ROPER INDUSTRIES INC
Form 424B2
August 26, 2009
Table of Contents

Filed Pursuant to Rule 424(b)(2)
Registration No. 333-152590

This preliminary prospectus supplement is not complete and may be changed. A registration statement relating to these Notes has been filed with the Securities and Exchange Commission and is effective. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these Notes and they are not soliciting an offer to buy these Notes in any jurisdiction where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated August 26, 2009

Prospectus Supplement

(To Prospectus dated July 29, 2008)

$

Roper Industries, Inc.

% Senior Notes due 2019

Roper Industries, Inc. is offering $ aggregate principal amount of % senior notes due 2019 (the Notes).

The Notes will bear interest at the rate of % per year. Interest will be payable semi-annually in arrears on and of each year, beginning , 2010. The Notes will mature on , 2019.

We 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 indicated under the heading Description of the Notes Optional Redemption . We will be required to make an offer to repurchase the Notes, at a price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase, upon the occurrence of a Change of Control Triggering Event (as defined herein). See the section entitled Description of the Notes Repurchase Upon Change of Control Triggering Event for more information.

The Notes will be our unsecured senior obligations and will rank equally in right of payment with all of our existing and future unsecured and unsubordinated indebtedness. The Notes will be 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 will not be guaranteed by any of our subsidiaries and will be effectively subordinated to all existing and future indebtedness and other liabilities of our subsidiaries.

The Notes will not be listed on any securities exchange. Currently there is no public market for the Notes.

Investing in the Notes involves risks. See Risk Factors beginning on page S-9.

	Per Note	Total
Public offering price	%	$
Underwriting discounts	%	$
Proceeds, before expenses, to Roper Industries, Inc.	%	$

Interest on the Notes will accrue from , 2009 to the date of delivery.

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

The underwriters expect to deliver the Notes to purchasers on or about , 2009. The Notes will be delivered through the facilities of The Depository Trust Company and its direct and indirect participants, including Clearstream Banking, S.A. Luxembourg (Clearstream) and Euroclear Bank S.A./N.V., as operator of the Euroclear System (Euroclear).

Joint Book-Running Managers

BofA Merrill Lynch **J.P. Morgan** **Wells Fargo Securities**

Prospectus Supplement dated August , 2009

Table of Contents

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not, and the underwriters are not, making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of this prospectus supplement.

TABLE OF CONTENTS

Table of Contents

SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and documents that are incorporated by reference in this prospectus supplement and the accompanying prospectus include 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 Securities and Exchange Commission (SEC) or in oral statements made to the press, potential investors or others. All statements that are not historical facts are forward-looking statements. The words estimate, project, intend, expect, should, will, plan, believe, anticipa expressions identify forward-looking statements. These forward-looking statements include statements regarding our expected financial position, business, financing plans, business strategy, business prospects, revenues, working capital, liquidity, capital needs, credit ratings, interest costs and income, in each case relating to our company as a whole, as well as statements regarding acquisitions, potential acquisitions and the benefits of acquisitions.

Forward-looking statements are estimates and projections reflecting our best judgment and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These statements are based on our management s beliefs and assumptions, which in turn are based on currently available information. Examples of forward-looking statements in this prospectus supplement include but are not limited to our expectations regarding our ability to generate operating cash flows and reduce debt and associated interest expense 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, the timing and cost of expected capital expenditures, expected outcomes of pending litigation, competitive conditions, general economic conditions and expected synergies relating to acquisitions, joint ventures and alliances. These assumptions could prove inaccurate. Although we believe that the estimates and projections reflected in the forward-looking statements are reasonable, our expectations may prove to be incorrect. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in the section entitled Risk Factors in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, incorporated by reference herein. You should understand that the following important factors, in addition to those discussed in the incorporated documents, could affect our future results, and could cause those results or other outcomes to differ materially from those estimates or projections in the forward-looking statements:

- limitations on our business imposed by our indebtedness;
- additional limitations on our business as a result of the Notes offered hereby;
- uses of cash and borrowings;
- general economic conditions;
- difficulty making acquisitions and successfully integrating acquired businesses;
- any unforeseen liabilities associated with future acquisitions;
- unfavorable changes in foreign exchange rates;
- difficulties associated with exports;
- risks and costs associated with our international sales and operations;

increased directors and officers liability and other insurance costs;

risk of rising interest rates;

product liability and insurance risks;

increased warranty exposure;

Table of Contents

- 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, parts and components;
- environmental compliance costs and liabilities;
- risks and costs associated with asbestos-related litigation;
- potential write-offs of our substantial intangible assets;
- our ability to successfully develop new products;
- failure to protect our intellectual property; and
- economic disruptions caused by terrorist attacks, health crises or other unforeseen events.

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 these statements in light of new information or future events.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Unless we have indicated otherwise, references in this prospectus supplement to Roper, the Company, we, us and our or similar terms are to Roper Industries, Inc. and our consolidated subsidiaries.

S-3

Table of Contents

SUMMARY

Roper Industries, Inc.

Roper Industries, Inc. was incorporated in Delaware in 1981. We are a diversified growth company that designs, manufactures and distributes energy systems and controls, scientific and industrial imaging products and software, industrial technology products and radio frequency (RF) products and services. We market these products and services to selected segments of a broad range of markets including RF applications, water, energy, research and medical, security and other niche markets.

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

Our Business Segments

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

Industrial Technology. Our Industrial Technology offerings include industrial pumps, equipment and consumables for materials analysis, industrial leak testing equipment, flow measurement and metering equipment and water meter and automatic meter reading products and systems. These products and solutions are provided through six U.S.-based and two European-based operating units.

Energy Systems and Controls. Our Energy Systems and Controls segment principally produces control systems, fluid properties testing equipment, industrial valves and controls, vibration and other non-destructive inspection and measurement products and solutions, which are provided through six U.S.-based operating units.

Scientific and Industrial Imaging. Our Scientific and Industrial Imaging offerings include high performance digital imaging products and software, patient positioning products and software in medical applications and handheld and vehicle mount computers and software. These products and solutions are provided through five U.S.-based and one Canadian-based operating units.

RF Technology. The RF Technology segment provides radio frequency identification and other communication related technologies and software solutions that are used primarily in comprehensive toll and traffic systems and processing, security and access control, campus card systems, freight matching, mobile asset tracking and water sub-metering and remote monitoring applications. These products and solutions are provided through six U.S.-based and one European-based operating units.

Our principal executive offices are located at 6901 Professional Parkway East, Suite 200, Sarasota, Florida 34240, and the telephone number is (941) 556-2601. We maintain a website at www.roperind.com where general information about us is available. We are not incorporating the contents of the website into this prospectus supplement.

Table of Contents

The Offering

The following summary contains certain material information about the Notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the Notes, please refer to the section entitled Description of the Notes .

Issuer	Roper Industries, Inc., a Delaware corporation.
Securities offered	$ aggregate principal amount of % senior notes due 2019
Maturity date	, 2019
Interest payment dates	and of each year, beginning , 2010.
Ratings	Moody s Investors Service, Inc. and Standard & Poor s Ratings Services have rated the Notes Baa3 and BBB-, respectively, in each case with a stable outlook.
Ranking	The Notes will be our unsecured senior obligations and will: rank senior in right of payment to all of our existing and future subordinated indebtedness; rank equally in right of payment with all of our existing and future unsecured senior indebtedness; be effectively subordinated to all of our existing and future secured indebtedness to the extent of the collateral securing such indebtedness; and be effectively subordinated to all existing and future indebtedness and other liabilities of our subsidiaries.

As of June 30, 2009 on an as adjusted basis, to give effect to this offering and the use of proceeds therefrom as described under Use of Proceeds , the Notes would have been effectively subordinated to approximately $6.7 million of obligations of our subsidiaries.

Guarantees	The Notes will not be guaranteed by any of our subsidiaries.
Optional redemption	We may redeem the Notes in whole or in part at any time or from time to time at 100% of their principal amount plus a make-whole premium. See Description of the Notes Optional Redemption.

