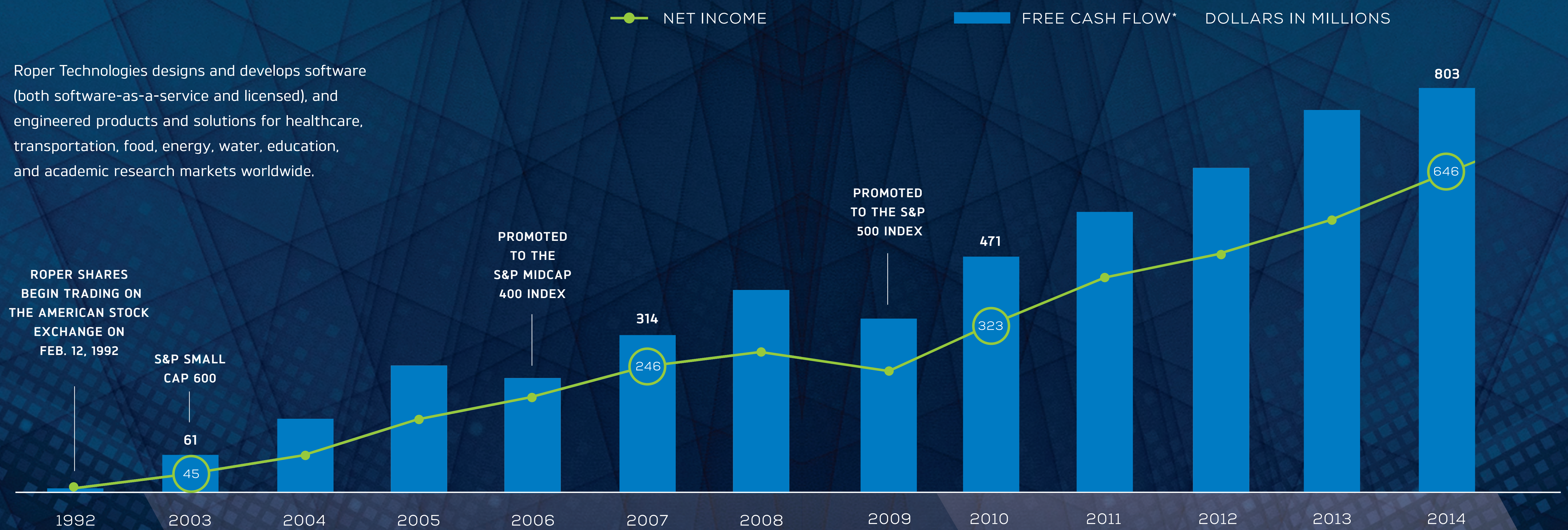
ROPER TECHNOLOGIES

2014 ANNUAL REPORT

ROPER

A Diversified Growth and Technology Company

Roper Technologies designs and develops software (both software-as-a-service and licensed), and engineered products and solutions for healthcare, transportation, food, energy, water, education, and academic research markets worldwide.



TRADITIONAL MULTI-INDUSTRY FOCUS
$718 MILLION DEPLOYED IN ACQUISITIONS
1992-2002

INCREASED FOCUS ON TECHNOLOGY
$3.0 BILLION DEPLOYED IN ACQUISITIONS
2003-2009

TRANSFORMED INTO DIVERSIFIED TECHNOLOGY COMPANY
$4.2 BILLION DEPLOYED IN ACQUISITIONS
2010-TODAY

*NOTE: FREE CASH FLOW = OPERATING CASH FLOW - CAPITAL EXPENDITURES

2014 FINANCIAL HIGHLIGHTS:

- Broad-based organic growth across our four segments, totaling 7% for the company
- Gross margin increased 110 basis points to 59.2%
- Operating income grew 19% to $1.0 billion, driven by 50% operating leverage
- EBITDA margin continued to expand, reaching 33.7%
- Free cash flow exceeded $800 million, representing 23% of revenue
- Diluted earnings per share (DEPS) increased 19% to $6.40
- Increased annual dividend by 20%, increasing for the 22nd consecutive year
- Generated double-digit shareholder returns for the 11th time in the last 12 years

Dear Shareholders,

As we reflect on another record year at our company, it is a pleasure to write to you for the first time on behalf of Roper Technologies. The emergence of Roper Technologies highlights our evolution over several years and points to a future of great opportunities.

Our Consistent Strategy

Roper's name change reflects a relentlessly consistent strategy: Our company is engaged in niche-focused, asset-light businesses with leading-edge technologies that create significant free cash flow, enabling future investments for sustainable growth. The consistent execution of this strategy has driven our company far beyond our industrial roots into a technology leader across many high-value end markets.

We have created a culture that recognizes value is created from localized innovation and nimble decision making by highly engaged and accountable leadership teams at each of our businesses. Regardless of the niche market we serve, our growth strategies utilize intellectual capital, application engineering expertise, new product development, channel expansion and a high degree of customer intimacy to drive sustained growth. Our businesses are not dependent on significant investments in property, plant and equipment or shifts in macroeconomic trends.

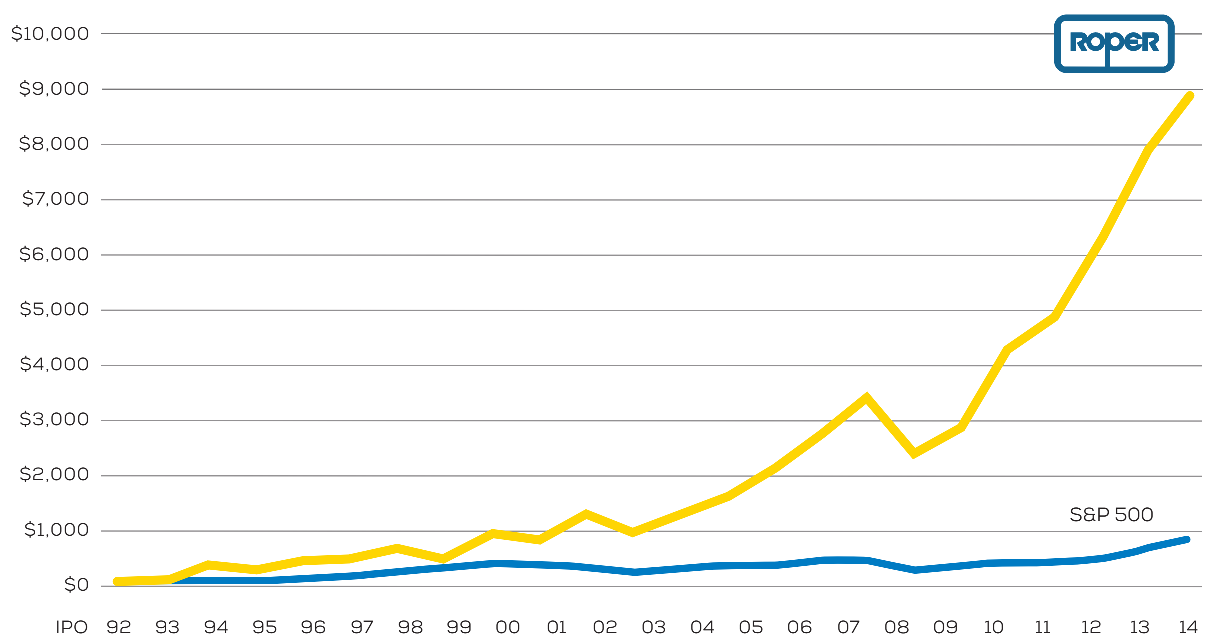
Compounding Cash Flow and Shareholder Value

United by common tools and metrics, **Roper's governance process is our highly-scalable business system**. We emphasize both accounting ratio and economic disciplines to continually improve financial performance. Our high-performing businesses generate substantial free cash flow that we deploy to acquire additional high-performing businesses that generate additional free cash flow. This **creates a "compounding effect"** that drives long-term value creation.

Our cash return discipline extends well beyond the income statement to the balance sheet. We grow our cash flow while maintaining low levels of fixed assets and working capital. We measure this through a metric called Cash Return on Investment (CRI), which has been a powerful value creation tool for us for many years. High CRI businesses are much more nimble and often have structural competitive advantages over their competitors. Roper businesses work to improve CRI annually, by generating more cash flow while maintaining or reducing asset levels. Through a combination of internal improvements and disciplined capital deployment, Roper has increased CRI dramatically since 2004, while our shareholders have enjoyed a total return of 445% during that period.

ROPER COMPARED TO S&P 500
CUMULATIVE TOTAL SHAREHOLDER RETURN

[$100 INVESTED AT IPO]



DELIVERING SUPERIOR SHAREHOLDER RETURNS:

- Win in niche markets through a diverse set of businesses with leading market positions
- Focus on providing proprietary and differentiated customer solutions to generate high gross margin recurring revenue streams
- Maintain an asset-light business model to deliver exceptional cash performance with minimal requirements for capital expenditures and working capital
- Ensure strong business leaders are in place who are accountable for results and operate within our nimble governance system
- Appreciate and preserve what works in our businesses, while stimulating progress and change that can accelerate growth and drive cash returns
- Effectively deploy excess free cash flow in acquisitions that deliver growth and high cash returns

Disciplined Capital Deployment

Since the beginning of 2010, Roper has deployed more than $4 billion to acquire new businesses, entirely focused on software, information networks and medical products. Every year we evaluate many billions of dollars in potential transactions and our rigorous acquisition methodology steeped in diligence, analysis, patience and discipline enables us to recognize a good fit and to know when to walk away. We prioritize the quality of the business, its market position, competitive advantages and management team. We look to acquire only outstanding businesses with leadership teams that are committed to continued growth. Every acquisition opportunity is compared against other opportunities to ensure that we are choosing businesses that create the most value for shareholders.

Finding Our Niche Again and Again

Our acquisition pipeline remains very full and we are highly confident in our ability to deploy our free cash flow and available balance sheet capacity in attractive acquisitions for many years to come. Because we provide a permanent home for great companies, we see numerous opportunities to invest in businesses with an eye to long-term sustainable growth. Our evolution leaves us better positioned to capture future opportunities than at any other time in our history.

We continue to benefit from the strong performance of our two largest acquisitions, Sunquest and MHA, which have both been transformational and have outperformed the high expectations we developed during our diligence processes. Both Sunquest and MHA have deep customer intimacy, high levels of recurring revenue and great technology offerings. Importantly, each have world-class leadership teams that enable us to take advantage of additional opportunities to build their platforms within their niche healthcare technology markets.

Two recently completed acquisitions are closely aligned with MHA, focusing on serving customers in alternate site healthcare markets: Strategic Healthcare Programs (SHP), a leading provider of software and informatics solutions, and SoftWriters, a leading provider of operating software and solutions for long-term care pharmacies. Another recent acquisition, Data Innovations, will have an excellent opportunity to work closely with Sunquest to expand on both companies' leading positions in the hospital laboratory market.

We also recently acquired Strata Decision Technology, an exciting SaaS analytics and performance platform for hospital cost improvement, and Innovative Product Achievements (IPA), the leading manufacturer of automated surgical scrub dispensing equipment for acute care hospitals. The addition of Foodlink, a provider of traceability solutions, also strengthened our leading SaaS network for the food supply chain.

Looking Ahead

When we are asked, "What should shareholders expect from Roper Technologies going forward?" Our answer is "More of the same"– consistent execution, compelling cash flow, shareholder value creation and a continued focus on asset-light niche businesses. Our successful track record is the result of our patience and discipline, and you can expect us to continue that. At Roper, **Simple Ideas and Nimble Execution produce Powerful Results.**

We thank you for being a shareholder of Roper Technologies and we are confident the best is yet to come.

Sincerely,

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2014

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

Commission File Number 1-12273

ROPER TECHNOLOGIES, INC.

(Formerly Roper Industries, Inc.)
(Exact name of Registrant as specified in its charter)

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

6901 Professional Parkway East, Suite 200
Sarasota, Florida 34240
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: **(941) 556-2601**

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

Title of Each Class	Name of Each Exchange On Which Registered
Common Stock, $0.01 Par Value	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☑ Yes ☐ No

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§223.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☑ Yes ☐ No

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

☑ Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company

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

Based on the closing sale price on the New York Stock Exchange on June 30, 2014, the aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant was: $14,653,055,923.

Number of shares of registrant's Common Stock outstanding as of February 13, 2015: 100,356,523.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement to be furnished to Stockholders in connection with its Annual Meeting of Stockholders to be held on May 29, 2015, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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ROPER INDUSTRIES, INC.
FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

INFORMATION ABOUT FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K ("Annual Report") includes and incorporates by reference "forward-looking statements" within the meaning of the federal securities laws. In addition, we, or our executive officers on our behalf, may from time to time make forward-looking statements in reports and other documents we file with the U.S. Securities and Exchange Commission ("SEC") or in connection with oral statements made to the press, potential investors or others. All statements that are not historical facts are "forward-looking statements." Forward-looking statements may be indicated by words or phrases such as "anticipate," "estimate," "plans," "expects," "projects," "should," "will," "believes" or "intends" and similar words and phrases. These statements reflect management's current beliefs and are not guarantees of future performance. They involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in any forward-looking statement.

Examples of forward-looking statements in this report include but are not limited to statements regarding operating results, the success of our internal operating plans, our expectations regarding our ability to generate operating cash flows and reduce debt and associated interest expense, profit and cash flow expectations, the prospects for newly acquired businesses to be integrated and contribute to future growth and our expectations regarding growth through acquisitions. Important assumptions relating to the forward-looking statements include, among others, assumptions regarding demand for our products, the cost, timing and success of product upgrades and new product introductions, raw materials costs, expected pricing levels, expected outcomes of pending litigation, competitive conditions and general economic conditions. These assumptions could prove inaccurate. Although we believe that the estimates and projections reflected in the forward-looking statements are reasonable, our expectations may prove to be incorrect. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, but are not limited to:

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

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

PART I

ITEM 1 | BUSINESS

OUR BUSINESS

Roper Industries, Inc. ("Roper" or the "Company") is a diversified technology company. We operate businesses that design and develop software (both license and software-as-a-service) and engineered products and solutions for a variety of niche end markets; including healthcare, transportation, food, energy, water, education and academic research.

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

We were incorporated on December 17, 1981 under the laws of the State of Delaware.

MARKET SHARE, MARKET EXPANSION, AND PRODUCT DEVELOPMENT

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

Diversified End Markets and Geographic Reach – We have a global presence, with sales of products to customers outside the U.S. totaling $1.3 billion in 2014. Information regarding our international operations is set forth in Note 13 of the Notes to Consolidated Financial Statements included in this Annual Report.

Research and Development – We conduct applied research and development to improve the quality and performance of our products and to develop new technologies and products. Our research and development spending was $147.9 million in 2014 as compared to $145.7 million and $125.9 million in 2013 and 2012, respectively.

OUR BUSINESS SEGMENTS

Our operations are reported in four segments based upon common customers, markets, sales channels, technologies and common cost opportunities. The segments are: Medical and Scientific Imaging, RF Technology, Industrial Technology and Energy Systems and Controls. Financial information about our business segments is presented in Note 13 of the Notes to Consolidated Financial Statements included in this Annual Report.

Medical and Scientific Imaging

Our Medical and Scientific Imaging segment principally offers products and software in medical applications, and high performance digital imaging products. These products and solutions are provided through ten reporting units. For 2014, this segment had net sales of $1.1 billion, representing 30.4% of our total net sales.

Medical Products and Software - We provide diagnostic and laboratory software solutions to healthcare providers and services and technologies to support the diverse and complex needs of alternate site health care providers who deliver services outside of an acute care hospital setting. We also manufacture and sell patient positioning devices and related software for use in radiation oncology, 3-D measurement technology in computer-assisted surgery and supply diagnostic and therapeutic disposable products used in ultrasound imaging for minimally invasive medical procedures. We design and manufacture a non-invasive instrument for portable ultrasound bladder volume measurement and a video laryngoscope designed to enable rapid intubation even in the most difficult settings.

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

Our Medical and Scientific Imaging segment companies have lead times of up to several months on some of their product sales, although standard products are often shipped within two weeks of receipt of order. Blanket purchase orders are placed by certain OEM and end-users, with continuing requirements for fulfillment over specified periods of time.

RF Technology

Our RF Technology segment provides radio frequency identification ("RFID") communication technology and software solutions that are used primarily in toll and traffic systems and processing, security and access control, campus card systems, software-as-a-service in the freight matching and food industries and metering and remote monitoring applications. These products and solutions are provided through six reporting units. This segment had sales of $950.2 million for the year ended December 31, 2014, representing 26.8% of our total net sales.

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

Card Systems/ Integrated Security Solutions - We provide card systems and integrated security solutions primarily to education and health care markets. We also provide an integrated nutrition management solution used by food service customers.

Software-as-a-Service - We maintain electronic marketplaces that connect 1) available capacity of trucking units with the available loads of freight to be moved from location to location throughout North America and 2) food suppliers, distributors and vendors, primarily in the perishable food sector.

Metering and Remote Monitoring - We manufacture and sell meter reading, data logging and pressure control products for use in water, gas and electricity applications. We also provide network monitoring, leakage reduction and pressure control services in water and gas distribution networks.

The RF Technology segment companies' sales reflect a combination of standard products, large engineered projects, and multi-year operations and maintenance contracts. Standard products generally ship within two weeks of receipt of order, and large engineered projects may have lead times of several months. As such, backlog may fluctuate depending upon the timing of large project awards.

Industrial Technology

Our Industrial Technology segment produces fluid handling pumps, materials analysis equipment and consumables, leak testing equipment, flow measurement and metering equipment and water meter and automatic meter reading ("AMR") products and systems. These products and solutions are provided through seven reporting units. For 2014, this segment had net sales of $827.1 million, representing 23.3% of our total net sales.

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

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

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

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

The Industrial Technology segment companies' sales reflect a combination of standard products and specially engineered, application-specific products. Standard products are typically shipped within two weeks of receipt of order. Application-specific products typically ship within 6 to 12 weeks following receipt of order. However, larger project orders and blanket purchase orders for certain OEMs may extend shipment for longer periods.

Energy Systems and Controls

Our Energy Systems and Controls segment principally produces control systems, fluid properties testing equipment, industrial valves and controls, vibration sensors and controls and non-destructive inspection and measurement products and solutions, which are provided through six reporting units. For 2014, this segment had net sales of $691.8 million, representing 19.5% of our total net sales.

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

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

Sensors, Controls and Valves - We manufacture sensors and control equipment including pressure sensors, temperature sensors, measurement instruments and control software for global rubber, plastics and process industries. We also manufacture and distribute valves, sensors, switches and control products used on engines, compressors, turbines and other powered equipment for the oil and gas, pipeline, power generation, marine engine and general industrial markets. Many of these products are designed for use in hazardous environments.

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

The Energy Systems and Controls segment companies' sales reflect a combination of standard products and large engineered projects. Standard products generally ship within two weeks of receipt of order, and large engineered projects may have lead times of several months. As such, backlog may fluctuate depending upon the timing of large project awards.

MATERIALS AND SUPPLIERS

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

BACKLOG

Our policy is to include only firm unfilled orders shippable within twelve months in backlog. Backlog was $1.04 billion at December 31, 2014, and $1.05 billion at December 31, 2013.

DISTRIBUTION AND SALES

Distribution and sales occur through direct sales offices, manufacturers' representatives and distributors. In addition, our Medical and Scientific Imaging segment also sells through value added resellers ("VARs") and OEMs.

