software as well as rugged handheld computers. Our primary business units in this segment are DAP, Gatan, Media Cybernetics, QImaging, Photometrics, Princeton Instruments and Redlake.

Our Strengths

Strategic

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Leadership in Niche Markets. We have developed and 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 and implement our advanced products and systems and our service capabilities.

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. During that same period, we grew our global presence to the degree that sales to customers outside the

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U.S. accounted for \$378 million in fiscal 2003, up from \$23 million in fiscal 1992. During fiscal 2003 we sold our products to customers in more than 130 different countries.

Disciplined Acquisition Process. Acquisitions are an important part of our growth strategy. We follow a disciplined acquisition process to complement our existing businesses and to migrate into higher growth areas. From fiscal 1992 through fiscal 2003, we completed 35 acquisitions for an aggregate investment of over \$1.2 billion.

Experienced Management Team. Our company combines disciplined corporate leadership with entrepreneurial business unit management to create stockholder value. We support the growth of our business units by providing strategic direction, assisting in the development of strategic initiatives, encouraging best practices among our business unit management teams, developing our managers' skills through focused forums, setting appropriate compensation policies and incentives and providing financial support.

Financial

Significant and Consistent Growth. Over a decade of disciplined execution of our operating and acquisition strategies has led to sustained growth in our net sales, net earnings and cash flow. From fiscal 1992 through fiscal 2003, our net sales and earnings from continuing operations before change in accounting principle per share have grown at compound annual growth rates of 23% and 24%, respectively. As a result of our strong operations management and emphasis on working capital improvement, our free cash flow (cash flows from operating activities minus capital expenditures) has exceeded net earnings every year since 1998. We consistently reinvest in research and development to maintain technological leadership in our markets. In the first nine months of fiscal 2004, net sales excluding acquisitions have grown approximately 6%.

Strong and Sustainable Margins. We have been able to obtain favorable pricing and attractive gross margins throughout the business cycle due to the high level of engineered content of our customer offerings and our market leadership positions. In each fiscal year since 1993, we have achieved gross margins of 50% or higher and our margins are well above those of most comparable industrial companies.

Attractive Cash Flow Characteristics. Our favorable margins and selective use of capital have allowed us to produce strong cash flows. All of our business units are actively focused on reducing capital intensity and improving contributions from working capital. From fiscal 1992 through fiscal 2003, we grew adjusted EBITDA by a compound annual growth rate of 22%. In the first nine months of fiscal 2004, we achieved adjusted EBITDA margins of 21% and generated \$102 million of cash flows from operating activities.

Our Business Strategy

We create stockholder value through the disciplined execution of our strategy:

Engineered Content for Diverse Niche Markets. Our operating units grow their businesses through new product development and development of new applications for existing products to satisfy customer needs. In addition, our operating units continue to grow our customer base by expanding our distribution.

Strong Operations Management. We continuously seek to improve our operations to increase our margins and cash flow. Our business units employ initiatives such as process reengineering, lean manufacturing techniques and global sourcing to increase productivity and reduce costs. In the first nine months of fiscal 2004, we improved adjusted EBITDA margins by 350 basis points as compared with the comparable prior year period. During 2004, we reduced our net working capital as a percentage of net sales from 21% in the first quarter to 19% in the third quarter.

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Strategic Reinvestment of Cash Flow. We invest our strong cash flow in the development of new technologies and products, distribution channel management and operational improvements to drive organic growth and market expansion. We have increased our research and development spending by a compound annual growth rate of 36% since 1992, to \$33 million in fiscal 2003, which represented 5% of our fiscal 2003 net sales. We also strategically invest our cash flow in a disciplined manner in acquisitions meeting our stated criteria:

engineered, high value-added products and solutions;

favorable financial results and returns;

high gross margins;

opportunities for enhanced growth and financial results; and

new strategic solutions and products.

The TransCore Holdings, Inc. Acquisition

On October 6, 2004, we entered into an agreement and plan of merger pursuant to which we have agreed to acquire TransCore Holdings, Inc., or TransCore. The aggregate purchase price is \$600 million, approximately \$10 million of which is payable by issuance of options to purchase shares of our common stock in exchange for certain TransCore options held by five TransCore executives, and approximately \$590 million of which is payable in cash. The aggregate purchase price is subject to certain adjustments as set forth in the merger agreement including a net working capital adjustment. Consummation of the acquisition is subject to customary closing conditions. Following the acquisition, we intend to operate TransCore as a new business segment.

