



***DANAHER***

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**THIRD QUARTER 2008 EARNINGS RELEASE  
OCTOBER 16, 2008**

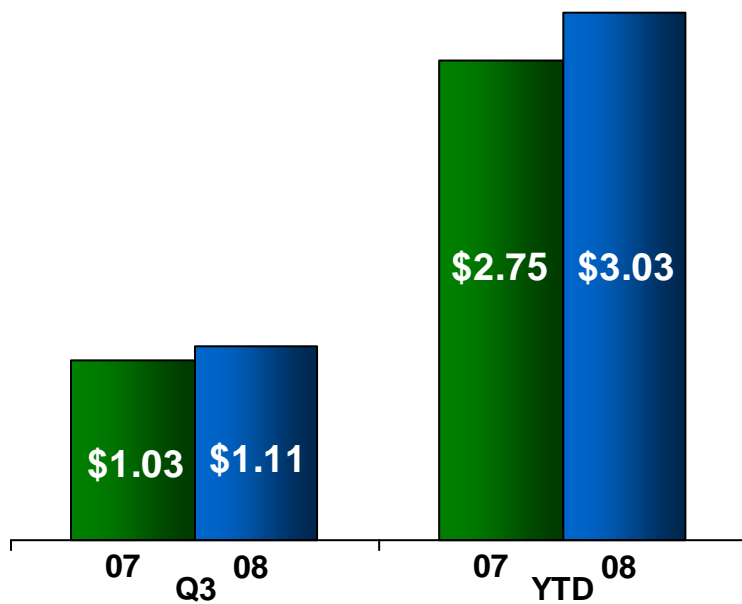
Statements in this presentation that are not strictly historical, including the statements regarding expectations for the balance of 2008 and any other statements regarding events or developments that we believe or anticipate will or may occur in the future, may be "forward-looking" statements. There are a number of important factors that could cause actual events to differ materially from those suggested or indicated by such forward-looking statements. These factors include, among other things, competition, our ability to develop and successfully market new products and technologies, our ability to expand our business in new markets, our ability to identify, consummate and integrate appropriate acquisitions, litigation and other contingent liabilities including intellectual property and environmental matters, our compliance with applicable laws and regulations and changes in applicable laws and regulations, tax audits and changes in our tax rate, currency exchange rates, commodity costs and surcharges, our relationships with and the performance of our channel partners, our ability to achieve projected efficiencies, cost reductions, sales growth and earnings, economic and other conditions in the end-markets we sell into, and general domestic and international economic conditions. Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in our SEC filings, including our 2007 Annual Report on Form 10-K and our quarterly report on Form 10-Q for the third quarter of 2008. These forward-looking statements speak only as of the date of this presentation and the Company does not assume any obligation to, and does not intend to, update any forward-looking statement.

All references in this presentation to earnings, revenues and other company-specific financial metrics relate only to the continuing operations of Danaher's business, unless otherwise noted. With respect to any non-GAAP financial measures included in the following presentation, the accompanying information required by SEC Regulation G can be found in the "Investors" section of Danaher's web site, [www.danaher.com](http://www.danaher.com), under the subheading "Earnings". In addition, in addressing various Company financial metrics the presentation describes certain of the more significant factors that impacted year-over-year performance. Please refer to the Management's Discussion and Analysis of Financial Condition and Results of Operations section of Danaher's Quarterly Report on Form 10-Q for the quarter ended September 26, 2008, which is available in the "Investors" section of Danaher's web site under the subheading "Earnings", for details regarding additional factors that impacted year-over-year performance.

