



**DANAHER**



**THIRD QUARTER 2014 EARNINGS RELEASE**  
*October 16, 2014*



# Forward Looking Statements

*Statements in this presentation that are not strictly historical, including any statements regarding events or developments that we believe or anticipate will or may occur in the future, are "forward-looking" statements within the meaning of the federal securities laws. There are a number of important factors that could cause actual results, developments and business decisions to differ materially from those suggested or indicated by such forward-looking statements and you should not place undue reliance on any such forward-looking statements. These factors include, among other things, deterioration of or instability in the economy, the markets we serve and the financial markets, the impact of our restructuring activities on our ability to grow, contractions or growth rates and cyclicalities of markets we serve, competition, our ability to develop and successfully market new and enhanced products and services and expand into new markets, the potential for improper conduct by our employees, agents or business partners, our ability to successfully identify, consummate and integrate appropriate acquisitions and successfully complete divestitures, contingent liabilities relating to acquisitions and divestitures, our compliance with applicable laws and regulations (including regulations relating to medical devices and the healthcare industry) and changes in applicable laws and regulations, our ability to effectively address cost reductions and other changes in the healthcare industry, risks relating to potential impairment of goodwill and other intangible assets, currency exchange rates, tax audits and changes in our tax rate and income tax liabilities, litigation and other contingent liabilities including intellectual property and environmental, health and safety matters, risks relating to product defects, product liability, and recalls, risks relating to product manufacturing, the impact of our debt obligations on our operations and liquidity, our relationships with and the performance of our channel partners, commodity costs and surcharges, our ability to adjust purchases and manufacturing capacity to reflect market conditions, reliance on sole sources of supply, labor matters, international economic, political, legal compliance and business factors, disruptions relating to man-made and natural disasters, security breaches or other disruptions of our information technology systems and pension plan costs. Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in our SEC filings, including our 2013 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the third quarter of 2014. These forward-looking statements speak only as of the date of this presentation and the Company does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.*

*With respect to any non-GAAP financial measures included in the following presentation, the accompanying information required by SEC Regulation G can be found in the "Investors" section of DanaHER's web site, [www.danaher.com](http://www.danaher.com), under the heading "Financial Information" and subheading "Quarterly Earnings." In addition, in addressing various financial metrics the presentation describes certain of the more significant factors that impacted year-over-year performance. Please refer to our earnings release, Form 10-Q and the other related presentation materials supplementing today's call for additional factors that impacted year-over-year performance, all of which are available in the "Investors" section of DanaHER's web site under the heading "Financial Information" and subheading "Quarterly Earnings."*

*In this presentation, all revenue amounts are in millions.*



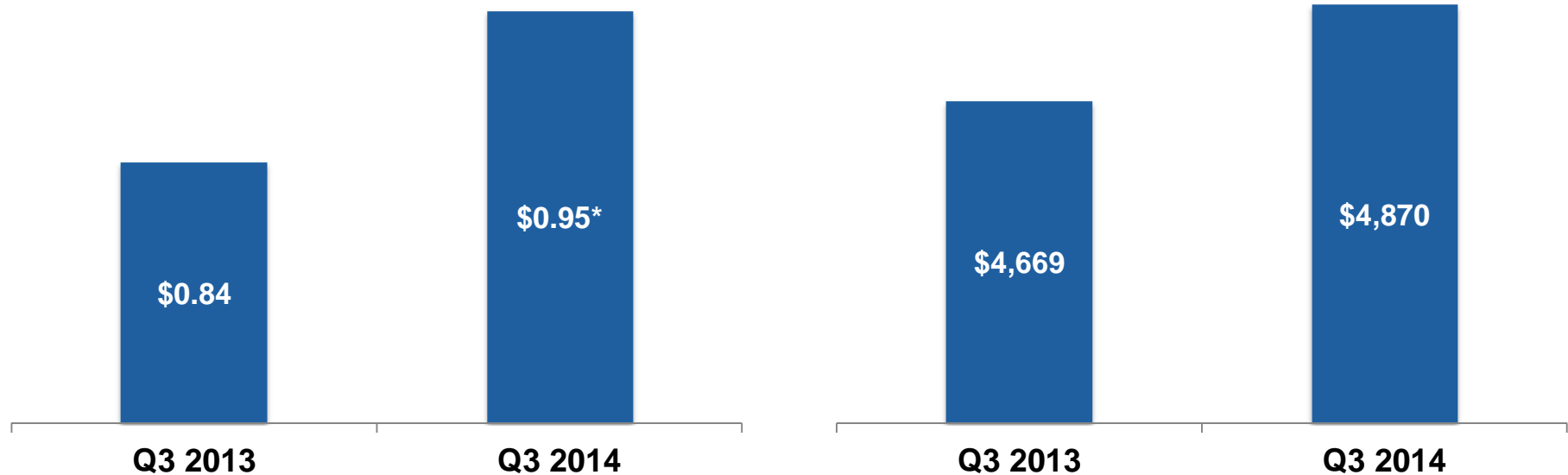
# Third Quarter 2014 Performance Summary

