

Danaher Corporation

Supplemental Reconciliation of Net Earnings and Diluted Net Earnings Per Share (GAAP) to Adjusted Net Earnings and Adjusted Diluted Net Earnings Per Share (Non-GAAP)

Three Months Ended April 3, 2009 and March 28, 2008

(\$ in 000's except per share data)

	Three Months Ended		
	April 3, 2009	March 28, 2008	% Change
Net Earnings per GAAP	\$ 237,712	\$ 276,505	-14.0%
After-tax charges for fair value adjustments to recorded inventory and deferred revenue balances related to the acquisition of Tektronix (\$26.1 million pre-tax for the three months ended March 28, 2008)	-	19,161	
Adjusted Net Earnings (Non-GAAP)	\$ 237,712	\$ 295,666	-19.6%
Diluted Net Earnings Per Share per GAAP	\$ 0.72	\$ 0.83	-13.3%
After-tax charges for fair value adjustments to recorded inventory and deferred revenue balances related to the acquisition of Tektronix (\$26.1 million pre-tax for the three months ended March 28, 2008)	-	0.06	
Adjusted Diluted Net Earnings Per Share (Non-GAAP)	\$ 0.72	\$ 0.89	-19.1%

Danaher Corporation

Supplemental Reconciliation of Revenue Growth (GAAP) to Revenue Growth from Existing Businesses (Non-GAAP)

Three Months Ended April 3, 2009 and March 28, 2008

Components of Sales Growth	Three Months Ended April 3, 2009 vs. Comparable 2008 Period
Existing Businesses	-10.0%
Acquisitions	2.5%
Impact of currency translation	-5.5%
Total	-13.0%

Notes to Non-GAAP Reconciliation Schedule

General

In addition to the results provided in this release in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”), the Company has provided the following non-GAAP measures:

(1) Adjusted net earnings for the three months ended April 3, 2009 and March 28, 2008 and adjusted net earnings per diluted share for the three months ended April 3, 2009 and March 28, 2008. These measures are calculated on a basis which in the 2008 period, exclude certain non-cash charges related to the acquisition of Tektronix, Inc. for fair value adjustments to recorded inventory and deferred revenue balances.

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”.

(2) Core revenue growth (presented on a stand-alone basis), which is defined as revenue growth from businesses that have been owned for one year or more, excluding the effects of foreign currency fluctuations.

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 earnings measures and revenue growth from existing businesses reflect additional ways of viewing aspects of Danaher’s operations that, when viewed with and reconciled to the corresponding GAAP measures, 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. Similarly, revenue growth from existing businesses excludes items that are not completely under management’s control, such as the impact of changes in foreign currency exchange rates, and items that do not reflect the underlying growth of the company, such as acquisition and divestiture activity.

Danaher’s management uses these non-GAAP measures in assessing current 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 performance against prior period performance and against forecasted performance, compare Danaher’s performance to the performance of our peer companies, identify trends in Danaher’s performance and provide estimates of future performance.

A general limitation of these non-GAAP measures is that use of these measures (as compared to the related GAAP measures of net earnings, revenue and revenue growth) may reduce comparability with other companies who may calculate similar non-GAAP measures differently. A particular limitation of the non-GAAP earnings measures is that they 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). Similarly, a particular limitation of revenue growth from existing businesses is that it excludes items that can significantly impact our revenues. Danaher management compensates, and believes that investors should compensate, for these and other limitations of these non-GAAP measures by also considering Danaher’s financial results as determined in accordance with GAAP, including the GAAP measures described above in this paragraph.

Danaher Corporation
Supplemental Reconciliation of Operating Profit Margin Changes
Three Months Ended April 3, 2009 and March 28, 2008

	Segments				
	Total Company	Professional Instrumentation	Medical Technologies	Industrial Technologies	Tools & Components
Three Months Ended March 28, 2008 Operating Profit Margins	13.60%	16.50%	11.50%	14.80%	11.70%
Impact of operating profit margins of businesses owned for less than one year	(0.25)	(0.60)	(0.25)	-	-
Impact of fair value adjustments to recorded inventory and deferred revenue balances related to the acquisition of Tektronix recognized in 2008	0.85	2.25	-	-	-
Core operating margin changes (defined as all operating margin changes other than the changes identified in the line items above.)	(1.30)	(0.45)	(0.45)	(1.10)	(5.10)
Three Months Ended April 3, 2009 Operating Profit Margins	12.90%	17.70%	10.80%	13.70%	6.60%

Danaher Corporation
Supplemental Reconciliation of Gross Margin per GAAP to Adjusted Gross Margin and Gross Margin Percentage (Non-GAAP)
Three Months Ended April 3, 2009 and March 28, 2008

	Three Months Ended	
	April 3, 2009	March 28, 2008
Sales	\$ 2,627,744	\$ 3,028,874
Cost of Sales	1,369,135	1,611,158
Gross Margin (per GAAP)	\$ 1,258,609	\$ 1,417,716
Pre-tax charges for fair value adjustments to recorded inventory and deferred revenue balances related to the acquisition of Tektronix (\$19.2 million after-tax in the three months ended March 28, 2008)	-	26,069
Adjusted Gross Margin (Non-GAAP)	\$ 1,258,609	\$ 1,443,785
Adjusted Gross Margin % (Non-GAAP)	47.9%	47.7%

Notes to Adjusted Operating Margin and Adjusted Gross 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 core operating margins and adjusted gross margin percentage for the three months ended April 3, 2009 and March 28, 2008, respectively.

Adjusted gross margin percentage is calculated on a basis which in the 2008 period, excludes certain pre-tax, non-cash charges related to the acquisition of Tektronix, Inc. for fair value adjustments to recorded inventory and deferred revenue balances.

Core operating margins is calculated on a basis which:

- in the 2009 period, excludes the impact on operating margins from businesses owned for less than one year, and
- in the 2008 period, excludes (1) the impact on operating margins from businesses owned for less than one year, and (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.

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 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 operating margin and gross margin, 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 margin and gross margin) 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 margins and gross margins in accordance with GAAP.

Danaher Corporation
Supplemental Reconciliation of Operating Cash Flows (GAAP) to Free Cash Flow (Non-GAAP)
April 3, 2009

Free Cash Flow (\$ in 000's):	Three Months Ended	
	April 3, 2009	March 28, 2008
Operating Cash Flows per GAAP	\$ 316,679	\$ 333,158
Payments for Property, Plant & Equipment (Capital Expenditures)	(36,408)	(38,960)
Free Cash Flow	<u>\$ 280,271</u>	<u>\$ 294,198</u>

Ratio of Free Cash Flow to Net Earnings:

Free Cash Flow from Above	\$ 280,271	\$ 294,198
Net Earnings from	<u>\$ 237,712</u>	<u>\$ 276,505</u>
Free Cash Flow to Net Earnings Conversion Ratio	<u>1.18</u>	<u>1.06</u>

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 less purchases of property, plant and equipment, 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. 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, 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) 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.