



What Counts?

Roper Industries, Inc. 2004 Annual Report

The cover of this year's annual report features diamond grinding disks from our Struers' business unit. These consumable supplies are part of our leading materialography solutions for customers and are representative of Roper's growing recurring revenues.

Our Business

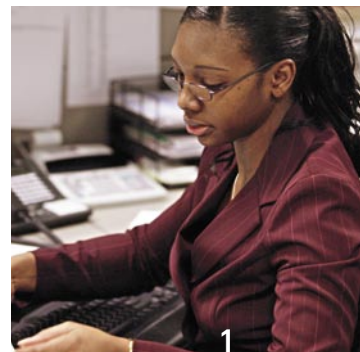
Roper Industries is a diversified industrial growth company providing engineered products and solutions for global niche markets. We are an entrepreneurial organization with a disciplined strategy of re-investing our strong cash flow into existing businesses and acquiring new growth platforms. The successful execution of our strategy over the past decade is demonstrated by our consistent record of top and bottom line growth. Roper trades on the New York Stock Exchange under the symbol "ROP."

Our Growth Strategy

- Promotes organic growth through innovation, channel leadership, sales effectiveness and market expansion.
- Emphasizes recurring revenues.
- Is supported by continuous improvement practices to attain high margins.
- Enables us to deploy our strong, growing cash flow for attractive acquisitions.

what counts?

MARKETS...CUSTOMERS...LEADERSHIP...
DISCIPLINE...CASH...RESULTS...

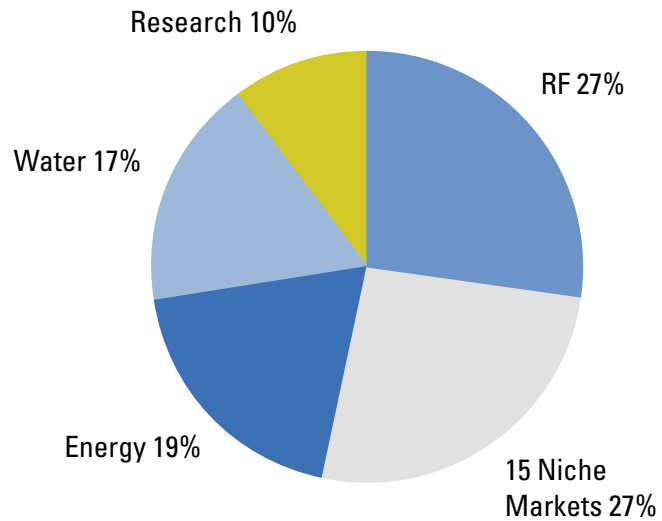


END-MARKETS

2004 DATA, PRO FORMA

Acquisitions have positioned Roper in markets with reduced volatility and multiple-growth opportunities.

Includes 2004 pro forma sales of TransCore.



what counts?

Markets Count

Our *niche markets* make
ONE GREAT PIE.

Roper's strategy focuses on global niche markets with favorable opportunities for growth and strong financial performance. Nearly three-quarters of Roper's end-market exposure is in radio frequency (RF), water, energy and research markets, which all have steady growth drivers and attractive global prospects. The overall result is a portfolio with low volatility and enhanced growth prospects.

what counts?

Customers Count

Our products are *Engineered*
TO ADD VALUE.

Our businesses are market leaders that create engineered products and systems to improve customer performance and effectiveness. Customers count on Roper to supply high-quality, high performance solutions, supported by our application expertise. Our commitment to customers is reflected in an increasing amount of recurring revenues and high gross margins, which support continued investment in product development, distribution and market expansion.

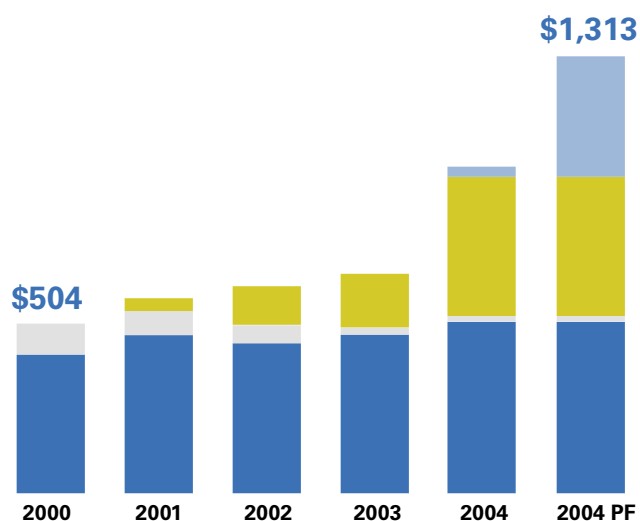


PORTFOLIO TRANSFORMATION

NET SALES IN MILLIONS

- TransCore
- Other Businesses Acquired After 2000
- Gazprom, IDI, Petrotech
- Base Businesses

Our recent acquisitions consistently meet Roper's disciplined acquisition criteria. They generate great cash returns, operate in favorable markets, possess clear growth paths, provide scale advantages and offer strategic platforms for additional bolt-on acquisition opportunities.