ENVIRONMENTAL MATTERS AND OTHER GOVERNMENTAL REGULATION

Our operations and properties are subject to laws and regulations relating to environmental protection, including those governing air emissions, water discharges, waste management and workplace safety. We use, generate and dispose of hazardous substances and waste in our operations and could be subject to material liabilities relating to the investigation and clean-up of contaminated properties and related claims. We are required to conform our operations and properties to these laws and adapt to regulatory requirements in all countries as these requirements change. In connection with our acquisitions, we may assume significant environmental liabilities, some of which we may not be aware of, or may not be quantifiable, at the time of acquisition. In addition, new laws and regulations, the discovery of previously unknown contamination or the imposition of new requirements could increase our costs or subject us to new or increased liabilities.

CUSTOMERS

No customer accounted for 10% or more of net sales for 2014 for any of our segments or for our company as a whole.

COMPETITION

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

PATENTS AND TRADEMARKS

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

EMPLOYEES

As of December 31, 2014, we had 10,137 employees, with 7,110 located in the United States. We have 206 employees who are subject to collective bargaining agreements. We have not experienced any work stoppages and consider our relations with our employees to be good.

AVAILABLE INFORMATION

All reports we file electronically with the SEC, including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and our annual proxy statements, as well as any amendments to those reports, are accessible at no cost on our website at www.roperind.com as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. These filings are also accessible on the SEC's website at www.sec.gov. You may also read and copy any material we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our Corporate Governance Guidelines; the charters of our Audit Committee, Compensation Committee, and Nominating and Governance Committee; and our Code of Business Conduct and Ethics are also available on our website. Any amendment to the Code of Business Conduct and Ethics and any waiver applicable to our directors, executive officers or senior financial officers will be posted on our website within the time period required by the SEC and the New York Stock Exchange (the "NYSE"). The information posted on our website is not incorporated into this Annual Report.

We have included the Chief Executive Officer and the Chief Financial Officer certifications regarding our public disclosure required by Section 302 of the Sarbanes-Oxley Act of 2002 as Exhibits 31.1 and 31.2 of this report. Additionally, we filed with the NYSE the Chief Executive Officer certification regarding our compliance with the NYSE's Corporate Governance Listing Standards (the "Listing Standards") pursuant to Section 303A.12(a) of the Listing Standards. We filed the certification with the NYSE on June 19, 2014 and our Chief Executive Officer indicated that he was not aware of any violations of the Listing Standards by us.

ITEM 1A | RISK FACTORS

RISKS RELATING TO OUR BUSINESS

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

As of December 31, 2014, we had $2.21 billion in total consolidated indebtedness. In addition, we had $1.5 billion undrawn availability under our senior unsecured credit facility, as well as the ability to request additional term loans or revolving credit commitments under our credit facility not to exceed $350 million in aggregate. Our total consolidated debt could increase using this additional borrowing capacity. Subject to restrictions contained in our credit facility, we may incur additional indebtedness in the future, including indebtedness incurred to finance acquisitions.

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

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

Our ability to make scheduled principal payments of, to pay interest on, or to refinance our indebtedness and to satisfy our other debt obligations will depend upon our future operating performance, which may be affected by factors beyond our control. In addition, there can be no assurance that future borrowings or equity financing will be available to us on favorable terms for the payment or refinancing of our indebtedness. If we are unable to service our indebtedness, our business, financial condition and results of operations would be materially adversely affected.

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

Unfavorable changes in foreign exchange rates may harm our business.

Several of our operating companies have transactions and balances denominated in currencies other than the U.S. dollar. Most of these transactions and balances are denominated in euros, Canadian dollars, British pounds or Danish kroner. Sales by our operating companies whose functional currency is not the U.S. dollar represented 23% of our total net sales for the year ended December 31, 2014 compared to 24% for the year ended December 31, 2013. Unfavorable changes in exchange rates between the U.S. dollar and those currencies could significantly reduce our reported sales and earnings.

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

Sales to customers outside the U.S. by our businesses located in the U.S. account for a significant portion of our net sales. These sales accounted for 13% and 15% of our net sales for the years ended December 31, 2014 and December 31, 2013, respectively. We are subject to risks that could limit our ability to export our products or otherwise reduce the demand for these products in our foreign markets. Such risks include, without limitation, the following:

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

The occurrence of any of these events could reduce the foreign demand for our products or could limit our ability to export our products and, therefore, could have a material negative effect on our future sales and earnings.

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

As of and for the year ended December 31, 2014, 25% of our net sales and 19% of our long-lived assets, excluding goodwill and intangibles, were attributable to operations outside the U.S. We expect our international operations to contribute materially to our business for the foreseeable future. Our international operations are subject to varying degrees of risk inherent in doing business outside the U.S. including, without limitation, the following:

- adverse changes in a specific country's or region's political or economic conditions, particularly in Russia and emerging markets;
- oil price shocks;
- trade protection measures and import or export requirements;
- subsidies or increased access to capital for firms that are currently, or may emerge as, competitors in countries in which we have operations;
- partial or total expropriation;
- potentially negative consequences from changes in tax laws;
- difficulty in staffing and managing widespread operations;
- differing labor regulations;
- differing protection of intellectual property; and
- unexpected changes in regulatory requirements.

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

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

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

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

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

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

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

In some of our businesses, we derive a significant amount of revenue from large customers. The loss or reduction of any significant contracts with any of these customers could materially reduce our revenue and cash flows. Additionally, many of our customers are government entities. In many situations, government entities can unilaterally terminate or modify our existing contracts without cause and without penalty to the government agency. In July 2014, Puerto Rico passed the Public Corporation Debt Enforcement and Recovery Act which may impact the future prospects of our customer, the Puerto Rico Highways & Transportation Authority. At the present time, we believe that existing contracts and payable obligations will be honored.

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

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

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

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

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

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

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

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

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

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

Our total assets reflect substantial intangible assets, primarily goodwill. At December 31, 2014, goodwill totaled $4.71 billion compared to $4.76 billion of stockholders' equity, and represented 56% of our total assets of $8.41 billion. The goodwill results from our acquisitions, representing the excess of cost over the fair value of the net assets we have acquired. We assess at least annually whether there has been an impairment in the value of our goodwill and indefinite economic life intangible assets. If future operating performance at one or more of our business units were to fall significantly below current levels, if competing or alternative technologies emerge, if interest rates rise or if business valuations decline, we could incur a non-cash charge to operating earnings. Any determination requiring the write-off of a significant portion of goodwill or unamortized intangible assets would negatively affect our results of operations and total capitalization, the effect of which could be material.

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

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

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

Many of our products rely on proprietary technology; therefore we believe that the development and protection of intellectual property rights through patents, copyrights, trade secrets, trademarks, confidentiality agreements and other contractual provisions are important to the future success of our business. Despite our efforts to protect proprietary rights, unauthorized parties or competitors may copy or otherwise obtain and use our products or technology. Actions to enforce these rights may result in substantial costs and diversion of resources and we make no assurances that any such actions will be successful.

We rely on information and technology for many of our business operations which could fail and cause disruption to our business operations.

Our business operations are dependent upon information technology networks and systems to securely transmit, process and store electronic information and to communicate among our locations around the world and with clients and vendors. A shutdown of, or inability to access, one or more of our facilities, a power outage or a failure of one or more of our information technology, telecommunications or other systems could significantly impair our ability to perform such functions on a timely basis. Computer viruses, cyberattacks, other external hazards and human error could result in the misappropriation of assets or sensitive information, corruption of data or operational disruption. If sustained or repeated, such a business interruption, system failure, service denial or data loss and damage could result in a deterioration of our ability to write and process business, provide customer service or perform other necessary business functions.

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

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

ITEM 1B | UNRESOLVED STAFF COMMENTS

None

ITEM 2 | PROPERTIES

Our corporate offices, consisting of 24,000 square feet of leased space, are located at 6901 Professional Parkway East, Sarasota, Florida. We have established 122 principal locations around the world to support our operations, of which 52 are manufacturing, assembly and testing facilities, and the remaining 70 locations provide sales, service and administrative support functions. We consider our facilities to be in good operating condition and adequate for their present use and believe we have sufficient capacity to meet our anticipated operating requirements.

The following table summarizes the size, location and usage of our principal properties as of December 31, 2014 (amounts in thousands of square feet).

		Office	Office & Manufacturing	
Segment	Region	Leased	Leased	Owned
Industrial Technology				
	U.S.	57	264	478
	Canada	36	-	-
	Europe	98	145	167
	Asia	23	-	-
	Mexico	-	60	-
Energy Systems & Controls				
	U.S.	56	355	-
	Canada	-	56	-
	Europe	51	20	128
	Asia	10	61	33
Medical & Scientific Imaging				
	U.S.	218	262	127
	Canada	-	102	-
	Europe	30	28	-
	Asia	47	-	-
	Mexico	-	44	-
RF Technology				
	U.S.	787	116	-
	Canada	11	-	-
	Europe	9	7	16

ITEM 3 | LEGAL PROCEEDINGS

Information pertaining to legal proceedings can be found in Note 12 to the Consolidated Financial Statements included in this Annual Report, and is incorporated by reference herein.

ITEM 4 | MINE SAFETY DISCLOSURES

None

PART II

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

Our common stock trades on the NYSE under the symbol "ROP". The table below sets forth the range of high and low sales prices for our common stock as reported by the NYSE as well as cash dividends declared during each of our 2014 and 2013 quarters.

	High	Low	Cash Dividends Declared
2014			
4th Quarter	**$160.48**	**$138.63**	**$0.250**
3rd Quarter	**151.21**	**142.50**	**0.200**
2nd Quarter	**148.94**	**128.99**	**0.200**
1st Quarter	**141.92**	**131.80**	**0.200**
2013			
4th Quarter	$138.68	$123.57	$0.200
3rd Quarter	135.01	123.15	0.165
2nd Quarter	126.33	118.12	0.165
1st Quarter	127.31	114.14	0.165

Based on information available to us and our transfer agent, we believe that as of February 13, 2015 there were 161 record holders of our common stock.

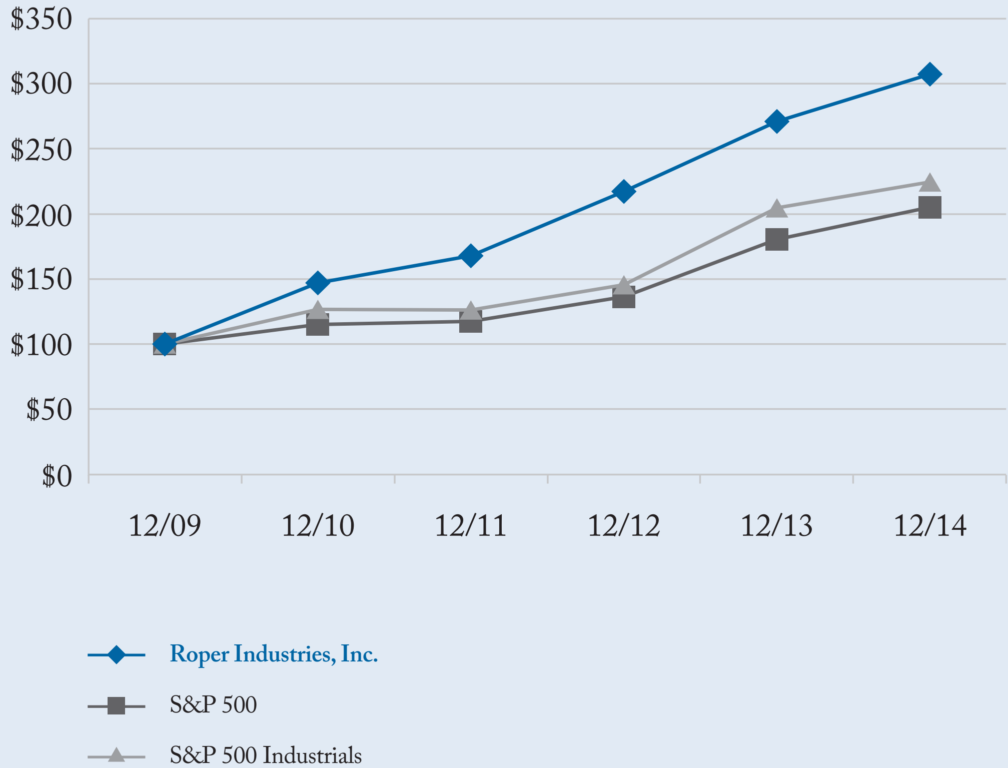
Dividends - We have declared a cash dividend in each quarter since our February 1992 initial public offering and we have annually increased our dividend rate since our initial public offering. In December 2014, our Board of Directors increased the quarterly dividend paid January 23, 2015 to $0.25 per share from $0.20 per share, an increase of 25%. The timing, declaration and payment of future dividends will be at the sole discretion of our Board of Directors and will depend upon our profitability, financial condition, capital needs, future prospects and other factors deemed relevant by our Board of Directors.

Recent Sales of Unregistered Securities - In 2014, there were no sales of unregistered securities.

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

The following graph compares, for the five year period ended December 31, 2014, the cumulative total stockholder return for our common stock, the Standard and Poor's 500 Stock Index (the "S&P 500") and the Standard and Poor's 500 Industrials Index (the "S&P 500 Industrials"). Measurement points are the last trading day of each of our fiscal years ended December 31, 2009, 2010, 2011, 2012, 2013 and 2014. The graph assumes that $100 was invested on December 31, 2009 in our common stock, the S&P 500 and the S&P 500 Industrials and assumes reinvestment of any dividends. The stock price performance on the following graph is not necessarily indicative of future stock price performance.

	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13	12/31/14
Roper Industries, Inc.	**$100.00**	**$146.90**	**$167.89**	**$217.01**	**$271.02**	**$307.29**
S&P 500	100.00	115.06	117.49	136.30	180.44	205.14
S&P 500 Industrials	100.00	126.73	125.98	145.32	204.43	224.52



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

ITEM 6 | SELECTED FINANCIAL DATA

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

	As of and for the Years ended December 31,				
	2014(1)	2013(2)	2012(3)	2011(4)	2010(5)
Operations data:					
Net sales	**$3,549,494**	$3,238,128	$2,993,489	$2,797,089	$2,386,112
Gross profit	**2,101,899**	1,882,928	1,671,717	1,515,564	1,275,126
Income from operations	**999,473**	842,361	757,587	660,539	514,294
Net earnings	**646,033**	538,293	483,360	427,247	322,580
Per share data:					
Basic earnings per share	**$ 6.47**	$ 5.43	$ 4.95	$ 4.45	$ 3.42
Diluted earnings per share	**6.40**	5.37	4.86	4.34	3.34
Dividends declared per share	**0.8500**	0.6950	0.5775	0.4675	0.3950
Balance sheet data:					
Working capital(6)	**$ 884,158**	$ 730,246	$ 159,332	$ 561,277	$ 458,446
Total assets	**8,412,934**	8,184,981	7,071,104	5,319,417	5,069,524
Long-term debt, less current portion	**2,203,031**	2,453,836	1,503,107	1,015,110	1,247,703
Stockholders' equity	**4,755,360**	4,213,050	3,687,726	3,195,096	2,750,907

(1) Includes results from the acquisitions of Foodlink Holdings, Inc. from July 2, 2014, Innovative Product Achievements, LLC from August 5, 2014 and Strategic Healthcare Programs Holdings, LLC from August 14, 2014.

(2) Includes results from the acquisitions of Managed Health Care Associates, Inc. from May 1, 2013 and Advanced Sensors, Ltd. from October 4, 2013.

(3) Includes results from the acquisition of Sunquest Information Systems, Inc. from August 22, 2012.

(4) Includes results from the acquisitions of NDI Holding Corp. from June 3, 2011, United Controls Group, Inc. from September 26, 2011 and Trinity Integrated Systems Ltd. from December 1, 2011.

(5) Includes results from the acquisitions of Heartscape, Inc. from February 22, 2010 and iTradeNetwork, Inc. from July 27, 2010.

(6) At December 31, 2012, there were $500 million of senior notes outstanding that matured on August 15, 2013, thus requiring a classification as short-term debt, included in working capital.

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

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

OVERVIEW

We are a diversified technology company. We operate businesses that design and develop software (both license and software-as-a-service) and engineered products and solutions for a variety of niche end markets; including healthcare, transportation, food, energy, water, education and academic research.

We pursue consistent and sustainable growth in earnings and cash flow by emphasizing continuous improvement in the operating performance of our existing businesses and by acquiring other carefully selected businesses. Our acquisitions have represented both additions to existing businesses and new strategic platforms.

In the third quarter of 2014, we acquired the shares of Foodlink Holdings, Inc. ("Foodlink"), Innovative Product Achievements, LLC ("IPA") and Strategic Healthcare Programs Holdings, LLC ("SHP") which expand upon our existing supply chain and medical platforms.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

Our Consolidated Financial Statements are prepared in conformity with generally accepted accounting principles in the United States ("GAAP"). A discussion of our significant accounting policies can also be found in the notes to our Consolidated Financial Statements for the year ended December 31, 2014 included in this Annual Report.

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

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

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

Our most significant accounting uncertainties are encountered in the areas of accounts receivable collectibility, inventory valuation, future warranty obligations, revenue recognition (percentage-of-completion), income taxes and goodwill and indefinite-lived asset analyses. These issues affect each of our business segments and are evaluated using a combination of historical experience, current conditions and relatively short-term forecasting.

Accounts receivable collectibility is based on the economic circumstances of customers and credits given to customers after shipment of products, including in certain cases credits for returned products. Accounts receivable are regularly reviewed to determine customers who have not paid within agreed upon terms, whether these amounts are consistent with past experiences, what historical experience has been with amounts deemed uncollectible and the impact that economic conditions might have on collection efforts in general and with specific customers. The returns and other sales credit allowance is an estimate of customer returns, exchanges, discounts or other forms of anticipated concessions and is treated as a reduction in revenue. The returns and other sales credits histories are analyzed to determine likely future rates for such credits. At December 31, 2014, our allowance for doubtful accounts receivable was $10.8 million and our allowance for sales returns and sales credits was $2.9 million, for a total of $13.7 million, or 2.6% of total gross accounts receivable. This percentage is influenced by the risk profile of the underlying receivables, and the timing of write-offs of accounts deemed uncollectible. The total allowance at December 31, 2014 was $1.3 million lower than at December 31, 2013. The allowance will continue to fluctuate as a percentage of sales based on specific identification of allowances needed due to changes in our business, the write-off of uncollectible receivables, and the addition of reserve balances at acquired businesses.

We regularly compare inventory quantities on hand against anticipated future usage, which we determine as a function of historical usage or forecasts related to specific items in order to evaluate obsolescence and excessive quantities. When we use historical usage, this information is also qualitatively compared to business trends to evaluate the reasonableness of using historical information as an estimate of future usage. At December 31, 2014, inventory reserves for excess and obsolete inventory were $38.9 million, or 16.7% of gross inventory cost, as compared to $43.5 million, or 17.5% of gross inventory cost, at December 31, 2013. The inventory reserve as a percent of gross inventory cost will continue to fluctuate based upon specific identification of reserves needed based upon changes in our business as well as the physical disposal of obsolete inventory.

Most of our sales are covered by warranty provisions that generally provide for the repair or replacement of qualifying defective items for a specified period after the time of sale, typically 12 to 24 months. Future warranty obligations are evaluated using, among other factors, historical cost experience, product evolution and customer feedback. Our expense for warranty obligations was less than 1% of net sales for each of the years ended December 31, 2014, 2013, and 2012.

Revenues related to the use of the percentage-of-completion method of accounting are dependent on total costs incurred compared with total estimated costs for a project. During the years ended December 31, 2014, 2013 and 2012 we recognized revenue of $266 million, $205 million and $146 million, respectively, using this method. Percentage-of-completion is used primarily for major turn-key, longer term toll and traffic and energy projects and installations of large software application projects. At December 31, 2014, $225 million of revenue related to unfinished percentage-of-completion contracts had yet to be recognized. Contracts accounted for under this method are generally not significantly different in profitability from revenues accounted for under other methods.

