DANAHER CORPORATION

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

DILUTED NET EARNINGS PER SHARE FROM CONTINUING OPERATIONS

	Three Months Ended		Year Ended	
	December 31, 2015	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**
Diluted Net Earnings Per Share From Continuing Operations (GAAP)	**$ 1.06**	**$ 0.91**	**$ 3.67**	**$ 3.56**
Fair value adjustments to inventory ($20 million pre-tax, $15 million after-tax) incurred in the three months ended April 3, 2015 and year ended December 31, 2015, acquisition-related transaction costs deemed significant ($12 million pre-tax, $9 million after-tax) for the three months and year ended December 31, 2014 and fair value adjustments to inventory ($5 million pre-tax, $4 million after-tax) for the three months and year ended December 31, 2014 in each case incurred in connection with the acquisition of Nobel Biocare	-	0.02	0.02	0.02
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 three months ended December 31, 2015 ($60 million pre-tax, $48 million after-tax); acquisition-related transaction costs deemed significant ($21 million pre-tax, $16 million after-tax), 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 year ended December 31, 2015 ($107 million pre-tax, $84 million after-tax)	0.07	-	0.14	-
Gain on sale of marketable securities in the year ended December 31, 2015 ($12 million pre-tax, $8 million after-tax) in the three months ($99 million pre-tax, $62 million after-tax) and year ($123 million pre-tax, $77 million after-tax) ended December 31, 2014	-	(0.09)	(0.01)	(0.11)
Productivity charges for the three months and year ended December 2014 in excess of amounts originally budgeted and publicly communicated in December 2013 ($94 million pre-tax and $72 million after-tax)	-	0.10	-	0.10
Costs incurred in the three months ($15 million pre-tax, $9 million after-tax) and year ($23 million pre-tax, $16 million after-tax) ended December 31, 2015 related to preparation for Danaher's 2016 separation	0.01	-	0.02	-
Gain on sale of a product line ($34 million pre-tax, $26 million after-tax) in the year ended December 31, 2014	-	-	-	(0.04)
Discrete income tax gains net of discrete income tax charges incurred in the three months ($29 million) and the year ($45 million) ended December 31, 2015; discrete income tax charges (net of gains) and benefits from lower than expected effective tax rate (due primarily to year-end 2014 tax law changes) in the three months and year ended December 31, 2014	(0.04)	0.09	(0.06)	0.08
Amortization of acquisition-related intangible assets in the three months ($158 million pre-tax, $121 million after-tax) and year ($478 million pre-tax, $365 million after-tax) ended December 31, 2015 and in the three months ($92 million pre-tax, $70 million after-tax) and year ($352 million pre-tax, $270 million after-tax) ended December 31, 2014	0.17	0.09	0.52	0.36
Adjusted Diluted Net Earnings Per Share From Continuing Operations (Non-GAAP)	**$ 1.27**	**$ 1.12**	**$ 4.30**	**$ 3.97**

DANAHER CORPORATION

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

FORECASTED DILUTED NET EARNINGS PER SHARE FROM CONTINUING OPERATIONS

	Three Months Ending April 1, 2016		Year Ending December 31, 2016	
	Low End	High End	Low End	High End
Diluted Net Earnings Per Share From Continuing Operations (GAAP)	**$ 0.80**	**$ 0.84**	**$ 4.01**	**$ 4.16**
Anticipated costs for the three months ending April 1, 2016 ($13 million pre-tax, $12 million after-tax) and for the year ending December 31, 2016 ($56 million pre-tax, $53 million after-tax) related to preparation for Danaher's 2016 separation	0.02	0.02	0.08	0.08
Anticipated amortization of acquisition-related intangible assets in the three months ending April 1, 2016 ($160 million pre-tax, $123 million after-tax) and in the year ending December 31, 2016 ($645 million pre-tax, $495 million after-tax)	0.18	0.18	0.71	0.71
Adjusted Diluted Net Earnings Per Share From Continuing Operations (Non-GAAP)	**$ 1.00**	**$ 1.04**	**$ 4.80**	**$ 4.95**
Year-over-year % Change	**9.9%**	**14.3%**	**11.6%**	**15.1%**

CORE REVENUE GROWTH

Components of Revenue Growth	Three Months Ended December 31, 2015 vs. Comparable 2014 Period	Year Ended December 31, 2015 vs. Comparable 2014 Period
Core (Non-GAAP)	--	3.0%
Acquisitions (Non-GAAP)	17.5%	10.5%
Impact of Currency Translation (Non-GAAP)	(5.0%)	(6.0%)
Total Revenue Growth (GAAP)	12.5%	7.5%

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 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 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 pre-tax 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.

