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**
Three Months Ended September 26, 2014 Operating Profit Margins From Continuing Operations (GAAP)	**18.40%**	**21.90%**	**20.40%**	**15.70%**	**17.20%**	**24.30%**
Third quarter 2015 impact from operating profit margins of businesses that have been owned for less than one year	(0.85)	-	(0.25)	(0.70)	(1.85)	(0.10)
Acquisition-related transaction costs deemed significant, change in control payments, and fair value adjustments to inventory, in each case related to the acquisition of Pall Corporation and incurred in the third quarter of 2015.	(1.35)	-	-	(3.40)	-	-
Costs incurred in the third quarter of 2015 related to preparation for Danaher's 2016 separation.	(0.20)	-	-	-	-	-
Year-over year core operating margin changes for third quarter 2015 (defined as all year-over-year operating margin changes other than the changes identified in the line items above.) (Non-GAAP)	(0.10)	0.80	1.85	(0.80)	(0.55)	0.20
Three Months Ended October 2, 2015 Operating Profit Margins From Continuing Operations (GAAP)	**15.90%**	**22.70%**	**22.00%**	**10.80%**	**14.80%**	**24.40%**
Nine Months Ended September 26, 2014 Operating Profit Margins From Continuing Operations (GAAP)	**17.80%**	**21.70%**	**20.20%**	**14.90%**	**15.60%**	**23.50%**
First nine-months 2015 impact from operating profit margins of businesses that have been owned for less than one year	(0.90)	-	(0.45)	(1.05)	(0.40)	0.15
Fair value adjustments to Nobel Biocare acquisition-related inventory	(0.15)	-	-	-	(1.00)	-
Acquisition-related transaction costs deemed significant, change in control payments, and fair value adjustments to inventory, in each case related to the acquisition of Pall Corporation and incurred in the third quarter of 2015.	(0.45)	-	-	(1.25)	-	-
Costs incurred in the third quarter of 2015 related to preparation for Danaher's 2016 separation.	(0.05)	-	-	-	-	-
Year-over year core operating margin changes for first nine months of 2015 (defined as all year-over-year operating margin changes other than the changes identified in the line items above.) (Non-GAAP)	0.75	1.40	1.65	0.30	(1.50)	1.25
Nine Months Ended October 2, 2015 Operating Profit Margins From Continuing Operations (GAAP)	**17.00%**	**23.10%**	**21.40%**	**12.90%**	**12.70%**	**24.90%**

Core Operating Margin Change Excluding Foreign Currency Impacts

	Three Months Ended October 2, 2015
Year-over year core operating margin changes (see table above.) (Non-GAAP)	**(0.10)**
Impact of foreign currency change	0.60
Year-over year core operating margin change excluding foreign currency impacts (Non-GAAP)	**0.50**

Reconciliation of Gross Profit Margin (GAAP) to Gross Profit Margin excluding impact of Pall Corporation acquisition related costs (Non-GAAP)

Three Months Ended October 2, 2015 Gross Profit Margin (GAAP)	**52.50%**
Third Quarter 2015 impact to gross profit margins attributable to fair value adjustments to inventory related to the acquisition of Pall Corporation ("Pall Acquisition Related Costs")	0.40
Three Months Ended October 2, 2015 Gross Profit Margin excluding impact of Pall acquisition related costs (Non-GAAP)	**52.90%**
Three Months Ended September 26, 2014 Gross Profit Margin (GAAP)	**52.10%**
Year-over-year increase in Gross Margin excluding impact of Pall Acquisition Related Costs (Non-GAAP)	**0.80**

Non-GAAP Measure

We disclose the non-GAAP measures of year-over-year core operating margin change, year-over-year core operating margin change excluding foreign currency impacts and gross profit margin excluding the impact of Pall Acquisition Related Costs 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 provides useful information to investors by reflecting an additional way of viewing Danaher's operations that, when reconciled to their comparable GAAP measures, 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 the non-GAAP 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.

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

	Quarter Ended		Quarter Ended		Quarter Ended		Nine Months Ended	
	April 3, 2015	March 28, 2014	July 3, 2015	June 27, 2014	October 2, 2015	September 26, 2014	October 2, 2015	September 26, 2014
Free Cash Flow from Continuing Operations ($ in millions):								
Operating Cash Flows from Continuing Operations per GAAP	$ 529.6	$ 498.4	$ 1,101.3	$ 916.9	$ 876.4	$ 1,035.5	$ 2,507.3	$ 2,450.8
Payments for Property, Plant & Equipment (Capital Expenditures) from Continuing Operations	(117.0)	(127.3)	(136.2)	(144.0)	(185.5)	(138.0)	(438.7)	(409.3)
Free Cash Flow from Continuing Operations	$ 412.6	$ 371.1	$ 965.1	$ 772.9	$ 690.9	$ 897.5	$ 2,068.6	$ 2,041.5
Ratio of Free Cash Flow to Net Earnings ($ in millions):								
Free Cash Flow from Continuing Operations from Above	$ 412.6	$ 371.1	$ 965.1	$ 772.9	$ 690.9	$ 897.5	$ 2,068.6	$ 2,041.5
Net Earnings from Continuing Operations	558.0	544.9	715.5	667.4	590.0	681.3	1,863.5	1,893.6
Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio	0.74	0.68	1.35	1.16	1.17	1.32	1.11	1.08

We disclose the non-GAAP measures of free cash flow from continuing operations 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 from continuing operations, 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.