TransCore

TransCore is a leading provider of radio frequency identification (RFID) and satellite-based communication technologies and related services that are used by customers to automate and enhance business processes, increase asset productivity and improve security, largely for transportation-related applications in North America. TransCore's net sales are derived predominately from proprietary RFID tags and readers, satellite-based communication hardware and accessories, software and services, which it provides primarily to tolling, traffic and transportation government agencies, trucking companies and freight brokers. TransCore combines its proprietary products, applications expertise and software to create complete solutions for customers in the following areas:

Comprehensive toll and traffic systems and processing. TransCore designs, installs, integrates, maintains and operates systems for roadway toll collection and enforcement, data collection and traffic monitoring and control. We estimate that TransCore's customers in this market, which are primarily government entities, collect approximately 70% of U.S. toll revenue and process approximately 14 million toll transactions daily using systems TransCore designed or installed. TransCore services these customers in 24 of the 25 states that we believe have major toll roads.

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Security and access control. TransCore has sold over 2 million of its tags, which are combined with its readers and software, for security applications for parking, buildings, campuses, airports and sovereign border access. We believe TransCore is the largest manufacturer of RFID tags and readers for transportation and security-related applications in North America.

Freight movement services. TransCore provides freight matching services, logistics and operations management software and outsourced business processing to small and mid-sized trucking companies, freight brokers, third-party logistics providers, shippers, railroads and marine operators. TransCore is the largest provider of freight matching services in North America, posting

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more than 230,000 loads each day, which we estimate to be over one-half of the total U.S. spot market for truckload shipments. TransCore's more than 21,000 freight matching customers provide a ready channel for TransCore's asset tracking solutions.

Mobile asset tracking. TransCore provides RFID and satellite-based communication solutions that enable customers to monitor the location and status of mobile assets such as railcars, ships and trailers. In North America and China, TransCore's tags are used on nearly every railcar. TransCore's trailer tracking net sales are rapidly growing as customers recognize the benefits of higher asset utilization and lower operating costs, and we believe that at least 95% of this market is currently not served.

In addition to TransCore's existing markets, TransCore is currently extending its technology and expertise into emerging opportunities with attractive growth prospects. In homeland security, TransCore's solutions are currently being used to control 118 traffic lanes at 34 U.S. border crossings, up from 14 traffic lanes in 7 locations in 2002. TransCore has also developed an RFID-based tag solution that would enable states to increase vehicle regulatory compliance at lower costs and generate increased fees. Moreover, TransCore's supply chain security offerings enable continuous monitoring of shipments to ensure cargo security and integrity.

For the fiscal year ended January 31, 2004, TransCore had revenue of \$338 million and adjusted EBITDA of \$65 million. For the nine months ended October 31, 2004 TransCore had revenue of \$270 million and adjusted EBITDA of \$54 million compared to revenue of \$253 million and adjusted EBITDA of \$51 million for the nine months ended October 31, 2003. TransCore has approximately 1,875 employees throughout North America.

Strategic Benefits of the TransCore Acquisition

We expect to realize a number of strategic benefits as a result of the TransCore acquisition, including the following:

Establishing a Strong Technology Platform for RFID and Satellite-Based Communication Applications. TransCore has developed a strong and growing portfolio of RFID and satellite-based communication products, supported by over 100 patents. TransCore continues to develop next generation technologies, such as encrypted, battery-free tags with read/write capabilities, to support its leading position in its current markets and entry into new markets. We have identified TransCore technology which is complementary to products being sold by our existing business units, including possible RFID applications in automatic meter reading and security imaging, which may also enable us to expand our existing product lines and capabilities. TransCore's strong technology commitment is supported by approximately 1,100 technical employees.

Furthering Market Leadership in Niche Markets. TransCore is a market leader in its primary markets and has established a reputation for technical innovation. It is the only end-to-end provider of traffic and tolling solutions in North America, having sold more than 10 million RFID tags to customers who have used these tags in approximately 5 billion transactions. It has the highest market shares in freight matching and railcar tracking. TransCore enjoys many long-standing customer relationships, including its top ten customers in the traffic/tolling market, each of which has been a TransCore customer for more than 20 years. We believe that TransCore has the greatest accumulated breadth of applications expertise in its markets, led by an experienced and successful management team.

Expanding Our Growth Opportunities. We expect to benefit from the favorable demand characteristics of TransCore's markets. Since 1982, the amount of roadway in the U.S. has increased 6% while vehicle miles traveled increased 75%. TransCore's automated traffic and tolling solutions improve traffic flow and collect revenues that can be used to fund traffic infrastructure improvements. In addition, TransCore's RFID and

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satellite-based communication technologies allow it to address emerging opportunities, such as asset tracking, electronic vehicle compliance and homeland security.