## DILUTED EPS

+8%

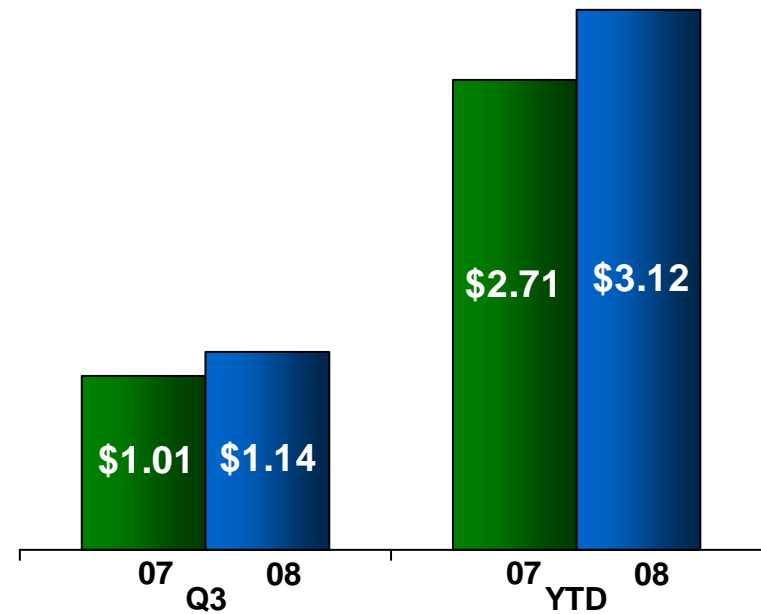
+10%



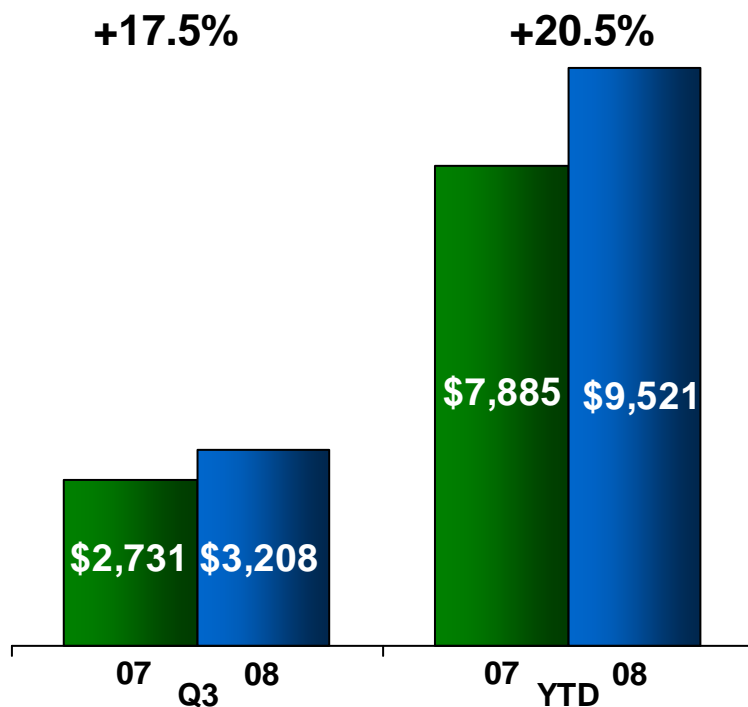
## ADJUSTED DILUTED EPS

+13%

15%



## REVENUE (\$M)



Core	4.0%
Acquisition	11.0%
FX	2.5%

Core	4.0%
Acquisition	12.5%
FX	4.0%

## GROSS MARGINS

Q3 2007 – 45.7%  
Q3 2008 – 47.1%  
+ 140 bps

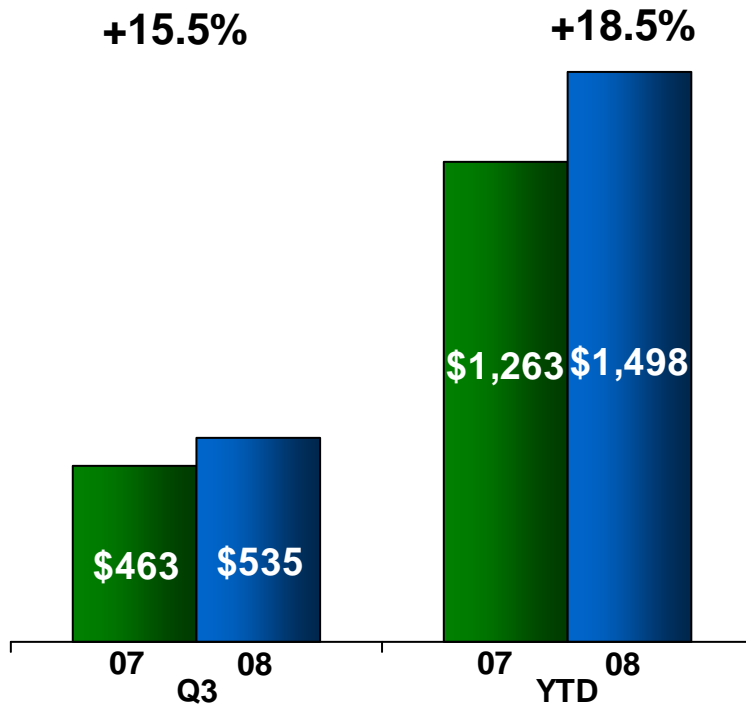