Income taxes can be affected by estimates of whether and within which jurisdictions future earnings will occur and if, how and when cash is repatriated to the U.S., combined with other aspects of an overall income tax strategy. Additionally, taxing jurisdictions could retroactively disagree with our tax treatment of certain items, and some historical transactions have income tax effects going forward. Accounting rules require these future effects to be evaluated using current laws, rules and regulations, each of which can change at any time and in an unpredictable manner. During 2014, our effective income tax rate was 29.9%, which was higher than the 2013 rate of 28.6% due to an increase in revenues and resulting pretax income in higher tax jurisdictions as well as the non-recurrence of $6 million in tax benefits recognized in 2013 related in part to the enactment of the American Taxpayer Relief Act of 2012 ("ATRA") on January 2, 2013. We expect the effective tax rate to increase in 2015 due to a continued increase in revenues and resulting pretax income in higher tax jurisdictions, primarily the U.S.

We account for goodwill in a purchase business combination as the excess of the cost over the estimated fair value of net assets acquired. Goodwill, which is not amortized, is tested for impairment on an annual basis in conjunction with our annual forecast process during the fourth quarter, (or an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value) using a two-step process. The first step utilizes both an income approach (discounted cash flows) and a market approach consisting of a comparable company earnings multiples methodology to estimate the fair value of a reporting unit. To determine the reasonableness of the estimated fair values, we review the assumptions to ensure that neither the income approach nor the market approach provides significantly different valuations. If the estimated fair value exceeds the carrying value, no further work is required and no impairment loss is recognized. If the carrying value exceeds the estimated fair value, the goodwill of the reporting unit is potentially impaired and then the second step would be completed to measure the impairment loss by calculating the implied fair value of goodwill by deducting the fair value of all tangible and intangible net assets (including unrecognized intangible assets) of the reporting unit from the fair value of the reporting unit. If the implied fair value of goodwill is less than the carrying value of goodwill, an impairment loss would be recognized.

Key assumptions used in the income and market approaches are updated when the analysis is performed for each reporting unit. Various assumptions are utilized including forecasted operating results, strategic plans, economic projections, anticipated future cash flows, the weighted-average cost of capital, comparable transactions, market data and earnings multiples. While we use reasonable and timely information to prepare our cash flow and discount rate assumptions, actual future cash flows or market conditions could differ significantly and could result in future non-cash impairment charges related to recorded goodwill balances.

We have 29 reporting units with individual goodwill amounts ranging from zero to $994 million. We concluded that the fair value of each of our reporting units was in excess of its carrying value, with no impairment indicated as of December 31, 2014. Negative industry or economic trends, disruptions to our business, actual results significantly below projections, unexpected significant changes or planned changes in the use of the assets, divestitures and market capitalization declines may have a negative effect on the fair value of our reporting units.

In 2013, we reported that the fair value of one of our reporting units in the RF Technology segment was less than 5% above its carrying value at December 31, 2013 using the discounted cash flow methodology, but that we believed that the market value of the unit to be significantly in excess of its carrying value based upon observed market data. The test performed in December, 2014 indicated that the fair value of this unit at December 31, 2014 exceeded the carrying value by more than 20%.

Business combinations can also result in other intangible assets being recognized. Amortization of intangible assets, if applicable, occurs over their estimated useful lives. Trade names that are determined to have an indefinite useful economic life are not amortized, but separately tested for impairment during the fourth quarter of the fiscal year or on an interim basis if an event occurs that indicates the fair value is more likely than not below the carrying value. We conduct these reviews for all of our reporting units using the relief-from-royalty method, which we believe to be an acceptable methodology due to its common use by valuations specialists in determining the fair value of intangible assets. This methodology assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to exploit the related benefits of these assets. The fair value of each trade name is determined by applying a royalty rate to a projection of net sales discounted using a risk adjusted rate of capital. Each royalty rate is determined based on the profitability of the reporting unit to which it relates and observed market royalty rates. Sales growth rates are determined after considering current and future economic conditions, recent sales trends, discussions with customers, planned timing of new product launches or other variables. Reporting units resulting from recent acquisitions generally represent the highest risk of impairment, which typically decreases as the businesses are integrated into our enterprise and positioned for improved future sales growth.

The assessment of fair value for impairment purposes requires significant judgments to be made by management. Although our forecasts are based on assumptions that are considered reasonable by management and consistent with the plans and estimates management is using to operate the underlying businesses, there is significant judgment in determining the expected results attributable to the reporting units. Changes in estimates or the application of alternative assumptions could produce significantly different results. No impairment resulted from the annual reviews performed in 2014.

We evaluate whether there has been an impairment of identifiable intangible assets with definite useful economic lives, or of the remaining life of such assets, when certain indicators of impairment are present. In the event that facts and circumstances indicate that the cost or remaining period of amortization of any asset may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future gross, undiscounted cash flows associated with the asset would be compared to the asset's carrying amount to determine if a write-down to fair value or a revision in the remaining amortization period is required.

RESULTS OF OPERATIONS

The following table sets forth selected information for the years indicated. Dollar amounts are in thousands and percentages are of net sales. Amounts may not foot due to rounding.

	Years ended December 31,		
	2014	2013	2012
Net sales:			
Industrial Technology	$ 827,145	$ 779,564	$ 795,240
Energy Systems and Controls(1)	691,813	651,920	646,116
Medical and Scientific Imaging(2)	1,080,309	902,281	703,835
RF Technology(3)	950,227	904,363	848,298
Total	$3,549,494	$3,238,128	$2,993,489
Gross margin:			
Industrial Technology	50.5%	51.1%	51.6%
Energy Systems and Controls	58.3	57.4	56.3
Medical and Scientific Imaging	72.1	69.3	64.4
RF Technology	52.8	53.7	52.4
Total	59.2	58.1	55.8
Segment operating margin:			
Industrial Technology	29.9%	28.6%	30.8%
Energy Systems and Controls	29.3	28.2	27.8
Medical and Scientific Imaging	34.8	29.7	26.6
RF Technology	28.5	28.0	26.3
Total	30.9	28.7	27.9
Corporate administrative expenses	(2.8)%	(2.7)%	(2.6)%
Income from continuing operations	28.2	26.0	25.3
Interest expense, net	(2.2)	(2.7)	(2.3)
Other income/(expense)	-	-	(0.1)
Income from continuing operations before taxes	26.0	23.3	22.9
Income taxes	(7.8)	(6.7)	(6.8)
Net earnings	18.2%	16.6%	16.1%

(1) Includes results from the acquisition of Advanced Sensors, Ltd. from October 4, 2013.
(2) Includes results from the acquisitions of Sunquest Information Systems, Inc. from August 22, 2012, Managed Health Care Associates, Inc. from May 1, 2013, IPA from August 5, 2014 and SHP from August 14, 2014.
(3) Includes results from the acquisition of Foodlink from July 2, 2014.

YEAR ENDED DECEMBER 31, 2014 COMPARED TO YEAR ENDED DECEMBER 31, 2013

Net sales for the year ended December 31, 2014 were $3.55 billion as compared to sales of $3.24 billion for the year ended December 31, 2013, an increase of 10%. The increase was the result of organic sales growth of 7% and contributions from acquisitions of 3%.

Our Medical and Scientific Imaging segment reported a $178 million or 20% increase in net sales for the year ended December 31, 2014 over the year ended December 31, 2013. Acquisitions added $91 million in sales, and organic sales increased 10% due to increased sales in our medical businesses. Gross margin increased to 72.1% in the year ended December 31, 2014 from 69.3% in the year ended December 31, 2013, due primarily to additional sales from medical products which have a higher gross margin. Selling, general and administrative ("SG&A") expenses as a percentage of net sales decreased to 37.4% in the year ended December 31, 2014 as compared to 39.5% in the year ended December 31, 2013 due to leverage on higher sales volume. Operating margin was 34.8% in the year ended December 31, 2014 as compared to 29.7% in the year ended December 31, 2013.

In our RF Technology segment, net sales for the year ended December 31, 2014 increased by $46 million or 5% over the year ended December 31, 2013. The increase was due primarily to growth in our toll and traffic, university card systems and security solutions businesses. Gross margin was 52.8% in 2014 as compared to 53.7% in the prior year due to product mix. SG&A expenses as a percentage of sales in the year ended December 31, 2014 were 24.3%, a decrease from 25.6% in the prior year due to operating leverage on higher sales volume. Operating margin was 28.5% in 2014 as compared to 28.0% in 2013.

Net sales for our Industrial Technology segment increased by $48 million or 6% for the year ended December 31, 2014 over the year ended December 31, 2013. Organic growth was 7%, and there was a negative 1% impact from foreign currency exchange. The organic growth was due primarily to increased sales in our water meter, fluid handling and materials testing businesses. Gross margin was 50.5% for the year ended December 31, 2014 as compared to 51.1% in the year ended December 31, 2013 due to product mix. SG&A expenses as a percentage of net sales were 20.5%, as compared to 22.5% in the prior year, due primarily to the non-recurrence of a $9.1 million pretax charge for warranty expense in 2013. The resulting operating margin was 29.9% in the year ended December 31, 2014 as compared to 28.6% in the year ended December 31, 2013.

In our Energy Systems and Controls segment, net sales for the year ended December 31, 2014 increased by $40 million or 6% over the year ended December 31, 2013. Organic sales increased by 5% due to sales of new instruments for refinery applications and increased sales in the fluid properties testing equipment market. Gross margin was 58.3% in the year ended December 31, 2014, compared to 57.4% in the year ended December 31, 2013, due to operating leverage on higher sales volume. SG&A expenses as a percentage of net sales were 28.9% as compared to 29.2% in the prior year due to product mix. Operating margin was 29.3% in the year ended December 31, 2014 as compared to 28.2% in the year ended December 31, 2013.

Corporate expenses increased by $12.1 million to $98.2 million, or 2.8% of sales, in 2014 as compared to $86.1 million, or 2.7% of sales, in 2013. The increase was due to higher compensation costs, including increased equity compensation (see Note 11 of the Notes to Consolidated Financial Statements included in this Annual Report).

Interest expense decreased $9.4 million, or 10.7%, for the year ended December 31, 2014 compared to the year ended December 31, 2013. The decrease is due primarily to lower average debt balances and lower average interest rates throughout 2014.

Other income of $0.6 million for the year ended December 31, 2014 was composed of royalty income and foreign exchange gains at our non-U.S. based companies, offset in part by losses from asset disposals. Other expense for the year ended December 31, 2013 was $0.2 million due to foreign exchange losses at our non-U.S. based companies, offset in part by proceeds from a legal settlement.

During 2014, our effective income tax rate was 29.9% versus 28.6% in 2013. The increase was due to one-time discrete tax benefits in 2013 that did not recur in 2014 as well as increased revenues and resulting pretax income in higher tax jurisdictions, primarily the U.S. We expect the effective tax rate to increase in 2015 due to a continued increase in revenues and resulting pretax income in higher tax jurisdictions, primarily the U.S.

At December 31, 2014, the functional currencies of most of our non-U.S. subsidiaries were weaker against the U.S. dollar compared to currency exchange rates at December 31, 2013. The net result of these changes led to a pre-tax decrease in the foreign exchange component of comprehensive earnings of $118.9 million in the year ended December 31, 2014. Approximately $50.5 million of this amount related to goodwill and is not expected to directly affect our projected future cash flows. For the entire year of 2014, operating profit decreased by less than 1% due to fluctuations in non-U.S. currencies.

The following table summarizes our net order information for the years ended December 31, 2014 and 2013 (dollar amounts in thousands).

	2014	2013	Change
Industrial Technology	$ 808,921	$ 772,337	4.7%
Energy Systems and Controls	692,136	673,569	2.8
Medical and Scientific Imaging	1,081,190	958,830	12.8
RF Technology	955,831	943,757	1.3
Total	$3,538,078	$3,348,493	5.7%

The increase in orders was due to internal growth of 3% and orders from acquisitions which added 3%.

The following table summarizes order backlog information at December 31, 2014 and 2013 (dollar amounts in thousands). We include in backlog only orders that are expected to be recognized as revenue within twelve months.

	2014	2013	Change
Industrial Technology	$ 97,507	$ 121,943	(20.0)%
Energy Systems and Controls	126,838	131,799	(3.8)
Medical and Scientific Imaging	296,098	290,435	1.9
RF Technology	520,727	510,553	2.0
Total	$1,041,170	$1,054,730	(1.3)%

YEAR ENDED DECEMBER 31, 2013 COMPARED TO YEAR ENDED DECEMBER 31, 2012

Net sales for the year ended December 31, 2013 were $3.24 billion as compared to sales of $2.99 billion for the year ended December 31, 2012, an increase of 8%. The increase was the result of contributions from acquisitions of 7% and organic sales growth of 1%.

Our Medical and Scientific Imaging segment reported a $198 million or 28% increase in net sales for the year ended December 31, 2013 over the year ended December 31, 2012. Acquisitions added $208 million in sales, while organic sales decreased 1% due to a $20 million decrease in camera sales which was offset in part by increased sales in our medical businesses of $15 million. Gross margin increased to 69.3% in the year ended December 31, 2013 from 64.4% in the year ended December 31, 2012, due primarily to additional sales from medical products which have a higher gross margin. SG&A expenses as a percentage of net sales increased to 39.5% in the year ended December 31, 2013 as compared to 37.8% in the year ended December 31, 2012 due to higher SG&A expense structures at our medical businesses as well as SG&A expenses at MHA in which the corresponding revenues were not recognizable under GAAP (see Note 2 of the Notes to Consolidated Financial Statements included in this Annual Report). Operating margin was 29.7% in the year ended December 31, 2013 as compared to 26.6% in the year ended December 31, 2012.

In our RF Technology segment, net sales for the year ended December 31, 2013 increased by $56 million or 7% over the year ended December 31, 2012. The increase was due primarily to growth in our toll and traffic, university card systems and security solutions businesses. Gross margin was 53.7% in 2013 as compared to 52.4% in the prior year due to operating leverage on higher sales volume. SG&A expenses as a percentage of sales in the year ended December 31, 2013 were 25.6%, a decrease from 26.1% in the prior year due to operating leverage on higher sales volume. Operating margin was 28.0% in 2013 as compared to 26.3% in 2012.

Net sales for our Industrial Technology segment decreased by $16 million or 2% for the year ended December 31, 2013 over the year ended December 31, 2012. The decrease was due primarily to the loss of a customer at our water metering business and lower sales at our materials testing business. Gross margin was 51.1% for the year ended December 31, 2013 as compared to 51.6% in the year ended December 31, 2012 due to negative operating leverage on lower sales volume as well as the inclusion in 2012 of a one-time $5.5 million reduction to cost of goods sold at one of our businesses. SG&A expenses as a percentage of net sales were 22.5%, as compared to 20.8% in the prior year, due primarily to a $9.1 million pretax charge for warranty expense at one of our subsidiaries, Hansen Technologies, to provide its customers with replacements for refrigeration valves that included a vendor-supplied component that did not meet Roper quality standards. The resulting operating margin was 28.6% in the year ended December 31, 2013 as compared to 30.8% in the year ended December 31, 2012.

In our Energy Systems and Controls segment, net sales for the year ended December 31, 2013 increased by $6 million or 1% over the year ended December 31, 2012, due primarily to acquisitions. Organic sales were impacted by lower sales of non-destructive testing systems for nuclear plants and pressure sensors for industrial applications, offset by increased demand for control systems for oil and gas applications. Gross margin was 57.4% in the year ended December 31, 2013, compared to 56.3% in the year ended December 31, 2012, due to product mix. SG&A expenses as a percentage of net sales were 29.2% as compared to 28.4% in the prior year due to product mix. Operating margin was 28.2% in the year ended December 31, 2013 as compared to 27.8% in the year ended December 31, 2012.

Corporate expenses increased by $8.6 million to $86.1 million, or 2.7% of sales, in 2013 as compared to $77.5 million, or 2.6% of sales, in 2012. The increase was due to higher equity compensation (primarily as a result of higher stock prices), offset in part by a decrease in acquisition-related expenses.

Interest expense increased $20.5 million, or 30.4%, for the year ended December 31, 2013 compared to the year ended December 31, 2012. The increase is due primarily to higher average debt balances offset in part by lower average interest rates throughout 2013.

Other expense of $0.2 million for the year ended December 31, 2013 was composed of foreign exchange losses at our non-U.S. based companies, offset in part by proceeds from a legal settlement. Other expense for the year ended December 31, 2012 was $2.3 million, primarily due to foreign exchange losses at our non-U.S. based companies.

During 2013, our effective income tax rate was 28.6% versus 29.6% in 2012. The reduction was due to $6 million in discrete tax benefits related to the enactment of the American Taxpayer Relief Act of 2012 (“ATRA”), as well as a $6 million benefit from the correction of an out of period adjustment of tax balances which were immaterial to any covered period, offset in part by increased revenues and resulting pretax income in higher tax jurisdictions, primarily the U.S. We expect the effective tax rate to increase in 2014 due to a continued increase in revenues and resulting pretax income in higher tax jurisdictions as well as the non-recurrence of the $6 million tax benefit recognized in 2013.

At December 31, 2013, the functional currencies of most of our European subsidiaries were stronger and our Canadian and United Kingdom subsidiaries were weaker against the U.S. dollar compared to currency exchange rates at December 31, 2012. The net result of these changes led to a pre-tax decrease in the foreign exchange component of comprehensive earnings of $17.9 million in the year ended December 31, 2013. Approximately $9.5 million of this amount related to goodwill and is not expected to directly affect our projected future cash flows. For the entire year of 2013, operating profit decreased by less than 1% due to fluctuations in non-U.S. currencies.

The following table summarizes our net order information for the years ended December 31, 2013 and 2012 (dollar amounts in thousands).

	2013	2012	Change
Industrial Technology	$ 772,337	$ 783,362	(1.4)%
Energy Systems and Controls	673,569	634,051	6.2
Medical and Scientific Imaging	958,830	703,034	36.4
RF Technology	943,757	871,225	8.3
Total	$3,348,493	$2,991,672	11.9%

The increase in orders was due to internal growth of 4%, as well as orders from acquisitions which added 8%. Our Energy Systems and Controls and RF Technology segments experienced strong internal growth throughout 2013. Our Medical and Scientific Imaging segment experienced internal growth of 3%, as well as orders from recent acquisitions.

The following table summarizes order backlog information at December 31, 2013 and 2012 (dollar amounts in thousands). We include in backlog only orders that are expected to be recognized as revenue within twelve months.

	2013	2012	Change
Industrial Technology	$ 121,943	$ 131,621	(7.4)%
Energy Systems and Controls	131,799	109,885	19.9
Medical and Scientific Imaging	290,435	234,526	23.8
RF Technology	510,553	471,185	8.4
Total	$1,054,730	$ 947,217	11.4%

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Selected cash flows for the years ended December 31, 2014, 2013, and 2012 are as follows (in millions):

	2014	2013	2012
Cash provided by/(used in):			
Operating activities	$ 840.4	$ 802.6	$ 677.9
Investing activities	(348.1)	(1,115.9)	(1,505.5)
Financing activities	(298.1)	403.6	853.9

Operating activities - The increase in cash provided by operating activities in 2014 was primarily due to increased earnings net of intangible amortization related to acquisitions offset in part by tax payments.

Investing activities - Cash used in investing activities during 2014, 2013, and 2012 was primarily for business acquisitions.

