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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)
FOR THE FISCAL YEAR ENDED OCTOBER 31, 1997
OR
[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
(NO FEE REQUIRED)

FOR THE TRANSITION PERIOD FROM TO
COMMISSION FILE NUMBER 1-12273

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.)

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160 BEN BURTON ROAD
BOGART, GEORGIA 30622
(Address of principal executive offices) (Zip Code)

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

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

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, $.01 Par Value	New York Stock Exchange
Preferred Stock Purchase Rights with respect to Common Stock, $.01 Par Value	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: NONE

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. [X] Yes [_] No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K ((S) 229.405 of this chapter) 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. [_]

Aggregate market value of the voting stock held by non-affiliates of the registrant, computed by reference to the closing price of such stock, as of December 31, 1997: $875,541,911

Number of shares of Registrant's Common Stock as of December 31, 1997: 30,992,634

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement to be furnished to Shareholders in connection with its Annual Meeting of Shareholders to be held on February 20, 1998, are incorporated by reference into Part III

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PART I

ITEM 1. BUSINESS

Roper Industries, Inc. ("Roper" or the "Company") designs, manufactures and distributes specialty industrial controls, fluid handling and analytical instrumentation products worldwide, serving selected segments of a broad range of markets such as the oil and gas, agricultural irrigation, chemical and petrochemical processing, large diesel engine and turbine/compressor control applications, bulk-liquid trucking, power generation, semiconductor, medical diagnostics, microscopy and scientific research industries.

The Industrial Controls segment's products are manufactured and distributed by Amot Controls Corporation, Richmond, California ("Amot U.S.") and its U.K. affiliate, Amot Controls Ltd., Bury St. Edmunds, England ("Amot U.K.") (Amot U.S. and Amot U.K. are collectively referred to as "Amot"), Compressor Controls Corporation, Des Moines, Iowa ("CCC"), Metrix Instrument Co., L.P., Houston, Texas ("Metrix"), and Petrotech, Inc., New Orleans, Louisiana ("Petrotech").

The Fluid Handling segment's products are manufactured and distributed by Cornell Pump Manufacturing Corporation, Portland, Oregon ("Cornell Pump"), Fluid Metering, Inc., Syosset, New York ("FMI"), FTI Flow Technology, Inc., Phoenix, Arizona ("Flow Technology"), Integrated Designs L.P., Dallas, Texas ("Integrated Designs"), and Roper Pump Company, Commerce, Georgia ("Roper Pump").

The Analytical Instrumentation segment's products are manufactured and distributed by Gatan, Inc., Pleasanton, California ("Gatan"), Instrumentation Scientifique de Laboratoire-ISL, S.A., Verson, France ("ISL"), Princeton Instruments, Inc., Trenton, New Jersey ("Princeton"), Uson L.P., Houston, Texas ("Uson") and its affiliate Industrial Data Systems, Inc., Salt Lake City, Utah ("IDS").

Roper pursues consistent and sustainable growth in sales and earnings by operating and acquiring businesses which manufacture and sell high value-added, highly engineered industrial products and which are capable of achieving and maintaining high margins. This strategy continually emphasizes (i) increasing market share and market expansion, (ii) new product development, (iii) improving productivity and reducing costs, and (iv) acquiring similar businesses. All operating companies achieved year-over-year increases in both sales and operating profits in fiscal 1997, except CCC, whose business in the Commonwealth of Independent States ("CIS")/Eastern Europe region lagged, and Integrated Designs, which continued to confront a cyclical downturn in the semiconductor capital equipment industry. See "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Year Ended October 31, 1997 Compared to Year Ended October 31, 1996."

MARKET SHARE, MARKET EXPANSION AND PRODUCT DEVELOPMENT. The Company competes in many narrowly defined niche markets. Its position in these markets is typically as the market leader or as a highly competitive alternate to the market leader. In those markets where the Company is regionally dominant it seeks to sustain growth through geographic expansion of its marketing efforts and the development of new products for associated markets.

The Company expanded its markets in fiscal 1997 principally by new business acquisitions. The May 1997 acquisition of Princeton complemented Gatan's digital imaging product line and established the Company as a leading supplier of scientific-grade digital camera and imaging products for a variety of market segments. Petrotech, also acquired in May, is a significant turbomachinery controls supplier and complements the business of CCC as well as provides the Company with a new engineering/procurement business. Uson achieved a major expansion of its leak-tester business into the medical products market with its October acquisition of IDS.

The Company's sales of turbomachinery control systems to its principal customer in the CIS, RAO Gazprom, reduced by 19% in fiscal 1997 from the prior year due to difficulties encountered by Gazprom in securing dedicated financing for its purchases. While Gazprom has reconfirmed its commitment to its business with the Company for several more years, the Company will insist that it finance and increase its control system purchases to more acceptable levels in fiscal 1998 and beyond, and if it fails to do so the Company will adjust its supporting infrastructure and reduce, restructure, or, perhaps, abandon this business. See "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Outlook".

INTERNATIONAL SALES. Sales outside the United States continue to play an important part in the Company's overall operating results, particularly for the U.S.-based businesses. In fiscal 1997, 1996 and 1995, the Company's net sales outside the U.S. were 46%, 48% and 43% respectively, of total net sales. International sales declined as a percentage of total sales in fiscal 1997, primarily as a result of the impact of Petrotech which made only 31% of its sales internationally during the five months it was owned by the Company. All of the U.S.-based subsidiaries reported increased levels of international sales reflecting continued penetration of international markets. CCC's international sales accounted for 33% of 1997 international sales, compared to 43% in 1996 and 43% in 1995, reflecting the impact of the Company's acquisition program. Information regarding international operations is set forth in Note 13 of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

GROWTH THROUGH ACQUISITIONS. Continuing its disciplined acquisition strategy, the May 1997 purchases of Princeton and Petrotech, and the October purchase of Uson's IDS unit, represent the Company's largest incremental growth in sales through acquisitions in a single year and a combined investment of $64 million in cash and restricted common stock. With the acquisition of Flow Technology shortly after fiscal year-end, the Company completed its most recent six acquisitions within an eighteen-month period. These acquisitions have been financed principally from borrowings. The Company, whose debt under a revolving line of credit was $98 million at October 31, 1997 (36% of total capitalization), believes it is well positioned for additional acquisitions.

INDUSTRIAL CONTROLS SEGMENT

The Industrial Controls segment's net sales, operating profit (before allocation of corporate administrative costs) and identifiable assets for each of the three most recent fiscal years are set forth in Note 13 of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

ROTATING MACHINERY CONTROL SYSTEMS AND PANELS. The Company manufactures control

systems and panels engineered for applications involving compressors, turbines, and engines in the oil, gas, pipeline, power and marine industries.

INDUSTRIAL VALVE, CONTROL AND MEASUREMENT PRODUCTS. The Company manufactures a variety of valve, sensor, switch and control products used on engines, compressors, turbines and other powered equipment for the oil, gas, pipeline, power, marine and general industrial markets. Most of these products are designed for use in hazardous, explosive environments.

VIBRATION INSTRUMENTATION. The Company manufactures industrial vibration sensors, switches and transmitters for use in the broad industrial controls market. Their applications typically involve turbomachinery, engines, compressors, fans and/or pumps.

DESIGN, BUILD, CONSTRUCT AND INSTALL SERVICES. The Company provides specialized technical services to the product market based defined above and thus offers turnkey solution capability to the customer. Services offered include engineering design, procurement, packaging and site installation.

Those classes of products within the Industrial Controls segment which accounted for least 10% of the Company's consolidated net sales in any of the last three fiscal years are as follows (in thousands):

	YEAR ENDED OCTOBER 31,		
	1997	1996	1995
Rotating machinery control systems and panels	$59,078	$46,402	$38,553
Industrial valve, control and measurement products	34,827	33,689	29,300

The following chart shows the breakdown of sales by market for fiscal 1997 for the Industrial Controls segment:

Industrial Controls Segment

"The pie chart which appears here shows the breakdown of sales by market for fiscal 1997 for the Industrial Controls segment as follows:'

Oil & Gas - Exploration	13%
Marine	3%
Power Generation	10%
Oil & Gas - Pipeline	34%
Oil & Gas - Production	23%
Petrotechemical	6%
General Industrial & Other	11%

BACKLOG. The bulk of this segment's business consists of large engineered oil and/or gas development and transmission projects with lead times of three-to-nine months. Standard products generally ship within two weeks of receipt of order, while shipment of orders for specialty products varies according to the complexity of the product and availability of the required components. The Company enters into blanket purchase orders for the manufacture of products for certain OEMs and end-users over periods of time specified by such customers. The segment's backlog of firm unfilled orders, including blanket purchase orders, totaled $43.6 million as of October 31, 1997, compared to $19.0 million as of October 31, 1996. The largest component of this increase is due to the backlog in 1997 of Petrotech which was acquired in May 1997.

DISTRIBUTION AND SALES. Distribution and sales occurs through direct sales offices, manufacturer's representatives and industrial machinery distributors.

CUSTOMERS. Each of the companies sells to a variety of customers worldwide. 1997 was the fifth consecutive year during which a substantial portion of CCC's control system sales were to Gazprom for pipeline system retrofit and new equipment projects. Gazprom was the largest single customer in this segment for the year, contributing approximately 12% of segment sales and has indicated its desire to continue purchases of control systems for several more years. However, the Company's continuation of its business with Gazprom as presently planned will depend on Gazprom's demonstration of its financial ability to sustain an acceptable, even level of business over that period. See "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Outlook". Even then, this business will continue to be subject to numerous commercial and political uncertainties beyond the Company's control and cannot be assured.

FLUID HANDLING SEGMENT

The Fluid Handling segment's net sales, operating profit (before allocation of corporate administrative costs) and identifiable assets for each of the three most recent fiscal years are set forth in Note 13 of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

GENERAL INDUSTRIAL PUMPS. The Company manufactures a variety of general industrial pumps including (i) rotary gear pumps which operate on the principle of two gears intermeshing and are primarily used for pumping particle-free viscous liquids such as oil and certain fluid products, and specialty rotary gear pumps such as lubricating oil pumps for diesel engines and fuel distribution devices, (ii) progressing cavity pumps whose pumping elements consist of a steel rotor within an elastomeric stator and which are used primarily for handling viscous liquids with suspended solids and abrasive material and is the basis for the Company's "mud motor" used in the oil & gas industry for horizontal drilling, (iii) centrifugal pumps which are primarily non-submersible end suction, single stage pumps used for pumping water and other low-viscosity liquids in agricultural, industrial and municipal applications, and (iv) piston-type metering pumps able to handle most types of chemicals and fluids within low-flow applications and used principally in the medical diagnostics, chemical processing, food processing and agricultural industries.

INTEGRATED DISPENSE SYSTEMS. The Company's microprocessor-based Integrated Dispense

System is used principally in the semiconductor industry to dispense chemicals in precise and repeatable amounts from a single point, to up to three points, in the wafer fabrication process. These highly reliable dispense units incorporate no mechanical displacement, but utilize the application of electronically regulated vacuum pressure.

FLOW METERING PRODUCTS. The Company manufactures turbine flow meters, calibrators and emissions measurement equipment for the space, automotive and other industrial markets.

Those classes of products within the Fluid Handling segment which accounted for at least 10% of the Company's consolidated net sales in any of the last three fiscal years are as follows (in thousands):

	YEAR ENDED OCTOBER 31,		
	1997	1996	1995
General industrial pumps	$71,918	$58,451	$50,615
Integrated Dispense Systems	22,257	27,643	23,358

The following chart shows the breakdown of Fluid Handling segment sales by market for fiscal 1997:

"The pie chart which appears here shows the breakdown of sales by market for fiscal 1997 for the Fluid Handling segment as follows:"

Medical	9%
Agricultural/Irrigation	9%
Municipal Waste Water Treatment	4%
Power Generation	9%
Oil & Gas	5%
Semiconductor	24%
Transportation	4%
General Industrial & Other	36%

BACKLOG. The Fluid Handling companies also make a combination of standard product sales and sales of specifically engineered, application-specific products. Standard products are typically shipped within two weeks of receipt or order, although shipment of FMI blanket order standard products may have a lead time of up to twelve months. Application-specific products typically occur within six-to-twelve weeks following receipt of order, except for certain blanket purchase orders for certain OEMs and other end-users which may extend for more significant periods. This

segment's backlog of firm unfilled orders, including blanket purchase orders, totaled $15.9 million as of October 31, 1997, compared to $19.6 million as of October 31, 1996.

DISTRIBUTION AND SALES. While Integrated Designs sells directly to customers through regional representatives, most other sales are made through stocking and non-stocking distributors, as well as directly to OEMs. Certain products, such as centrifugal pumps, are sold to non-stocking distributors on a "build-to-order" basis.

CUSTOMERS. Roper Pump and Cornell Pump products are widely distributed to customers in both domestic and international markets. Historically, most of Integrated Designs' sales have been to U.S.-based semiconductor manufacturers, with a majority of sales concentrated among a few customers. Approximately 50% of Integrated Designs' 1997 sales were attributable to three customers who were the only customers representing over 5% of its annual sales. FMI has one OEM customer which was responsible for 42% of its fiscal 1997 net sales. This OEM customer's contribution to FMI's sales is customary and it is expected to continue as FMI's dominant customer.

ANALYTICAL INSTRUMENTATION SEGMENT

The Analytical Instrumentation segment's net sales, operating profit (before allocation of corporate administrative costs) and associated identifiable assets for each of the three most recent fiscal years are set forth in Note 13 of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

INDUSTRIAL TESTING AND ANALYSIS PRODUCTS. The Company manufactures and sells (i) automated and manual test equipment to determine certain characteristics of petroleum products, such as flashpoint, viscosity and distillation, and (ii) products and systems to determine leaks and completeness of assemblies and sub-assemblies in the automotive, medical and consumer products industries.

DIGITAL IMAGING PRODUCTS. The Company manufactures and sells extremely sensitive, high-performance charge-coupled device ("CCD") cameras and detectors for a variety of scientific uses, which include transmission electron microscopy, and spectroscopy applications. These products are principally sold for use within academic, government research, semiconductor and material science end-user markets. They are frequently incorporated into OEM equipment.

MICROSCOPY SPECIMEN PREPARATION/HANDLING PRODUCTS. The Company manufactures and sells specimen preparation and handling equipment for use on electron microscopes. These products are incorporated into OEM equipment and also sold as a retrofit for microscopes currently in use within the academic, government research, electronics, and material sciences end-user markets.

Those classes of products within the Analytical Instrumentation segment which accounted for at least 10% of the Company's consolidated net sales in any of the last three fiscal years are as follows (in thousands):

	YEAR ENDED OCTOBER 31,		
	1997	1996	1995
Digital imaging products	$37,181	$7,410	$ -

The following chart shows the breakdown of Analytical Instrumentation segment sales by market for fiscal 1997:

"The pie chart which appears here shows the breakdown of sales by market for fiscal 1997 for the Analytical Instrumentation segment as follows:"

Research	43%
Semiconductor	9%
Oil & Gas	13%
Petrochemical	4%
Automotive	19%
General Industrial & Other	12%

BACKLOG. The Analytical Instrumentation companies have lead times of up to 16 weeks on many of their product sales, although standard products are often shipped within four weeks of receipt of their order. Blanket purchase orders are placed by certain OEMs and end-users with continuing requirements, for fulfillment over specified periods of time. The segment's backlog of firm unfilled orders, including blanket purchase orders, totaled $23.1 million as of October 31, 1997, compared to $17.2 million as of October 31, 1996. This year-over-year increase is attributable to the backlog in 1997 of Princeton, acquired in May 1997.

DISTRIBUTION AND SALES. Distribution and sales is achieved through a combination of manufacturer's representatives, agents, distributors and direct sales offices in both the U.S. and various leading industrial nations.

CUSTOMERS. Each of the companies in the Analytical Instrumentation segment sells to a

variety of customers worldwide, with certain major OEMs in the automotive and microscopy industries having operations globally.

MATERIALS AND SUPPLIERS

Most materials and supplies used by the Company are readily available from numerous sources and suppliers throughout the world which are believed adequate for the Company's needs. Some high-performance components for digital imaging products have been in short supply. The Company believes that this condition equally affects its competitors. Thus far, it has not had a significant adverse effect on sales.

ENVIRONMENTAL MATTERS AND OTHER GOVERNMENTAL REGULATION

The Company is subject to environmental laws and regulations concerning emissions to the air, discharges to waterways and the generation, handling, storage, transportation, treatment and disposal of waste materials. These laws and regulations are constantly changing and it is impossible to predict with accuracy the effect they may have on the Company in the future. It is the Company's policy to comply with all applicable environmental, health and safety laws and regulations.

The Company is subject to various U.S. federal, state and local laws and foreign laws affecting its businesses, as well as a variety of regulations relating to such matters as working conditions and product safety. A variety of state laws regulate the Company's contractual relationships with its distributors and manufacturer's representatives, some of which impose substantive standards on these relationships.

COMPETITION

The Company has significant competition from a limited number of companies in each of its markets. No single competitor competes with the Company over a significant number of product lines. The Company's products compete primarily on the basis of price, performance and innovation.

PATENTS AND TRADEMARKS

The Company owns the rights under a number of patents and trademarks relating to its products and businesses. While it believes that none of its companies is dependent on intellectual property rights, the product development and market activities of CCC, Integrated Designs, Gatan, and FMI have been planned and conducted in conjunction with continuing patent strategies to a greater extent than the other companies. CCC has been granted a series of U.S. and associated foreign patents and a significant portion of 1997 sales of CCC-manufactured products was of equipment which incorporated innovations that are the subject of two patents expiring in 2004 and 2007, respectively.

Integrated Designs was granted a U.S. patent in 1994 related to methods and apparatus claims embodied in its Integrated Dispense System which accounted for virtually all of 1997 sales. The U.S. patent will expire in 2011.

While the Company considers patents, trademarks and tradenames important to operations,

the Company does not believe it is dependent on any single patent or trademark or group of patents or trademarks.

RESEARCH AND DEVELOPMENT

The Company conducts applied research and development to improve the quality and performance of its products to develop new products and enter new markets. Research and development performed by the Company often includes extensive field testing of the Company's products. The Company expended approximately $14.2 million, $8.7 million, and $5.9 million in 1997, 1996, and 1995, respectively, on research and development activities.

EMPLOYEES

As of December 31, 1997, the Company had approximately 2,000 employees in total, of whom approximately 1,600 were located in the U. S.

Amot's U.S. shop employees are represented by the International Association of Machinists. Their collective bargaining agreements have been traditionally negotiated for three-year periods, although the current agreement completed in November 1995 runs until November 1999. Some Amot U.K. employees subscribe to membership in two unions, the Manufacturing, Science and Finance Union and the Transport and General Workers Union. All other Company employees are non-union. Total union membership is less than 100 employees.

Management believes that relations between its employees and the Company are excellent and is not aware of any circumstance which is likely to result in a work stoppage.

ITEM 2. PROPERTIES

Roper's corporate offices, consisting of 9,500 square feet of leased space, are located in Bogart, Georgia, which is adjacent to Athens, Georgia. Each operating company is based at and conducts its principal operations from a single location, which may comprise one or more buildings, with the exception of Pleasanton, California-based Gatan, whose manufacturing facility is in Pittsburgh, Pennsylvania. Several of the Company's subsidiaries have relatively minor sales and service locations, primarily in Europe, Asia and the Far East. The principal operating company properties are as follows:

Location	Type of Property	Owned (sq.ft.)	Leased (sq.ft.)	Industry Segment
Phoenix, AZ	Office/Mfg		32,100	Fluid Handling
Pleasanton, CA	Office		19,400	Analytical Instrumentation
Richmond, CA	Office/Mfg	70,000		Industrial Controls
Verson, France	Office/Mfg		23,000	Analytical Instrumentation
Commerce, GA	Office/Mfg	150,000		Fluid Handling
Des Moines, IA	Office/Mfg		62,600	Industrial Controls
Belle Chasse, LA	Office/Mfg	71,600		Industrial Controls
Trenton, NJ	Office/Mfg	38,000		Analytical Instrumentation
Syosset, NY	Office		27,500	Fluid Handling
Portland, OR	Office/Mfg		55,000	Fluid Handling
Warrendale, PA	Mfg.		24,500	Analytical Instrumentation
Carrollton, TX	Office/Mfg		22,000	Fluid Handling
Houston, TX	Office/Mfg	16,000		Industrial Controls
Houston, TX	Office/Mfg		16,800	Analytical Instrumentation
Bury St. Edmunds, U.K.	Office/Mfg	77,000		Industrial Controls
Totals		422,600	282,900	

The Company considers each facility to be in good operating condition and adequate for its present use and believes that it has sufficient plant capacity to meet its current and anticipated manufacturing requirements.

ITEM 3. LEGAL PROCEEDINGS

The Company is a defendant in various lawsuits involving product liability and other matters, none of which, the Company believes, if adversely determined, would have a material adverse effect on its consolidated financial position or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY-HOLDERS.

No matter was submitted to a vote of the Company's security-holders during the fourth quarter of fiscal 1997.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's single class of common stock issued and outstanding traded under the symbol "ROPR" on the NASDAQ National Market System (the "NASDAQ") from February 1992 through October 31, 1996. On November 1, 1996, trading of the common stock on the NASDAQ ceased and trading on the New York Stock Exchange ("NYSE") commenced under the symbol "ROP". Following is the range of high and low sales prices for the Company's common stock as reported by NASDAQ and the NYSE, respectively, during each of the Company's fiscal 1997 and 1996 quarters, as adjusted for the August 1, 1997 2-for-1 stock split. The last sales price reported by the NYSE on December 31, 1997, was $28.250.

		HIGH	LOW
1997	1/st/ QUARTER	$21.938	$18.563
	2/nd/ QUARTER	23.063	19.750
	3/rd/ QUARTER	28.750	20.188
	4/th/ QUARTER	34.875	25.500
1996	1/st/ Quarter	20.500	17.375
	2/nd/ Quarter	26.375	19.500
	3/rd/ Quarter	24.625	18.000
	4/th/ Quarter	24.750	17.500

Based on information available to the Company and its transfer agent, the Company believes that as of December 31, 1997 there were approximately 306 record holders of its common stock.

DIVIDEND POLICY. The Company has declared a cash dividend in each fiscal quarter since its February 1992 initial public offering. Giving effect to a September 1993 and August 1997 2-for-1 stock splits, its initial quarterly dividend rate was $.01 per share. The quarterly rate was increased to $.015 per share contemporaneously with the 1993 stock split, to $.025 per share in the 1994 fourth quarter, to $.0375 per share in the 1995 fourth quarter, to $.045 per share in the 1996 fourth quarter and to $.06 per share in the fourth quarter ended October 31, 1997. However, the timing, declaration and payment of future dividends will be at the sole discretion of the Board of Directors and will depend upon the Company's profitability, financial condition, capital needs, future prospects and other factors deemed relevant by the Board of Directors. Therefore, there can be no assurance as to the amount, if any, that will be available for the declaration of cash dividends in the future.

RECENT SALES OF UNREGISTERED SECURITIES. During fiscal 1997 the Company completed three negotiated acquisitions of new businesses or product lines; the May acquisitions of all of the operating assets of Princeton and, by merger, all of the outstanding capital stock of Petrotech, and the October acquisition (through Uson L.P.) of all of the operating assets of IDS. A portion of the purchase price for each of these acquisitions was paid in unregistered shares of

the Company's common stock. These shares were not registered with the Securities and Exchange Commission in reliance upon the exemption from such registration afforded under Section 4(2) of the Securities Act of 1933, as amended, principally because of the limited number of persons to whom the shares were issued. The acquisition agreements provided that the value of the restricted shares paid at closing was to be determined by the average of the closing prices of the Company's common stock reported by the NYSE for each of several days before and/or after the closing date.

The following table sets forth information as to the Company's issuance of unregistered shares of its common stock (adjusted to reflect the August 1997 2-for-1stock split) in connection with new business acquisitions completed during fiscal 1997:

Date	Acquisition	Shares Issued	Agreed Value
5/16/97	Princeton	138,188	$2,640,054
5/30/97	Petrotech	262,296	5,720,000
10/31/97	IDS	14,473	352,000

ITEM 6. SELECTED FINANCIAL DATA

The consolidated selected financial data presented below has been derived from the Company's audited consolidated financial statements and should be read in conjunction with "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" and with the Company's consolidated financial statements and related notes thereto included elsewhere in this Annual Report on Form 10-K. All share data have been restated to reflect 2-for-1 stock splits in August 1997 and September 1993.

	YEAR ENDED OCTOBER 31,				
	1997/(1)/	1996/(2)/	1995/(3)/	1994/(4)/	1993/(5)/
	(Dollars in thousands except per share data)				
OPERATIONS DATA:					
Net sales	$ 298,236	$ 225,651	$ 175,421	$ 147,683	$ 132,530
Gross profit	153,389	115,924	93,803	78,384	68,425
Income from operations	60,870	47,272	37,411	32,930	30,320
Earnings before accounting changes	36,350	28,857	23,271	20,862	19,058
Accounting Changes/6/	-	-	-	(720)	-
Net earnings applicable to common shares	$ 36,350	$ 28,857	$ 23,271	$ 20,142	$ 19,058
PER SHARE DATA:					
Net earnings applicable to common shares	$ 1.16	$ 0.93	$ 0.77	$ 0.67	$ 0.64
Dividends	$ 0.195	$ 0.158	$ 0.113	$ 0.070	$ 0.045
BALANCE SHEET DATA:					
Working capital	$ 86,954	$ 45,007	$ 38,077	$ 32,406	$ 13,973
Long-term debt, less current portion	99,638	63,373	20,150	16,683	9,909
Stockholders' equity	177,869	137,396	105,595	82,864	62,408
Total assets	329,320	242,953	155,381	121,982	94,210

(1) Reflects inclusion of Gatan and FMI for the full year as compared to five months in the prior year; and inclusion of Princeton (5 months), Petrotech (5 months) and IDS (balance sheet only) in 1997.
(2) Reflects inclusion of Uson for the full year as compared to eight months in the prior year; inclusion of Metrix for full year as compared to one month in the prior year; and inclusion of Gatan and FMI for five months in 1996.
(3) Reflects inclusion of ISL for the full year as compared to two months in the prior year; and inclusion of Uson and Metrix for eight months and one month, respectively, in 1995.
(4) Reflects inclusion of Integrated Designs for the full year as compared to one month in the prior year.
(5) Reflects inclusion of Integrated Designs for one month.
(6) Cumulative effect of adopting SFAS No. 106 and No. 109.

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

The following discussion should be read in conjunction with the Company's consolidated financial statements and selected financial data included elsewhere in this Annual Report on Form 10-K.

RESULTS OF OPERATIONS

GENERAL

The following tables set forth selected information for the years indicated. Amounts are dollars in thousands and percentages are of net sales.

	YEAR ENDED OCTOBER 31,		
	1997	1996	1995
Net sales	100.0%	100.0%	100.0%
Cost of sales	48.6	48.6	46.5
Gross profit	51.4	51.4	53.5
Selling, general and administrative expenses	31.0	30.5	32.2
Income from operations	20.4	20.9	21.3
Interest expense	2.0	1.4	1.1
Other income	0.1	0.1	0.3
Earnings before income taxes	18.5	19.6	20.5
Income taxes	6.3	6.8	7.3
Net earnings	12.2%	12.8%	13.2%

	YEAR ENDED OCTOBER 31,					
	1997		1996		1995	
	$	%	$	%	$	%
INDUSTRIAL CONTROLS: /(1)(2)/						
Net sales	123,129		98,197		75,032	
Gross profit	61,756	50.2	52,468	53.4	43,170	57.5
Operating profit /(3)/	22,402	18.2	21,075	21.5	14,110	18.8
FLUID HANDLING: /(4)/						
Net sales	94,175		86,094		73,973	
Gross profit	43,213	45.9	38,686	44.9	35,665	48.2
Operating profit /(3)/	25,853	27.5	24,026	27.9	23,132	31.3
ANALYTICAL INSTRUMENTATION: /(5)(6)(7)/						
Net sales	80,932		41,360		26,416	
Gross profit	48,420	59.8	24,770	59.9	14,968	56.7
Operating profit /(3)/	18,292	22.6	6,377	15.4	3,819	14.5

/(1)/ Includes results of Metrix from September 29, 1995.
/(2)/ Includes results of Petrotech from May 30, 1997.
/(3)/ Excludes any allocation of corporate administrative costs. Such costs were $5,677 in 1997, $4,206 in 1996 and $3,650 in 1995.
/(4)/ Includes results of FMI from May 23, 1996.
/(5)/ Includes results of Uson from February 28, 1995.
/(6)/ Includes results of Gatan from June 1, 1996.
/(7)/ Includes results of Princeton from May 17, 1997.

YEAR ENDED OCTOBER 31, 1997 COMPARED TO YEAR ENDED OCTOBER 31, 1996

Net sales for 1997 of $298.2 million represents the fifth consecutive year that the Company has established a record high. Sales were $225.7 million in 1996. The increased sales during 1997 were due mostly to the inclusion of the results of Gatan and FMI for the entire year (each of these companies was acquired during May 1996 and combined, contributed $30.8 million of additional revenues) and the inclusion of Princeton and Petrotech for part of 1997 (each of these companies was acquired during May 1997 and combined, contributed $42.6 million of sales in 1997). Excluding these four companies, net sales for 1997 was approximately the same as 1996.

Metrix and Uson each had very strong sales growth in 1997 (in excess of 20%) primarily due to increased volume. Integrated Designs reported decreased sales of about 20% due to continued adverse conditions affecting the cyclical semiconductor equipment industry. Integrated Design's sales continue to significantly trail the level reported during the first two quarters of 1996. ISL reported sales about 16% lower in 1997 compared to 1996. The largest reason for ISL's decreased sales was the strengthened U.S. Dollar during 1997 relative to the French Franc (about 10%), the functional currency for most of ISL's sales. Another factor contributing to ISL's lower sales was its restructuring which resulted in the disposal of small sales subsidiaries in the U.K. and Brazil. CCC also reported lower sales (about 4%) in 1997 compared to 1996. CCC had significant sales to its primary customers in the CIS, RAO Gazprom, and Ukraine Gazprom during 1996 ($23.3 million) that exceeded comparable 1997 sales ($14.9 million). Both of these customers were unable to finalize their respective financing programs to make purchases at similar levels in 1997.

