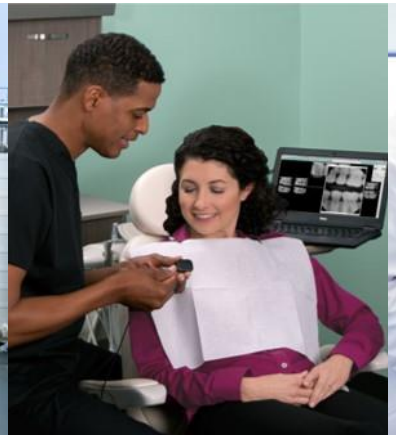
DANAHER



FIRST QUARTER 2017 EARNINGS RELEASE

April 20, 2017

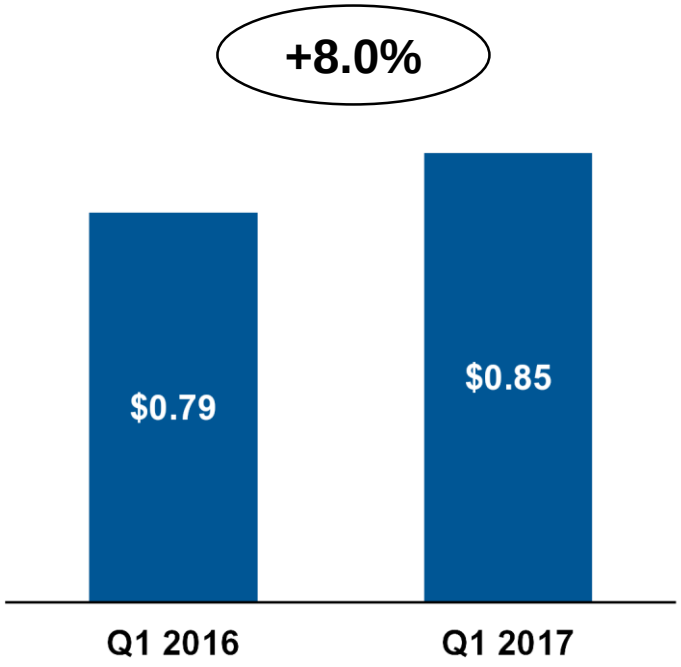
Forward Looking Statements

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, contractions or growth rates and cyclicality of markets we serve, competition, our ability to develop and successfully market new products and technologies and expand into new markets, the potential for improper conduct by our employees, agents or business partners, our compliance with applicable laws and regulations (including regulations relating to medical devices and the health care industry), our ability to effectively address cost reductions and other changes in the health care industry, our ability to successfully identify, consummate and integrate appropriate acquisitions and successfully complete divestitures and other dispositions, our ability to integrate the recent acquisitions of Pall Corporation and Cepheid and achieve the anticipated benefits of such transactions, contingent liabilities relating to acquisitions and divestitures (including tax-related and other contingent liabilities relating to the distributions of each of Fortive Corporation and our communications business), security breaches or other disruptions of our information technology systems or violations of data privacy laws, the impact of our restructuring activities on our ability to grow, 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, changes in tax laws applicable to multinational companies, litigation and other contingent liabilities including intellectual property and environmental, health and safety matters, the rights of the United States government to use, disclose and license certain intellectual property we license if we fail to commercialize it, risks relating to product, service or software 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, uncertainties relating to collaboration arrangements with third parties, commodity costs and surcharges, our ability to adjust purchases and manufacturing capacity to reflect market conditions, reliance on sole sources of supply, the impact of deregulation on demand for our products and services, labor matters, international economic, political, legal, compliance and business factors (including the impact of the UK's decision to leave the EU), disruptions relating to man-made and natural disasters, 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 2016 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the first quarter of 2017. These forward-looking statements speak only as of the date of this presentation and except to the extent required by applicable law, 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.