DANAHER CORPORATION

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

Core Revenue and Core Revenue Growth

We use the term "core revenue" or "sales from existing businesses" to refer to GAAP revenue from existing 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 existing 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 easier 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
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 December 31, 2014 Operating Profit Margins From Continuing Operations (GAAP)	**16.60%**	**19.90%**	**19.20%**	**16.60%**	**9.50%**	**20.40%**
Fourth quarter 2015 impact from operating profit margins of businesses that have been owned for less than one year or were disposed of during the year	(1.20)	1.90	(0.50)	(2.05)	(1.80)	(0.25)
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.	(1.05)	-	-	(2.25)	-	-
Acquisition-related transaction costs deemed significant, and fair value adjustments to inventory, in each case related to the acquisition of Nobel Biocare and incurred in the fourth quarter of 2014.	0.30	-	-	-	2.65	-
Costs incurred in the fourth quarter of 2015 related to preparation for Danaher's 2016 separation.	(0.25)	-	-	-	-	-
Fourth quarter 2015 productivity charges less productivity charges incurred in fourth quarter 2014.	1.00	0.40	2.50	0.85	0.30	0.65
Year-over year core operating margin changes for fourth quarter 2015 (defined as all year-over-year operating margin changes other than the changes identified in the line items above.) (Non-GAAP)	1.20	1.10	0.60	0.75	5.15	0.80
Three Months Ended December 31, 2015 Operating Profit Margins From Continuing Operations (GAAP)	**16.60%**	**23.30%**	**21.80%**	**13.90%**	**15.80%**	**21.60%**
Year Ended December 31, 2014 Operating Profit Margins From Continuing Operations (GAAP)	**17.50%**	**21.20%**	**19.90%**	**15.40%**	**13.90%**	**22.70%**
Full year 2015 impact from operating profit margins of businesses that have been owned for less than one year or were disposed of during the year	(0.85)	0.45	(0.45)	(1.20)	(0.95)	-
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.	(0.65)	-	-	(1.55)	-	-
Costs incurred in the second half of 2015 related to preparation for Danaher's 2016 separation.	(0.10)	-	-	-	-	-
Fourth quarter 2015 productivity charges less productivity charges incurred in fourth quarter 2014.	0.25	0.10	0.70	0.30	0.10	0.20
Year-over year core operating margin changes for the full year 2015 (defined as all year-over-year operating margin changes other than the changes identified in the line items above.) (Non-GAAP)	0.75	1.35	1.35	0.35	0.45	1.20
Year Ended December 31, 2015 Operating Profit Margins From Continuing Operations (GAAP)	**16.90%**	**23.10%**	**21.50%**	**13.30%**	**13.50%**	**24.10%**

Non-GAAP Measure

We disclose the non-GAAP measure of year-over-year core operating margin change. 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 similarly titled measures 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 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		Quarter Ended		Full year	
	April 3, 2015	March 28, 2014	July 3, 2015	June 27, 2014	October 2, 2015	September 26, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 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	$ 1,320.7	$ 1,167.2	$ 3,828.0	$ 3,618.0
Payments for Property, Plant & Equipment (Capital Expenditures) from Continuing Operations	(117.0)	(127.3)	(136.2)	(144.0)	(185.5)	(138.0)	(194.3)	(171.3)	(633.0)	(580.6)
Free Cash Flow from Continuing Operations	$ 412.6	$ 371.1	$ 965.1	$ 772.9	$ 690.9	$ 897.5	$ 1,126.4	$ 995.9	$ 3,195.0	$ 3,037.4
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	$ 1,126.4	$ 995.9	$ 3,195.0	$ 3,037.4
Net Earnings from Continuing Operations	558.0	544.9	715.5	667.4	590.0	681.3	735.2	649.5	2,598.7	2,543.1
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	1.53	1.53	1.23	1.19

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.