Enhancing Cash Flow Characteristics. TransCore generates substantial recurring revenue, primarily for services through multi-year contracts and subscription agreements. Approximately 59% of TransCore's fiscal 2004 revenue was recurring. Recurring revenue consists of all of our revenue from services. These services are consistently used period-to-period by TransCore's customers and include toll and traffic systems processing revenue generated primarily through multi-year contracts and freight movement and mobile asset tracking revenue generated under subscription agreements. TransCore has strong adjusted EBITDA margins and requires a relatively low on-going investment in working capital and capital expenditures, which creates high operating leverage.

Roper was incorporated in Delaware in 1981. Our principal executive offices are located at 2160 Satellite Boulevard, Suite 200, Duluth, Georgia 30097, and our telephone number is (770) 495-5100.

Table of Contents**Acquisition Financing and Related Transactions**

We are offering the common stock in connection with our acquisition of TransCore. We are acquiring TransCore for a cash purchase price of approximately \$600.0 million, approximately \$10.0 million of which is payable by issuance of options to purchase shares of our common stock in exchange for certain TransCore options held by five TransCore executives and approximately \$590.0 million of which is payable in cash, as more fully described under The Acquisition. In connection with the TransCore acquisition, we will enter into an amended and restated \$955.0 million senior secured credit facility consisting of a five-year term loan and a five-year revolving credit facility, which we refer to as our new senior secured credit facility. See Description of Certain Indebtedness. It is possible that we may increase the size of our new senior secured credit facility based upon market conditions and other factors. We expect this offering to close concurrently with the new senior secured credit facility and the TransCore acquisition in December 2004. The TransCore acquisition is not conditioned upon our receipt of the proceeds from this offering, and we have received a commitment for financing in an amount sufficient to consummate the acquisition and to refinance our existing credit facility.

The closing of this offering of our common stock is conditioned upon:

the completion of our new senior secured credit facility; and

the completion of the TransCore acquisition.

We will use the proceeds from this offering, together with stock options and borrowings under our new senior secured credit facility, to pay for the TransCore acquisition and repay our existing credit facility and pay related fees and expenses. In this prospectus supplement, we refer to all of the foregoing transactions as the Transactions. To the extent we adjust the size of this offering, we intend to make a corresponding adjustment to the amount we will borrow under our new senior secured credit facility to finance the TransCore acquisition.

The following table sets forth the estimated sources and uses of funds relating to the Transactions, assuming that the Transactions had occurred on September 30, 2004 (in millions):

Sources of Funds		Uses of Funds	
Common stock offered hereby(1)	\$ 253.0	TransCore acquisition(5)	\$ 600.0
Options to purchase common stock (2)	10.0	Repayment of indebtedness under our existing credit facility(4)	384.6
Borrowings under our new senior secured credit facility(3)(4)	700.0	Fees and expenses(6)	31.5
Cash-on-hand	53.1		
Total sources of funds	\$ 1,016.1	Total uses of funds	\$ 1,016.1

(1) Does not reflect the underwriting discounts and expenses payable by us in connection with the offering.

(2) At the closing of the TransCore acquisition, five TransCore executives will receive options to purchase shares of our common stock in exchange for their TransCore options. The number of options to be issued and the exercise price of the options are calculated by a formula based on, among other things, the value of the per share merger consideration to be received by TransCore stockholders in connection with the acquisition and the price of our common stock. In addition, the formula is subject to certain adjustments, including a net working

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capital adjustment. Therefore, the value of the options to be issued could be greater or less than \$10.0 million. Based on an assumed price of our common stock of \$61.71, and assuming no purchase price adjustments, we expect to issue, in the aggregate, options to purchase approximately 195,000 shares of our common stock with a weighted average exercise price of approximately \$17.45 to these executives. These executives may, at their option, receive restricted shares of our common stock in lieu of stock options.

- (3) In connection with the Transactions, we will borrow \$700.0 million under our new senior secured credit facility to repay indebtedness under our existing credit facility. After giving pro forma effect to these borrowings, we would have approximately \$255.0 million available for borrowing under our new senior secured credit facility.

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- (4) Upon the closing of the TransCore acquisition, the new senior secured credit facility will replace our existing credit facility. As of September 30, 2004, \$384.6 million was outstanding under our existing credit facility. The weighted average interest rate on our existing credit facility as of September 30, 2004 was 4.07%. In connection with the repayment of indebtedness under our existing credit facility, we expect to incur a non-cash charge of \$5.4 million, net of tax, in the fourth quarter of 2004.
- (5) Includes TransCore's existing debt to be repaid in connection with the TransCore acquisition.
- (6) Includes the underwriting discounts and other expenses incurred or to be incurred in connection with the Transactions.