Net sales for the Industrial Controls segment (up $24.9 million, or 25%) increased mostly due to the inclusion of Petrotech for the last five months of 1997. The increased sales at Metrix was largely offset by a sales decline at CCC, where 18% gains in the core business were more than offset by declines in the CIS business as noted above. Net sales for the Fluid Handling segment (up $8.1 million, or 9%) increased mostly due to the inclusion of FMI for all of 1997 compared to only five months in 1996. The decrease in Integrated Designs sales was partially offset by higher sales at Roper Pump. Net sales for the Analytical Instrumentation segment (up $39.6 million, or 96%) increased mostly due to the inclusion of Gatan for all of 1997 compared to the last five months of 1996 and the inclusion of Princeton since its acquisition in May 1997. The increased sales reported by Uson were largely offset by decreased sales by ISL.

The increase in gross profit in 1997 ($153.4 million in 1997 compared to $115.9 million in 1996) is also due mostly to Gatan, FMI, Princeton and Petrotech which were acquired over the past two years. Excluding these companies, gross profit increased $3.4 million in 1997 even though sales were relatively flat. Gross profit increased in each of the operating companies except for Integrated Designs and ISL, whose decreases were directly related to decreased sales. Despite the drop in sales, CCC's gross profit improved due to a favorable product mix and certain cost reduction efforts.

Industrial Controls gross profit increased (up $9.3 million, or 18%) mostly due to the inclusion of Petrotech ($5.8 million) for the last five months of 1997. Gross profit also increased at CCC ($2.6 million) as discussed previously. Fluid Handling gross profit increased (up $4.5 million, or 12%) mostly due to including FMI for a full year compared to only part of 1996. Analytical Instrumentation gross profit increased (up $23.6 million, or 95%) mostly due to the inclusion of

Gatan for all of 1997 compared to only part of 1996 ($14.1 million) and the inclusion of Princeton for the latter part of 1997 ($9.4 million).

The overall gross profit percentage in 1997 equals that of 1996 (51.4%), despite the increased profitability mentioned earlier. This is due to the acquisition of Petrotech, whose typical gross profit percentage is significantly less than that of the Company's other operating units. Excluding Petrotech, the Company would have reported consolidated gross profit of 54.0%, or an increase of 2.6% compared to 1996. This increase is mostly due to the product mix and cost improvements at CCC, whose gross margin percentage is up almost 8% compared to 1996 and the high margins on increased sales at Gatan (full year vs. partial year). Excluding Petrotech, Industrial Controls would have reported gross profit of 57.1% compared to 53.4% in 1996 due to the improvements at CCC. Gross profit percentages in 1997 for the Fluid Handling and Analytical Instrumentation segments are each within about 1% of the amounts reported in 1996. Other than CCC, the gross profit percentages reported by each of the Company's operating units are considered relatively comparable between 1997 and 1996 (within 5%).

Selling, general and administrative expenses ("SG&A") increased $23.9 million, or 34.8%, during 1997 compared to 1996. Most of the increase ($18.4 million) is due to the additional costs associated with those companies acquired during the past two years. CCC also reported additional costs of $5.5 million, mostly due to efforts over the past eighteen months to increase the infrastructure supporting the anticipated increased business with RAO Gazprom and other opportunities in the area.

SG&A expenses for Industrial Controls increased (up $8.0 million, or 25%) mostly due to the additional costs reported at CCC and the inclusion of Petrotech ($2.9 million). SG&A expenses for Fluid Handling increased (up $2.7 million, or 18%) mostly due to the full year vs. partial year effects of FMI ($2.0 million). SG&A expenses for Analytical Instrumentation increased (up $11.7 million, or 64%) mostly due to the full year vs. partial year effects of Gatan ($7.7 million) and the inclusion of Princeton in 1997 ($5.8 million). Partially offsetting these increases were decreased costs at ISL due to the benefits of the restructuring program executed early in 1997 and exchange rate fluctuations.

As a percentage of sales, consolidated SG&A expenses was 31.0% in 1997 compared to 30.4% in 1996. Most of the increase is due to higher research and development ("R&D") spending ($14.2 million in 1997, 4.8% of sales, compared to $8.7 million in 1996, 3.9% of sales) associated with the higher technology products at Gatan and Princeton. These two companies account for $4.2 million of the increase. Other R&D spending increases reflect a continuing commitment to new product development at all companies. Selling expenses and administrative expenses decreased slightly as a percentage of sales (less than 1%) as a result of volume leverage and cost containment programs.

Interest expense increased $2.8 million during 1997 compared to 1996. This increase is due to the full-year effect of the additional borrowings used to finance most of the acquisition costs of Gatan and FMI (each acquired in May 1996) and the partial-year effect of the 1997 acquisitions of Princeton and Petrotech.

The Company's effective tax rate was 34.0% in 1997 compared to 34.8% in 1996. The lower effective tax rate in 1997 results from greater utilization of Foreign Sales Corporation ("FSC")

benefits. Utilization of the Company's FSC essentially results in income taxes on U.S. export sales being at about one-third of the U.S. statutory rate. The recently acquired Gatan, Princeton and Petrotech all have significant export sales.

Reflecting the foregoing, net earnings were $36.4 million, or $1.16 per common share, in 1997 compared to $28.9 million, or $0.93 per common share, in 1996. All per share amounts have been adjusted to reflect the 2-for-1 stock split (in the form of a 100% stock dividend) that was paid on August 1, 1997.

Bookings during 1997 ($297.6 million) increased 29% compared to 1996 ($230.4 million). Most of this increase is due to the impact of the companies acquired over the past two years ($61.2 million). Excluding these companies, bookings during 1997 increased 3% compared to 1996. This increase is due to strength in the Industrial Controls segment (up 8%, mostly due to Amot and Metrix). Fluid Handling and Analytical Instrumentation each reported slightly lower bookings in 1997 for those companies included in all of both 1997 and 1996 (no individual company changed greater than 10%). On a pro forma basis to include Gatan and FMI bookings since November 1, 1995 and Princeton and Petrotech bookings since the comparable date in 1996 as their acquisition date in 1997, bookings are up 4% in 1997 compared to 1996.

Sales order backlog was $82.6 million and $56.2 million at October 31, 1997 and 1996, respectively. Most of the increase ($21.0 million) represents the backlog at Princeton and Petrotech, which were acquired during 1997. On a pro forma basis to include these companies backlog at October 31, 1996, the 1997 backlog is 5% greater than 1996.

YEAR ENDED OCTOBER 31, 1996 COMPARED TO YEAR ENDED OCTOBER 31, 1995

Net sales for 1996 of $225.7 million were at record levels for the fourth consecutive year, reflecting an increase of 29% over 1995. Each of the Company's business segments achieved double-digit sales growth. For the Industrial Controls segment net sales increased by $23.2 million, or 30%. A 31% increase in net sales from CCC, despite a modest 9% increase in its business with RAO Gazprom, and the inclusion of Metrix for a full year, were the primary contributors to the increase. The CCC sales gains included the first significant orders shipped to customers other than RAO Gazprom in the CIS following establishment of a significant local infrastructure. Also, CCC made significant gains in other international markets for processing plant compressor controls. Other contributors to sales gains within the Industrial Controls segment included favorable market conditions in certain of the core markets and incremental sales on new products. The Fluid Handling segment experienced net sales gains of $12.1 million, or 16%, with the inclusion of FMI for five months and the continued growth from Cornell Pump and Integrated Designs. This offset a 4% decline in Roper Pump's net sales resulting from weak demand in the early quarters for rotary gear and progressive cavity pumps. Record first half sales at Integrated Designs were eroded by lower third and fourth quarter sales as a result of a cyclical decline in the semiconductor industry, but still showed a full year growth of 18% from continued international market gains, particularly in Asia. The Analytical Instrumentation segment reported net sales increases of $14.9 million, or 57%, with the inclusion of Gatan for five months and net sales gains at the other two businesses. These sales gains were principally attributable to incremental sales on new products, expansion into the medical supplies testing market and international market expansion.

In 1996, net sales to customers outside the United States represented 48% of the total as

compared to 43% in 1995. The leading reasons for international sales growth were the acquisition of Gatan which made 64% of its sales outside the United States and increasing penetration of European and Pacific Rim markets through the existing Roper infrastructure. Results of foreign operations were not significantly impacted by fluctuations in foreign currency exchange rates in 1996.

Gross profit of $115.9 million in 1996 increased by $22.1 million over the same period in 1995, while the gross margin decreased to 51.4% from 53.5% for 1995. This margin reduction was contributed to by similar margin impacts from both Industrial Controls and Fluid Handling segments as offset by improved margins in the Analytical Instrumentation segment. The gross margin for the Industrial Controls segment declined to 53.4% from 57.5%. This was largely attributable to more low margin, buy-out products sold to RAO Gazprom and increased engineering and infrastructure costs supporting CCC's operations in the CIS. The gross margin for the Fluid Handling segment declined to 44.9% from 48.2% in 1995, primarily due to lower margins at Integrated Designs caused by increased discounted sales to OEM's and vendor price increases. The margins at Integrated Designs returned close to historical levels for the last month of the fiscal year. Gross margins for the Analytical Instrumentation segment increased to 59.9% from 56.7% in 1995 reflecting the higher margin rates from the acquisition of Gatan and margin improvements at ISL and Uson, both of which benefited from the leverage of additional volume, cost reduction efforts and price increases on products sold.

SG&A expenses increased by $12.3 million to $68.7 million, an increase of 21.8%. SG&A expenses as a percentage of net sales reduced to 30.5% from 32.2% in 1995. This reduction is attributable to the Industrial Controls segment where SG&A expenses reduced to 31.9% of sales in 1996, from 37.5% in 1995, and was principally the result of lower R&D costs at CCC where the Series 4 design was stabilized and from reduced bonus compensation in 1996. R&D expenses were $8.7 million in 1996, an increase of $2.8 million, reflecting the increased investment required in higher technology products throughout the Company.

Income from operations increased by $9.9 million to $47.3 million. The operating margin declined to 20.9% versus 21.3% in 1995. In the Industrial Controls segment, operating profit (before allocation of corporate administrative expenses) increased by $7.0 million to $21.1 million; 21.5% of sales, principally due to increased sales at CCC and the full year inclusion of Metrix results. Operating profits (before allocation of corporate administrative expenses) of the Fluid Handling segment increased by $0.9 million to $24.0 million; 27.9% of sales, with the inclusion of FMI offsetting margin-related declines at Integrated Designs and volume-related declines at Roper Pump. The Analytical Instrumentation segment increased operating profits by 67% to $6.4 million; 15.4% of sales, largely as a result of the acquisition of Gatan.

Interest expense increased by $1.3 million, or 68%, due to the additional borrowings for the 1996 acquisitions. The decrease in other income results from lower royalties collected under a license fee agreement.

The Company's effective tax rate was 34.8% in 1996 as compared to 35.4% in 1995. The effective tax rate was reduced from the statutory rate largely because of the favorable tax treatment afforded export sales attributed to its FSC and a lower state tax burden.

Reflecting the foregoing, net earnings were $28.9 million or $0.93 per common share, in

1996 as compared to $23.3 million or $0.77 per common share, for 1995.

Bookings for 1996 increased by 7% to $230.4 million (pro forma to include Gatan, FMI, Metrix and Uson for 1995). Sales order backlog was $56.2 million and $36.2 million at October 31, 1996 and 1995, respectively, reflecting a 23% increase in pro forma bookings in the fourth quarter. This increase in bookings included a number of orders which totaled $7 million from Ukrainian Gazprom.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations and credit available under its NationsBank credit agreement are the Company's primary sources of short-term liquidity. In 1997, the Company generated $35.4 million of cash from operations, compared to $33.1 million and $26.2 million in 1996 and 1995, respectively. The increased operating cash flow in 1997 principally resulted from higher earnings which were partially offset by additional investments in working capital.

Working capital increased significantly ($42 million) during 1997 to a total of $87 million at October 31, 1997. Most of the increase ($26 million) is due to the working capital at October 31, 1997 of Princeton, Petrotech and IDS, which were acquired during the year. The major components of the increased working capital are accounts receivable ($28 million, $21 million due to the 1997 acquisitions), inventories ($19 million, $16 million due to the 1997 acquisitions), less current liability increases in accounts payable ($5 million, $4 million due the 1997 acquisitions) and accrued liabilities ($7 million, $6 million due to the 1997 acquisitions).

An additional $6 million of working capital at October 31, 1997 is invested in CCC accounts receivable and inventories compared to last year. CCC has not collected certain receivables, primarily from RAO Gazprom, as anticipated and inventories were built up at October 31, 1997 in anticipation of sales to RAO Gazprom that have been delayed due to continuing financing issues. The Company anticipates that all receivables from RAO Gazprom will be collected and that RAO Gazprom will resolve its financing issues in fiscal 1998. Further shipments to RAO Gazprom may also be affected by RAO Gazprom's ability to secure financing arrangements acceptable to the Company and are subject to uncertainty as described below in "Outlook".

The 1997 acquisitions were financed primarily with long-term debt and equity. At October 31, 1996, approximately $6 million of borrowings under the Company's NationsBank credit facility was classified as current in accordance with the terms of the agreement. During 1997, this agreement was amended and restated such that there are no longer any interim pay-down requirements.

Capital expenditures in 1997 were $5.0 million, compared to $5.0 million and $3.2 million in 1996 and 1995, respectively. Inclusion of Gatan and FMI for a full year in 1997 and Princeton and Petrotech since their acquisition added approximately $1.3 million of capital expenditures in 1997 compared to 1996. Offsetting this increase was decreased spending at other companies. The Company believes that it can absorb anticipated sales growth without any significant expansion in manufacturing facilities, that capital requirements will generally be confined to ongoing replacement and upgrading of current machinery and facilities. Capital expenditures have historically not been very significant (never greater than 3% of sales in recent years) and this trend is expected to continue in 1998. The approximate doubling of the Company's cost for buildings is

attributable to two buildings acquired pursuant to the 1997 acquisitions.

The increase in intangible assets reflects approximately $35 million of additions for the excess of acquisition costs over the fair value of net assets acquired for the three companies that were acquired during 1997 (Princeton - $20.7 million, Petrotech - $8.9 million and IDS - $3.7 million).

The increase in other noncurrent assets and other noncurrent liabilities is primarily a reclassification within the balance sheet to separately reflect liabilities arising from insurable losses and the associated amounts receivable from the insurance companies. The estimated total of insurable settlements and payments by insurance companies is approximately $3 million.

In May 1997 the Company amended and restated its NationsBank then-existing credit agreement raising the borrowing capacity to $200 million, up from $100 million. Total borrowings under this agreement were approximately $98 million at October 31, 1997 compared to approximately $67 million at October 31, 1996. This increase in debt during 1997 resulted primarily from financing the acquisitions of Princeton, Petrotech and IDS. Total cash acquisition costs were approximately $55 million.

Total debt to total capitalization was 36.5% and 33.8% at October 31, 1997 and 1996, respectively, indicating (in management's opinion) a relatively modest level of financial leverage. The slight increase in leverage is due to higher debt levels largely offset by the Company's record earnings and the value of the Company's common stock used to partially fund the acquisitions completed during the year. At October 31, 1997 the Company had $102 million of additional borrowing capacity under its NationsBank credit agreement, the material terms and conditions of which are set out in Note 8 of the Company's consolidated financial statements included elsewhere in this report. Most of the Company's borrowings are LIBOR-based with maturities generally within 30 days. Over longer terms, the Company's interest expense is influenced by the volatility of financial markets. Interest costs are therefore subject to significant changes depending upon the movement of short-term interest rates and other factors. The Company is exploring transactions that would reduce exposure to interest rate fluctuations. No such transactions have currently been entered into.

Total stockholders' equity increased by $40 million to $178 million, an increase of 29%. Major components of this increase include current year net earnings of $36 million and $11 million of the Company's common stock issued pursuant to acquisitions, and stock option exercises. Dividends paid on common stock were $6 million in 1997, an increase of 26% compared to 1996. Increased dividend payments are primarily the result of higher dividend rates per share in 1997 compared to 1996. Quarterly rates in 1997 ranged from 20% to 33% higher than the comparable quarters in 1996. Although the Company has a history of paying dividends each quarter since its IPO in February 1992 and it has increased the dividend rate per share annually since 1993, future dividends and rate changes are at the discretion of the Company's board of directors and cannot be assured.

The Company believes that internally generated cash flow and available unused credit facilities will continue to be adequate to fund normal operating requirements, capital expenditures, debt service costs and dividends. However, the rate at which the Company can reduce its debt in 1998 (and the avoidance of associated interest expense) will be significantly affected by the timing

and magnitude of any financing requirements of any new acquisitions.

The Company has generally been able to hold manufacturing and operating cost increases to levels which are at or below inflation levels. It will continue its aggressive efforts to minimize increases in the prices it pays for materials and services and to implement cost reduction programs to offset the effects of inflation. The Company expects to continue to be successful in passing along any net cost increases to its customers.

OUTLOOK

With incoming orders of about $80 million for each of the last two quarters of 1997 (fourth quarter bookings were about 9% higher than the comparable quarter last year) and a backlog of $82.7 million, the Company expects its three business segments to continue their growth in sales and earnings absent any material adverse change in the market and business conditions.

As previously announced, the Company acquired IDS on October 31, 1997. IDS will be included in the Company's Analytical Instrumentation segment. Effective December 1, 1997 the Company acquired Flow Technology, formerly EG&G Flow Technology, Inc., which will be included in the Company's Fluid Handling segment. The annual sales of these two businesses prior to acquisition was approximately $15 million in total and the Company anticipates these acquisitions will have immediate favorable contributions to earnings. The Company also continues working to close another acquisition of a company that would become a part of its Analytical Instrumentation segment, as previously announced. This transaction is currently undergoing review by the Federal Trade Commission, which has delayed the earliest-case timetable described in the Company's third quarter Form 10-Q. It is also subject to final negotiation and execution of a purchase agreement. Pending satisfactory resolution of these contingencies, the Company expects that it will be able to complete this transaction during the early part of calendar 1998.

The Company has been informed by RAO Gazprom that it will discontinue its efforts to obtain U.S. Export-Import Bank guaranteed financing to fund equipment purchases under an existing turbomachinery controls equipment supply contract with CCC. RAO Gazprom has expressed its continuing commitment to this supply contract and has indicated that funds will be made available in 1998 out of their general credit facilities. However, in light of RAO Gazprom's past difficulties in carrying out its financing intentions, the Company will proceed cautiously until it is reasonably assured that RAO Gazprom can fully fund its business with CCC at the levels and on the schedule provided for in the supply contract.

In the event that RAO Gazprom is unable to provide this assurance by mid-year, the Company may walk away from much or all of this opportunity because of the prohibitive cost of maintaining the infrastructure needed to support such sales. Additionally, such a circumstance may place collection of existing accounts receivable at risk. See Note 10 and Note 13 of the Company's consolidated financial statements in this regard.

The Company believes that most "Year 2000" issues associated with its business systems and products have already been resolved and that there are no further significant costs associated with addressing any remaining matters.

The Company expects to continue an active acquisition program. However, completion of

future acquisitions will be dependent on numerous factors and, unless otherwise indicated, it is not feasible to reasonably estimate when any such acquisitions will occur, what the financing requirements will be or what the impact will be on the Company's activities, financial condition and results of operations.

The Financial Accounting Standards Board has issued several new accounting and reporting standards that are applicable to the Company and will become effective at the Company over the next several years. The issues most applicable to the Company include disclosures related to earnings per share reporting, comprehensive income reporting and business segment reporting. Once adopted, the information to be presented in accordance with these new standards is not expected to significantly affect the Company's disclosures. See Note 1 to the Company's consolidated financial statements for further discussion of the specific new pronouncements.

FORWARD LOOKING INFORMATION

The information provided elsewhere in this report, in other Company filings with the Securities and Exchange Commission and in other press releases or public disclosures contains forward-looking statements about the Company's businesses and prospects as to which there are numerous risks and uncertainties which generally are beyond the Company's control. Some of these risks include the level and timing of future business with RAO Gazprom, the integration and performance of IDS and Flow Technology, the completion of any additional acquisitions and the impact money market volatility can have on the Company's leveraged capital structure. There is no assurance that these and other risks and uncertainties will not have an adverse impact on the Company's future operations, financial condition or financial results.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and supplementary data required by this item begin at page F-1 hereof.

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

Not applicable.

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Roper Industries, Inc.:

We have audited the consolidated financial statements of Roper Industries, Inc. as listed in the accompanying index. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule listed in the accompanying index. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 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 audits provide a 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 Roper Industries, Inc. and subsidiaries as of October 31, 1997 and 1996, and the results of their operations and their cash flows for each of the years in the three-year period ended October 31, 1997, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ KPMG Peat Marwick LLP

Atlanta, Georgia
December 5, 1997

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

October 31, 1997 and 1996

(Dollars in thousands, except share data)

Assets	1997	1996
Current assets:		
Cash and cash equivalents	$ 649	$ 423
Accounts receivable, net	78,752	50,659
Inventories	50,199	31,133
Other current assets	2,290	2,298
Total current assets	131,890	84,513
Property, plant and equipment, net	31,395	23,959
Intangible assets, net	154,255	127,670
Other assets	11,780	6,811
Total assets	$329,320	$242,953
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 15,654	$ 11,004
Accrued liabilities	25,231	17,965
Income taxes payable	1,564	3,723
Current portion of long-term debt	2,487	6,814
Total current liabilities	44,936	39,506
Long-term debt	99,638	63,373
Other liabilities	6,877	2,678
Total liabilities	151,451	105,557
Stockholders' equity:		
Preferred stock, $.01 par value; 1,000,000 shares authorized; none outstanding	-	-
Common stock, $.01 par value; 80,000,000 shares authorized; 30,919,637 and 30,322,972 issued and outstanding at October 31, 1997 and 1996, respectively	309	303
Additional paid-in capital	61,950	50,742
Cumulative translation adjustments	(937)	177
Retained earnings	116,547	86,174
Total stockholders' equity	177,869	137,396
Total liabilities and stockholders' equity	$329,320	$242,953

See accompanying notes to consolidated financial statements.

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

Consolidated Statements of Earnings

Years ended October 31, 1997, 1996 and 1995

(Dollars in thousands, except share data)

	1997	1996	1995
Net sales	$298,236	$225,651	$175,421
Cost of sales	144,847	109,727	81,618
Gross profit	153,389	115,924	93,803
Selling, general and administrative expenses	92,519	68,652	56,392
Income from operations	60,870	47,272	37,411
Interest expense	6,048	3,282	1,952
Other income	278	250	542
Earnings before income taxes	55,100	44,240	36,001
Income taxes	18,750	15,383	12,730
Net earnings	$ 36,350	$ 28,857	$ 23,271
Net earnings per common and common equivalent share	$1.16	$0.93	$0.77
Weighted average common and common equivalent shares outstanding	31,458	30,882	30,260

See accompanying notes to consolidated financial statements.

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity

Years ended October 31, 1997, 1996 and 1995

(Dollars in thousands, except share data)

	Common stock		Additional paid-in	Currency translation	Retained	
	Shares*	Amount*	capital*	adjustments	earnings	Total
Balances at October 31, 1994	29,603,966	$296	$40,049	$ 374	$ 42,145	$ 82,864
Net earnings	-	-	-	-	23,271	23,271
Common stock issued for an acquisition	145,132	2	1,812	-	-	1,814
Exercise of stock options	126,336	1	733	-	-	734
Currency translation adjustments	-	-	-	261	-	261
Cash dividends ($0.1125 per share)	-	-	-	-	(3,349)	(3,349)
Balances at October 31, 1995	29,875,434	299	42,594	635	62,067	105,595
Net earnings	-	-	-	-	28,857	28,857
Common stock issued for an acquisition	248,052	2	5,698	-	-	5,700
Common stock issued under incentive bonus plan	75,106	1	1,351	-	-	1,352
Exercise of stock options	124,380	1	1,099	-	-	1,100
Currency translation adjustments	-	-	-	(458)	-	(458)
Cash dividends ($0.1575 per share)	-	-	-	-	(4,750)	(4,750)
Balances at October 31, 1996	30,322,972	303	50,742	177	86,174	137,396
Net earnings	-	-	-	-	36,350	36,350
Common shares issued for acquisitions	415,407	4	8,708	-	-	8,712
Common stock issued under incentive bonus plan	10,000	-	245	-	-	245
Exercise of stock options (inclusove of tax benefit of $500)	171,258	2	2,255	-	-	2,257
Currency translation adjustments	-	-	-	(1,114)	-	(1,114)
Cash dividends ($0.1950 per share)	-	-	-	-	(5,977)	(5,977)
Balances at October 31, 1997	30,919,637	$309	$61,950	$ (937)	$116,547	$177,869

* Amounts prior to August 1, 1997 have been restated to reflect the 2-for-1 stock split (in the form of a 100% stock dividend) that was paid on August 1, 1997.

See accompanying notes to consolidated financial statements.

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended October 31, 1997, 1996 and 1995

(Dollars in thousands)

	1997	1996	1995
Cash flows from operating activities:			
Net earnings	$ 36,350	$ 28,857	$ 23,271
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization of property, plant and equipment	5,367	4,140	3,251
Amortization of intangible assets	6,033	3,711	2,737
Changes in operating assets and liabilities:			
Accounts receivable	(10,876)	(7,470)	(5,553)
Inventories	2,303	(469)	(2,833)
Accounts payable and accrued liabilities	(2,357)	4,817	3,687
Income taxes payable	(1,585)	(1,909)	1,496
Other, net	168	1,409	163
Net cash provided by operating activities	35,403	33,086	26,219
Cash flows from investing activities:			
Acquisitions of businesses, net of cash acquired	(55,311)	(74,878)	(24,187)
Capital expenditures	(4,984)	(5,010)	(3,194)
Other, net	(163)	5	19
Net cash used in investing activities	(60,458)	(79,883)	(27,362)
Cash flows from financing activities:			
Proceeds from long-term debt	94,845	101,456	38,732
Principal payments on long-term debt	(65,180)	(51,979)	(35,203)
Cash dividends to stockholders	(5,977)	(4,750)	(3,349)
Proceeds from stock option exercises	1,762	1,100	734
Other, net	(116)	(866)	525
Net cash provided by financing activities	25,334	44,961	1,439
Effect of exchange rate changes on cash	(53)	(63)	3
Net increase (decrease) in cash and cash equivalents	226	(1,899)	299
Cash and cash equivalents, beginning of year	423	2,322	2,023
Cash and cash equivalents, end of year	$ 649	$ 423	$ 2,322

See accompanying notes to consolidated financial statements.

(Dollars in thousands, except share data)

(1) Summary of Accounting Policies

Basis of Presentation - The consolidated financial statements include the accounts of Roper Industries, Inc. ("the Company") and its subsidiaries. All significant intercompany accounts and transactions have been eliminated. On August 1, 1997, the Company paid a 2-for-1 stock split on its common stock in the form of a 100% stock dividend. All amounts related to common stock prior to August 1, 1997 have been restated to reflect the stock split.

Cash and Cash Equivalents - The Company considers highly liquid financial instruments with original maturities of three months or less to be cash equivalents.

Accounts Receivable - Accounts receivable are stated net of the allowance for doubtful accounts of $1,866 and $992 at October 31, 1997 and 1996, respectively.

Inventories - Inventories are valued at the lower of cost or market. Subsidiaries of the Company use either the first-in, first-out cost method ("FIFO") or the last-in, first-out cost method ("LIFO"). Inventories valued at LIFO cost comprised approximately 17% and 24% of consolidated inventories at October 31, 1997 and 1996, respectively.

One of the Companies subsidiaries had a decrement in its LIFO reserve during 1997. The impact of this decrement on the Company's consolidated results of operations was immaterial.

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

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

Revenue Recognition - Revenues under certain long-term contracts are recognized under the percentage-of-completion method using the ratio of costs incurred to total estimated costs as the measure of performance. Estimated losses on such contracts are recognized immediately. All other revenue is recognized as products are shipped or services are rendered.

Fair Value of Financial Instruments - The Company's carrying value of long-term debt approximates fair value since the rates are tied to floating rates. The carrying value of all other financial instruments equals or approximates fair value due to their short-term nature.

(Continued)

Intangible Assets - Intangible assets consist principally of goodwill, which is amortized on a straight-line basis over periods ranging from 15 to 40 years. The accumulated amortization for intangible assets was $14,402 and $8,593 at October 31, 1997 and 1996, respectively. The Company accounts for goodwill in a business combination as the excess of the purchase cost over the fair value of the net assets acquired. Other intangible assets are recorded at cost. On an ongoing basis, management reviews the valuation and amortization periods of intangible assets. The Company assesses the recoverability of its intangible assets by determining whether the amortization of the goodwill balance over its remaining life can be recovered through undiscounted future operating cash flows of the acquired enterprise. Based upon such reviews as of October 31, 1997 and 1996, management considers the unamortized balances of goodwill or other intangible assets to be recoverable.

Income Taxes - The Company has not provided deferred taxes on the accumulated undistributed earnings of its foreign subsidiaries, as substantially all such earnings are intended to be permanently reinvested. At October 31, 1997, the accumulated undistributed earnings totaled approximately $8,000. The amount of U.S. tax due if such earnings were repatriated approximates $3,000 and would be substantially offset by allowable foreign tax credits. The Company also has not provided for any foreign withholding taxes due on the repatriation of such earnings.

Research and Development - Research and development costs include salaries and benefits, rents, supplies, and other costs related to various products under development. Research and development costs are expensed in the period incurred and totaled approximately $14,200, $8,700 and $5,900 for the years ended October 31, 1997, 1996, and 1995, respectively.

Foreign Currency Translation - Assets and liabilities of foreign subsidiaries are translated at the exchange rate in effect at the balance sheet date and revenues and expenses are translated at average exchange rates for the year. Translation adjustments are reflected as a separate component of stockholders' equity.

Use of Estimates - Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

Reclassifications - Certain reclassifications were made to prior year amounts to conform to the presentation adopted in fiscal 1997.

(Continued)

(Dollars in thousands, except share data)

Earnings Per Common and Common Equivalent Share - Earnings per common and common equivalent share are calculated based on the weighted average number of restated shares of common stock and common stock equivalents outstanding during the respective periods. The dilutive effect of common stock equivalents is determined using the treasury stock method. Common stock equivalents consist of stock options and deferred stock grants. The fully-diluted results have not been presented since they are not significantly different than the primary results.