Excludes Petrotech in 2001-2003 (discontinued operation); business disposed in 2003. "2004 PF" includes 2004 pro forma sales of TransCore.

what counts?

Discipline Counts

We've shaped OUR PORTFOLIO by knowing when to invest and *When to Walk Away*.

Over the past decade, we have compiled a highly successful track record of acquisitions and integration. We utilize a strict filtering process to evaluate acquisition candidates, including strong customer value propositions, clear growth opportunities and attractive financial returns. Our intensive due diligence process identifies opportunities for us to add value and to further determine whether a targeted business is a good fit for Roper. This disciplined process has served us well and had a dramatic impact on creating our strong portfolio.

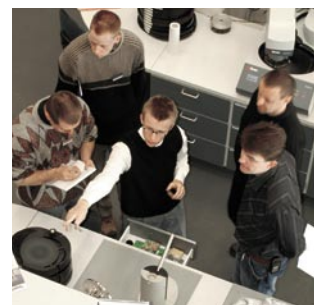


what counts?

Leadership Counts

Our ACTIVE INVOLVEMENT is focused
on making good *Companies Even Better.*

Our leadership approach nurtures entrepreneurial drive and agility, while bringing the benefits of our \$1.3 billion revenue enterprise to each business unit. Roper's organizational structure is built on business segments with operating units that share common competencies around customers, markets, technologies and operations. Our segment executives help business unit leaders to grow their businesses and improve productivity, as evidenced by nine percent internal revenue growth in 2004 and more than 30 percent employee and facility productivity improvements since 2000.





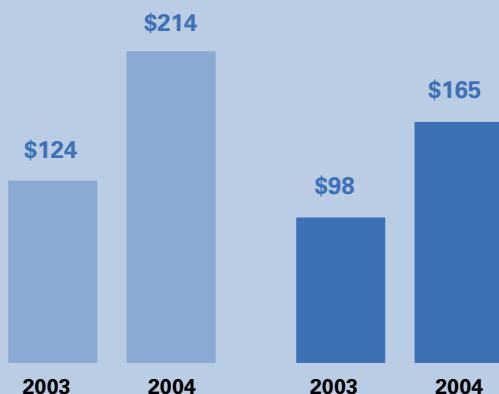
what counts?

Cash Counts

CASH FLOW (\$ IN MILLIONS)

- Adjusted EBITDA
- Adjusted Operating Cash Flow

Operating Cash Flow and EBITDA (earnings before interest, taxes, depreciation and amortization) rose 68% and 73%, respectively, year-over-year.



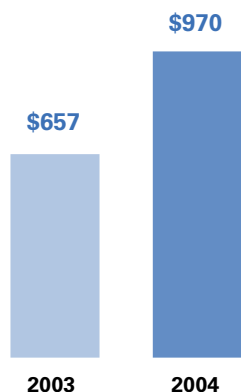
Excludes debt extinguishment costs, discontinued operations and inventory revaluation charges from the Neptune acquisition.

The purest measurement of *performance* is GREEN.

We believe the best performance metric is cash return on investment. We apply this metric across all of our business units, to each segment and the enterprise as a whole. As a result, we are able to focus on growing our cash flow and carefully controlling our investments, leading to value creation for shareholders.

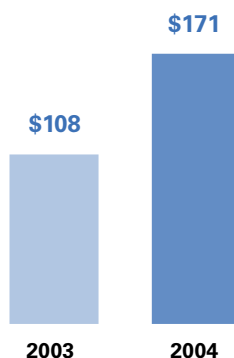
NET SALES (\$ IN MILLIONS)

Organic growth and the Neptune acquisition led to a 48% increase.



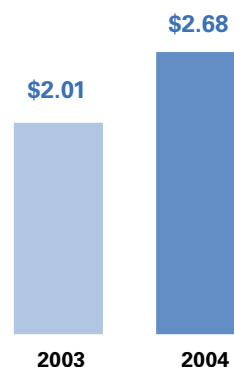
OPERATING INCOME (\$ IN MILLIONS)

Excellent growth combined with strong margins generated a 58% increase.



