Danaher CEO Provides Updated Fourth Quarter 2009 Guidance and Initiates 2010 Outlook

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At an institutional investor and analyst meeting held in New York today, Danaher Corporation commented on the performance outlook of the company for the balance of 2009 and 2010. President and Chief Executive Officer H. Lawrence Culp, Jr. announced that the company has raised its fourth quarter 2009 adjusted earnings per share guidance from the previous range of $0.99 to $1.09 to a new range of $1.05 to $1.10. As a result, full year 2009 adjusted earnings per share guidance increased from a previous range of $3.40 to $3.50 to a new range of $3.46 to $3.51.

The company also indicated that it expects 2010 GAAP earnings per share to be in the range of $3.80 to $4.10. Additionally, the company expects core revenues to grow approximately 1% to 5% in 2010 compared to 2009.

Mr. Culp stated: "While 2009 was a challenging year, our team's execution on the restructuring initiatives is on schedule and was the primary driver behind our revised fourth quarter guidance. We are encouraged by the modest sequential end market improvements across Danaher. Our growth investments, new product introductions and strategic M&A opportunities position us well for the long term."

Danaher , based in Washington. D.C., is a diversified technology leader that designs, manufactures, and markets innovative products and services to professional, medical, industrial, and commercial customers. Our portfolio of premier brands is among the most highly recognized in each of the markets we serve. Driven by the Danaher Business System, our 50,000 associates serve customers in more than 125 countries and generated $12.7 billion of revenue in 2008. For more information please visit our website: www.danaher.com.

Statements in this release that are not strictly historical, including the statements regarding adjusted earnings per share guidance for the fourth quarter and full year 2009, GAAP earnings per share guidance for 2010 and core growth expectations for 2010, may be "forward-looking" statements. There are a number of important factors that could cause actual events to differ materially from those suggested or indicated by such forward-looking statements. These factors include, among other things, the current global economic recession and the upheaval in the credit markets and financial services industry, competition, our ability to develop and successfully market new products and technologies, the contractions or growth rates and cyclicality of markets we serve, our ability to expand our business in new markets, our ability to successfully identify, consummate and integrate appropriate acquisitions, the impact of our debt obligations on our operations, litigation and other contingent liabilities including intellectual property and environmental matters, our compliance with applicable laws and regulations and changes in applicable laws and regulations, tax audits and changes in our tax rate, risks relating to potential impairment of goodwill and other long-lived assets, currency exchange rates, pension plan costs, commodity costs and surcharges, labor matters, our relationships with and the performance of our channel partners, our ability to achieve projected efficiencies, cost reductions, sales growth and earnings, and international economic, political, legal and business factors. 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 2008 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the quarter ended October 2, 2009. These forward-looking statements speak only as of the date of this presentation and the Company does not assume any obligation to update any forward-looking statement.

Danaher Corporation
Reconciliation of GAAP to Non-GAAP Financial Measure

	Three Months Ended April 3, 2009	Three Months Ended July 3, 2009	Three Months Ended October 2, 2009
Forecasted Adjusted Diluted Earnings Per Share	Actual	Actual	Actual
Adjusted Diluted Earnings Per Share (Non-GAAP)	$0.72	$0.80	$0.89
Gains from net reduction in income tax reserves and discrete tax benefits	-	0.18	0.11
Restructuring activities (other than restructuring activities originally budgeted for 2009) approved by the Company	-	(0.08)	(0.07)
2009 transaction costs associated with completed and pending acquisitions expensed in accordance with the adoption of the new business combination accounting standard, and fair value adjustments to recorded inventory and deferred revenue balances related to 2009 acquisitions	-	(0.01)	(0.04)
Gain on intellectual property litigation settlement with Align Technology, Inc.	-	-	0.16
Diluted Earnings Per Share (GAAP)	$0.72	$0.89	$1.05

