



A Diversified Growth Company

# Barclays Industrial Select Conference

February 22, 2012

**Simple** Ideas.  
Powerful **Results**.

# Safe Harbor Statement

The information provided in this presentation contains forward looking statements within the meaning of the federal securities laws. These forward looking statements include, among others, statements regarding year-end operating results, the success of our internal operating plans, and the prospects for newly acquired businesses to compete in their markets and contribute to future growth and profit expectations. 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 contained in any forward looking statement. Such risks and uncertainties include our ability to integrate our acquisitions and realize expected synergies. We also face other general risks, including our ability to realize cost savings from our operating initiatives, general economic conditions, unfavorable changes in foreign exchange rates, difficulties associated with exports, risks associated with our international operations, difficulties in making and integrating acquisitions, risks associated with newly acquired businesses, increased product liability and insurance costs, increased warranty exposure, future competition, changes in the supply of, or price for, parts and components, environmental compliance costs and liabilities, risks and cost associated with asbestos related litigation and potential write-offs of our substantial intangible assets, and risks associated with obtaining governmental approvals and maintaining regulatory compliance for new and existing products. Important risks may be discussed in current and subsequent filings with the SEC. You should not place undue reliance on any forward looking statements. These statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

We refer to certain non-GAAP financial measures in this presentation. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found within this presentation.