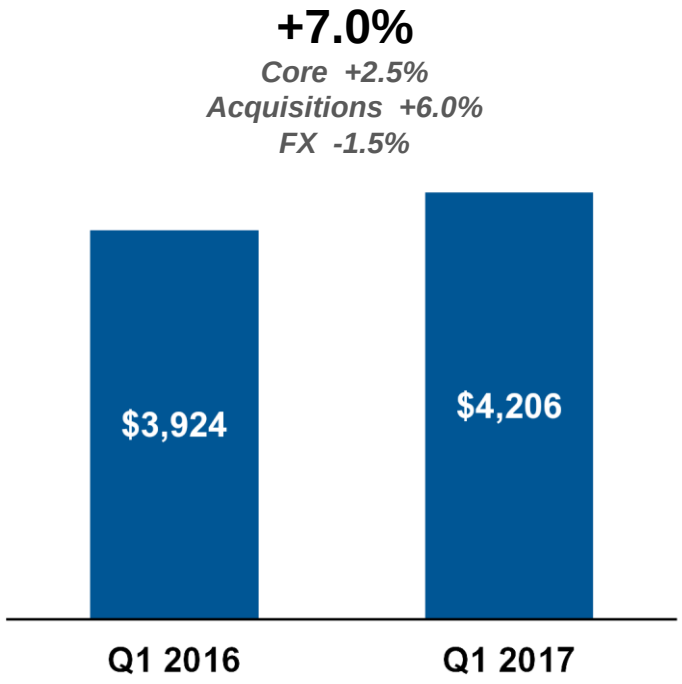
With respect to the non-GAAP financial measures of adjusted diluted net earnings per share, core revenue growth and year-over-year core operating margin changes referenced in the following presentation, the accompanying information required by SEC Regulation G can be found at the end of this presentation. In addition, in addressing various financial metrics the presentation describes certain of the more significant factors that impacted year-over-year performance. For additional factors that impacted year-over-year performance, please refer to our earnings release and the other related presentation materials supplementing today's call, all of which are available in the "Investors" section of Danaher's web site under the heading "Financial Information" and subheading "Quarterly Earnings," as well as our 2016 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the first quarter of 2017. In this presentation, all figures relate to Danaher's continuing operations and revenue amounts are in millions.

First Quarter 2017 Performance Summary

ADJUSTED DILUTED NET EARNINGS PER SHARE



REVENUE



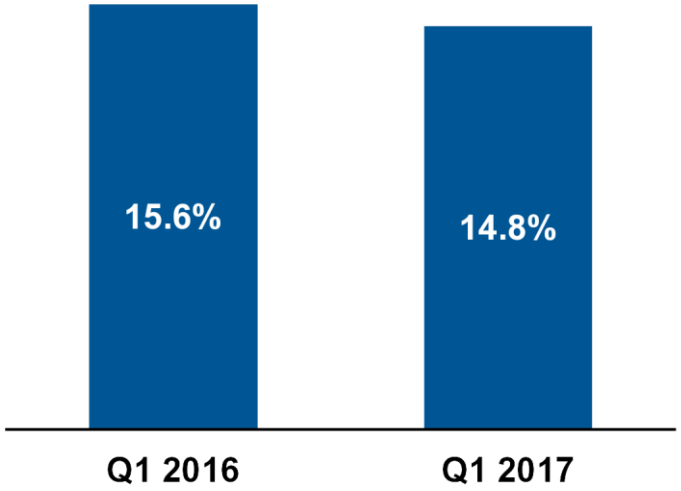
Throughout this presentation, for the definitions of "Adjusted Diluted Net Earnings Per Share," and with respect to revenue performance, "Acquisitions," "Core," and "FX," please refer to the accompanying information required by Regulation G, located at the end of this presentation.

First Quarter 2017 Performance Summary

OPERATING PROFIT MARGIN

-80 bps

Core -15 bps
Acquisitions/Other -65 bps



GROSS MARGINS

Q1 2016 – 55.2%

Q1 2017 – 55.5%

+30 bps

SG&A

(as a % of Revenue)

Q1 2016 – 33.8%

Q1 2017 – 34.3%

+50 bps

R&D

(as a % of Revenue)

Q1 2016 – 5.8%

Q1 2017 – 6.4%

+60 bps

Throughout this presentation when referred to in connection with operating profit margins, "Acquisitions/Other" refers to the impact of businesses owned for less than one year or disposed of during such period and not treated as discontinued operations, and "Core" refers to all other year-over-year operating profit margin changes; for further description of these items, please refer to the accompanying information required by Regulation G, located at the end of this presentation.