## DILUTED NET EARNINGS PER SHARE

**+13.0%**

## REVENUE

**+4.5%**  
*Core +3.0%*  
*Acquisitions +2.0%*  
*FX -0.5%*



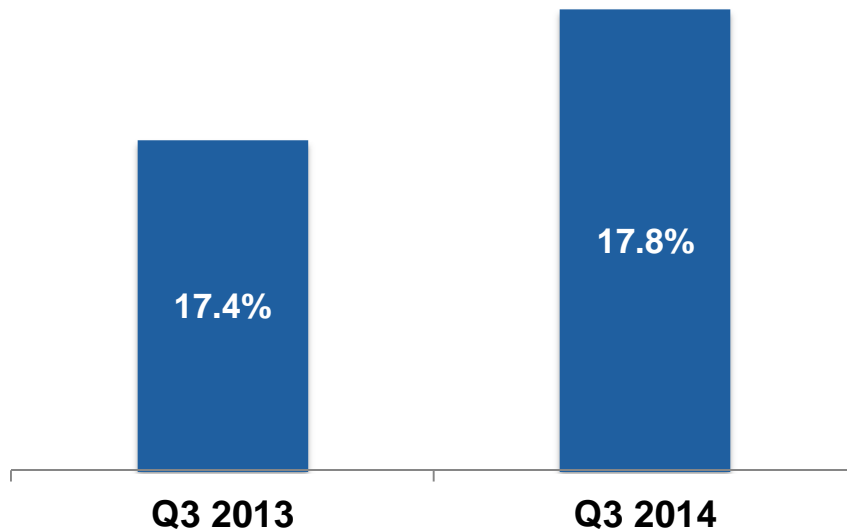
\*Includes a \$0.04 per share after-tax gain on the divestiture of a product line and a \$0.01 benefit from discrete tax items  
For the definitions of "Core," "Acquisitions" and "FX," please refer to the accompanying information required by Regulation G, located in the "Investors" section of [www.danaher.com](http://www.danaher.com), under the subheading "Financial Information – Quarterly Earnings."



# Third Quarter 2014 Performance Summary

## OPERATING PROFIT MARGIN

**+40 bps**  
*Core +70 bps*  
*Acquisitions -30 bps*



## GROSS MARGINS

Q3 2013 – 51.9%

Q3 2014 – 52.7%

**+ 80 bps**

## SG&A

(as a % of Revenue)

Q3 2013 – 27.9%

Q3 2014 – 28.2%

**+ 30 bps**

## R&D

(as a % of Revenue)