# Creating Shareholder Value

## Strategy

**Engineered Content for Diverse Niche Markets**

High Gross Margins  
Recurring Revenue

**Strong Operations Management**

Superior Operating Profits  
Excess Free Cash Flow

**Strategic Reinvestment of Cash**

R&D, Internal Growth, Acquisitions

## Results

### Significant Growth Platforms

- Leadership in Favorable Markets
- Diverse End Markets, Broad Customer Base

### Outstanding Cash Flow/Conversion

- Strong and Sustainable Margins
- High Incremental Operating Profit

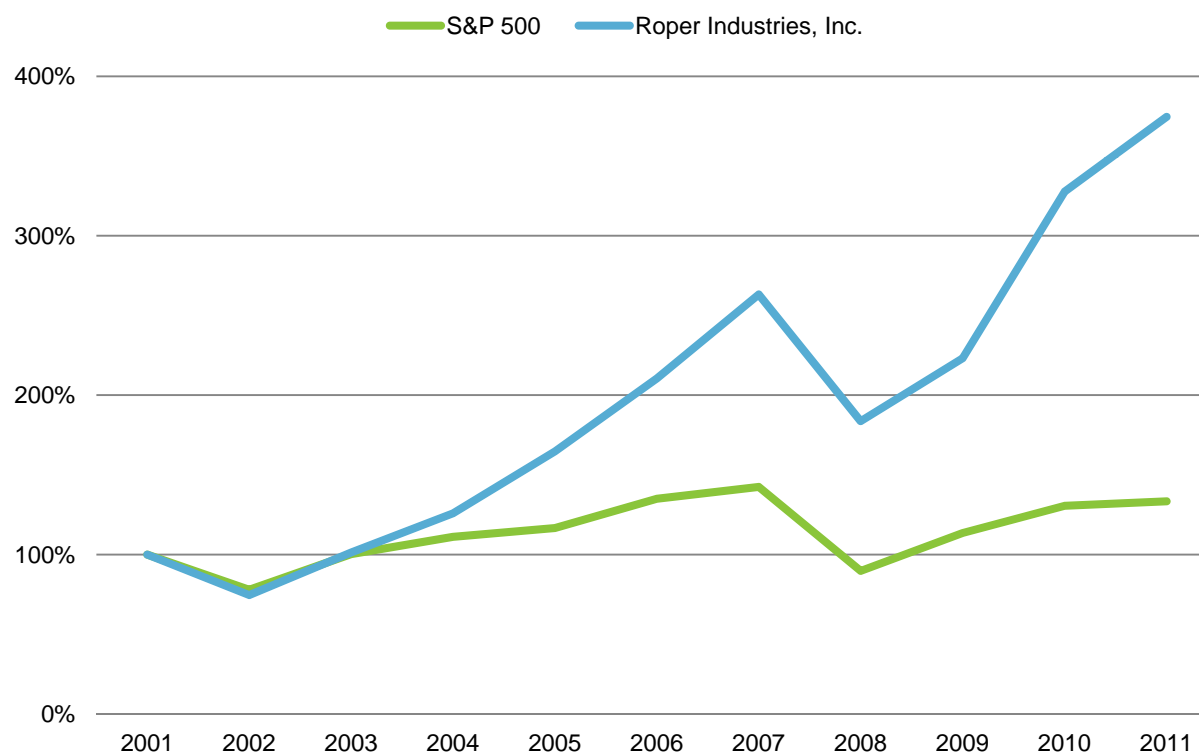
### Cash Deployment Creates Value

- Internal Growth Initiatives
- Disciplined Acquisitions and Successful Integration

**Significant Growth; Compelling Cash Flow**

# A Decade of Performance

**Comparison of 10-Year Cumulative Total Shareholder Return**

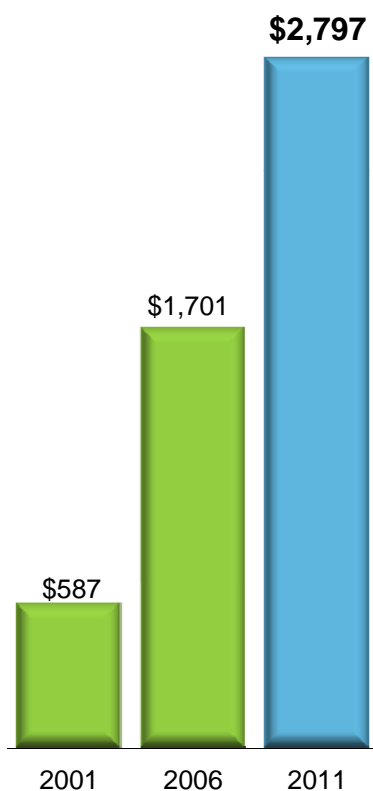


**Proven Performance; A New Decade of Opportunities**

# A Decade of Performance

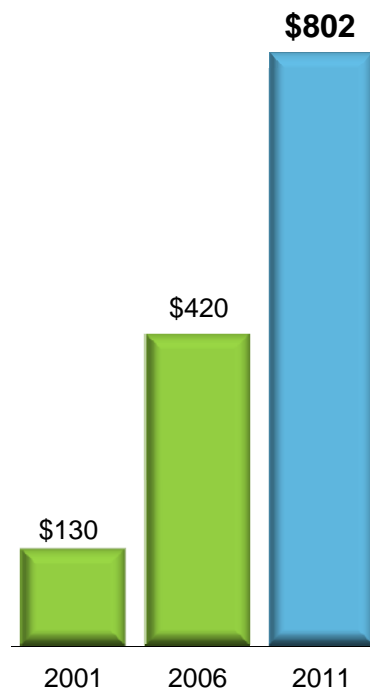
## Net Sales

(in millions)



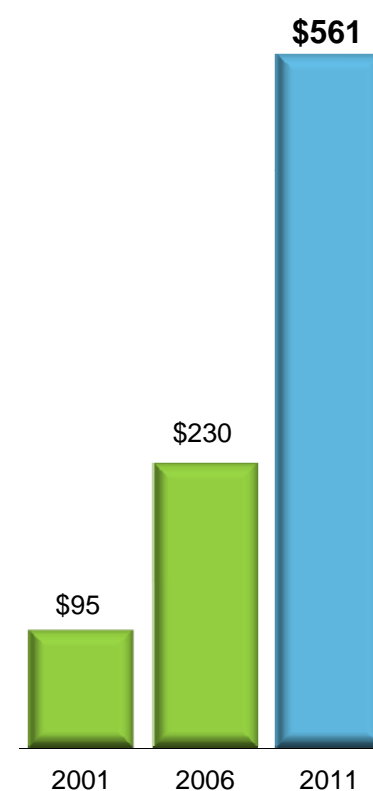
## EBITDA

(in millions)



## Free Cash Flow\*

(in millions)



