

Danaher CEO Provides Updated Fourth Quarter 2010 Guidance and Initiates 2011 Outlook

PR Newswire
WASHINGTON

WASHINGTON, Dec. 15, 2010 /PRNewswire-FirstCall/ -- At an institutional investor and analyst meeting held in New York today, Danaher Corporation (NYSE: DHR) commented on the performance outlook of the company for the balance of 2010 and 2011. President and Chief Executive Officer H. Lawrence Culp, Jr. announced that the company has raised its fourth quarter 2010 non-GAAP adjusted earnings per share guidance from the previous range of \$0.61 to \$0.66 to a new range of \$0.64 to \$0.66. As a result, full year 2010 non-GAAP adjusted earnings per share guidance increased from a previous range of \$2.25 to \$2.30 to a new range of \$2.28 to \$2.30. The guidance includes approximately \$60 million of anticipated incremental restructuring and growth spending in the fourth quarter.

The company also indicated that it expects 2011 GAAP earnings per share to be in the range of \$2.55 to \$2.70. First quarter 2011 GAAP earnings per share is anticipated to be in the range of \$0.52 to \$0.57. Additionally, the company expects core revenues to grow approximately 6% to 8% in 2011 compared to 2010.

Mr. Culp stated: "With the Danaher Business System's ability to drive organic growth and margin expansion, the benefits of new product introductions and our increasing exposure to higher growth emerging markets, we believe we are well positioned to continue to outperform in 2011 and beyond."

Danaher 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 a foundation provided by the Danaher Business System, our 47,000 associates serve customers in more than 125 countries and generated \$11.2 billion of revenue in 2009. For more information please visit our website: www.danaher.com.

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), this earnings announcement also contains non-GAAP financial measures. The reasons why we believe these measures provide useful information to investors, a reconciliation of these measures to the most directly comparable GAAP measures and other information relating to these measures are included in the supplemental reconciliation schedule attached.

Statements in this release that are not strictly historical, including the statements regarding the Company's anticipated financial performance for the balance of 2010 and 2011, anticipated organic growth and margin expansion and any other statements regarding events or developments that we believe or anticipate will or may occur in the

future, may be "forward-looking" statements within the meaning of the federal securities laws. 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 and you should not place undue reliance on any such forward-looking statements. These factors include, among other things, the uncertainty in the economy and financial markets, the impact of our restructuring activities on our ability to grow, contractions or growth rates and cyclicity of markets we serve, competition, our ability to develop and successfully market new products and technologies and expand into new markets, our ability to successfully identify, consummate and integrate appropriate acquisitions, contingent liabilities relating to acquisitions, risks relating to potential impairment of goodwill and other long-lived assets, currency exchange rates, our compliance with applicable laws and regulations and changes in applicable laws and regulations, tax audits and changes in our tax rate and income tax liabilities, litigation and other contingent liabilities including intellectual property and environmental matters, risks relating to product defects and recalls, the impact of our debt obligations on our operations, pension plan costs, commodity costs and surcharges, our ability to adjust purchases and manufacturing capacity to reflect market conditions, legislative health care reform and other changes in health care industry, labor matters, our relationships with and the performance of our channel partners, risks relating to man-made and natural disasters, our ability to achieve projected cost reductions and growth, 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 2009 Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for the third quarter of 2010. These forward-looking statements speak only as of the date of this release 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.

To download a copy of the full earnings report, please go to www.danaher.com.

Danaher Corporation
Reconciliation of GAAP to Non-GAAP Financial Measure
Forecasted Adjusted Net Earnings Per Diluted Share - December 2010 Update

	Three Months Ended April 2, 2010	Three Months Ended July 2, 2010	Three Months Ended October 1, 2010
	Actual	Actual	Actual
Adjusted Net Earnings Per Diluted Share (Non-GAAP)	\$0.48	\$0.56	\$0.60
2010 gains from net reduction in income tax reserves and discrete tax benefits	0.01	-	0.02
Gain on contribution of assets to Apex joint venture (\$291 million pre-tax)	-	-	0.34

Acquisition-related transaction costs deemed significant (\$8 million, \$0, \$0, \$0 and \$8 million pre-tax for the first, second, third, fourth quarters, and year ended December 31, 2010, respectively), and fair value adjustments to acquisition related inventory and deferred revenue balances (\$29 million, \$9 million, \$8 million, \$8 million and \$54 million pre-tax, for the first, second, third, fourth quarters and year ended December 31, 2010, respectively.)	(0.04)	(0.01)	(0.01)
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Net Earnings Per Diluted Share (GAAP)	\$0.45	\$0.55	\$0.95
	=====	=====	=====