Financing activities - Cash used in financing activities in all periods presented was primarily debt repayments as well as dividends paid to stockholders. Cash provided by financing activities during all periods presented was primarily debt borrowings for acquisitions partially offset by debt payments made using cash from operations.

Net working capital (current assets, excluding cash, less total current liabilities, excluding debt) was $285 million at December 31, 2014 compared to $282 million at December 31, 2013. We acquired net working capital of $0.2 million through business acquisitions during 2014.

Total debt was $2.2 billion at December 31, 2014 (31.8% of total capital) compared to $2.5 billion at December 31, 2013 (36.9% of total capital). Our decreased debt at December 31, 2014 compared to December 31, 2013 was due to debt payments made using cash from operations.

At December 31, 2014, we had $400 million of senior notes due 2017, $800 million of senior notes due 2018, $500 million of senior notes due 2019, $500 million of senior notes due 2022 and $8 million of senior subordinated convertible notes due 2034. In addition, we had $6.1 million of other debt in the form of capital leases and several smaller facilities that allow for borrowings or the issuance of letters of credit in foreign locations to support our non-U.S. businesses. We had $48.9 million of outstanding letters of credit at December 31, 2014, of which $43.7 million was covered by our lending group, thereby reducing our revolving credit capacity commensurately.

Cash and cash equivalents at our foreign subsidiaries at December 31, 2014 totaled $535 million. Repatriation of these funds under current regulatory and tax law for use in domestic operations would expose us to additional taxes. We consider this cash to be permanently reinvested. We expect existing cash and cash equivalents, cash generated by our U.S. operations, our unsecured credit facility, as well as our expected ability to access the capital markets, will be sufficient to fund operating requirements in the U.S. for the foreseeable future.

We were in compliance with all debt covenants related to our credit facility throughout the year ended December 31, 2014.

Capital expenditures of $37.6 million, $42.5 million and $38.4 million were incurred during 2014, 2013, and 2012, respectively. In the future, we expect capital expenditures as a percentage of sales to be between 1.0% and 1.5% of annual net sales.

DESCRIPTION OF CERTAIN INDEBTEDNESS

Senior Unsecured Credit Facility - On July 27, 2012, we entered into a new unsecured credit facility (the "2012 Facility"), composed of a five-year $1.5 billion revolving credit facility, with JPMorgan Chase Bank, N.A., as administrative agent, and a syndicate of lenders. We may also, subject to compliance with specified conditions, request term loans or additional revolving credit commitments in an aggregate amount not to exceed $350 million. The 2012 Facility replaced our previous unsecured credit facility dated as of July 7, 2008 (the "2008 Facility"). Due to the early termination of the 2008 Facility, we recorded a $1.0 million non-cash debt extinguishment charge, reported as other expense, in the third quarter of 2012 reflecting the unamortized fees associated with the 2008 Facility. At December 31, 2014, there were no outstanding borrowings under the 2012 Facility.

The 2012 Facility contains various affirmative and negative covenants which, among other things, limit our ability to incur new debt, prepay subordinated debt, make certain investments and acquisitions, sell assets and grant liens, make restricted payments (including the payment of dividends on our common stock) and capital expenditures, or change our line of business. We also are subject to financial covenants which require us to limit our consolidated total leverage ratio and to maintain a consolidated interest coverage ratio. The most restrictive covenant is the consolidated total leverage ratio which is limited to 3.5.

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

Senior Notes due 2018 - On June 6, 2013, we completed a public offering of $800 million aggregate principal amount of 2.050% senior unsecured notes due October 1, 2018. The notes were issued at 99.791% of their principal amount. Net proceeds of $793.5 million were used to pay off a portion of the outstanding revolver balance under the 2012 Facility.

The notes bear interest at a fixed rate of 2.050% per year, payable semi-annually in arrears on April 1 and October 1 of each year, beginning October 1, 2013.

We may redeem some or all of these notes at any time or from time to time, at 100% of their principal amount, plus a make-whole premium based on a spread to U.S. Treasury securities.

Senior Notes due 2017 - In November 2012, we completed a public offering of $400 million aggregate principal amount of 1.850% senior unsecured notes due November 2017. Net proceeds of $397.2 million were used to pay off a portion of the outstanding revolver balance under the 2012 Facility.

The notes bear interest at a fixed rate of 1.850% per year, payable semi-annually in arrears on May 15 and November 15 of each year, beginning May 15, 2013.

We may redeem some or all of these notes at any time or from time to time, at 100% of their principal amount, plus a make-whole premium based on a spread to U.S. Treasury securities.

Senior Notes due 2022 - In November 2012, we completed a public offering of $500 million aggregate principal amount of 3.125% senior unsecured notes due November 2022. Net proceeds of $496.4 million were used to pay off a portion of the outstanding revolver balance under the 2012 Facility.

The notes bear interest at a fixed rate of 3.125% per year, payable semi-annually in arrears on May 15 and November 15 of each year, beginning May 15, 2013.

We may redeem some or all of these notes at any time or from time to time, at 100% of their principal amount, plus a make-whole premium based on a spread to U.S. Treasury securities.

Senior Notes due 2019 - In September 2009, we completed a public offering of $500 million aggregate principal amount of 6.25% senior unsecured notes due September 2019. Net proceeds of $496 million were used to pay off our $350 million term loan originally due July 2010 and the outstanding revolver balance under the 2008 Facility.

The notes bear interest at a fixed rate of 6.25% per year, payable semi-annually in arrears on March 1 and September 1 of each year, beginning March 1, 2010.

We may redeem some or all of these notes at any time or from time to time, at 100% of their principal amount, plus a make-whole premium based on a spread to U.S. Treasury securities.

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

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

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

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

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

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

We include in our diluted weighted-average common share calculation an increase in shares based upon the difference between our average closing stock price for the period and the conversion price of $31.80, plus accretion. This is calculated using the treasury stock method.

CONTRACTUAL CASH OBLIGATIONS AND OTHER COMMERCIAL COMMITMENTS AND CONTINGENCIES

The following tables quantify our contractual cash obligations and commercial commitments at December 31, 2014 (in thousands).

		Payments Due in Fiscal Year					
Contractual Cash Obligations[1]	Total	2015	2016	2017	2018	2019	Thereafter
Long-term debt	$2,208,003	$ 8,003	$ -	$400,000	$800,000	$500,000	$500,000
Senior note interest	346,872	70,675	70,675	69,750	54,392	36,458	44,922
Capital leases	6,120	3,089	2,332	630	66	3	-
Operating leases	122,494	40,169	31,852	21,426	11,928	6,070	11,049
Total	$2,683,489	$121,936	$104,859	$491,806	$866,386	$542,531	$555,971

		Amounts Expiring in Fiscal Year					
Other Commercial Commitments	Total Amount Committed	2015	2016	2017	2018	2019	Thereafter
Standby letters of credit and bank guarantees	$ 48,934	$ 26,846	$ 1,950	$ 816	$ 113	$ 3,088	$ 16,121

1 We have excluded $29 million related to the liability for uncertain tax positions from the tables as the current portion is not material, and we are not able to reasonably estimate the timing of the long-term portion of the liability. See Note 7 of the Notes to Consolidated Financial Statements included in this Annual Report.

As of December 31, 2014, we had $428 million of outstanding surety bonds. Certain contracts, primarily those involving public sector customers, require us to provide a surety bond as a guarantee of its performance of contractual obligations.

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

We anticipate that our businesses will generate positive cash flows from operating activities, and that these cash flows will permit the reduction of currently outstanding debt in accordance with the repayment schedule. However, the rate at which we can reduce our debt during 2014 (and reduce the associated interest expense) will be affected by, among other things, the financing and operating requirements of any new acquisitions and the financial performance of our existing companies. None of these factors can be predicted with certainty.

OFF-BALANCE SHEET ARRANGEMENTS

At December 31, 2014 and 2013, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

RECENTLY ISSUED ACCOUNTING STANDARDS

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

ITEM 7A | QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

At December 31, 2014, we had $2.2 billion of fixed rate borrowings. Our $400 million senior notes due 2017, $800 million senior notes due 2018, $500 million senior notes due 2019 and $500 million senior notes due 2022 have fixed interest rates of 1.850%, 2.050%, 3.125% and 6.250%, respectively, and our $8 million senior subordinated convertible notes have a fixed interest rate of 3.75%. At December 31, 2014, the prevailing market rates for our long-term notes were between 0.8% higher and 2.8% lower than the fixed rates on our debt instruments. Our credit facility contains a $1.5 billion variable-rate revolver with no outstanding borrowings at December 31, 2014.

Several of our businesses have transactions and balances denominated in currencies other than the U.S. dollar. Most of these transactions or balances are denominated in euros, Canadian dollars, British pounds or Danish kroner. Sales by companies whose functional currency was not the U.S. dollar were 23% of our total sales in 2014 and 61% of these sales were by companies with a European functional currency. The U.S. dollar was stronger against most of our non-U.S. subsidiary currencies throughout most of 2014 as compared to 2013, which resulted in a decrease in sales of less than 1.0% due to foreign currency exchange. If these currency exchange rates had been 10% different throughout 2014 compared to currency exchange rates actually experienced, the impact on our net earnings would have been approximately 1.7%.

The changes in these currency exchange rates relative to the U.S. dollar at December 31, 2014 compared to currency exchange rates at December 31, 2013 resulted in a pre-tax decrease in net assets of $118.9 million that was reported as a component of comprehensive earnings, $50.5 million of which was attributed to goodwill. Goodwill changes from currency exchange rate changes do not directly affect our reported earnings or cash flows.

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

ITEM 8 | FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM

To the Stockholders of Roper Industries, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of earnings, of comprehensive income, of stockholders' equity, and of cash flows, present fairly, in all material respects, the financial position of Roper Industries, Inc. and its subsidiaries at December 31, 2014 and December 31, 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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

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

As described in Management's Report on Internal Control over Financial Reporting, management has excluded acquisitions completed during 2014 from its assessment of internal control over financial reporting as of December 31, 2014 because they were acquired by the Company in purchase business combinations during 2014. We have also excluded acquisitions completed during 2014 from our audit of internal control over financial reporting. These acquisitions are wholly-owned subsidiaries whose total assets and total revenues represent 0.27%, and 0.67%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2014.

/s/ PricewaterhouseCoopers LLP
February 20, 2015
Tampa, Florida

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2014 and 2013
(in thousands, except per share data)

	2014	2013
Assets		
Cash and cash equivalents	$ 610,430	$ 459,720
Accounts receivable, net	511,538	519,075
Inventories, net	193,766	204,923
Deferred taxes	54,199	64,464
Unbilled receivables	96,409	86,945
Other current assets	45,763	38,210
Total current assets	1,512,105	1,373,337
Property, plant and equipment, net	110,876	117,310
Goodwill	4,710,691	4,549,998
Other intangible assets, net	1,978,729	2,039,136
Deferred taxes	27,496	28,773
Other assets	73,037	76,427
Total assets	$8,412,934	$8,184,981
Liabilities and Stockholders' Equity		
Accounts payable	$ 143,847	$ 150,313
Accrued compensation	117,374	107,953
Deferred revenue	190,953	209,332
Other accrued liabilities	160,738	153,712
Income taxes payable	-	4,275
Deferred taxes	3,943	6,490
Current portion of long-term debt, net	11,092	11,016
Total current liabilities	627,947	643,091
Long-term debt, net of current portion	2,203,031	2,453,836
Deferred taxes	735,826	783,805
Other liabilities	90,770	91,199
Total liabilities	3,657,574	3,971,931
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, $0.01 par value per share; 1,000 shares authorized; none outstanding	-	-
Common stock, $0.01 par value per share; 350,000 shares authorized; 102,069 shares issued and 100,126 outstanding at December 31, 2014 and 101,276 shares issued and 99,312 outstanding at December 31, 2013	1,021	1,013
Additional paid-in capital	1,325,338	1,229,233
Retained earnings	3,520,201	2,959,196
Accumulated other comprehensive earnings	(71,927)	43,083
Treasury stock, 1,943 shares at December 31, 2014 and 1,964 shares at December 31, 2013	(19,273)	(19,475)
Total stockholders' equity	4,755,360	4,213,050
Total liabilities and stockholders' equity	$8,412,934	$8,184,981

See accompanying notes to consolidated financial statements.

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

Years ended December 31, 2014, 2013 and 2012
(in thousands, except per share data)

	Years ended December 31,		
	2014	2013	2012
Net sales	$3,549,494	$3,238,128	$2,993,489
Cost of sales	1,447,595	1,355,200	1,321,772
Gross profit	2,101,899	1,882,928	1,671,717
Selling, general and administrative expenses	1,102,426	1,040,567	914,130
Income from operations	999,473	842,361	757,587
Interest expense, net	78,637	88,039	67,525
Loss on extinguishment of debt	-	-	1,043
Other income/(expense), net	620	(192)	(2,338)
Earnings before income taxes	921,456	754,130	686,681
Income taxes	275,423	215,837	203,321
Net earnings	$ 646,033	$ 538,293	$ 483,360
Earnings per share:			
Basic	$ 6.47	$ 5.43	$ 4.95
Diluted	$ 6.40	$ 5.37	$ 4.86
Weighted-average common shares outstanding:			
Basic	99,916	99,123	97,702
Diluted	100,884	100,209	99,558

See accompanying notes to consolidated financial statements.

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years ended December 31, 2014, 2013 and 2012
(in thousands)

	Years ended December 31,		
	2014	2013	2012
Net earnings	$646,033	$538,293	$483,360
Other comprehensive income, net of tax:			
Foreign currency translation adjustments	(115,010)	(15,454)	23,633
Unrecognized pension gain	-	-	1,104
Total other comprehensive income/(loss), net of tax	(115,010)	(15,454)	24,737
Comprehensive income	$531,023	$522,839	$508,097

See accompanying notes to consolidated financial statements.

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years ended December 31, 2014, 2013 and 2012
(in thousands, except per share data)

	Common Stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive earnings	Treasury stock	Total stockholders' equity
	Shares	Amount					
Balances at December 31, 2011	96,679	$ 987	$1,117,093	$2,063,110	$ 33,800	$(19,894)	$3,195,096
Net earnings	-	-	-	483,360	-	-	483,360
Stock option exercises	1,389	14	56,086	-	-	-	56,100
Treasury stock sold	22	-	1,977	-	-	218	2,195
Currency translation adjustments, net of $907 tax	-	-	-	-	23,633	-	23,633
Stock based compensation	-		39,808	-	-	-	39,808
Restricted stock activity	187	2	(18,424)	-	-	-	(18,422)
Stock option tax benefit, net of shortfalls	-	-	30,840	-	-	-	30,840
Conversion of senior subordinated convertible notes	327	3	(69,379)	-	-	-	(69,376)
Deferred pension gain	-	-	-	-	1,104	-	1,104
Dividends declared ($0.58 per share)	-	-	-	(56,612)	-	-	(56,612)
Balances at December 31, 2012	98,604	$1,006	$1,158,001	$2,489,858	$ 58,537	$(19,676)	$3,687,726
Net earnings	-	-	-	538,293	-	-	538,293
Stock option exercises	434	4	23,995	-	-	-	23,999
Treasury stock sold	20	-	2,248	-	-	201	2,449
Currency translation adjustments, net of $2,406 tax	-	-	-	-	(15,454)	-	(15,454)
Stock based compensation	-	-	53,417	-	-	-	53,417
Restricted stock activity	254	3	(16,046)	-	-	-	(16,043)
Stock option tax benefit, net of shortfalls	-	-	16,000	-	-	-	16,000
Conversion of senior subordinated convertible notes	-	-	(8,382)	-	-	-	(8,382)
Dividends declared ($0.70 per share)	-	-	-	(68,955)	-	-	(68,955)
Balances at December 31, 2013	99,312	$1,013	$1,229,233	$2,959,196	$ 43,083	$(19,475)	$4,213,050
Net earnings	-	-	-	646,033	-	-	646,033
Stock option exercises	581	6	32,517	-	-	-	32,523
Treasury stock sold	20	-	2,549	-	-	202	2,751
Currency translation adjustments, net of $3,916 tax	-	-	-	-	(115,010)	-	(115,010)
Stock based compensation	-	-	63,025	-	-	-	63,025
Restricted stock activity	213	2	(22,064)	-	-	-	(22,062)
Stock option tax benefit, net of shortfalls	-	-	21,481	-	-	-	21,481
Conversion of senior subordinated convertible notes	-	-	(1,403)	-	-	-	(1,403)
Dividends declared ($0.85 per share)	-	-	-	(85,028)	-	-	(85,028)
Balances at December 31, 2014	**100,126**	**$1,021**	**$1,325,338**	**$3,520,201**	**$(71,927)**	**$(19,273)**	**$4,755,360**

See accompanying notes to consolidated financial statements.

ROPER INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2014, 2013 and 2012
(in thousands)

	Years ended December 31,		
	2014	2013	2012
Cash flows from operating activities:			
Net earnings	**$ 646,033**	$ 538,293	$ 483,360
Adjustments to reconcile net earnings to cash flows from operating activities:			
Depreciation and amortization of property, plant and equipment	**40,890**	37,756	37,888
Amortization of intangible assets	**156,394**	151,434	116,860
Amortization of deferred financing costs	**4,003**	3,918	2,399
Non-cash stock compensation	**63,027**	53,133	40,773
Changes in operating assets and liabilities, net of acquired businesses:			
Accounts receivable	**(404)**	32,800	(16,455)
Unbilled receivables	**(10,305)**	(14,754)	(5,122)
Inventories	**6,349**	(12,687)	18,361
Accounts payable and accrued liabilities	**(20,455)**	23,305	9,209
Income taxes	**(46,619)**	(6,427)	(15,988)
Other, net	**1,528**	(4,218)	6,567
Cash provided by operating activities	**840,441**	802,553	677,852
Cash flows from investing activities:			
Acquisitions of businesses, net of cash acquired	**(305,379)**	(1,074,413)	(1,467,772)
Capital expenditures	**(37,644)**	(42,528)	(38,405)
Proceeds from sale of assets	**1,506**	2,174	1,315
Other, net	**(6,588)**	(1,096)	(683)
Cash used in investing activities	**(348,105)**	(1,115,863)	(1,505,545)
Cash flows from financing activities:			
Proceeds from senior notes	**-**	800,000	900,000
Payment of senior notes	**-**	(500,000)	-
Borrowings/(payments) under revolving line of credit, net	**(250,000)**	150,000	100,000
Principal payments on convertible notes	**(561)**	(3,702)	(57,304)
Debt issuance costs	**-**	(7,717)	(12,213)
Cash dividends to stockholders	**(79,859)**	(49,092)	(69,903)
Treasury stock sales	**2,751**	2,449	2,195
Stock award tax excess windfall benefit	**21,081**	11,709	30,747
Proceeds from stock based compensation, net	**10,463**	7,944	37,679
Redemption premium on convertible debt	**(1,518)**	(9,124)	(76,641)
Other	**(461)**	1,166	(690)
Cash provided by/(used in) financing activities	**(298,104)**	403,633	853,870
Effect of exchange rate changes on cash	**(43,522)**	(1,193)	6,312
Net increase in cash and cash equivalents	**150,710**	89,130	32,489
Cash and cash equivalents, beginning of year	**459,720**	370,590	338,101
Cash and cash equivalents, end of year	**$ 610,430**	$ 459,720	$ 370,590
Supplemental disclosures:			
Cash paid for:			
Interest	**$ 74,446**	$ 94,648	$ 67,804
Income taxes, net of refunds received	**$ 300,969**	$ 210,540	$ 188,560
Noncash investing activities:			
Net assets of businesses acquired:			
Fair value of assets, including goodwill	**$ 324,717**	$1,275,827	$1,824,453
Liabilities assumed	**(19,338)**	(201,414)	(356,681)
Cash paid, net of cash acquired	**$ 305,379**	$1,074,413	$1,467,772

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2014, 2013 and 2012

(1) SUMMARY OF ACCOUNTING POLICIES

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

Nature of the Business - Roper is a diversified technology company. The Company operates businesses that design and develop software (both license and software-as-a-service) and engineered products and solutions for a variety of niche end markets; including healthcare, transportation, food, energy, water, education and academic research.