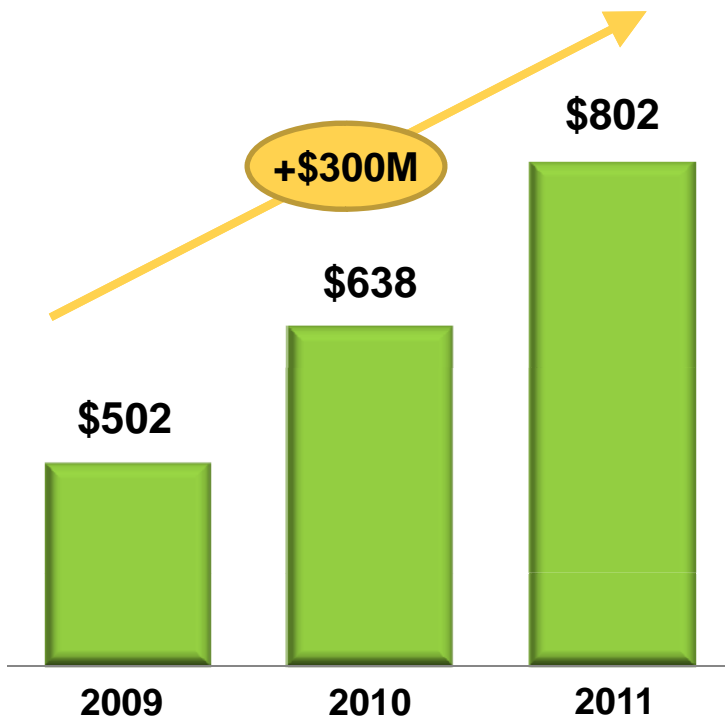
**Proven Performance; A New Decade of Opportunities**

