

Danaher Corporation Chief Executive Comments on Outlook And Announces Planned Restructuring

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Danaher Corporation commented today on the performance outlook for the company for the balance of 2001 and 2002. The Company also announced an operational streamlining and an associated restructuring charge planned for the current year. The comments were made after the close of the stock market today, at its investor and security analysts meeting held in New York.

President and Chief Executive Officer H. Lawrence Culp, Jr. stated, "Despite a difficult economic environment, we expect to report 2001 operating earnings per share of approximately \$2.30, up from \$2.23 in 2000, on essentially flat revenues, with free cash flow, that is operating cash flow less capital expenditures, in excess of \$3.00 per share versus \$2.91 in 2000. Our fourth quarter year over year revenue declines will likely be in the 11- 13% range, resulting in operating earnings for the quarter of approximately \$.52 per share versus \$.60 per share reported in the fourth quarter of 2000. The manufacturing recession continues to impact Danaher not only in North America but also increasingly in Europe, particularly affecting our platforms with major international operations and customers. We remain focused on operating in a tough economy while protecting our key growth initiatives for the recovery. We continue to implement broad-based cost measures, including headcount reductions totaling 4,000 this year, with over 1,000 in the fourth quarter alone. We plan to use this period of lower volume, which we expect to continue into mid-2002, to further reduce our fixed cost base and consolidate our manufacturing operations into higher volume and lower cost locations. These actions will include the closure of sixteen facilities and the elimination of another 1,100 positions during 2002 and will result in a fourth quarter 2001 charge of approximately \$70 million before taxes or approximately \$.30 per share after taxes."

Mr. Culp concluded, "We do expect 2002 to begin as 2001 is ending - with sluggish sales and difficult comparables. The effect of the facility closings and continuing cost reductions, in combination with key growth initiatives and forecasts for a recovering economy, give us confidence to expect the second half of 2002 to be significantly above the second half of 2001, and in such a recovery, result in record earnings of \$2.65 to \$2.75 a share."

The fourth quarter charge of approximately \$70 million pre-tax is expected to include non-cash charges of \$10 - \$15 million for asset write-downs associated with the facility closings.

Substantially all cash expenditures for the restructuring will be incurred in 2002. The fourth quarter 2001 after tax effect of the restructuring is expected to approximate \$45 million or approximately \$.30 per share and result in net income after restructuring of approximately \$.22 per share for the quarter and \$2.00 for the year. The 2002 estimates

reflect the adoption of FASB 142 , which excludes amortization of goodwill which will approximate \$.30 per share in 2001.

Danaher Corporation is a leading manufacturer of Process/Environmental Controls and Tools and Components. (<http://www.danaher.com/>)

Statements in this release that are not strictly historical may be "forward-looking" statements, which involve risks and uncertainties. These include economic and currency conditions, market demand, pricing, and competitive and technological factors, among others, as set forth in the company's SEC filings.

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