Q3 2013 – 6.6%

Q3 2014 – 6.7%

**+ 10 bps**



## Third Quarter 2014 Performance Summary

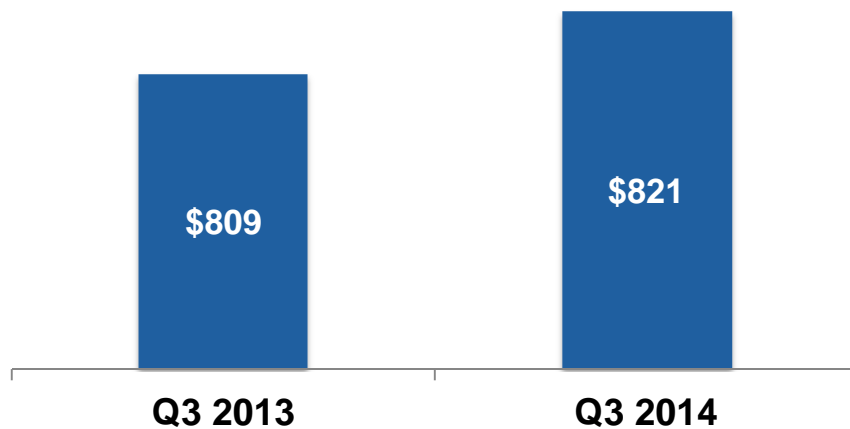
<u>\$M</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Q3 2013</u>	<u>Q3 2014</u>
OPERATING CASH FLOW	\$3,502	\$3,585	\$971	\$1,016
CAP EX	458	551	139	143
<b>FREE CASH FLOW</b>	<b>\$3,044</b>	<b>\$3,034</b>	<b>\$832</b>	<b>\$873</b>