A reconciliation between the weighted average actual outstanding shares and the weighted average common and common share equivalents outstanding used for earnings per share calculations is presented below for the years ended October 31:

	1997	1996	1995
Average actual common shares outstanding	30,580	30,112	29,752
Average common stock equivalents outstanding	878	770	508
Primary shares outstanding	31,458	30,882	30,260
Incremental fully-dilutive equivalents outstanding	84	10	152
Fully-diluted shares outstanding	31,542	30,892	30,412

Recently Released Accounting and Reporting Pronouncements - Statement of Financial Standards ("SFAS") 128 - Earnings Per Share ("EPS") establishes standards for computing and presenting EPS. It replaces the presentation of primary EPS with a presentation of basic EPS. Basic EPS will be calculated using income available to common stockholders divided by average shares outstanding (it excludes common stock equivalents that are used in calculating primary EPS). Diluted EPS per SFAS 128 is computed similarly to fully-diluted EPS pursuant to the to-be superceded accounting rules. SFAS 128 is applicable to the Company beginning with its first fiscal 1998 quarter ending January 31, 1998. Early adoption is not permitted. Once adopted, prior period data will be restated. For the Company, basic EPS is expected to be slightly higher than primary EPS.

SFAS No. 130 - Reporting Comprehensive Income establishes standards for reporting comprehensive income and its components. This statement addresses certain items that affect a company's net assets without affecting its income statement. For the Company, the only such item is expected to be foreign currency translation adjustments resulting from its non-U.S. subsidiaries. SFAS 130 is applicable to the Company beginning with fiscal 1998. The impact on the Company's financial statements compared to information presently available is not expected to be significant.

SFAS No. 131 - Disclosures about Segments of an Enterprise and Related Information redefines the way that public companies report information about their business segments. The statement intends to align reportable segments and certain disclosures with how the operations are managed internally. It also modifies certain geographic disclosures to be identified by country instead of geographic region. SFAS 131 is applicable to the Company beginning with its year-end reporting in fiscal 1999. The impact of this statement on the Company's disclosures is not expected to be significant.

(Continued)

(2) Business Acquisitions

On October 31, 1997, a wholly-owned subsidiary of the Company acquired the operating assets of Industrial Data Systems, Inc. ("IDS") for total consideration of approximately $4,800, consisting of $4,400 cash and approximately 14,000 shares of Company common stock. Acquisition costs include approximately $100 of transaction costs incurred by the Company. Goodwill of approximately $3,700 will be amortized over 15 years.

IDS, based in Salt Lake City, Utah, is a leading manufacturer of leak testing instrumentation primarily for the medical and industrial supplies industry.

On May 30, 1997, a wholly-owned subsidiary of the Company completed the acquisition of all of the capital stock of Petrotech, Inc., a Louisiana corporation ("Petrotech"). The purchase price consisted of approximately $6,500 of cash (net of cash acquired) and approximately 263,000 shares of Company common stock. In addition, approximately $8,100 of Petrotech debt was assumed. Other direct costs of the acquisition total approximately $300. The excess of the acquisition costs over the fair value of the net assets acquired (approximately $8,900) is being amortized straight-line over 15 years.

Petrotech provides system integration of control products and systems for turbines and compressors within the oil & gas, pipeline, process control and power generation markets. Petrotech is a recognized market leader and derives a considerable portion of its revenues from manufacturing advanced turbine and compressor control products.

On May 16, 1997, a wholly-owned subsidiary of the Company completed the acquisition of the operating assets of Princeton Instruments, Inc., a New Jersey corporation ("PI"), the real estate occupied by PI at its principal facility in Trenton, New Jersey, and all of the stock of PI's foreign sales affiliates (PI and its foreign affiliates are collectively referred to as "Princeton").

The purchase price consisted of approximately $35,700 of cash (net of cash acquired) and approximately 138,000 shares of Company common stock. Transaction costs and other direct costs of the acquisition total approximately $400. A total of 92,124 shares of Roper common stock was placed in an escrow account to secure certain of the seller's indemnification obligations associated with the acquisition of Princeton. Goodwill of approximately $20,700 is being amortized straight-line over 30 years.

Princeton designs, manufactures and markets spectral and digital imaging cameras and is a technological and market leader worldwide in most of its market segments. Princeton supplies a diverse end-user base that includes the scientific research market, industrial research markets and various industrial process markets.

(Continued)

On May 31, 1996, the Company acquired the stock of Gatan International, Inc. (collectively, with its subsidiaries referred to as "Gatan") for approximately $48,600, net of cash acquired. Costs associated with the acquisition totaled approximately $1,500. Of the total consideration paid, approximately $34,500 represents goodwill and is being amortized over 30 years. Gatan is engaged in the business of manufacturing analytical systems and products used in the operation of transmission and scanning electron microscopes.

On May 22, 1996, the Company acquired the assets of Fluid Metering, Inc. ("FMI") for approximately $30,200, consisting of (i) $23,000 in cash; (ii) 248,052 shares of the Company's common stock; (iii) $1,124 cash paid to FMI June 21, 1996 to fund the redemption of its outstanding debentures; and (iv) $400 in cash to be paid in equal installments on May 22, 1997 and 1998. The cash portion of the purchase price paid at closing was financed under the Company's then-existing credit agreement. Costs associated with the acquisition totaled approximately $509. Of the total consideration paid, $27,200 represents goodwill and is being amortized over 30 years. FMI is engaged in the business of manufacturing low-flow, precision dispense pumps.

On September 29, 1995, the Company acquired the assets of Metrix Instrument Co. ("Metrix") for approximately $11,600 in cash, plus approximately $437 in acquisition costs. Of the total consideration paid, $9,200 represents goodwill and is being amortized over a 20 years. In conjunction with the acquisition of Metrix, the Company also purchased the building in which Metrix operates for $451. Metrix is engaged in the business of manufacturing vibration monitoring equipment for rotating machinery such as engines, turbines, fans, and pumps.

On March 6, 1995, the Company acquired the assets of Uson Corporation ("Uson") for approximately $11,900 in cash and also acquired the stock of Prex Corporation (an affiliate) for 145,132 shares of the Company's stock. Costs associated with these acquisitions totaled approximately $498. Of the total consideration paid, $9,500 represents goodwill and is being amortized over 15 years. Both Uson and its affiliate manufacture microprocessor based control products used for leak testing in the automotive, machine tool, and medical industries.

All of the preceding acquisitions were accounted for using the purchase method of accounting and, accordingly, the assets and liabilities assumed were recorded at their fair values based upon appraisals and other analyses. The results of operations of the acquired companies subsequent to their acquisition by the Company have been included in the consolidated results of operations of the Company.

(Continued)

(Dollars in thousands, except share data)

The following unaudited pro forma summary presents the Company's consolidated results of operations as if the acquisitions during fiscal 1997 and 1996 had occurred at the beginning of fiscal 1996.

	Year ended October 31,	
	1997	1996
Net sales	$333,061	$312,088
Net earnings	37,990	33,532
Net earnings per share	1.20	1.07

(3) Supplemental Cash Flow Information

A summary of annual supplemental cash flow information for the years ended October 31 is as follows:

	1997	1996	1995
Cash paid during the year for:			
Interest	$ 7,409	$ 2,048	$ 1,739
Income taxes, net of refunds received	$ 20,207	$16,203	$11,378
Noncash investing activities:			
Net assets of businesses acquired:			
Fair value of assets, including goodwill	$ 81,431	$82,311	$27,468
Liabilities assumed	(17,408)	(757)	(1,034)
Common stock issued	(8,712)	(5,700)	(1,814)
Cash paid, net of cash acquired	$ 55,311	$75,854	$24,620

(4) Inventories

The components of inventories at October 31 are as follows:

	1997	1996
Raw materials and supplies	$25,729	$19,226
Work in process	13,715	5,905
Finished products	12,398	7,548
Less LIFO reserve	(1,643)	(1,546)
	$50,199	$31,133

(Continued)

(Dollars in thousands, except share data)

(5) Property, Plant and Equipment

The components of property, plant, and equipment at October 31 are as follows:

	1997	1996
Land	$ 1,151	$ 1,171
Buildings	14,034	7,894
Machinery, tooling and other equipment	47,817	41,581
	63,002	50,646
Less accumulated depreciation and amortization	31,607	26,687
	$31,395	$23,959

(6) Accrued Liabilities

Accrued liabilities at October 31 consist of:

	1997	1996
Wages and other compensation	$12,137	$ 8,546
Commissions	4,339	3,326
Other	8,755	6,093
	$25,231	$17,965

(7) Income Taxes

Earnings before income taxes for the years ended October 31 consist of the following components:

	1997	1996	1995
Domestic	$47,704	$36,930	$30,007
Foreign	7,396	7,310	5,994
	$55,100	$44,240	$36,001

Components of the income tax expense for the years ended October 31 are as follows:

	1997	1996	1995
Current:			
Federal	$15,414	$11,492	$ 9,832
State	993	845	1,131
Foreign	2,574	2,630	2,063
Deferred expense (benefit)	(231)	416	(296)
	$18,750	$15,383	$12,730

(Continued)

(Dollars in thousands, except share data)

A reconciliation between the statutory federal income tax rate and the effective income tax rate for the years ended October 31 is as follows:

	1997	1996	1995
Federal statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	1.2	1.3	2.0
Exempt income of Foreign Sales Corporation	(4.0)	(1.7)	(1.2)
Goodwill amortization	1.5	1.6	1.0
Other	0.3	(1.4)	(1.4)
	34.0%	34.8%	35.4%

Components of the deferred tax assets and liabilities at October 31 are as follows:

	1997	1996
Deferred tax assets:		
Postretirement medical benefits	$ 496	$ 446
Reserves and accrued expenses	2,380	1,286
Net operating loss carryforward	805	-
Amortizable intangible assets	4,311	4,738
Total deferred tax assets	7,992	6,470
Deferred tax liabilities:		
Inventories	31	486
Domestic International Sales Corporation	1,072	-
Other	507	634
Total deferred tax liabilities	1,610	1,120
Net deferred tax asset	$6,382	$5,350

The Company has not recognized a valuation allowance as all deferred tax assets are deemed to be realizable against future taxable income.

(8) Long-Term Debt

Long-term debt at October 31 consists of the following:

	1997	1996
NationsBank credit facility	$ 97,914	$67,175
Industrial revenue bonds	1,120	1,445
Other	3,091	1,567
	102,125	70,187
Less current portion	2,487	6,814
	$ 99,638	$63,373

(Continued)

(Dollars in thousands, except share data)

Future maturities of long-term debt for each of the next five yearsending October 31 and thereafter are as follows:

Year ending October 31,	Amount
1998	$ 2,487
1999	475
2000	555
2001	101
2002	98,134
Thereafter	373
	$102,125

NationsBank credit facility

On May 15, 1997, the Company secured a new $200 million revolving credit facility by the amendment and restatement of its principal credit agreement which theretofore had provided for a $100 million facility. Financing under the new agreement continues to be provided by a syndication of financial institutions whose agent is NationsBank, N.A. (South). The agreement requires annual commitment fees ranging from 0.15% to 0.30% on the unused portion of the total credit commitment, payable quarterly.

Borrowings under the NationsBank agreement accrue interest at the Company's option at either a function of the prime rate or LIBOR and are secured only by a pledge of the capital stock of the Company's subsidiaries to the lenders. The interest rate is also influenced by certain financial ratios of the Company. There is a $10,000 sublimit for letters of credit under this agreement. The weighted average interest rate on the outstanding borrowings under this facility was 6.21% at October 31, 1997.

At October 31, 1997, the Company had $102,086 in availability under the NationsBank facility.

The NationsBank credit agreement generally provides for, among other things, restrictions on future acquisitions and maintenance of certain minimum consolidated tangible net worth and other financial ratios. As of October 31, 1997, the Company was in compliance with all such covenants. At October 31, 1997, the Company had approximately $24,000 available for common stock dividends under the most restrictive covenant of this agreement. This agreement is effective through May 31, 2002.

(9) Retirement and Other Benefit Plans

The Company maintains defined contribution retirement plans under the provisions of Section 401 of the Internal Revenue Code covering substantially all domestic employees not subject to collective bargaining agreements. The Company partially matches employee contributions, and its costs related to the plans were $2,530, $2,065 and $1,609 in fiscal 1997, 1996 and 1995, respectively.

(Continued)

The Company also maintains a defined benefit retirement plan covering employees of a foreign subsidiary. The costs associated with this plan are not material.

The Company also provides postretirement medical benefits for employees at several of its domestic subsidiaries. The costs associated with this plan and accumulated benefit obligations are not material.

(10) Contingencies

The Company, in the ordinary course of business, is the subject of, or a party to, various pending or threatened legal actions, including those pertaining to product liability. The Company is vigorously contesting all product liability lawsuits which, in general, are based upon claims of the kind which have been customary over the past several years. Based upon the Company's past experience with resolution of its product liability 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, and that the ultimate liability, if any, arising from these actions should not have a material adverse effect on the consolidated financial position or results of operations of the Company. Included in other noncurrent assets at October 31, 1997 are estimated insurable settlements receivable from insurance companies of approximately $3,000.

Over the past four years, one of the Company's subsidiaries, Compressor Controls, has made sales of approximately $127 million to large natural gas distribution companies in the CIS ("Commonwealth of Independent States"). Certain of this business has been on an open account basis. Included in accounts receivable at October 31, 1997 are amounts due from and acknowledged by such customers totaling $14,062, of which $10,234 is due from RAO Gazprom (a Russian energy company). The collection period of these open accounts receivable has been significantly longer than experienced in the Company's core business. Furthermore, the economic and political climate for these companies may be subject to change such that recovery may become uncertain. Management has closely reviewed the continuing pattern of debt collection and considers all amounts to be recoverable at this time.

(11) Common Stock Transactions

The Company's restated Certificate of Incorporation provides that each outstanding share of the Company's common stock entitles the holder thereof to five votes per share, except that holders of outstanding shares with respect to which there has been a change in beneficial ownership during the four years immediately preceding the applicable record date will be entitled to one vote per share.

The Company had an incentive stock bonus plan with an executive of one of its subsidiary companies that provided for the issuance of up to 10,000 shares of the Company's common stock based on the financial performance of the subsidiary company for a 12 month period ended during fiscal 1997. All 10,000 shares were earned and distributed during 1997.

(Continued)

The Company had another incentive stock bonus plan for certain key executives at one of its other subsidiary companies. This plan provided for the issuance of up to a maximum of 124,000 common shares per year if the agreed-upon financial performance objectives were achieved and covered the four-year period ended October 31, 1996. Under the plan, participants could elect to apply a portion of the shares earned, based on market value at the date of issuance, to fund the withholding tax requirement. In 1995, the maximum number of shares was earned; the actual number of shares issued was less because certain recipients opted to apply a portion of their award to tax withholdings. No shares were earned in 1996.

In July 1996, the Company entered into an incentive stock bonus agreement with one of its corporate executives. This agreement provides for the issuance of 20,000 common shares if agreed-upon stock performance objectives are achieved. The agreement is without a time limit.

On January 8, 1996, the Company's Board of Directors (the "Board") adopted a Shareholder Rights Plan and declared a dividend of one Preferred Stock Purchase Right (a "Right") for each outstanding share of common stock. Such Rights only become exercisable, or transferable apart from the common stock, ten business days after a person or group acquires various specified levels of beneficial ownership, with or without the Board's consent. Two Rights may be exercised to acquire one one-thousandth of a newly issued share of the Company's Series A Preferred Stock, at an exercise price of $170, subject to adjustment. Alternatively, upon the occurrence of certain specified events, the Rights allow holders to purchase the Company's common stock having a market value at such time of twice the Right's exercise price. The Rights may be redeemed by the Company at a redemption price of $.01 per Right at any time until the tenth business day following public announcement that a 20% position has been acquired or ten business days after commencement of a tender or exchange offer. The Rights will expire on January 8, 2006.

(12) Stock Options

The Company has a Stock Option Plan (the "Plan"), as amended, which authorizes the issuance of up to 3,500,000 shares of common stock to certain directors, key employees, and consultants of the Company and its subsidiaries as incentive and/or nonqualified options. Options under the Plan may be granted through December 17, 2001 at prices not less than 100% of market value of the underlying stock at the date of grant. These options vest ratably over a five-year period from the date of the grant. Options expire ten years from the date of grant. Payment of the option price may be made in cash, extension of loans by the Company, or by tendering shares of the Company's common stock having a fair market value equal to the aggregate option price.

(Continued)

(Dollars in thousands, except per share data)

The Company also has a stock option plan for non-employee directors (the "Non-employee Director Plan"). The Non-employee Director Plan provides for each Non-employee director appointed or elected to the Board initial options to purchase 20,000 shares of the Company's common stock and thereafter options to purchase an additional 4,000 shares per annum under terms and conditions similar to the Plan, except that following their grant, all options will become fully vested at the time of the Annual Meeting of Shareholders in the next fiscal year and will be exercisable ratably over five years from the date of grant.

SFAS No. 123 - Accounting for Stock-Based Compensation modifies the accounting and reporting standards for the Company's stock-based compensation plans. SFAS 123 provides that stock-based awards be measured at their fair value at the grant date in accordance with a valuation model. This measurement may either be recorded in the Company's basic financial statements or the pro forma effect on earnings may be disclosed in its financial statements. The Company has elected to provide the pro forma disclosures.

A summary of stock option transactions under these plans is shown below:

	Outstanding options		Exercisable options	
	Number	Average exercise price	Number	Average exercise price
October 31, 1994	1,693,200	$10.65	167,400	$ 6.00
Fiscal 1995 activity:				
Granted	257,200	13.01		
Exercised	(126,336)	6.57		
Canceled	(41,674)	12.46		
October 31, 1995	1,782,390	11.27	410,870	9.61
Fiscal 1996 activity:				
Granted	543,600	19.89		
Exercised	(124,380)	8.76		
Canceled	(23,320)	15.15		
October 31, 1996	2,178,290	13.51	676,650	10.43
Fiscal 1997 activity:				
Granted	204,900	22.18		
Exercised	(171,258)	10.29		
Canceled	(79,740)	16.06		
October 31, 1997	2,132,192	$14.51	995,413	$11.58

(Continued)

(Dollars in thousands, except share data)

Options outstanding and exercisable at October 31, 1997 are summarized below.

	Outstanding options			Exercisable options	
Exercise Price	# Options	Weighted avg. exercise price	Weighted avg. remaining life	# Options	Weighted avg. exercise price
$ 3.75 - $10.00	510,036	$ 6.00	5.0 years	416,614	$ 5.82
10.01 - 15.00	396,970	12.10	6.9 years	184,148	12.17
15.01 - 20.00	867,586	17.22	7.0 years	360,771	16.84
20.01 - 24.50	357,600	22.74	9.0 years	33,880	23.03
$ 3.75 - $24.50	2,132,192	$14.51	6.9 years	995,413	$11.58

For pro forma disclosure purposes, the weighted-average grant-date fair value of options granted during the year ended October 31, 1997 and 1996 were $8.66 per share and $7.76 per share, respectively. All options granted during each of the years ended October 31, 1997, 1996 and 1995 were at exercise prices equal to the market price of the Company's common stock when granted.

Grant date fair values were determined using the Black-Scholes option-pricing model. Factors used in the model include (a) a risk-free interest rate of 6.25%; (b) an average expected option life of 7 years; (c) an expected volatility of 20%-27%; and (d) an expected dividend yield of 0.75%.

Had the Company recognized compensation expense for the fair value of options granted during fiscal 1997 and 1996 in accordance with the provisions of SFAS 123, pro forma earnings and pro forma earnings per share would have been as presented below. The pro forma effects on earnings for fiscal 1997 and 1996 do not include the effects of options granted prior to fiscal 1996 since the provisions of SFAS 123 are not applicable to these options for this purpose. The pro forma effects of applying SFAS 123 to fiscal 1997 and 1996 may not be representative of the pro forma effects in future years. Based on the historical vesting schedule of the Company's option grants, the pro forma effects on earnings are most pronounced in the early years following each grant. The timing and magnitude of any future option grants is at the discretion of the Company's Board and cannot be assured.

	1997	1996
Net earnings, as reported	$36,350	$28,857
Net earnings, pro forma	35,110	27,917
Net earnings per share, as reported	$ 1.16	$ 0.93
Net earnings per share, pro forma	1.12	0.90

(Continued)

(13) Segment and Geographic Area Information

The Company's operations are grouped into three business segments: the Industrial Controls ("IC") segment, the Fluid Handling ("FH") segment and the Analytical Instrumentation ("AI") segment. The Industrial Controls segment's products include thermostatic valves, pneumatic panel components, pressure and temperature sensors, microprocessor-based turbomachinery control systems and associated engineering services, and vibration monitoring instruments. Products included within the Fluid Handling segment are rotary gear, progressing cavity, positive displacement, and centrifugal pumps and precision chemical dispensing products for the semiconductor industry. The Analytical Instrumentation segment's products include petroleum product analysis/test equipment, microprocessor-based leak testers, cooled CCD cameras and detectors and analytical products used in the operation of transmission and scanning electron microscopes.

Sales between geographic areas are primarily of finished products and are accounted for at cost plus a profit margin. Operating profit by business segment and by geographic area is defined as sales less operating costs and expenses. Income and expenses not allocated to business segments or geographic areas include investment income, interest expense, and corporate administrative costs.

Identifiable assets are those assets used exclusively in the operations of each business segment or geographic area, or which are allocated when used jointly. Corporate assets are principally comprised of recoverable insurance claims, cash, deferred compensation assets and property and equipment.

(Continued)

(Dollars in thousands, except share data)

The following table shows net sales, income from operations, and other financial information by industry segment for the years ended October 31:

	IC	FH	AI	Corporate	Total
1997					
Net sales	$123,129	$94,175	$ 80,932	$ -	$298,236
Operating profit	22,402	25,853	18,292	(5,677)	60,870
Identifiable assets	118,386	69,117	134,970	6,847	329,320
Depreciation and amortization	3,712	2,844	4,347	497	11,400
Capital expenditures	1,817	1,693	1,347	127	4,984
1996					
Net sales	$ 98,197	$86,094	$ 41,360	$ -	$225,651
Operating profit	21,075	24,026	6,377	(4,206)	47,272
Identifiable assets	84,845	71,405	84,048	2,655	242,953
Depreciation and amortization	2,909	2,184	2,538	220	7,851
Capital expenditures	1,991	2,300	446	273	5,010
1995					
Net sales	$ 75,032	$73,973	$ 26,416	$ -	$175,421
Operating profit	14,110	23,132	3,819	(3,650)	37,411
Identifiable assets	81,972	39,045	30,590	3,774	155,381
Depreciation and amortization	2,901	1,664	1,225	198	5,988
Capital expenditures	1,066	1,596	432	100	3,194

The Company's Industrial Controls segment has significant business and credit concentrations in the oil and gas related industries. The Company performs ongoing credit evaluations of customers, and allowances are maintained for potential credit losses. Net sales to the Industrial Controls segment's largest customer, RAO Gazprom, were $14,742, $18,311 and $16,831 for the years ended October 31, 1997, 1996, and 1995, respectively.

(Continued)

(Dollars in thousands, except share data)

Summarized data for the Company's U.S. and foreign operations (principally in Europe) for the years ended October 31 are as follows:

	United States	Foreign	Corporate adjustments and elimi-nations	Total
1997				
Sales to unaffiliated customers	$259,583	$38,653	$ -	$298,236
Sales between geographic areas	7,326	3,795	(11,121)	-
Net sales	$266,909	$42,448	$(11,121)	$298,236
Operating profit	$ 59,286	$ 7,267	$ -	$ 66,547
General corporate expenses	-	-	(5,677)	(5,677)
Income from operations	$ 59,286	$ 7,267	$ (5,677)	$ 60,870
Identifiable assets	$292,936	$29,537	$ 6,847	$329,320
1996				
Sales to unaffiliated customers	$195,048	$30,603	$ -	$225,651
Sales between geographic areas	2,334	740	(3,074)	-
Net sales	$197,382	$31,343	$ (3,074)	$225,651
Operating profit	$ 44,497	$ 6,981	$ -	$ 51,478
General corporate expenses	-	-	(4,206)	(4,206)
Income from operations	$ 44,497	$ 6,981	$ (4,206)	$ 47,272
Identifiable assets	$214,751	$25,547	$ 2,655	$242,953
1995				
Sales to unaffiliated customers	$144,141	$31,280	$ -	$175,421
Sales between geographic areas	860	770	(1,630)	-
Net sales	$145,001	$32,050	$ (1,630)	$175,421
Operating profit	$ 34,789	$ 6,272	$ -	$ 41,061
General corporate expenses	-	-	(3,650)	(3,650)
Income from operations	$ 34,789	$ 6,272	$ (3,650)	$ 37,411
Identifiable assets	$125,970	$25,637	$ 3,774	$155,381

Export sales from the United States during the year ended October 31, 1997 were approximately $111,000. These exports were shipped primarily to Asia and the Far East (29%), Europe (23%), Russia (14%) and Canada (10%).

(Continued)

(Dollars in thousands, except share data)

Sales outside the United States account for a significant portion of the Company's revenues and are summarized by business segment and by geographic area as follows:

	IC	FH	AI	Total
1997				
Canada	$ 5,347	$ 4,908	$ 1,069	$ 11,324
Europe	22,125	3,439	18,741	44,305
CIS	15,805	4	734	16,543
Japan	122	2,944	12,959	16,025
Asia and Far East	9,215	2,818	4,453	16,486
South & Central America	7,410	1,264	2,409	11,083
Other	17,407	1,490	3,447	22,344
Total	$77,431	$16,867	$43,812	$138,110
1996				
Canada	$ 3,671	$ 3,861	$ 832	$ 8,364
Europe	23,806	1,994	8,937	34,737
CIS	25,440	-	800	26,240
Japan	77	4,355	3,422	7,854
Asia and Far East	5,347	3,215	2,952	11,514
South & Central America	3,956	1,079	1,738	6,773
Other	8,114	587	3,459	12,160
Total	$70,411	$15,091	$22,140	$107,642
1995				
Canada	$ 3,565	$ 3,482	$ 182	$ 7,229
Europe	20,061	1,846	5,753	27,660
CIS	17,411	-	1,294	18,705
Japan	59	850	261	1,170
Asia and Far East	4,028	1,944	2,069	8,041
South & Central America	1,926	810	1,640	4,384
Other	5,096	360	2,249	7,697
Total	$52,146	$ 9,292	$13,448	$ 74,886

(Continued)

(Dollars in thousands, except share data)

(14) Quarterly Financial Data (Unaudited)

	Fiscal 1997 quarters			
	First	Second	Third	Fourth
Net sales	$55,108	$67,019	$88,523	$87,586
Gross profit	29,436	36,970	44,783	42,200
Net earnings	5,830	10,146	11,630	8,744
Earnings per common share	$ 0.19	$ 0.33	$ 0.37	$ 0.27

	Fiscal 1996 quarters			
	First	Second	Third	Fourth
Net sales	$52,896	$47,105	$59,947	$65,703
Gross profit	29,000	22,500	29,688	34,736
Net earnings	8,809	5,653	6,989	7,406
Earnings per common share	$ 0.29	$ 0.18	$ 0.23	$ 0.23

ROPER INDUSTRIES, INC. AND SUBSIDIARIES

Schedule II - Consolidated Valuation and Qualifying Accounts
for the Years ended October 31, 1997, 1996 and 1995

(In thousands of dollars)

Description	Balance at beginning of year	Additions (deductions) charged (credited) to costs and expenses	Deductions	Other	Balance at end of year
Allowance for doubtful accounts:					
Year ended October 31, 1997	992	1,053	(714)	535	1,866
Year ended October 31, 1996	990	19	(160)	143	992
Year ended October 31, 1995	552	616	(348)	170	990
Reserve for inventory obsolescence:					
Year ended October 31, 1997	1,310	1,037	(516)	222	2,053
Year ended October 31, 1996	605	892	(621)	434	1,310
Year ended October 31, 1995	487	541	(436)	13	605

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

Other is principally the allowance for doubtful accounts and reserve for inventory obsolescence of acquired businesses at the dates of acquisition.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Reference is made to the information included under the captions "BOARD OF DIRECTORS AND EXECUTIVE OFFICERS -- Proposal 1: Election Of Four (4) Directors" and " -- Executive Officers", and "VOTING SECURITIES -- Compliance with Section 16 (a) of the Securities Exchange Act of 1934" contained in the Company's definitive Proxy Statement which relates to the 1998 Annual Meeting of Stockholders of the Company to be held on February 20, 1998 (the "Proxy Statement"), to be filed within 120 days after the close of the Company's 1997 fiscal year, which information is incorporated herein by this reference.

ITEM 11. EXECUTIVE COMPENSATION.

Reference is made to the information included under the captions "BOARD OF DIRECTORS AND EXECUTIVE OFFICERS -- Meetings of the Board and Board Committees; Compensation of Directors", "--Related Transactions", and " -- Compensation Committee Interlocks and Insider Participation in Compensation Decisions", and " COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION" contained in the Proxy Statement, which information is incorporated herein by this reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Reference is made to the information included under the caption "VOTING SECURITIES" contained in the Proxy Statement, which information is incorporated herein by this reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Reference is made to the information included under the caption "BOARD OF DIRECTORS AND EXECUTIVE OFFICERS -- Related Transactions" contained in the Proxy Statement, which information is incorporated herein by this reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a)(1) Consolidated Financial Statements

The Consolidated Financial Statements listed in Item 8 of Part II are filed as a part of this Report.

(a)(2) Consolidated Financial Statement Schedules

The following consolidated financial statement schedule on Page S-1 is filed in response

to this Item. All other schedules are omitted or the required information is either inapplicable or is presented in the consolidated financial statements or related notes:

II. Consolidated Valuation and Qualifying Accounts for the Years Ended October 31, 1997, 1996 and 1995.

(b). Reports on Form 8-K

None

(c). Exhibits

The following exhibits are separately filed with this Annual Report on Form 10-K.

