DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

Adjusted Diluted Net Earnings Per Share from Continuing Operations

	Three-Month Period Ended	
	March 31, 2017	**April 1, 2016**
Diluted Net Earnings Per Share from Continuing Operations (GAAP)	**$ 0.69**	**$ 0.84**
Pretax gain on sale of investments [A]	-	(0.32) [A]
Pretax amortization of acquisition-related intangible assets [B]	0.24 [B]	0.20 [B]
Tax effect of all adjustments reflected above [C]	(0.05) [C]	0.07 [C]
Discrete and other tax-related adjustments [D]	(0.03) [D]	-
Adjusted Diluted Net Earnings Per Share from Continuing Operations (Non-GAAP)	**$ 0.85**	**$ 0.79**

Forecasted Adjusted Diluted Net Earnings Per Share from Continuing Operations

	Three-Month Period Ending June 30, 2017		Year Ending December 31, 2017	
	Low End	**High End**	**Low End**	**High End**
Forecasted Diluted Net Earnings Per Share from Continuing Operations (GAAP) [1]	**$ 0.77**	**$ 0.80**	**$ 3.13**	**$ 3.23**
Anticipated pretax amortization of acquisition-related intangible assets [B]	0.23	0.23 [B]	0.94	0.94 [B]
Tax effect of all adjustments reflected above [C]	(0.05)	(0.05) [C]	(0.19)	(0.19) [C]
Discrete and other tax-related adjustments [D]	-	-	(0.03)	(0.03) [D]
Forecasted Adjusted Diluted Net Earnings Per Share from Continuing Operations (Non-GAAP) [1]	**$ 0.95**	**$ 0.98**	**$ 3.85**	**$ 3.95**

[1] The forward-looking estimates set forth above do not reflect future gains and charges that are inherently difficult to predict and estimate due to their unknown timing, effect and/or significance, such as certain future gains or losses on the sale of investments, acquisition or divestiture-related gains or charges and other discrete tax items (including excess tax benefits that exceed or fall below anticipated levels).

Core Revenue Growth

	Three-Month Period Ended March 31, 2017 vs. Comparable 2016 Period
Total Revenue Growth from Continuing Operations (GAAP)	**7.0%**
Components of Revenue Growth	
Core (non-GAAP) [2]	2.5%
Acquisitions (non-GAAP)	6.0%
Impact of currency translation (non-GAAP)	(1.5%)
Total Revenue Growth from Continuing Operations (GAAP)	7.0%

[2] We use the term “core revenue” to refer to GAAP revenue from continuing operations excluding (1) sales from acquired businesses recorded prior to the first anniversary of the acquisition less the amount of sales attributable to divested businesses or product lines not considered discontinued operations (“acquisition sales”) and (2) the impact of currency translation. The portion of GAAP revenue from continuing 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.

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(continued)

[A] Gain on sale of investments in the three-month period ended April 1, 2016 ($223 million pretax as presented in this line item, $140 million after-tax).

[B] Amortization of acquisition-related intangible assets in the following historical and forecasted periods ($ in millions) (only the pretax amounts set forth below are reflected in the amortization line item above):

	Three-Month Period Ended		Forecasted: Three-Month Period Ending	Forecasted: Year Ending
	March 31, 2017	**April 1, 2016**	**June 30, 2017**	**December 31, 2017**
Pretax	$ 166.1	$ 139.2	$ 166.0	$ 664.0
After-tax	132.0	107.2	132.0	527.9

[C] This line item reflects the aggregate tax effect of all nontax adjustments reflected in the table above. In addition, the footnotes above indicate the after-tax amount of each individual adjustment item. Danaher estimates the tax effect of the adjustment items identified in the reconciliation schedule above by applying Danaher's overall estimated effective tax rate to the pretax 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.

