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ROPER INDUSTRIES INC /DE/
Form 8-K/A
April 15, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K/A
(AMENDMENT NO. 1)

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

September 4, 2001
Date of report (date of earliest event reported)

ROPER INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-12273
(Commission file number)

51-0263969
(IRS Employer Identification No.)

160 Ben Burton Road
Bogart, Georgia
(Address of principal executive offices)

30622
(Zip Code)

(706) 369-7170
(Registrant's telephone number, including area code)

NA
(Former name or former address if changed since last report)

Explanatory Note

This Amendment No. 1 on Form 8-K/A amends and restates the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 13, 2001. This Amendment No. 1 is being filed to restate the auditors' report on the financial statements of Struers Holding A/S to state that their audit was performed in accordance with generally accepted auditing standards in the United States. The Struers Holding A/S financial statements, the auditors' report thereon, and Item 7(a) have also been amended to comment on accounting differences between Danish and U.S. standards with respect to the accounting and reporting practices of Struers Holding A/S. The Struers Holding A/S balance sheets have been reclassified and rearranged to conform more closely with a Danish presentation.

Item 2. Acquisition or Disposition of Assets.

On September 4, 2001, the Registrant completed the acquisition of 100% of the outstanding ownership interests in Struers Holding A/S for total arms-length negotiated consideration of cash of approximately \$151 million. Struers Holding

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A/S was acquired from a group of direct investors and limited partnerships, for whom EQT Scandinavia I acted as investment manager, and a group of management shareholders. Registrant's financing of this acquisition was from its existing credit facilities that are described in Registrant's Quarterly Report on Form 10-Q for the period ended July 31, 2001.

Struers Holding A/S has two primary businesses - Struers, based in Denmark, and Logitech, based in Scotland. Struers designs, manufactures and markets materialographic preparation equipment and consumables used in quality inspection, failure analysis and research of solid materials. Logitech designs, manufactures and markets high-precision material shaping equipment used principally in the production of advanced materials for the semiconductor and opto-electronics markets. Registrant intends to continue these businesses.

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Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) Financial statements of business acquired (included in Annex A).

- . Consolidated balance sheets at June 30, 2001 (unaudited) and December 31, 2000.
- . Consolidated income statements for the six months ended June 30, 2001 and 2000 (unaudited) and the year ended December 31, 2000.
- . Consolidated cash flow statements for the six months ended June 30, 2001 and 2000 (unaudited) and the year ended December 31, 2000.
- . Independent auditors' report.

(b) Pro forma financial information (included in Annex A).

- . Combined balance sheet at July 31, 2001.
- . Combined income statement for the nine months ended July 31, 2001.
- . Combined income statement for the year ended October 31, 2000.

(c) Exhibits.

- 23.1 Consent of independent auditors.
- 99.1 Acquisition agreement (incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed with the Commission on December 13, 2001 (Commission File No. 1-12273)).

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ROPER INDUSTRIES, INC.

By: /s/ Martin S. Headley

April 12, 2002

Martin S. Headley, Vice President and
Chief Financial Officer

Item 7(a) Financial statements of business acquired

The historical financial information related to Struers Holding A/S addressed by the following independent auditors' report and presented in the associated financial statements were prepared using accounting standards in accordance with the Danish Annual Accounts Act and Danish accounting standards ("Danish GAAP").

There are differences between Danish GAAP and generally accepted accounting principles in the United States ("U.S. GAAP"). Regarding the Struers financial statements and those items that may have been reported differently had Struers been reported as a part of Registrant in earlier periods, the significant differences are in the areas of revenue recognition, derivatives and other financial instruments, software development costs, income taxes, valuation reserves, and certain other liability accruals.

The applicable rules of the U.S. Securities and Exchange Commission pertaining to this filing do not require the Registrant to provide a quantified reconciliation between this financial information and what it would be if reported under U.S. GAAP. See, however, Note 19 of the Notes to Consolidated Financial Statements of Struers Holding A/S.

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Independent Auditors' Report

The Board of Directors and shareholder
Struers Holding A/S:

We have audited the accompanying consolidated balance sheet of Struers Holding A/S and its subsidiaries as of December 31, 2000 and the related consolidated income statement and cash flow statement for the year ended December 31, 2000. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Denmark and in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Struers Holding A/S and its subsidiaries as of December 31, 2000, and the results of its operations and its cash flows for the year ended December 31, 2000, in conformity with the accounting provisions of Danish legislation.