## SG&A

Q3 2007 – 24.0%  
Q3 2008 – 25.1%  
+ 110 bps

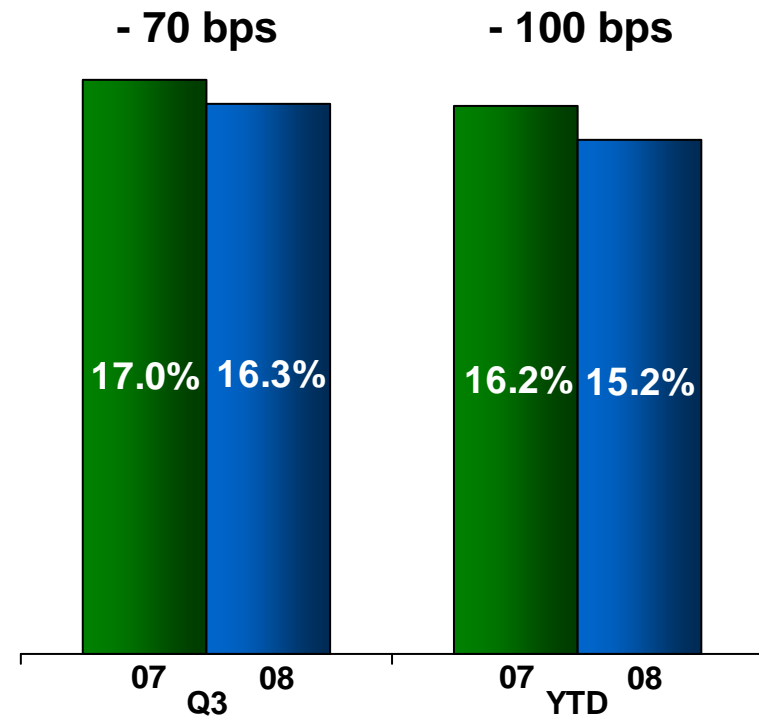
## R&D

Q3 2007 – 4.8%  
Q3 2008 – 5.7%  
+ 90 bps

## ADJUSTED OPERATING PROFIT (\$M)



## OPERATING MARGIN



Includes Impact of:

**Q3 08:**

- Businesses owned for less than one-year (25 bps)
- Tektronix acquisition non-cash charges (40 bps)