\*Free Cash Flow = Operating Cash Flow Less Capital Expenditures

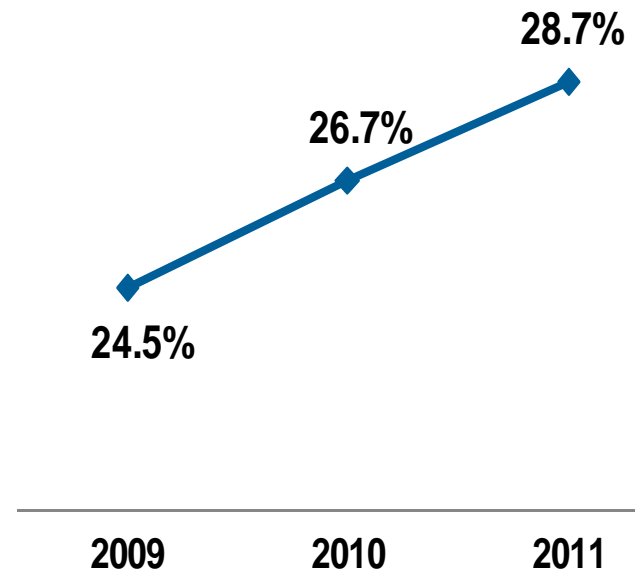
# Substantial EBITDA Growth

In Millions

FY EBITDA



FY EBITDA Margin

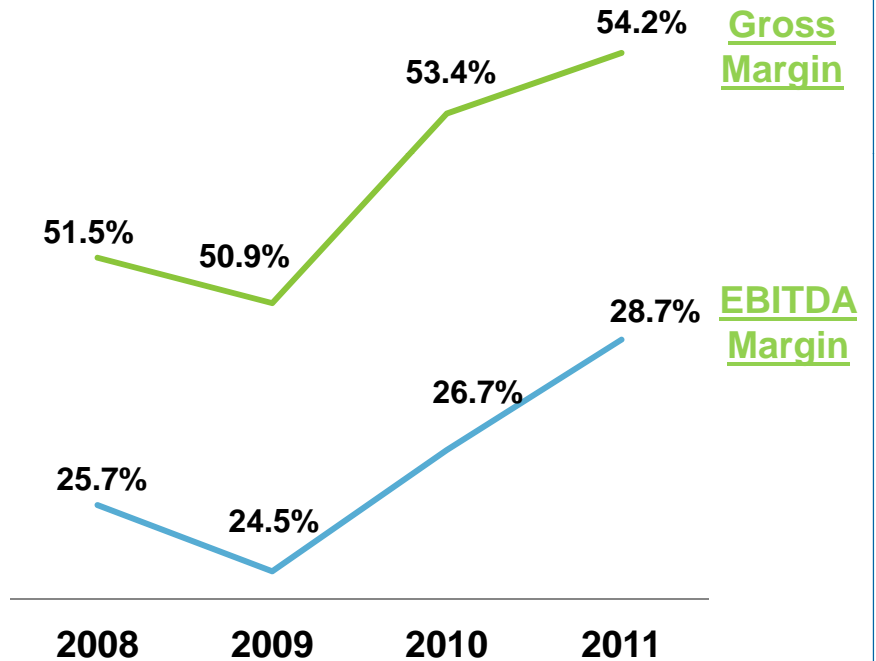
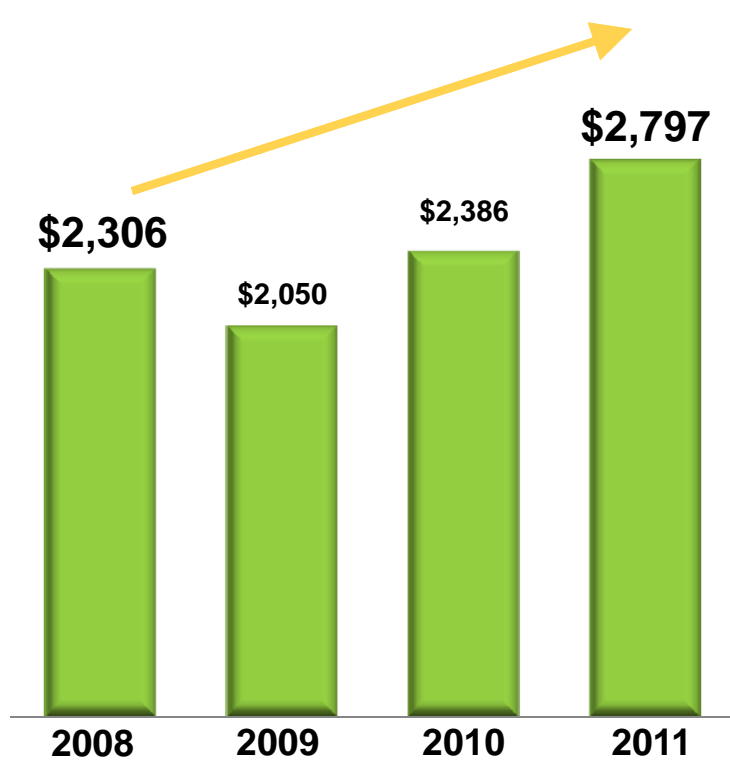