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KPMG C.Jespersen

Niels Erik Borgbo Soeren Christiansen
State-Authorized Public Accountants (Denmark)

Copenhagen, Denmark

March 20, 2001, except as to Note 19, which is as of April 12, 2002

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Struers Holding A/S and Subsidiaries
Consolidated Income Statements
(in thousands)

	Six months ended June 30,		Year December
	2001	2000	
	(unaudited)		
Net sales	DKK 352,265	DKK 282,241	DKK
Cost of goods sold	132,994	109,301	
Gross profit	219,271	172,940	
Selling and distribution costs	96,762	88,325	
Development costs	13,933	11,315	
Administrative expenses	20,867	22,652	
Goodwill amortization	15,178	15,173	
Operating profit	72,531	35,475	
Interest income	2,028	752	
Interest expense	16,258	15,353	
Extraordinary charges	-	8,000	
Earnings before income taxes	58,301	12,874	
Income taxes	26,547	11,096	
Net earnings	DKK 31,754	DKK 1,778	DKK

See accompanying notes to consolidated financial statements.

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Struers Holding A/S and Subsidiaries

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Consolidated Cash Flow Statements
(in thousands)

	Six months ended June 30,			
	2001		2000	
	(unaudited)			
Net sales	DKK	352,265	DKK	282,241
Costs and expenses		267,018		236,624
Net cash provided from operating activities before changes in working capital		85,247		45,617
Change in inventory		(10,269)		(8,053)
Change in accounts receivable		(23,528)		(18,127)
Change in accounts payable and other liabilities		(12,417)		(12,014)
Interest paid		(17,277)		(14,790)
Income taxes paid		(13,836)		(11,224)
Net cash provided from (used by) operating activities		7,920		(18,591)
Capital expenditures		(8,385)		(4,400)
Proceeds from sales of assets		177		134
Net cash used by investing activities		(8,208)		(4,266)
Debt borrowings (payments)		(80)		25,470
Net cash provided from (used by) financing activities		(80)		25,470
Net cash provided from (used by) operating, investing and financing activities		(368)		2,613
Cash and cash equivalents at the beginning of the period		68,571		29,358
Unrealized value adjustments of cash and cash equivalents		1,798		282
Cash and cash equivalents at the end of the period	DKK	70,001	DKK	32,253

See accompanying notes to consolidated financial statements.

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Struers Holding A/S and Subsidiaries
 Consolidated Balance Sheets
 (in thousands)

	June 30, 2001	December 31, 2000
	----- (unaudited)	-----
ASSETS		
Fixed assets		
Goodwill	DKK 503,359	DKK 518,381
Leasehold improvements	112	149
Deposits	10,116	9,463
	-----	-----
	513,587	527,993
	-----	-----
Tangible fixed assets		
Land and buildings	11,118	9,384
Technical plant and machinery	7,032	8,252
Fixtures and fittings, tools and equipment	12,667	9,878
	-----	-----
	30,817	27,514
	-----	-----
Investments		
Securities	687	728
	-----	-----
	687	728
	-----	-----
Total fixed assets	545,091	556,235
	-----	-----
Current assets		
Stocks		
Raw materials and consumables	39,409	30,652
Work in process	2,950	3,720
Finished goods and goods for resale	61,567	56,832
	-----	-----
	103,926	91,204
	-----	-----
Debtors		
Trade debtors	152,275	122,566
Outstanding corporation tax	-	4,536
Deferred tax asset	27,537	29,734
Other debtors	6,370	7,827
Prepayments and accrued income	2,966	2,192
	-----	-----
	189,148	166,855
Own shares	-	362
Cash at hand and in bank	77,073	75,551
	-----	-----
Total current assets	370,147	333,972
	-----	-----
TOTAL ASSETS	DKK 915,238	DKK 890,207
	=====	=====

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Struers Holding A/S and Subsidiaries
 Consolidated Balance Sheets - continued
 (in thousands)