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The Offering

Common stock offered by us in this offering 4,100,000 shares

Common stock outstanding after the offering(1) 41,233,782 shares

Voting rights Holders of all outstanding shares of our common stock vote together as one class on all matters submitted to a vote of our stockholders. Holders of shares purchased in this offering will initially be entitled to one vote per share. Holders of our common stock who have held their shares for at least four years without a change in beneficial ownership are entitled to five votes per share. If there is no change in beneficial ownership of the shares you purchase in this offering for at least four years, the shares will become entitled to five votes per share until a change in beneficial ownership occurs, at which time the shares will revert to one vote per share for a period of at least four years. See Description of Common Stock in the accompanying prospectus.

Use of proceeds We intend to use the proceeds from this offering, together with stock options and borrowings under our new senior secured credit facility, to pay for the TransCore acquisition, repay our existing credit facility and pay related fees and expenses.

Risk factors See Risk Factors beginning on page S-18 of this prospectus supplement for a discussion of factors you should consider carefully before deciding to invest in shares of our common stock.

New York Stock Exchange Symbol ROP

(1) The number of shares of our common stock outstanding after the offering is based on the number of shares outstanding as of September 30, 2004 and excludes:

615,000 shares issuable upon any exercise of the underwriters' overallotment option;

2,353,740 shares issuable upon the exercise of stock options outstanding as of September 30, 2004, which had a weighted average exercise price of \$37.79 per share;

1,217,989 shares issuable upon the exercise of options reserved for grant under our stock option plans as of September 30, 2004;

3,616,349 shares reserved for issuance upon conversion of our senior subordinated convertible notes (however, this number is subject to reduction if we successfully complete the consent solicitation described under Management's Discussion and Analysis of Financial Condition and Results of Operations - Roper - Description of Certain Indebtedness - Senior Subordinated Convertible Notes); and

approximately 195,000 shares reserved for issuance upon the exercise of options to be issued to five TransCore executives in connection with the TransCore acquisition, assuming a price of our common stock of \$61.71 and no purchase price adjustments.

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The following summary consolidated financial data for the end of each of the three fiscal years ended October 31, 2001, October 31, 2002 and December 31, 2003 and as of December 31, 2003 are derived from our audited consolidated financial statements. Our consolidated financial statements for each of the three fiscal years ended October 31, 2001, October 31, 2002 and December 31, 2003 and as of December 31, 2002 and 2003 were audited by PricewaterhouseCoopers LLP, independent registered public accounting firm. The summary consolidated financial data for the nine months ended September 30, 2003 and for and as of the nine months ended September 30, 2004 were derived from our unaudited consolidated financial statements and, in our opinion, reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the data for those periods. Our results of operations for the nine months ended September 30, 2004 may not be indicative of results that may be expected for the full fiscal year.

You should read the table below in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations Roper and our consolidated financial statements and related notes included elsewhere in this prospectus supplement.

	Year Ended October 31,		Year Ended	Nine Months Ended	
	2001(1)	2002(1)	December 31,	September 30,	
			2003(2)	2003	2004
				(unaudited)	
	(in thousands, except per share amounts and percentages)				
Statement of operations data:					
Net sales	\$ 562,955	\$ 617,462	\$ 657,356	\$ 487,562	\$ 693,215
Gross profit	304,750	333,755	346,138	257,058	345,024
Income from operations	100,866	115,545	108,100	78,796	119,100
Earnings from continuing operations before change in accounting principle	57,415	66,438	48,061	46,164	69,066
Net earnings	55,839	40,053	45,239(3)	43,342	69,066
Earnings per common share from continuing operations before change in accounting principle:					
Basic	\$ 1.87	\$ 2.13	\$ 1.52	\$ 1.47	\$ 1.87
Diluted	1.82	2.09	1.50	1.45	1.84
Net earnings per common share:					
Basic	\$ 1.82	\$ 1.28	\$ 1.43	\$ 1.38	\$ 1.87
Diluted	1.77	1.26	1.41	1.36	1.84
Dividends per common share	\$ 0.30	\$ 0.33	\$ 0.36	\$ 0.26	\$ 0.29
Other financial data:					
Loss on extinguishment of debt	\$	\$	\$ 25,054	\$	\$
Cash flows from operating activities	102,439	86,758	71,293	57,770	101,559
Adjusted EBITDA(4)	131,491	104,194	124,106	90,707	148,945
Adjusted EBITDA margin(5)	23.4%	16.9%	18.9%	18.6%	21.5%
Capital expenditures	7,432	7,738	10,422	8,084	8,108

