

ROPER INDUSTRIES INC
Form 11-K
May 12, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

Annual Report pursuant to Section 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2006.

Transition report pursuant to Section 15(d) of the Securities Exchange Act of 1934 for the transition period from to .

Commission file number 1-12273

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:
Roper Industries, Inc. Employees' Retirement Savings 004 Plan.

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
Roper Industries, Inc., 6901 Professional Pkwy East, Suite 200, Sarasota, FL 34240.

Roper Industries, Inc.

Employees' Retirement
Savings 004 Plan

Financial Statements

Years Ended December 31, 2006 and 2005

Roper Industries, Inc.
Employees' Retirement Savings 004 Plan

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Report of Independent Registered Public Accounting Firm

To the Plan Administrator and Plan Participants
Roper Industries, Inc. Employees' Retirement Savings 004 Plan
Duluth, Georgia

We have audited the accompanying statements of net assets available for benefits of the Roper Industries, Inc. Employees' Savings 004 Plan (the "Plan") as of December 31, 2006 and 2005, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2006 and 2005, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As further described in Note 2, the Plan adopted Financial Accounting Standards Board Staff Position AAG-INV-1 and Statement of Position 94-4-1 for the year ended December 31, 2006, and retroactively applied these pronouncements to the net assets available for benefits for the year ended December 31, 2005.

Our audits were performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying supplemental schedules of Schedule of Delinquent Contributions for the year ended December 31, 2006 and Schedule of Investments (held at end of year) are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BDO Seidman, LLP
Atlanta, Georgia
May 6, 2009

Roper Industries, Inc.
 Employees' Retirement Savings 004 Plan

Statements of Net Assets Available for Benefits
 (in thousands)

| | December 31, | |
|---|--------------|-----------|
| | 2006 | 2005 |
| Assets | | |
| Cash and cash equivalents | \$ - | \$ - |
| Investments, at fair market value (Notes 2 and 3) | | |
| Mutual funds | 23,313 | 18,526 |
| Common collective trusts | 9,525 | 8,002 |
| Roper Industries, Inc. common stock | 4,708 | 3,696 |
| Participant loans | 559 | 444 |
| Total investments | 38,105 | 30,668 |
| Receivables | | |
| Participant contributions | 322 | 314 |
| Employer contributions | 133 | 118 |
| Total receivables | 455 | 432 |
| Payable to employees for excess contributions | (115) | - |
| Net assets available for benefits, at fair value | 38,445 | 31,100 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | 149 | 115 |
| Net assets available for benefits | \$ 38,594 | \$ 31,215 |

See accompanying independent auditors' report and notes to financial statements.

Roper Industries, Inc.
Employees' Retirement Savings 004 Plan

Statements of Changes in Net Assets Available for Benefits
(in thousands)

| | December 31 | |
|--|-------------|-----------|
| | 2006 | 2005 |
| Additions | | |
| Contributions: | | |
| Participant contributions | \$ 4,535 | \$ 3,748 |
| Employer contributions | 1,515 | 1,216 |
| Rollover contributions | 1,232 | 140 |
| Total contributions | 7,282 | 5,106 |
| Investment income: | | |
| Net appreciation in fair market value of: | | |
| Mutual funds | 1,465 | 282 |
| Common collective trusts | 617 | 170 |
| Roper Industries, Inc. common stock | 967 | 773 |
| Investment income from: | | |
| Mutual funds | 891 | 544 |
| Common collective trusts | 188 | 158 |
| Roper Industries, Inc. common stock | 21 | 19 |
| Participant loans | 29 | 23 |
| Total investment income | 4,178 | 1,986 |
| Total additions | 11,461 | 7,074 |
| Deductions | | |
| Benefits paid to participants | 4,010 | 2,308 |
| Administrative expenses | 4 | 4 |
| Total deductions | 4,014 | 2,312 |
| Net increase in net assets | 7,446 | 4,763 |
| Transfers to qualified plan (see Note 1) | (67) | - |
| Net assets available for benefits, beginning of the year | 31,215 | 26,452 |
| Net assets available for benefits, end of the year | \$ 38,594 | \$ 31,215 |

See accompanying independent auditors' report and notes to financial statements.