## NET INTEREST EXPENSE (\$M)

Q3 2007 – \$25

+ 16%

Q3 2008 – \$29

## ADJUSTED NET EARNINGS (\$M)

+16.5%

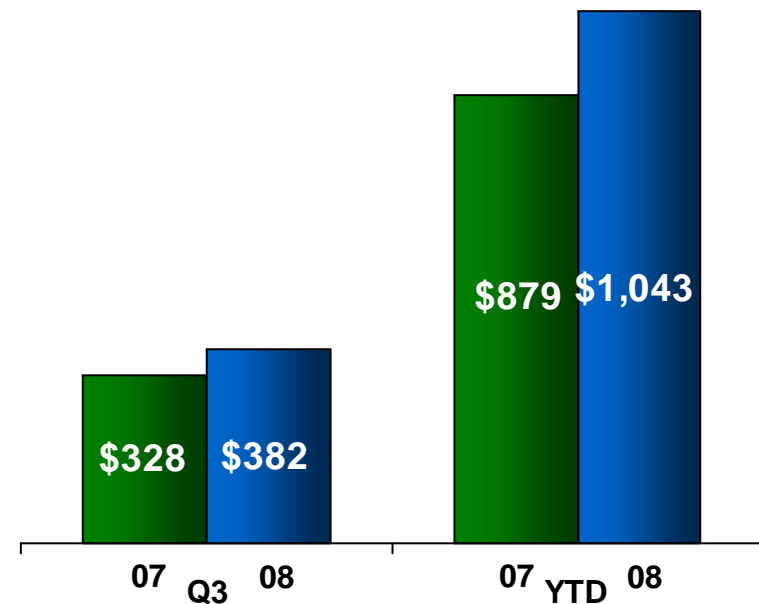
+18.5%

## TAX RATE

Q3 2007 – 23.6%

+90 bps

Q3 2008 – 24.5%





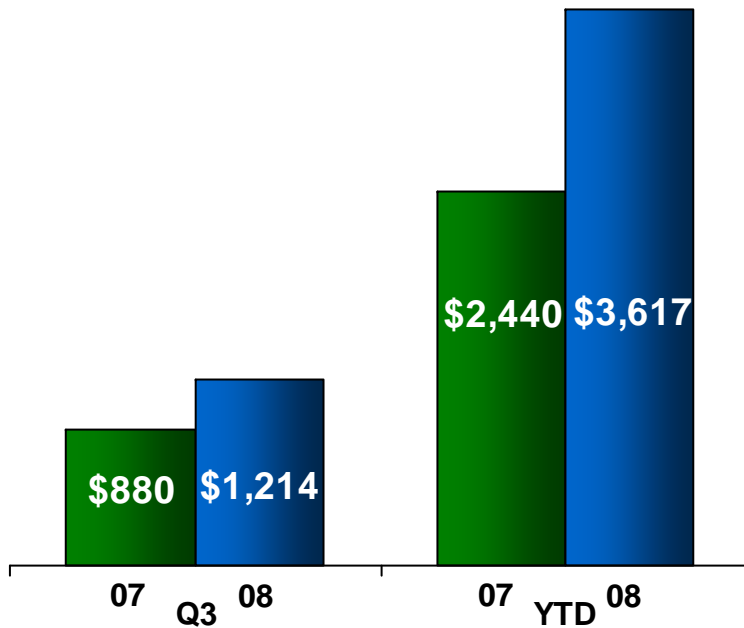
## THIRD QUARTER 2008 PERFORMANCE SUMMARY

	<u>Q3 2007</u>	<u>Q3 2008</u>	<u>YTD 2007</u>	<u>YTD 2008</u>
<b>OPERATING CASH FLOW (\$M)</b>	<b>\$441</b>	<b>\$435</b>	<b>\$1,128</b>	<b>\$1,350</b>
<b>CAP EX (\$M)</b>	<b>31</b>	<b>34</b>	<b>100</b>	<b>118</b>
<b>FREE CASH FLOW (\$M)</b>	<b>\$410</b>	<b>\$401</b>	<b>\$1,028</b>	<b>\$1,232</b>

## REVENUES (\$M)

+38%

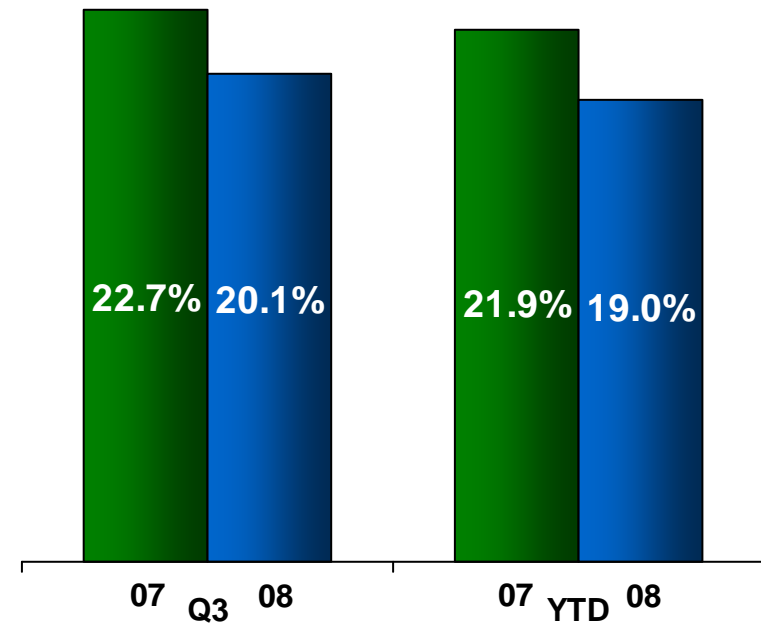
+48%



## OPERATING MARGIN

- 260 bps

- 290 bps



Includes Impact of:

Core	4.5%	Core	4.5%
Acquisition	30.5%	Acquisition	39.0%
FX	3.0%	FX	4.5%

Q3 08:

- Businesses owned for less than one-year (130 bps)
- Tektronix acquisition non-cash charges (105 bps)



**FLUKE®**



## Environmental Q3 08 vs. Q3 07

<b>Revenue Growth</b>	<b>9.5%</b>
Core	6.0%
Acquisition	0.5%
FX	3.0%

## YTD 08 vs. YTD 07

<b>Revenue Growth</b>	<b>18.5%</b>
Core	6.5%
Acquisition	8.0%
FX	4.0%

## Test & Measurement Q3 08 vs. Q3 07

<b>Revenue Growth</b>	<b>94.0%</b>
Core	1.5%
Acquisition	89.5%
FX	3.0%

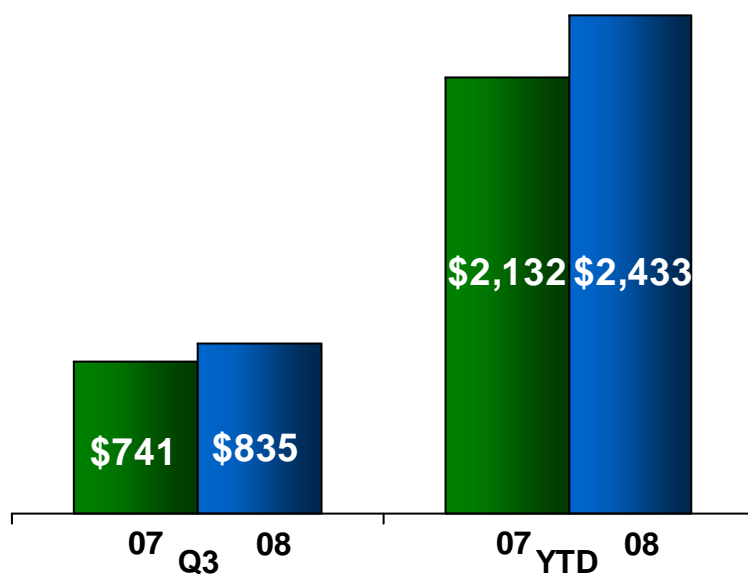
## YTD 08 vs. YTD 07

<b>Revenue Growth</b>	<b>99.5%</b>
Core	1.5%
Acquisition	93.5%
FX	4.5%

## REVENUES (\$M)

+12.5%

+14%



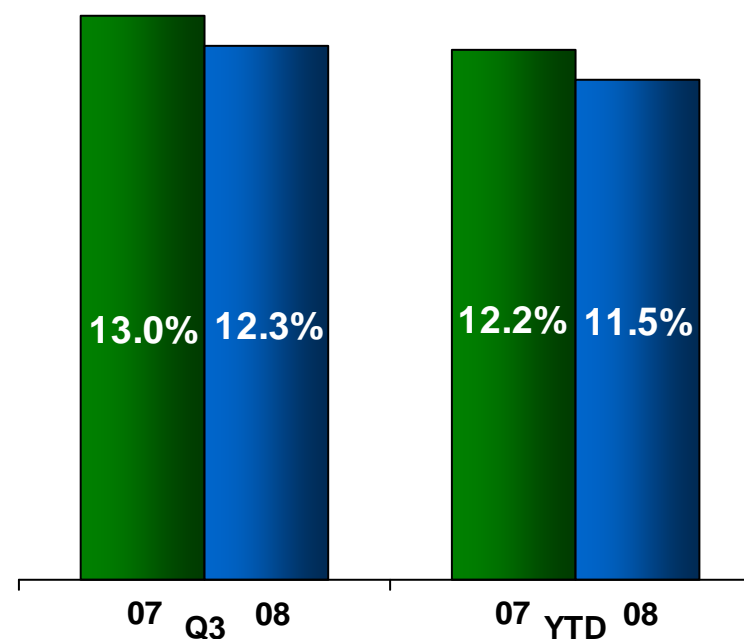
Core	5.5%
Acquisition	3.0%
FX	4.0%

Core	6.0%
Acquisition	1.5%
FX	6.5%

## OPERATING MARGIN

- 70 bps

- 70 bps



Includes Impact of:

