

DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(\$ in millions except per share data)

Actual Earnings Per Share

	Three Months Ending March 29, 2013	Three Months Ending March 30, 2012	
Diluted Net Earnings Per Share from Continuing Operations (GAAP)	\$ 0.98	\$ 0.73	<u>34%</u>
Gain on the sale of investment in Apex Tool Group LLC in the first quarter of 2013 (\$230 million pre-tax, \$144 million after-tax)	(0.20)	-	
Retroactive reinstatement of certain federal tax provisions contained in the American Tax Relief Act of 2012 and other discrete items.	(0.03)	-	
Adjusted Diluted Net Earnings Per Share from Continuing Operations (Non-GAAP)	<u>\$ 0.75</u>	<u>\$ 0.73</u>	<u>2.5%</u>

Forecasted Earnings Per Share Guidance

	Three Months Ending June 28, 2013		Year Ending December 31, 2013	
	Low End	High End	Low End	High End
Diluted Net Earnings Per Share from Continuing Operations (GAAP)	\$ 0.80	\$ 0.85	\$ 3.55	\$ 3.70
Gain on the sale of investment in Apex Tool Group LLC in the first quarter of 2013 (\$230 million pre-tax, \$144 million after-tax)	-	-	(0.20)	(0.20)
Retroactive reinstatement of certain federal tax provisions contained in the American Tax Relief Act of 2012 and other discrete items.	-	-	(0.03)	(0.03)
Adjusted Diluted Net Earnings Per Share from Continuing Operations (Non-GAAP)	<u>\$ 0.80</u>	<u>\$ 0.85</u>	<u>\$ 3.32</u>	<u>\$ 3.47</u>

Core Revenue Growth

<u>Components of Revenue Growth</u>	Three Months Ended March 29, 2013 vs. Comparable 2012 Period
Core (non-GAAP)	1.0%
Acquisitions (non-GAAP)	3.0%
Impact of Currency Translation (non-GAAP)	-1.0%
Total Revenue Growth (GAAP)	<u>3.0%</u>

Adjusted Diluted Net Earnings Per Share from Continuing Operations

We disclose the non-GAAP measure of adjusted diluted net earnings per share from continuing operations, which refers to GAAP diluted net earnings per share from continuing operations, excluding the items identified in the reconciliation schedule above. This non-GAAP measure should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measure, and may not be comparable to similarly titled measures reported by other companies.

Management believes that this measure provides useful information to investors by reflecting additional ways of viewing aspects of Danaher's operations that, when reconciled to the corresponding GAAP measure, helps our investors to better understand the long-term profitability trends of our business, and facilitates easier comparisons of our profitability to prior and future periods and to our peers. The items described above have been excluded from this measure because items of this nature and/or size occur with inconsistent frequency, occur for reasons that may be unrelated to Danaher's commercial performance during the period and/or we believe are not indicative of Danaher's ongoing operating costs or gains in a given period, which we believe may obscure underlying business trends and make comparisons of long-term performance difficult. The Company deems acquisition-related transaction costs incurred in a given period to be significant (generally relating to the Company's larger acquisitions) if it determines that such costs exceed the range of acquisition-related transaction costs typical for Danaher in a given period.

The Company estimates the tax effect of the items identified in the reconciliation schedule above by applying the Company's overall estimated effective tax rate to the pre-tax amount, unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment, in which case the tax effect of such item is estimated by applying such specific tax rate or tax treatment.

Core Revenue and Core Revenue Growth

We use the term "core revenue" or "sales from existing businesses" to refer to GAAP revenue from existing operations excluding (1) sales from acquired businesses recorded prior to the first anniversary of the acquisition less the impact from the divestiture of a product line the sales of which (prior to the divestiture) were included in sales from acquired businesses ("acquisition sales"), and (2) the impact of currency translation. The portion of GAAP revenue from existing operations attributable to currency translation is calculated as the difference between (a) the period-to-period change in revenue (excluding acquisition sales) and (b) the period-to-period change in revenue (excluding acquisition sales) after applying current period foreign exchange rates to the prior year period. We use the term "core revenue growth" to refer to the measure of comparing current period core revenue with the corresponding period of the prior year. These non-GAAP measures should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measures, and may not be comparable to similarly titled measures reported by other companies.