**EBITDA +60% Over Two Year Period**

# Sales & Margin Trend

In Millions

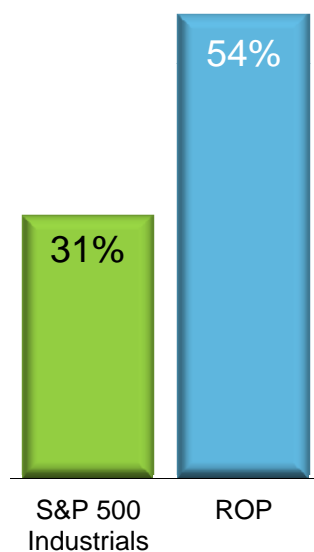
## Net Sales



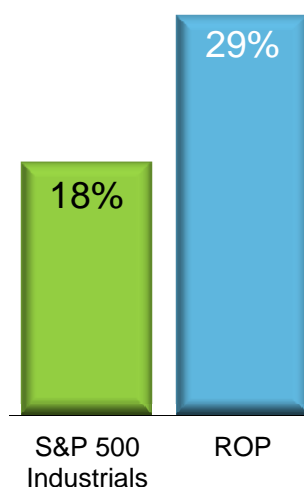
**Sustainable Business Model**

# Asset Light Business Model

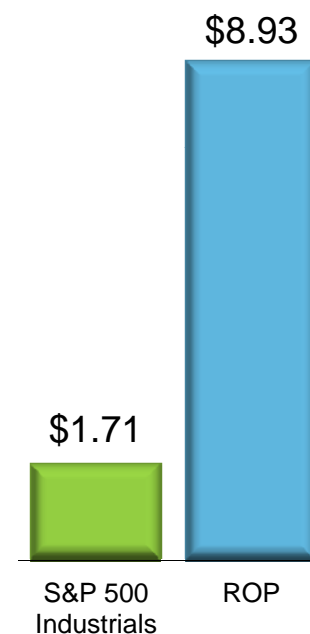
Gross Profit % of Sales



EBITDA % of Sales



Sales per Dollar of Gross Fixed Assets\*



| Gross Fixed Assets % Sales | S&P 500 Industrials | ROP   |
|----------------------------|---------------------|-------|
|                            | 58.5%               | 11.2% |

**High Margins; Low Assets**

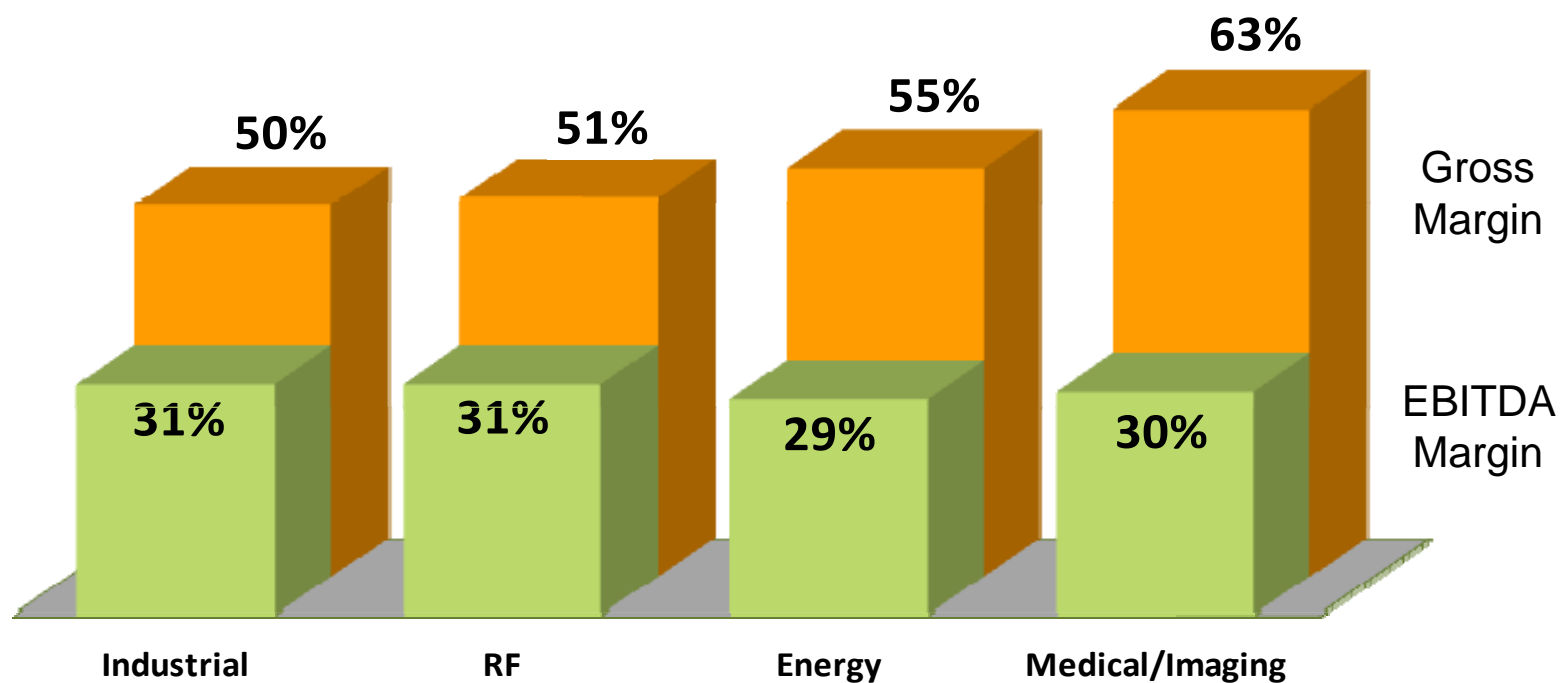
# Governance Process Drives Financial Discipline and Enhances Growth