Q3 08:  
- Businesses owned less than one-year (35 bps)

## Y-O-Y CORE REVENUE GROWTH

Q3 2008

YTD 2008

RADIOMETER 

MID-SINGLE DIGIT

MID-SINGLE DIGIT

*Leica*

HIGH-SINGLE DIGIT

LOW-DOUBLE DIGIT

  
SYBRON DENTAL SPECIALTIES

  
KaVo. Dental Excellence.





MID-SINGLE DIGIT

MID-SINGLE DIGIT

  
SYBRON DENTAL SPECIALTIES

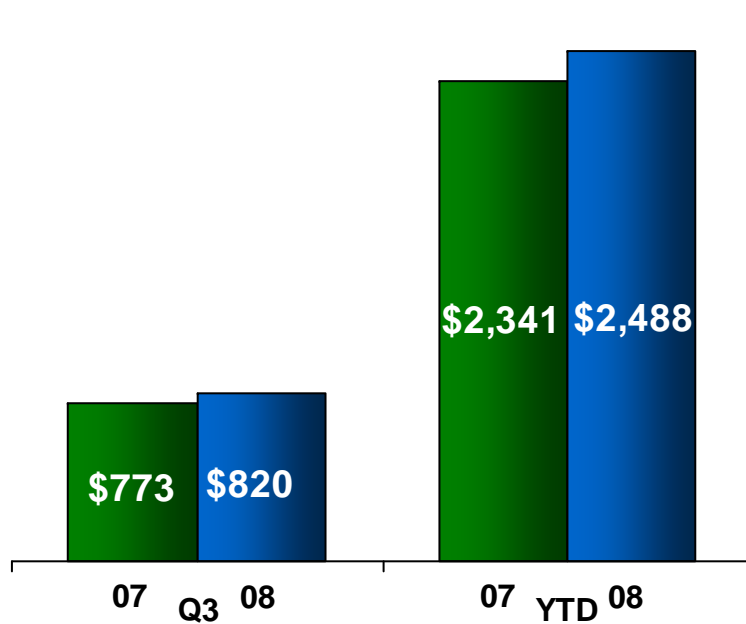




## REVENUES (\$M)

+6%

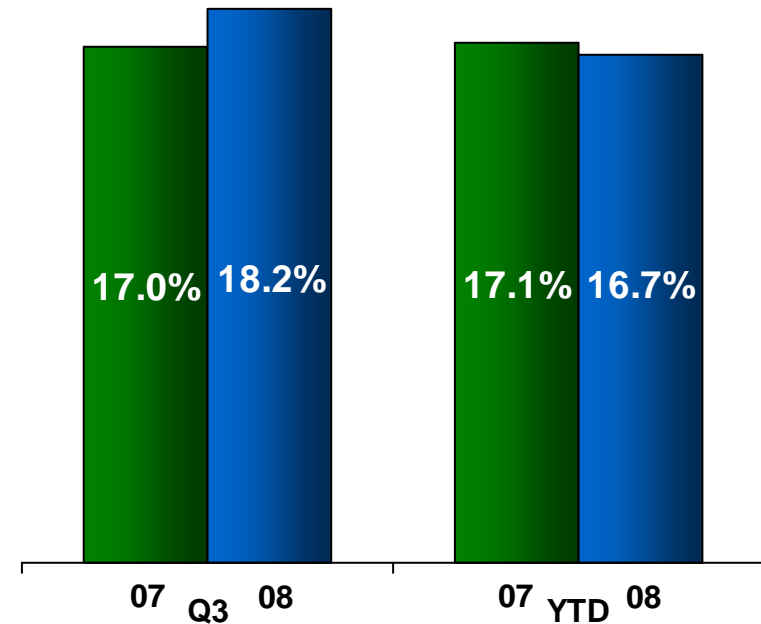
+6%



## OPERATING MARGIN

+120 bps

- 40 bps



Includes Impact of:

Core	3.5%	Core	2.0%
FX	2.5%	FX	4.0%

Q3 08:  
- Businesses owned less than one-year (5 bps)