First Quarter 2017 Performance Summary

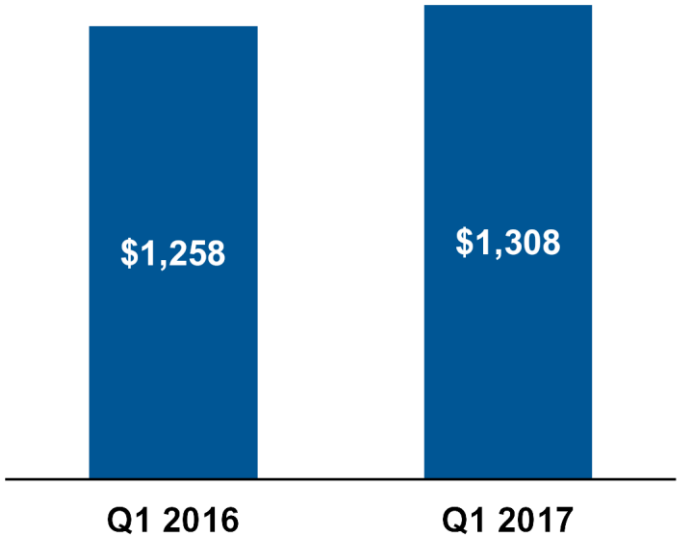
$M	Q1 2016	Q1 2017
OPERATING CASH FLOW	$ 607	$ 560
CAP EX	(123)	(159)
FREE CASH FLOW	**$ 484**	**$ 401**