Exhibit No.	Description of Exhibit
*2.1	Asset Purchase Agreement (Princeton Instruments, Inc.)
2.2	Agreement and Plan of Merger (Petrotech, Inc.)
3.1	Amended and Restated Certificate of Incorporation, including Form of Certificate of Designation, Preferences and Rights of Series A Preferred Stock
*3.2	Amended and Restated By-Laws
**4.01	Rights Agreement between Roper Industries, Inc. and SunTrust Bank, Atlanta, Inc. as Rights Agent, dated as of January 8, 1996, including Certificate of Designation, Preferences and Rights of Series A Preferred Stock (Exhibit A), Form of Rights Certificate (Exhibit B) and Summary of Rights (Exhibit C)
*4.02	Third Amended and Restated Credit Agreement dated May 15, 1997 by and between Roper Industries, Inc. and NationsBank, N.A. (South) and the lender parties thereto.
***10.01	Lease of Milwaukee, Oregon Facility
10.02	1991 Stock Option Plan, as amended +
****10.03	Non-employee Director Stock Option Plan +
***10.04	Form of Indemnification Agreement +
10.05	Consulting Agreement (G.L. Ohrstrom & Co.) +
10.06	Consulting Agreement (E.D. Kenna) +

*****10.11	Labor Agreement
21	List of Subsidiaries
23	Consent of Independent Auditors-KPMG Peat Marwick LLP
27	Financial Data Schedule

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* Incorporated herein by reference to Exhibits 2, 3 and 4 to the Roper Industries, Inc. Current Report on Form 8-K filed June 2, 1997.

** Incorporated herein by reference to Exhibit 4.02 to the Roper Industries, Inc. Current Report on Form 8-K filed on January 18, 1996.

*** Incorporated herein by reference to Exhibits 10.8 and 10.10 to the Roper Industries, Inc. Registration Statement (No. 33-44665) on Form S-1 filed December 20, 1991.

**** Incorporated herein by reference to Exhibit 10.3 to the Roper Industries, Inc. Annual Report on Form 10-K filed on January 28, 1994.

***** Incorporated herein by reference to Exhibit 10.3 to the Roper Industries, Inc. Annual Report on 10-K filed on January 25, 1996

\+ Management contract or compensatory plan or arrangement

ROPER INDUSTRIES, INC.
(COMPANY)

By /S/ DERRICK N. KEY — January 16, 1998
- ---
Derrick N. Key
Chairman of the Board, 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 the Company and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/S/ DERRICK N. KEY - --- Derrick N. Key	Chairman of the Board, President and Chief Executive Officer	January 16, 1998
/S/ MARTIN S. HEADLEY - --- Martin S. Headley	Vice President and Chief Financial Officer	January 16, 1998
/S/ KEVIN G. McHUGH - --- Kevin G. McHugh	Controller	January 16, 1998
/S/ W. LAWRENCE BANKS - --- W. Lawrence Banks	Director	January 16, 1998
/S/ LUITPOLD VON BRAUN - --- Luitpold von Braun	Director	January 16, 1998
/S/ DONALD G. CALDER - --- Donald G. Calder	Director	January 16, 1998
/S/ JOHN F. FORT, III - --- John F. Fort, III	Director	January 16, 1998
/S/ E. DOUGLAS KENNA - --- E. Douglas Kenna	Director	January 16, 1998
/S/ GEORGE L. OHRSTROM - --- George L. Ohrstrom	Director	January 16, 1998
/S/ WILBUR J. PREZZANO - --- Wilbur J. Prezzano	Director	January 16, 1998
/S/ GEORG GRAF SCHALL-RIAUCOUR - --- Georg Graf Schall-Riaucour	Director	January 16, 1998
/S/ ERIBERTO R. SCOCIMARA - --- Eriberto R. Scocimara	Director	January 16, 1998
/S/ CHRISTOPHER WRIGHT - --- Christopher Wright	Director	January 16, 1998

EXHIBIT INDEX

Number	Exhibit
2.1	Asset Purchase Agreement (Princeton Instruments, Inc.) incorporated herein by reference to Exhibit 2 to the Roper Industries, Inc. Current Report on Form 8-K filed June 2, 1997
*2.2	Agreement and Plan of Merger (Petrotech, Inc.) entered into on May 14, 1997 by and among Petrotech Acquisition, Inc., Roper Industries, Inc., Petrotech, Inc. and the shareholders of Petrotech, Inc.
3.1	Amended and Restated Certificate of Incorporation, including Form of Certificate of Designation, Preferences and Rights of Series A Preferred Stock
3.2	Amended and Restated By-Laws incorporated herein by reference to Exhibit 3 to the Roper Industries, Inc. Current Report on Form 8-K filed June 2, 1997
4.01	Rights Agreement between Roper Industries, Inc. and SunTrust Bank, Atlanta, Inc. as Rights Agent, dated as of January 8, 1996, including Certificate of Designation, Preferences and Rights of Series A Preferred Stock (Exhibit A), Form of Rights Certificate (Exhibit B) and Summary of Rights (Exhibit C), incorporated by reference to Exhibit 4.02 to the Roper Industries, Inc. Current Report on Form 8-K on January 18, 1996
4.02	Third Amended and Restated Credit Agreement dated May 15, 1997 by and between Roper Industries, Inc. and NationsBank, N.A. (South) and the lender parties thereto, incorporated herein by reference to Exhibit 4 to the Roper Industries, Inc. Current Report on Form 8-K filed June 2, 1997
10.01	Lease of Milwaukee, Oregon Facility incorporated herein by reference to Exhibit 10.8 to the Roper Industries, Inc. Registration Statement (No. 33-44665 on Form S-1 filed December 20, 1991
10.02	1991 Stock Option Plan, as amended
10.03	Non-employee Director Stock Option Plan, incorporated herein by

	reference to Exhibit 10.3 to the Roper Industries, Inc. Annual Report on Form 10-K field on January 28, 1994
10.04	Form of Indemnification Agreement, incorporated herein by reference to Exhibit 10.10 to the Roper Industries, Inc. Registration Statement (No. 33-44665 on Form S-1 filed December 20, 1991
10.05	Consulting Agreement
10.06	Consulting Agreement
10.11	Labor Agreement, incorporated herein by reference to Exhibit 10.3 to the Roper Industries, Inc. Annual Report on 10-K filed January 25, 1996
21	List of Subsidiaries
22	Consent of Independent Auditors-KPMG Peat Marwick LLP
27	Financial Data Schedule

- ---

* The following schedules or similar attachments to the above Exhibit have been omitted and will be furnished supplementally to the Commission upon request.

Exhibits

Exhibit A-1 - A-3	-	Lease Agreements with respect to Leased Real Property
Exhibit B	-	Unaudited Balance Sheet and Income Statement
Exhibit C	-	Aged Receivables
Exhibit D	-	Consolidated Balance Sheets
Exhibit E-1	-	Employment Agreement of Douglas W. Moore
Exhibit E-2	-	Employment Agreement of Terry E. Irwin
Exhibit E-3	-	Employment Agreement of William A. Dyar
Exhibit E-4	-	Non-Competition Agreement of Douglas W. Moore
Exhibit E-5	-	Non-Competition Agreement of Terry E. Irwin
Exhibit E-6	-	Non-Competition Agreement of William A. Dyar
Exhibit F	-	Opinion of Counsel to Acquired Company
Exhibit G	-	Estoppel Letters
Exhibit H	-	Opinion of Counsel to Buyer
Exhibit I	-	Resolutions of Board of Directors
Exhibit J	-	Escrow Agreement

Petrotech Disclosure Schedule

EXHIBIT 2.2

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger ("Agreement") is entered into on May 14, 1997, by and among PETROTECH ACQUISITION, INC., a Delaware corporation (the "Buyer"), ROPER INDUSTRIES, INC., a Delaware corporation and parent of Buyer ("Parent"), PETROTECH, INC., a Louisiana corporation and its wholly-owned subsidiary, PETROTECH INTERNATIONAL, INC., a Louisiana corporation (collectively, "Petrotech") and DOUGLAS W. MOORE, TERRY E IRWIN, WILLIAM A. DYAR, each individual residents of the state of Louisiana and the WILLIAM A. DYAR AND MARGUERITE S. DYAR CHARITABLE REMAINDER TRUST, a trust established under the laws of the state of Louisiana and represented herein by its independent special trustee Timothy Murphy (each of the latter individuals, as well as said trust, a "Shareholder"). The Buyer, Parent, Petrotech and the Shareholders are referred to collectively herein as the "Parties."

This Agreement contemplates a transaction in which Buyer shall merge with Petrotech, with Buyer being the surviving corporation and in connection therewith, the Shareholders will receive certain consideration in the form of cash and shares of capital stock of Parent.

Now, therefore, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows.

1. DEFINITIONS.

"Accredited Investor" has the meaning set forth in Regulation D promulgated under the Securities Act.

"Acquired Company" means Petrotech and Petrotech's interests in Petrotech Europa BV., a Netherlands corporation ("Petrotech Europa").

"Adverse Consequences" means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, penalties, fines, costs, amounts paid in settlement, Liabilities, obligations, Taxes, liens, losses, expenses, and fees, including court costs and reasonable attorneys' fees and expenses; provided, however, that an Indemnified Party shall be obligated to take steps which are reasonable under the circumstances to mitigate any Adverse Consequences.

"Affiliated Group" means any affiliated group within the meaning of Code Sec. 1504(a) (or any similar group defined under a similar provision of state, local, or foreign law).

"Affiliate Leased Real Property" means the leasehold interests in and to the real property and improvements used by Petrotech, which is located at (i) 108 Jarrell Drive, Belle

Chasse, Louisiana, (ii) the annex to the 108 Jarrell Drive property, including, without limitation, the adjacent warehouse, parking lot and other items located therein, and (iii) 150 Keating Drive, Belle Chasse, Louisiana and more particularly described in (S) 3(l)(ii) of the Petrotech Disclosure Schedule.

"Agreed Value" means that price per share of the Parent Shares which is the average of the closing sales prices of the common stock of the Parent on each of the three (3) trading days immediately preceding, on and immediately following (each a "Trading Day") the Closing Date as reported by the New York Stock Exchange ("NYSE").

"Applicable Rate" means the corporate base rate of interest announced from time to time by NationsBank.

"Bank Loan" means that certain loan agreement, dated as of July 20, 1990, by and between Petrotech and Whitney National Bank, with a revolving line of credit in the original amount of $3,050,000, as amended to date with a line of credit of $7,000,000.

"Basis" means any past or present fact, situation, circumstance, status, condition, activity, practice, occurrence, event, incident, action, failure to act, or transaction that forms or would probably form the basis for any specified consequence.

"Business" means the business conducted by the Acquired Company, including without limitation, gas pipeline systems and services, turbo machinery controls, production and wellhead safety controls and related engineering, construction, and training services.

"Buyer" has the meaning set forth in the preface above.

"Buyer Disclosure Schedule" has the meaning set forth in (S) 4 below.

"Cash Consideration" shall have the meaning set forth in (S) 2(c) below.

"Closing" has the meaning set forth in (S) 2(e) below.

"Closing Balance Sheet" has the meaning set forth in (S) 2(f)(i) below.

"Closing Date" has the meaning set forth in (S) 2(g) below.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company Loans" means any and all loans of Petrotech for borrowed money including, without limitation, the Bank Loan, the Shareholder Loan and the Sellers Loan.

"Confidential Information" means: (a) confidential data and confidential information relating to the business of any Party (the "Protected Party") which is or has been disclosed to another Party (the "Recipient") or of which the Recipient became aware as a consequence of or through its relationship with the Protected Party and which has value to the Protected Party and is not generally known to its competitors and which is designated by the Protected Party as confidential or otherwise restricted; and (b) information of the Protected Party, without regard to form, including, but not limited to, Intellectual Property, technical or nontechnical data, algorithms, formulas, patents, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product or service plans or lists of customers or suppliers which is not commonly known or available to the public and which information (i) derives economic value from not being generally known to, and not being readily ascertainable by proper means by, other Persons who can obtain economic value from its disclosure or use, and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Notwithstanding anything to the contrary contained herein, Confidential Information shall not include any data or information that (a) has been voluntarily disclosed to the public by the Protected Party, (b) has been independently developed and disclosed to the public by others, (c) otherwise enters the public domain through lawful means, (d) was already known by Recipient prior to such disclosure or was lawfully and rightfully disclosed to Recipient by another Person, or (e) that is required to be disclosed by law or order.

"Controlled Group of Corporations" has the meaning set forth in Code Sec. 1563.

"Delaware Act" shall mean the General Corporation Law of the State of Delaware, as amended.

"Employee Benefit Plan" means any (a) nonqualified deferred compensation or retirement plan or arrangement which is an Employee Pension Benefit Plan (as defined in ERISA Sec. 3(2)), (b) qualified defined contribution retirement plan or arrangement which is an Employee Pension Benefit Plan, (c) qualified defined benefit retirement plan or arrangement which is an Employee Pension Benefit Plan (including any Multiemployer Plan), or (d) Employee Welfare Benefit Plan (as defined in ERISA Sec. 3(1)) or material fringe benefit plan or program.

"Environmental, Health, and Safety Laws" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, and the Occupational Safety and Health Act of 1970, each as amended, together with all other laws (including rules, regulations, state law rulings, codes, plans, permits, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local and foreign governments (and all agencies thereof) concerning pollution or protection of the environment, natural resources, public health and safety, or employee health and safety, including, but not limited to, laws relating to emissions, discharges, releases, or threatened releases of Hazardous Substances in ambient air, surface water, drinking water, wetlands, ground water, or lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, recycling, transport, or handling of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Escrow Agreement" means the Escrow Agreement dated the Closing Date, entered into among the Parties with respect to the indemnification obligations of the Shareholders under (S) 7 of this Agreement, the form of which is set forth as Exhibit J.

"Escrow Funds" shall have the meaning set forth in (S) 7(b)(v).

"Extremely Hazardous Substance" has the meaning set forth in Sec. 302 of the Emergency Planning and Community Right-to-Know Act of 1986, as amended.

"Fiduciary" has the meaning set forth in ERISA Sec. 3(21).

"Financial Statements" shall have the meaning set forth in (S) 3(g).

"GAAP" means United States generally accepted accounting principles as in effect as of the date hereof.

"Hart-Scott-Rodino Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Hazardous Substance" means any substance regulated under or defined by Environmental, Health, and Safety Laws, including, but not limited to, any pollutant, contaminant, hazardous substance, hazardous constituent, hazardous waste, special waste, solid waste, industrial waste, petroleum derived substance or waste, or toxic substance.

"Indemnified Party" has the meaning set forth in (S) 7(d) below.

"Indemnifying Party" has the meaning set forth in (S) 7(d) below.

"Intellectual Property" means with respect to the Business:

(a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof;

(b) all trademarks, service marks, trade dress, logos, trade names and corporate names, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith;

(c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith;

(d) all mask works and all applications, registrations, and renewals in connection therewith;

(e) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals);

(f) all computer software (including data and related documentation);

(g) all other proprietary rights; and

(h) all copies and tangible embodiments thereof (in whatever form or medium).

"Knowledge" means knowledge of the Shareholders, after due inquiry of Petrotech employees with management responsibility in the area of Petrotech operations with respect to which the applicable representation or warranty applies.

"Leased Real Property" means the Affiliate Leased Real Property and the leasehold interests in and to the real property and improvements used by Petrotech, which is located at (i) 7121 North Loop East, Houston, Texas, (ii) 3520 General DeGaulle Drive, Timbers Office Park, New Orleans, Louisiana and (iii) Northway 10, Executive Park, Ballston Lake, New York, and more particularly described in (S) 3(l)(ii) of the Petrotech Disclosure Schedule.

"Louisiana Corporation Act" shall mean the Louisiana Business Corporation Law, LA.R.S. 12:1, et seq., as amended.

"Liability" means any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

"Merger" shall have the meaning set forth in (S) 2 below.

"Merger Consideration" shall have the meaning set forth in Section 2 hereof.

"Multiemployer Plan" has the meaning set forth in ERISA Sec. 3(37).

"Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

"Parent Financial Statements" shall have the meaning set forth in (S) 4(f).

"Parent Shares" means the shares of common stock, par value $.01, of Parent which shares shall be delivered to Petrotech as provided in (S) 2(c) below without registration under, and subject to the restrictions imposed by, the Securities Act.

"Party" has the meaning set forth in the preface above.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Person" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

"Petrotech" has the meaning set forth in the preface above.

"Petrotech Disclosure Schedule" has the meaning set forth in (S) 3 below.

"Petrotech Plans" has the meaning set forth in (S) 3 below.

"Petrotech Shares" means share(s) of the Common Stock, no par value, of Petrotech.

"Process Agent" has the meaning set forth in (S) 8 below.

"Product Warranty Claims" means claims of Petrotech customers and/or users made at any time following Closing in the Ordinary Course of Business with respect to products sold, manufactured, leased or delivered by Petrotech on or prior to the Closing Date which are based on the written terms and conditions set forth in the documentation regarding each project in which Petrotech is engaged.

"Prohibited Transaction" has the meaning set forth in ERISA Sec. 406 and Code Sec. 4975.

"Public Information" means all Forms 10-K, 10-Q, 8-K, and proxy statement of Buyer since December 31, 1996.

"Reportable Event" has the meaning set forth in ERISA Sec. 4043.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Security Interest" means any mortgage, pledge, lien, encumbrance, charge, or other security interest, other than (a) mechanic's, materialmen's, and similar liens, (b) liens for Taxes not yet due and payable or for Taxes that the taxpayer is contesting in good faith through appropriate proceedings, (c) purchase money liens and liens securing rental payments under capital lease arrangements, and (d) other liens arising in the Ordinary Course of Business and not incurred in connection with the borrowing of money.

"Sellers Loan" means those certain four (4) promissory notes executed by Petrotech in favor of Celia Sellers, in the aggregate principal amounts of $200,000; the current principal balance of which is $120,000. The four (4) promissory notes executed by Petrotech in favor of Celia Sellers are as follows: (i) promissory note in the amount of $100,000 executed on December 25, 1995; (ii) promissory note in the amount of $25,000 executed on February 26, 1996; (iii) promissory note in the amount of $50,000 executed on March 6, 1996; and (iv) promissory note in the amount of $25,000 executed on October 21, 1996.

"Shareholder(s)" means Douglas W. Moore, Terry E Irwin, William A. Dyar, and Timothy Murphy, as independent special trustee of the William A. Dyar and Marguerite S. Dyar Charitable Remainder Trust, who are the only shareholders of Petrotech.

"Shareholder Family Trusts" means the Moore Children Trust (Jennifer Lee Moore, beneficiary of one trust and Benjamin Alexander Moore, beneficiary of the second trust) established by act dated December 21, 1993; the Dyar Children Trust (Marie Suzanne Dyar Waldrop, beneficiary of one trust and Debra Lynn Dyar Loga, beneficiary of the second trust) established by act dated December 21, 1993; and the Irwin Children Trust (Terry E Irwin, II, beneficiary of one trust and Tonya Dawn Irwin Rourke, beneficiary of the second trust) established by act dated December 21, 1993.

"Shareholder Loan" means that certain loan, made as of June 7, 1994 in the principal sum of Five Million and no/100 Dollars ($5,000,000.00) or the aggregate unpaid principal amount owed thereon, whichever is less, as evidenced by the internal records of the lenders with interest thereon at the rate of Whitney National Bank Prime plus 1% per annum from date until paid in full, by Douglas W. Moore, Terry E Irwin and William A. Dyar to Petrotech.

"Subsidiary" means any corporation with respect to which a specified Person (or a Subsidiary thereof) owns a majority of the common stock or has the power to vote or direct the voting of sufficient securities to elect a majority of the directors.

"Tax" means any federal, state, local, or foreign income, gross receipts, license payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Sec. 59A), customs duties, capital stock, franchise profits, withholding, social security

(or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

2. MERGER.

(a) At the Effective Time (as hereinafter defined) and subject to the terms and conditions of this Agreement, Buyer shall be merged with Petrotech, in accordance with the relevant provisions of the Louisiana Corporation Act and the Delaware Act, the separate corporate existence of Petrotech shall cease and the Buyer shall continue as the surviving corporation (the "Merger"). The Buyer is the surviving corporation after the Merger and is hereinafter sometimes referred to as the "Surviving Corporation." The Merger shall otherwise have the effect set forth in the Delaware Act.

(b) At the Closing, the parties hereto shall cause the Merger to be consummated by delivering articles of merger to the Secretary of State of Louisiana and the Secretary of State of Delaware executed in accordance with relevant provisions of the Louisiana Corporation Act and the Delaware Act for filing thereby (the time of such filing being the "Effective Time"). The Articles of Incorporation and Bylaws, respectively, of the Buyer as in effect immediately prior to the Effective Time, shall be the Articles of Incorporation and Bylaws of the Surviving Corporation. The officers and directors of Buyer immediately prior to the Effective Time shall be the officers and directors of the Surviving Corporation, in each case, until their respective successors are duly elected and qualified. The corporate name of the Surviving Corporation shall be Petrotech, Inc.

(c) At the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof:

(i) all of the Petrotech Shares shall be converted into, and represent the right to receive in the manner provided in Sections 2(d) and 2(e) below, the sum of (A) that number of shares of Parent Common Stock equal to Six Million Five Hundred Thousand Dollars ($6,500,000.00) divided by the Agreed Value (the "Stock Consideration") plus (B) cash in the amount of Six Million Five Hundred Thousand Dollars ($6,500,000.00) (the "Cash Consideration" and the Stock Consideration collectively, the "Merger Consideration");

(ii) each share of capital stock of Petrotech that is held in the treasury of Petrotech, if any, shall be cancelled and retired and cease to exist and no consideration shall be issued in exchange therefor; and

(iii) each issued and outstanding share of capital stock of Buyer shall be converted into and become one fully paid and non-assessable share of common stock of the Surviving Corporation.

(d) At the Closing Date, the Cash Consideration shall be paid as follows:

(i) $1,324,000 shall be paid to the escrow agent pursuant to the Escrow Agreement to be held and disbursed as provided in Section 7 of the Agreement and the Escrow Agreement; and

(ii) the balance of the Cash Consideration shall be paid as follows: 37.5% thereof to Douglas W. Moore, 37.5% thereof to the William A. Dyar and Marguerite S. Dyar Charitable Remainder Trust and the remaining 25% thereof to Terry E Irwin.

(e) Five (5) days following the Closing Date, Parent shall transmit to Douglas W. Moore, William A. Dyar and Terry E Irwin certificates representing the aggregate Merger Consideration issuable pursuant to Section 2(c) above. Douglas W. Moore and William A. Dyar each shall be entitled to receive 37.5% of the total Stock Consideration and Terry E Irwin shall be entitled to receive the remaining 25% of the total Stock Consideration. At the Closing, each Shareholder shall execute and deliver a letter of transmittal, in a form reasonably satisfactory to Parent and deliver such letter of transmittal to Parent, together with a certificate(s) that immediately prior to the Effective Time represented the Petrotech Shares held by such Shareholder (the "Certificates"). Upon surrender of Certificates to Parent, together with such letter of transmittal, the holder of such Certificates shall be entitled to receive in exchange therefore the Merger Consideration as set forth above and the Certificates so surrendered shall be forthwith cancelled. No fraction of the Parent Shares shall be issued and each Shareholder who would otherwise be entitled to receive a fractional share of Parent Shares (after taking into account all shares then held by such Shareholder) shall receive, in lieu thereof and as a part of the Merger Consideration, one fully-paid and non-assessable share of Parent Shares.

(f) The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Powell, Goldstein, Frazer & Murphy LLP, on May 16, 1997 or such other date as the Parties may agree (the "Closing Date").

(g) Deliveries at the Closing. (i) At the Closing, Petrotech will deliver to the Buyer the various certificates, instruments, and documents referred to in (S) 5(a) below; (ii) the Buyer will deliver to Petrotech the various certificates, instruments, and documents referred to in (S) 5(b) below; (iii) Petrotech and the appropriate Shareholders and the trustees of the Shareholder Family Trusts will execute, acknowledge (if appropriate), and deliver to the Buyer (A) the original lease agreements with respect to the Leased Real Property in the forms attached hereto as Exhibits A-1 through A-3 together with fully executed original amendments thereto in the form attached to said Exhibits and (B) such other documents as the Buyer and its counsel may reasonably request; (iv) the Buyer will execute, acknowledge (if appropriate), and deliver to Petrotech (A) such documents as Petrotech and the Shareholders and their counsel reasonably may request; and (v) the Buyer will deliver to Petrotech the Cash Consideration.

3. REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDERS. The Shareholders jointly and severally represent and warrant to the Buyer and Parent that the statements contained in this (S) 3 are correct and complete as of the date hereof and will be as of the Closing Date, except as specified to the contrary in the disclosure schedule prepared by Petrotech accompanying this Agreement and initialed by Petrotech and the Buyer and as amended or supplemented as of the Closing Date (the "Petrotech Disclosure Schedule"). The Petrotech Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this (S) 3.

(a) Organization of the Acquired Company; Investment Interest.

(i) Petrotech, Inc. is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation; and is duly qualified to conduct business and in good standing in each of the jurisdictions set forth in Schedule 3(a)(i) hereto, which constitute the jurisdictions in which the character of Petrotech, Inc.'s properties or the nature of its Business requires such qualification, except for those jurisdictions where the failure to be so qualified would not have a material adverse effect on the Business of Petrotech, Inc.

(ii) Petrotech International, Inc. is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; and is duly qualified to conduct business and in good standing in each of the jurisdictions set forth in Schedule 3(a)(ii) hereto, which constitute the jurisdictions in which the character of Petrotech International Inc.'s properties or the nature of its Business requires such qualification, except for those jurisdictions where the failure to be so qualified would not have a material adverse effect on the Business of Petrotech International, Inc.

(iii) Petrotech Europa is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; and is duly qualified to conduct business and in good standing in each of the jurisdictions set forth in Schedule 3(a)(iii) hereto, which constitute the jurisdictions in which the character of Petrotech Europa's properties or the nature of its Business requires such qualification, except for those jurisdictions where the failure to be so qualified would not have a material adverse effect on the Business of Petrotech Europa.

(iv) The Petrotech Shares are held of record and beneficially by the Shareholders as described in (S) 3(a)of the Petrotech Disclosure Schedule. All issued and outstanding shares of capital stock of Petrotech International, Inc. are held of record and beneficially by Petrotech, Inc. and fifty-one percent (51%) of the issued and outstanding shares of capital stock of Petrotech Europa are held of record and beneficially by Petrotech, Inc. as described in (S) 3(a) of the Petrotech Disclosure Schedule.

(v) Douglas W. Moore, Terry E Irwin and William A. Dyar, are each Accredited Investors. Each said Shareholder understands that the Parent Shares being acquired by him have not been, and are not proposed to be, registered under the Securities Act or any state securities laws, and are being offered and sold in reliance upon United States federal and state exemptions for transactions not involving any public offering. Each said Shareholder acknowledges that he is acquiring the Parent Shares for investment purposes and not with a view to, or intention to effect, the distribution thereof in violation of the Securities Act or any applicable state securities laws, and that such Parent Shares may not be disposed of in contravention of the Securities Act or any applicable state securities laws. Each said Shareholder represents that he is a sophisticated investor with knowledge and experience in business and financial matters, is able to evaluate the risks and benefits of the investment in Parent Shares, has received the Public Information concerning the Parent and has had the opportunity to obtain additional information as desired in order to evaluate the merits of and the risks inherent in acquiring such Parent Shares.

(b) Authorization of Transaction. Petrotech and each Shareholder has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its, his or their obligations hereunder. Without limiting the generality of the foregoing, the board of directors of Petrotech and the Shareholders of Petrotech have duly authorized the execution, delivery, and performance of this Agreement by Petrotech. This Agreement constitutes the valid and legally binding obligation of Petrotech, enforceable in accordance with its terms and conditions. Petrotech and the Shareholders do not need to give any notice

to, make any filing with, or obtain any authorization, consent, or approval of any governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement other than the notification and approval under the Hart-Scott-Rodino Act.

(c) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Acquired Company or any Shareholder is subject or any provision of the charter or bylaws of the Acquired Company, or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which the Acquired Company or any Shareholder is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Security Interest upon any of its assets).

(d) Brokers' Fees. Neither the Acquired Company nor any Shareholder has any Liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(e) Title to Assets. The assets of the Acquired Company and the Leased Real Property constitute all of the property and assets necessary to conduct the Business as presently conducted. Each Shareholder has the right to convey, and upon the transfer of the Petrotech Shares to the Buyer, each Shareholder will have conveyed good title and interest in and to the Petrotech Shares free and clear of all Security Interests. Petrotech has good title to all of the assets of the Acquired Company free and clear of any Security Interest, except the Company Loans and except as listed on Schedule 3(p)(iv), or restriction on transfer.

(f) Petrotech Shares. The Petrotech Shares constitute all of the issued and outstanding capital stock of Petrotech and are validly issued, fully paid and non-assessable and owned, beneficially and of record, by the Shareholders and no Petrotech Shares are subject to, nor have any been issued in violation of, preemptive or similar rights. All issuances, sales and repurchases of equity interests by the Acquired Company have been effected in compliance with all applicable laws, including, without limitation, applicable federal and state securities laws. The Shareholders have good title to the Petrotech Shares, free and clear of any Security Interest or restriction on transfer, except for the restrictions on transfer set forth in Article VI of the articles of incorporation of Petrotech, which the Shareholders individually and on behalf of Petrotech hereby waive. The stock ledger and other corporate records of the Acquired Company contain a complete and correct record of all issuance and transfer of equity interests of the Acquired Company. There are no preemptive or similar rights on the part of any holder of any Petrotech Shares. No

options, warrants, conversion or other rights, agreements, commitments, arrangements or understandings of any kind obligating Petrotech, contingently or otherwise, to issue or sell any shares of its common stock or any securities convertible into or exchangeable for any such shares or any other securities, are outstanding, and no authorization therefor has been given.

(g) Financial Statements. Attached hereto as Exhibit B is an unaudited balance sheet and income statement of the Acquired Company as of March 31, 1997 (the "Financial Statements"). The Financial Statements present fairly the assets and liabilities of Petrotech as of such date, are prepared in accordance with the historical accounting practices of Petrotech, are correct and complete, and are consistent with the books and records of Petrotech subject to normal year-end audit adjustments.