**KOLLMORGEN**

**THOMSON**



**Portescap**

A Danaher Motion Company

## Product Identification

### Q3 08 vs. Q3 07

<b>Revenue Growth</b>	<b>FLAT</b>
Core	(3.0%)
Acquisition	0.5%
FX	2.5%

### YTD 08 vs. YTD 07

<b>Revenue Growth</b>	<b>3.0%</b>
Core	(1.5%)
Acquisition	0.5%
FX	4.0%

## Motion

### Q3 08 vs. Q3 07

<b>Revenue Growth</b>	<b>8.0%</b>
Core	5.0%
FX	3.0%

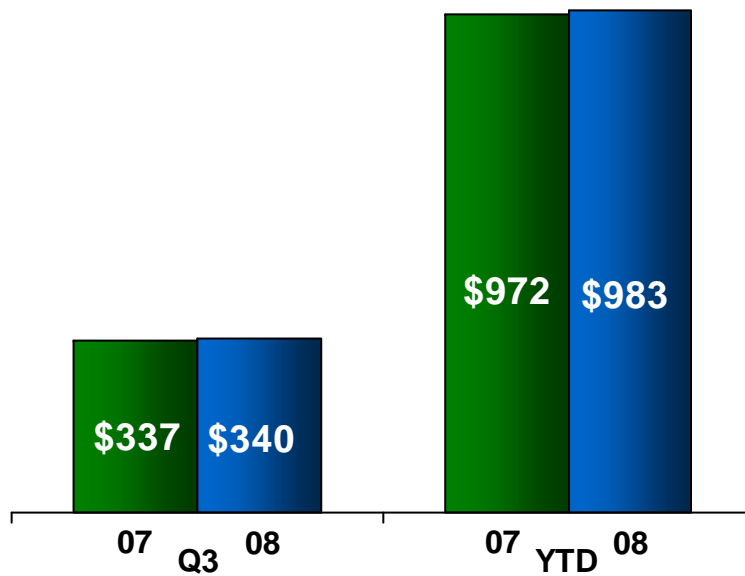
### YTD 08 vs. YTD 07

<b>Revenue Growth</b>	<b>6.5%</b>
Core	1.0%
FX	5.5%

## REVENUES (\$M)

+1%

+1%



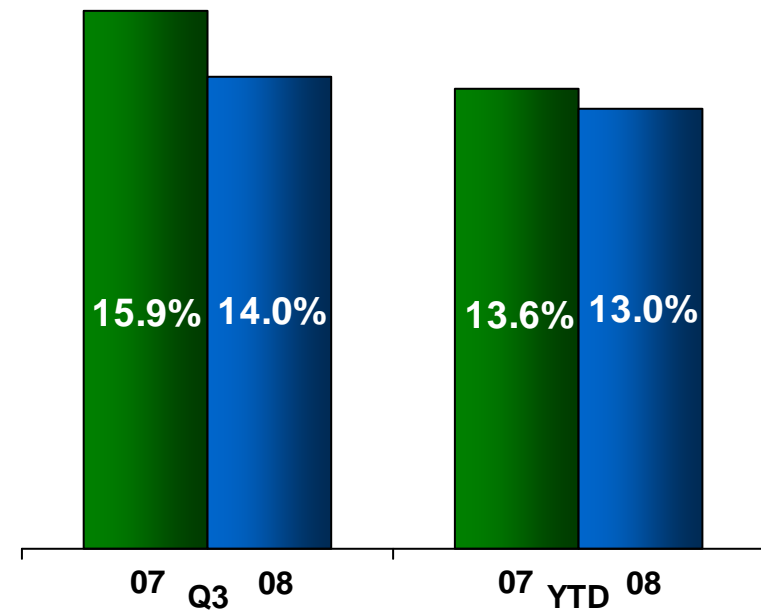
Core 0.5%  
FX 0.5%

Core 0.5%  
FX 0.5%

## OPERATING MARGIN

- 190 bps

- 60 bps





### Q3 08 vs. Q3 07

Revenue Growth	1.5%
Core	1.0%
FX	0.5%

### YTD 08 vs. YTD 07

Revenue Decline	(2.0%)
Core	(2.5%)
FX	0.5%

# Guidance

# Q & A



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