Accounts Receivable - Accounts receivable are stated net of an allowance for doubtful accounts and sales allowances of $13.7 million and $15.0 million at December 31, 2014 and 2013, respectively. Outstanding accounts receivable balances are reviewed periodically, and allowances are provided at such time that management believes it is probable that an account receivable is uncollectible. The returns and other sales credit allowance is an estimate of customer returns, exchanges, discounts or other forms of anticipated concessions and is treated as a reduction in revenue.

Cash and Cash Equivalents - Roper considers highly liquid financial instruments with remaining maturities at acquisition of three months or less to be cash equivalents. Roper had $40 million in cash equivalents at December 31, 2014 and none at December 31, 2013.

Contingencies - Management continually assesses the probability of any adverse judgments or outcomes to its potential contingencies. Disclosure of the contingency is made if there is at least a reasonable possibility that a loss or an additional loss may have been incurred. In the assessment of contingencies as of December 31, 2014, management concluded that no accrual was necessary and that there were no matters for which there was a reasonable possibility of a material loss.

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

	Years ended December 31.		
	2014	2013	2012
Basic weighted-average shares outstanding	99,916	99,123	97,702
Effect of potential common stock:			
Common stock awards	816	891	1,040
Senior subordinated convertible notes	152	195	816
Diluted weighted-average shares outstanding	100,884	100,209	99,558

As of and for the years ended December 31, 2014, 2013 and 2012, there were 764,333, 614,850 and 547,591 outstanding stock options, respectively, that were not included in the determination of diluted earnings per share because doing so would have been antidilutive.

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

Foreign Currency Translation and Transactions - Assets and liabilities of subsidiaries whose functional currency is not the U.S. dollar were translated at the exchange rate in effect at the balance sheet date, and revenues and expenses were translated at average exchange rates for the period in which those entities were included in Roper's financial results. Translation adjustments are reflected as a component of other comprehensive income. Foreign currency transaction gains and losses are recorded in the income statement as other income/(expense). The gain or loss included in pre-tax income was a net gain of $0.2 million for the year ended December 31, 2014, a net loss of $3.9 million for the year ended December 31, 2013 and a net loss of $2.8 million for the year ended December 31, 2012.

Goodwill and Other Intangibles - Roper accounts for goodwill in a purchase business combination as the excess of the cost over the estimated fair value of net assets acquired. Business combinations can also result in other intangible assets being recognized. Amortization of intangible assets, if applicable, occurs over their estimated useful lives. Goodwill, which is not amortized, is tested for impairment on an annual basis (or an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value) using a two-step process. The first step of the process utilizes both an income approach (discounted cash flows) and a market approach consisting of a comparable public company earnings multiples methodology to estimate the fair value of a reporting unit. To determine the reasonableness of the estimated fair values, the Company reviews the assumptions to ensure that neither the income approach nor the market approach provides significantly different valuations. If the estimated fair value exceeds the carrying value, no further work is required and no impairment loss is recognized. If the carrying value exceeds the estimated fair value, the goodwill of the reporting unit is potentially impaired and then the second step would be completed in order to measure the impairment loss by calculating the implied fair value of goodwill by deducting the fair value of all tangible and intangible net assets (including unrecognized intangible assets) of the reporting unit from the fair value of the reporting unit. If the implied fair value of goodwill is less than the carrying value of goodwill, a non-cash impairment loss would be recognized.

Key assumptions used in the income and market methodologies are updated when the analysis is performed for each reporting unit. Various assumptions are utilized including forecasted operating results, strategic plans, economic projections, anticipated future cash flows, the weighted-average cost of capital, comparable transactions, market data and earnings multiples. The assumptions that have the most significant effect on the fair value calculations are the anticipated future cash flows, discount rates, and the earnings multiples. While the Company uses reasonable and timely information to prepare its cash flow and discount rate assumptions, actual future cash flows or market conditions could differ significantly resulting in future impairment charges related to recorded goodwill balances.

The Company has 29 reporting units with individual goodwill amounts ranging from zero to $994 million. The Company concluded that the fair value of each of its reporting units was in excess of its carrying value, with no impairment indicated as of December 31, 2014. Negative industry or economic trends, disruptions to its business, actual results significantly below expected results, unexpected significant changes or planned changes in the use of the assets, divestitures and market capitalization declines may have a negative effect on the fair value of Roper's reporting units.

The following events or circumstances, although not comprehensive, would be considered to determine whether interim testing of goodwill would be required:

- a significant adverse change in legal factors or in the business climate;
- an adverse action or assessment by a regulator;
- unanticipated competition;
- a loss of key personnel;
- a more-likely-than-not expectation that a reporting unit or a significant portion of a reporting unit will be sold or otherwise disposed of;
- the testing for recoverability under the Impairment or Disposal of Long-Lived Assets of a significant asset group within a reporting unit; and
- recognition of a goodwill impairment loss in the financial statements of a subsidiary that is a component of a reporting unit.

Business combinations can also result in other intangible assets being recognized. Amortization of intangible assets, if applicable, occurs over their estimated useful lives. Trade names that are determined to have an indefinite useful economic life are not amortized, but separately tested for impairment during the fourth quarter of the fiscal year or on an interim basis if an event occurs that indicates the fair value is more likely than not below the carrying value. Roper conducts these reviews for all of its reporting units using the relief-from-royalty method, which management believes to be an acceptable methodology due to its common use by valuations specialists in determining the fair value of intangible assets. This methodology assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to exploit the related benefits of these assets. The fair value of each trade name is determined by applying a royalty rate to a projection of net sales discounted using a risk adjusted rate of capital. Each royalty rate is determined based on the profitability of the reporting unit to which it relates and observed market royalty rates. Sales growth rates are determined after considering current and future economic conditions, recent sales trends, discussions with customers, planned timing of new product launches or other variables.

The assessment of fair value for impairment purposes requires significant judgments to be made by management. Although forecasts are based on assumptions that are considered reasonable by management and consistent with the plans and estimates management is using to operate the underlying businesses, there is significant judgment in determining the expected results attributable to the reporting units. Changes in estimates or the application of alternative assumptions could produce significantly different results. No impairment resulted from the annual reviews performed in 2014.

Roper evaluates whether there has been an impairment of identifiable intangible assets with definite useful economic lives, or of the remaining life of such assets, when certain indicators of impairment are present. In the event that facts and circumstances indicate that the cost or remaining period of amortization of any asset may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future gross, undiscounted cash flows associated with the asset would be compared to the asset's carrying amount to determine if a write-down to fair value or a revision in the remaining amortization period is required.

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

Income Taxes - Roper is a U.S.-based multinational company and the calculation of its worldwide provision for income taxes requires analysis of many factors, including income tax systems that vary from country to country, and the United States' treatment of non-U.S. earnings. The Company provides U.S. income taxes for unremitted earnings of foreign subsidiaries that are not considered permanently reinvested overseas. As of December 31, 2014, the amount of earnings of foreign subsidiaries that the Company considers permanently reinvested and for which deferred taxes have not been provided was approximately $1.1 billion. Because of the availability of U.S. foreign tax credits, it is not practicable to determine the U.S. federal income tax liability that would be payable if such earnings were not reinvested indefinitely.

Although it is the Company's intention to permanently reinvest these earnings indefinitely there are certain events that would cause these earnings to become taxable. These events include, but are not limited to, changes in U.S. tax laws, dividends paid between foreign subsidiaries in the absence of Section 954(c)(6) of the Internal Revenue Code of 1986, as amended ("IRC"), foreign subsidiary guarantees of U.S. parent debt and the liquidation of foreign subsidiaries or actual distributions by foreign subsidiaries into a U.S. affiliate.

The Company recognizes in the consolidated financial statements only those tax positions determined to be "more likely than not" of being sustained upon examination based on the technical merits of the positions. Interest and penalties related to unrecognized tax benefits are classified as a component of income tax expense.

The Company records a valuation allowance to reduce its deferred tax assets if, based on the weight of available evidence, both positive and negative, for each respective tax jurisdictions, it is more likely than not that some portion or all of such deferred tax assets will not be realized. Available evidence which is considered in determining the amount of valuation allowance required includes, but is not limited to, the Company's estimate of future taxable income and any applicable tax-planning strategies.

Certain assets and liabilities have different bases for financial reporting and income tax purposes. Deferred income taxes have been provided for these differences at the tax rates expected to be paid.

Interest Rate Risk - The Company manages interest rate risk by maintaining a combination of fixed-and variable-rate debt, which may include interest rate swaps to convert fixed-rate debt to variable-rate debt, or to convert variable-rate debt to fixed-rate debt. Interest rate swaps are recorded at fair value in the balance sheet as an asset or liability, and the changes in fair values of both the swap and the hedged item are recorded as interest expense in current earnings. There were no interest rate swaps outstanding at December 31, 2014.

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

Other Comprehensive Income - Comprehensive income includes net earnings and all other non-owner sources of changes in a company's net assets.

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

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

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

Recently Released Accounting Pronouncements - The Financial Accounting Standards Board ("FASB") establishes changes to accounting principles under GAAP in the form of accounting standards updates ("ASUs") to the FASB's Accounting Standards Codification. The Company considers the applicability and impact of all ASUs. Any ASUs not listed below were assessed and determined to be either not applicable or are expected to have an immaterial impact on the Company's results of operations, financial position or cash flows.

In June 2014, the FASB issued updates to the accounting for stock compensation. These updates, effective for fiscal years beginning after December 15, 2015, modify the accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period. The Company does not expect these updates to have an impact on its results of operations, financial condition or cash flows.

In May 2014, the FASB issued updates on accounting and disclosures for revenue from contracts with customers. These updates, effective for annual reporting periods after December 15, 2016, create a single, comprehensive revenue recognition model for all contracts with customers. The model is based on changes in contract assets (rights to receive consideration) and liabilities (obligations to provide a good or service). Revenue will be recognized based on the satisfaction of performance obligations, which occurs when control of a good or service transfers to a customer. The Company is evaluating the impact of these updates on its results of operations, financial condition and cash flows.

Research and Development - Research and development ("R&D") costs include salaries and benefits, rents, supplies, and other costs related to products under development. Research and development costs are expensed in the period incurred and totaled $147.9 million, $145.7 million and $125.9 million for the years ended December 31, 2014, 2013 and 2012, respectively.

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

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

In addition, the Company recognizes revenue from the sale of product when title and risk of loss pass to the customer, which is generally when product is shipped. The Company recognizes revenue from services when such services are rendered or, if applicable, upon customer acceptance. Revenues under certain relatively long-term and relatively large-value construction and software projects are recognized under the percentage-of-completion method using the ratio of costs incurred to total estimated costs as the measure of performance. The Company recognized revenues of $266 million, $205 million and $146 million for the years ended December 31,2014,2013 and 2012, respectively, using this method. Estimated losses on any projects are recognized as soon as such losses become known.

Capitalized Software - The Company accounts for capitalized software under applicable accounting guidance which, among other provisions, requires capitalization of certain internal-use software costs once certain criteria are met. Overhead, general and administrative and training costs are not capitalized. Capitalized software was $4.7 million and $8.0 million at December 31, 2014 and 2013, respectively.

Stock-Based Compensation - The Company recognizes expense for the grant date fair value of its employee stock awards on a straight-line basis (or, in the case of performance-based awards, on a graded basis) over the employee's requisite service period (generally the vesting period of the award). The fair value of option awards is estimated using the Black-Scholes option valuation model. The Company presents the cash flows resulting from the tax benefits arising from tax deductions in excess of the compensation cost recognized for stock award exercises (excess tax benefits) as financing cash flows.

(2) BUSINESS ACQUISITIONS

2014 Acquisitions - During the year ended December 31, 2014, Roper completed three business combinations. The results of operations of the acquired companies have been included in Roper's consolidated results since the date of each acquisition. Supplemental pro forma information has not been provided as the acquisitions did not have a material impact on Roper's consolidated results of operations individually or in aggregate.

Roper acquired 100% of the shares of Foodlink Holdings, Inc. (“Foodlink”), Innovative Product Achievements, LLC (“IPA”) and Strategic Healthcare Programs Holdings, LLC (“SHP”) on July 2, August 5, and August 14, 2014, respectively. The aggregate purchase price was $303 million, paid in cash. Roper purchased the businesses to expand upon existing supply chain and medical platforms. SHP and IPA are reported in the Medical & Scientific Imaging segment, and Foodlink is reported in the RF Technology segment.

The Company expensed transaction costs of $2.8 million related to the acquisitions as corporate general and administrative expenses, as incurred.

The Company recorded $208 million in goodwill and $99 million in other identifiable intangibles in connection with the acquisitions; however, purchase price allocations are preliminary pending final intangibles valuations and tax-related adjustments. The majority of the goodwill recorded is not expected to be deductible for tax purposes. Of the $99 million of intangible assets acquired, $7 million was assigned to trade names that are not subject to amortization. The remaining $92 million of acquired intangible assets have a weighted-average useful life of 17 years. The intangible assets that make up that amount include customer relationships of $82 million (19 year weighted-average useful life), unpatented technology of $7 million (6 year weighted-average useful life), software of $2 million (4 year weighted-average useful life) and backlog of $1 million (1 year weighted-average useful life).

2013 Acquisitions - During the year ended December 31,2013, Roper completed two business combinations. The results of operations of the acquired companies have been included in Roper’s consolidated results since the date of each acquisition. Supplemental pro forma information has not been provided as the acquisitions did not have a material impact on Roper’s consolidated results of operations individually or in aggregate.

On May 1, 2013, Roper acquired 100% of the shares of Managed Health Care Associates, Inc. (“MHA”), in a $1.0 billion all-cash transaction. MHA is a leading provider of services and technologies to support the diverse and complex needs of alternate site health care providers who deliver services outside of an acute care hospital setting. The acquisition of MHA complements and expands the Company’s medical software and services platform. MHA is reported in the Medical & Scientific Imaging segment.

The following table (in thousands) summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition.

Current assets	$ 59,813
Identifiable intangibles	465,500
Goodwill	678,183
Other assets	5,798
Total assets acquired	1,209,294
Current liabilities	(24,717)
Long-term deferred tax liability	(162,503)
Other liabilities	(6,524)
Net assets acquired	$1,015,550

The fair value of current assets acquired also includes an adjustment of $35.0 million for administrative fees related to customer purchases that occurred prior to the acquisition date but not reported to MHA until after the acquisition date. In the ordinary course, these administrative fees are recorded as revenue when reported; however, GAAP accounting for business acquisitions requires the Company to estimate the amount of purchases occurring prior to the acquisition date and record the fair value of the administrative fees to be received from those purchases as an accounts receivable at the date of acquisition. The Company also recorded a fair value liability of $8.6 million included in current liabilities related to corresponding revenue-share obligation owed to customers that generated the administrative fees. Both of these fair value adjustments were fully amortized as of September 30, 2013.

On October 4, 2013, the Company paid $54 million in cash to acquire 100% of the shares of Advanced Sensors, Ltd. (“Advanced Sensors”), a company which manufactures and supports oil-in-water analyzers for the oil and gas industries, in order to expand the Company’s product line. Advanced Sensors is reported in the Energy Systems and Controls segment. The Company recorded $28 million in goodwill and $28 million of other identifiable intangibles in connection with the acquisition.

The majority of the goodwill related to the 2013 acquisitions is not expected to be deductible for tax purposes. Of the $493 million of intangible assets acquired in 2013, $28 million was assigned to trade names that are not subject to amortization. The remaining $465 million of acquired intangible assets have a weighted-average useful life of approximately 19 years. The intangible assets that make up that amount include customer relationships of $451 million (20 year weighted-average useful life), technology of $12 million (7 year weighted-average useful life), and $2 million of protective rights in the form of non-compete agreements (5 year weighted-average useful life).

The Company expensed transaction costs of $3.3 million related to the acquisitions as corporate general and administrative expenses, as incurred.

2012 Acquisitions - During the year ended December 31, 2012, Roper completed six business combinations. The results of operations of the acquired companies have been included in Roper's consolidated results since the date of each acquisition.

The largest of the 2012 acquisitions was Sunquest Information Systems, Inc. ("Sunquest"), a leading provider of diagnostic and laboratory software solutions to healthcare providers. Roper acquired 100% of the shares of Sunquest on August 22, 2012, in a $1.4 billion all-cash transaction. The Company acquired Sunquest to complement and expand its medical platform. Sunquest is reported in the Medical & Scientific Imaging segment.

The Company expensed transaction costs of $6.7 million related to the acquisition as corporate general and administrative expenses, as incurred.

The following table (in thousands) summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition.

Current assets	$ 96,883
Identifiable intangibles	669,000
Goodwill	993,780
Other assets	2,694
Total assets acquired	1,762,357
Deferred revenue	(83,065)
Other current liabilities	(18,762)
Long-term deferred tax liability	(244,550)
Net assets acquired	$1,415,980

The majority of the goodwill is not expected to be deductible for tax purposes. Of the $669 million of acquired intangible assets acquired, $98 million was assigned to trade names that are not subject to amortization. The remaining $571 million of acquired intangible assets have a weighted-average useful life of 18 years. The intangible assets that make up that amount include customer relationships of $460 million (20 year weighted-average useful life) and software of $111 million (12 year weighted-average useful life).

Roper's results for the year ended December 31, 2012 included results from Sunquest between August 22, 2012 and December 31, 2012. In that period, Sunquest contributed $69.4 million in revenue and $8.8 million of earnings (inclusive of deal-related costs) to Roper's results. The following unaudited pro forma summary presents consolidated information as if the acquisition of Sunquest had occurred on January 1, 2011 (in thousands, except per share data):

	Pro forma Year Ended December 31, 2012
Sales	$3,130,407
Net income	521,141
Earnings per share, basic	5.33
Earnings per share, diluted	5.23

Pro forma earnings for the year ended December 31, 2012 were adjusted by $50.7 million for non-recurring acquisition and other costs. Adjustments were also made for recurring changes in amortization, interest expense and taxes related to the acquisition.

During the year ended December 31, 2012, Roper completed five other acquisitions which were immaterial. The aggregate purchase price of these acquisitions totaled $62 million of cash. The Company recorded $43 million in other identifiable intangibles and $16 million in goodwill in connection with these acquisitions. The Company expensed transaction costs of

$1 million related to these acquisitions as corporate general and administrative expenses, as incurred. Supplemental pro forma information has not been provided as the acquisitions did not have a material impact on Roper's consolidated results of operations individually or in aggregate.

The majority of the goodwill recorded for these five companies is not expected to be deductible for tax purposes. Of the $43 million of intangible assets acquired, $1 million was assigned to trade names that are not subject to amortization. The remaining $42 million of acquired intangible assets have a weighted-average useful life of 7 years. The intangible assets that make up that amount include customer relationships of $17 million (7 year weighted-average useful life), protective rights and patents of $16 million (7 year weighted-average useful life) and unpatented technology of $8 million (8 year weighted-average useful life).