As of the Closing Date, the total amount owed by Petrotech under the Sellers Loan shall not exceed the principal sum of $120,000; under the Shareholder Loan shall not exceed the principal sum of $1,906,326; and under the Bank Loan shall not exceed the principal sum of $7,000,000.

(h) Events Subsequent to March 31, 1997. Since March 31, 1997, there has not been any material adverse change in the business, financial condition, operations, or results of operations of the Acquired Company. Without limiting the generality of the foregoing, since that date, the Acquired Company:

(i) has not sold, leased, transferred, or assigned any of its assets, tangible or intangible outside the Ordinary Course of Business;

(ii) has not entered into any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses) either involving more than $150,000 (exclusive of customer orders) or outside the Ordinary Course of Business, except as listed on Schedule 3(h)(ii);

(iii) has not and to the Knowledge of the Acquired Company or any Shareholder no party has, accelerated, terminated, modified, or canceled any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses) involving more than $150,000 to which the Acquired Company is a party or by which it is bound, except as listed on Schedule 3(h)(iii);

(iv) has not imposed or permitted any Security Interest upon any of its assets, tangible or intangible, except the continuing Security Interest granted on July 20, 1990 in favor of Whitney National Bank to secure the Bank Loan, and the continuing Security Interest granted on July 7, 1994 in favor of Douglas W. Moore, William A. Dyar and Terry E Irwin to secure the Shareholder Loan;

(v) has not made any capital expenditure (or series of related capital expenditures) either involving more than $150,000 or outside the Ordinary Course of Business, except as listed on Schedule 3(h)(v);

(vi) has not made any capital investment in, any loan to, or any acquisition of the securities or assets of, any other Person, except as listed on Schedule 3(h)(vi);

(vii) has not issued any note, bond, or other debt security or created, incurred, assumed, or guaranteed any indebtedness for borrowed money or capitalized lease obligation other than performance bonds issued in the Ordinary Course of Business, and except as listed on Schedule 3(h)(vii);

(viii) has not delayed or postponed the payment of accounts payable or other Liabilities outside of the Ordinary Course of Business, except as listed on Schedule 3(h)(viii);

(ix) has not canceled, compromised, waived, or released any right or claim (or series of related rights and claims) outside the Ordinary Course of Business, except as listed on Schedule 3(h)(ix);

(x) has not granted any license or sublicense of any rights under or with respect to any Intellectual Property, except as listed on Schedule 3(h)(x);

(xi) has not changed or authorized any change in its charter or bylaws;

(xii) has not experienced any material damage, destruction, or loss (whether or not covered by insurance) to its property, except as listed on Schedule 3(h)(xii);

(xiii) has not made any loan to, or entered into any other transaction with, any of its directors, officers, and employees, other than normal advances to employees (excluding the Shareholders) in the Ordinary Course of Business, and except as listed on Schedule 3(h)(xiii);

(xiv) has not entered into any employment contract or collective bargaining agreement, written or oral, or modified the terms of any existing such contract or agreement, except as listed on Schedule 3(h)(xiv);

(xv) has not granted any increase in the base compensation of any of its directors, officers, and employees, except as listed on Schedule 3(h)(xv);

(xvi) has not adopted, amended, modified or terminated any bonus, profit-sharing incentive, severance, or other plan, contract, or commitment for the benefit of any of its directors, officers, and employees (or taken any such action with respect to any other Employee Benefit Plan), except as listed on Schedule 3(h)(xvi);

(xvii) has not made any other change in employment terms for any of its directors, officers, and employees, except as listed on Schedule 3(h)(xvii);

(xviii) has not made or pledged to make any charitable or other capital contribution;

(xix) has not suffered or experienced any other occurrence, event, incident, action, failure to act, or transaction outside the Ordinary Course of Business;

(xx) has not declared or paid any dividend or other equity distribution, whether in cash or other property; and

(xxi) has not committed to any of the foregoing.

(i) Undisclosed Liabilities. The Acquired Company has no Liability (and there is no Basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand against the Acquired Companies giving rise to any Liability), except for (i) Liabilities set forth on the face of the Financial Statements, (ii) Liabilities which have arisen after the date of the Financial Statements in the Ordinary Course of Business (none of which results from, arises out of, or was caused by any breach of contract, breach of warranty claims, product liability, tort, infringement, or violation of law), (iii) Liabilities which will arise from and after the Closing Date under contracts, instruments and similar obligations of the Acquired Company to be performed following the Closing Date and (iv) Liabilities set forth on Schedule 3(i).

(j) Legal Compliance. The Acquired Company has complied with all applicable laws (including rules, regulations, codes, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof), the failure to comply with which will result in Adverse Consequences the costs of which will exceed $25,000, and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against the Acquired Company alleging any failure so to comply.

(k) Tax Matters.

Except as set forth on Schedule 3(k):

(i) The Acquired Company has filed all Tax Returns that they were required to file and were due. All such Tax Returns were correct and complete in all material respects. All Taxes owed by the Acquired Company (whether or not shown on any Tax Return) have been paid. The Acquired Company currently is not the beneficiary of any extension of time within which to file any Tax Return. No claim is presently being made by an authority in a jurisdiction where the Acquired Company does not file Tax Returns that such Acquired Company is or may be subject to taxation by that jurisdiction. There are no Security Interests on any of the assets of any of the Acquired Company that arose in connection with any failure (or alleged failure) to pay any Tax. The Acquired Company has not been a member of an Affiliated Group that has filed a "consolidated return" within the meaning of Code Sec. 1501, or has filed a combined or consolidated return with another corporation with any other taxing authority.

(ii) The Acquired Company has made all withholdings of Taxes required to be made in connection with amounts paid or owing to any employee, independent contractor, creditor, shareholder, or other third party and such withholdings have either been paid to the appropriate governmental agency or set aside in appropriate accounts for such purpose.

(iii) The Acquired Company has not received any notice or other indication that any authority is considering assessing any additional Taxes for any period for which Tax Returns have been filed. There is no dispute or claim concerning any Tax Liability of the Acquired Company either (A) claimed or raised by any authority in writing or (B) as to which the Acquired Company or any Shareholder has knowledge based upon personal contact with any agent or representative of such authority. (S) 3(k) of the Petrotech Disclosure Schedule lists all federal, state, local, and foreign income Tax returns filed with respect to the Acquired Company for taxable periods ended on or after July 31, 1993, indicates those Tax Returns that have been audited, and indicates those Tax Returns that currently are the subject of audit. The Acquired Company has delivered to the Buyer correct and complete copies of all federal and foreign income Tax Returns, examination reports, and statements of deficiencies assessed against or agreed to by the Acquired Company since July 31, 1993.

(iv) The Acquired Company has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(v) The Acquired Company has not made any payments, is not obligated to make any payments, or is not a party to any agreement that under certain circumstances could obligate it to make any payments that will not be deductible under Code Sec. 280G. The Acquired Company is not a party to any Tax allocation or sharing agreement. The Acquired Company (A) has not been a member of an Affiliated Group filing a consolidated federal income Tax Return (other than a group the common parent of which was Petrotech) or (B) has no Liability for the Taxes of any Person (other than the Acquired Company) under Treas. Reg. (S) 1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise.

(l) Real Property.

(i) The Acquired Company owns no real property.

(ii) (S) 3(l)(ii) of the Petrotech Disclosure Schedule lists briefly the Leased Real Property. Petrotech has delivered to the Buyer correct and complete copies of the leases listed in (S) 3(l)(ii) of the Petrotech Disclosure Schedule (as amended to date). With respect to each lease listed in (S) 3(l)(ii) of the Petrotech Disclosure Schedule:

(A) the lease or sublease is legal, valid, binding, enforceable, and in full force and effect;

(B) the Acquired Company is not, and to the Knowledge of the Acquired Company, no party to the lease or sublease is, in breach or default, and no event has occurred which, with notice or lapse of time, would constitute a breach or default or permit termination, modification, or acceleration thereunder, except as set forth on Schedule 3(l)(ii)(B);

(C) the Acquired Company has not, and to the Knowledge of the Acquired Company, no party to the lease or sublease has, repudiated any provision thereof;

(D) to the Knowledge of the Acquired Company, there are no disputes, oral agreements, or forbearance programs in effect as to the lease;

(E) the Acquired Company has not assigned, transferred, conveyed, mortgaged, deeded in trust, or encumbered any interest in the leasehold; or

(F) to the Knowledge of the Acquired Company, all facilities leased thereunder have received all approvals of governmental authorities (including licenses and permits) required in connection with the operation thereof and have been operated and maintained in all material respects in accordance with applicable laws, rules, and regulations.

(m) Intellectual Property.

(i) The Acquired Company owns or has the right to use pursuant to license, sublicense, agreement, or permission of all Intellectual Property necessary or desirable for the operation of the Business as presently conducted or as proposed to be conducted. Each item of Intellectual Property included among the Assets or owned or used by the Acquired Company or any Shareholder immediately prior to the Closing hereunder will be owned or available for use by the Buyer on identical terms and conditions immediately subsequent to the Closing hereunder.

(ii) Except as set forth in Schedule 3(m)(ii), the Acquired Company or any Shareholder has not interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of third parties, and the Acquired Company or any Shareholder has not ever received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that any of the Acquired Company or any Shareholder must license or refrain from using any Intellectual Property rights of any third party). To the Knowledge of the Acquired Company or any Shareholder, no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with any Intellectual Property rights of the Acquired Company.

(iii) (S) 3(m)(iii) of the Petrotech Disclosure Schedule identifies each patent or registration which has been issued or transferred to the Acquired Company or any Shareholder with respect to any of its Intellectual Property, identifies each pending patent application for registration which the Acquired Company or any Shareholder has made with respect to any of its Intellectual Property, and identifies each license, agreement, or other permission which the Acquired Company or any Shareholder has granted to any third party with respect to any of its Intellectual Property. The Acquired Company has delivered to the Buyer correct and complete copies of all such patents, registrations, applications, licenses, agreements, and permissions (as amended to date) and has made available to the Buyer correct and complete copies of all other written documentation evidencing ownership and prosecution (if applicable) of each such item. (S) 3(m)(iii) of the Petrotech Disclosure Schedule also identifies each trade name or unregistered trademark used by the Acquired Company in connection with the Business. With respect to each item of Intellectual Property required to be identified in (S) 3(m)(iii) of the Petrotech Disclosure Schedule:

(A) the Acquired Company possess all right, title, and interest in and to the item, free and clear of any Security Interest, license, or other restriction;

(B) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(C) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or, to the Knowledge of the Acquired Company threatened, which challenges the legality, validity, enforceability, use, or ownership of the item; and

(D) Neither the Acquired Company nor any Shareholder has ever agreed to indemnify any Person for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

(iv) (S) 3(m)(iv) of the Petrotech Disclosure Schedule identifies each item of Intellectual Property that any third party owns and that the Acquired Company uses pursuant to license, sublicense, agreement, or permission other than licenses for commercially available software involving standard license fees, which need not be listed. Petrotech has delivered to the Buyer correct and complete copies of all such licenses, sublicenses, agreements, and permissions (as amended to date). With respect to each item of Intellectual Property required to be identified in (S) 3(m)(iv) of the Petrotech Disclosure Schedule;

(A) the license, sublicense, agreement, or permission covering the item is legal, valid, binding, enforceable, and in full force and effect;

(B) the license, sublicense, agreement, or permission will continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby (including the Merger referred to in (S) 2 above);

(C) The Acquired Company, and to the Knowledge of the Acquired Company, no other party to the license, sublicense, agreement, or permission, is in breach or default, and no event has occurred which with notice of lapse of time would constitute a breach or default or permit termination, modification, or acceleration thereunder;

(D) The Acquired Company has not, and to the Knowledge of the Acquired Company, no other party to the license, sublicense, agreement, or permission has repudiated any provision thereof;

(E) with respect to each sublicense, the representations and warranties set forth in subsections (A) through (D) above are true and correct with respect to the underlying license;

(F) the underlying item of Intellectual Property is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(G) no action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand is pending or, to the Knowledge of the Acquired Company, threatened, which challenges the legality, validity, or enforceability of the underlying item of Intellectual Property; and

(H) The Acquired Company has not granted any sublicense or similar right with respect to the license, sublicense, agreement, or permission.

(n) Tangible Assets. The Acquired Company owns or leases all buildings, machinery, equipment, and other tangible assets necessary for the conduct of the Business as presently conducted, except for those items thereof which need to be acquired in the ordinary course of the normal day-to-day operations of the Business of the Acquired Company consistent with past practice. Each such tangible asset owned or leased by the Acquired Company is free from any known material defects, has been maintained in accordance with normal industry practice, is in good operating condition and repair (subject to normal wear and tear), and is suitable for the purposes for which it presently is used.

(o) Inventory. The inventory of the Acquired Company consists of raw materials and supplies, manufactured and purchased parts, construction work in progress, goods in process, and finished goods, all of which is merchantable and fit for the purpose for which it was procured or manufactured, except for those items which have no value and none of which is slow-moving (except for parts and components on hand for servicing products already sold), obsolete, damaged, or defective.

(p) Contracts. (S) 3(p) of the Petrotech Disclosure Schedule lists the following contracts and other agreements, written or oral, to which the Acquired Company is a party, exclusive of contracts with customers and related project documentation entered into in the Ordinary Course of Business, which need not be listed hereunder;

(i) any agreement (or group of related agreements) for the lease of personal property to or from any Person providing for lease payments in excess of $15,000 per annum;

(ii) any agreement (or group of related agreements) for the purchase or sale of raw materials, commodities, supplies, products, or other personal property, or for the furnishing or receipt of services, the performance of which will extend over a period of more than one year, or which to the Knowledge of the Acquired Company, will result in a loss to the Acquired Company, or which involves consideration, in excess of $50,000;

(iii) any agreement concerning a partnership or joint venture;

(iv) any agreement (or group of related agreements) under which it has created, incurred, assumed, or guaranteed any indebtedness for borrowed money, or any capitalized lease obligation, under which it has imposed a Security Interest on any of its assets, tangible or intangible (other than the Company Loans) except as listed on Schedule 3(p)(iv);

(v) any agreement concerning confidentiality or noncompetition, other than with Parent;

(vi) any agreement involving any Shareholder to which the Acquired Company is a party;

(vii) any profit sharing, stock option, stock purchase, stock appreciation, deferred compensation, severance, or other plan or arrangement for the benefit of its current or former directors, officers, and employees;

(viii) any agreement for the employment of any individual on a full-time, part-time, consulting, or other basis providing annual compensation in excess of $75,000 or providing severance benefits (other than accounting and legal consultants, which have no fixed annual compensation);

(ix) any agreement under which it has advanced or loaned any amount to any of its directors, officers, and employees;

(x) any agreement not already listed herein or on the Petrotech Disclosure Schedule under which the consequences of a default or termination would have an adverse effect in the amount of $50,000 or more on the business, financial condition, operations or results of operations of the Acquired Company; or

(xi) any other agreement (or group of related agreements) the performance of which involves consideration in excess of $50,000.

The Acquired Company has delivered to the Buyer a correct and complete copy of each written agreement listed in (S) 3(p) of the Petrotech Disclosure Schedule (as amended to date) and the listing in (S) 3(p) of the Petrotech Disclosure Schedule is a written summary setting forth the terms and conditions of each oral agreement referred to in (S) 3(p) of the Petrotech Disclosure Schedule. With respect to each such agreement: (A) the agreement is legal, valid, binding, enforceable, and in full force and effect, subject to applicable bankruptcy, insolvency, fraudulent conveyance or transfer, reorganization, arrangement, moratorium or other similar laws from time to time affecting creditor's rights generally; (B) to the Knowledge of the Acquired Company, the agreement will continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in (S) 2 above), subject to applicable bankruptcy, insolvency, fraudulent conveyance or transfer, reorganization, arrangement, moratorium or other similar laws from time to time affecting creditor's rights generally; (C) the Acquired Company is not, and to the Knowledge of the Acquired Company, no other party, is in material breach or default, and no event has occurred which with notice or lapse of time would constitute a material breach or default, or permit termination, modification, or acceleration, under the agreements; and (D) no party has repudiated any provision of the agreement.

(q) Notes and Accounts Receivable. Notes and accounts receivable of the Acquired Company included among the assets are at least an aggregate face amount as of the Closing Date as set forth on the list of aged receivables to be delivered at Closing and set forth on Exhibit C and all such notes and accounts receivable are reflected properly on their books and records, are valid receivables subject to no setoffs or counterclaims, are current and collectible, subject only to the reserve for bad debts set forth on the face of the Financial Statements, except that no representation shall be made with respect to accounts receivable outstanding longer than 90 days from invoice date, which will be treated as described in (S) 7.

(r) Powers of Attorney. There are no outstanding powers of attorney executed on behalf of the Acquired Company, except as set forth on Schedule 3(r).

(s) Insurance. The Acquired Company has provided the Buyer with each insurance policy (including policies providing property, casualty, liability, and workers' compensation coverage and bond and surety arrangements) to which the Acquired Company has been a party, a named insured, or otherwise the beneficiary of coverage at any time within the past seven 7 years.

Except as described on Schedule 3(s), with respect to each such insurance policy: (A) all policy premiums due to date have been paid in full, and to the Knowledge of the Acquired Company, the policy is legal, valid, binding, enforceable, and in full force and effect with respect to the periods for which it purports to provide coverage subject to applicable bankruptcy, insolvency, fraudulent conveyance or transfer, reorganization, arrangement or moratorium or other similar laws from time to time affecting creditor's rights generally; (B) the Acquired Company or, to the Knowledge of the Acquired Company, any other party to the policy is not in breach or default (including with respect to the payment of premiums or the giving of notices), and no event has occurred which, with notice or the lapse of time, would constitute such a breach or default, or permit termination, modification, or acceleration, under the policy; and (C) no party to the policy has repudiated any provision thereof. Section 3(s) of the Petrotech Disclosure Schedule describes any self-insurance arrangements affecting the Acquired Company.

(t) Litigation. The Acquired Company (i) is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge and (ii) is not a party nor, to the Knowledge of the Acquired Company, is threatened to be made a party to any action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator, other than as set forth herein, and except as set forth in Schedule 3(t).

(u) Warranty. Each product manufactured, sold, leased, or delivered by the Acquired Company or service provided by the Acquired Company has been in conformity with all applicable contractual commitments and all express and implied warranties, and, except as set forth in the documentation with respect to ongoing projects of the Acquired Company, the Acquired Company has no Liability (and there is no Basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against it giving rise to any Liability) for replacement or repair thereof or other damages in connection therewith. Except as otherwise may be provided by applicable law, no product manufactured, sold, leased, or delivered by the Acquired Company is subject to any guaranty, warranty, or other indemnity beyond the applicable written terms and conditions of sale or lease set forth in the Acquired Company's documentation with respect to such projects.

(v) Product Liability. Except as set forth in Schedule 3(v), there are no existing or, to the Knowledge of the Acquired Company, threatened, claims against the Acquired Company arising out of any injury to individuals or

property as a result of the ownership, possession, or use of any product manufactured, sold, leased, or delivered by the Acquired Company which could result in Liability to the Acquired Company and neither Petrotech nor the Shareholders have any knowledge of a reasonable basis for any such claim.

(w) Employees. Except as set forth in Schedule 3(w), to the Knowledge of the Acquired Company, no executive, key employee, or group of employees has any plans to terminate employment with the Acquired Company. The Acquired Company is not a party to or bound by any collective bargaining agreement, nor has it experienced any strikes, grievances, claims of unfair labor practice. The Acquired Company has no Knowledge of any organizational effort presently being made or threatened by or on behalf of any labor union with respect to its employees. There is no claim outstanding or, to the Knowledge of the Acquired Company, threatened or any Basis for a claim respecting employment of any past or present employee of the Acquired Company including, without limitation, claims of personal injury (unless fully covered by worker's compensation, liability or indemnity insurance) discrimination, wage, hours or similar laws or regulations.

(x) Employee Benefits.

(i) No other corporation, trade, business, or other entity, would, together with the Acquired Company, now or in the past 5 years, constitute a single employer within the meaning of Code (S) 414.

(ii) Section 3(x) of the Petrotech Disclosure Schedule contains a true and complete list of all of the Employee Benefit Plans which are presently in effect or which have previously been in effect in the last 5 years for the benefit of current or former employees, officers, directors or consultants of the Acquired Company (the "Petrotech Plans").

(iii) Except as set forth in (S) 3(x) of the Petrotech Disclosure Schedule, the Acquired Company does not maintain and has never maintained an "employee benefit pension plan," within the meaning of ERISA (S) 3(2), that is or was subject to Title IV of ERISA.

(iv) There is no lien outstanding upon any Assets pursuant to Code (S) 412(n) in favor of any of the Petrotech Plans. No Assets or assets of any Affiliate have been provided as security to any of the Petrotech Plans pursuant to Code (S) 401(a)(29).

(v) Except as set forth in (S) 3(x) of the Petrotech Disclosure Schedule, Petrotech has no past, present or future obligation or liability to contribute to any multiemployer plan as defined in ERISA (S) 3(37).

(vi) Petrotech has complied in all material respects with the continuation health coverage requirements of Code (S) 4980B and ERISA (S)(S) 601 through 608.

(vii) Petrotech is not obligated, contingently or otherwise, under any agreement to pay any amount which would be treated as a "parachute payment," as defined in Code (S) 280G(b) (determined without regard to Code (S) 280G(b)(2)(A)(ii)).

(viii) With respect to each of the Petrotech Plans, except as set forth in (S) 3(x) of the Petrotech Disclosure Schedule:

(A) each of the Petrotech Plans has been established, maintained, funded and administered in all material respects in accordance with its governing documents, and any applicable provisions of ERISA, the Internal Revenue Code of 1986 (the "IRC"), other applicable law, and all regulations promulgated thereunder;

(B) none of the Petrotech Plans nor any fiduciary has engaged in a prohibited transaction as defined in ERISA (S) 406 or IRC (S) 4975 (for which no individual or class exemption exist under ERISA (S) 408 or IRC (S) 4975, respectively);

(C) all filings and reports as to each of the Petrotech Plans required to have been made on or before the Closing Date to the Internal Revenue Service, or to the United States Department of Labor or to the Pension Benefit Guaranty Corporation, have been or will be duly made by that date;

(D) each of the Petrotech Plans which is intended to qualify as a tax-qualified retirement plan under IRC (S) 401(a) has received a favorable determination letter(s) from the Internal Revenue Service as to qualification of such Petrotech Plan for the period from its adoption through the Closing Date; nothing has occurred, whether by action or failure to act, which has resulted in or would cause the loss of such qualification; and each trust thereunder is exempt from tax pursuant to IRC (S) 501(a);

(E) each of the Petrotech Plans which is required to satisfy IRC (S)(S) 401(k)(3) or 401(m)(2) has been tested for compliance with, and has satisfied the requirements of, IRC (S)(S) 401(k)(3) and 401(m)(2) for each plan year ending prior to the Closing Date;

(F) no event has occurred and no condition exists relating to any of the Petrotech Plans that would subject the Acquired Company to any tax or Liability under IRS (S)(S) 4971, 4972 or 4979, or to any Liability under ERISA (S)(S) 502 or 4071; and

(G) to the extent applicable, each of the Petrotech Plans has been funded in accordance with its governing documents, ERISA and the IRC, has not experienced any accumulated funding deficiency (whether or not waived) and has not exceeded its full funding limitation (within the meaning of IRC (S) 412) at any time.

(ix) With respect to the Petrotech Plans which provide group health benefits to employees of the Acquired Company and are subject to the requirements of IRC (S) 4980B and ERISA Title I Part 6 ("COBRA"), such group health plan has been administered in every material respect in accordance with its governing documents and COBRA.

(x) With respect to employee benefit matters generally:

(A) the Acquired Company (nor any person, firm or corporation which is or has been under common control within the meaning of Section 4001(b) of ERISA of the Acquired Company) does not maintain or contribute to or has ever maintained or contributed to any Petrotech Plan subject to Title IV of ERISA;

(B) except as set forth on (S) 3(x) of the Petrotech Disclosure Schedule, the consummation of the transactions contemplated hereby will not accelerate or increase any Liability under any of the Petrotech Plans because of an acceleration or increase of any of the rights or benefits to which Petrotech Plan participants or beneficiaries may be entitled thereunder;

(C) except as set forth on (S) 3(x) of the Petrotech Disclosure Schedule, the Acquired Company has no obligation to any retired or former employee or any current employee of the Company upon retirement or termination of employment under any Petrotech Plans, other than such obligations imposed by COBRA; and

(D) except as set forth on (S) 3(x) of the Petrotech Disclosure Schedule, any of the Petrotech Plans which is an "employee welfare benefit plan," within the meaning of ERISA (S) 3(1), may be terminated prospectively without Liability to the Acquired Company or Parent or Buyer, including, without limitation, Liability for unreported (e.g., run-off) benefit claims, premium adjustments or termination charges of any kind.

(y) Guaranties. The Acquired Company is not a guarantor or otherwise liable for any Liability or obligation (including indebtedness) of any other Person (except for indemnities under project documentation of the Acquired Company).

(z) Environment, Health, and Safety.

(i) The Acquired Company has complied with all Environmental, Health, and Safety Laws, the failure to comply with which could result in Adverse Consequences in an amount in excess of $25,000 individually or in the aggregate, and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against the Acquired Company alleging such failure.

(ii) The Acquired Company has no Liability (and the Acquired Company, to its Knowledge, has not handled used, stored, treated, recycled, or disposed of any Hazardous Substance, arranged for the disposal of any Hazardous Substance, exposed any employee or other individual to any Hazardous Substance or owned or operated any property or facility in any manner that could form the Basis for any present or future action, suit, proceeding, hearing, investigations, charge, complaint, claim or demand giving rise to any Liability) for penalties, investigations of or damage to any site, location, body of water (surface or subsurface), or other natural resource, for any illness of or personal injury to any employee or other individual, or for any reason under any Environmental, Health, and Safety Laws.

(iii) Except as set forth in (S) 3(z) of the Petrotech Disclosure Schedule, all properties and equipment used in the Business are and in the past have been free of any amounts of Hazardous Substances, the presence of which could result in Adverse Consequences.

(iv) Except as set forth in (S) 3(z) of the Petrotech Disclosure Schedule, there are no in-service or out-of-service underground or above ground storage tanks.

(aa) Certain Business Relationships With the Acquired Company. Except as set forth in (S) 3(aa) of the Petrotech Disclosure Schedule, none of the Shareholders or their relatives has been involved directly or indirectly in any business arrangement or relationship with Petrotech within the past 36 months, and, except for the Leased Real Property and automobile leases of the Shareholders, none of the Shareholders owns any asset, tangible or intangible, which is used in the Business.

(ab) Disclosure. To the Knowledge of the Acquired Company, the representations and warranties contained in this (S) 3 (including the Petrotech Disclosure Schedule) do not as of the Closing Date contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statement and information contained in this (S) 3 not misleading.

4. REPRESENTATIONS AND WARRANTIES OF THE BUYER. Parent and Buyer, jointly and severally, represent and warrant to the Shareholders that the statements contained in this (S) 4 are correct and complete as of Closing Date, except as set forth in the disclosure schedule prepared by Buyer accompanying this Agreement and initialed by the Parties (the "Buyer Disclosure Schedule"). The Buyer Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this (S) 4.

(a) Organization of the Buyer. Each of Parent and Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation and is duly qualified as a foreign corporation to do business in every jurisdiction where such qualification is required.

(b) Authorization of Transaction. Each of Parent and Buyer has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of Parent and Buyer, enforceable in accordance with its terms and conditions. Parent and Buyer need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agencies in order for the Parties to consummate the transactions contemplated by this Agreement (including the assignment and assumption referred to in (S) 2 above) other than the notification and approval under the Hart-Scott-Rodino Act.

(c) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in (S) 2 above) will (i) violate any constitution, state, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Parent or Buyer is subject, or any provision of its charter or bylaws or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which Parent or Buyer is a party or by which they are bound or to which any of their assets are subject.

(d) Broker's Fees. Neither Parent nor Buyer has Liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Shareholders could become liable or obligated.

(e) Disclosure. To the Knowledge of Parent and Buyer, (i) the representations and warranties contained in this (S) 4 (including the Buyer Disclosure Schedule) do not contain any untrue statements of a material fact or omit to state any material fact necessary in order to make the statements contained in this (S) 4 not misleading and (ii) the Public Information did not, as of the date of its release, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading.

(f) Financial Statements. Attached hereto as Exhibit D are the following financial statements of the Parent (collectively the "Parent Financial Statements"):

(i) audited balance sheets, statements of income, changes in shareholders' equity, and cash flow as of and for the fiscal year ended October 31, 1996; and

(ii) unaudited balance sheet and statement of income, change in shareholders' equity, and cash flow as of and for the quarter ended January 31, 1997.

The Parent Financial Statements (including the notes thereto) have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, present fairly the financial condition of Parent as of such dates and the results of operations of Parent for such periods (subject in the case of interim statements only to normal year-end adjustments which in the aggregate are not material), are correct and complete, and are consistent with the books and records of Parent (which books and records are correct and complete).

(g) Events Subsequent to Most Recent Fiscal Quarter End. Since January 31, 1997, there has not been any material adverse change in the business, financial condition, operations, or results of operations of Parent.

5. CONDITIONS TO OBLIGATION TO CLOSE.

(a) Conditions to Obligation of Parent and Buyer. The obligation of Parent and Buyer to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties set forth in (S) 3 above shall be true and correct in all material respects at and as of the Closing Date;

(ii) Petrotech and the Shareholders shall have performed and complied with all of their covenants hereunder in all material respects through the Closing;

(iii) no action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, or (C) affect adversely the right of the Buyer to own the assets of the Acquired Company or to operate the Business (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);

(iv) Petrotech shall have delivered to the Buyer a certificate to the effect that each of the conditions specified above in (S) 5(a)(i)-(iii) is satisfied in all respects;

(v) all applicable waiting periods (and any extensions thereof) under the Hart-Scott-Rodino Act shall have expired or otherwise been terminated;

(vi) Douglas W. Moore, Terry E Irwin and William A. Dyar shall each have entered into an Employment Agreement and a Noncompetition Agreement in form and substance as set forth in Exhibits E-1 through E-6 attached hereto and the same shall be in full force and effect;

(vii) the Buyer shall have received from counsel to the Acquired Company an opinion in form and substance as set forth in Exhibit F attached hereto, addressed to the Buyer, and dated as of the Closing Date;

(viii) the certificates of merger with respect to the Merger shall have been filed in accordance with the Louisiana Corporation Act and the Delaware Act; and

(ix) the amount necessary to pay and satisfy in full the Company Loans shall not exceed $9,026,326, exclusive of interest;

(x) all actions to be taken by the Acquired Company in connection with consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to the Buyer;

(xi) Petrotech shall provide Buyer and Parent with a true and complete copy of the written consent from Chevron with respect to the 3520 General DeGaulle Drive property, from the landlord of the 7121 North Loop East, Houston, Texas property and from the landlord of the Northway 10, Executive Park, Ballston Lake, New York property;

(xii) with respect to the Leased Real Property, the Buyer shall receive estoppel letters from each landlord in the form attached as Exhibit G; and

(xiii) with respect to the Affiliate Leased Real Property, each lease shall be amended in the form attached hereto as Exhibit A-1 through A-3.