- » Break-Even Analysis
- » Sales & Operating Leverage
- » Working Capital Efficiency
- » Operating Reviews with Detailed Performance Analysis
- » Product, Placement, Hit Rate Analysis
- » Cash Return on Investment Metrics

**Simple Ideas; Powerful Results**

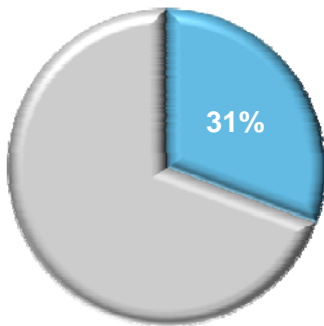
# FY 2011 Segment Performance



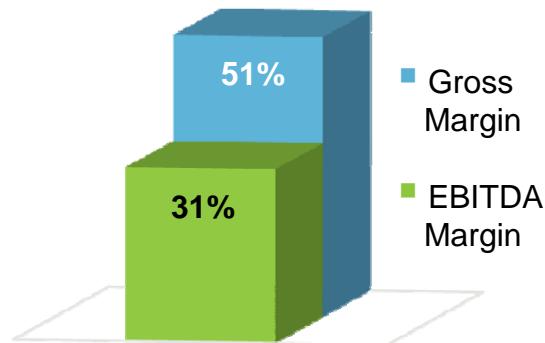
**Exceptional Margins Throughout the Enterprise**

# RF & Software Technology

**FY'11 Segment Revenue as % of Total**



**FY'11 Margin**



## Software, Subscriptions & Services

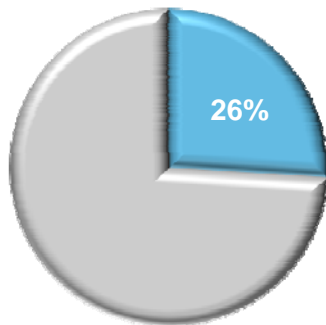
- » Integrated Card/Security Software & Food Service Solutions for Universities, Hospitals & K-12
- » Leading Freight Matching Subscription Service in North America
- » Leading SaaS-Based Trading Network & Business Intelligence Solutions for the Food Industry
- » Electronic Tolling & Traffic Services

## Products & Technology

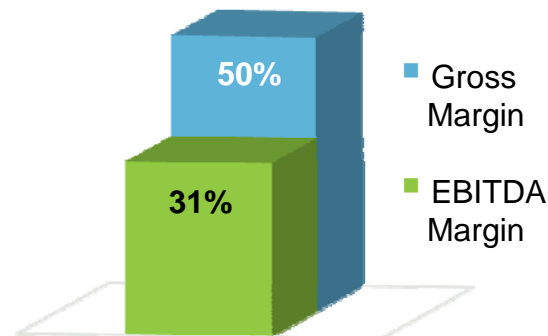
- » RF Tags & Solutions for Tolling, Rail, Asset Tracking, & Parking Control
- » Utility Network Pressure and Flow Monitoring & Communication
- » Wireless Sensors for Security & Submetering