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	At December 31, 2003	At September 30, 2004
	<u>2003</u>	<u>2004</u>
		(unaudited)
		(in thousands)
Balance sheet data:		
Working capital(6)	\$ 219,695	\$ 262,246
Cash and cash equivalents	70,234	102,416
Total assets	1,514,995	1,573,138
Long-term debt, less current portion	630,186	594,746
Stockholders' equity	655,781	755,506

	Year Ended December 31, 2003	Nine Months Ended September 30, 2004
	<u>December 31, 2003</u>	<u>September 30, 2004</u>
		(in thousands, except percentages)
Combined financial data:		
Pro forma adjusted EBITDA(4)(7)	\$ 252,580	\$ 202,487
Pro forma adjusted EBITDA margin(5)	21.2%	21.0%

- (1) We filed an amendment to our annual report on Form 10-K for the fiscal year ended October 31, 2002 on November 3, 2003 to restate our consolidated financial statements as of October 31, 2001 and 2002 and for the three years ended October 31, 2002 to reflect the discontinued operations of our Petrotech operation and the realignment of our operations into four new segments. Amounts shown in the table reflect the restated amounts.
- (2) In August 2003, we changed our fiscal year-end from October 31 to December 31 effective as of January 1, 2003, with the two months ended December 31, 2002 being the transition period. The summary consolidated financial data presented above does not include data for the transition period.
- (3) Includes loss on extinguishment of debt of \$25,054 recorded in connection with our acquisition of NTGH and related financing activities in 2003.
- (4) Adjusted EBITDA is a supplemental non-GAAP financial measure. EBITDA is commonly defined as net earnings plus (a) interest expense, (b) income taxes and (c) depreciation and amortization. Our definition of adjusted EBITDA is different from EBITDA because we also add the following items to net earnings: (a) loss from discontinued operations during each period, (b) loss on extinguishment of debt and (c) retention and stock related plans expense. However, adjusted EBITDA for Roper for the periods presented does not add back stock related plans expense to net earnings since none is applicable for the periods presented. Our adjusted EBITDA for the year ended December 31, 2003 is derived solely from financial data presented in our audited financial statements for the year ended December 31, 2003 and does not reflect the impact of our acquisition of NTGH until the closing of the NTGH acquisition on December 29, 2003. We use adjusted EBITDA, in addition to net earnings, operating income and cash flows from operating activities, to assess our performance and believe it is important for investors to be able to evaluate us using the same measures used by management. We believe this measure is an important indicator of our operational strength and the performance of our business because it provides a link between profitability and operating cash flow. In addition, we use adjusted EBITDA, as opposed to EBITDA, because adjusted EBITDA adds back to net earnings items we believe to be less relevant to our business' core operating performance. We also understand that many investors use adjusted EBITDA, and similar measures, as supplemental measurement tools to help evaluate the performance and value of companies like ours, considering such measures to be important indicators of these businesses' operational strength and performance.

We recorded a loss on extinguishment of debt in connection with our acquisition of NTGH and related financing activities in 2003 and we will record an additional loss on extinguishment of debt in connection with the Transactions. However, we believe that these losses are not expected to be an ongoing part of our operations over the long-term and that it is therefore meaningful to compare operating performance period-to-period by adding these losses to net earnings in deriving adjusted EBITDA. In addition, we believe it is

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appropriate to adjust for losses from discontinued operations in calculating adjusted EBITDA to indicate our earnings from operations that will be a continuing part of our business.

Adjusted EBITDA as calculated by us is not necessarily comparable to similarly titled measures reported by other companies. In addition, adjusted 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 our cash flow needs; and (c) should not be considered as an alternative to net earnings, operating income, cash flows from operating activities or our other financial information determined under GAAP.

We believe the line on our consolidated statement of operations entitled net earnings is the most directly comparable GAAP measure to adjusted EBITDA. The following table reconciles adjusted EBITDA on a consolidated basis to the line on our consolidated statement of operations entitled net earnings for the periods presented in the table above:

	Year Ended October 31,		Year Ended	Nine Months Ended	
	2001	2002	December 31,	September 30,	
			2003	2003	2004
	(in thousands)				
Net earnings	\$ 55,839	\$ 40,053	\$ 45,239	\$ 43,342	\$ 69,066
Interest expense	15,917	18,506	16,384	12,653	21,066
Income taxes	31,450	29,889	18,229	19,784	28,986
Depreciation and amortization	26,709	15,331	16,378	12,106	29,827
EBITDA	129,915	103,779	96,230	87,885	148,945
Loss from discontinued operations, net of taxes	1,576	415	2,822	2,822	
Loss on extinguishment of debt			25,054		
Adjusted EBITDA	\$ 131,491	\$ 104,194	\$ 124,106	\$ 90,707	\$ 148,945