DILUTED EPS (ADJUSTED, \$ PER SHARE)

Earnings climbed 33% to a record level.



Excludes debt extinguishment costs, discontinued operations and inventory revaluation charges from the Neptune acquisition.

what counts?

Results Count

PERIOD.

Roper is a results-driven company that places as much emphasis on execution as strategy. Since our IPO in 1992, net sales, earnings and cash flow have grown at a compound annual rate in excess of 24 percent. The strength of our performance through different economic cycles over the past 13 years underscores our strategic soundness and operational excellence. As we exceed \$1 billion in revenue, Roper continues to demonstrate its capabilities to grow the enterprise and leverage this growth to produce strong cash flow.

Nothing Counts More than Creating Shareholder Value

On all counts, 2004 was a year of record performance at Roper. It also was a year in which the strategic transformation of our business became evident, as we completed our transition from a holding company to an operating company. In the process, we have opened a new era of opportunity and potential. As we head into 2005, we are pleased with our progress and the momentum in our business.

The past year also was about fulfilling our commitments to shareholders. While remaining focused on cash flow, we successfully integrated our December 2003 acquisition of Neptune Technology Group Holdings, accelerated our internal growth rate, improved our working capital velocity, achieved record financial performance and executed our disciplined acquisition program.

Another Year of Record Achievement

We entered 2004 focused on the integration of Neptune, which provides leading measurement products and automatic meter reading (AMR) solutions for North American water markets. During the year, we worked with our experienced team at Neptune to ensure a smooth transition while the business continued to make great strides with its customers. Growth exceeded expectations, largely as a result of market share gains in AMR, which uses Neptune's radio frequency (RF) application expertise.

Re-igniting organic growth was another key priority during the year, and we realized strong progress on this front as a result of initiatives put in place during 2003. These included a re-alignment of the business units into market-focused segments, a broadening of growth strategies and an emphasis on operating leadership. Our efforts yielded an internally generated growth rate of nine percent for the year, with strong performances across all segments. We also achieved significant improvements in our working capital velocity in 2004.

Operating improvements have enabled Roper to enhance productivity while successfully executing its growth strategy. Sales and operating income per square foot and per employee have all increased more than 30 percent since 2000, demonstrating our commitment to continuous improvement and operational excellence throughout the enterprise.

The integration of Neptune, organic growth and working capital velocity combined to produce stellar financial performance in 2004. Among the records:

- Net sales increased 48 percent to \$970 million
 - Operating cash flow was up 68 percent to \$165 million
 - Adjusted EBITDA improved 73 percent to \$214 million
- Adjustments in 2004 include debt extinguishment costs and the required inventory revaluation charge for the Neptune acquisition.



Brian Jellison

Chairman, President and Chief Executive Officer

- Adjusted EBITDA margins of 22.1 percent, an increase of over 300 basis points
- Adjusted diluted earnings per share increased 33 percent to \$2.68

In December, we amended our credit facility to provide sufficient capital to support the Company's growth plans. The result is a \$1,055 million credit facility with a 75 basis point lower spread, better flexibility, and a \$400 million revolver that was undrawn at year-end. This facility, along with a year-end cash balance of \$129 million, provides us with sufficient access to capital to finance Roper's growth initiatives. During the year, we continued to make progress toward our long-term goal of achieving investment grade status, with Standard and Poor adding a "positive" outlook to its BB+ rating.

A New Growth Platform

The new credit facility, in conjunction with an offering of our common stock, supported the \$600 million acquisition of TransCore Holdings in December 2004. This acquisition creates a new strategic growth platform with multiple growth opportunities, utilizing TransCore's leading RF and satellite-based communication technologies and related services. With pro forma net sales of

\$358 million in 2004, TransCore is rapidly expanding its technologies and expertise not only in its leading tolling and traffic applications, but also into growing areas such as homeland security, mobile asset tracking and electronic vehicle compliance. TransCore provides a number of synergies with our existing business units, is expected to add significantly to our 2005 results, and creates another exciting platform upon which we can build.

In addition to TransCore, we also completed the \$40 million acquisition and integration of the power generation business of R/D Tech. Based in Quebec, Canada, the acquired business provides non-destructive testing technologies that are highly complimentary to our Zetec business unit, and also increases the business' geographic reach.

From larger strategic acquisitions, such as TransCore, to smaller bolt-on acquisitions, such as R/D Tech, Roper's acquisition and integration expertise is well proven. This expertise has had a transformational effect on our portfolio over the past four years. Recent acquisitions have enabled Roper to reduce cyclical exposure, increase recurring revenues, enter end-markets with favorable growth prospects and provide opportunities for more bolt-on acquisitions. In the process, we have more than doubled the size of the Company with even stronger cash flow performance.