Repurchase upon a change of control	Upon the occurrence of a Change of Control Triggering Event, we will be required to make an offer to purchase the Notes at a price equal to 101% of their principal amount plus accrued and unpaid interest to the date of repurchase. See Description of the Notes Repurchase Upon Change of Control Triggering Events .

Table of Contents

Listing	The Notes will not be listed on any securities exchange or automated quotation system.
No prior market	The Notes will be new securities for which there is currently no market. Although the underwriters have informed us that they intend to make a market in the Notes, they are not obligated to do so, and they may discontinue market making activities at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.
Use of proceeds	We intend to use the net proceeds from the sale of securities issued pursuant to this prospectus supplement for general corporate purposes and to repay outstanding amounts borrowed under a term loan and/or a revolving credit facility, both pursuant to a credit agreement, dated July 7, 2008 by and among us, several of our subsidiaries and the lenders party thereto (including affiliates of Banc of America Securities LLC, J.P. Morgan Securities Inc. and Wells Fargo Securities, LLC) and JPMorgan Chase Bank, N.A. as administrative agent for such lenders. Repayments made to the revolving credit facility may be reborrowed; repayments to the term loan may not.
Governing law	New York.
Trustee	Wells Fargo Bank, N.A.
Risk factors	You should carefully consider all of the information in this prospectus supplement. In particular, you should evaluate the information set forth under Special Note on Forward-Looking Statements and Risk Factors before deciding whether to invest in the Notes.

Table of Contents

Summary Consolidated Financial Data

Our summary consolidated financial information presented below as of and for the three years ended December 31, 2008 has been derived from our audited consolidated financial statements. The summary consolidated financial information as of and for the six months ended June 30, 2009 and June 30, 2008 has been derived from our unaudited condensed consolidated financial statements and includes all adjustments (consisting of normal recurring items) which are, in our opinion, necessary for a fair presentation of our financial position as of such dates and results of operations for such periods. The results of operations for the six months ended June 30, 2009 are not necessarily indicative of the results for our full fiscal year ending December 31, 2009.

Our summary consolidated financial information set forth below should be read in conjunction with our consolidated financial statements, including the notes thereto, and Management s Discussion and Analysis of Financial Condition and Results of Operations , both of which can be found in our Annual Report on Form 10-K, for the year ended December 31, 2008, as supplemented by our Current Report on Form 8-K filed on May 15, 2009 to retrospectively adopt Financial Accounting Standards Board Staff Position APB 14-1, Accounting for Convertible Debt Instruments that May Be Settled in Cash upon Conversion (Including Partial Cash Settlement), and our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009, all of which are incorporated by reference herein.

	Six Months Ended June 30,		Year Ended December 31,		
	2009	2008	2008	2007	2006
	(Unaudited)				
	(In thousands, except per share amounts)				
Statement of operations data:					
Net sales	$ 1,010,354	$ 1,137,409	$ 2,306,371	$ 2,102,049	$ 1,700,734
Gross profit	506,206	581,720	1,188,288	1,058,395	861,325
Income from operations	323,450	234,807	486,161	438,354	337,653
Earnings from continuing operations before income taxes	158,297	209,929	428,816	376,997	286,658
Net earnings	$ 111,147	$ 136,974	$ 281,874	$ 245,705	$ 189,285
Earnings per share:					
Basic	$ 1.23	$ 1.53	$ 3.15	$ 2.78	$ 2.18
Diluted	$ 1.20	$ 1.46	$ 3.01	$ 2.64	$ 2.08
Dividends per common share	$ 0.1650	$ 0.1450	$ 0.30	$ 0.27	$ 0.24
Balance Sheet Data:					
Cash and cash equivalents	$ 220,826	$ 146,186	$ 178,069	$ 308,768	$ 69,478
Working capital	391,179	(6,046)	239,400	291,047	53,946
Total assets	3,959,650	3,762,483	3,971,538	3,453,184	2,995,359
Total liabilities, excluding current portion	1,340,154	948,593	1,348,697	998,451	925,806
Stockholders equity	2,145,238	1,957,520	2,003,934	1,794,643	1,496,004

Table of Contents

Ratios of Earnings to Fixed Charges

The following table sets forth our ratios of earnings to fixed charges for each of the periods indicated.