Roper Industries, Inc.
Employees' Retirement Savings 004 Plan
Notes to Financial Statements

1. Description of the Plan - The following description of the Roper Industries, Inc. Employees' Retirement Savings 004 Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.
 - a. General - The Plan is a defined contribution plan covering all employees of certain subsidiaries of Roper Industries, Inc. (the "Company"), who are age eighteen or older and have completed six months of service, as defined in the Plan. Certain participants who become employees of the Company as a result of mergers or acquisitions are given credit for their prior service for purposes of determining eligibility and vesting. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. Effective January 2002, the Plan was amended to incorporate certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA).
 - b. Contributions - Participants may contribute up to 30 percent of pretax annual compensation as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers two common collective trusts (CCTs), ten mutual funds, and Roper Industries, Inc. common stock as investment options for participants. The Company contributes 50 percent of the first 6 percent of base compensation that a participant contributes to the Plan or 50 percent of the first 8 percent of base compensation that a participant contributes to the Plan depending on the Company. Contributions are subject to certain limitations. Included in rollovers is \$187,524 of transfers to the Roper Industries, Inc. Employees' Retirement Savings 003 Plan and \$120,649 of transfers from the Roper Industries, Inc. Employees' Retirement Savings 003 Plan related to participants who transferred between the two companies.
 - c. Participant Accounts - Each participant's account is credited with the participant's contributions, an allocation of the Company's matching contributions and Plan earnings and is charged with an allocation of administrative expenses. Allocations are based on the participant's account balance, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.
 - d. Vesting - Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. Participants vest over a five year period beginning with 20 percent after one year of service and 20 percent each year thereafter, and are 100 percent vested after 5 years.
 - e. Participant Loans - Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates that range from 5.00 percent to 10.25 percent, which are commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest is paid ratably through payroll deductions.
 - f. Payment of Benefits - On termination of service due to death, disability, retirement or separation from service subsequent to July 1, 2002, a participant will generally elect to receive their benefits as a lump-sum amount equal to the value of the participant's vested interest in his or her account. Participants can elect to receive shares of the Company's common stock if their total balance exceeds \$5,000. For distributions prior to July 1, 2002, participants could have elected to receive their benefits in installments. Withdrawals from the Plan may also be made upon circumstances of financial hardship, in accordance with provisions specified in the Plan.

- g. Forfeitures - Forfeitures by non-vested participants are used to reduce future Company contributions. Forfeiture balances were \$33,811 and \$22,279 and forfeitures used were \$70,900 and \$55,627 for the years ended December 31, 2006, and 2005, respectively.
- h. Administrative Expenses - The majority of the administrative expenses of the Plan are paid by the Company.

2. Summary of Significant Accounting Policies

Basis of Accounting - The financial statements of the Plan are prepared under the accrual method of accounting.

Management Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported period. Actual results could differ from those estimates.

Investment Valuation - The Plan's investments are stated at fair value. Money market funds are stated at fair value, which approximates cost. The investments in common stock of Roper Industries, Inc. and the mutual funds are stated at fair value based upon quoted prices in active markets at the last reported sales price on the last business day of the Plan year. Investments in collective trust funds are stated at fair value, based on quoted redemption values determined by the investment managers. Participant loans are valued at cost, which approximates fair value.

The Scudder Stable Value Fund invests in fully benefit-responsive contracts. As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined Contribution Health and Welfare and Pension Plans (the FSP), investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. As required by the FSP, the statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment from fair value to contract value. Prior year balances have been reclassified accordingly. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Payment of Benefits - Benefits are recorded when paid.

3. Investments - The fair market value of individual investments that represent at least 5 percent of the Plan's net assets available are as follows (amounts in thousands):

| | 2006 | 2005 |
|--|----------|----------|
| DWS Stable Value Fund | \$ 4,913 | \$ 4,129 |
| Roper Industries, Inc. common stock | 4,708 | 3,696 |
| DWS Stock Index Fund | 4,612 | 3,872 |
| DWS Growth and Income Fund | 2,997 | 2,365 |
| MFS Total Return Fund | 2,897 | 2,600 |
| DWS Large Company Growth Fund | 2,875 | 2,590 |
| | 2,564 | 2,639 |

| | | |
|-------------------------------------|-------|-------|
| MFS Mid-Cap Growth Fund | | |
| PIMCO Total Return Fund | 2,385 | 2,125 |
| DWS International Fund | 2,305 | 1,130 |
| Janus Worldwide Fund | 2,209 | 1,768 |
| American Century Equity Income Fund | 2,136 | 1,253 |

4. Risks and Uncertainties - The Plan invests in various types of investment securities, including mutual funds, common collective trust funds and Roper Industries, Inc. common stock. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

5. Related Party Transactions - Certain Plan investments are shares of mutual funds or common collective trusts managed by DWS Trust Company. DWS Trust Company is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest.