- (5) Adjusted EBITDA margin represents adjusted EBITDA as a percentage of net sales.
- (6) Working capital represents current assets minus current liabilities.
- (7) Represents adjusted EBITDA for Roper, after giving pro forma effect to the Transactions as if they had occurred at the beginning of the periods presented as well as, with respect to the year ended December 31, 2003, our acquisition of NTGH and related transactions as if they had occurred on January 1, 2003. The information provided under the column Pro Forma Roper/NTGH for the year ended December 31, 2003 is derived from the pro forma consolidated statement of operations filed as Exhibit 99.1 to our Current Report on Form 8-K dated October 25, 2004. We believe the line on our consolidated statement of operations and our pro forma consolidated statement of operations entitled earnings from continuing operations is the most directly comparable GAAP measure to adjusted EBITDA. Our pro forma consolidated net earnings for the year ended December 31, 2003 reflect (a) our pro forma consolidated earnings from continuing operations less (i) loss from discontinued operations, net of taxes and (ii) minority interest in consolidated subsidiaries, (b) TransCore's earnings from continuing operations less loss from discontinued operations, net of taxes, and (c) applicable adjustments. Our pro forma consolidated net earnings for the nine months ended September 30, 2004 reflect (a) our earnings from continuing operations, (b) TransCore's earnings from continuing operations less loss from discontinued operations, net of taxes, and (c) applicable adjustments. See note 4 above for a further discussion of adjusted EBITDA. For the purpose of presenting pro forma adjusted EBITDA information for the year ended December 31, 2003, our pro forma consolidated financial statements for the year ended December 31, 2003 and the audited consolidated statement of operations of TransCore for the year ended January 31, 2004 have been utilized and for the purpose of presenting pro forma adjusted EBITDA information for the nine months ended September 30, 2004, our unaudited consolidated statement of operations for the nine months ended September 30, 2004 and the unaudited consolidated statement of operations of TransCore for the

nine months ended October 31, 2004 have been utilized.

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Year Ended December 31, 2003				
	Pro Forma Roper/ NTGH	Historical TransCore	Adjustments for the Transactions	Pro Forma
(in thousands)				
Earnings from continuing operations	\$ 74,280	\$ 3,615	\$ 4,913	\$ 82,808
Loss from discontinued operations, net of taxes(a)	(2,822)	(3,134)		(5,956)
Minority interest in consolidated subsidiaries(b)	(814)			(814)
Net earnings	70,644	481	4,913	76,038
Interest expense	26,251	25,308	(18,009)	33,550
Income taxes	33,320	2,950	2,646	38,916
Depreciation and amortization	44,758	21,442	10,450	76,650
EBITDA	174,973	50,181		225,154
Loss from discontinued operations, net of taxes(a)	2,822	3,134		5,956
Loss on extinguishment of debt	9,329	11,126		20,455
Retention and stock related plans expense		1,015		1,015
Adjusted EBITDA	\$ 187,124	\$ 65,456	\$	\$ 252,580

Nine Months Ended September 30, 2004				
	Historical Roper	Historical TransCore	Adjustments for the Transactions	Pro Forma
(in thousands)				
Earnings from continuing operations	\$ 69,066	\$ 6,162	\$ (207)	\$ 75,021
Loss from discontinued operations, net of taxes (a)		(678)		(678)
Net earnings	69,066	5,484	(207)	74,343
Interest expense	21,066	12,141	(7,457)	25,750
Income taxes	28,986	9,025	(111)	37,900
Depreciation and amortization	29,827	16,556	7,775	54,158
EBITDA	148,945	43,206		192,151
Loss from discontinued operations, net of taxes (a)		678		678
Retention and stock related plans expense		9,658		9,658
Adjusted EBITDA	\$ 148,945	\$ 53,542	\$	\$ 202,487

- (a) Roper's loss from discontinued operations, net of taxes, reflects losses from our Petrotech operation, which was sold in August 2003, and TransCore's loss from discontinued operations, net of taxes, reflects losses from the fuel services division of Viastar Services, LP, which TransCore decided to discontinue in January 2002.
- (b) Reflects losses associated with NTGH's minority interest in DAP Technologies during 2003. We purchased the remaining interest in DAP Technologies on December 29, 2003.