	June 30, 2001	December 31, 2000
	----- (unaudited)	-----
LIABILITIES AND CAPITAL		
Capital and reserves		
Share capital	DKK 50,343	DKK 50,343
Reserve for own shares	-	362
Retained profit	239,240	206,749
	-----	-----
Total capital and reserves	289,583	257,454
	-----	-----
Convertible bond loan	-	8,876
	-----	-----
Provisions		
Deferred tax	457	517
Other provisions	13,696	13,967
	-----	-----
Total provisions for liabilities and charges	14,153	14,484
	-----	-----
Creditors		
Long-term creditors		
Mortgage debt	8,527	14
Bank loans and overdrafts	493,083	476,956
	-----	-----
	501,610	476,970
	-----	-----
Short-term creditors		
Short-term share of long-term creditors	-	15,000
Bank loans and overdrafts	7,072	6,980
Prepayments from customers	2,401	5,641
Trade creditors	55,725	46,268
Corporation tax	18,130	10,706
Other creditors	26,564	25,655
Prepayments and deferred income	-	22,173
	-----	-----
	109,892	132,423
	-----	-----
Total creditors	611,502	609,393
	-----	-----
TOTAL LIABILITIES AND CAPITAL	DKK 915,238	DKK 890,207
	=====	=====

See accompanying notes to consolidated financial statements.

Struers Holding A/S and Subsidiaries
Notes to Consolidated Financial Statements

Accounting policies

The consolidated accounts for the six months ended June 30, 2001 and 2000 and the year ended December 31, 2000 have been prepared in accordance with the Danish Annual Accounts Act and Danish accounting standards. There are differences between Danish standards and standards in the United States. These differences are in the areas of revenue recognition, derivatives and other financial instruments, software development costs, income taxes, valuation reserves, and certain other liability accruals and are described in more detail in Note 19. These differences may also have different effects on different periods. The consolidated accounts for the interim six-month periods ended June 30, 2001 and 2000 are unaudited.

Consolidation policy

The consolidated accounts comprise the parent company, Struers Holding A/S, and subsidiary undertakings in which Struers Holding A/S controls more than 50% of the voting rights. Intercompany revenues and expenses, receivables and payables and gains and losses are eliminated.

The profit and loss accounts of foreign subsidiaries whose functional currency is not the Danish krone are translated into Danish krone at the average currency exchange rate during the period and balance sheet accounts are translated into Danish krone at the currency exchange rate at the balance sheet date.

Revenue recognition

Revenue from the sale of goods is recognized as invoiced.

Production costs

Production costs compose costs including depreciation and wages and salaries incurred in order to obtain revenue. Costs of goods sold is matched against the corresponding revenue.

Selling and distribution costs

Selling and distribution costs comprise costs regarding sales personnel, advertising and exhibition expenses, depreciation and amortization, etc.

Development costs

Development costs comprise costs for development, including depreciation. Development costs are charged to expense as paid.

Administrative expenses

Administrative expenses comprise expenses regarding administrative staff

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and management, etc., including depreciation and amortization.

Interest receivable and payable

Interest receivable and payable as well as similar income and charges and realized and unrealized exchange gains and losses regarding loans with subsidiaries. Furthermore, interest receivable and payable comprise income from sale of warrants.

Extraordinary income and charges

Extraordinary income and charges comprise income and charges resulting from activities other than ordinary ones.

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Struers Holding A/S and Subsidiaries
Notes to Consolidated Financial Statements

Tax on profit/loss

The expected tax payable on taxable income for a period is charged to the profit and loss account together with changes in the provision for deferred taxation. Taxation in respect of extraordinary items is shown separately. Deferred taxation is calculated as the difference between net book and tax values. Provision for deferred taxation is made for accounts receivable, inventory and tangible fixed assets. If the deferred taxation is an asset, the amount is recorded at a value which is not higher than the anticipated future applications. No provision has been made for deferred taxation of undistributed ownership interests in subsidiary earnings as it is the parent company's intention to hold interests for more than three years.

The company is comprised by a tax on account scheme. Additions, deductions and compensations regarding tax payments are included in interest receivable and payable.

Intangible fixed assets

At the acquisition of a subsidiary, the share of the acquired company's net asset value is determined according to the Company's accounting policies. Where the cost differs from the net asset value, the difference is to the extent possible allocated to the assets and liabilities or provisions, the value of which is higher or lower. Any remaining positive differences are capitalized and amortized over a maximum period of 20 years.

Other intangible assets are valued at cost less accumulated amortization. Amortization is provided on a straight-line basis over the expected useful lives of the assets. The maximum amortization period is five years.