[D] Represents discrete income tax gains, primarily related to equity compensation related excess tax benefits. On January 1, 2017, Danaher adopted the updated accounting guidance required by ASU 2016-09, *Compensation—Stock Compensation* , which requires income statement recognition of all excess tax benefits and deficiencies related to equity compensation. We exclude from Adjusted Diluted Net EPS any excess tax benefits that exceed the levels we believe are representative of historical experience. In the first quarter of 2017, we anticipated $10 million of equity compensation related excess tax benefits and realized $26 million of excess tax benefits, and therefore we have excluded $16 million of these benefits in the calculation of Adjusted Diluted Net EPS. For the year ending December 31, 2017, excluding this first quarter 2017 $16 million benefit, we anticipate $40 million of equity compensation-related excess tax benefits which are reflected in Forecasted Adjusted Diluted Net Earnings per Share.

Statement Regarding Non-GAAP Measures

Each of the non-GAAP measures set forth above 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 these measures provide useful information to investors by offering additional ways of viewing Danaher Corporation's ("Danaher" or the "Company") results that, when reconciled to the corresponding GAAP measure, help our investors to:

- with respect to Adjusted Diluted Net EPS, understand the long-term profitability trends of our business and compare our profitability to prior and future periods and to our peers; and
- with respect to core revenue, identify underlying growth trends in our business and compare our revenue performance with prior and future periods and to our peers.

Management uses these non-GAAP measures to measure the Company’s operating and financial performance, and uses a non-GAAP measure similar to Adjusted Diluted Net EPS in the Company’s executive compensation program.

The items excluded from the non-GAAP measures set forth above have been excluded for the following reasons:

- With respect to Adjusted Diluted Net EPS, we exclude the amortization of acquisition-related intangible assets because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions we consummate. While we have a history of significant acquisition activity we do not acquire businesses on a predictable cycle, and the amount of an acquisition's purchase price allocated to intangible assets and related amortization term are unique to each acquisition and can vary significantly from acquisition to acquisition. Exclusion of this amortization expense facilitates more consistent comparisons of operating results over time between our newly acquired and long-held businesses, and with both acquisitive and non-acquisitive peer companies. We believe however that it is important for investors to understand that such intangible assets contribute to revenue generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized. With respect to the other items excluded from Adjusted Diluted Net EPS, we exclude these items because they are of a nature and/or size that 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; we believe that such items may obscure underlying business trends and make comparisons of long-term performance difficult.
- With respect to core revenue, (1) we exclude the impact of currency translation because it is not under management's control, is subject to volatility and can obscure underlying business trends, and (2) we exclude the effect of acquisitions and divested product lines because the nature, size and number of such transactions can vary significantly 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.

Reconciliation of Operating Cash Flows from Continuing Operations (GAAP) to Free Cash Flow from Continuing Operations (Non-GAAP)

	Three Month Period Ended	
	March 31, 2017	April 1, 2016
Free Cash Flow from Continuing Operations ($ in millions):		
Operating Cash Flows from Continuing Operations (GAAP)	$ 560.2	$ 607.1
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(158.6)	(122.6)
Free Cash Flow from Continuing Operations (Non-GAAP)	$ 401.6	$ 484.5
Ratio of Free Cash Flow to Net Earnings ($ in millions):		
Free Cash Flow from Continuing Operations from Above (Non-GAAP)	$ 401.6	$ 484.5
Net Earnings from Continuing Operations (GAAP)	483.8	585.8
Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio (Non-GAAP)	0.83	0.83

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Year-Over-Year Core Operating Margin Changes

		Segments			
	Total Company	**Life Sciences**	**Diagnostics**	**Dental**	**Environmental and Applied Solutions**
Three Month Period Ended April 1, 2016 Operating Profit Margins from Continuing Operations (GAAP)	**15.60%**	**14.10%**	**15.90%**	**14.50%**	**22.70%**
First quarter 2017 impact from operating profit margins of businesses that have been owned for less than one year or were disposed of during such period and did not qualify as discontinued operations	(0.65)	0.45	(1.90)	(0.05)	(0.60)
Year-over year core operating profit margin changes for first quarter 2017 (defined as all year-over-year operating profit margin changes other than the changes identified in the line above) (Non-GAAP)	(0.15)	1.65	(2.40)	(0.85)	0.60
Three Month Period Ended March 31, 2017 Operating Profit Margins from Continuing Operations (GAAP)	**14.80%**	**16.20%**	**11.60%**	**13.60%**	**22.70%**