

**DANAHER CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**

	Three Months Ended	
	April 3, 2015	March 28, 2014
<b>Diluted Net Earnings Per Share (GAAP)</b>	\$ 0.79	\$ 0.81
Fair value adjustments to Nobel Biocare acquisition-related inventory (\$20 million pre-tax, \$15 million after-tax)	0.02	-
Amortization of acquisition-related intangible assets in the three months ended April 3, 2015 (\$109 million pre-tax, \$83 million after-tax) and for the three months ended March 28, 2014 (\$93 million pre-tax, \$71 million after-tax)	0.12	0.10
<b>Adjusted Diluted Net Earnings Per Share (Non-GAAP)</b>	<b>\$ 0.93</b>	<b>\$ 0.91</b>

**Forecasted Earnings Per Share Guidance**

	Three Months Ending		Year Ending	
	July 3, 2015		December 31, 2015	
	Low End	High End	Low End	High End
<b>Diluted Net Earnings Per Share (GAAP)</b>	\$ 0.89	\$ 0.93	\$ 3.74	\$ 3.84
Fair value adjustments to Nobel Biocare acquisition-related inventory (\$20 million pre-tax, \$15 million after-tax)	-	-	0.02	0.02
Amortization of acquisition-related intangible assets in the three months ending July 3, 2015 (\$110 million pre-tax, \$85 million after-tax) and the year ending December 31, 2015 (\$439 million pre-tax, \$336 million after-tax)	0.12	0.12	0.47	0.47
<b>Adjusted Diluted Net Earnings Per Share (Non-GAAP)</b>	<b>\$ 1.01</b>	<b>\$ 1.05</b>	<b>\$ 4.23</b>	<b>\$ 4.33</b>

**Core Revenue Growth**

Components of Revenue Growth	Three Months Ended April 3, 2015 vs. Comparable 2014 Period
Core (Non-GAAP)	5.0%
Acquisitions (Non-GAAP)	6.0%
Impact of Currency Translation (Non-GAAP)	(6.5)%
<b>Total Revenue Growth (GAAP)</b>	<b>4.5%</b>

**Adjusted Diluted Net Earnings Per Share**

We disclose the non-GAAP measure of adjusted diluted net earnings per share, which refers to GAAP diluted net earnings per share, 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 amount of sales attributable to divested product lines not considered discontinued operations ("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 and divested product lines because the nature, size and number of such transactions 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

Core Operating Margin Changes

	Segments					
	Total Company	Test & Measurement	Environmental	Life Sciences & Diagnostics	Dental	Industrial Technologies
<b>Three Months Ended March 28, 2014 Operating Profit Margins (GAAP)</b>	<b>16.90%</b>	<b>22.10%</b>	<b>18.90%</b>	<b>13.20%</b>	<b>14.80%</b>	<b>22.50%</b>
First quarter 2015 impact from operating profit margins of businesses that have been owned for less than one year	(0.85)	0.05	(1.15)	(1.65)	1.15	0.25
Fair value adjustments to Nobel Biocare acquisition-related inventory	(0.40)	-	-	-	(3.00)	-
Year-over year core operating margin changes for first quarter 2015 (defined as all year-over-year operating margin changes other than the changes identified in the line items above.) (Non-GAAP)	0.25	(2.25)	1.75	1.15	(3.85)	1.85
<b>Three Months Ended April 3, 2015 Operating Profit Margins (GAAP)</b>	<b>15.90%</b>	<b>19.90%</b>	<b>19.50%</b>	<b>12.70%</b>	<b>9.10%</b>	<b>24.60%</b>

Core Operating Margin Change Excluding Foreign Currency Impacts

	Three Months Ended April 3, 2015
Year-over year core operating margin changes for first quarter 2015 (see table above.) (Non-GAAP)	0.25
Impact of foreign currency change	0.35
<b>Year-over year core operating margin change excluding foreign currency impacts for first quarter 2015 (Non-GAAP)</b>	<b>0.60</b>

Non-GAAP Measure

We disclose the non-GAAP measures of year-over-year core operating margin change and year-over year core operating margin change excluding foreign currency impacts which are defined above. These non-GAAP measures should be considered in addition to, and not as a replacement for or superior to, their 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 reflecting an additional way of viewing Danaher's operations that, when reconciled to their comparable GAAP measures, help our investors to better understand the long-term profitability trends of our business, and facilitate easier comparisons of our profitability to prior and future periods and to our peers. The items described above have been excluded from the non-GAAP measures 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.

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

	Quarter Ended	
	April 3, 2015	March 28, 2014
<b>Free Cash Flow (\$ in millions):</b>		
Operating Cash Flows per GAAP	\$ 523.6	\$ 511.2
Payments for Property, Plant & Equipment (Capital Expenditures)	<u>(119.2)</u>	<u>(130.9)</u>
Free Cash Flow	<u>\$ 404.4</u>	<u>\$ 380.3</u>
<b>Ratio of Free Cash Flow to Net Earnings (\$ in millions):</b>		
Free Cash Flow from Above	\$ 404.4	\$ 380.3
Net Earnings	<u>569.8</u>	<u>579.7</u>
Free Cash Flow to Net Earnings Conversion Ratio	<u>0.71</u>	<u>0.66</u>

We disclose the non-GAAP measures of free cash flow 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 provide useful information to investors by reflecting an additional way of viewing 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.