# Industrial Technology

FY'11 Segment Revenue as % of Total



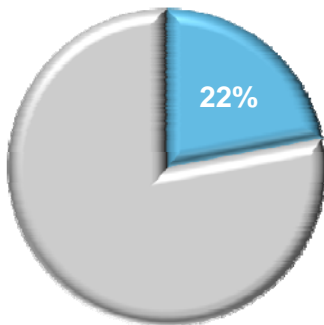
FY'11 Margin



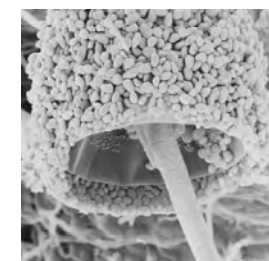
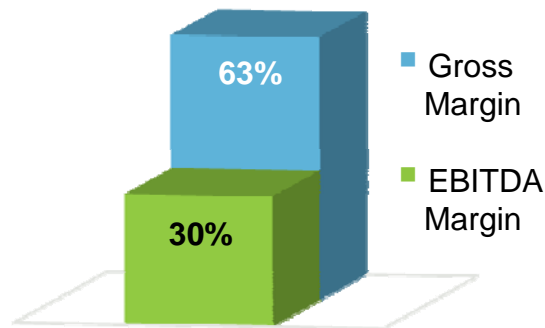
- » Automatic Meter Reading & Water Meter Devices
- » Instrumentation & Consumables for Material Analysis
- » Pumps for Energy, Water, and Industrial Applications
- » Valves for Food Storage & Processing Facilities
- » Large Installed Base Drives Aftermarket Parts/Service Revenue

# Medical & Scientific Imaging

## FY'11 Segment Revenue as % of Total



## FY'11 Margin



## Medical Instruments

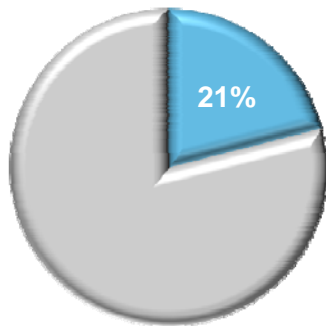
- » Ultrasound and Intubation Devices for Hospitals, Acute Care, Urology
- » Patient Positioning Devices for Medical Imaging and Radiation Oncology
- » Consumables (Drapes, Covers, Needle Guides) for Ultrasound Applications
- » Optical and Electromagnetic Tracking for Image-Guided Minimally-Invasive Surgery

## Scientific Imaging

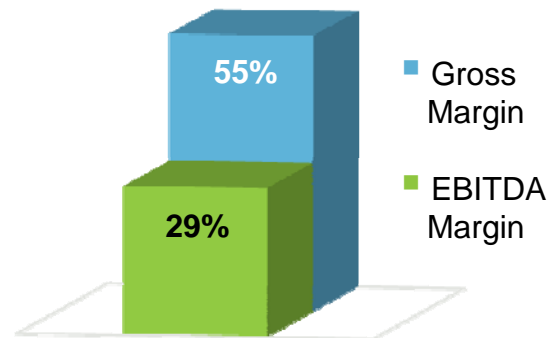
- » Cameras, Filters & Accessories for Microscopy in Life Science Research
- » Precision Cameras for Spectroscopy in Physical Science Research

# Energy Systems & Controls

FY'11 Segment Revenue as % of Total



FY'11 Margin



- » Control Software for Compressors & Turbines in Energy Applications
- » Diesel Engine Safety Shut-Off Valves for Oil & Gas and Industrial
- » Analytical Instrumentation for Refining & PetroChem
- » Sensors & Instruments for Process Industries
- » Vibration Analysis & Measurement Technologies
- » Eddy Current Testing Systems & Software for Nuclear Power Plants

# Acquisitions Expand Growth Opportunities

## Building Focused Platforms

|                                  |                                   |
|----------------------------------|-----------------------------------|
| <p><b>Software Services</b></p>  | <p><b>Medical</b></p>             |
| <p><b>Electronic Tolling</b></p> | <p><b>Water &amp; Utility</b></p> |

- » Asset Light Businesses; Low CapEx
- » Focus on Market Structure/Driving Forces
- » Management Continuity Valued
- » Incentives Linked to Commitments
- » Preserve Core Values; Stimulate Progress
- » Grow What You Buy
- » Governance Processes Drive Operational & Integration Successes