Management believes that these non-GAAP measures provide useful information to investors by helping identify underlying growth trends in our business and facilitating easier comparisons of our revenue performance with prior and future periods and to our peers. We exclude the effect of currency translation from these measures because currency translation is not under management's control, is subject to volatility and can obscure underlying business trends. We exclude the effect of acquisitions because the nature, size and number of acquisitions can vary dramatically from period to period and between us and our peers, which we believe may obscure underlying business trends and make comparisons of long-term performance difficult.

DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(\$ in millions except per share data)

	Three Months Ended March 29, 2013	Three Months Ended March 30, 2012	
Diluted Net Earnings Per Share from Continuing Operations (GAAP)	\$ 0.98	\$ 0.73	<u>34%</u>
Gain on the sale of investment in Apex Tool Group LLC in the first quarter of 2013 (\$230 million pre-tax, \$144 million after-tax)	(0.20)	-	
Retroactive reinstatement of certain federal tax provisions contained in the American Tax Relief Act of 2012 and other discrete items.	(0.03)	-	
Earnings from investment in Apex Tool Group LLC in the first quarter of 2012 (\$14.3 million pre-tax, \$11.3 million after-tax)	-	(0.02)	
Adjusted Diluted Net Earnings Per Share from Continuing Operations excluding impact of Earnings from investment in Apex Tool Group LLC in the first quarter of 2012 (Non-GAAP)	\$ 0.75	\$ 0.71	<u>6%</u>

Adjusted Diluted Net Earnings Per Share from Continuing Operations excluding impact of earnings from investment in Apex Tool Group LLC in the first quarter of 2012 (Non-GAAP)

We disclose the non-GAAP measure of adjusted diluted net earnings per share from continuing operations excluding impact of Earnings from investment in Apex Tool Group LLC in the first quarter of 2012, which refers to GAAP diluted net earnings per share from continuing operations, excluding the items identified in the reconciliation schedule above. This non-GAAP measure should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measure, and may not be comparable to similarly titled measures reported by other companies.

Management believes that this measure provides useful information to investors by reflecting additional ways of viewing aspects of Danaher's operations that, when reconciled to the corresponding GAAP measure, helps our investors to better understand the long-term profitability trends of our business, and facilitates easier comparisons of our profitability to prior and future periods and to our peers. The items described above have been excluded from this measure because items of this nature and/or size occur with inconsistent frequency, occur for reasons that may be unrelated to Danaher's commercial performance during the period and/or we believe are not indicative of Danaher's ongoing operating costs or gains in a given period, which we believe may obscure underlying business trends and make comparisons of long-term performance difficult.

The Company estimates the tax effect of the items identified in the reconciliation schedule above by applying the Company's overall estimated effective tax rate to the pre-tax amount, unless the nature of the item and/or the tax jurisdiction in which the item has been recorded requires application of a specific tax rate or tax treatment, in which case the tax effect of such item is estimated by applying such specific tax rate or tax treatment.

Danaher Corporation
Reconciliation of GAAP to Non-GAAP Financial Measures

Core Operating Margin Changes

	Segments					
	Total Company	Test & Measurement	Environmental	Life Sciences & Diagnostic	Dental	Industrial Technologies
Three Months Ended March 30, 2012 Operating Profit Margins From Continuing Operations (GAAP)	17.00%	22.60%	18.60%	13.30%	12.70%	20.60%
First quarter 2013 impact from operating profit margins of businesses that have been owned for less than one year	(0.45)	(0.45)	(0.45)	(0.65)	0.20	(0.75)
2012 operating profit margin contribution from interest in Apex Tool Group LLC (which interest was divested in February 2013)	(0.35)	-	-	-	-	-
Year-over year core operating margin changes for first quarter 2013 (defined as all year-over-year operating margin changes other than the changes identified in the line items above.) (Non-GAAP)	0.20	(0.25)	0.45	0.05	0.20	1.05
Three Months Ended March 29, 2013 Operating Profit Margins From Continuing Operations (GAAP)	16.40%	21.90%	18.60%	12.70%	13.10%	20.90%

Non-GAAP Measures

We disclose the non-GAAP measure of core operating margin which is defined above. This non-GAAP measure should be considered in addition to, and not as a replacement for or superior to, its respective comparable GAAP measure, and may not be comparable to similarly titled measures reported by other companies.