	Six Months Ended June 30,		Year Ended December 31,				
	2009	2008	2008	2007	2006	2005	2004
Ratio of earnings to fixed charges	6.1	8.0	7.2	6.6	5.9	4.9	4.9

For purposes of calculating the ratios of earnings to fixed charges, earnings is the amount resulting from adding (a) earnings from continuing operations before income taxes and (b) fixed charges. Fixed charges for these purposes include (a) interest expense, (b) amortization of debt issuance costs, and (c) one-third of rental expense, which we consider to be a reasonable approximation of the interest factor included in rental expense.

Table of Contents

RISK FACTORS

In considering whether to purchase the Notes, you should carefully consider all the information we have included or incorporated by reference in this prospectus supplement and the accompanying prospectus. In particular, you should carefully consider the risk factors described below and the risk factors incorporated by reference from our Annual Report on Form 10-K for the year ended December 31, 2008.

Risks Related to the Offering

The Notes are structurally subordinated to any future indebtedness and to the other liabilities of our subsidiaries.

The Notes are our obligations exclusively and are not the obligations of any of our subsidiaries. Substantially all of our operations are conducted through our subsidiaries. As a result, our cash flow and ability to service our debt, including the Notes, depend upon the earnings of our subsidiaries and the ability of our subsidiaries to distribute to us their earnings, loans or other payments. Our subsidiaries are separate legal entities that have no obligation to pay any amounts due under the Notes or to make any funds available therefor, whether by dividends, loans or other payments. Except to the extent we are a creditor with separately recognized claims against our subsidiaries, all claims of creditors of our subsidiaries, including trade creditors, and holders of preferred stock, if any, will have priority with respect to the assets of such subsidiaries over our claims (and therefore the claims of our creditors, including holders of the Notes), and our subsidiaries may enter into future borrowing arrangements that limit their ability to transfer funds to us. Consequently, your Notes will be structurally subordinated to all liabilities, including trade payables, of any of our subsidiaries and any subsidiaries that we may in the future acquire or establish. As of June 30, 2009, our subsidiaries had $6.7 million of liabilities. In addition, the indenture governing the Notes permits our subsidiaries to incur additional indebtedness, and does not contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred by our subsidiaries. Thus, the amount of these liabilities may increase in the future.

The Notes will be subject to the prior claims of any future secured creditors.

The Notes are unsecured obligations, ranking effectively junior to our outstanding secured indebtedness and any additional secured indebtedness we may incur. The indenture governing the Notes does not limit the amount of additional debt that we and our subsidiaries may incur, permits us to incur secured debt under specified circumstances and permits our subsidiaries to incur secured debt without restriction. If we incur additional secured debt, our assets securing any such indebtedness will be subject to prior claims by our secured creditors. In the event of our bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding up, or upon any acceleration of the Notes, our assets that secure other indebtedness will be available to pay obligations on the Notes only after all other such debt secured by those assets has been repaid in full. Any remaining assets will be available to you ratably with all of our other unsecured and unsubordinated creditors, including trade creditors. If there are not sufficient assets remaining to pay all these creditors, then all or a portion of the Notes then outstanding would remain unpaid.

The negative covenants in the indenture that governs the Notes provide limited protection to holders of the Notes.

The indenture governing the Notes contains covenants limiting our ability to create certain liens, enter into certain sale and leaseback transactions, and consolidate or merge with, or convey, transfer or lease all or substantially all our assets to, another person. The covenants addressing limitations on liens and on sale and leaseback transactions do not apply to our subsidiaries and contain exceptions that will allow us to incur liens with respect to material assets. See Description of Debt Securities Certain Covenants in the accompanying prospectus. In light of these exceptions, your Notes may be structurally or effectively subordinated to new lenders. The indenture does not limit the amount of additional debt that we or our subsidiaries may incur.

Table of Contents

Our credit facility contains covenants that may limit our operations.