Forecast for The Three Months
Ended December 31, 2010 (1)

	Low End of Guidance Range	High End of Guidance Range
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Adjusted Net Earnings Per Diluted Share (Non-GAAP)	\$0.64	\$0.66

2010 gains from net reduction in income tax reserves and discrete tax benefits	-	-
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Gain on contribution of assets to Apex joint venture (\$291 million pre-tax)	-	-
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Acquisition-related transaction costs deemed significant (\$8 million, \$0, \$0, \$0 and \$8 million pre-tax for the first, second, third, fourth quarters, and year ended December 31, 2010, respectively), and fair value adjustments to acquisition related inventory and deferred revenue balances (\$29 million, \$9 million, \$8 million, \$8 million and \$54 million pre-tax, for the first, second, third, fourth quarters and year ended December 31, 2010, respectively.)	(0.01)	(0.01)
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Net Earnings Per Diluted Share

(GAAP)	\$0.63	\$0.65
	=====	=====

Forecast for Twelve Months
Ended December 31, 2010 (1)

	Low End of Guidance Range	High End of Guidance Range
Adjusted Net Earnings Per Diluted Share (Non-GAAP)	\$2.28	\$2.30
2010 gains from net reduction in income tax reserves and discrete tax benefits	0.03	0.03
Gain on contribution of assets to Apex joint venture (\$291 million pre-tax)	0.34	0.34
Acquisition-related transaction costs deemed significant (\$8 million, \$0, \$0, \$0 and \$8 million pre-tax for the first, second, third, fourth quarters, and year ended December 31, 2010, respectively), and fair value adjustments to acquisition related inventory and deferred revenue balances (\$29 million, \$9 million, \$8 million, \$8 million and \$54 million pre-tax, for the first, second, third, fourth quarters and year ended December 31, 2010, respectively.)	(0.07)	(0.07)
Net Earnings Per Diluted Share (GAAP)	\$2.58	\$2.60
	=====	=====

(1) The net earnings per diluted share forecasts set forth above (1) only reflect 2010 net income tax reserve reductions and discrete tax benefits that were recorded in the first nine months of 2010 and do not forecast the amount of any similar charges or gains that may be recorded in the fourth quarter of 2010, and (2) reflect (a) acquisition-related transaction costs deemed significant ("transaction costs") and fair value adjustments to acquisition-related inventory and deferred revenue balances ("acquisition-related adjustments") that were incurred during the first nine months of 2010 and (b) forecasted acquisition-related adjustments for the fourth quarter of 2010 related to acquisitions completed as of October 1, 2010, but do not forecast any transaction costs or acquisition-related adjustments for the fourth quarter of 2010 to the extent related to any acquisitions consummated after October 1, 2010.

Adjusted Net Earnings Per Diluted Share

We disclose the non-GAAP measure of adjusted net earnings per diluted share, which refers to GAAP net earnings per diluted share 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, GAAP diluted net earnings per share, 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 facilitate 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, 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. At the beginning of 2010, management communicated that it expects to incur approximately \$35 million (approximately \$0.04 cents per share) of acquisition-related transaction costs during 2010. Acquisition-related transaction costs incurred during a quarter in excess of \$13.5 million (approximately \$0.02 per share) are deemed significant.

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.

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	Actual	Actual	Actual	Low End of Guidance Range	High End of Guidance Range	Low End of Guidance Range	High End of Guidance Range
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Gain on contribution of assets to Apex joint venture (\$291 million pre-tax)	-	-	0.34	-	-	0.34	0.34
Acquisition-related transaction costs deemed significant (\$8 million, \$0, \$0, \$0 and \$8 million pre-tax for the first, second, third, fourth quarters, and year ended December 31, 2010, respectively), and fair value adjustments to acquisition related inventory and deferred revenue balances (\$29 million, \$9 million, \$8 million, \$8 million and \$54 million pre-tax, for the first, second, third, fourth quarters							

and year ended December							
31, 2010, respectively.)	(0.04)	(0.01)	(0.01)	(0.01)	(0.01)	(0.07)	(0.07)
Net Earnings Per Diluted Share							
(GAAP)	\$ 0.45	\$ 0.55	\$ 0.95	\$ 0.63	\$ 0.65	\$ 2.58	\$ 2.60

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