(xiv) the spouse of any Shareholder shall have executed an appropriate consent or joinder with respect to the obligations of the Shareholders under this Agreement.

The Buyer may waive any condition specified in this (S) 5(a) if it executes a writing so stating at or prior to the Closing.

(b) Conditions to Obligation of Sellers. The obligation of Shareholders to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties set forth in (S) 4 above shall be true and correct in all material respects at and as of the Closing Date;

(ii) Parent and Buyer shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;

(iii) no action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement or (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);

(iv) the Buyer shall have delivered to Petrotech a certificate to the effect that each of the conditions specified above in (S) 5(b)(i)-(iii) is satisfied in all respects;

(v) all applicable waiting periods (and any extensions thereof) under the Hart-Scott-Rodino Act shall have expired or otherwise been terminated;

(vi) Petrotech shall have received from counsel to the Buyer an opinion form and substance as set forth in Exhibit H attached hereto, addressed to Petrotech, and dated as of the Closing Date;

(vii) Buyer shall have caused the Company Loans (except the Sellers Loan) to be paid and satisfied in full;

(viii) all actions to be taken by the Buyer in connection with consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to Petrotech; and

(ix) Parent shall have delivered to Petrotech and the Shareholders resolutions from its Board of Directors (or Compensation Committee) granting options under Parent's 1991 Stock Option Plan to individuals as set forth on Exhibit I.

The Shareholders may waive any condition specified in this (S) 5(b) if it executes a writing so stating at a prior to the Closing.

6. POST-CLOSING COVENANTS. The Parties agree as follows with respect to the period following the Closing.

(a) General. In case at any time after the Closing any further action is necessary to carry out the purposes of this Agreement, each of the Shareholders and Buyer will take such further action (including the execution and delivery of such further instruments and documents) as any other Party reasonably may request, at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor hereunder). The Shareholders acknowledge and agree that from and after the Closing the Buyer will have the right to possession of all documents, books, records (including Tax records), agreements, and financial data of any sort relating to the Acquired Company in this Agreement; provided, however, that the Shareholders shall have the right to obtain access to such documents, books, records (including Tax records), agreements, and financial data and make photocopies thereof for a proper purpose, such as in connection with the preparation of their tax returns.

(b) Litigation Support. In the event and for so long as any Party actively is contesting or defending against any action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the Surviving Corporation or any Shareholder, each of the other Parties will reasonably cooperate with the contesting or defending Party and his or its

counsel in the contest or defense, make available his or its personnel, and provide such testimony and access to his or its books and records as shall be necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefor under (S) 7 below).

(c) Transition. Each of the Shareholders will use his best efforts not to take any action that is designed or intended to have the effect of discouraging any lessor, licensor, customer, supplier, or other business associate of the Acquired Company from maintaining the same business relationships with the Surviving Corporation after the Closing as it maintained with the Acquired Company prior to the Closing.

(d) Confidentiality. Each Shareholder will treat and hold as confidential all of the Confidential Information, refrain from using any of the Confidential Information and deliver promptly to the Surviving Corporation or destroy, at the request and option of the Surviving Corporation, all tangible embodiments (and all copies) of the Confidential Information which are in his or its possession. In the event that a Shareholder is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, that Party will notify the Surviving Corporation promptly of the request or requirement so that the Surviving Corporation may seek an appropriate protective order or waive compliance with the provisions of this (S) 6(d). If, in the absence of a protective order or the receipt of a waiver hereunder, a Shareholder is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, that Party may disclose the Confidential Information to the tribunal; provided, however, that a Shareholder shall use its reasonable efforts to obtain, at the reasonable request of the Surviving Corporation and at the Surviving Corporation's sole expense, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as the Surviving Corporation shall designate.

(e) Parent Shares. The Shareholders covenant and agree that they shall hold Parent Shares for a period of not less than one (1) year following the Closing Date and they shall not sell, transfer or otherwise dispose of such Parent Shares during such period except for donations to relatives of Shareholders or their wives, and then only as permitted by Rule 144 of the Securities Act and subject to the holding requirements hereof. The Parent Shares shall contain an appropriate legend reflecting the understanding of the Parties as to the holding period of the Parent Shares set forth herein.

7. REMEDIES FOR BREACHES OF THIS AGREEMENT.

(a) Survival of Representations and Warranties. All of the representations and warranties contained in (S) 3(g)--(ab), except (S) 3(k) and 3(x), of this Agreement and of Buyer contained in (S) 4(d)-(g) of this Agreement shall survive the Closing and continue in full force and effect for a period of 1 year thereafter; the representations and warranties contained in (S) 3(k) and (S) 3(x) shall survive the Closing and continue in full force and effect for a period of 30 days following the applicable statute of limitations with respect to such matters; all of the other representations, warranties, covenants, indemnities, and other agreements of the Buyer and the Shareholders contained in this Agreement (including the representations and warranties contained in (S) 3(a)-(f) and (S) 4(a)-(c)) shall survive the Closing and continue in full force and effect forever thereafter, subject to any applicable statues of limitations. No action, claim, or proceeding may be brought by any Party hereto against any other Party resulting from, arising out of, or caused by a breach of a representation or warranty contained herein, or the failure to perform any covenant or other obligations hereunder, after the time such representation, warranty or covenant ceases to survive pursuant to the preceding sentence, unless written notice of such claim setting forth with specificity the basis for such claim is delivered to the applicable Party prior to such time.

(b) Indemnification Provisions for Benefit of the Parent and the Buyer.

(i) In the event a Shareholder breaches (or in the event any third party alleges facts that, if true, would mean Shareholder has breached) any of its representations, warranties, and covenants contained in this Agreement, and, if there is an applicable survival period pursuant to (S) 7(a) above, provided that the Buyer makes a written claim for indemnification setting forth the basis for such claim against the Shareholders pursuant to (S) 8(g) below within such survival period, then each of the Shareholders jointly and severally agrees to indemnify Parent, Buyer and the Surviving Corporation, subject to the limitations set forth herein, from and against the entirety of any Adverse Consequences the Parent, the Buyer or the Surviving Corporation may suffer through and after the date of the claim for indemnification (including any Adverse Consequences the Parent, the Buyer or the Surviving Corporation may suffer after the end of any applicable survival period) resulting from, arising out of, or caused by the breach (or the alleged breach); provided, however, that

(w) The Shareholders shall not have any obligation to indemnify the Buyer from and against any Adverse Consequences resulting from, arising out of, or caused by the breach (or alleged breach) of any representation, warranty or covenant contained in (S) 3(g)-(ab) of the Agreement which exceed the funds escrowed pursuant to the Escrow Agreement; and

(x) The Shareholders shall have no such indemnification obligation with respect to such (S) 3(g)-(ab) (excluding (S) 3(q)) breaches (or alleged breaches) until the Buyer has suffered Adverse Consequences by reason thereof in excess of One Hundred Seventy-Five Thousand Dollars ($175,000). No such restriction shall be applicable to the representations and warranties contained in (S) 3(a)-(f) and (S) 3(q).

(ii) Each of the Shareholders jointly and severally agrees to indemnify Parent, Buyer and the Surviving Corporation for any foreign or domestic worker's compensation claims incurred by any employee, consultant, independent contractor, agent, affiliate or other individual of the Acquired Company prior to Closing, including, without limitation any claims for personal injuries, property damages and lost wages, except to the extent coverage is provided for such claims under the Acquired Company's applicable insurance policy. Such indemnification shall not be limited in time or amount or subject to any deductible or cap.

(iii) Each of the Shareholders jointly and severally, agrees to indemnify Parent, Buyer and the Surviving Corporation for any damages (including costs of cleanup, containment, or other remediation) arising, directly or indirectly from or in connection with any Environmental, Health, and Safety Laws arising out of or relating to: (A) the ownership, operation, or condition at any time on or prior to the Closing Date of any facilities or any other properties and assets (whether real, personal, or mixed and whether tangible or intangible) in which Petrotech has or had an interest, (B) any Hazardous Substances that were present on the facilities or such other properties and assets at any time on or prior to the Closing Date, or (C) any Hazardous Substances, wherever located, that were, or were allegedly, used, generated, recycled, disposed, transported, stored, treated, released, or otherwise handled by Petrotech or by any other person for whose conduct they are or may be held responsible at any time on or prior to the Closing Date.

(iv) Each of the Shareholders jointly and severally agrees to indemnify and reimburse the Surviving Corporation upon demand for the full amount of any accounts receivable of Petrotech which were (A) invoiced more than ninety (90) days prior to the Closing Date and (B) remain uncollected by the Surviving Corporation one hundred eighty (180) days following the Closing Date. Within a reasonable time following such 180 day period, Parent or the Surviving Corporation shall provide the Shareholders with a reconciliation of such accounts receivable and certify to the Shareholders that such receivables remain unpaid. The Shareholders shall pay to the Surviving Corporation or Parent such uncollected amount within ten (10) days following receipt of such reconciliation and certification.

(v) As security for the indemnification obligations of Shareholders under this Agreement, the Parties shall enter into the Escrow Agreement as of the Closing Date in the form and substance as set forth in Exhibit J, which shall be funded with $1,324,000 of the Cash Consideration otherwise payable to the Shareholders (the "Escrow Funds") The amount of $300,000 shall be exclusively allocated from the Escrow Funds for the indemnification obligations of Shareholders under (S) 7(b)(iv) of this Agreement (the "Receivables Funds"). In the event indemnification obligations under (S) 7(b)(iv) are less than or equal to $300,000, Parent or the Surviving Corporation shall be paid from the Receivables Funds the amount owed at the time specified under (S) 7(b)(iv), and Shareholders shall receive from the Escrow Funds the balance of the Receivables Funds remaining at that time. The Receivables Funds shall be the exclusive remedy of Parent or the Surviving Corporation in the event Shareholders indemnification obligations under (S) 7(b)(iv) are $300,000 or less. In the event indemnification obligations under (S) 7(b)(iv) are greater than $300,000, Parent or the Surviving Corporation shall have the option of (i) receiving payment of all of the Receivables Funds and the amount owed in excess of $300,000 from the Escrow Funds, or (ii) receiving payment of all of the Receivables Funds and the amount owed in excess of $300,000 directly from the Shareholders. The amount of the Escrow Funds shall be reduced at the first anniversary of the Closing Date to $75,000 (except with respect to claims then outstanding) and, solely with respect to claims under (S) 3(k) and (S) 3(x), shall continue until the third anniversary of the Closing Date.

(vi) Notwithstanding the foregoing, the Liability of any Shareholder under this (S) 7 shall not exceed the percentage of the Merger Consideration set opposite such Shareholder's name below:

Shareholder	Percentage of Merger Consideration
Douglas W. Moore	37.5%
William A. Dyar, individually and William A. Dyar and Marguerite S. Dyar Charitable Remainder Trust	37.5%
Terry E Irwin	25%

(vii) In addition to the foregoing, each of the Shareholders jointly and severally agrees to indemnify the Parent, Buyer and the Surviving Corporation from and against any Adverse Consequences arising out of the nonpayment of employee loans referenced in Petrotech Disclosure Schedule (S) 3(p)(ix).

(c) Indemnification Provisions for Benefit of the Shareholders.

In the event Parent or Buyer breaches (or in the event any third party alleges facts that, if true, would mean Parent or Buyer has breached) any of their representations, warranties, and covenants contained in this Agreement, and, if there is an applicable survival period pursuant to (S) 7(a) above, provided that the Shareholders makes a written claim for indemnification setting forth with specificity the basis for such claim against Parent or Buyer pursuant to (S) 8(g) below within such survival period, then Parent and Buyer jointly and severally agree to indemnify the Shareholders from and against the entirety of any Adverse Consequences (up to but not in excess of the Merger Consideration) the Shareholders may suffer through and after the date of the claim for indemnification (including any Adverse Consequences the Shareholders may suffer after the end of any applicable survival period) resulting from, arising out of, or caused by the breach (or the alleged breach).

(d) Matters Involving Third Parties.

(i) If any third party shall notify any Party (the "Indemnified Party") with respect to any matter (a "Third Party Claim") which may give rise to a claim for indemnification against any other Party (the "Indemnifying Party") under this (S) 7, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party thereby is prejudiced.

(ii) Any Indemnifying Party will have the right to defend the Indemnified Party against the Third Party Claim with counsel of its choice satisfactory to the Indemnified Party so long as (A) the Indemnifying Party notifies the Indemnified Party in writing within 15 days after the Indemnified Party has given notice of the Third Party Claim that the Indemnifying Party will indemnify the Indemnified Party from and against the entirety of any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim, (B) the Indemnifying Party provides the Indemnified Party with evidence reasonably acceptable to the Indemnified Party that the Indemnifying Party will have the financial resources to defend against the Third Party Claim and fulfill its indemnification obligations hereunder, (C) the Third Party Claim involves only money damages and does not seek an injunction or other equitable relief, (D) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the good faith judgment of the Indemnified Party, likely to establish a precedential custom or practice materially adverse to the continuing business interest of the Indemnified Party, and (E) the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently.

(iii) So long as the Indemnifying Party is conducting the defense of the Third Party Claim in accordance with (S) 7(d)(ii) above, (A) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim, (B) the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party (not to be withheld unreasonably).

(iv) In the event any of the conditions in 7(d)(ii) above is or becomes unsatisfied, however, (A) the Indemnified Party may defend against, and consent to the entry of any judgment or enter into any settlement with respect to, the Third Party Claim in any manner it may deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith), (B) the Indemnifying Parties will reimburse the Indemnified Party promptly and periodically for the costs of defending against the Third Party Claim (including reasonable attorneys' fees and expenses), and (C) the Indemnifying Parties will remain responsible for any Adverse Consequences the Indemnified Party may suffer resulting, arising out of, relating to, in the nature of, or caused by the Third Party Claim to the fullest extent provided in this (S) 7.

(e) Determination of Adverse Consequences. The Parties shall take into account the time cost of money (using the Applicable Rate as the discount rate) in determining Adverse Consequences for purposes of this (S) 7. All indemnification payments under this (S) 7 shall be deemed adjustments to the Merger Consideration.

(f) Post-Closing. Following the Closing, the remedy of the Shareholders, on the one hand, and Parent and the Buyer on the other hand, with respect to any breach or threatened breach of a representation, warranty or covenant contained herein or with respect to any event, circumstance or condition occurring on or before the Closing shall be limited to the enforcement of the indemnification obligations set forth in (S) 7; provided, however, that nothing provided in this (S) 7(f) shall limit the right of any Party to seek any equitable remedy available to enforce his or its rights hereunder in accordance with (S) 8 (n).

8. MISCELLANEOUS.

(a) Press Releases and Public Announcements. Neither Petrotech nor any Shareholder shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the Parent. Parent, upon prior notice to Petrotech, may make any public disclosure it believes in good faith is required or permitted by applicable law or any listing or trading agreement concerning its publicly-traded securities.

(b) No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

(c) Entire Agreement. This Agreement (including the documents referred to herein) constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they related in any way to the subject matter hereof.

(d) Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Party; provided, however, that the Buyer may (i) assign any or all of its rights and interests hereunder to one or more of its affiliates and (ii) designate one or more of its affiliates to perform its obligations hereunder (in any or all of which cases the Buyer nonetheless shall remain responsible for the performance of all of its obligations hereunder).

(e) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

(f) Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(g) Notices. All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given if (and then two business days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to Petrotech and the Shareholders:

Petrotech, Inc.
Mr. Douglas W. Moore, President
108 Jarrell Drive
Belle Chasse, LA 70037

Copy to: Charles N. Miller, Jr., Esq.
210 Baronne Street, Suite 605
New Orleans, LA 70112

and

Mr. Douglas W. Moore
113 Noble Drive
Belle Chasse, LA 70037

Mr. William A. Dyar
132 Willow Drive
Gretna, LA 70053

Mr. Terry E Irwin
62 Asphodel Drive
Marrero, LA 70072

William A. Dyar and Marguerite S. Dyar
Charitable Remainder Trust
132 Willow Drive
Gretna, LA 70053

If to Buyer or Parent:

Derrick N. Key
Roper Industries, Inc.
160 Ben Burton Road
Bogart, Georgia 30622
(706) 369-7170

Copy to: Shanler D. Cronk, Esq.
Roper Industries, Inc.
160 Ben Burton Road
Bogart, Georgia 30622
(706) 369-7170

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

(h) Governing Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(i) Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by each of the Parent, Buyer, Petrotech and the Shareholders. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(j) Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(k) Expenses. Buyer and each Shareholder will bear its (his) own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby. The Shareholders shall bear all such expenses incurred by Petrotech.

(l) Construction. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation. Items set forth in the Petrotech Disclosure Schedule or the Buyer Disclosure Schedule shall be deemed an exception only to the representations and warranties for which they are identified and any other representations and warranties to which the Petrotech Disclosure Schedule or Buyer Disclosure Schedule with respect to such representations and warranties contains an appropriate cross-reference.

(m) Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

(n) Specific Performance. Each of the Parties acknowledges and agrees that the other Party would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each of the Parties agrees that the other Party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having, in accordance with the terms of this Agreement, jurisdiction over the Parties and the matter, in addition to any other remedy to which it may be entitled, at law or in equity.

(o) Submission to Jurisdiction. Each of the Parties submits to the jurisdiction of any state or federal court sitting in Delaware in any action or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of the action or proceeding may be heard and determined in any such court. Each Party also agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court. Each of the Parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other Party with respect thereto. Parent and Buyer appoints The Prentice-Hall Corporation System, Inc. (the "Process Agent") as his or its agent to receive on is or its behalf service of copies of the summons and complaint and any other process that might be served in the action or proceeding. Shareholders shall have service of process personally served to the address listed in (S) 8(g) above. Any Party may make service on any other Party by sending or delivering a copy of the process (i) to the Party to be served at the address and in the manner provided for the giving of notices in (S) 8(g) above or (ii) to the Party to be served in care of the Process Agent at the address and in the manner provided for the giving of notices in (S) 8(g) above. Each Party agrees that a final judgment in any

action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or in equity.

(p) Dyar Guaranty. William A. Dyar, in addition to his individual obligations as a Shareholder under this Agreement, shall fully and completely guarantee any and all obligations of the William A. Dyar and Marguerite S. Dyar Charitable Remainder Trust which may arise and exist under this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first above written.

BUYER
Petrotech Acquisition, Inc.

By: /S/ MARTIN S. HEADLEY

Name: Martin S. Headley

Title: Vice President

PARENT
Roper Industries, Inc.

By: /S/ DERRICK N. KEY

Derrick N. Key,
President and Chief Executive Officer

PETROTECH
PetroTech, Inc.

By: /S/DOUGLAS W. MOORE

Douglas W. Moore
President

[SIGNATURES CONTINUED ON NEXT PAGE]

PETROTECH INTERNATIONAL, INC.

BY: /S/ DOUGLAS W. MOORE
NAME: DOUGLAS W. MOORE
TITLE: PRESIDENT

SHAREHOLDERS

/S/ DOUGLAS W. MOORE
DOUGLAS W. MOORE

/S/ TERRY E. IRWIN
TERRY E IRWIN

/S/ WILLIAM. A. DYAR
WILLIAM A. DYAR

THE WILLIAM A. DYAR AND MARGUERITE S. DYAR CHARITABLE REMAINDER TRUST

BY: /S/ TIMOTHY MURPHY
TIMOTHY MURPHY
INDEPENDENT SPECIAL TRUSTEE

CONSENT TO BE BOUND BY THE ABOVE AND FOREGOING AGREEMENT

We, MARY DIMBERG MOORE, MARGUERITE SUE PIPKIN DYAR AND JO HELEN McMORRIES IRWIN, declare and state that each of us is a spouse of a shareholder in the above and foregoing Agreement and Plan of Merger; and we further declare and state that we have read said Agreement and Plan of Merger and understand it and approve it, including, without limitation, specifically approving and authorizing the Plan of Merger and the sale thereunder of all of the issues and outstanding shares of capital stock of Petrotech, Inc., which are in the names of our respective husbands; and we hereby further agree to be bound by all of the terms, conditions and provisions contained in said Agreement and Plan of Merger, and hereby ratify and approve all actions which our husbands have taken and will take in connection with consummating the transactions contemplated by the Agreement and Plan of Merger.

Thus done and signed by each of us on the 14th day of May, 1997.

/S/ MARY DIMBERG MOORE

MARY DIMBERG MOORE

/S/ MARGUERITE SUE PIPKIN DYAR

MARGUERITE SUE PIPKIN DYAR

/S/ JO HELEN McMORRIES IRWIN

JO HELEN McMORRIES IRWIN

EXHIBIT 3.1

RESTATED CERTIFICATE OF INCORPORATION
OF
ROPER INDUSTRIES, INC.
ADOPTED APRIL 1996

This Restated Certificate of Incorporation was duly adopted by unanimous written consent of the Board of Directors of Roper Industries, Inc. in accordance with the provisions of Section 245 of the General Corporation Law of the State of Delaware. The Corporation was originally formed under the name Dexter Holdings, Inc. pursuant to an original Certificate of Incorporation filed with the Secretary of State of the State of Delaware on December 17, 1981. The following Restated Certificate of Incorporation restates and integrates the original Certificate of Incorporation and all amendments filed with the Secretary of State of Delaware prior to April 11, 1996.

1. The name of the corporation is:

ROPER INDUSTRIES, INC.

2. The address of the corporation's registered office in the State of Delaware is 1013 Centre Road in the City of Wilmington, County of New Castle, and the name of the registered agent thereat is The Prentice-Hall Corporation System, Inc.

3. The nature of the business of the corporation and the purposes to be conducted or promoted by it are as follows:

(a) To design, manufacture, purchase, lease, distribute, install, repair, service, sell, import, export and otherwise deal in or with any and all kinds of positive displacement rotary and centrifugal pumps and industrial machinery, and all related supplies, components, equipment and products;

(b) To acquire all or any part of the stock or other securities, goodwill, rights, property or assets of any kind and to undertake or assume all or any part of the obligations or liabilities of any corporation, association, partnership, syndicate, entity, or person located in or

organized under the laws of any state, territory or possession of the United States of America or any foreign country, and to pay for the same in cash, stock, bonds, debentures, notes, or other securities, secured or unsecured, of this or any other corporation or otherwise in any manner permitted by law, and to conduct in any lawful manner all or any part of any business so acquired; and

(c) To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

In addition to the general powers conferred by the laws of the State of Delaware and the purposes hereinbefore set forth, the corporation shall also have the following powers:

(d) To issue any of the shares of its capital stock of any class or series thereof now or hereafter authorized for such consideration as may be permitted by law and upon such terms and conditions as the Board of Directors may deem proper in its absolute discretion, and the stock so issued shall be fully paid and not liable to any further call or payment thereof; in the absence of actual fraud in the transaction, the judgment of the Board of Directors as to the value of the property or other consideration received for the shares of capital stock shall be conclusive; and

(e) To borrow money, make, issue and sell, pledge, or otherwise dispose of checks, drafts, bills of exchange, documents of title, bonds, debentures, notes and other evidence of indebtedness of all kinds, whether unsecured or secured by

mortgage, pledge or otherwise of any or all of the assets of the corporation, and without limit as to amount; and generally to mortgage, pledge or sell any stock or other securities or other property held by it, all on such terms and conditions as the Board of Directors;

4. A. The total number of shares of stock which the corporation shall have authority to issue is eighty-one million (81,000,000) shares, divided into two (2) classes as follows:

(i) eighty million (80,000,000) shares, each to be of the par value of one cent ($.01), and to be designated as Common Stock; and

(ii) one million (1,000,000) shares, each to be of the par value of one cent ($.01), and to be designated as Preferred Stock.

B. (i) Each outstanding share of Common Stock shall entitle the holder thereof to five (5) votes on each matter properly submitted to the stockholders of the corporation for their vote, waiver, release or other action; except that no holder of outstanding shares of Common Stock shall be entitled to exercise more than one (1) vote on any such matter in respect of any share of Common Stock with respect to which there has been change in beneficial ownership during the four (4) years immediately preceding the date on which a determination is made of the stockholders of the corporation who are entitled to vote or to take any other action.

(ii) A change in beneficial ownership of an outstanding share of Common Stock shall be deemed to have occurred whenever a change occurs in any person or persons who, directly or indirectly, through any contract,

agreement, arrangement, understanding, relationship or otherwise has or shares any of the following:

(a) voting power, which includes, without limitation, the power to vote or to direct the voting power of such share of Common Stock;

(b) investment power, which includes, without limitation, the power to direct the sale or other disposition of such shares of Common Stock;

(c) the right to receive or to retain the proceeds of any sale or other disposition of such share of Common Stock; or

(d) the right to receive or to retain any distributions, including, without limitation, cash dividends, in respect of such share of Common Stock.

(iii) Without limiting the generality of the foregoing section (ii) of this subparagraph B, the following events or conditions shall be deemed to involve a change in beneficial ownership of a share of Common Stock:

(a) in the absence of proof to the contrary provided in accordance with the procedures set forth in section (v) of this subparagraph B, a change in beneficial ownership shall be deemed to have occurred (1) whenever an outstanding share of Common Stock is transferred of record into the name of any other person and (2) upon the issuance of shares in a public offering;

(b) in the case of an outstanding share of Common Stock held of record in the name of a corporation, general partnership, limited partnership, voting trustee, bank, trust company, broker, nominee or clearing agency, if it has not been established pursuant to the procedures set forth in section (v) of this subparagraph B that there has been no change in the person or persons who or that direct the exercise of the rights referred to in clauses (ii)(a) through (ii)(d), inclusive, of this subparagraph B with respect to such outstanding share of Common Stock during the period of four (4) years immediately preceding the date on which a determination is made of the stockholders of the corporation entitled to vote or to take any other action (or since February 12, 1992 for any period ending on or before February 12, 1992), then a change in beneficial ownership of such share of Common Stock shall be deemed to have occurred during such period;

(c) in the case of an outstanding share of Common Stock held of record in the name of any person as a trustee, agent, guardian or custodian under the Uniform Gifts to Minors Act as in effect in any jurisdiction, a change in beneficial ownership shall be deemed to have occurred whenever there is a change in the beneficiary of such trust, the principal of such agent, the ward of such guardian, the minor for whom such custodian is acting or in such trustee, agent, guardian or custodian; or

(d) in the case of outstanding shares of Common Stock beneficially owned by a person or group of persons who, after acquiring, directly or indirectly, the beneficial ownership of five percent (5%) of the outstanding shares of Common Stock, fails to notify the corporation of such ownership within ten (10) days after such acquisition, a change in beneficial ownership of such shares of Common Stock shall be deemed to occur on each day while such failure continues.

(iv) Notwithstanding any other provision in this subparagraph B to the contrary, no change in beneficial ownership of an outstanding share of Common Stock shall be deemed to have occurred solely as a result of:

(a) any event that occurred prior to February 12, 1992 or pursuant to the terms of any contract (other than a contract for the purchase and sale of shares of Common Stock contemplating prompt settlement), including contracts providing for options, rights of first refusal and similar arrangements, in existence on February 12, 1992 and to which any holder of shares of Common Stock is a party; provided, however, that any exercise by an officer or employee of the
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corporation or any subsidiary of the corporation of an option to purchase Common Stock after February 12, 1992 shall, notwithstanding the foregoing and clause (iv)(f) hereof, be deemed a change in

beneficial ownership irrespective of when that option was granted to said officer or employee;

(b) any transfer of any interest in an outstanding share of Common Stock pursuant to a bequest or inheritance, by operation of law upon the death of any individual, or by any other transfer without valuable consideration, including, without limitation, a gift that is made in good faith and not for the purpose of circumventing the provisions of this Article Fourth;

(c) any changes in the beneficiary of any trust, or any distribution of an outstanding share of Common Stock from trust, by reason of the birth, death, marriage or divorce of any natural person, the adoption of any natural person prior to age eighteen (18) or the passage of a given period of time or the attainment by any natural person of a specific age, or the creation or termination of any guardianship or custodial arrangement;

(d) any appointment of a successor trustee, agent, guardian or custodian with respect to an outstanding share of Common Stock if neither such successor has nor its predecessor had the power to vote or to dispose of such share of Common Stock without further instructions from others;

(e) any change in the person to whom dividends or other distributions in respect of an outstanding share of Common Stock are to be paid pursuant to the issuance or modification of a revocable dividend payment order;

(f) any issuance of a share of Common Stock by the corporation or any transfer by the corporation of a share of Common Stock held in treasury other than in a public offering thereof, unless otherwise determined by the Board of Directors at the time of authorizing such issuance or transfer;

(g) any giving of a proxy in connection with a solicitation of proxies subject to the provisions of Section 14 of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder promulgated;

(h) any transfer, whether or not with consideration, among individuals related or formerly related by blood, marriage or adoption ("relatives") or between a relative and any person controlled by one or more relatives where the principal purpose for the transfer is to further the estate tax planning objectives of the transferor or of relatives of the transferor:

(i) any appointment of a successor trustee as a result of the death of the predecessor trustee (which predecessor trustee shall have been a natural person);

(j) any appointment of a successor trustee who or which was specifically named in a trust instrument prior to February 12, 1992; or

(k) any appointment of a successor trustee as a result of the resignation, removal or failure to qualify of a predecessor trustee or as a result of mandatory retirement pursuant to the express terms of a trust instrument; provided, that less than fifty percent (50%) of the trustees administering any single trust will have changed (including in such percentage the appointment of the successor trustee) during the four (4) year period preceding the appointment of such successor trustee.