Management believes that this non-GAAP measure provides useful information to investors by reflecting an additional way of viewing Danaher's operations that, when reconciled to its respective comparable GAAP measure, helps our investors to better understand the long-term profitability trends of our business, and facilitates easier comparisons of our profitability to prior and future periods and to our peers. The item described above has been excluded from the non-GAAP measure because items of this nature and/or size occur with inconsistent frequency, for reasons that may be unrelated to Danaher's commercial performance during the period and/or we believe are not indicative of Danaher's ongoing operating costs or gains in a given period, which we believe may obscure underlying business trends and make comparisons of long-term performance difficult.

Danaher Corporation**Supplemental Reconciliation of Operating Cash Flows from Continuing Operations (GAAP) to Free Cash Flow From Continuing Operations (Non-GAAP)**

	Quarter Ended	
	March 29, 2013	March 30, 2012
Free Cash Flow from Continuing Operations (\$ in millions):		
Operating Cash Flows from Continuing Operations per GAAP	\$ 636.5	\$ 651.4
Payments for Property, Plant & Equipment (Capital Expenditures) from Continuing Operations	(116.3)	(117.8)
Free Cash Flow from Continuing Operations	<u>\$ 520.2</u>	<u>\$ 533.6</u>
Ratio of Free Cash Flow to Net Earnings (\$ in millions):		
Free Cash Flow from Continuing Operations from Above	\$ 520.2	\$ 533.6
Net Earnings from Continuing Operations	<u>691.9</u>	<u>520.0</u>
Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio	<u>0.75</u>	<u>1.03</u>

We disclose the non-GAAP measures of free cash flow from continuing operations and ratio of free cash flow to net earnings, as defined above. These non-GAAP measures should be considered in addition to, and not as a replacement for or superior to, GAAP operating cash flow, and may not be comparable to similarly titled measures used by other companies.

Danaher's management believes that these non-GAAP measures provides useful information to investors by reflecting an additional way of viewing aspects of Danaher's operations that, when reconciled to their respective GAAP measures, helps our investors to better understand the strength of Danaher's earnings as well as Danaher's ability to generate cash without external financings, strengthen its balance sheet, invest in the business and grow the business through acquisitions and other strategic opportunities. A limitation of these non-GAAP measures is that they do not take into account the Company's debt service requirements and other non-discretionary expenditures.

Danaher Corporation**Supplemental Reconciliation of Operating Cash Flows from Continuing Operations (GAAP) to Adjusted Free Cash Flow From Continuing Operations (Non-GAAP)**

	<u>Quarter Ended</u> <u>March 29, 2013</u>
<u>Free Cash Flow from Continuing Operations (\$ in millions):</u>	
Operating Cash Flows from Continuing Operations per GAAP	\$ 636.5
Payments for Property, Plant & Equipment (Capital Expenditures) from Continuing Operations	<u>(116.3)</u>
Free Cash Flow from Continuing Operations	\$ 520.2
Q1 2013 Restructuring payments	42.0
Adjusted Free Cash Flow from Continuing Operations	<u><u>\$ 562.2</u></u>
<u>Ratio of Free Cash Flow to Net Earnings (\$ in millions):</u>	
Adjusted Free Cash Flow from Continuing Operations from Above	\$ 562.2
Net Earnings from Continuing Operations	691.9
Less After-Tax Gain on sale of Investment in Apex	<u>\$ (143.6)</u>
Adjusted Net Earnings from Continuing Operations	\$ 548.3
Adjusted Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio	<u><u>1.03</u></u>

We disclose the non-GAAP measures of adjusted free cash flow from continuing operations and ratio of adjusted free cash flow to net earnings, as defined above. These non-GAAP measures should be considered in addition to, and not as a replacement for or superior to, GAAP operating cash flow, and may not be comparable to similarly titled measures used by other companies.

Danaher's management believes that these non-GAAP measures provide useful information to investors by reflecting an additional way of viewing aspects of Danaher's operations that, when reconciled to their respective GAAP measures, helps our investors to better understand the strength of Danaher's earnings as well as Danaher's ability to generate cash without external financings, strengthen its balance sheet, invest in the business and grow the business through acquisitions and other strategic opportunities. A limitation of these non-GAAP measures is that they do not take into account the Company's debt service requirements, certain restructuring payments and other non-discretionary expenditures.