(3) INVENTORIES

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

	2014	2013
Raw materials and supplies	$124,103	$127,525
Work in process	29,358	30,498
Finished products	79,184	90,352
Inventory reserves	(38,879)	(43,452)
	$193,766	$204,923

(4) PROPERTY, PLANT AND EQUIPMENT

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

	2014	2013
Land	$ 4,130	$ 4,384
Buildings	80,775	79,219
Machinery and other equipment	320,697	310,738
	405,602	394,341
Accumulated depreciation	(294,726)	(277,031)
	$110,876	$117,310

Depreciation and amortization expense was $40,890, $37,756 and $37,888 for the years ended December 31, 2014, 2013 and 2012, respectively.

(5) GOODWILL AND OTHER INTANGIBLE ASSETS

The carrying value of goodwill by segment was as follows (in thousands):

	Industrial Technology	Energy Systems and Controls	Medical and Scientific Imaging	RF Technology	Total
Balances at December 31, 2012	$421,755	$404,057	$1,772,402	$1,270,643	$3,868,857
Goodwill acquired	-	27,944	680,732	-	708,676
Currency translation adjustments	3,746	198	(13,345)	(76)	(9,477)
Reclassifications and other	-	2,498	(4,283)	(16,273)	(18,058)
Balances at December 31, 2013	$425,501	$434,697	$2,435,506	$1,254,294	$4,549,998
Goodwill acquired	**-**	**-**	**174,347**	**33,596**	**207,943**
Currency translation adjustments	**(16,537)**	**(8,002)**	**(18,847)**	**(7,102)**	**(50,488)**
Reclassifications and other	**-**	**(112)**	**3,350**	**-**	**3,238**
Balances at December 31, 2014	**$408,964**	**$426,583**	**$2,594,356**	**$1,280,788**	**$4,710,691**

Reclassifications and other during the years ended December 31, 2014 and 2013 were due primarily to immaterial out of period corrections of tax adjustments for Sunquest and TransCore, respectively, that were not material in the current or prior periods. See Note 2 for information regarding acquisitions.

Other intangible assets were comprised of (in thousands):

	Cost	Accum. amort.	Net book value
Assets subject to amortization:			
Customer related intangibles	$1,936,336	$(464,018)	$1,472,318
Unpatented technology	216,044	(120,091)	95,953
Software	160,618	(58,084)	102,534
Patents and other protective rights	31,394	(21,922)	9,472
Trade names	656	(16)	640
Assets not subject to amortization:			
Trade names	358,219	-	358,219
Balances at December 31, 2013	$2,703,267	$(664,131)	$2,039,136
Assets subject to amortization:			
Customer related intangibles	**$1,975,334**	**$(543,594)**	**$1,431,740**
Unpatented technology	**217,260**	**(134,702)**	**82,558**
Software	**156,449**	**(62,882)**	**93,567**
Patents and other protective rights	**26,463**	**(18,325)**	**8,138**
Backlog	**1,100**	**(443)**	**657**
Trade names	**622**	**(72)**	**550**
Assets not subject to amortization:			
Trade names	**361,519**	**-**	**361,519**
Balances at December 31, 2014	**$2,738,747**	**$(760,018)**	**$1,978,729**

Amortization expense of other intangible assets was $153 million, $147 million, and $113 million during the years ended December 31, 2014, 2013 and 2012, respectively. Amortization expense is expected to be $147 million in 2015, $143 million in 2016, $132 million in 2017, $125 million in 2018 and $119 million in 2019.

(6) ACCRUED LIABILITIES

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

	2014	2013
Interest	**$ 18,275**	$ 18,285
Customer deposits	**16,392**	21,438
Commissions	**12,025**	12,030
Warranty	**9,537**	14,336
Accrued dividend	**25,032**	19,863
Rebates	**12,968**	14,104
Billings in excess of cost	**14,135**	5,016
Other	**52,374**	48,640
	$160,738	$153,712

(7) INCOME TAXES

Earnings before income taxes for the years ended December 31, 2014, 2013 and 2012 consisted of the following components (in thousands):

	2014	2013	2012
United States	**$665,219**	$517,432	$430,573
Other	**256,237**	236,698	256,108
	$921,456	$754,130	$686,681

Components of income tax expense for the years ended December 31, 2014, 2013 and 2012 were as follows (in thousands):

	2014	2013	2012
Current:			
Federal	$218,302	$166,430	$136,860
State	37,155	12,577	9,972
Foreign	56,107	40,451	48,403
Deferred:			
Domestic	(30,664)	(1,965)	15,789
Foreign	(5,477)	(1,656)	(7,703)
	$275,423	$215,837	$203,321

Reconciliations between the statutory federal income tax rate and the effective income tax rate for the years ended December 31, 2014, 2013 and 2012 were as follows:

	2014	2013	2012
Federal statutory rate	35.0%	35.0%	35.0%
Foreign rate differential	(3.9)	(4.1)	(3.9)
R&D tax credits	(0.4)	(0.5)	-
State taxes, net of federal benefit	2.0	1.9	1.7
Foreign tax credit	-	-	(2.4)
Section 199 deduction	(1.6)	(1.8)	(1.3)
Other, net	(1.2)	(1.9)	0.5
	29.9%	28.6%	29.6%

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

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

	2014	2013
Deferred tax assets:		
Reserves and accrued expenses	$130,508	$119,955
Inventories	10,186	10,315
Net operating loss carryforwards	41,480	35,286
R&D credits	7,145	3,134
Foreign tax credits	-	425
Valuation allowance	(16,169)	(5,917)
Total deferred tax assets	$173,150	$163,198
Deferred tax liabilities:		
Reserves and accrued expenses	$ 27,981	$ 20,995
Amortizable intangible assets	798,502	826,838
Plant and equipment	4,741	12,423
Total deferred tax liabilities	$831,224	$860,256

At December 31, 2014, the Company had approximately $14.1 million of tax-effected U.S. federal net operating loss carryforwards that if not utilized will expire in years 2023 through 2034. The U.S. federal net operating loss carryforwards increased from 2013 to 2014 primarily due to losses incurred by a U.S. entity that is not a member of the Company's consolidated tax group and therefore not available for offset against the taxable income of other members of the group. In a recent acquisition, the consolidated group obtained U.S. federal net operating losses subject to an IRC Section 382 limitation; however, the Company expects to utilize the losses in their entirety prior to expiration. The Company has approximately $20.8 million of tax-effected state net operating loss carryforwards that if not utilized will expire in years 2021 through 2034. The state net operating loss carryforwards are primarily related to Florida, Georgia and New Jersey, but the Company has smaller net operating losses in various other states. The Company has approximately $6.6 million of tax-effected foreign net operating loss carryforwards that if not utilized will begin to expire in 2015, while some do not have a definite expiration. Additionally, the Company has $7.1 million of U.S. federal and state research and development tax credit carryforwards that will expire in years 2019 through 2034.

As of December 31, 2014, the Company determined that a total valuation allowance of $16. 2 million was necessary to reduce U.S. deferred tax assets by $11.9 million and foreign deferred tax assets by $4.3 million, where it was more likely than not that some portion or all of such deferred tax assets will not be realized. As of December 31, 2014, based on the Company's estimates of future taxable income and any applicable tax-planning strategies within various tax jurisdictions, the Company believes that it is more likely than not that the remaining net deferred tax assets will be realized.

The Company recognizes in the consolidated financial statements only those tax positions determined to be "more likely than not" of being sustained upon examination based on the technical merits of the positions. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	2014	2013	2012
Beginning balance	$26,924	$24,865	$19,556
Additions for tax positions of prior periods	6,532	3,055	1,371
Additions for tax positions of the current period	5,571	1,639	1,541
Additions due to acquisitions	-	5,026	9,116
Reductions for tax positions of prior periods	(1,008)	(3,675)	(197)
Reductions for tax positions of the current period			
Settlements with taxing authorities	(518)	-	-
Lapse of applicable statute of limitations	(8,934)	(3,986)	(6,522)
Ending balance	$28,567	$26,924	$24,865

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is $27.0 million. Interest and penalties related to unrecognized tax benefits are classified as a component of income tax expense and totaled $0.6 million in 2014. Accrued interest and penalties were $5.2 million at December 31, 2014 and $4.5 million at December 31, 2013. During the next twelve months, the unrecognized tax benefits are expected to increase by a net $9.2 million, due mainly to anticipated settlements with various state taxing authorities.

The Company and its subsidiaries are subject to U.S. federal income tax as well as income taxes of multiple state, city and foreign jurisdictions. The Company's federal income tax returns for 2010 through the current period remain subject to examination and the relevant state, city and foreign statutes vary. At December 31, 2014, the Internal Revenue Service has been and is continuing to examine the Company's income tax returns for the years 2010 through 2012. The Company does not expect the assessment of any significant additional tax in excess of amounts reserved.

(8) LONG-TERM DEBT

On July 27, 2012, Roper entered into a $1.5 billion unsecured credit facility (the "2012 Facility") with JPMorgan Chase Bank, N.A., as administrative agent, and a syndicate of lenders, which replaced its prior unsecured credit facility dated as of July 7, 2008 (the "2008 Facility"). The 2012 Facility is composed of a five year $1.5 billion revolving credit facility. Roper may also, subject to compliance with specified conditions, request term loans or additional revolving credit commitments in an aggregate amount not to exceed $350 million. At December 31, 2014, there were no outstanding borrowings under the 2012 Facility. Roper recorded a $1.0 million non-cash debt extinguishment charge in the third quarter of 2012 related to the early termination of the 2008 Facility. This charge reflects the unamortized fees associated with the 2008 Facility and was reported as other expense.

The 2012 Facility contains affirmative and negative covenants which, among other things, limit Roper's ability to incur new debt, prepay subordinated debt, make certain investments and acquisitions, sell assets and grant liens, make restricted payments (including the payment of dividends on our common stock) and capital expenditures, or change its line of business. Roper is also subject to financial covenants which require the Company to limit its consolidated total leverage ratio and to maintain a consolidated interest coverage ratio. The most restrictive covenant is the consolidated total leverage ratio which is limited to 3.5.

The Company was in compliance with its debt covenants throughout the years ended December 31, 2014 and 2013.

On June 6, 2013, the Company completed a public offering of $800 million aggregate principal amount of 2.050% senior unsecured notes due October 1, 2018. The notes bear interest at a fixed rate of 2.050% per year, payable semi-annually in arrears on April 1 and October 1 of each year, beginning October 1, 2013.

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

On November 21, 2012, Roper completed a public offering of $400 million aggregate principal amount of 1.850% senior unsecured notes due November 15, 2017 and $500 million aggregate principal amount of 3.125% senior unsecured notes due November 15, 2022. The notes bear interest at a fixed rate of 1.850% and 3.125% per year, respectively, payable semi-annually in arrears on May 15 and November 15 of each year, beginning May 15, 2013.

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

In September 2009, the Company completed a public offering of $500 million aggregate principal amount of 6.25% senior unsecured notes due September 2019. The notes bear interest at a fixed rate of 6.25% per year, payable semi-annually in arrears on March 1 and September 1 of each year, beginning March 1, 2010.

Roper may redeem some or all of these notes at any time or from time to time, at 100% of their principal amount, plus a make-whole premium based on a spread to U.S. Treasury securities.

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

Other debt includes $8 million of senior subordinated convertible notes due 2034.

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

	2014	2013
$1.5 billion revolving credit facility	$ -	$ 250,000
2017 Notes	400,000	400,000
2018 Notes	800,000	800,000
2019 Notes	500,000	500,000
2022 Notes	500,000	500,000
Senior Subordinated Convertible Notes	8,003	8,270
Other	6,120	6,582
Total debt	2,214,123	2,464,852
Less current portion	11,092	11,016
Long-term debt	$2,203,031	$2,453,836

The 2012 Facility and Roper's $2.2 billion senior notes provide substantially all of Roper's daily external financing requirements. The interest rate on the borrowings under the 2012 Facility is calculated based upon various recognized indices plus a margin as defined in the credit agreement. At December 31, 2014, Roper's debt consisted of $2.2 billion of senior notes and $8 million in senior subordinated convertible notes. In addition, the Company had $6.1 million of other debt in the form of capital leases, several smaller facilities that allow for borrowings or the issuance of letters of credit in foreign locations to support Roper's non-U.S. businesses and $49 million of outstanding letters of credit at December 31, 2014.

In December 2003, the Company issued through a public offering $230 million of 3.75% subordinated convertible notes due in 2034 at an original issue discount of 60.498% (the "Convertible Notes"). The Convertible Notes are subordinated in right of payment and collateral to all of Roper's existing and future senior debt. Cash interest on the notes was paid semi-annually until January 15, 2009, after which interest is recognized at the effective rate of 3.75% and represents accrual of original issue discount, and only contingent cash interest may be paid. Contingent cash interest may be paid during any six month period if the average trading price of a note for a five trading day measurement period preceding the applicable six month period equals 120% or more of the sum of the issue price, accrued original issue discount and accrued cash interest, if any, for such note. The contingent cash interest payable per note in respect of any six month period will equal the annual rate of 0.25%. In accordance with this criterion, contingent interest has been paid for each six month period since January 15, 2009. Holders receive cash up to the value of the accreted principal amount of the notes converted and, at the Company's option, any remainder of the conversion value may be paid in cash or shares of common stock. Holders may require Roper to purchase all or a portion of their notes on January 15, 2019 at a price of $572.76 per note, on January 15, 2024 at a price of $689.68 per note, and on January 15, 2029 at a price of $830.47 per note, in each case plus accrued cash interest, if any, and accrued contingent cash interest, if any. The Company may only pay the purchase price of such notes in cash and not in common stock. In addition, if Roper experiences a change in control, each holder may require Roper to purchase for cash all or a portion of such holder's notes at a price equal to the sum of the issue price plus accrued original issue discount for non-tax purposes, accrued cash interest, if any, and accrued contingent cash interest, if any, to the date of purchase.

The Convertible Notes are classified as short-term debt as the notes became convertible on October 1, 2005 based upon the Company's common stock trading above the trigger price for at least 20 trading days during the 30 consecutive trading-day periods ending on September 30, 2005.

At December 31, 2014, the conversion price on the outstanding notes was $488.37. If converted at December 31, 2014, the value would have exceeded the $8 million principal amount of the notes by $25 million and could have resulted in the issuance of 155,980 shares of the Company's common stock.

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

2015	$ 11,092
2016	2,332
2017	400,630
2018	800,066
2019	500,003
Thereafter	500,000
	$2,214,123

(9) FAIR VALUE

Roper's debt at December 31, 2014 included $2.2 billion of fixed-rate senior notes with the following fair values (in millions):

$400 million senior notes due 2017	$401
$800 million senior notes due 2018	800
$500 million senior notes due 2019	578
$500 million senior notes due 2022	492

The fair values of the senior notes are based on the trading prices of the notes, which the Company has determined to be Level 2 in the FASB fair value hierarchy. Short-term debt included $8 million of fixed-rate convertible notes which were at fair value due to the short-term nature of the notes. Most of Roper's other borrowings at December 31, 2014 were at various interest rates that adjust relatively frequently under its credit facility. The fair value for each of these borrowings at December 31, 2014 was estimated to be the face value of these borrowings.

(10) RETIREMENT AND OTHER BENEFIT PLANS

Roper maintains four defined contribution retirement plans under the provisions of Section 401 (k) of the IRC covering substantially all U.S. employees not subject to collective bargaining agreements. The number of plans was reduced from eleven in the prior year due to consolidation of existing plans. Roper partially matches employee contributions. Costs related to these plans were $19.5 million, $16.5 million and $16.4 million for 2014, 2013 and 2012, respectively.

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

(11) STOCK-BASED COMPENSATION

The Roper Industries, Inc. Amended and Restated 2006 Incentive Plan ("2006 Plan") is a stock-based compensation plan used to grant incentive stock options, nonqualified stock options, restricted stock, stock appreciation rights or equivalent instruments to the Company's employees, officers, directors and consultants. The 2006 Plan replaced the Amended and Restated 2000 Incentive Plan ("2000 Plan"), and no additional grants will be made from the 2000 Plan. The number of shares reserved for issuance under the 2006 Plan is 14,000,000, plus 17,000 remaining shares that were available to grant under the 2000 Plan at June 28, 2006, plus any shares underlying outstanding awards under the 2000 Plan that terminate or expire unexercised, or are cancelled, forfeited or lapse for any reason subsequent to June 28, 2006. At December 31, 2014, 4,494,756 shares were available to grant.

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

Stock based compensation expense for the years ended December 31, 2014, 2013 and 2012 was as follows (in millions):

	2014	2013	2012
Stock based compensation	**$63.0**	$53.4	$40.8
Tax benefit recognized in net income	**22.1**	18.7	14.3
Windfall tax benefit, net	**21.5**	16.0	30.8

Stock Options – Stock options are typically granted at prices not less than 100% of market value of the underlying stock at the date of grant. Stock options typically vest over a period of three to five years from the grant date and expire ten years after the grant date. The Company recorded $16.6 million, $16.9 million, and $14.8 million of compensation expense relating to outstanding options during 2014, 2013 and 2012, respectively, as a component of general and administrative expenses, primarily at corporate.

The Company estimates the fair value of its option awards using the Black-Scholes option valuation model. The stock volatility for each grant is measured using the weighted-average of historical daily price changes of the Company's common stock over the most recent period equal to the expected life of the grant. The expected term of options granted is derived from historical data to estimate option exercises and employee forfeitures, and represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The weighted-average fair value of options granted in 2014, 2013 and 2012 were calculated using the following weighted-average assumptions:

	2014	2013	2012
Weighted-average fair value ($)	**34.95**	37.08	30.25
Risk-free interest rate (%)	**1.63**	0.86	0.77
Average expected option life (years)	**5.22**	5.19	5.24
Expected volatility (%)	**27.01**	36.09	36.51
Expected dividend yield (%)	**0.58**	0.56	0.58

The following table summarizes the Company's activities with respect to its stock option plans for the years ended December 31, 2014 and 2013:

	Number of shares	Weighted-average exercise price per share	Weighted-average contractual term	Aggregate intrinsic value
Outstanding at January 1, 2013	2,918,195	$ 63.15		
Granted	601,350	117.78		
Exercised	(424,945)	56.48		
Canceled	(106,164)	98.74		
Outstanding at December 31, 2013	**2,988,436**	**74.00**	**6.22**	**$193,279,214**
Granted	**650,000**	**137.05**		
Exercised	**(587,661)**	**55.98**		
Canceled	**(69,664)**	**116.29**		
Outstanding at December 31, 2014	**2,981,111**	**90.48**	**6.37**	**$196,378,239**
Exercisable at December 31, 2014	**1,811,238**	**$ 68.02**	**4.91**	**$159,978,254**

The following table summarizes information for stock options outstanding at December 31, 2014:

	Outstanding options			Exercisable options	
Exercise price	Number	Average exercise price	Average remaining life (years)	Number	Average exercise price
$ 31.66-47.49	110,598	$ 41.82	4.2	110,598	$ 41.82
47.50-63.32	911,913	54.10	3.3	911,913	54.10
63.33-79.15	379,830	72.62	6.1	379,830	72.62
79.16-94.98	325,632	92.70	7.0	216,610	92.24
94.99-110.81	89,049	97.99	7.5	51,717	98.07
110.82-126.64	512,589	117.12	8.2	124,727	116.27
126.65-142.47	573,000	135.14	9.2	15,843	133.77
142.48-158.30	78,500	150.38	9.7	-	-
$ 31.66-158.30	2,981,111	$ 90.48	6.4	1,811,238	$ 68.02

At December 31, 2014, there was $27.6 million of total unrecognized compensation expense related to nonvested options granted under the Company's share-based payment plans. That cost is expected to be recognized over a weighted-average period of 1.9 years. The total intrinsic value of options exercised in 2014, 2013 and 2012 was $50.3 million, $28.8 million and $86.0 million, respectively. Cash received from option exercises under all plans in 2014 and 2013 was $32.5 million and $24.0 million, respectively.

