

Danaher Corporation
Supplemental Reconciliation of Operating Cash Flows from Continuing Operations (GAAP) to Free Cash Flow (Non-GAAP)
December 31, 2008

Free Cash Flows (\$ in 000's):	Quarter Ended		Quarter Ended		Quarter Ended		Quarter Ended		Year Ended	
	March 28, 2008	March 30, 2007	June 27, 2008	June 29, 2007	September 26, 2008	September 28, 2007	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
Operating Cash Flows from Continuing Operations	\$ 333,158	\$ 322,607	\$ 581,772	\$ 364,693	\$ 434,743	\$ 440,694	\$ 509,356	\$ 571,314	\$ 1,859,029	\$ 1,699,308
Payments for Property, Plant & Equipment (Capital Expenditures)	\$ (38,960)	\$ (31,170)	\$ (44,907)	\$ (38,496)	\$ (34,313)	\$ (30,520)	\$ (75,603)	\$ (61,885)	\$ (193,783)	\$ (162,071)
Free Cash Flow	\$ 294,198	\$ 291,437	\$ 536,865	\$ 326,197	\$ 400,430	\$ 410,174	\$ 433,753	\$ 509,429	\$ 1,665,246	\$ 1,537,237

Ratio of Free Cash Flow to Net Earnings from Continuing Operations:

Free Cash Flow from Above	\$ 294,198	\$ 291,437	\$ 536,865	\$ 326,197	\$ 400,430	\$ 410,174	\$ 433,753	\$ 509,429	\$ 1,665,246	\$ 1,537,237
Net Earnings from Continuing Operations	\$ 276,505	\$ 251,616	\$ 363,448	\$ 307,656	\$ 371,992	\$ 334,501	\$ 305,686	\$ 320,225	\$ 1,317,631	\$ 1,213,998
Free Cash Flow to Net Earnings / Conversion Ratio	1.06	1.16	1.48	1.06	1.08	1.23	1.42	1.59	1.26	1.27

In addition to the results provided in this earnings call in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), the Company has provided the non-GAAP measures of free cash flow, which is defined as operating cash flow from continuing operations less purchases of property, plant and equipment related to continuing operations, and free cash flow to net income conversion ratio.

Free cash flow should be considered in addition to, and not as a replacement for or superior to, operating cash flow from continuing operations. Danaher's free cash flow and free cash flow to net income conversion ratio measures may be defined differently than similar non-GAAP measures that are used by other companies.

Danaher's management believes that free cash flow reflects an additional way of viewing aspects of Danaher's operations that, when viewed with and reconciled to operating cash flow from continuing operations, provides useful information to investors regarding Danaher's ability to generate cash without external financings. Danaher's management uses free cash flow to help gauge the resources available for strategic opportunities such as making acquisitions, investing in the business and strengthening the balance sheet, and uses this measure in making operating decisions, allocating financial resources and for budget planning purposes. Danaher's management believes that the free cash flow measure helps investors and others, if they so choose, in understanding and evaluating Danaher's ability to generate cash without external financings in the same manner as management does. In addition, Danaher believes that analysts and others in the investment community use free cash flow to assess the strength of Danaher's earnings performance and gauge Danaher's ability to strengthen its balance sheet, invest in the business and grow the business through acquisitions and other strategic opportunities.

A general limitation of Danaher's free cash flow measure is that use of this measure (as compared to operating cash flow from continuing operations) may reduce comparability with other companies who may calculate free cash flow differently. Another limitation of Danaher's free cash flow measure is that it does not take into account the Company's debt service requirements and other non-discretionary expenditures and therefore is not necessarily indicative of amounts of cash that may be available for discretionary uses. Danaher's management compensates, and believes that investors should compensate, for these and other limitations of Danaher's free cash flow measure by also considering Danaher's operating cash flow from continuing operations.

Danaher Corporation

**Supplemental Reconciliation of Operating Profit from Continuing Operations (GAAP) to Adjusted Operating Profit from Continuing Operations (Non-GAAP)
Three Months and Years Ended December 31, 2008 and 2007**