The Plan offers Roper Industries, Inc. common stock as an investment option for participants. Roper Industries, Inc. is the Plan sponsor as defined by the Plan, and therefore, these transactions qualify as party-in-interest.

6. Plan Termination - Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

7. Income Tax Status - The Internal Revenue Service has determined and informed the Company by a letter dated October 20, 1999, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

8. Nonexempt Transactions – During the Plan year ended December 31, 2006, employee withholdings in the amount of \$754,088 were not applied to the participants' accounts within the appropriate time frame. These transactions constitute prohibited transactions as defined by ERISA. Missed earnings in the amount of \$1,144 were applied to the participants' accounts in 2008 to bring the plan into compliance.

9. Reconciliation to Form 5500 – The following is a reconciliation of net assets available for benefits and net increase in net assets available for benefits per the financial statements at December 31, 2006 and 2005 to Form 5500:

| | 2006 | 2005 |
|--|-----------|-----------|
| Net assets available for benefits per financial statements | \$ 38,594 | \$ 31,215 |
| Adjustment from contract value to fair value | (149) | (115) |
| Net assets available for benefits per Form 5500 | \$ 38,445 | \$ 31,100 |
| Net increase in net assets per financial statements | \$ 7,446 | \$ 4,763 |

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| | | |
|--|----------|----------|
| Adjustment from contract value to fair value | (34) | (115) |
| Net increase in net assets per Form 5500 | \$ 7,412 | \$ 4,648 |

10. Subsequent Event – On January 1, 2008, The Company changed the Plan’s trustee and recordkeeper from ADPRS to The Newport Group.

SUPPLEMENTAL SCHEDULES

Roper Industries, Inc. Employees'
Retirement Savings 004 Plan

Schedule H, Line 4a - Schedule of Delinquent Contributions
(in thousands)

| (a) Name of Party Involved | (b) Relationship to the Plan Employer or Other Party-In-Interest | (c) Description of the Transaction | (d) Value at Transaction Date |
|----------------------------------|---|---|--|
| Roper Industries | Plan Sponsor | Remittance of employee withholdings exceeded the allowable time frame | \$ 754 |

Roper Industries, Inc. Employees'
Retirement Savings 004 PlanSchedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2006
(dollar amounts in thousands)

| (a) | (b) Identity of Issuer | (c) Description of Investment | (d) Cost | (e) Current Value |
|-----|-------------------------------------|---|-------------|-------------------------|
| | Mutual Funds: | | | |
| | Janus Worldwide Fund | 43,783 shares | a | \$ 2,209 |
| | PIMCO Total Return Fund | 229,781 shares | a | 2,385 |
| | American Century Equity Income Fund | 248,984 shares | a | 2,136 |
| | MFS Mid-Cap Growth Fund | 273,316 shares | a | 2,564 |
| | RS Diversified Growth Fund | 49,828 shares | a | 1,202 |
| | MFS Total Return Fund | 179,008 shares | a | 2,897 |
| | *DWS Large Company Growth | 105,847 shares | a | 2,875 |
| | *DWS Growth and Income Fund | 134,706 shares | a | 2,997 |
| | *DWS International Fund | 37,343 shares | a | 2,305 |
| | *DWS Dreman High Return Equity Fund | 33,949 shares | a | 1,743 |
| | Total Mutual Funds | | | 23,313 |
| | Common Collective Trusts: | | | |
| | *DWS Stable Value Fund | 5,062,282 shares | a | 4,913 |
| | *DWS Stock Index Fund | 105,581 shares | a | 4,612 |
| | Total Common Collective Trusts | | | 9,525 |
| | *Roper Industries, Inc. | 93,704 shares of Company common stock | a | 4,708 |
| | * Participant loans | 81 loans with interest rates ranging from 5.00% to 10.25% | - | 559 |
| | Total Investments: | | | \$ 38,105 |

a - The cost of participant directed investments is not required to be disclosed.

* Related party-in-interest.