(v) For purposes of this subparagraph B, all determinations concerning changes in beneficial ownership, or the absence of any such change, shall be made by the Board of Directors of the corporation or, at any time when the corporation employs a transfer agent with respect to the shares of Common Stock, at the corporation's request, by such transfer agent on the corporation's behalf. Written procedures designed to facilitate such determinations shall be established and may be amended, from time to time, by the Board of Directors. Such procedures shall provide, among other things, the manner of proof of facts that will be accepted and the frequency with which such proof may be required to be renewed. The corporation and any transfer agent shall be entitled to rely on any and all information concerning beneficial ownership of the outstanding shares of Common Stock coming to their attention from any source and in any manner reasonably deemed by them to be reliable, but neither the corporation nor any transfer agent shall be charged with any other knowledge concerning the beneficial ownership of outstanding shares of Common Stock.

(vi) In the event of any stock split or stock dividend with respect to the outstanding shares of Common Stock, each share of Common Stock acquired by reason of such split or dividend shall be deemed to have been beneficially owned by the same person from the same date as that on which beneficial ownership of the outstanding share or shares of Common Stock, with respect to which such share of Common Stock was distributed, was acquired.

(vii) Each outstanding share of Common Stock, whether at any particular time the holder thereof is entitled to exercise five (5) votes or one (1) vote, shall be identical to all other shares of Common Stock in all respects, and together the outstanding shares of Common Stock shall constitute a single class of shares of the corporation.

C. Authority is hereby granted to the Board of Directors of the corporation to adopt, from time to time, a resolution or resolutions providing for the issuance of shares of Preferred Stock in one or more series; and the Board of Directors is hereby expressly granted and vested with the authority to determine and to fix with respect to each series of Preferred Stock any or all of the designations and the powers, preferences and rights, and the qualifications, limitations or restrictions of such Preferred Stock, including, but not limited to, the determination of the following:

(i) the distinctive designation of such series of Preferred Stock and the number of shares which shall constitute such series, which number may be increased (except where otherwise provided by the Board of Directors) or decreased (but not below the number of shares thereof then outstanding) from time to time by the Board of Directors;

(ii) the rate of dividends, if any, payable on the shares of such series of Preferred Stock, the conditions upon which and the dates when such dividends shall be payable, whether such dividends shall be cumulative (and, if so, from which date or dates), and whether payable in preference to dividends payable on any other class or classes of stock or on any other series of Preferred Stock;

(iii) whether or not the shares or such series of Preferred Stock shall have voting powers, and, if voting powers are granted, the extent of such voting powers;

(iv) whether or not the shares of such series of Preferred Stock shall be redeemable and, if so, the terms and conditions of such redemption, including, but not limited to, the date or dates upon or after which they shall be redeemable and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(v) whether or not the shares of such series of Preferred Stock shall be entitled to the benefit of a retirement fund or sinking fund, and, if so, the terms and conditions of such fund;

(vi) whether or not the shares of such series of Preferred Stock shall be convertible into or exchangeable for shares of any other class or classes of stock of the corporation or of any other series of Preferred Stock and, if made so convertible or exchangeable, the time or times, the conversion price or prices, or the rate or

rates of exchange, and the adjustments thereof, it any, at which such conversion or exchange may be made, and any other terms and conditions of such conversion or exchange;

(vii) the rights of the holders of the shares of such series of Preferred Stock upon the voluntary or involuntary liquidation, dissolution or winding-up, or merger, consolidation or distribution or sales of assets of the corporation;

(viii) the conditions and restrictions, if any, on the payment of dividends or on the making of other distributions on, or the purchase, redemption or other acquisition by the corporation of the Roper Industries, Inc. Common Stock or of any other class of stock or other series of Preferred Stock of the corporation ranking junior to the shares of such series of Preferred Stock as to dividends or on liquidation;

(ix) the conditions and restrictions, if any, on the creation of indebtedness of the corporation or any subsidiary or on the authorization or issue of any additional stock of the corporation ranking on a parity with or prior to the shares of such series of Preferred Stock as to dividends or on liquidation; and,

(x) any other preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof.

D. Subject to the foregoing, the authorized shares of stock of any class of the corporation may be issued by the corporation from time to time

and for such consideration, not less than the par value thereof, and upon such terms as may be fixed from time to time by the Board of Directors, and any and all shares so issued, the full consideration for which shall have been paid or delivered, shall be deemed fully-paid and non-assessable stock and shall not be liable to any further call or assessment thereon.

E. The holders of stock, as such, of any class of the corporation shall have no preemptive or preferential right to purchase or subscribe for any part of the unissued capital stock of the corporation of any class or for any new issue of stock of any class, whether now or hereafter authorized or issued, or to purchase or subscribe for any bonds or other obligations, whether or not convertible into stock of any class of the corporation, now or hereafter authorized or issued other than such, if any, as the Board of Directors of the corporation from time to time may fix pursuant to the authority hereby conferred by the Certificate of Incorporation of the corporation; and the Board of Directors may issue stock of the corporation, or securities or obligations convertible into stock, without offering such issue of stock or such securities or obligations, either in whole or in part, to the stockholders of the corporation.

F. Subject to any limitations contained in the resolution or resolutions providing for the issue of any series of Preferred Stock, the holders of Common Stock shall be entitled to receive, when and as declared by the Board of Directors out of the assets of the corporation which are by law available therefor, dividends payable in cash, in property or in shares of Common Stock. No dividends, other than dividends payable only in shares of Common Stock of the corporation, shall be paid on Common Stock if cash dividends in full to which all outstanding shares of Preferred Stock of all series shall then be entitled for the then current dividend period and (where such dividends are cumulative) for all past dividend periods shall not have been paid or declared and set apart in full.

G. In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the corporation, the holders of Common Stock shall be entitled, after payment or provision for payment of the debts and other liabilities of the corporation and of the amounts to which the holders of the Preferred Stock shall be entitled, to share ratably in the remaining net assets of the corporation. Neither a consolidation nor a merger of the corporation with or into any other corporation; nor a merger of any other corporation with or into the corporation; nor a reorganization of the corporation; nor the purchase or redemption of all or part of the outstanding shares of stock of any class or classes of the corporation; nor the sale or transfer of the property and business of the corporation as, or substantially as, an entity shall be considered a liquidation, dissolution or winding-up of the corporation for purposes of the preceding sentence.

Pursuant to the authority conferred upon the Board of Directors by this Article 4, the Certificate of Designation, Preferences and Rights of Series A Preferred Stock set forth as Exhibit A hereto was duly adopted by said Board of Directors on January 8, 1996 and filed with the Secretary of State of the State of Delaware on January 10, 1996.

5. The Board of Directors shall have the power (i) to make, alter or amend the By-laws, subject only to such limitations, if any, as the By-laws of the corporation may from time to time impose; (ii) from time to time to fix and determine and to vary the amount to be reserved as working capital of the corporation, and, before the payment of any dividends or making any distribution or profits, to set aside out of the surplus or net profits of the corporation such sum or sums as the Board may from time to time in its absolute discretion think proper either as additional working capital or as a reserve fund to meet contingencies, or for the repairing or maintaining of any property of the corporation, or for such other corporate purposes as the Board of Directors shall think conducive to the interests of the corporation, subject only to such

limitations, if any, as the By-laws of the corporation may from time to time impose; (iii) from time to time, to the extent now or hereafter permitted by the laws of Delaware, to sell, lease, exchange or otherwise dispose of any part of the property and assets of the corporation which the Board of Directors deems it expedient and for the best interests of the corporation to dispose of, or disadvantageous to continue to own, without assent of the stockholders by vote or otherwise; (iv) to issue or cause to be issued from time to time all or any part of the authorized capital stock of the corporation on such terms and for such consideration as the Board of Directors may determine in its discretion without obtaining the approval of the holders of any of the then outstanding capital stock; (v) pursuant to the affirmative vote of the holders of a majority of the shares of stock issued and outstanding having voting power given at a stockholders' meeting duly called for that purpose, to sell, lease, exchange, or otherwise dispose of all or substantially all of the property and assets of the corporation, including its goodwill and its corporate franchises, upon such terms and conditions as the Board of Directors deems expedient and for the best interest of the corporation; (vi) from time to time to authorize the corporation to borrow money or to pledge the credit of the corporation by guaranty or otherwise, and to issue, sell, pledge, or otherwise deliver or dispose of stock of this or any other corporation, bonds, debentures, notes or other evidences of indebtedness, whether unsecured or secured by mortgage, pledge or other lien of any or all of the assets of the corporation, all on such terms and conditions as the Board of Directors may determine or authorize in its discretion without obtaining the approval of any of the holders of any of the then outstanding capital stock of the corporation and; (vii) to exercise any and all other powers conferred by law or by this certificate or which may be conferred upon the Board of Directors by the corporation through appropriate By-law provisions or otherwise.

6. The Board of Directors, by resolution or resolutions duly adopted by it, may designate one or more committees, each committee to consist of one or more directors of the corporation, which, to the extent provided in the

resolution or resolutions or in the By-laws of the corporation, but subject to any limitations specifically imposed by the laws of Delaware, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it.

7. No contract, act or transaction of the corporation with any person, firm or corporation shall be affected or invalidated by reason of the fact that any director or officer of the corporation is a party to or is interested in such contract, act or transaction, or in any way connected with such person, firm or corporation, provided that such interest or connection shall have been disclosed or known to the corporation. Any director of the corporation having any such interest or connection may, nevertheless, be counted in determining the existence of a quorum at any meeting of the Board of Directors or a committee which shall authorize any such contract, act or transaction and may vote thereon with full force and effect. No such officer or director nor any such person, firm or corporation in or with which such director or officer is connected shall be liable to account to the corporation for any profit realized from or through any such contract, act or transaction.

8. (i) Except as otherwise provided in this Certificate of Incorporation or the General Corporation law of the State of Delaware, the business and affairs of the corporation shall be managed by or under the direction of a Board of Directors consisting of such number of members as may be fixed, subject to the rights of the holders of any series of preferred stock then outstanding, from time to time, by the affirmative vote of the majority of the members of the Board of Directors of the corporation, but not less than the minimum number authorized by the State of Delaware. The directors shall be divided into three classes, as nearly equal in number as possible. The directors serving at such time shall designate individual directors as the initial members of such classes, with the term of office of the first class to expire at the 1997 Annual Meeting of Stockholders, the term of office of the second class to expire at the 1998 Annual Meeting of Stockholders and the

term of office of the third class to expire at the 1999 Annual Meeting of Stockholders. At each Annual Meeting of Stockholders following the initial classification and election, directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire at the third succeeding Annual Meeting of Stockholders after their election.

(ii) Subject to the rights of the holders of any series of preferred stock then outstanding, any director, or the entire Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least a majority of the voting power of all of the shares of the corporation entitled to vote for the election of directors. For purposes of this Article 8, cause for removal shall be construed to exist only if the director whose removal is proposed has been convicted of a felony by a court of competent jurisdiction or has been adjudged by a court of competent jurisdiction to be liable for negligence or misconduct in the performance of his duty to the corporation in a matter of substantial importance to the corporation.

(iii) Subject to the rights of the holders of any series of preferred stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled by a majority vote of the directors then in office, and directors so chosen shall hold office for a term expiring at the Annual Meeting of Stockholders at which the term of the class to which they have been elected expires.

9. The corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation or any

amendment thereto in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights conferred on the stockholders hereunder are granted subject to that reservation.

10. The duration of the corporation shall be perpetual.

11. A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law as the same exists or hereafter may be amended or (iv) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law hereafter is amended to authorize the further elimination or limitation of the liability of directors, then, in addition to the limitation on personal liability provided herein, the liability of a director of the corporation shall be limited to the fullest extent permitted by the amended Delaware General Corporation Law. Any repeal or modification of this paragraph by the stockholders of the corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the corporation existing at the time of such repeal or modification.

12. No action required to be taken or which may be taken at any annual or special meeting of stockholders of the corporation may be taken without a meeting, and the power of stockholders of the corporation to take any such action by means of a consent or consents in writing, without a meeting, is specifically denied.

IN WITNESS WHEREOF, Roper Industries, Inc. has caused this Restated Certificate of Incorporation to be signed by Derrick N. Key, its President, and Shanler D. Cronk, its Secretary, this 10th day of March 1997.

/s/ Derrick N. Key

Derrick N. Key,
President

/s/ Shanler D. Cronk
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Shanler D.Cronk, Secretary

EXHIBIT A

CERTIFICATE OF DESIGNATION, PREFERENCES AND RIGHTS
OF SERIES A PREFERRED STOCK

of

ROPER INDUSTRIES, INC.

Pursuant to Section 151 of the General Corporation Law
of the State of Delaware

We, Derrick N. Key, President, and John N. Marden, Secretary, of Roper Industries, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware, in accordance with the provisions of Section 103 thereof, DO HEREBY CERTIFY:

That pursuant to the authority conferred upon the Board of Directors by the Certificate of Incorporation of the said Corporation, the said Board of Directors on January 8, 1996, adopted the following resolution creating a series of twenty five thousand (25,000) shares of Preferred Stock designated as Series A Preferred Stock:

RESOLVED, that pursuant to the authority vested in the Board of Directors of the Corporation by the Certificate of Incorporation, the Board of Directors does hereby provide for the issue of a series of Preferred Stock, $.01 par value, of the Corporation, to be designated "Series A Preferred Stock" (hereinafter referred to as the "Series A Preferred Stock"), and does hereby fix and herein state and express the designations, powers, preferences and relative and other special

rights and the qualifications, limitations and restrictions thereof, as follows:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series A Preferred Stock" and the number of shares initially constituting such series shall be twenty five thousand (25,000); provided, however, that, if more than a total of twenty five thousand (25,000) shares of Series A Preferred Stock shall be issuable upon the exercise of the Rights (the "Rights") issued pursuant to the Rights Agreement dated as of January 8, 1996 between the Corporation and SunTrust Bank, Atlanta, as Rights Agent, the Board of Directors of the Corporation, pursuant to Section 151(g) of the General Corporation Law of the State of Delaware, shall direct by resolution or resolutions that a certificate be properly executed, acknowledged, filed and recorded, in accordance with the provisions of Section 103 thereof, providing for the total number of shares of Series A Preferred Stock authorized to be issued to be increased (to the extent the Certificate of Incorporation then permits) to the largest number of whole shares (rounded up to the nearest whole number) issuable upon exercise of the Rights.

Section 2. Dividends and Distributions.

(A) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the last day of each fiscal quarter in each year or on such dates as the Board of Directors shall approve (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share of Series A Preferred Stock (rounded to the nearest cent) equal to the

greater of (i) $.01 or (ii) subject to the provision for adjustment hereinafter set forth, one thousand (1,000) times the aggregate per share amount of all cash dividends, and one thousand (1,000) times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, par value $.01 per share, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. If the Corporation shall at any time after January 8, 1996 (the "Rights Dividend Declaration Date") (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock into a larger number of shares, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, if no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of $.01 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to one thousand (1000) votes on all matters submitted to a vote of the shareholders of the Corporation. If the Corporation shall at any time after the Rights Dividend Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock into a larger number of shares, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such

event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of shareholders of the Corporation.

(C) (i) If at any time dividends on any Series A Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock (including holders of the Series A Preferred Stock) with dividends in arrears in an amount equal to six (6) quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect two (2) Directors.

(ii) During any default period, such voting right of the holders of Series A Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (iii) of this Section 3(C) or at any annual meeting of shareholders, and thereafter at annual meetings of shareholders, provided that neither such voting right nor the right of the holders of any other series of Preferred Stock, if any, to increase, in certain cases, the authorized number of Directors shall be exercised unless the holders of ten percent (10%) in number of shares of Preferred Stock

outstanding shall be present in person or by proxy. The absence of a quorum of the holders of Common Stock shall not affect the exercise by the holders of Preferred Stock of such voting right. At any meeting at which the holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect Directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two (2) Directors or, if such right is exercised at an annual meeting, to elect two (2) Directors. If the number which may be so elected at any special meeting does not amount to two (2) Directors, the holders of the Preferred Stock shall have the right to make such increase in the number of Directors as shall be necessary to permit the election by them of the two (2) Directors. After the holders of the Preferred Stock shall have exercised their right to elect Directors in any default period and during the continuance of such period, the number of Directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or pari passu with the Series A Preferred

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Stock.

(iii) Unless the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect Directors, the Board of Directors may order, or any shareholder or shareholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of special meeting of the holders of Preferred Stock, which meeting shall thereupon be called by the President, a Vice-President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this paragraph (C)(iii) shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than twenty (20) days and not later than sixty (60) days after such order or request or in default of the calling of such meeting within sixty (60) days after such order

or request, such meeting may be called on similar notice by any shareholder or shareholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding. Notwithstanding the provisions of this paragraph (C)(iii), no such special meeting shall be called during the period within sixty (60) days immediately preceding the date fixed for the next annual meeting of the shareholders.

(iv) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of Directors until the holders of Preferred Stock shall have exercised their right to elect two (2) Directors voting as a class, after the exercise of which right (x) the Directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in paragraph (C)(ii) of this Section 3) be filled by vote of a majority of the remaining Directors theretofore elected by the holders of the class of stock which elected the Director whose office shall have become vacant. References in this paragraph (C) to Directors elected by the holders of a particular class of stock shall include Directors elected by such Directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect Directors shall cease, (y) the term of any Directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of Directors shall be such number as may be provided for in the Certificate of Incorporation or By-laws irrespective of any increase made pursuant to the provisions of paragraph (C)(ii) of this Section 3 (such number being subject, however, to change thereafter in any manner provided by law or in the Certificate of Incorporation or By-laws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the

preceding sentence may be filled by a majority of the remaining Directors, even though less than a quorum.

(D) Except as set forth herein, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, provided that the corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

Section 6. Liquidation, Dissolution or Winding Up.

(A) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received $10 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series A Liquidation Preference"). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series A Liquidation Preference by (ii) one thousand (1000) (as appropriately adjusted as set forth in subparagraph C below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the

Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Series A Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series A Preferred Stock and Common Stock, respectively, holders of Series A Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(B) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on a parity with the Series A Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are not sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(C) If the Corporation shall at any time after the Rights Dividend Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock into a larger number of shares, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. If the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or

securities, cash and/or any other property, then in any such case the shares of Series A Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to one thousand (1000) times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time

after the Rights Dividend Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock into a larger number of shares, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series A Preferred Stock shall not be redeemable.

Section 9. Ranking. The Series A Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 10. Amendment. The Certificate of Incorporation of the Corporation shall not be further amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series A Preferred Stock, voting separately as a class.

Section 11. Fractional Shares. Series A Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Preferred Stock.

IN WITNESS WHEREOF, we have executed and subscribed this Certificate and do affirm the foregoing as true under the penalties of perjury as of the 8th day of January.

/s/ Derrick N. Key

Derrick N. Key,
President

Attest:

/s/ John N. Marden

John N. Marden, Secretary

EXHIBIT 10.02

ROPER INDUSTRIES, INC.

1991 STOCK OPTION PLAN

(AS AMENDED)

I. PURPOSES

Roper Industries, Inc. (the "Company") desires to afford certain directors, key employees, consultants and other employees of the Company and its subsidiaries who are responsible for the continued growth of the Company an opportunity to acquire a proprietary interest in the Company, and thus to create in such persons interest in and a greater concern for the welfare of the Company.

The stock options offered pursuant to this 1991 Stock Option Plan (the "Plan") are a matter of separate inducement and are not in lieu of any salary or other compensation for services.

The Company, by means of the Plan, seeks to retain the services of persons now holding employment positions and to secure the services of persons capable of filling such positions.

The options granted under the Plan may be designated as either incentive stock options ("Incentive Options") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or options that do not meet the requirements for Incentive Options ("Non-Qualified Options") but the Company makes no warranty as to the qualification of any option as an Incentive Option.

During any fiscal year while the Plan remains in effect, no more than 100,000 shares in the aggregate may be subject to options granted to any single employee of the Company or its subsidiaries.

II. AMOUNT OF STOCK SUBJECT TO THE PLAN

The total number of shares of common stock of the Company which may be purchased pursuant to the exercise of Options granted under the Plan shall not exceed, in the aggregate, 3,500,000 shares of the authorized common stock, $.01 par value per share, of the Company (the "Shares").

Shares which may be acquired under the Plan may be either authorized but unissued Shares or Shares of issued stock held in the Company's treasury, or both, at the discretion of the Company. If and to the extent that options granted under the Plan expire or terminate without having been exercised, new options may be granted with respect to the Shares covered by such expired or terminated Options, provided that the grant and the terms of such new options shall in all respects comply with the provisions of the Plan.

Except as provided in Article XX, the Company may, from time to time during

the period beginning December 18, 1991 (the "Effective Date"), and ending December 17, 2001 (the "Termination Date"), grant options to certain directors, key employees, consultants and employees under the terms hereinafter set forth.

III. ADMINISTRATION

The Board of Directors of the Company (the "Board of Directors") shall designate from among its members an option committee (the "Committee") to administer the Plan. The Committee shall be comprised of at least two (2) members of the Board of Directors. The Board of Directors shall consider the advisability with the disinterested standards contained, respectively, in Code Section 162(m) and applicable Treasury regulations promulgated thereunder and in Rule 12b-3 when appointing members to the Committee. A majority of the members of the Committee shall constitute a quorum, and the act of a majority of the members of the Committee shall be the act of the Committee. Any member of the Committee may be removed at any time, either with or without cause, by resolution adopted by a majority of the Board of Directors, and any vacancy on the Committee may at any time be filled by resolution adopted by a majority of the Board of Directors.

Subject to the express provisions of the Plan, the Board of Directors or the Committee, as the case may be, shall have authority, in its discretion, to determine the persons to whom options shall be granted, the time when such options shall be granted, the number of Shares which shall be subject to each option, the purchase price of each share which shall be subject to each option, the period(s) during which such options shall be exercisable (whether in whole or in part) and the other terms and provisions thereof. In determining the employees to whom options shall be granted and the number of Shares for which options shall be granted to each person, the Board of Directors or the Committee, as the case may be, shall consider the length of service, the amount of earnings, and the responsibilities and duties of such person.

Subject to the express provisions of the Plan, the Board of Directors or the Committee, as the case may be, also shall have authority to construe the Plan and options granted thereunder, to amend the Plan and options granted thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan, to determine the terms and provisions of the respective options (which need not be identical) and to make all other determinations necessary or advisable for administering the Plan. The Board of Directors or the Committee, as the case may be, also shall have the authority to require, in its discretion, as a condition of the granting of any such option, that the optionee agree (i) not to sell or otherwise dispose of Shares acquired pursuant to the option for a period of six (6) months following the date of acquisition of such Shares and (ii) that in the event of termination of service of the optionee with the Company or any subsidiary of the Company, other than as a result of dismissal without cause, such optionee will not, for a period to be fixed at the time of the grant of the option, enter into any other employment or participate directly or indirectly in any other business or enterprise which is competitive with the business of the Company or any subsidiary of the company, or enter into any employment in which such optionee will be called upon to utilize special knowledge obtained through service with the Company or any subsidiary of the Company.

The determination of the Board of Directors or the Committee as the case may be, on matters referred to in this Article III shall be conclusive.

The Board of Directors or the Committee, as the case may be, may employ such legal counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion received from any such counsel or consultant and any computation received from any such consultant or agent. Expenses incurred by the Board of Directors or the Committee in the engagement of such counsel, consultant or agent shall be paid by the Company. No member or former member of the Committee or of the Board of Directors shall be liable for any action or determination made in good faith with respect to the Plan or any option granted hereunder.

IV. ELIGIBILITY

Options may be granted only to directors, key employees, consultants and employees of the Company and its subsidiaries who are not members of the Committee.

An Incentive Option shall not be granted to any person who, at the time the option is granted, owns stock of the Company or any subsidiary or parent of the Company possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any subsidiary or parent of the Company unless (i) the option price is at least one hundred ten percent (110%) of the fair market value per share (as defined in Article VI) of the stock subject to the option and (ii) the option is not exercisable after the fifth anniversary of the date of grant of the option. In determining stock ownership of an employee, the rules of Section 424(d) of the Code shall be applied, and the Board of Directors or the Committee, as the case may be, may rely on representations of fact made to it by the employee and believed by it to be true.

V. MAXIMUM ALLOTMENT OF INCENTIVE OPTIONS

If the aggregate fair market value of stock with respect to which Incentive Options are exercisable for the first time by an employee during any calendar year (under all stock option plans of the Company and any parent or any subsidiary of the Company) exceeds $ 1 00,000, any options which otherwise qualify as Incentive Options, to the extent of the excess, will be treated as Non-Qualified Options.

VI. OPTION PRICE AND PAYMENT

The price per Share under any option granted hereunder shall be such amount as the Board of Directors or the Committee, as the case may be, shall determine but, in the case of an Incentive Option, such price shall not be less than one hundred percent (100%) of the fair market value of the Shares subject to such option, as determined in good faith by the Board of Directors or the Committee, as the case may be, at the date the option is granted.

If the Shares are listed on a national securities exchange in the United States on the date any option is granted, the fair market value per Share shall be deemed to be the average of the high and low quotations at which such Shares are sold on such national securities

exchange in the United States on the date next preceding the date upon which the option is granted, but if the Shares are not traded on such date, or such national securities exchange is not open for business on such date, the fair market value per Share shall be determined as of the closest preceding date on which such exchange shall have been open for business and the Shares were traded. If the Shares are listed on more than one national securities exchange in the United States on the date any such option is granted, the Committee shall determine which national securities exchange shall be used for the purpose of determining the fair market value per Share. If the Shares are not listed on a national securities exchange, but are reported on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), the fair market value per share shall be deemed to be the average of the high bid and low asked prices on the date next preceding the date upon which the option is granted as reported by NASDAQ.

For purposes of this Plan, the determination by the Board of Directors or the Committee, as the case may be, of the fair market value of a Share shall be conclusive.

Upon the exercise of an option granted hereunder, the Company shall cause the purchased Shares to be issued only when it shall have received the full purchase price for the Shares in cash; provided, however, that in lieu of cash, the holder of an option may, if and to the extent the terms of such option so provide and to the extent permitted by applicable law, exercise an option in whole or in part, by delivering to the Company shares of common stock of the Company (in proper form for transfer and accompanied by all requisite stock transfer tax stamps or cash in lieu thereof) owned by such holder having a fair market value equal to the cash exercise price applicable to that portion of the option being exercised by the delivery of such Shares. The fair market value of the stock so delivered shall be determined as of the date immediately preceding the date on which the option is exercised, or as may be required in order to comply with or to conform to the requirements of any applicable laws or regulations.

VII. USE OF PROCEEDS

The cash proceeds of the sale of Shares subject to the options granted hereunder are to be added to the general funds of the Company and used for its general corporate purposes as the Board of Directors shall determine,

VIII. LOANS, LOAN GUARANTEES AND INSTALLMENT PAYMENTS

In order to assist an optionee (including an optionee who is an officer or director of the Company or any subsidiary of the Company) in the acquisition of shares of Common Stock pursuant to options granted under the Plan, the Board of Directors or the Committee, as the case may be, may authorize, at either the time of the grant of an option or the time of the acquisition of Common Stock pursuant to the option; (i) the extension of a loan to the optionee by the Company, (ii) the payment by the optionee of the purchase price, if any, for the Common Stock in installments, or (iii) the guarantee by the Company or a subsidiary of the Company of a loan obtained by the optionee from a third party. The terms of any loans, guarantees or installment payments, including the interest rate and terms of repayment, will be subject to the discretion of the Board of Directors or the Committee, as the case may be. Loans, installment payments and guarantees may be granted without security, the maximum credit available being

the purchase price, if any, of the Common Stock acquired plus the maximum federal and state income and employment tax liability which may be incurred in connection with the acquisition. In no event, however, may the amount of any loan exceed the amounts allowable to the loan to such individual for the purposes stated hereunder as provided by any regulation of the United States Treasury or other State or Federal statute.

IX. TERM OF OPTIONS AND LIMITATIONS ON THE RIGHT OF EXERCISE

Unless the Board of Directors or the Committee, as the case may be, shall determine otherwise (in which event the instrument evidencing the option granted hereunder shall so specify), any option granted hereunder shall be exercisable during a period of not more than ten (10) years from the date of grant of such option.

The Board of Directors or the Committee, as the case may be, shall have the right to accelerate, in whole or in part, from time to time, conditionally or unconditionally, rights to exercise any option granted hereunder.

To the extent that an option is not exercised within the period of exercisability specified herein, it shall expire as to the then unexercised part.

X. EXERCISE OF OPTIONS

Options granted under the Plan shall be exercised by the optionee as to all or part of the Shares covered thereby by the giving of written notice of the exercise thereof to the Corporate Secretary of the Company and the stock transfer agent for the Company at the principal business office of the Company, specifying the number of Shares to be purchased and specifying a business day not more than fifteen (I 5) days from the date such notice is given, for the payment of the purchase price against delivery of the Shares being purchased. Subject to the terms of Articles XV, XVI, XVII and XVIII or any other terms or conditions of any options grant deemed advisable in the administration of the grant by the Board of Directors or the Committee, as the case may be, the Company shall cause certificates for the Shares so purchased to be delivered to the optionee, against payment of the full purchase price, on the date specified in the notice of exercise.

XI. NONTRANSFERABILITY OF OPTIONS

An option granted hereunder shall not be transferable, whether by operation of law or otherwise, other than by will or the laws of descent and distribution, and any option granted hereunder shall be exercisable, during the lifetime of the holder, only by such holder.