	Three Months Ended			Years Ended		
	December 31, 2008	December 31, 2007	% Change	December 31, 2008	December 31, 2007	% Change
Operating Profit from Continuing Operations per GAAP	\$ 423,651	\$ 464,770	-8.8%	\$ 1,869,477	\$ 1,740,709	7.4%
Pre-tax charges for purchased in-process research and development and fair value adjustments to recorded inventory and deferred revenue balances related to the acquisition of Tektronix (\$5.1 million & \$66.0 million after-tax in the three months ended December 31, 2008 and 2007, respectively, and \$44.5 million and \$66.0 million for the years ended December 31, 2008 and 2007, respectively)	6,865	68,200		59,525	68,200	
Pre-tax charge related to the fourth quarter 2008 restructuring actions and related charges (\$61.5 million after-tax).	81,965	-		81,965	-	
Pre-tax gain on indemnity proceeds related to litigation matter (\$8.1 million after-tax)	-	-		-	(12,477)	
Adjusted Operating Profit from Continuing Operations (Non-GAAP)	\$ 512,481	\$ 532,970	-3.8%	\$ 2,010,967	\$ 1,796,432	11.9%

**Supplemental Reconciliation of Research and Development Expenses as a Percentage of Sales to Adjusted Research and Development Expenses as a Percentage of Sales
Three Months and Years Ended December 31, 2008 and December 31, 2007**

	Three Months Ended		Basis Point Change
	December 31, 2008	December 31, 2007	
Sales	3,176,506	3,141,177	
Research and development expenses	167,467	216,582	
Research and development expenses as a % of sales	5.3%	6.9%	(160)
2007 charge for acquired in-process research and development associated with the acquisition of Textronix	-	60,400	
Research and development expenses absent 2007 charge for acquired in-process research and development associated with the acquisition of Textronix	167,467	156,182	
Research and development expenses as a % of sales absent 2007 charge for acquired in-process research and development associated with the acquisition of Textronix	5.3%	5.0%	30

Danaher Corporation
Supplemental Reconciliation of Operating Profit Margin Changes
Three Months and Years Ended December 31, 2008 and December 31, 2007

	Segments				
	Total Company- Continuing Operations	Professional Instrumentation	Medical Technologies	Industrial Technologies	Tools & Components
Three Months Ended December 31, 2007 Operating Profit Margins	14.80%	16.00%	15.30%	16.30%	11.80%
Impact of operating profit margins of businesses owned for less than one year	(0.90)	(2.25)	(0.70)	(0.40)	-
Impact of fourth quarter 2008 restructuring actions and related charges	(2.60)	(2.30)	(3.10)	(3.00)	(1.30)
Impairment of acquired tradename	(0.20)	(0.45)	-	-	-
2007 charge for costs related to plant fire, net of 2008 gains from settlement of insurance claim	0.20	-	-	-	1.90
Impact of 2007 charge for acquired in-process research and development charge related to the acquisition of Tektronix	1.90	5.50	-	-	-
Core operating margin changes	0.10	1.30	(0.80)	0.80	(2.60)
Three Months Ended December 31, 2008 Operating Profit Margins	13.30%	17.80%	10.70%	13.70%	9.80%

	Segments				
	Total Company- Continuing Operations	Professional Instrumentation	Medical Technologies	Industrial Technologies	Tools & Components
Year Ended December 31, 2007 Operating Profit Margins	15.80%	20.10%	13.10%	16.90%	13.10%
Impact of operating profit margins of businesses owned for less than one year	(0.40)	(1.90)	(0.40)	(0.10)	-
2008 Impact of charges for fair value adjustments to recorded inventory and deferred revenue balances related to the acquisition of Tektronix	(0.40)	(1.05)	-	-	-
Impact of fourth quarter 2008 restructuring actions and related charges	(0.65)	(0.60)	(0.80)	(0.70)	(0.30)
Impairment of acquired tradename	(0.05)	(0.10)	-	-	-
2007 charge for costs related to plant fire, net of 2008 gains from settlement of insurance claim	0.05	-	-	-	0.50
Impact of 2007 charge for acquired in-process research and development charge related to the acquisition of Tektronix	0.55	1.70	-	-	-
2007 gain on indemnity proceeds related to litigation matter	(0.10)	-	-	(0.40)	-
2007 gains on sale of real estate	-	-	-	(0.05)	-
Core operating margin changes	(0.10)	0.55	(0.60)	0.35	(1.10)
Year Ended December 31, 2008 Operating Profit Margins	14.70%	18.70%	11.30%	16.00%	12.20%

Notes to Adjusted Operating Profit and Adjusted Operating Margin Reconciliation Schedule

In addition to the results provided in the earnings call in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”), the Company has provided the non-GAAP measures of adjusted operating profit from continuing operations, and adjusted operating margins from continuing operations for the three and 12 months ended December 31, 2008 and 2007.