Restricted Stock Grants - During 2014 and 2013, the Company granted 375,060 and 399,540 shares, respectively, of restricted stock to certain employee and director participants under the 2006 Plan. Restricted stock grants generally vest over a period of 1 to 3 years. The Company recorded $46.4 million, $36.5 million and $25.9 million of compensation expense related to outstanding shares of restricted stock held by employees and directors during 2014, 2013 and 2012, respectively. A summary of the Company's nonvested shares activity for 2014 and 2013 is as follows:

	Number of Shares	Weighted-Average Fair Value
Nonvested at December 31, 2012	571,905	$ 80.96
Granted	399,540	117.74
Vested	(373,946)	126.80
Forfeited	(23,649)	124.48
Nonvested at December 31, 2013	573,850	$103.44
Granted	**375,060**	**142.30**
Vested	**(378,994)**	**153.16**
Forfeited	**(27,361)**	**106.60**
Nonvested at December 31, 2014	**542,555**	**$130.29**

At December 31, 2014, there was $43.4 million of total unrecognized compensation expense related to nonvested awards granted to both employees and directors under the Company's share-based payment plans. That cost is expected to be recognized over a weighted-average period of 2.2 years. Unrecognized compensation expense related to nonvested shares of restricted stock grants is recorded as a reduction to additional paid-in capital in stockholder's equity at December 31, 2014.

Employee Stock Purchase Plan - During 2014, 2013 and 2012, participants of the ESPP purchased 20,368, 20,211 and 22,863 shares, respectively, of Roper's common stock for total consideration of $2.8 million, $2.4 million, and $2.2 million, respectively. All of these shares were purchased from Roper's treasury shares. The Company had no compensation expense relating to the stock purchase plan during 2014, 2013 and 2012.

(12) CONTINGENCIES

Roper, in the ordinary course of business, is the subject of, or a party to, various pending or threatened legal actions, including product liability and employment practices. It is vigorously contesting all lawsuits that, in general, are based upon claims of the kind that have been customary over the past several years. After analyzing the Company's contingent liabilities on a gross basis and, based upon past experience with resolution of its product liability and employment practices claims and the limits of the primary, excess, and umbrella liability insurance coverages that are available with respect to pending claims, management believes that adequate provision has been made to cover any potential liability not covered by insurance. The ultimate liability, if any, arising from these actions should not have a material adverse effect on the consolidated financial position, results of operations or cash flows of Roper.

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

Roper's rent expense was $38.4 million, $39.8 million and $26.8 million for 2014, 2013 and 2012, respectively. Roper's future minimum property lease commitments are as follows (in millions):

2015	$ 35.0
2016	28.5
2017	19.3
2018	10.8
2019	5.6
Thereafter	10.7
Total	$109.9

A summary of the Company's warranty accrual activity is presented below (in thousands):

	2014	2013	2012
Balance, beginning of year	$ 14,336	$ 9,755	$ 8,147
Additions charged to costs and expenses*	13,396	20,387	11,845
Deductions	(18,078)	(15,697)	(10,287)
Other	(117)	(109)	50
Balance, end of year	$ 9,537	$ 14,336	$ 9,755

* During the second quarter of 2013, the Company identified a vendor-supplied component within a refrigeration system valve that did not meet its quality standards, and $9.1 million was expensed to cover the estimated cost of replacing the faulty components for customers.

Other included warranty balances at acquired businesses at the dates of acquisition, the effects of foreign currency translation adjustments, reclassifications and other.

As of December 31, 2014, Roper had $49 million of letters of credit issued to guarantee its performance under certain services contracts or to support certain insurance programs and $428 million of outstanding surety bonds. Certain contracts, primarily those involving public sector customers, require Roper to provide a surety bond as a guarantee of its performance of contractual obligations.

(13) SEGMENT AND GEOGRAPHIC AREA INFORMATION

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

There were no material transactions between Roper's business segments during 2014, 2013 and 2012. Sales between geographic areas are primarily of finished products and are accounted for at prices intended to represent third-party prices. Operating profit by business segment and by geographic area is defined as net sales less operating costs and expenses. These costs and expenses do not include unallocated corporate administrative expenses. Items below income from operations on Roper's statement of earnings are not allocated to business segments.

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

Selected financial information by business segment for 2014, 2013 and 2012 follows (in thousands):

	Industrial Technology	Energy Systems and Controls	Medical and Scientific Imaging	RF Technology	Corporate	Total
2014						
Net sales	**$827,145**	**$691,813**	**$1,080,309**	**$ 950,227**	**$ -**	**$3,549,494**
Operating profit	**247,596**	**203,021**	**375,867**	**271,177**	**(98,188)**	**999,473**
Assets:						
Operating assets	**220,115**	**219,284**	**232,380**	**270,458**	**7,002**	**949,239**
Intangible assets, net	**557,593**	**568,670**	**3,842,180**	**1,720,977**	**-**	**6,689,420**
Other	**120,681**	**223,831**	**147,529**	**65,636**	**216,598**	**774,275**
Total						**8,412,934**
Capital expenditures	**10,713**	**4,634**	**11,430**	**10,521**	**346**	**37,644**
Depreciation and other amortization	**21,135**	**23,281**	**93,683**	**58,702**	**483**	**197,284**
2013						
Net sales	$779,564	$651,920	$ 902,281	$ 904,363	$ -	$3,238,128
Operating profit	223,053	183,679	268,172	253,532	(86,075)	842,361
Assets:						
Operating assets	232,505	214,926	237,681	266,026	15,325	966,463
Intangible assets, net	583,822	597,250	3,682,465	1,725,597	-	6,589,134
Other	75,215	167,879	152,211	62,576	171,503	629,384
Total						8,184,981
Capital expenditures	17,043	4,952	10,231	10,190	112	42,528
Depreciation and other amortization	21,551	21,353	85,177	60,590	519	189,190
2012						
Net sales	$795,240	$646,116	$ 703,835	$ 848,298	$ -	$2,993,489
Operating profit	244,691	179,824	187,246	223,335	(77,509)	757,587
Assets:						
Operating assets	225,620	199,016	232,527	251,721	24,731	933,615
Intangible assets, net	590,175	555,667	2,631,085	1,790,797	-	5,567,724
Other	100,102	80,230	114,834	51,044	223,555	569,765
Total						7,071,104
Capital expenditures	14,030	5,532	8,253	9,765	825	38,405
Depreciation and other amortization	21,754	19,671	50,309	62,629	385	154,748

Summarized data for Roper's U.S. and foreign operations (principally in Canada, Europe and Asia) for 2014, 2013 and 2012, based upon the country of origin of the Roper entity making the sale, was as follows (in thousands):

	United States	Non-U.S.	Eliminations	Total
2014				
Sales to unaffiliated customers	**$2,661,470**	**$ 888,024**	**$ -**	**$3,549,494**
Sales between geographic areas	**159,049**	**119,175**	**(278,224)**	**-**
Net sales	**$2,820,519**	**$1,007,199**	**$(278,224)**	**$3,549,494**
Long-lived assets	**$ 134,855**	**$ 30,781**	**$ -**	**$ 165,636**
2013				
Sales to unaffiliated customers	$2,400,592	$ 837,536	$ -	$3,238,128
Sales between geographic areas	141,529	121,431	(262,960)	-
Net sales	$2,542,121	$ 958,967	$(262,960)	$3,238,128
Long-lived assets	$ 135,157	$ 36,266	$ -	$ 171,423
2012				
Sales to unaffiliated customers	$2,174,443	$ 819,046	$ -	$2,993,489
Sales between geographic areas	140,864	111,813	(252,677)	-
Net sales	$2,315,307	$ 930,859	$ 252,677)	$2,993,489
Long-lived assets	$ 125,015	$ 35,702	$ -	$ 160,717

Export sales from the U.S. during the years ended December 31, 2014, 2013 and 2012 were $477 million, $479 million and $459 million, respectively. In the year ended December 31, 2014, these exports were shipped primarily to Asia (36%), Europe (18%), Canada (16%), Middle East (13%), South America (6%), South Pacific (5%) and other (6%).

Sales to customers outside the U.S. accounted for a significant portion of Roper's revenues. Sales are attributed to geographic areas based upon the location where the product is ultimately shipped. Roper's net sales for the years ended December 31, 2014, 2013 and 2012 are shown below by region, except for Canada, which is presented separately as it is the only country in which Roper has had greater than 5% of total sales for any of the three years presented (in thousands):

	Industrial Technology	Energy Systems and Controls	Medical and Scientific Imaging	RF Technology	Total
2014					
Canada	**$106,598**	**$ 31,831**	**$ 24,997**	**$ 45,811**	**$ 209,237**
Europe	**121,909**	**157,391**	**185,263**	**54,330**	**518,893**
Asia	**61,552**	**143,524**	**107,695**	**7,555**	**320,326**
Middle East	**3,824**	**42,988**	**9,997**	**34,241**	**91,050**
Rest of the world	**26,134**	**78,186**	**28,722**	**9,333**	**142,375**
Total	**$320,017**	**$453,920**	**$356,674**	**$151,270**	**$1,281,881**
2013					
Canada	$109,361	$ 34,260	$ 25,502	$ 45,954	$ 215,077
Europe	108,644	153,807	168,394	62,825	493,670
Asia	65,622	136,934	103,931	8,134	314,621
Middle East	3,865	32,444	9,361	44,341	90,011
Rest of the world	26,716	82,956	17,856	11,865	139,393
Total	$314,208	$440,401	$325,044	$173,119	$1,252,772
2012					
Canada	$ 94,035	$ 39,836	$ 21,308	$ 47,371	$ 202,550
Europe	104,105	148,360	161,075	64,492	478,032
Asia	75,113	121,997	111,642	6,465	315,217
Middle East	3,846	47,866	4,613	30,125	86,450
Rest of the world	34,091	68,275	20,500	9,293	132,161
Total	$311,190	$426,334	$319,138	$157,746	$1,214,410

(14) CONCENTRATION OF RISK

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

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

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

(15) QUARTERLY FINANCIAL DATA (UNAUDITED)

(in thousands, except per share data)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2014				
Net sales	**$834,052**	**$885,175**	**$884,122**	**$946,145**
Gross profit	**488,936**	**523,182**	**524,040**	**565,741**
Income from operations	**223,400**	**246,666**	**245,658**	**283,749**
Net earnings	**147,226**	**157,361**	**155,510**	**185,936**
Earnings from continuing operations per common share:				
Basic	**1.48**	**1.58**	**1.55**	**1.86**
Diluted	**1.46**	**1.56**	**1.54**	**1.84**
2013				
Net sales	$737,135	$784,010	$827,810	$889,173
Gross profit	421,576	445,507	482,625	533,220
Income from operations	185,177	179,746	219,349	258,089
Net earnings	124,914	111,353	136,323	165,703
Earnings from continuing operations per common share:				
Basic	1.26	1.12	1.37	1.67
Diluted	1.25	1.11	1.36	1.65

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

(16) SUBSEQUENT EVENT

In the period following December 31, 2014 but before the filing date of this Annual Report, Roper acquired Strata Decision Technology LLC, a provider of planning and budget software for health care providers and Softwriters Inc., a provider of long-term care pharmacy operating software.

The aggregate purchase price for these acquisitions was $360 million, paid in cash. Roper purchased the companies to expand upon existing medical platforms. Purchase accounting has not been completed as of the filing date, and no supplemental pro forma data has been provided as the acquisitions are immaterial both individually and in aggregate.

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

SCHEDULE II - CONSOLIDATED VALUATION AND QUALIFYING ACCOUNTS

Years ended December 31, 2014, 2013 and 2012
(in thousands)

	Balance at beginning of year	Additions charged to costs and expenses	Deductions	Other	Balance at end of year
Allowance for doubtful accounts and sales allowances					
2014	**$14,992**	**$ 2,357**	**$ (3,355)**	**$ (300)**	**$13,694**
2013	15,976	1,350	(2,992)	658	14,992
2012	10,636	4,573	(2,403)	3,170	15,976
Reserve for inventory obsolescence					
2014	**$43,452**	**$ 8,621**	**$(11,833)**	**$(1,361)**	**$38,879**
2013	41,967	11,360	(9,696)	(179)	43,452
2012	35,224	14,736	(8,253)	260	41,967

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

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

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

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

ITEM 9A | CONTROLS AND PROCEDURES

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in Internal Control-Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2014. Our internal control over financial reporting as of December 31, 2014 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Our management excluded acquisitions completed during 2014 from its assessment of internal control over financial reporting as of December 31, 2014. These acquisitions are wholly-owned subsidiaries whose excluded aggregate assets represent 0.3%, and whose aggregate total revenues represent 0.7%, of the related consolidated financial statement amounts as of and for the year ended December 31, 2014.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

As required by SEC rules, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. This evaluation was carried out under the supervision and with the participation of our management, including our principal executive officer and principal financial officer. Based on this evaluation, we have concluded that our disclosure controls and procedures are effective as of December 31, 2014.

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

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There was no change in our internal control over financial reporting that occurred during the fourth quarter of 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B | OTHER INFORMATION

There were no disclosures of any information required to be filed on Form 8-K during the fourth quarter of 2014 that were not filed.

PART III

Except as otherwise indicated, the following information required by the Instructions to Form 10-K is incorporated herein by reference from the sections of the Roper Proxy Statement for the annual meeting of shareholders to be held on May 29, 2015 ("2015 Proxy Statement"), as specified below:

ITEM 10 | DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

We incorporate the information required by this item by reference to our 2015 Proxy Statement.

ITEM 11 | EXECUTIVE COMPENSATION

We incorporate the information required by this item by reference to our 2015 Proxy Statement.

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

Other than the information set forth below, we incorporate the information required by this item by reference to our 2015 Proxy Statement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of December 31, 2014 regarding compensation plans (including individual compensation arrangements) under which our equity securities are authorized for issuance.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved by Shareholders(1)			
Stock options	2,981,111	$90.48	
Restricted stock awards(2)	542,555	-	
Subtotal	3,523,666		4,494,756
Equity Compensation Plans Not Approved by Shareholders	-	-	-
Total	3,523,666	$ -	4,494,756

(1) Consists of the Amended and Restated 2000 Stock Incentive Plan (no additional equity awards may be granted under this plan) and the Amended and Restated 2006 Incentive Plan.

(2) The weighted-average exercise price is not applicable to restricted stock awards.

ITEM 13 | CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

We incorporate the information required by this item by reference to our 2015 Proxy Statement.

ITEM 14 | PRINCIPAL ACCOUNTANT FEES AND SERVICES

We incorporate the information required by this item by reference to our 2015 Proxy Statement.

PART IV

ITEM 15 | EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

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

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

Consolidated Balance Sheets as of December 31, 2014 and 2013

Consolidated Statements of Earnings for the Years ended December 31, 2014, 2013 and 2012

Consolidated Statements of Comprehensive Income for the Years ended December 31, 2014, 2013 and 2012

Consolidated Statements of Stockholders' Equity for the Years ended December 31, 2014, 2013 and 2012

Consolidated Statements of Cash Flows for the Years ended December 31, 2014, 2013 and 2012

Notes to Consolidated Financial Statements

(2) Consolidated Valuation and Qualifying Accounts for the Years ended December 31, 2014, 2013 and 2012

(b) Exhibits

Exhibit No.	Description of Exhibit
(a)2.1	Stock Purchase Agreement, dated as of July 28, 2012 among Sunquest Holdings, Inc., the selling shareholders named therein and Roper Industries, Inc.
(b)3.1	Amended and Restated Certificate of Incorporation.
(c)3.2	Amended and Restated By-Laws.
(d)3.3	Certificate of Amendment, amending Restated Certificate of Incorporation.
(e)3.4	Certificate Eliminating References to Roper Industries, Inc.'s Series A Preferred Stock from the Certificate of Incorporation of Roper Industries, Inc. dated November 16, 2006.
(f)3.5	Certificate of Amendment, amending Restated Certificate of Incorporation.
(g)4.2	Indenture between Roper Industries, Inc. and SunTrust Bank, dated as of November 28, 2003.
4.3	Form of Debt Securities (included in Exhibit 4.2).
(h)4.4	First Supplemental Indenture between Roper Industries, Inc. and SunTrust Bank, dated as of December 29, 2003.
(i)4.5	Second Supplemental Indenture between Roper Industries, Inc. and SunTrust Bank, dated as of December 7, 2004.
(j)4.6	Indenture between Roper Industries, Inc. and Wells Fargo Bank, dated as of August 4, 2008.
(k)4.7	Form of Note.
(l)4.8	Form of 2.05% Senior Notes due 2018.
(m)4.9	Form of 6.25% Senior Notes due 2019.
(n)4.10	Form of 1.850% Senior Notes due 2017.
4.11	Form of 3.125% Senior Notes due 2022. (included in Exhibit 4.10).
(o)10.01	Form of Amended and Restated Indemnification Agreement. †
(p)10.02	Employee Stock Purchase Plan, as amended and restated. †
(q)10.03	2000 Stock Incentive Plan, as amended. †
(r)10.04	Non-Qualified Retirement Plan, as amended. †
(s)10.05	Brian D. Jellison Employment Agreement, dated as of December 29, 2008. †
(t)10.06	Credit Agreement, dated as of July 27, 2012, among Roper Industries, Inc., as parent borrower, the foreign subsidiary borrowers of Roper Industries, Inc. from time to time parties thereto, the several lenders from time to time parties thereto, Bank of Tokyo-Mitsubishi UFJ Ltd., Barclays Bank PLC, Mizuho Corporate Bank, Ltd. and SunTrust Bank, as documentation agents, Wells Fargo Bank, N.A. and Bank of America Securities, N.A., as syndication agents, and JPMorgan Chase Bank, N.A., as administrative agent.
(u)10.07	Form of Executive Officer Restricted Stock Award Agreement. †
(u)10.08	Brian D. Jellison Restricted Stock Unit Award Agreement. †
(v)10.09	Offer letter for John Humphrey, dated March 31, 2006. †
(w)10.10	Amended and Restated 2006 Incentive Plan. †

Exhibit No.	Description of Exhibit
[x]10.11	Form of Restricted Stock Agreement for Non-Employee Directors. †
[x]10.12	Form of Restricted Stock Agreement for Employees. †
[x]10.13	Form of Incentive Stock Option Agreement. †
[x]10.14	Form of Non-Statutory Stock Option Agreement. †
[y]10.15	Director Compensation Plan, as amended. †
[z]10.16	David B. Liner offer letter dated July 21, 2005. †
[z]10.17	Amendment to John Humphrey offer letter. †
[z]10.18	Amendment to David B. Liner offer letter. †
21.1	List of Subsidiaries, filed herewith.
23.1	Consent of Independent Registered Public Accountants, filed herewith.
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer, filed herewith.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer, filed herewith.
32.1	Section 1350 Certification of Chief Executive and Chief Financial Officers, filed herewith.
101.INS	XBRL Instance Document, furnished herewith.
101.SCH	XBRL Taxonomy Extension Schema Document, furnished herewith.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document, furnished herewith.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document, furnished herewith.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document, furnished herewith.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document, furnished herewith.