XII. TERMINATION OF EMPLOYMENT

Upon termination of employment of any employee with the Company or any subsidiary of the Company any option previously granted to such employee, unless otherwise specified by the Board of Directors or the Committee, as the case may be, shall, to the extent not theretofore exercised, terminate and become null and void, provided that:

(a) if the employee shall die while in the employ of the Company or any subsidiary of the Company or during either the three (3) month or one (1) year period, whichever is applicable, specified in clause (b) below at a time when such employee was entitled to exercise an option as herein provided, the legal representative of such employee, or such person who acquired such option by bequest or inheritance or by reason of the death of the employee, may, not later than one (1) year from the date of death, exercise such option, to the extent not theretofore exercised, in respect of any or all of such number of Shares as specified by the Board of Directors or the Committee, as the case may be, in such option grant; and

(b) if the employment of any employee to whom such option shall have been granted shall terminate by reason of the employee's retirement (at such age or upon such conditions as shall be specified by the Board of Directors or the Committee, as the case may be), disability (as described in Section 22(e)(3) of the Code) or dismissal by the employer other than for cause (as defined below), and while such employee is entitled to exercise such option as herein provided, such employee shall have the right to exercise such option so granted, to the extent not theretofore exercised, in respect of any or all of such number of Shares as specified by the Board of Directors or the Committee, as the case may be, in such option at any time up to and including (i) three (3) months after the date of such termination of employment in the case of termination by reason of retirement or dismissal other than for cause and (ii) one (1) year after the date of termination of employment in the case of termination by reason of disability.

In no event, however, shall any person be entitled to exercise any option after the expiration of the period of exercisability of such option as specified therein.

If an employee voluntarily terminates his or her employment, or is discharged for cause, any options granted hereunder and any interest of the employee in such option shall, unless otherwise specified by the Board of Directors or the Committee, as the case may be, in the option, forthwith terminate with respect to any unexercised portion thereof.

Notwithstanding any other provision of this Article XII, if the employment of any employee with the Company or any subsidiary of the Company is terminated, whether voluntarily or involuntarily, within a one-year period following a change in the ownership or

effective control of the Company (within the meaning of Section 28OG(b)(2)(A)(i) and while such employee is entitled to exercise an option as herein provided, other than a termination of such employment by the Company or any subsidiary of the Company for cause, such employee shall have the right to exercise all or any portion of such option at any time up to and including three (3) months after the date of such termination of employment, at which time such option shall cease to be exercisable.

If an option granted hereunder shall be exercised by the legal representative of a deceased employee or former employee, or by a person who acquired an option granted hereunder by bequest or inheritance or by reason of the death of any employee or former employee, written notice of such exercise shall be accompanied by a certified copy of letters testamentary or equivalent proof of the right of such legal representative or other person to exercise such option.

For the purposes of the Plan, the term "for cause" shall mean (i) with respect to an employee who is a party to a written agreement with, or, alternatively, participates in a compensation or benefit plan of the Company or any subsidiary of the Company, which agreement or plan contains a definition of "for cause or cause" (or words of like import) for purposes of termination of employment thereunder by the Company or such subsidiary of the Company, "for cause" or "cause" as defined in the most recent of such agreements or plans, or (ii) in all other cases, as determined by the Committee or the Board of Directors, as the case may be, in its sole discretion, (a) the willful commission by an employee of a criminal or other act that causes or will probably cause substantial economic damage to the Company or a substantial injury to the business reputation of the Company; (b) the commission by an employee of an act of fraud in the performance of such employee's duties on behalf of the Company or any subsidiary of the Company; or (c) the continuing willful failure of an employee to perform the duties of such employee to the Company or any subsidiary of the Company (other than such failure resulting from the employee's incapacity due to physical or mental illness) after written notice thereof (specifying the particulars thereof in reasonable detail) and a reasonable opportunity to be heard and cure such failure are given to the employee by the Board of Directors or the Committee, as the case may be. For purposes of the Plan, no act, or failure to act, on the employee's part shall be considered "willful" unless done or omitted to be done by the employee not in good faith and without reasonable belief that the employee's action or omission was in the best interest of the Company or a subsidiary of the Company.

For the purposes of the Plan, an employment relationship shall be deemed to exist between an individual and a corporation if, at the time of the deter mination, the individual was an employees or such corporation for purposes of Section 422(a) of the Code. If an individual is on military, sick leave or other bona fide leave of absence such individual shall be considered an "employee" for purposes of the exercise of an option and shall be entitled to exercise such option during such leave if the period of such leave does not exceed 90 days, or, if longer, so long as the individual's right to reemployment with the Company is guaranteed either by statute or by contract. If the period of leave exceeds ninety (90) days, the employment relationship shall be deemed to have terminated on the ninety-first (91st) day of such leave, unless the individual's right to re-employment is guaranteed by statute or contract.

A termination of employment shall not be deemed to occur by reason of (i) the transfer of an employee from employment by the Company to employment by a subsidiary of the Company

or (ii) the transfer of an employee from employment by a subsidiary of the Company to employment by the Company or by another subsidiary of the Company.

XIII. ADJUSTMENT OF SHARES, EFFECT OF CERTAIN TRANSACTIONS

In the event of any change in the outstanding Shares through merger, consolidation, reorganization, recapitalization, stock dividend, stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or other like change in capital structure of the Company, an adjustment shall be made to each outstanding option such that each such option shall thereafter be exercisable for such securities, cash and/or other property as would have been received in respect of the Shares subject to such option had such option been exercised in full immediately prior to such change, and such an adjustment shall be made successively each time any such change shall occur. The term "Shares" shall after any such change refer to the securities, cash and/or property then receivable upon exercise of an option. In addition, in the event of any such change, the Board of Directors or the Committee, as the case may be, shall make any further adjustment as may be appropriate to the maximum number of Shares subject to the Plan, the maximum number of Shares for which options may be granted to any one employee, and the number of Shares and price per Share subject to outstanding options as shall be equitable to prevent dilution or enlargement of rights under such options, and the determination of the Board of Directors or the Committee, as the case may be, as to these matters shall be conclusive. Notwithstanding the foregoing, (i) each such adjustment with respect to an Incentive Option shall comply with the rules of Section 424(a) of the Code, and (ii) in no event shall any adjustment be made which would render any Incentive Option granted hereunder other than an incentive stock option for purposes of Section 422 of the Code without the consent of the grantee.

XIV. RIGHT TO TERMINATE EMPLOYMENT

The Plan shall not impose any obligation on the Company or any subsidiary of the Company to continue the employment of any holder of an option and it shall not impose any obligation on the part of any holder of an option to remain in the employ of the Company or of any subsidiary thereof.

XV. PURCHASE FOR INVESTMENT

Except as hereafter provided, the holder of an option granted hereunder shall, upon any exercise thereof, execute and deliver to the Company a written statement, in form satisfactory to the Company, in which such holder represents and warrants that such holder is purchasing or acquiring the Shares acquired thereunder for such holder's own account, for investment only and not with a view to the resale or distribution thereof, and agrees that any subsequent offer for sale or sale or distribution of any such Shares shall be made only pursuant to either (a) a Registration Statement on an appropriate form under the Securities Act of 1933, as amended (the "Securities Act"), which Registration Statement has become effective and is current with regard to the Shares being offered or sold, or (b) a specific exemption from the registration requirements of

the Securities Act, but in claiming such exemption the holder shall, prior to any offer for cash or sale of such Shares, obtain a prior favorable written opinion, in form and substance satisfactory to the Company, from counsel for or approved by the Company, as to the applicability of such exemption thereto. The foregoing restriction shall not apply to (i) issuances by the Company so long as the Shares being issued are registered under the Securities Act and a prospectus in respect thereof is current or (ii) reofferings of Shares by affiliates of the Company (as defined in Rule 405 or any successor rule or regulation promulgated under the Securities Act) if the Shares being reoffered are registered under the Securities Act and a prospectus in respect thereof is current.

XVI. ISSUANCE OF CERTIFICATES. LEGENDS: PAYMENT OF EXPENSES

Upon any exercise of an option which may be granted hereunder and payment of the purchase price, a certificate or certificates for the Shares as to which the option has been exercised shall be issued by the Company in the name of the person exercising the option and shall be delivered to or upon the order of such person or persons.

The Company may endorse such legend or legends upon the certificates for Shares issued upon exercise of an option granted hereunder and may issue such "stop transfer" instructions to its transfer agent in respect of such Shares as, in its discretion, it determines to be necessary or appropriate to (i) prevent a violation of, or to perfect an exemption from, the registration requirements of the Securities Act, (ii) implement the provisions of the Plan and any agreement between the Company and the optionee or grantee with respect to such Shares, or (iii) permit the Company to determine the occurrence of a disqualifying disposition, as described in Section 421(b) of the Code, of Shares transferred upon exercise of an Incentive Option granted under the Plan.

The Company shall pay all issue or transfer taxes with respect to the issuance or transfer of Shares upon exercise of an option, as well as all fees and expenses necessarily incurred by the Company in connection with such issuance or transfer, except fees and expenses which may be necessitated by the filing or amending of a Registration Statement under the Securities Act, which fees and expenses shall be borne by the recipient of the Shares unless such Registration Statement has been filed by the Company for its own corporate purposes (and the Company so states) in which event the recipient of the Shares shall bear only such fees and expenses as are attributable solely to the inclusion of the Shares he or she receives in the Registration Statement, provided that the Company shall have no obligation to include any shares in any Registration Statement.

All Shares issued as provided herein shall be fully paid and non-assessable to the extent permitted by law.

XVII. WITHHOLDING TAX

The Company may require an employee exercising a Non-Qualified Option or disposing of Shares acquired pursuant to the exercise of an Incentive Option in a disqualifying disposition

(within the meaning of Section 421(b) of the Code) to reimburse the corporation that employs such employee for any taxes required by any government to be withheld or otherwise deducted and paid by such corporation in respect of the issuance or disposition of Shares. In lieu thereof, the corporation that employs such employee shall have the right to withhold the amount of such taxes from any other sums due or to become due from such corporation to the employee upon such terms and conditions as the Board of Directors or the Committee, as the case may be, shall prescribe.

XVIII. LISTING OF SHARES AND RELATED MATTERS

If at any time the Board of Directors shall determine in its discretion that the listing, registration or qualification of the Shares covered by the Plan upon any national securities exchange or any state or federal law or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the sale or purchase of Shares under the Plan, no Shares shall be issued unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Board of Directors.

XIX. AMENDMENT OF THE PLAN

The Board of Directors may, from to time, amend the Plan, provided that no amendment shall be made, without the approval of the shareholders of the Company, that will (i) increase the total number of Shares reserved for options under the Plan (other than an increase resulting from an adjustment provided for in Article XIII), (ii) reduce the exercise price of any Incentive Option granted hereunder below the price required by Article VI, (iii) modify the provisions of the Plan relating to eligibility, or (iv) materially increase the benefits accruing to participants under the Plan. The Board of Directors or the Committee, as the case may be, shall be authorized to amend the Plan and the options granted hereunder to permit the Incentive Options granted hereunder to qualify as incentive stock options within the meaning of Section 422 of the Code. The rights and obligations under any option granted before amendment of the Plan or any unexercised portion of such option shall not be adversely affected by amendment of the Plan or the option without the consent of the holder of the option.

XX. TERMINATION OR SUSPENSION OF THE PLAN

The Board of Directors may at any time suspend or terminate the Plan. The Plan, unless sooner terminated by action of the Board of Directors, shall terminate at the close of business on the Termination Date. An option may not be granted while the Plan is suspended or after it is terminated. Rights and obligations under any option granted while the Plan is in effect shall not be altered or impaired by suspension or termination of the Plan, except upon the consent of the person to whom the option was granted. The power of the Board of Directors or the Committee, as the case may be, to construe and administer any options granted prior to the termination or suspension of the Plan under Article III nevertheless shall continue after such termination or during such suspension.

XXI. GOVERNING LAW

The Plan, such options as may be granted thereunder and all related matters shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware.

XXII. PARTIAL INVALIDITY

The invalidity or illegality of any provision herein shall not be deemed to affect the validity of any other provision.

XXIII. EFFECTIVE DATE

The Plan shall become effective at 5:00 P.M., New York City time, on the Effective Date; provided, however, that if the Plan is not approved by a vote of the shareholders of the Company at an annual meeting or any special meeting or by unanimous written consent within twelve (12) months before or after the Effective Date, the Plan and any options granted thereunder shall terminate.

EXHIBIT 10.05

THIS CONSULTING AGREEMENT entered into this lst day of June, 1996 between Roper Industries, Inc., a Delaware corporation ("Roper") with an address at 160 Ben Burton Road, Bogart, Georgia and G.L. Ohrstrom & Co., a New York partnership ("Consultant") with an address at 540 Madison Avenue, New York, New York.

WITNESSETH:

WHEREAS, Roper desires to avail itself of the knowledge and experience of Consultant in financial affairs and acquisition matters in furtherance of the business of Roper and has offered to engage Consultant to render financial consulting and acquisition advisory services to Roper; and

WHEREAS, Consultant desires to accept such engagement, upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. ENGAGEMENT OF CONSULTANT. Roper hereby engages Consultant to act as a financial and acquisitions advisor to Roper and to render services to Roper, subject to and upon the terms and conditions set forth in this Consulting Agreement. Consultant hereby accepts such engagement as described herein. It is agreed by the parties hereto that Consultant is, and will at all times be considered, an independent contractor and not an employee of Roper.

SECTION 2. TERM. Unless otherwise terminated as provided herein, the respective duties and obligations of the parties hereto shall commence on June 1, 1996, and shall continue in full force and effect through June 1, 1999. This agreement shall be automatically renewed for one (1) year periods unless one party gives notice to the other party thirty (30) days prior to the expiration hereof of its intent to terminate this Consulting Agreement.

SECTION 3. DUTIES OF CONSULTANT.

3.1. Covered Activities. Consultant shall report to the chief executive officer of Roper and shall advise and consult with such chief executive officer of Roper, subject at all times to the policies and control of the chief executive officer of Roper. The consulting services provided by Consultant shall be to act as a finder for Roper with respect to potential acquisitions for Roper and to provide general acquisition related and financial advice (which shall also include the availability of meeting space and/or secretarial and technological assistance which has been customary at Consultant's New York office, if requested), subject to the following conditions:

a. In the event Consultant locates an acquisition candidate which would be compatible with, or is related to, the existing business segments of Roper at such time, Consultant shall have an obligation to offer such acquisition to Roper prior

to any other person or entity.

b. In the event Consultant locates an acquisition candidate which is unrelated to Roper's existing business segments at such time, Consultant shall be under no obligation to offer, but may offer, such acquisition to Roper. There is no requirement under this Section 3.b. that Consultant make any such offer, if at all, prior to any other person or entity.

3.2 Additional Services. Roper may call upon Consultant to provide additional financial or advisory services within Consultant's expertise not covered by Section 3.1 and in such event Roper shall compensate Consultant on a per service basis; such fee to be negotiated by Roper and Consultant. Except as set forth in this Section 3.2, all other terms and conditions contained in this Consulting Agreement shall govern the provision of such additional services.

3.3 Availability. At the request of the chief executive officer of Roper, Consultant (through one or more of its partners or employees) shall make itself available to consult with and advise the chief financial officer and the chief executive officer of Roper, at reasonable times, concerning acquisition and financial matters of Roper and its subsidiaries and affiliates. Notwithstanding anything to the contrary contained in this Consulting Agreement, Consultant (through one or more of its partners or employees) shall be required to devote that amount of time providing services to Roper hereunder that is reasonably necessary for Consultant to meet its obligations hereunder.

SECTION 4. CONSULTANT'S CONFIDENTIALITY AND DISCLOSURE. Both during the term of this Consulting Agreement and at any time thereafter, Consultant will:

a. regard and preserve as confidential all knowledge and information pertaining to the business of Roper, its subsidiaries and affiliates, including, but not limited to, purchasing, marketing, systems, accounting, directors, officers, employees and other personnel of Roper, its subsidiaries and affiliates obtained by Consultant from any source whatsoever and which is not a matter of public knowledge or which is treated by Roper as confidential; and

b. except on behalf of Roper, its subsidiaries or affiliates, not communicate or divulge to any other person or entity or make use, for itself or any other person or entity, of any of the records, documents, contracts, writings, data or other information of Roper, its subsidiaries or affiliates, whether or not the same is in written or recorded form, unless the same is a matter of public knowledge.

Any document or other material prepared by the Consultant, alone or in conjunction with others, in the course of providing services hereunder will be deemed 'work for hire' and shall be the exclusive property of Roper. Without limiting the generality of the foregoing, it is hereby agreed that the prohibitions contained above shall be operative, whether inside or outside of the United States, with respect to information or knowledge which may now or hereafter be treated by Roper, its subsidiaries or affiliates as confidential. Consultant's

obligation under this Section 4 shall survive the termination of this Consulting Agreement.

SECTION 5. COMPENSATION.

a. As full and complete compensation for all services provided hereunder, other than those additional services provided pursuant to Section 3.2, Roper shall pay to Consultant compensation at a rate of Three Hundred Thirty-Three Thousand Forty-Eight Dollars ($333,048) per annum, payable in twelve (12) equal monthly payments of Twenty-Seven Thousand Seven Hundred Fifty-Four Dollars ($27,754) on the fifteenth (15th) day of each month. Any other payment due and owing to Consultant pursuant to Section 3.2 shall be paid as agreed between Roper and Consultant.

b. Cost of Living Adjustment. The compensation payable to Consultant hereunder shall be subject to adjustment, upward or downward, based on the increase or decrease in the Consumer Price Index from year to year. For purposes of this calculation, 1996 shall be deemed to be the base year and the annual compensation set forth in Section 5a. shall be deemed to be the base amount. The adjustment shall be calculated on the anniversary of this Consulting Agreement.

SECTION 6. NO PROHIBITION ON CONSULTANT. Notwithstanding anything to the contrary contained herein, subject to Section 4, Consultant shall not in any manner be prevented, prohibited or bound to refrain from engaging in any business or businesses of any kind or nature, or owning or dealing in stocks of any corporation or making any investments of any kind. Notwithstanding the foregoing, during the term of this Consulting Agreement, Consultant shall not engage in any business activity which materially interferes with the performance of Consultant's duties hereunder. This Agreement shall in no way affect the services provided by, or compensation paid to, any of the partners or employees of Consultant as directors of Roper.

SECTION 7. NON-SOLICITATION OF EMPLOYEES. During the term of this Consulting Agreement and for a period of one (1) year thereafter, Consultant shall not, directly or indirectly, solicit or encourage any employee of Roper, its subsidiaries or affiliates to leave such employment.

SECTION 8. TERMINATION. During the initial term of this Consulting Agreement, either party may terminate this agreement upon one (1) year's prior written notice to the other party of its intent to terminate. At all other times, this Consulting Agreement may be terminated only upon the written agreement of Roper and Consultant, or during renewal terms, upon thirty (30) days' notice prior to the end of such renewal term that such party does not want to renew the terms and conditions of this Consulting Agreement. Upon the termination or expiration of this Consulting Agreement, Consultant shall return to Roper any and all files, reports, analyses, charts, documents, and other records or materials of any kind concerning or pertaining to Roper, its subsidiaries or affiliates. Consultant shall not be required to return any such materials its partners have received in their capacity as directors of Roper.

SECTION 9. NOTICES. Any and all notices required or permitted to be given hereunder shall be in writing and shall be given by certified or registered mail or by personal delivery, but shall be deemed to have been given when hand-delivered or when deposited in the United States mail, registered or certified, return receipt requested, postage prepaid, addressed to the party to whom notice is being given at the address of such party listed in the preamble to this Consulting Agreement, or to such other address as may be furnished in writing by such party to the other party to this Consulting Agreement.

SECTION 10. CONTENTS OF AGREEMENT, PARTIES IN INTEREST, ASSIGNMENT ETC. This Consulting Agreement sets forth the entire understanding of the parties with respect to the matters contemplated hereby and any previous agreements or understandings between the parties regarding the subject matter hereof are merged into and superseded by this Consulting Agreement. This Consulting Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Neither party may assign this Consulting Agreement without the prior written consent of the other party.

SECTION 11. WAIVER. A waiver by either party of any of the terms and conditions of this Consulting Agreement in any instance shall not be deemed or construed to be a waiver of such term or condition for the future, or of any subsequent breach thereof.

SECTION 12. AMENDMENT OF CONSULTING AGREEMENT. Notwithstanding anything to the contrary contained in this Consulting Agreement, this Consulting Agreement may be amended at any time only by written instrument duly executed by each of the parties hereto.

SECTION 13. COUNTERPARTS. This Consulting Agreement may be executed in any number of counterparts, each of which when so executed, shall constitute an original copy hereof, but all of which together shall constitute one and the same document.

SECTION 14. GOVERNING LAWS AND ENFORCEMENT. This Consulting Agreement shall be construed and enforced in accordance with the laws of the State of New York, without giving effect to principles of conflicts of law thereof. Should any clause, sentence or Section of this Consulting Agreement be judicially or administratively determined to be invalid, unenforceable or void by the laws of the State of New York or United States of America or any agency or subdivision thereof, such decision shall not have the effect of invalidating or voiding the remainder of this Consulting Agreement and the parties hereto agree that the part or parts of this Consulting Agreement so held to be invalid, unenforceable or void, shall be deemed to have been deleted herefrom and the remainder shall have the same force and effectiveness as if such part or parts had never been included herein.

IN WITNESS WHEREOF, the parties have executed this Consulting Agreement as of the date first above written.

ROPER INDUSTRIES, INC.,
A DELAWARE CORPORATION

By: /s/ Derrick N. Key

Name:
Title: President & CEO

G.L. OHRSTROM & CO.,
A NEW YORK PARTNERSHIP

By: /s/ Donald G. Calder

Name:
Title: Partner

EXHIBIT 10.06

CONSULTING AGREEMENT

This Consulting Agreement ("Agreement") is entered into as of the 1st day of November, 1994 by Roper Industries, Inc. ("Roper") and E. Douglas Kenna and Jean C. Kenna (individually "Consultant", and collectively "Consultants").

RECITALS

A. Roper designs, manufactures and distributes highly engineered fluid handling and industrial controls products worldwide in a wide range of industrial markets. Its corporate headquarters are located in Bogart, Georgia.

B. E. D. Kenna is a former Chairman of Roper's Board of Directors and has been affiliated with Roper businesses for many years, during all of which time Jean C. Kenna has been his spouse, and both of E. D. and Jean C. Kenna have established investor, lender, and business contacts and relationships which have benefited Roper for many years.

C. Roper desires to retain Consultants as consultants, and not as employees, and Consultants desires to be in the service of Roper, and to refrain from competing with Roper or otherwise using Roper's trade secrets, proprietary and confidential information, except in the furtherance of their consulting service with Roper.

NOW THEREFORE, in consideration for the covenants and promises set forth below, Roper and Consultants agree upon the following terms and conditions:

CONSULTANT SERVICES AND FEE

1. Consultant Services. Roper retains Consultants and Consultants agree to provide services to Roper, at Roper's sole discretion and otherwise upon the terms and conditions set forth in this Agreement.

2. Consultant Term. Retention of Consultants shall commence on November 1, 1994.

3. Consultant Fee. As the fee for the performance of services to Roper, Consultants shall be paid jointly a retainer of $4,166.67 per month (the "Consultant Fee"). Roper shall also reimburse Consultants for their reasonable expenses of travel, out of town lodging and meals and other related expenses of providing consulting services to Roper.

4. Duties and Term. Consultants agree to serve Roper faithfully, diligently and to the best of their ability and shall be responsible for the development and support of projects assigned to either of them by Roper. At all times Consultants will be subject to the policies, procedures, directions and restrictions as the Chairman of the Board of Roper may reasonably adopt from time to time. The Consultants' contributions to Roper will include advice in such areas as general corporate planning and strategies, corporate finance and marketing, business development, executive compensation and providing introductions and liaison to and with investors, lenders and business leaders and contacts known to Consultants that might be beneficial to Roper. Consultants agree to serve, and the Consultant Fee will be paid, until the

earlier to occur of October 31, 2004 or the death of the last surviving Consultant, at which time all Consultant Fee payments will cease. Upon the death of either one of the Consultants prior to October 31, 2004, the Consulting Fee will continue to be paid to the other Consultant.

COVENANT NOT TO COMPETE AND CONFIDENTIALITY

5. Covenant Not To Compete. From the date of this Agreement to the date services of the Consultants to Roper are terminated for any reason, neither Consultant will, directly or indirectly, engage in, assist, disclose any information (except where expressly authorized in the performance of his or duties as a consultant made under confidentiality nondisclosure agreements with third parties), solicit the customers of Roper or have any ownership interest in, any person, firm, corporation, partnership, association, agency or business (whether as principal, agent, holder of any equity security, except either Consultant may be the holder of less than I% of the equity securities of public companies whose equity securities are traded on nationally recognized securities markets, or other instruments convertible into an equity security) or as an employee, consultant or otherwise engage in marketing, leasing or otherwise distributing products of the type designed, purchased for resale or distribution or manufactured, sold, distributed or leased by or engage in any other activity of a nature which is competitive with that of the business of Roper.

6. Confidentiality. Consultants acknowledge and agree that all information, documents and records, practices and procedures utilized by Roper in the conduct of its business, of or to which Consultants have or may gain knowledge, are confidential and constitute valuable trade secrets of Roper, and that any disclosure or unauthorized use of Confidential Information would cause irreparable harm and loss to Roper. Consultants shall not disclose or use any Confidential Information outside the intended purposes of this Agreement and shall hold all Confidential Information as strictly confidential.

INDEPENDENT CONTRACTOR

7. Independent Contractor. Consultants are independent contractors and are not and shall make no claim that they are employees, agents, servants or representatives of Roper. Consultants shall have no authority to transact business, enter into agreements or otherwise make commitments on behalf of Roper unless expressly authorized to do so in writing by Roper.

MISCELLANEOUS PROVISIONS

8. Equitable Remedies. In the event of a Consultant's breach or violation of his or her obligations set out in paragraph 5 and/or 6 hereof, such Consultant agrees hereby that Roper would not have an adequate remedy at law and that Roper shall be entitled, without posting a bond, to an injunction restraining any breach and to other appropriate equitable relief. Each Consultant hereby waives the right to use as a defense to any equitable action against the allegation that Roper has an adequate remedy of law. The equitable remedy provided Roper shall be in addition to any other remedies it may have and nothing in this provision shall be construed as prohibiting Roper from pursuing any other remedy available to it, including without limitation withholding of payments otherwise due the Consultant and the refund of past payments made to Consultant.

9. Consultant's Non-Assignment. Consultants may not alienate, hypothecate, pledge, encumber, assign or otherwise transfer any rights under this Agreement.

10. Severability. If any provision of this Agreement shall be determined to be invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, if any provisions and to alter the balance of this Agreement in order to render the provision valid and enforceable.

11. Choice of Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Georgia. Each party consents to service of process at their respective addresses listed in this Agreement and to jurisdiction and venue in the federal district court or state courts of Clarke County, Georgia.

12. Notice. All notices, requests, demands and other communications shall be in writing and shall be deemed to have been duly given upon the date of service if served personally upon the party for whom intended, or if mailed postage pre-paid by registered or certified first class mail, return receipt requested, or by express or telephone facsimile, to such party at its address shown below, or as otherwise designated by such party or addressee in writing, it shall be deemed to have been given when mailed.

If to Roper: Roper Industries, Inc.
160 Ben Burton Road
Bogart, Georgia 30622
706-369-7170 phone
706-353-6496 fax
Attn: Derrick N. Key
President and Chief Executive Officer

If to Consultants: E. Douglas Kenna
Jean C. Kenna
11070 Turtle Beach Road
Apartment B- 1 04
N. Palm Beach, FL 33408
407-624-0264 phone
407-624-2243 fax

/S/ Derrick N. Key
- ------------------
Roper Industries, Inc.
By: Derrick N. Key
Chief Executive Officer

/S/ E. Douglas Kenna

E. Douglas Kenna

/S/ Jean C. Kenna

Jean C. Kenna

EXHIBIT 21 - SUBSIDIARIES OF ROPER INDUSTRIES, INC.

NAME OF SUBSIDIARY	STATE OF JURISDICTION OF INCORPORATION
Amot Controls Corporation	Delaware
Amot Controls Ltd.	United Kingdom
Amot Controls, S.A.	Switzerland
Amot Investments Ltd.	United Kingdom
Amot/Metrix Investment Company	Delaware
Amot Sales Corporation	Delaware
Compressor Controls Corporation (an Iowa Corporation)	Iowa
Compressor Controls Corporation (a Delaware Corporation d/b/a Compressor Controls Corporation - CIS/EE in Iowa)	Delaware
Cornell Pump Company	Delaware
Cornell Pump Manufacturing Corporation	Delaware
Fluid Metering, Inc.	Delaware
FTI Flow Technology, Inc.	Arizona
Gatan International, Inc.	Pennsylvania
Gatan, Inc.	Pennsylvania
Gatan Service Corporation	Pennsylvania
Gatan Limited	United Kingdom
Gatan GmbH	Germany
Integrated Designs, Inc.	Delaware
Integrated Designs, L.P.	Delaware
ISL Holdings, S.A.	France
ISL International, Inc.	Delaware
ISL North America, Inc.	Delaware
ISL Scientifique de Laboratoire - ISL, S.A.	France
Metrix Instrument Co., L.P.	Delaware
Molecular Imaging Corporation	Arizona
Nippon Roper K.K.	Japan
Petrotech, Inc.	Delaware
Prex Corporation	Delaware
Prex L.P.	Delaware
Princeton Instruments, Inc.	Delaware
Princeton Instruments Limited	United Kingdom
Princeton Instruments SARL	France
Roper Holdings, Inc.	Delaware
Roper Industrial Products Investment Co.	Iowa
Roper Industries Europe Ltd.	United Kingdom
Roper International, Inc.	Delaware
Roper International Products Ltd.	Virgin Islands
Roper Pump Company	Delaware
Uson Corporation	Delaware
Uson L.P.	Delaware

EXHIBIT 22

INDEPENDENT AUDITOR'S CONSENT

The Board of Directors
Roper Industries, Inc.

We consent to incorporation by reference in the registration statements No.'s 333-36897, 33-71094, 33-77770 and 33-78026 on Form S-8 of Roper Industries, Inc. of our report dated December 5, 1997 relating to the consolidated balance sheets of Roper Industries, Inc. and subsidiaries as of October 31, 1997 and 1996, and the related consolidated statements of earnings, stockholders' equity, and cash flows for each of the years in the three-year period ended October 31, 1997, and the related schedule, which report appears in the October 31, 1997 annual report on Form 10-K of Roper Industries, Inc.

Atlanta, Georgia
January 20, 1998

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1,000

YEAR
OCT-31-1997
NOV-01-1996
OCT-31-1997
649
0
78,752
0
50,199
131,890
63,002
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298,514
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144,847
0
0
6,048
55,100
18,750
36,350
0
0
0
36,350
1.16
1.16

SEE ACCOMPANYING NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.