Adjusted operating profit from continuing operations is calculated on a basis which:

- in the 2008 periods, excludes (1) certain pre-tax, non-cash charges related to the acquisition of Tektronix, Inc. for fair value adjustments to recorded inventory and deferred revenue balances, (2) pre-tax charges for Q4 restructuring actions and related asset impairments; and
- in the 2007 periods, excludes (1) certain pre-tax, non-cash charges related to the acquisition of Tektronix, Inc. for in-process research and development and fair value adjustments to recorded inventory and deferred revenue balances and (2) the pre-tax gain on indemnity proceeds received in connection with a litigation matter.

Adjusted operating margins from continuing operations is calculated on a basis which:

- in the 2008 periods, excludes (1) the impact on operating margins from businesses owned for less than one year, (2) certain pre-tax, non-cash charges related to the acquisition of Tektronix, Inc. for fair value adjustments to recorded inventory and deferred revenue balances; (3) pre-tax charges for Q4 restructuring actions and related asset impairments; (4) certain pre-tax charges for impairment of acquired trade name; (5) gain on settlement of insurance claim related to a plant fire; and
- in the 2007 periods, excludes (1) certain pre-tax, non-cash charges related to the acquisition of Tektronix, Inc. for in-process research and development and fair value adjustments to recorded inventory and deferred revenue balances, (2) the pre-tax gain on indemnity proceeds received in connection with a litigation matter, (3) certain pre-tax costs related to a plant fire, and (4) gains on the sale of real estate.

The Company also discloses the year-over-year percentage change in these non-GAAP measures. Collectively, these non-GAAP measures are referred to as the “non-GAAP earnings measures”.

The non-GAAP measures should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measures. Danaher’s non-GAAP measures may be defined differently than similar non-GAAP measures that are used by other companies.

Danaher’s management believes that the non-GAAP measures reflect additional ways of viewing aspects of Danaher’s operating performance that, when viewed with and reconciled to operating profit from continuing operations, provide a more complete understanding of Danaher’s results of operations and help identify underlying trends in Danaher’s business. The items that have been excluded from the non-GAAP earnings measures have been excluded because items of this nature and size occur with inconsistent frequency and for reasons that may be unrelated to Danaher’s commercial performance during the period, and we believe are not indicative of Danaher’s ongoing operating costs or gains in a given period.

Danaher’s management uses these non-GAAP measures in assessing current operating performance against prior period performance and against forecasted performance, in forecasting financial results for future periods, and in making decisions about internal budgets, resource allocation and financial goals for its business units. Danaher’s management believes that these non-GAAP measures help investors and others, if they so choose, in understanding and evaluating Danaher’s current operating performance and future prospects in the same manner as management does. In addition, Danaher believes that analysts and others in the investment community use these non-GAAP measures to assess Danaher’s operating performance against prior period performance and against forecasted performance, compare Danaher’s operating performance to the performance of our peer companies, identify trends in Danaher’s operating performance and provide estimates of future performance.

A general limitation of these non-GAAP measures is that use of these measures (as compared to operating profit from continuing operations and operating profit margin from continuing operations) may reduce comparability with other companies who may calculate similar non-GAAP measures differently. In addition, the non-GAAP measures exclude charges that can significantly affect Danaher’s results of operations and that may recur in the course of Danaher’s business (though at times and in amounts that may be difficult to predict). Danaher management compensates, and believes that investors should compensate, for these and other limitations of these non-GAAP measures by also considering operating profit from continuing operations and operating profit margin from continuing operations.

We also present adjusted research and development expense as a percentage of sales (“Adjusted R&D”), on a basis which excludes a 2007 charge for acquired in-process research and development associated with the acquisition of Tektronix. As with respect to the non-GAAP earnings measures, the Adjusted R&D measure should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measure. Danaher’s Adjusted R&D measure may be defined differently than similar non-GAAP measures that are used by other companies. Danaher’s management believes that the Adjusted R&D measure reflects an additional way of viewing Danaher’s R&D expenditures that, when viewed with and reconciled to research and development expense as a percentage of sales, provides a more complete understanding of Danaher’s ongoing research and development expenses. The Tektronix IPR&D charges have been excluded because items of this nature and size occur with inconsistent frequency and we believe are not indicative of Danaher’s ongoing research and development expenses in a given period.

Danaher’s management uses the Adjusted R&D measure in making decisions about internal budgets and resource allocation and financial goals for its business units, and believes it help investors and others, if they so choose, in understanding and evaluating Danaher’s ongoing research and development expenditures in the same manner as management does. A general limitation of this non-GAAP measure is that use of this measure (as compared to research and development expense as a percentage of sales) may reduce comparability with other companies who may calculate similar non-GAAP measures differently.