We entered into a credit agreement dated July 7, 2008 that contains certain covenants restricting our operations and the operations of our subsidiaries. For example, the agreement contains covenants placing certain limits on permitted indebtedness of our subsidiaries and on the creation, incurrence, assumption or existence of certain liens on our property or the property of our subsidiaries. If any of these restrictions were to materially impair the operations and earnings of our subsidiaries their cash distributions to us may be diminished.

Additional debt offerings may have adverse consequences to you.

We may incur additional indebtedness in the future, which may have important consequences for you as a holder of the Notes, including making it more difficult for us to satisfy our obligations with respect to the Notes as a result of additional interest payment expenses, a loss in the trading value of your Notes and a risk that the credit rating of your Notes may be lowered.

The provisions of the Notes will not necessarily protect you in the event of certain highly leveraged transactions.

Upon the occurrence of a Change of Control Triggering Event you will have the right to require us to repurchase the Notes as provided in the indenture governing, and on the terms set forth in, the Notes. However, the Change of Control Triggering Event provisions will not afford you protection in the event of certain highly leveraged transactions that may adversely affect you. For example, any leveraged recapitalization, refinancing, restructuring or acquisition initiated by us generally will not constitute a Change of Control that would potentially lead to a Change of Control Triggering Event. As a result, we could enter into any such transaction even though the transaction could increase the total amount of our outstanding indebtedness, adversely affect our capital structure or credit rating or otherwise adversely affect the holders of the Notes. These transactions may not involve a change in voting power or beneficial ownership or result in a downgrade in the ratings of the Notes, or, even if they do, may not necessarily constitute a Change of Control Triggering Event that affords you the protections described in this prospectus supplement. If any such transaction were to occur, the value of your Notes could decline.

We may not be able to repurchase all of the Notes upon a Change of Control Triggering Event, which would result in a default under the Notes.

We will be required to offer to repurchase the Notes upon the occurrence of a Change of Control Triggering Event as provided in the indenture governing the Notes. However, we may not have sufficient funds to repurchase the Notes in cash at such time. In addition, our ability to repurchase the Notes for cash may be limited by law or the terms of other agreements relating to our indebtedness outstanding at the time, which agreements may provide that a Change of Control Triggering Event constitutes an event of default or prepayment under such other indebtedness. Our failure to make such a repurchase would result in a default under your Notes.

Changes in our credit ratings may adversely affect the value of the Notes.

The Notes are rated Baa3 by Moody s Investors Service, Inc. and BBB- by Standard & Poor s Ratings Services, in each case with a stable outlook. Such ratings are limited in scope, and do not address all material risks relating to an investment in the Notes, but rather reflect only the view of each rating agency at the time the rating is issued. An explanation of the significance of such rating may be obtained from such rating agency. Such ratings are not recommendations to buy, sell or hold securities, and there can be no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency s judgment, circumstances so warrant. Each rating should be evaluated independently of any other rating. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the market value of your Notes and increase our corporate borrowing costs.

Table of Contents

There may not be an active trading market for the Notes.

There is no existing market for the Notes, and we do not intend to apply for listing of the Notes on any securities exchange or any automated quotation system. Accordingly, there can be no assurance that a trading market for the Notes will ever develop or will be maintained. Further, there can be no assurance as to the liquidity of any market that may develop for the Notes, your ability to sell your Notes or the price at which you will be able to sell your Notes. Future trading prices of the Notes will depend on many factors, including but not limited to prevailing interest rates, our financial condition and results of operations, prospects for companies in our industry generally, the then-current ratings assigned to the Notes and the market for similar securities. Any trading market that develops would be affected by many factors independent of and in addition to the foregoing, including:

- time remaining to the maturity of the Notes;
- outstanding amount of the Notes;
- the terms related to the optional redemption of the Notes; and
- level, direction and volatility of market interest rates generally.

Risks Related to Our Business

We hereby incorporate by reference risk factors in section Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2008.