Tangible fixed assets

Land and buildings are valued at cost less accumulated depreciation on buildings, or utility value where this is lower for reasons not considered temporary. Plant and machinery and fixtures and other equipment are valued at purchase price less accumulated depreciation, or at a utility value where this is lower for reasons not considered temporary.

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Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives for buildings are 25 years and 3-5 years for plant and machinery and fixtures and other equipment.

Assets with a cost of less than DKK 9,500 per unit are charged to expense when acquired. Public contributions are set off against the cost of the additions during the period.

Inventory

Raw materials and consumables are valued at cost. Work in process and finished goods are valued at cost consisting of the cost of raw materials and consumables with the addition of production costs and other costs directly or indirectly related to the individual goods.

Cost is determined using the first-in first-out method.

Provision is made for obsolescence on slow-moving goods.

Accounts receivable

Accounts receivable are valued at nominal value less provisions for anticipated losses.

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Struers Holding A/S and Subsidiaries Notes to Consolidated Financial Statements

Provisions for liabilities and charges

Provision for pension obligations are computed at sum of pension obligations at the balance sheet date.

Foreign currency translation

The Company enters into forward exchange contracts transactions to hedge turnover and purchases of goods according to which foreign currency transactions during the period are translated at the hedged exchange rate. Hedge contracts relating to future turnover are not revalued to current exchange rates. The difference between current exchange rates and forward exchange rates and the valuation of this difference related to these contracts is disclosed.

Receivables, payables and other items denominated in a currency other than the functional currency which have not been settled at the balance sheet date are translated into the functional currency at the exchange rate for the balance sheet date. Resulting gains and losses are recognized on the income statement.

To the extent that the value of receivables, payables and other items denominated in a currency other than the functional currency are hedged toward forward exchange transactions, the items are translated at the hedged rates.

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Statements of cash flows

The cash flow statements show inflows and outflows of cash during a period as well as the cash and cash equivalents at the beginning and the end of the period.

Cash flows from operating activities are presented indirectly and are calculated as revenues less operating charges and adjusted for non-cash operating items, changes to the operating capital, financial and extraordinary items paid and corporate taxes paid.

Cash flows from investing activities include payments in connection with the acquisition and sale of fixed assets and securities included in investing activities.

Cash flows from financing activities include payments to and from shareholders and the raising of and repayments of mortgage loans and other long-term creditors.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term bank loans and overdrafts.

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Struers Holding A/S and Subsidiaries Notes to Consolidated Financial Statements

Note 1 Revenues

The distribution of revenues on geographical markets has been excluded for competitive reasons, cf. section 49, paragraph 2 of the Danish Annual Accounts Act.

Note 2 Interest receivable and similar income

	Year ended Dec. 31, 2000
	----- (000s)
Other interest receivable and exchange rate gains	DKK 2,635
Net income from sale of warrants	579

	DKK 3,214
	=====

Note 3 Interest payable and similar charges

	Year ended Dec. 31, 2000
	----- (000s)
Other interest payable and exchange rate loss	DKK 33,107
	=====

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Note 4 Tax on profit for the year

	Year ended Dec. 31, 2000 ----- (000s)
Tax on taxable income	DKK 27,648
Adjustments regarding previous years	115
Adjustment of deferred taxation	2,999

	DKK 30,762 =====
Corporate taxes paid	DKK 22,719 =====

Note 5 Goodwill

	Cost -----	Accumulated Amortization -----
	(in thousands)	
Balance at December 31, 1999	DKK 608,855	DKK (60,257)
Exchange rate adjustments in foreign companies	152	(20)
Amortization	-	(30,349)
	-----	-----
Balance at December 31, 2000	DKK 609,007 =====	DKK (90,626) =====

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Struers Holding A/S and Subsidiaries
Notes to Consolidated Financial Statements

Note 6 Property and equipment

	Land and buildings -----		Plant and machinery -----		Fixtures and other equipment -----	
	(in thousands)					
Cost:						
Balance at December 31, 1999	DKK	18,422	DKK	35,969	DKK	26,688
Exchange rate adjustments		(321)		428		(63)
Additions		-		3,288		5,938
Dispositions		-		(84)		(2,019)
		-----		-----		-----
Balance at December 31, 2000	DKK	18,101	DKK	39,601	DKK	30,544

