DANAHER CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

Diluted Net Earnings Per Share From Continuing Operations

	Three Months Ended	
	April 1, 2016	April 3, 2015
Diluted Net Earnings Per Share From Continuing Operations (GAAP)	**$ 1.09**	**$ 0.78**
Gain on sale of marketable securities in the three months ended April 1, 2016 ($223 million pretax, $140 million after-tax)	(0.20)	-
Costs incurred in the three months ended April 1, 2016 related to preparation for Danaher's 2016 separation including professional fees and separation-related income tax costs ($9 million pretax, $14 million after-tax)	0.02	-
Fair value adjustments to Nobel Biocare acquisition-related inventory incurred in the three months ended April 3, 2015 ($20 million pretax, $15 million after-tax)	-	0.02
Amortization of acquisition-related intangible assets in the three months ended April 1, 2016 ($160 million pretax, $121 million after-tax) and in the three months ended April 3, 2015 ($101 million pretax, $77 million after-tax)	0.17	0.11
Adjusted Diluted Net Earnings Per Share From Continuing Operations (Non-GAAP)	**$ 1.08**	**$ 0.91**

Forecasted Diluted Net Earnings Per Share From Continuing Operations

	Three Months Ending July 1, 2016		Year Ending December 31, 2016	
	Low End	High End	Low End	High End
Diluted Net Earnings Per Share From Continuing Operations (GAAP)	**$ 0.99**	**$ 1.03**	**$ 4.27**	**$ 4.40**
Gain on sale of marketable securities in the three months ended April 1, 2016 ($223 million pretax, $140 million after-tax)	-	-	(0.20)	(0.20)
Anticipated costs related to preparation for Danaher's 2016 separation for the three months ending July 1, 2016 ($15 million pretax, $14 million after-tax) and for the year ending December 31, 2016 ($52 million pretax, $53 million after-tax)	0.02	0.02	0.08	0.08
Anticipated amortization of acquisition-related intangible assets in the three months ending July 1, 2016 ($162 million pretax, $123 million after-tax) and in the year ending December 31, 2016 ($642 million pretax, $488 million after-tax)	0.18	0.18	0.70	0.70
Adjusted Diluted Net Earnings Per Share From Continuing Operations (Non-GAAP)	**$ 1.19**	**$ 1.23**	**$ 4.85**	**$ 4.98**

Core Revenue Growth

Components of Revenue Growth	**Three Months Ended April 1, 2016 vs. Comparable 2015 Period**
Core (Non-GAAP)	0.5%
Acquisitions (Non-GAAP)	16.5%
Impact of Currency Translation (Non-GAAP)	(2.0)%
Total Revenue Growth (GAAP)	15.0%

Adjusted Diluted Net Earnings Per Share from Continuing Operations

We disclose the non-GAAP measure of adjusted diluted net earnings per share from continuing operations, which refers to GAAP diluted net earnings per share from continuing operations, excluding the items identified in the reconciliation schedule above. This non-GAAP measure 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 this measure provides useful information to investors by reflecting additional ways of viewing aspects of Danaher's operations that, when reconciled to the corresponding GAAP measure, helps our investors to understand the long-term profitability trends of our business, and facilitates comparisons of our profitability to prior and future periods and to our peers. The items described above have been excluded from this 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.

The Company estimates the tax effect of the items identified in the reconciliation schedule above by applying the Company'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.

Core Revenue and Core Revenue Growth

We use the term "core revenue" or "sales from existing businesses" 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 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. These non-GAAP measures should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measures, and may not be comparable to similarly titled measures reported by other companies.

Management believes that these non-GAAP measures provide useful information to investors by helping identify underlying growth trends in our business and facilitating comparisons of our revenue performance with prior and future periods and to our peers. We exclude the effect of currency translation from these measures because currency translation is not under management's control, is subject to volatility and can obscure underlying business trends. We exclude the effect of acquisitions and divested product lines because the nature, size and number of such transactions can vary dramatically 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.

Danaher Corporation

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

	Quarter Ended	
	April 1, 2016	April 3, 2015
Free Cash Flow from Continuing Operations ($ in millions):		
Operating Cash Flows from Continuing Operations per GAAP	$ 772.8	$ 529.6
Payments for Property, Plant & Equipment (Capital Expenditures) from Continuing Operations	(151.0)	(117.0)
Free Cash Flow from Continuing Operations	$ 621.8	$ 412.6
Ratio of Free Cash Flow to Net Earnings ($ in millions):		
Free Cash Flow from Continuing Operations from Above	$ 621.8	$ 412.6
Net Earnings from Continuing Operations	758.4	558.0
Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio	0.82	0.74

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 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.

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 April 3, 2015 Operating Profit Margins From Continuing Operations (GAAP)	**16.10%**	**22.30%**	**19.50%**	**12.70%**	**9.10%**	**24.60%**
First quarter 2016 impact from operating profit margins of businesses that have been owned for less than one year or were disposed of during the year and did not qualify as discontinued operations.	(0.40)	(0.05)	(0.65)	0.15	(0.10)	(0.55)
Fair value adjustments to Nobel Biocare acquisition-related inventory incurred in the first quarter of 2015	0.40	-	-	-	3.00	-
Costs incurred in the first quarter of 2016 related to preparation for Danaher's 2016 separation.	(0.15)	-	-	-	-	-
Year-over year core operating margin changes for first quarter 2016 (defined as all year-over-year operating margin changes other than the changes identified in the line items above.) (Non-GAAP)	0.45	(1.35)	(1.55)	2.05	2.50	0.25
Three Months Ended April 1, 2016 Operating Profit Margins From Continuing Operations (GAAP)	**16.40%**	**20.90%**	**17.30%**	**14.90%**	**14.50%**	**24.30%**

Non-GAAP Measure

We disclose the non-GAAP measure of year-over-year core operating margin change which is defined above. This non-GAAP measure should be considered in addition to, and not as a replacement for or superior to, its comparable GAAP measure, and may not be comparable to a similarly titled measure reported by other companies.

Management believes that this non-GAAP measure provides useful information to investors by reflecting an additional way of viewing Danaher’s operations that, when reconciled to its comparable GAAP measure, helps our investors to understand the long-term profitability trends of our business, and facilitate 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.