Table of Contents

USE OF PROCEEDS

We intend to use the net proceeds from the sale of securities issued pursuant to this prospectus supplement for general corporate purposes and to repay outstanding amounts borrowed under a term loan and/or a revolving credit facility, both pursuant to a credit agreement, dated July 7, 2008 by and among us, several of our subsidiaries and the lenders party thereto (including affiliates of Banc of America Securities LLC, J.P. Morgan Securities Inc. and Wells Fargo Securities, LLC) and JPMorgan Chase Bank, N.A. as administrative agent for such lenders. We used these borrowings to refinance the indebtedness outstanding prior to entering into the credit agreement, which was used to finance acquisitions and to fund working capital requirements. The term loan under the credit agreement will mature on July 7, 2010 and the revolving facility will mature on July 7, 2013. The applicable interest rate on the term loan and revolving facility to be repaid will be determined in accordance with Section 2.15(a) of the credit agreement, and is currently the eurocurrency rate under the agreement plus 1.50% in the case of the term loan and plus 1.30% in the case of the revolving credit facility. Pursuant to the terms of the credit agreement, we may reborrow amounts repaid in respect of the revolving credit facility, but not in respect of the term loan.

CAPITALIZATION

The following table sets forth a summary of our consolidated capitalization as of June 30, 2009 on an actual basis and on an as adjusted basis to reflect the offering of the Notes by this prospectus supplement. Our consolidated capitalization, as so adjusted to reflect this offering, gives effect to the issuance of the Notes offered by this prospectus supplement and the application of net proceeds therefrom.

	As of June 30, 2009	
	Actual	As Adjusted for the Offering
	(Unaudited, in thousands)	
Long-term debt:		
Notes offered hereby	$	$
Other long-term debt, including current portion	1,163,232	
Total long-term debt	1,163,232	
Stockholders equity:		
Preferred stock, $0.01 par value authorized: 1,000 shares; outstanding: none		
Common stock, $0.01 par value authorized: 350,000 shares; outstanding: 90,134 shares	928	928
Additional paid-in capital	835,475	835,475
Retained earnings	1,283,652	1,283,652
Accumulated other comprehensive earnings	46,673	46,673
Treasury stock	(21,490)	(21,490)
Total stockholders equity	2,145,238	2,145,238
Total capitalization	$ 3,308,470	$

Table of Contents

DESCRIPTION OF OTHER INDEBTEDNESS

Senior Notes

On August 4, 2008, we issued $500 million aggregate principal amount of 6.625% senior notes due August 15, 2013. The notes bear interest at a fixed rate of 6.625% per year, payable semi-annually in arrears on February 15 and August 15 of each year. The interest payable on the notes is subject to adjustment if either Moody s Investors Service or Standard & Poor s Ratings Services downgrades the rating assigned to the notes.

We 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.

The notes are unsecured senior obligations of the Company and rank equally in right of payment with all of the Company s existing and future unsecured and unsubordinated indebtedness. The notes are effectively subordinated to any of the Company s 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 the Company s subsidiaries and are effectively subordinated to all existing and future indebtedness and other liabilities of the Company s subsidiaries.

Senior Unsecured Credit Facility

On July 7, 2008, we entered into an unsecured credit facility with JPMorgan Chase Bank, N.A., as administrative agent, and a syndicate of lenders, which replaced our amended and restated secured credit facility, dated as of December 13, 2004. The facility comprises (i) a two year $350.0 million term loan facility and (ii) a five year $750.0 million revolving credit facility, which includes availability of up to $150.0 million for letters of credit and $25.0 million for swingline loans and of which $50.0 million is available under a multicurrency subfacility in dollars and other currencies. We may also, subject to compliance with specified conditions, request additional term loans or revolving credit commitments in an aggregate amount not to exceed $350.0 million.

We and specified foreign subsidiaries of ours are borrowers under the revolving credit facility. We have guaranteed the payment and performance by the foreign subsidiary borrowers under the facility.

Interest and Fees

Borrowings under the term loan and revolving credit facilities will bear interest, at our option, at a rate based on either:

The higher of (1) the federal funds rate plus 0.50% and (2) the publicly announced prime lending rate of JPMorgan Chase Bank, N.A. from time to time, in either case plus a per annum spread depending on the Company s senior unsecured long-term debt rating. Based on our current rating (Baa3 from Moody s and BBB- from S&P), the spread would be 0.50% in the case of term loans, and 0.30% in the case of revolving loans.