Table of Contents**Summary Consolidated Financial Data TransCore**

The following summary consolidated financial data of TransCore for the end of each of the three fiscal years ended January 31, 2002, 2003 and 2004 and as of January 31, 2004 are derived from TransCore's audited consolidated financial statements. TransCore's consolidated financial statements for each of the three fiscal years ended January 31, 2002, 2003 and 2004 and as of January 31, 2003 and 2004 were audited by Ernst & Young LLP, independent registered public accountants. The summary consolidated financial data for the nine months ended October 31, 2003 and for and as of the nine months ended October 31, 2004 were derived from TransCore's unaudited consolidated financial statements and, in TransCore's opinion, reflect all adjustments, consisting of normal recurring adjustments, necessary for fair presentation of the data for those periods. TransCore's results of operations for the nine months ended October 31, 2004 may not be indicative of results that may be expected for the full fiscal year.

You should read the table below in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations TransCore and TransCore's consolidated financial statements and related notes included elsewhere in this prospectus supplement.

	Year Ended January 31,			Nine Months Ended October 31,	
	2002	2003	2004	2003	2004
					(unaudited)
					(in thousands)
Consolidated statements of operations data:					
Total revenue	\$ 323,435	\$ 318,308	\$ 338,137	\$ 252,634	\$ 269,905
Total gross profit	144,371	142,903	148,884	112,770	121,649
Income from continuing operations	13,805	9,930	3,615	8,757	6,162
Discontinued operations, net	(17,283)	(1,778)	(3,134)	(1,631)	(678)
Net income (loss)(1)	(3,478)	8,152	481	7,126	5,484
Convertible and redeemable preferred stock dividends(2)	(9,978)	(10,406)	(8,831)	(7,068)	(5,544)
Other operating data:					
Adjusted EBITDA(3)	59,148	61,459	65,456	50,938	53,542
Capital expenditures property and equipment	7,941	12,753	10,469	4,179	8,386

	At January 31,		At October 31,	
	2004	2004	2004	2004
				(unaudited)
Consolidated balance sheet data:				
Cash and cash equivalents	\$	896	\$	6,766
Working capital(4)		34,814		49,904
Total assets		398,050		399,363
Total long-term debt and capital lease obligations		205,520		201,470
Redeemable preferred stock, net		50,554		52,981
Convertible preferred stock		83,117		83,117
Stockholders' equity		69,175		79,148

(1) If SFAS No. 142, Goodwill and Other Intangible Assets, had been adopted as of February 1, 2001, the absence of goodwill and indefinite lived intangible assets amortization would have resulted in net income for the fiscal year ended January 31, 2002 of \$2,784.

(2)

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Represents the carrying amount for dividends not yet declared or paid, but that are payable under the mandatory redemption features of the convertible and redeemable preferred stock. The aggregate redemption value of TransCore's outstanding convertible and redeemable preferred stock will be paid to the holders in connection with the acquisition.

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- (3) Adjusted EBITDA is a supplemental non-GAAP financial measure. EBITDA is commonly defined as net income plus (a) interest expense, (b) income taxes and (c) depreciation and amortization. The definition of adjusted EBITDA for TransCore is different from EBITDA because we also add the following items to net income (loss): (a) loss from discontinued operations, (b) loss on extinguishment of debt and (c) retention and stock related plans expense. Adjusted EBITDA was used by Roper, in addition to net income (loss), operating income and cash flows from operating activities, in determining an appropriate value for the acquisition and will be used by us to assess TransCore's future performance. We believe it is important for investors to be able to evaluate TransCore and the TransCore acquisition using the same measures used by us. We believe this measure is an important indicator of TransCore's operational strength and the performance of its business because it provides a link between profitability and operating cash flow. In addition, we use adjusted EBITDA, as opposed to EBITDA, because adjusted EBITDA adds back to net earnings items we believe to be less relevant to our business' core operating performance. We also understand that many investors use adjusted EBITDA, and similar measures, as supplemental measurement tools to help evaluate the performance and value of companies like ours, considering such measures to be important indicators of these businesses' operational strength and performance.

TransCore recorded losses on extinguishment of debt in each of the years ended January 31, 2002 and 2004. However, we believe that these losses are not expected for TransCore in future periods since TransCore will become a business of Roper and that it is therefore meaningful to compare operating performance period-to-period by adding these losses to net income (loss) in deriving adjusted EBITDA. We also believe it is appropriate to adjust for losses from discontinued operations in calculating adjusted EBITDA to indicate TransCore's earnings from operations that will be a continuing part of our business. In addition, we add retention and stock related plans expense back to net income (loss) in calculating adjusted EBITDA because these expenses will not be applicable for us following the TransCore acquisition.