An Acquisition That Counts – *literally*

TransCore's proven expertise in high-growth applications is evident by its revenue growth over the past decade. Sales have increased dramatically as a result of the Company's market-leading Radio Frequency Identification (RFID) tags and readers, software and satellite communication technologies. Though TransCore is known as the leading provider of end-to-end toll and traffic solutions today, its long-term growth potential lies in higher value application of its broad technology offerings. Indeed, TransCore holds more than 100 patents, which create multiple future growth paths.

The next level of growth for TransCore will include expansion into a number of areas. High-speed open lane tolling offers a variety of flexible options to transportation planners to address mounting traffic congestion and provide funding for needed infrastructure investments. TransCore's RFID technologies are also leveraged to provide intelligent transportation solutions and asset tracking

applications. These include truck and trailer applications, marine fleet location tracking and new rail technology applications for positioning and tracking.

Additional opportunities for TransCore involve electronic vehicle compliance and a wide range of homeland security applications. Electronic vehicle compliance enables automatic screening and enforcement of motor vehicles for compliance with registration, insurance and inspection requirements. On the homeland security front, TransCore's solutions are used to control traffic at 34 U.S. border crossings, while others can be applied to track global movements of shipping containers. On a fully exploited basis, RFID technology and satellite communication can essentially be applied to track and monitor any sensitive, high-value asset or cargo. This presents compelling solutions for business and government customers, as well as compelling growth opportunities for Roper.

“Recent acquisitions have enabled Roper to reduce cyclical exposure, increase recurring revenues, enter end-markets with favorable growth prospects and provide opportunities for more bolt-on acquisitions. In the process, we have more than doubled the size of the Company with even stronger cash flow performance.”

– **Brian Jellison**

Evolution Advances The Enterprise

As a result of our portfolio transformation, Roper begins 2005 at a new level from previous years, having recently moved from the Russell 2000 to the Russell 1000 index. The Company’s operating and strategic capabilities demonstrate its successful evolution and maturation as an enterprise. Our record of consistent and improving financial performance also underscores our ability to turn these capabilities into results. Roper is an organization focused intently on execution, with clear goals and disciplined plans to achieve them.

We continue to expand our capabilities and strengthen management. In November 2004, Mike Towe joined Roper as our Chief Financial Officer. Mike is a 27-year veteran of General Electric, where he held several CFO positions, including assignments in Korea, China and Hong Kong. He is uniquely qualified to lead the financial management needs of our growing enterprise.

We enter 2005 focused on capturing the benefits of the TransCore acquisition, in particular exploring higher value applications of its patented technologies and building our new RF platform. In early 2005, we acquired Inovonics Wireless Corporation, which uses a proprietary RF technology for security and sub-metering applications, complementary to our TransCore and Neptune businesses. In addition, we remain focused on optimizing cash flow generation, maintaining our internal growth momentum and acquiring great businesses.

Roper is better positioned than ever to meet these goals and achieve record results. Our leadership team and the tools they provide to our businesses are stimulating organic growth. Our end-markets present compelling growth opportunities for Roper’s products and technologies. Our financial capacity and strategic direction support our acquisition activities, and thanks to our employees’ disciplined efforts, we are helping to convert our top-line growth into higher cash flow returns.

We remain committed to our growth strategy and focused on creating value for our shareholders.

You can count on it.

Sincerely,



Brian D. Jellison

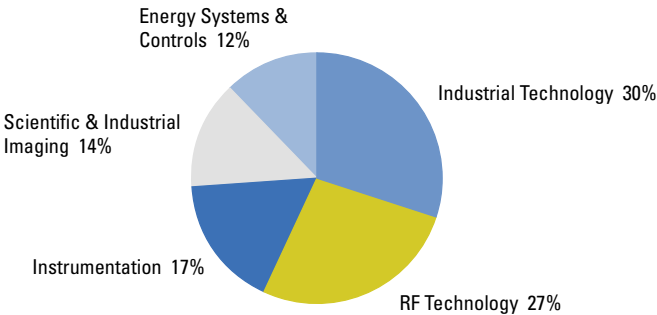
Chairman, President and Chief Executive Officer
April 28th, 2005

Our Businesses

Roper’s diversified industrial portfolio is managed in five segments to leverage common competencies around customers, markets, technologies, and operations. Our products and services are marketed to selected segments of a broad range of markets including radio frequency (RF) applications, water and wastewater, energy, research, and 15 other niche markets.