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	DKK		DKK		DKK
Depreciation and amortization:					
Balance at December 31, 1999	(8,192)		(26,817)		(17,665)
Exchange rate adjustments	139		(145)		(656)
Additions	(664)		(4,471)		(3,955)
Dispositions	-		84		1,610
Balance at December 31, 2000	(8,717)		(31,349)		(20,666)

	Year ended December 31, 2000		
	Production	Selling and distribution	Development
Depreciation and amortization	DKK 2,943	DKK 3,970	DKK 474

Note 7 Deferred taxes

	Asset
	(in t)
Balance at December 31, 1999	DKK 30,847
Exchange rate adjustments	174
Additions	-
Adjustments	(1,287)
Balance at December 31, 2000	DKK 29,734

Note 8 Own shares

At December 31, 2000, Struers Holding A/S held 8,332 shares of its outstanding shares, or 0.17% of total shares outstanding. The cost of these shares was DKK 362,000 and was included in other current assets.

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Struers Holding A/S and Subsidiaries
Notes to Consolidated Financial Statements

Note 9 Capital and reserves

Share Share Retained

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	capital		premium		profit	
	-----		-----		-----	
	(in thousands)					
Balance at December 31, 1999	DKK	50,343	DKK	190,790	DKK	(9,588)
Exchange rate adjustments		-		-		1,220
Reclassifications		-		(190,790)		191,028
Profit for the year		-		-		24,089
	-----		-----		-----	
Balance at December 31, 2000	DKK	50,343	DKK	-	DKK	206,749
	=====		=====		=====	

Share capital consists of 5,034,328 shares of DKK 10 each.

Struers Holding A/S has issued warrants of a total nominal value of DKK 9,642,000. The issue price amounts to DKK 68 per share of nominal DKK 10 for half the warrants, while the price of the remaining part amounts to DKK 100 per share of nominal DKK 10.

The warrants can be exercised either entirely or partially at any given time until January 30, 2004.

Note 10 Convertible bond loan

The convertible bond loans carry interest and have the status of subordinated loan capital. The lenders are thus subordinated to all creditors whose claims cannot be covered by the Company's funds in case of a bankruptcy. However, the convertible bond loans are always paid before the share capital.

The convertible bond loan can, according to the lender's choice, be converted into shares in the Company until January 30, 2004. The warrants can be exercised at a conversion price of DKK 48-57.

Note 11 Long-term creditors

Of total long-term indebtedness at December 31, 2000, DKK 327.0 million falls due for payment after December 31, 2005.

Note 12 Contingent liabilities

	Dec. 31, 2000

	(000s)
Rent and leasing obligations	DKK 40,284
Guarantee obligations	140
Other obligations	450

Struers Holding A/S and its subsidiaries have contracted with sub-suppliers, etc. The obligation does not exceed DKK 3 million.

The Company has a repurchase obligation regarding the warrants issued.

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Note 13 Financial instruments

The Company has entered into the following forward exchange transactions to hedge turnover after the balance sheet date:

	Contract amount stated at agreed prices	Value at exchange rates at Dec. 31, 2000	Unrealized loss/gain Dec. 31, 2000
	-----	-----	-----
		(in thousands)	
United States dollars	DKK 128,820	DKK 142,604	DKK (1)
Deutsche marks	15,802	15,759	
Japanese yen	111,749	106,796	
British pounds	24,718	25,710	
French francs	5,712	5,689	
Euros	36,676	35,569	
	-----	-----	-----
	DKK 323,477	DKK 332,127	DKK (
	=====	=====	=====

Note 14 Net cash inflow from operating activities before any change in working capital

The following data is for the year ended December 31, 2000 (in thousands).

Profit before interest, etc.	DKK 85,944
Depreciation	40,228
Other	(10,811)

	DKK 115,361
	=====

Note 15 Cash and cash equivalents

Cash and cash equivalents at December 31, 2000 included the following components (in thousands).

Cash at bank and in hand	DKK 75,551
Bank loans and overdrafts	(6,980)

	DKK 68,571
	=====

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Struers Holding A/S and Subsidiaries
Notes to Consolidated Financial Statements

Note 16 Management and employees

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Compensation costs for the year ended December 31, 2000 are presented in the following table (in thousands). Compensation for the management and board of directors of the parent holding company were DKK 3.1 million.