**Proven Ability to Drive Higher Performance; Accelerate Growth**

# Strong Financial Position

|                              | <u>12/31/10</u> | <u>12/31/11</u> |
|------------------------------|-----------------|-----------------|
| Cash                         | \$270           | \$338           |
| Undrawn Revolver             | \$520           | \$750           |
| TTM EBITDA                   | \$638           | \$802           |
| Gross Debt                   | \$1,341         | \$1,085         |
| Shareholders' Equity         | \$2,751         | \$3,195         |
| Gross Debt to Capitalization | 32.8%           | 25.4%           |
| Gross Debt-to-EBITDA (TTM)   | 2.10x           | 1.35x           |

# Roper Today – A Diversified Growth Company

- » Leadership Positions in Diverse Niche Markets
- » Broad Customer Base
- » Superior Profitability Through Outstanding Execution
- » Asset Light Businesses Allow Nimble Execution
- » Compelling Cash Flow
- » Cash Deployment Creates Additional Shareholder Value
- » Expansion in SaaS-Based Information Networks and Medical Applications Contributes to Growth

**Simple Ideas; Nimble Execution; Powerful Results**

# Appendix

# Reconciliations

| (in Thousands)                 | FY 2011               |                           |                              |               |
|--------------------------------|-----------------------|---------------------------|------------------------------|---------------|
| Margin Reconciliation          | Industrial Technology | Energy Systems & Controls | Medical & Scientific Imaging | RF Technology |
| Revenue (B)                    | \$737,356             | \$597,802                 | \$610,617                    | \$851,314     |
| Operating Profit               | 208,188               | 157,960                   | 148,376                      | 202,877       |
| Add Amortization               | <u>13,436</u>         | <u>12,175</u>             | <u>24,425</u>                | <u>53,327</u> |
| EBITA (A)                      | 221,624               | 170,135                   | 172,801                      | 256,204       |
| <b>EBITA Margin (A) / (B)</b>  | <b>30.1%</b>          | <b>28.5%</b>              | <b>28.3%</b>                 | <b>30.1%</b>  |
| Add Depreciation               | <u>9,683</u>          | <u>6,002</u>              | <u>9,799</u>                 | <u>11,002</u> |
| EBITDA (C)                     | 231,307               | 176,137                   | 182,600                      | 267,206       |
| <b>EBITDA Margin (C) / (B)</b> | <b>31.4%</b>          | <b>29.5%</b>              | <b>29.9%</b>                 | <b>31.4%</b>  |

# Reconciliations II

## Trailing EBITDA

| EBITDA (in Millions) | Q4'11        | Q3'11        | Q2'11        | Q1'11        | Q4'10        | Q3'10        | Q2'10        | Q1'10        | Q4'09        | Q3'09        | Q2'09        | Q1'09        | Q4'08        |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Earnings         | \$122        | \$110        | \$106        | \$89         | \$107        | \$84         | \$71         | \$60         | \$72         | \$56         | \$60         | \$52         | \$71         |
| Interest Expense     | 15           | 15           | 16           | 17           | 17           | 17           | 16           | 16           | 17           | 14           | 14           | 14           | 19           |
| Income Tax Expense   | 50           | 42           | 49           | 37           | 41           | 29           | 30           | 25           | 32           | 21           | 26           | 21           | 35           |
| Depreciation         | 9            | 9            | 10           | 9            | 9            | 9            | 9            | 9            | 8            | 8            | 9            | 9            | 9            |
| Amortization         | 26           | 27           | 25           | 25           | 25           | 23           | 19           | 19           | 18           | 17           | 17           | 17           | 19           |
| Remeasurement Gain   | -            | -            | (7)          | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Rounding             | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>1</u>     | <u>1</u>     | <u>0</u>     | <u>1</u>     | <u>0</u>     | <u>1</u>     | <u>(1)</u>   | <u>0</u>     | <u>(1)</u>   |
| <b>EBITDA</b>        | <b>\$222</b> | <b>\$203</b> | <b>\$199</b> | <b>\$177</b> | <b>\$200</b> | <b>\$163</b> | <b>\$145</b> | <b>\$130</b> | <b>\$147</b> | <b>\$117</b> | <b>\$125</b> | <b>\$113</b> | <b>\$152</b> |



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