# Third Quarter 2014 Test & Measurement

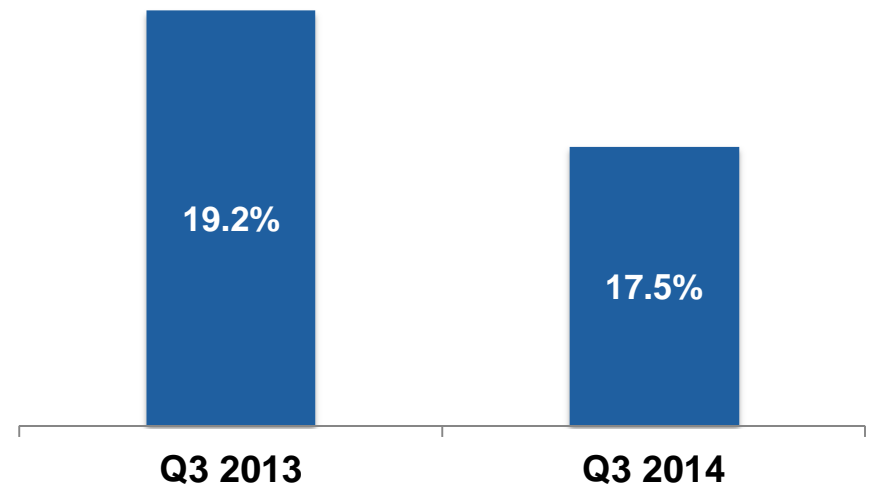
## REVENUE

**+1.5%**  
Core -1.0%  
Acquisitions +2.5%  
FX ---



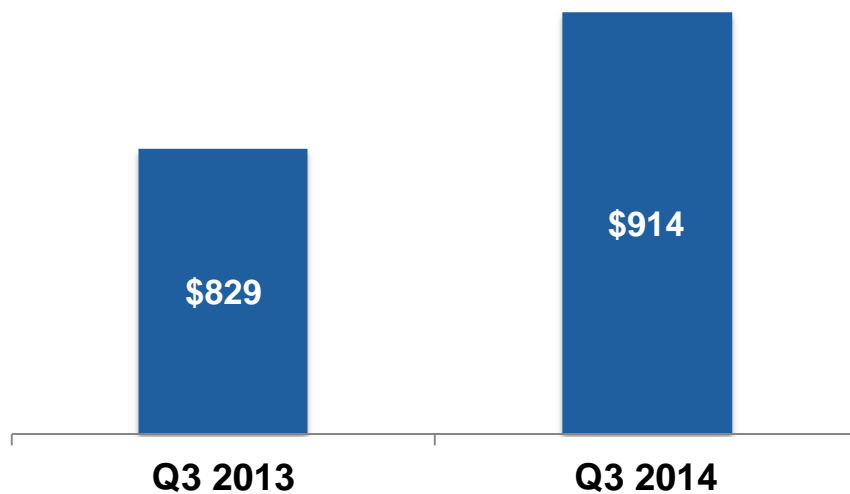
## OPERATING PROFIT MARGIN

**-170 bps**  
Core -115 bps  
Acquisitions -55 bps



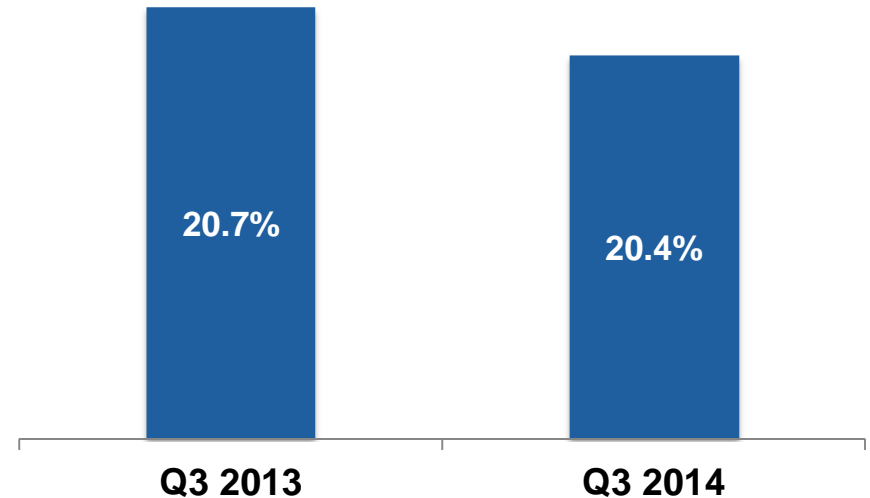
## REVENUE

**+10.5%**  
 Core +5.0%  
 Acquisitions +5.5%  
 FX ---