(a) Incorporated herein by reference to Exhibit 2.1 to the Roper Industries, Inc. Quarterly Report on Form 10-Q filed November 5, 2012 (file no. 1-12273).
(b) Incorporated herein by reference to Exhibit 3.1 to the Roper Industries, Inc. Annual Report on Form 10-K/A filed April 28, 2014 (file no. 1-12273).
(c) Incorporated herein by reference to Exhibit 3.1 to the Roper Industries, Inc. Current Report on Form 8-K filed April 24, 2012 (file no. 1-12273).
(d) Incorporated herein by reference to Exhibit 3.1 to the Roper Industries, Inc. Quarterly Report on Form 10-Q filed August 9, 2006 (file no. 1-12273)
(e) Incorporated herein by reference to Exhibit 3.1 to the Roper Industries, Inc. Current Report on Form 8-K filed November 17, 2006 (file no. 1-12273).
(f) Incorporated herein by reference to Exhibit 3.1 to the Roper Industries, Inc. Quarterly Report on Form 10-Q filed on August 9, 2007 (file no. 1-12273).
(g) Incorporated herein by reference to Exhibit 4.2 to the Roper Industries, Inc. Pre-Effective Amendment No. 1 to the Registration Statement on Form S-3 filed November 28, 2003 (file no. 333-110491).
(h) Incorporated herein by reference to Exhibit 4.1 to the Roper Industries, Inc. Current Report on Form 8-K filed January 13, 2004 (file no. 1-12273).
(i) Incorporated herein by reference to Exhibit 4.1 to the Roper Industries, Inc. Current Report on Form 8-K filed December 7, 2004 (file no. 1-12273).
(j) Incorporated herein by reference to Exhibit 4.2 to the Roper Industries, Inc. Quarterly Report on Form 10-Q filed on November 7, 2008 (file no. 1-12273).
(k) Incorporated herein by reference to Exhibit 4.2 to the Registration Statement on Form S-3 filed July 29, 2008 (file no. 333-152590).
(l) Incorporated herein by reference to Exhibit 4.1 to the Roper Industries, Inc. Current Report on Form 8-K filed June 6, 2013 (file no. 1-12273).
(m) Incorporated herein by reference to Exhibit 4.1 to the Roper Industries, Inc. Current Report on Form 8-K filed September 2, 2009 (file no. 1-12273).
(n) Incorporated herein by reference to Exhibit 4.1 to the Roper Industries, Inc. Current Report on Form 8-K filed November 21, 2012 (file no. 1-12273).
(o) Incorporated herein by reference to Exhibit 10.04 to the Roper Industries, Inc. Quarterly Report on Form 10-Q filed August 31, 1999 (file no. 1-12273).
(p) Incorporated herein by reference to Exhibit 10.1 to the Roper Industries, Inc. Quarterly Report on Form 10-Q filed November 5, 2010 (file no. 1-12273).
(q) Incorporated herein by reference to Exhibit 10.05 to the Roper Industries, Inc. Annual Report on Form 10-K filed March 2, 2009 (file no. 1-12273).
(r) Incorporated herein by reference to Exhibit 10.06 to the Roper Industries, Inc. Annual Report on Form 10-K filed March 2, 2009 (file no. 1-12273).
(s) Incorporated herein by reference to Exhibit 10.07 to the Roper Industries, Inc. Annual Report on Form 10-K filed March 2, 2009 (file no. 1-12273).
(t) Incorporated herein by reference to Exhibit 10.1 to the Roper Industries, Inc. Current Report on Form 8-K filed August 2, 2012 (file no. 1-12273).
(u) Incorporated herein by reference to Exhibits 99.1 and 99.2 to the Roper Industries, Inc. Current Report on Form 8-K filed December 30, 2004 (file no. 1-12273).
(v) Incorporated herein by reference to Exhibit 10.1 to the Roper Industries, Inc. Quarterly Report on Form 10-Q filed August 9, 2006 (file no. 1-12273).
(w) Incorporated herein by reference to Appendix A to the Roper Industries, Inc. Definitive Proxy Statement on Schedule 14A filed April 30, 2012 (file no. 1-12273).
(x) Incorporated herein by reference to Exhibits 10.2, 10.3, 10.4 and 10.5 to the Roper Industries, Inc. Current Report on Form 8-K filed December 6, 2006 (file no. 1-12273).
(y) Incorporated herein by reference to Exhibit 10.01 to the Roper Industries, Inc. Quarterly Report on Form 10-Q filed May 7, 2009 (file no. 1-12273).
(z) Incorporated herein by reference to Exhibits 10.20, 10.21 and 10.23 to the Roper Industries, Inc. Annual Report on Form 10-K filed March 2, 2009 (file no. 1-12273).
† Management contract or compensatory plan or arrangement.

SIGNATURES

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

ROPER INDUSTRIES, INC.
(Registrant)

By: /S/ BRIAN D. JELLISON	February 20, 2015
Brian D. Jellison, President and Chief Executive Officer	

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

/S/ BRIAN D. JELLISON		
Brian D. Jellison	President, Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	February 20, 2015
/S/ JOHN HUMPHREY		
John Humphrey	Executive Vice President, Chief Financial Officer (Principal Financial Officer)	February 20, 2015
/S/ PAUL J. SONI		
Paul J. Soni	Vice President and Controller (Principal Accounting Officer)	February 20, 2015
/S/ DAVID W. DEVONSHIRE		
David W. Devonshire	Director	February 20, 2015
/S/ JOHN F. FORT, III		
John F. Fort, III	Director	February 20, 2015
/S/ ROBERT D. JOHNSON		
Robert D. Johnson	Director	February 20, 2015
/S/ ROBERT E. KNOWLING		
Robert E. Knowling	Director	February 20, 2015
/S/ WILBUR J. PREZZANO		
Wilbur J. Prezzano	Director	February 20, 2015
/S/ RICHARD F. WALLMAN		
Richard F. Wallman	Director	February 20, 2015
/S/ CHRISTOPHER WRIGHT		
Christopher Wright	Director	February 20, 2015

EXHIBIT 21.1

Name of Subsidiary	Jurisdiction of Incorporation/Organization
3089554 Nova Scotia ULC	Canada
Abel Equipos, S.A.	Spain
Abel GmbH & Co. KG	Germany
Abel Pumpen GmbH	Germany
Abel Pumps, L.P.	Delaware
AC Analytical Controls B.V.	Netherlands
AC Analytical Controls Holding B.V.	Netherlands
AC Analytical Controls Services B.V.	Netherlands
Acton Research Corporation	Delaware
Advanced Sensors Limited	United Kingdom
Alpha Holdings of Delaware I LLC	Delaware
Alpha Holdings of Delaware II LLC	Delaware
Alpha Technologies B.V.	Netherlands
Alpha Technologies GmbH	Germany
Alpha Technologies Japan LLC	Delaware
Alpha Technologies Services LLC	Delaware
Alpha Technologies U.K.	United Kingdom
Alpha Technologies, s.r.o.	Czech Republic
Alpha UK Holdings LLC	Delaware
Arnot Controls Corporation	Delaware
Arnot Controls GmbH	Germany
Amot/Metrix Investment Company, Inc.	Delaware
Amphire Solutions, Inc.	Delaware
Amtech Systems (Hong Kong) Limited	Hong Kong
Amtech Systems, LLC	Delaware
Amtech World Corporation	Delaware
Ascension Technology Corporation	Delaware
Black Diamond Advanced Technology, LLC	Delaware
Cambridge Viscosity, Inc.	Delaware
CBORD Holdings Corp.	Delaware
Civco Holding, Inc.	Delaware
Civco Medical Instruments Co., Inc.	Iowa
CIVCO Medical Solutions B.V.	Netherlands
Compressor Controls (Beijing) Corporation Ltd.	China
Compressor Controls Corporation	Iowa
Compressor Controls Corporation B.V.	Netherlands

Name of Subsidiary	Jurisdiction of Incorporation/Organization
Compressor Controls Corporation Middle East	Delaware
Compressor Controls Corporation S.r.l.	Italy
Compressor Controls Mauritius Ltd.	Mauritius
Compressor Controls Pty Ltd.	Australia
Cornell Pump Company	Delaware
Cornell Pump Europe GmbH	Germany
DAP Technologies Corp.	Delaware
DAP Technologies Limited	United Kingdom
DAP Technologies LTD	Canada
DAT Solutions, LLC	Delaware
DCMH Group Holdings, Inc.	Delaware
DCMH Group Holdings, LLC	Delaware
DCMH Holdings, Inc.	Delaware
Dynamic Instruments, Inc.	California
Dynisco (UK) Limited	United Kingdom
Dynisco Enterprises GmbH	Germany
Dynisco Enterprises, LLC	Delaware
Dynisco Europe GmbH	Germany
Dynisco Holding GmbH	Germany
Dynisco Hong Kong Holdings, Limited	Hong Kong
Dynisco Instruments LLC	Delaware
Dynisco Instruments S.a.r.l.	France
Dynisco LLC	Delaware
Dynisco Parent, Inc.	Delaware
Dynisco S.r.l.	Italy
Dynisco Shanghai Sensor and Instrument Co., Ltd.	China
Dynisco - Viatran (M) Sdn Bhd	Malaysia
Dynisco Viatran LLC	Delaware
Dynisco - Viatran Instruments Sdn Bhd	Malaysia
Fluid Metering, Inc.	Delaware
FMS Purchasing & Services, Inc.	Florida
Foodlink Holdings, Inc.	California
Foodlink IT India Private Limited	India
FTI Flow Technology, Inc.	Delaware
Gatan GmbH	Germany
Gatan Inc.	Pennsylvania
Gatan Service Corporation	Pennsylvania
Getloaded Corporation	Delaware

Name of Subsidiary	Jurisdiction of Incorporation/Organization
Hansen Technologies Corporation	Illinios
Hansen Technologies Europe GmbH	Germany
Harbour Holding Corp.	Delaware
Hardy Process Solutions	California
Horizon Software International, LLC	Georgia
Innovative Product Achievements, LLC	Delaware
Inovonics Corporation	Colorado
Instill Corporation	Delaware
Integrated Designs, L.P.	Delaware
Intellitrans Canada Ltd.	Canada
IntelliTrans Limited	United Kingdom
Intellitrans Sweden AB	Sweden
Intellitrans, LLC	Delaware
IPA Acquisition Subsidiary, Inc.	Delaware
ISL Finance SAS	France
ISL Holding, SAS	France
ISL Scientifiique de Laboratorie - ISL, S.A.S.	France
IT Canada Holdings, LLC	Delaware
iTradenetwork Limited	United Kingdom
iTradeNetwork, Inc.	Delaware
K/S Roper Finance	Denmark
Law 1059 Limited	United Kingdom
Link Logistics Holding LLC	Delaware
Logitech Limited	United Kingdom
Lumenera Corporation	Canada
Managed Health Care Associates, Inc.	Delaware
Marumoto Struers K.K.	Japan
Med Group I, Inc.	Delaware
MED Group Parent, Inc.	Delaware
Med Holdings, LLC	Delaware
Med Operating, LLC	Delaware
Media Cybernetics, Inc.	Delaware
Medical Equipment Distributors II, L.P.	Texas
Medical Equipment Distributors, Inc.	Delaware
MEDTEC, Inc.	Iowa
Metrix Instrument Co., L.P.	Delaware
MHA Long Term Care Network, Inc.	Delaware
MPR Readers Inc.	Delaware

Name of Subsidiary	Jurisdiction of Incorporation/Organization
Navigator Group Purchasing, Inc.	Tennessee
NDI Europe GmbH	Germany
Neptune Technology Group (Canada) Limited	Canada
Neptune Technology Group Inc.	Delaware
Neptune Technology Group Mexico S.de R.L. de C.V.	Mexico
Neptune Technology Group Mexico Services S. de R.L. de C.V.	Mexico
Neptune Technology Group Services Inc.	Delaware
Nippon Roper K.K.	Japan
Northern Digital Inc.	Canada
Off-Campus Advantage, LLC	Delaware
PAC Denmark ApS	Netherlands
PAC GmbH	Germany
PAC Instruments Asia PTE. Ltd.	Singapore
PAC (Shanghai) Co. Ltd.	China
Petroleum Analyzer Company L.P.	Delaware
Quantitative Imaging Corporation	Canada
Rebate Tracking Group, LLC	Florida
Redlake MASD, LLC	Delaware
RI Marketing India Private Limited	India
RMT, Inc.	Arizona
Roda Deaco Valve Inc.	Canada
Roper Brasil Comercio E Promocao De Productos E Servicos LTDA	Brazil
Roper Canada Holdings, Inc.	Canada
Roper Canada Partners, Inc.	Canada
Roper Capital Deutschland GmbH	Germany
Roper Engineering s.r.o.	Czech Republic
Roper Europe GmbH	Germany
Roper Germany GmbH	Germany
Roper Germany GmbH & Co. KG	Germany
Roper Holdings Limited	United Kingdom
Roper Holdings, Inc.	Delaware
Roper Industrial Products Investment Company	Iowa
Roper Industries B.V.	Netherlands
Roper Industries Denmark ApS	Denmark
Roper Industries Deutschland GmbH	Germany
Roper Industries L.P.	Canada

Name of Subsidiary	Jurisdiction of Incorporation/Organization
Roper Industries Limited	United Kingdom
Roper Industries Manufacturing (Shanghai) Co., Ltd.	China
Roper Industries Mauritius Ltd.	Mauritius
Roper Industries UK Limited	United Kingdom
Roper International Holding, Inc.	Delaware
Roper LLC	Russian Federation
Roper Lux Sub S.a.r.l	Luxembourg
Roper Luxembourg Finance S.a.r.l.	Luxembourg
Roper Luxembourg Holdings S.a.r.l.	Luxembourg
Roper Luxembourg S.a.r.l.	Luxembourg
Roper Marketing India Private Limited	India
Roper Middle East Ltd.	Dubai (FZE)
Roper NT LLC	Delaware
Roper Pump Company	Delaware
Roper Scientific B.V.	Netherlands
Roper Scientific GmbH	Germany
Roper Scientific SAS	France
Roper Scientific, Inc.	Delaware
Roper Scot LP	United Kingdom
Roper Southeast Asia LLC	Delaware
Roper Technologies, Inc.	Delaware
Roper UK Investments Limited	United Kingdom
Roper UK, Ltd.	United Kingdom
Roper-Mex, L. P.	Delaware
Ropintassco 1, LLC	Delaware
Ropintassco 2, LLC	Delaware
Ropintassco 3, LLC	Delaware
Ropintassco 4, LLC	Delaware
Ropintassco 5, LLC	Delaware
Ropintassco 6, LLC	Delaware
Ropintassco 7, LLC	Delaware
Ropintassco Holdings, L.P.	Delaware
Shanghai Roper Industries Trading Co., Ltd.	China
SHP Group Holdings, Inc.	Delaware
Sinmed Holding International B.V.	Netherlands
Star Purchasing Services, LLC	Wisconsin
Strategic Healthcare Programs Blocker LLC	Delaware
Strategic Healthcare Programs Blocker 2, Inc.	Delaware

Name of Subsidiary	Jurisdiction of Incorporation/Organization
Strategic Healthcare Programs, L.L.C.	Delaware
Strategic Healthcare Programs Holdings, LLC	Delaware
Struers (Shanghai) International Trading Ltd.	China
Struers A/S	Denmark
Struers GmbH	Germany
Struers Inc.	Delaware
Struers Limited	United Kingdom
Struers Limited	Canada
Struers SAS	France
Student Advantage, LLC	Delaware
Sunquest Europe Limited	United Kingdom
Sunquest Holdings, Inc.	Delaware
Sunquest Information Systems (Europe) Limited	United Kingdom
Sunquest Information Systems (India) Private Limited	India
Sunquest Information Systems (International) Limited	United Kingdom
Sunquest Information Systems Canada, Inc.	Canada
Sunquest Information Systems, Inc.	Pennsylvania
Technolog Group Limited	United Kingdom
Technolog Holdings Ltd.	United Kingdom
Technolog Limited	United Kingdom
Technolog SARL	France
The CBORD Group, Inc.	Delaware
The Tidewater Healthcare Shared Services Group, Inc.	Pennsylvania
TLP Holdings, LLC	Delaware
Transcore Atlantic, Inc.	Delaware
Transcore CNUS, Inc.	Delaware
Transcore Holdings, Inc.	Delaware
TransCore ITS Australia Pty Ltd.	Australia
Transcore ITS, LLC	Delaware
Transcore Link Logistics Corporation	Canada
Transcore Nova Scotia Corporation	Canada
Transcore Partners, LLC	Delaware
Transcore Quebec Corporation Inc.	Canada
TransCore Transportation Solutions India Private Limited	India
TransCore Transportation Systems Mauritius Private Limited	Mauritius
Transcore, LP	Delaware
Trinity Integrated Systems Limited	United Kingdom
UHF Purchasing Services, LLC	Delaware

Name of Subsidiary	Jurisdiction of Incorporation/Organization
United Controls Group, Inc.	Ohio
Uson L.P.	Delaware
Uson Limited	United Kingdom
Utilitec Limited	United Kingdom
Utilitec Services Limited	United Kingdom
Utility Data Services Limited	United Kingdom
Verathon Holdings (Delaware) Inc.	Delaware
Verathon Inc.	Washington
Verathon Medical (Austrailia) Pty Limited	Australia
Verathon Medical (Canada) ULC	Canada
Verathon Medical (Europe) B.V.	Netherlands
Verathon Medical (France) SARL	France
Verathon Medical (Hong Kong) Limited	Hong Kong
Verathon Medical (Japan) K.K.	Japan
Verathon Medical (UK) Ltd.	United Kingdom
Verathon Medical Inc.	Washington
Viastar Services, LP	Texas
Viatran Corporation	New York
Walter Herzog GmbH	Germany
Zetec (Shanghai) Co., Ltd.	China
Zetec France	France
Zetec Korea, Inc.	Delaware
Zetec Rental LLC	Delaware
Zetec Services, Inc.	Delaware
Zetec, Inc.	Washington

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-184954) and Form S-8 (Nos. 333-35648, 333-105919, 333-135700, 333-182779, 333-35666, 33-71094, 333-35672, 333-36897, and 333-105920) of Roper Industries, Inc. of our report dated February 20, 2015 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Tampa, Florida
February 20, 2015

EXHIBIT 31.1

I, Brian D. Jellison, certify that:

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

Date: February 20, 2015

/s/ Brian D. Jellison

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

EXHIBIT 31.2

I, John Humphrey, certify that:

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

Date: February 20, 2015

/s/ John Humphrey

John Humphrey
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

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

In connection with the Annual Report of Roper Industries, Inc. (the "Company") on Form 10-K for the period ending December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Brian D. Jellison, Chief Executive Officer of the Company, and John Humphrey, Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge that:

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

Date: February 20, 2015

/s/ Brian D. Jellison

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

/s/ John Humphrey

John Humphrey
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

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

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BOARD OF DIRECTORS

David W. Devonshire
John F. Fort III
Brian D. Jellison
Robert D. Johnson
Robert E. Knowling, Jr.
Wilbur J. Prezzano
Richard F. Wallman
Christopher Wright
Amy Woods Brinkley (Nominated)
Laura G. Thatcher (Nominated)

SHAREHOLDER INFORMATION

Ticker Symbol: ROP
Roper's common stock is listed on the New York Stock Exchange with options trading conducted on the Chicago Board Options Exchange.

ANNUAL REPORT ON FORM 10-K

Any shareholder wishing a copy of Roper's 2014 Annual Report on Form 10-K filed with the Securities and Exchange Commission may obtain one without charge by contacting:

Investor Relations
Roper Technologies, Inc.
6901 Professional Parkway East,
Suite 200
Sarasota, Florida 34240
+1 (941) 556-2601
Investor-relations@ropertech.com

TRANSFER AGENT

American Stock Transfer & Trust Company
59 Maiden Lane
New York, New York 10038
+1 (800) 937-5449

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLC

ROPER TECHNOLOGIES, INC.
6901 PROFESSIONAL PARKWAY EAST, SUITE 200, SARASOTA, FLORIDA 34240
TEL +1 941 556 2601   FAX +1 941 556 2670   WWW.ROPERTECH.COM