Compensation costs by type:

Wages and salaries	DKK 149,005
Pensions	4,263
Social security	14,325

	DKK 167,593
	=====

Compensation costs by function:

Production	DKK 33,835
Selling and distribution	93,720
Development	13,234
Administration	26,804

	DKK 167,593
	=====

Average number of employees	383
	=====

Note 17 Transactions between Struers Holding A/S and its subsidiaries and major shareholders, the board of directors and management

During the year ended December 31, 2000, Struers Holding A/S and its subsidiaries have not entered into transactions with its board of directors, management, major shareholders or with companies outside the consolidated group of companies in which the persons in question hold interests.

Note 18 Fee to the auditors appointed at the annual general meeting

Total fees charged by KPMG C.Jespersen in respect of the financial year ended December 31, 2000 amount to DKK 26,000. Non-audit fees included amount to DKK 5,000.

Note 19 Significant differences between Danish GAAP and U.S. GAAP

There are differences between Danish GAAP and generally accepted accounting principles in the United States ("U.S. GAAP"). Regarding the Company's financial statements and those items that may have been reported differently had Struers complied with U.S. GAAP, the more significant differences are described below.

Revenue recognition. Under Danish GAAP, the Company accounts for the

revenue associated with service contracts (including preventative maintenance) primarily in the period when service contract work is performed. U.S. GAAP may require revenue recognition to be spread more evenly over the period covered by the service contract.

Derivative financial instruments. Under Danish GAAP, as discussed in Note

13, the Company does not recognize the gain or loss associated with open forward exchange contracts at the balance sheet date. U.S. GAAP requires

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such contracts to be marked to market at the balance sheet date and any resulting gain or loss to be recognized in its results of operations.

Software development costs. Under Danish GAAP, the Company incurred costs -----

related to the installation of a new information system in 2000 and expensed these costs. U.S. GAAP would have required evaluation of the future benefits associated with these costs and would have capitalized certain of those costs expected to benefit future periods. Capitalized costs would be amortized over the future benefit period.

Income taxes. Under Danish GAAP, the Company accrues income taxes during -----

interim periods based on the facts and circumstances that exist during those periods. Under U.S. GAAP, interim income taxes are determined based on the expected facts and circumstances that are expected to occur during the entire fiscal year.

Own shares. Under Danish GAAP, the Company has reported own shares as an -----

asset. Under U.S. GAAP, own shares would have been reported as a component of capital accounts.

Warrants. Under Danish GAAP, the Company has reported the proceeds from the -----

sale of warrants to purchase shares of the Company as other income. Under U.S. GAAP, such proceeds would have been credited to capital accounts.

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Item 7(b) Pro forma financial information

On September 4, 2001, Registrant completed the acquisition of all of the outstanding ownership interests in Struers Holding A/S and its subsidiaries ("Struers"). Total consideration for this transaction was approximately \$151 million of cash. Registrant's financing of this transaction was funded from its existing credit facilities.

The accompanying pro forma financial statements include a balance sheet as of July 31, 2001 (Registrant's most recent quarterly balance sheet prior to the acquisition) and income statements for the nine months ended July 31, 2001 (interim period corresponding with the balance sheet) and year ended October 31, 2001 (Registrant's most recent fiscal year completed prior to the acquisition). The dates for the Struers data correspond with those of the Registrant.

The pro forma information is intended to provide information about the continuing impact of this acquisition by showing how it might have affected Registrant's historical financial statements if the acquisition had been consummated at an earlier time. The accompanying pro forma information presumes this acquisition occurred at the beginning of each period presented. If this acquisition had occurred at an earlier date, the Registrant's subsequent consolidated results might have been different than presented in this pro forma information, and this pro forma information is not necessarily indicative of results that may be reported in the future.

Notes to combining pro forma balance sheet

- A Total costs to complete the acquisition provided by credit facilities, and the elimination of Registrant's pushed-down basis in the net assets of Struers.

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B Repayment of all previously existing indebtedness of Struers and allocation of the remaining costs to the estimated fair values of the net assets acquired.

Notes to combining pro forma income statements

- A Elimination of goodwill amortization included in Struers' historical results. Struers' historical goodwill gets replaced by goodwill resulting from this transaction. This goodwill is not subject to amortization based on the actual date of the acquisition. The historical amortization has been eliminated to be most consistent with what the prospective accounting treatment is for goodwill as reported by Registrant.
- B Amortization of other identified intangible assets reflected in Registrant's allocation of purchase costs to the fair values of net assets acquired.
- C Incremental interest costs associated with Registrant's financing of the acquisition costs at its incremental borrowing rates compared to the historical interest expense reported by Struers that was associated with indebtedness paid off concurrent with the acquisition.
- D Income taxes have been provided at the U.S. statutory rate of 35% on the other pro forma adjustments.

