

**DANAHER CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**

<u>Year-Over-Year Core Operating Margin Changes</u>	Segments				
	<u>Total Company</u>	<u>Life Sciences</u>	<u>Diagnostics</u>	<u>Dental</u>	<u>Environmental and Applied Solutions</u>
<b>Three Month Period Ended December 31, 2015 Operating Profit Margins from Continuing Operations (GAAP)</b>	<b>15.10%</b>	<b>9.70%</b>	<b>18.30%</b>	<b>15.80%</b>	<b>22.10%</b>
Fourth quarter 2016 impact from operating profit margins of businesses that have been owned for less than one year or were disposed of during such period and did not qualify as discontinued operations	(0.50)	(0.30)	(1.15)	(0.10)	(0.20)
Acquisition-related transaction costs deemed significant, change in control payments and restructuring charges, and fair value adjustments to inventory and deferred revenue, in each case primarily related to the acquisition of Cepheid and incurred in the fourth quarter of 2016.	(1.80)	(0.45)	(5.35)	-	-
Acquisition-related transaction costs deemed significant, change in control payments, and fair value adjustments to inventory and deferred revenue, net of the impact of freezing pension benefits, in each case related to the acquisition of Pall Corporation and incurred in the fourth quarter of 2015.	1.40	4.40	-	-	-
Year-over year core operating profit margin changes for fourth quarter 2016 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (Non-GAAP)	1.70	3.45	0.80	(0.30)	2.10
<b>Three Month Period Ended December 31, 2016 Operating Profit Margins from Continuing Operations (GAAP)</b>	<b>15.90%</b>	<b>16.80%</b>	<b>12.60%</b>	<b>15.40%</b>	<b>24.00%</b>
<b>Year Ended December 31, 2015 Operating Profit Margins from Continuing Operations (GAAP)</b>	<b>15.00%</b>	<b>9.90%</b>	<b>15.40%</b>	<b>13.50%</b>	<b>24.40%</b>
Full year 2016 impact from operating profit margins of businesses that have been owned for less than one year or were disposed of during such period and did not qualify as discontinued operations	(0.50)	(0.15)	(0.30)	(0.10)	(0.75)
Acquisition-related transaction costs deemed significant, change in control payments and restructuring charges, and fair value adjustments to inventory and deferred revenue, in each case primarily related to the acquisition of Cepheid and incurred in the fourth quarter of 2016.	(0.50)	(0.10)	(1.50)	-	-
Acquisition-related transaction costs deemed significant, change in control payments, and fair value adjustments to inventory and deferred revenue, net of the impact of freezing pension benefits, in each case related to the acquisition of Pall Corporation and incurred in the second half of 2015.	0.90	3.90	-	-	-
2016 gains on resolution of acquisition-related matters	0.10	-	-	-	-
Fair value adjustments to Nobel Biocare acquisition-related inventory incurred in the first quarter of 2015	0.15	-	-	0.80	-
Year-over year core operating profit margin changes for full year 2016 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (Non-GAAP)	1.15	1.75	2.00	0.90	(0.05)
<b>Year Ended December 31, 2016 Operating Profit Margins from Continuing Operations (GAAP)</b>	<b>16.30%</b>	<b>15.30%</b>	<b>15.60%</b>	<b>15.10%</b>	<b>23.60%</b>

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

	Three Month Period Ended		Three Month Period Ended		Three Month Period Ended		Three Month Period Ended		Full Year Ended	
	April 1, 2016	April 3, 2015	July 1, 2016	July 3, 2015	September 30, 2016	October 2, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
<b>Free Cash Flow from Continuing Operations (\$ in millions):</b>										
Operating Cash Flows from Continuing Operations (GAAP)	\$ 607.1	\$ 423.0	\$ 981.4	\$ 796.5	\$ 850.0	\$ 668.9	\$ 649.0	\$ 943.8	\$ 3,087.5	\$ 2,832.2
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(122.6)	(92.9)	(150.9)	(107.9)	(148.6)	(150.8)	(167.5)	(161.3)	(589.6)	(512.9)
Free Cash Flow from Continuing Operations (Non-GAAP)	<u>\$ 484.5</u>	<u>\$ 330.1</u>	<u>\$ 830.5</u>	<u>\$ 688.6</u>	<u>\$ 701.4</u>	<u>\$ 518.1</u>	<u>\$ 481.5</u>	<u>\$ 782.5</u>	<u>\$ 2,497.9</u>	<u>\$ 2,319.3</u>
<b>Ratio of Free Cash Flow to Net Earnings (\$ in millions):</b>										
Free Cash Flow from Continuing Operations from Above (Non-GAAP)	\$ 484.5	\$ 330.1	\$ 830.5	\$ 688.6	\$ 701.4	\$ 518.1	\$ 481.5	\$ 782.5	\$ 2,497.9	\$ 2,319.3
Net Earnings from Continuing Operations (GAAP)	<u>585.8</u>	<u>347.9</u>	<u>418.0</u>	<u>497.9</u>	<u>402.6</u>	<u>379.9</u>	<u>747.0</u>	<u>521.0</u>	<u>2,153.4</u>	<u>1,746.7</u>
Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio (Non-GAAP)	<u>0.83</u>	<u>0.95</u>	<u>1.99</u>	<u>1.38</u>	<u>1.74</u>	<u>1.36</u>	<u>0.64</u>	<u>1.50</u>	<u>1.16</u>	<u>1.33</u>