Adjusted EBITDA as calculated by us is not necessarily comparable to similarly titled measures reported by other companies. In addition, adjusted 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 our cash flow needs; and (c) should not be considered as an alternative to net income, operating income, cash flows from operating activities or our other financial information determined under GAAP.

We believe the line on TransCore's consolidated statement of operations entitled net income (loss) is the most directly comparable GAAP measure to adjusted EBITDA. The following table reconciles adjusted EBITDA on a consolidated basis to the line on TransCore's consolidated statement of operations entitled net (loss) income for the periods presented in the table above:

	Year Ended January 31,			Nine Months Ended October 31,	
	2002	2003	2004	2003	2004
	(in thousands)				
Net income (loss)	\$ (3,478)	\$ 8,152	\$ 481	\$ 7,126	\$ 5,484
Interest expense	21,333	23,672	25,308	19,506	12,141
Income tax (benefit) expenses	(4,754)	9,242	2,950	6,282	9,025
Depreciation and amortization	24,350	16,909	21,442	15,682	16,556
EBITDA	37,451	57,975	50,181	48,596	43,206
Loss from discontinued operations, net of taxes	17,283	1,778	3,134	1,631	678
Loss on extinguishment of debt	2,432		11,126		
Retention and stock related plans expense	1,982	1,706	1,015	711	9,658
Adjusted EBITDA	\$ 59,148	\$ 61,459	\$ 65,456	\$ 50,938	\$ 53,542

- (4) Working capital represents current assets minus current liabilities.

Table of Contents**Summary Pro Forma Consolidated Financial Data**

The summary pro forma consolidated statement of operations data for the year ended December 31, 2003 and the nine months ended September 30, 2004 and summary pro forma consolidated balance sheet data as of September 30, 2004 have been derived from the pro forma consolidated statement of operations for the year ended December 31, 2003 and the nine months ended September 30, 2004 and the pro forma consolidated balance sheet as of September 30, 2004 appearing elsewhere in this prospectus supplement. For purposes of the presentation below, TransCore's results for the period ended January 31, 2004 and for the period ended and as of October 31, 2004 are reflected as December 31, 2003 and September 30, 2004, respectively. The pro forma consolidated statement of operations data for the year ended December 31, 2003 assumes that the NTGH acquisition and the related transactions occurred on January 1, 2003. In addition, the pro forma consolidated statement of operations data gives effect to the Transactions as if they had occurred at January 1, 2003, and the pro forma consolidated balance sheet data gives effect to these Transactions as if they had occurred on September 30, 2004. See Unaudited Pro Forma Consolidated Financial Information.

	Year Ended December 31, 2003			Pro Forma(3)
	Pro Forma Roper/NTGH(1)(2)	Historical TransCore(2)	Adjustments for the Transactions	
(in thousands, except per share data)				
Statement of operations data:				
Net sales	\$ 855,834	\$ 338,137	\$	\$ 1,193,971
Gross profit	431,721	148,884		580,605
Operating profit	146,915	41,933	(10,450)	178,398
Loss on extinguishment of debt	9,329	11,126(4)		20,455
Earnings from continuing operations before income taxes	107,600	6,565	7,559	121,724
Net earnings from continuing operations	74,280	3,615	4,913	82,808
Net earnings per share from continuing operations				
Basic	\$ 2.04			\$ 2.04
Diluted	2.02			2.02

	Nine Months Ended September 30, 2004			Pro Forma(3)
	Historical Roper(2)	Historical TransCore(2)	Adjustments for the Transactions	
(in thousands, except per share data)				
Statement of operations data:				
Net sales	\$ 693,215	\$ 269,905	\$	\$ 963,120
Gross profit	345,024	121,649		466,673
Operating profit	119,100	26,386	(7,775)	137,711
Earnings from continuing operations before income taxes	98,052	15,187	(318)	112,921
Net earnings from continuing operations	69,066	6,162	(207)	75,021
Net earnings per share from continuing operations				
Basic	\$ 1.87			\$ 1.83
Diluted	1.84			1.80

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	At September 30, 2004			
	Historical	Historical	Adjustments for the	
	<u>Roper</u>	<u>TransCore</u>	<u>Transaction</u>	<u>Pro Forma</u>
	(in thousands)			
Balance sheet data:				
Cash and cash equivalents	\$ 102,416	\$ 6,766	\$ (62,875)(5)	\$ 46,307
Total assets	1,573,138	399,363	274,818	2,247,319
Long-term debt, less current portion	594,746	201,470	101,171	