REVENUE BY SEGMENT MIX

2004 DATA, PRO FORMA



Includes 2004 pro forma sales of TransCore.

Instrumentation

Products and Solutions

The Instrumentation segment principally offers equipment and consumables for materials analysis, fluid properties testing and industrial leak testing.

Primary End-Markets Include:

- | | |
|--------------------|----------|
| Oil and Gas | Medical |
| General Industrial | Research |
| Automotive | |
| Semiconductor | |

Energy Systems & Controls

Products and Solutions

The Energy Systems and Controls segment produces control systems, machinery vibration and other non-destructive inspection and measurement products and solutions.

Primary End-Markets Include:

- Oil & Gas/Refining and Processing
- Oil & Gas/Pipeline
- Power Generation

Scientific & Industrial Imaging

Products and Solutions

The Scientific and Industrial Imaging segment principally offers high-performance digital-imaging products and software, and handheld computers and software.

Primary End-Markets Include:

- | | |
|---------------------------|---------------|
| Physical Science Research | Automotive |
| Life Science Research | Semiconductor |

Industrial Technology

Products and Solutions

The Industrial Technology segment produces water meter and automatic meter reading (AMR) products and systems, industrial pumps, flow measurement and metering equipment, and industrial valves and controls.

Primary End-Markets Include:

- | | |
|--------------------------|------------------|
| Water/Wastewater | Oil and Gas |
| General Industrial | Power Generation |
| Commercial Refrigeration | |

RF Technology

Products and Solutions

The RF Technology segment includes proprietary radio frequency identification tags and readers, satellite-based communication hardware and accessories, software and services.

Primary End-Markets Include:

- | | |
|-------------------------------|----------------|
| Electronic Tolling | Asset Tracking |
| Intelligent Traffic Solutions | Security |
| Web-based Freight Matching | |

SHAREHOLDER INFORMATION

COMMON STOCK INFORMATION

Ticker Symbol: ROP

Roper's common stock is traded principally on the New York Stock Exchange with options trading conducted on the Chicago Board of Exchange.

ANNUAL MEETING

The 2005 Annual Meeting of Shareholders will be held at noon on June 6, 2005 at Roper's corporate offices at 2160 Satellite Boulevard, Suite 200, Duluth, Georgia 30097 U.S.A.

ANNUAL REPORT ON FORM 10-K

Any shareholder wishing a copy of Roper's 2004 Annual Report on Form 10-K filed with the Securities and Exchange Commission may obtain one without charge by writing to:

Investor Relations

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Duluth, Georgia 30097 U.S.A.

TRANSFER AGENT

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Shareholder Services Group

1525 West WT Harris Blvd. 3C3

Charlotte, North Carolina 28288-1153 U.S.A.

1.704.590.0394

INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

PricewaterhouseCoopers LLC

Atlanta, Georgia U.S.A.

PRIMARY METROPOLITAN AREA LOCATIONS

Albuquerque, Atlanta, Boston, Chicago, Dallas, Des Moines, Harrisburg, Houston, Montgomery, New Orleans, New York, Phoenix, Pittsburgh, Portland, San Diego, San Francisco, Seattle, Trenton, Tucson, Washington, D.C., U.S.A.; Quebec, Vancouver, Canada; Shanghai, China; Copenhagen, Denmark; Caen, France; Dusseldorf, Frankfurt, Hamburg, Germany; Tokyo, Japan; Ciudad Juarez, Mexico; Amsterdam, Netherlands; Singapore; Cambridge, Glasgow, Oxford, U.K.

DIRECTORS

Brian D. Jellison¹

Chairman, President and
Chief Executive Officer

W. Lawrence Banks²

Donald G. Calder¹

Chief Executive Officer
G.L. Ohrstrom & Co., Inc.

David W. Devonshire^{3,4}

Executive Vice President and
Chief Financial Officer
Motorola, Inc.

John F. Fort III²

Derrick N. Key¹

Wilbur J. Prezzano^{1,4}

Georg Graf Schall-Riaucour³

Eriberto R. Scocimara³

President and CEO
Hungarian-American
Enterprise Fund

Christopher Wright^{2,4}

1 Member of the Executive Committee

2 Member of the Compensation Committee

3 Member of the Audit Committee

*4 Member of the Corporate Governance
and Nominating Committee*

OFFICERS

Brian D. Jellison

Chairman, President and
Chief Executive Officer

Nigel W. Crocker

Vice President

C. Thomas O'Grady

Vice President

Michael W. Towe

Vice President and
Chief Financial Officer

Timothy J. Winfrey

Vice President

Benjamin W. Wood

Vice President



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