	Three Months Ended December 31, 2009 (2)	
Forecasted Adjusted Diluted Earnings Per Share	Low End of Guidance Range	High End of Guidance Range
Adjusted Diluted Earnings Per Share (Non-GAAP)	$1.05	$1.10

Gains from net reduction in income tax reserves and discrete tax benefits	-	-
Restructuring activities (other than restructuring activities originally budgeted for 2009) approved by the Company	(0.30)	(0.30)
2009 transaction costs associated with completed and pending acquisitions expensed in accordance with the adoption of the new business combination accounting standard, and fair value adjustments to recorded inventory and deferred revenue balances related to 2009 acquisitions	(0.04)	(0.04)
Gain on intellectual property litigation settlement with Align Technology, Inc.	-	-
Diluted Earnings Per Share (GAAP)	$0.71	$0.76

	Twelve Months Ended December 31, 2009 (2)	
Forecasted Adjusted Diluted Earnings Per Share	Low End of Guidance Range (1)	High End of Guidance Range (1)
Adjusted Diluted Earnings Per Share (Non-GAAP)	$3.46	$3.51
Gains from net reduction in income tax reserves and discrete tax benefits	0.29	0.29
Restructuring activities (other than restructuring activities originally budgeted for 2009) approved by the Company	(0.45)	(0.45)
2009 transaction costs associated with completed and pending acquisitions expensed in accordance with the adoption of the new business combination accounting standard, and fair value adjustments to recorded inventory and deferred revenue balances related to 2009 acquisitions	(0.09)	(0.09)
Gain on intellectual property litigation settlement with Align Technology, Inc.	0.16	0.16
Diluted Earnings Per Share		

(GAAP)	$3.37	$3.42

(1) Assumes higher end of the range of $220 Million to $250 Million of estimated charges relating to formal restructuring plans approved by the Company's Board of Directors on April 21, 2009 and August 30, 2009.

(2) Forecasted diluted earnings per share for the fourth quarter of 2009 of $0.71 to $0.76 and for the full year 2009 of $3.37 to $3.42 include the impact of (1) transaction costs expensed in connection with pending and completed 2009 acquisitions and (2) fair value adjustments to recorded inventory and deferred revenue balances related to completed 2009 acquisitions but excludes such costs related to any future acquisitions.

General

We use the term adjusted diluted earnings per share to refer to GAAP diluted earnings per share excluding the items identified in the reconciliation schedule above. We believe that adjusted diluted earnings per share, when viewed with and reconciled to GAAP diluted earnings per share, provides additional understanding of Danaher's performance and helps identify underlying trends in Danaher's business. Adjusted diluted earnings per share should be considered in addition to, and not as a replacement for or superior to, GAAP diluted earnings per share.

The items excluded from adjusted diluted earning per share have been excluded because items of this nature and/or size occur with inconsistent frequency, 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. We believe that adjusted diluted earnings per share reflects an additional way of viewing aspects of Danaher's operations that, when viewed with and reconciled to GAAP diluted earnings per share, helps us and 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. We use this measure, and believe that investors use this measure, to (1) generally assess the performance of our operating model, including assessing Danaher's performance against prior period performance, forecasted performance and/or peer company performance, (2) forecast financial results for future periods, (3) identify trends in Danaher's performance, and (4) value Danaher. Danaher's management also uses this measure in making decisions about internal budgets, resource allocation and financial goals for its business units. A limitation of adjusted earnings per share is that use of this measure (as compared to GAAP diluted earnings per share) may reduce comparability with other companies who may define or calculate adjusted diluted earnings per share measures differently. Another limitation of adjusted diluted earnings per share is that it excludes charges or gains that can significantly affect Danaher's results of operations and that may recur in the course of Danaher's business (though at times and in amounts that may be difficult to predict). Danaher management compensates, and believes that investors should compensate, for these and the other limitations of adjusted diluted earnings per share by also considering GAAP diluted earnings per share.

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