## OPERATING PROFIT MARGIN

**-30 bps**  
 Core +85 bps  
 Acquisitions -115 bps

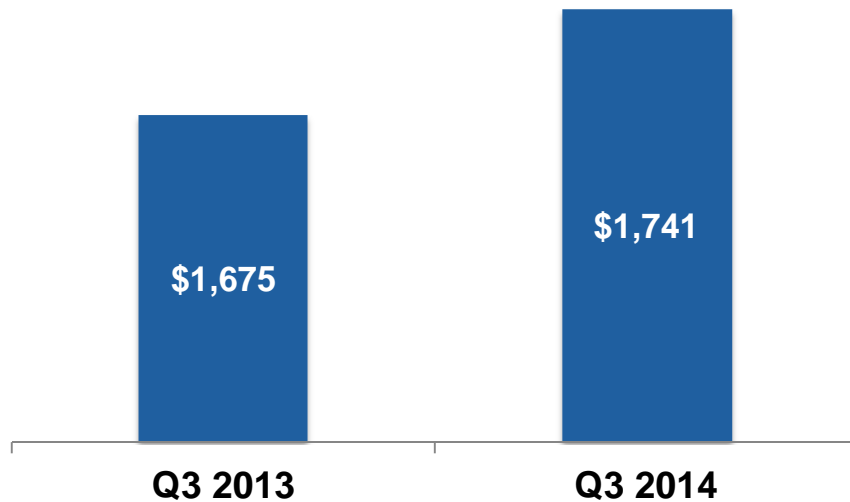




# Third Quarter 2014 Life Sciences & Diagnostics

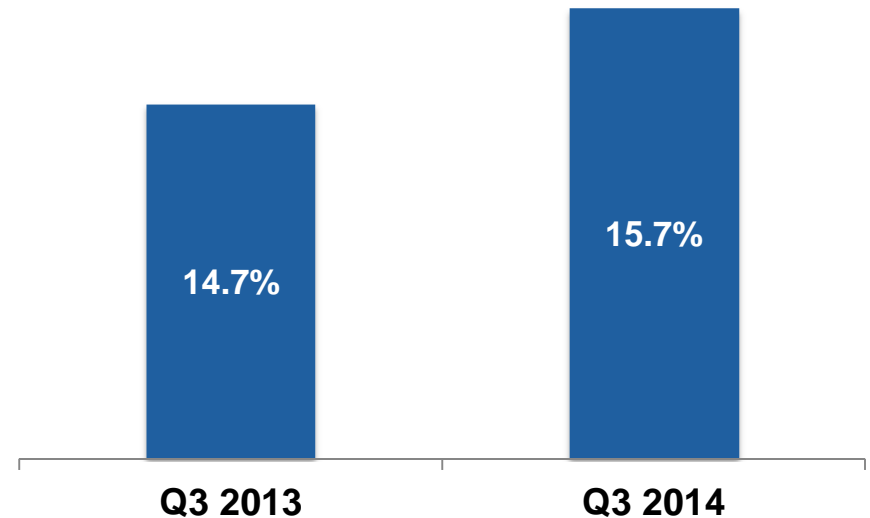
## REVENUE

**+4.0%**  
Core +3.0%  
Acquisitions +1.5%  
FX -0.5%



## OPERATING PROFIT MARGIN

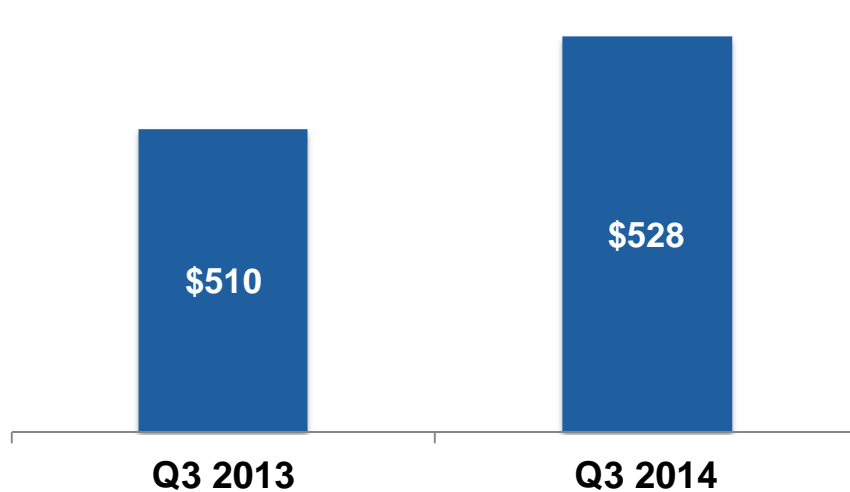
**+100 bps**  
Core +120 bps  
Acquisitions -20 bps