First Quarter 2017
Life Sciences

REVENUE

+4.0%

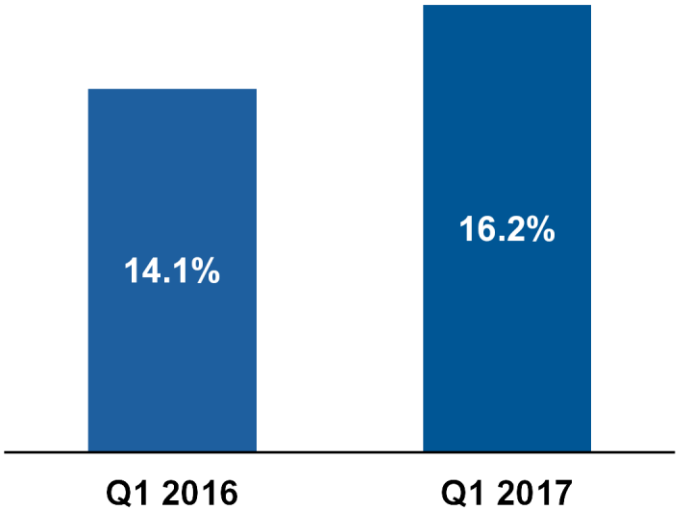
Core +3.0%
Acquisitions +2.5%
FX -1.5%



OPERATING PROFIT MARGIN

+210 bps

Core +165 bps
Acquisitions/Other +45 bps

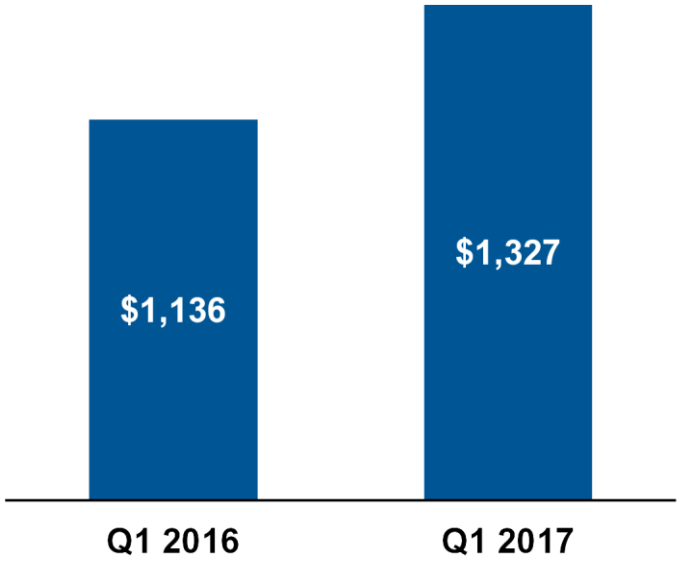


First Quarter 2017 Diagnostics

REVENUE

+17.0%

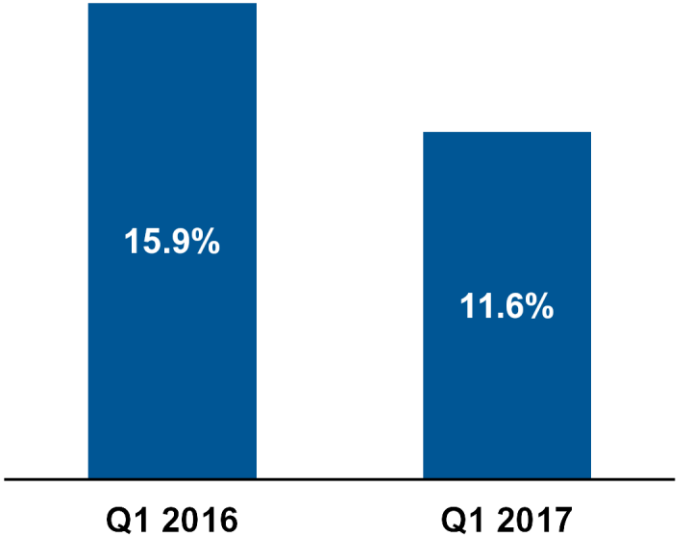
Core +2.5%
Acquisitions +15.5%
FX -1.0%



OPERATING PROFIT MARGIN

-430 bps

Core -240 bps
Acquisitions/Other -190 bps



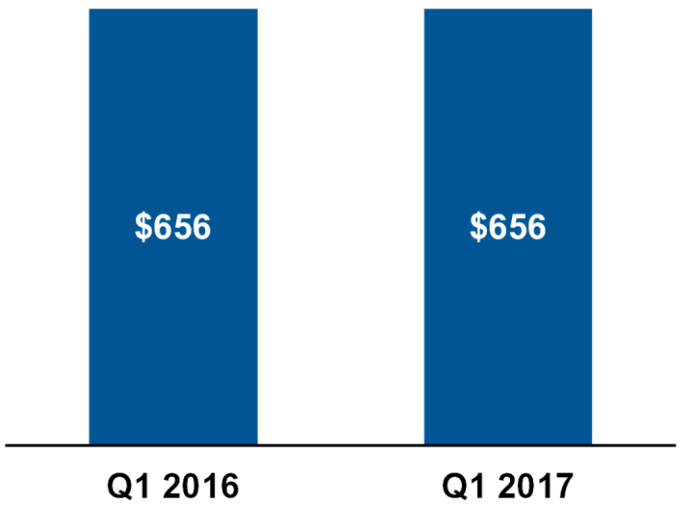
BECKMAN COULTER
Leica BIOSYSTEMS
RADIOMETER
Cepheid