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Struers Holding A/S and Subsidiaries
Combining Pro Forma Balance Sheets (unaudited)
July 31, 2001
(in thousands)

	Roper	Struers	Pro forma entries	
	-----	-----	-----	
Cash and cash equivalents	\$ 28,319	9,166	\$ -	\$
Accounts receivable	102,153	16,753	-	
Inventory	88,366	12,122	-	
Other	4,539	3,491	-	
	-----	-----	-----	
Total current assets	223,377	41,532	-	
Property and equipment	46,392	3,750	-	
Intangible assets	335,838	58,866	61,269	B
Other	10,596	1,367	-	
	-----	-----	-----	
Total assets	\$ 616,203	\$ 105,515	\$ 61,269	\$
	=====	=====	=====	
Notes payable and current portion of long-term debt	\$ 6,999	\$ 802	\$ (802)	B \$
Accounts payable	25,692	3,079	-	
Accrued liabilities	50,024	6,233	-	

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Income taxes	6,040	2,082	-	
	-----	-----	-----	
Total current liabilities	88,755	12,196	(802)	
Long-term debt	212,148	57,341	153,809	A
			(57,341)	B
Other	8,045	1,581	-	
	-----	-----	-----	
Total liabilities	308,948	71,118	95,666	
	-----	-----	-----	
Total equity	307,255	34,397	(153,809)	A
			119,412	B
	-----	-----	-----	
Total liabilities and equity	\$ 616,203	\$ 105,515	\$ 61,269	\$
	=====	=====	=====	

See accompanying notes to combining pro forma balance sheet.

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Roper Industries, Inc. and Subsidiaries
Combining Pro Forma Income Statements (unaudited)
Year Ended October 31, 2000
(in thousands)

	Roper	Struers	Pro forma entries
	-----	-----	-----
Net sales	\$ 503,813	\$ 74,463	\$ -
Cost of goods sold	244,989	29,781	-
	-----	-----	-----
Gross profit	258,824	44,682	-
Selling, general and administrative costs	170,628	35,774	(3,865)
			1,350
	-----	-----	-----
Operating profit	88,196	8,908	2,515
Other income	1,218	222	-
Interest expense	13,483	3,931	3,189
	-----	-----	-----
Earnings before income taxes	75,931	5,199	(674)
Income taxes	26,653	3,059	(236)
	-----	-----	-----

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Net earnings	\$	49,278	\$	2,140	\$	(438)
		=====		=====		=====
Net earnings per share:						
Basic	\$	1.62				
Diluted		1.58				
Average shares outstanding:						
Basic		30,457				
Diluted		31,182				

See accompanying notes to combining pro forma income statements.

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Roper Industries, Inc. and Subsidiaries
Combining Pro Forma Income Statements (unaudited)
Nine Months Ended July 31, 2001
(in thousands)

	Roper	Struers	Pro forma entries
	-----	-----	-----
Net sales	\$ 422,463	\$ 61,290	\$ -
Cost of goods sold	203,245	23,069	-
	-----	-----	-----
Gross profit	219,218	38,221	-
Selling, general and administrative costs	149,925	26,797	(2,732)
	-----	-----	-----
Operating profit	69,293	11,424	1,719
Other income	1,595	473	-
Interest expense	10,933	3,124	2,016
	-----	-----	-----
Earnings before income taxes	59,955	8,773	(297)
Income taxes	21,200	4,017	(104)
	-----	-----	-----
Net earnings	\$ 38,755	\$ 4,756	\$ (193)
	=====	=====	=====
Net earnings per share:			
Basic	\$ 1.26		
Diluted	1.23		
Average shares outstanding:			
Basic	30,722		
Diluted	31,594		

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See accompanying notes to combining pro forma income statements.

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Exhibits

Exhibit No. -----	Description of Exhibit -----
23.1	Consent of independent auditors.
99.1	Acquisition agreements (incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed with the Commission on December 13, 2001 (Commission File No. 1-12273)).

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