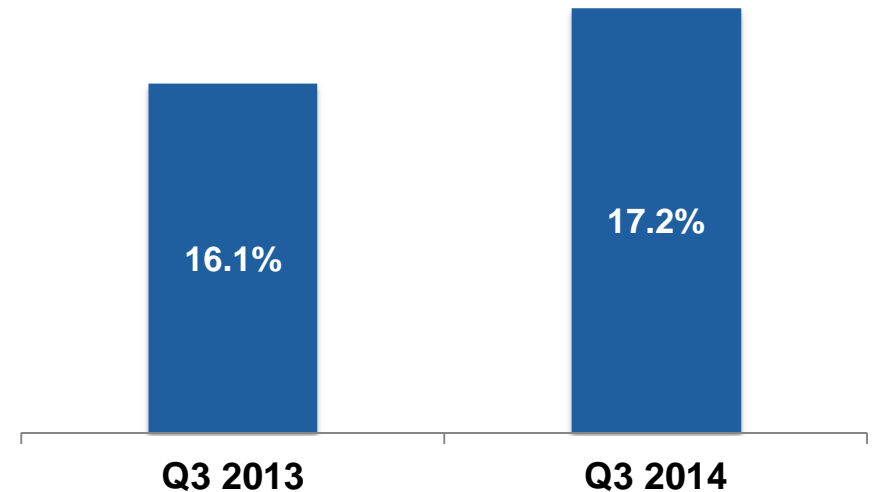
## REVENUE

**+3.5%**  
*Core +2.0%*  
*Acquisitions +2.0%*  
*FX -0.5%*



## OPERATING PROFIT MARGIN

**+110 bps**  
*Core +100 bps*  
*Acquisitions +10 bps*

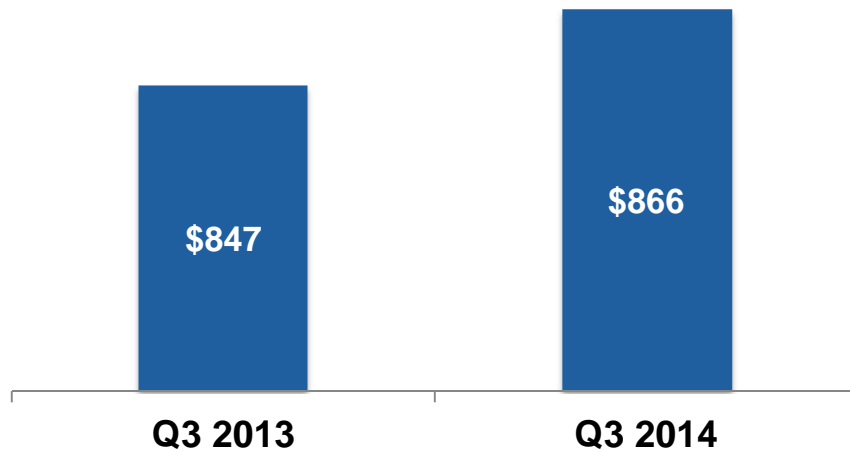




# Third Quarter 2014 Industrial Technologies

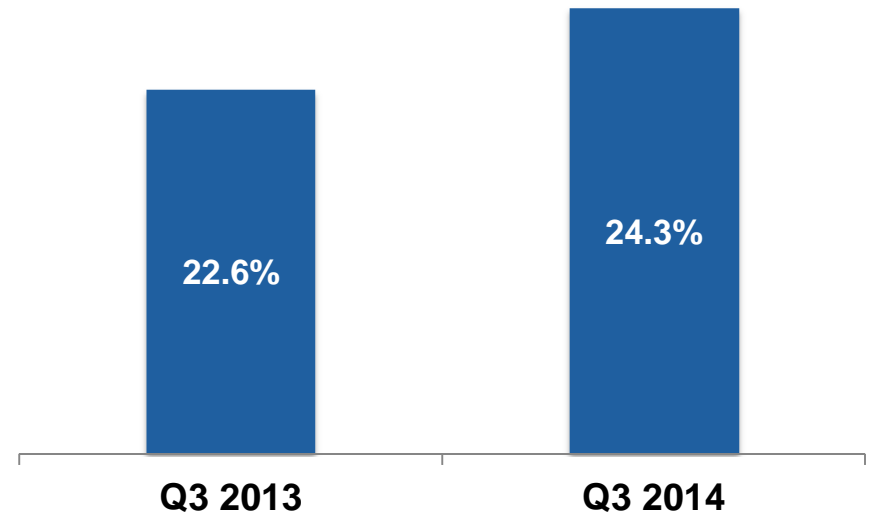
## REVENUE

**+2.0%**  
Core +4.5%  
Acquisitions/Divestitures -2.5%  
FX ---



## OPERATING PROFIT MARGIN

**+170 bps**  
Core +145 bps  
Acquisitions +25 bps



# Guidance



# Q & A



***DANAHER***

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