First Quarter 2017
Dental

REVENUE

Flat

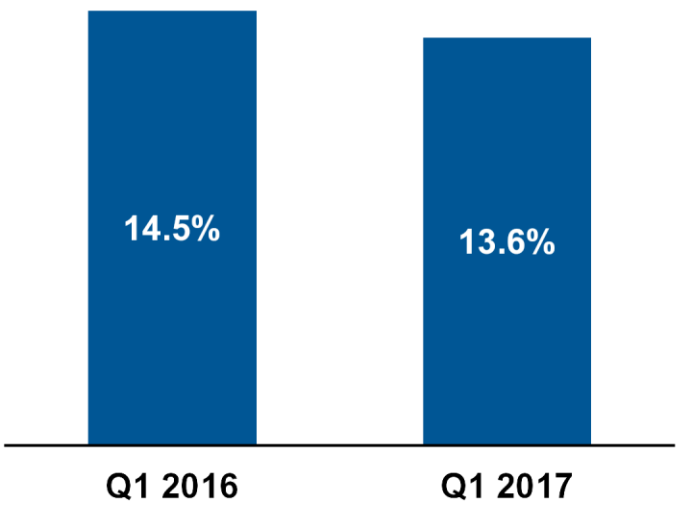
Core —%
Acquisitions —%
FX —%



OPERATING PROFIT MARGIN

-90 bps

Core -85 bps
Acquisitions/Other -5 bps



KaVo Kerr

Nobel Biocare®

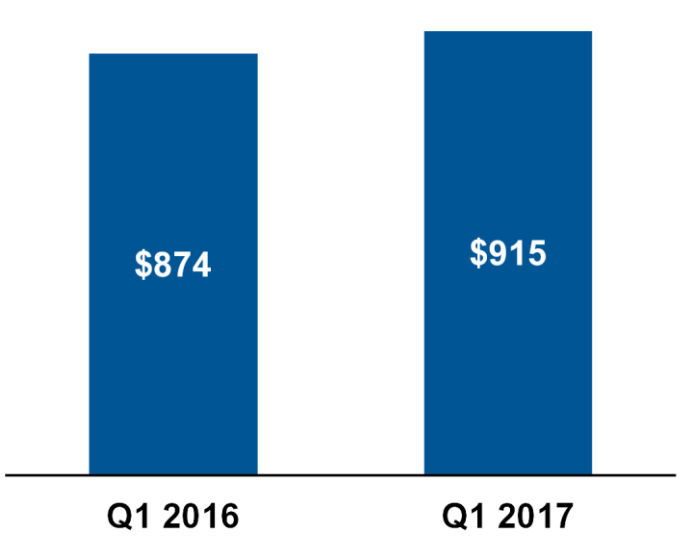
Ormco™

First Quarter 2017
Environmental & Applied Solutions

REVENUE

+4.5%

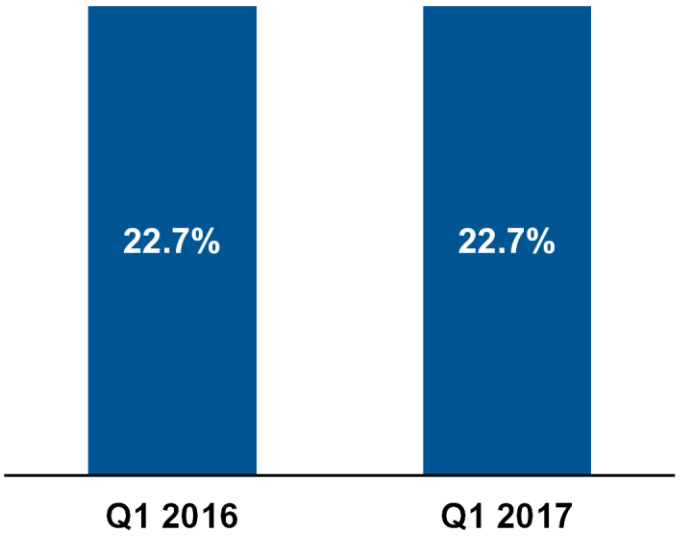
Core +4.5%
Acquisitions +1.5%
FX -1.5%



OPERATING PROFIT MARGIN

Flat

Core +60 bps
Acquisitions/Other -60 bps



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Guidance

DANAHER

Q & A

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Non-GAAP Reconciliations

Adjusted Diluted Net Earnings Per Share from Continuing Operations

	Three-Month Period Ended	
	March 31, 2017	April 1, 2016
Diluted Net Earnings Per Share from Continuing Operations (GAAP)	**$ 0.69**	**$ 0.84**
Pretax gain on sale of investments [A]	-	(0.32) [A]
Pretax amortization of acquisition-related intangible assets [B]	0.24 [B]	0.20 [B]
Tax effect of all adjustments reflected above [C]	(0.05) [C]	0.07 [C]
Discrete and other tax-related adjustments [D]	(0.03) [D]	-
Adjusted Diluted Net Earnings Per Share from Continuing Operations (Non-GAAP)	**$ 0.85**	**$ 0.79**

Year-Over-Year Core Operating Margin Changes

	Segments				
	Total Company	Life Sciences	Diagnostics	Dental	Environmental and Applied Solutions
Three Month Period Ended April 1, 2016 Operating Profit Margins from Continuing Operations (GAAP)	**15.60%**	**14.10%**	**15.90%**	**14.50%**	**22.70%**
First quarter 2017 impact from operating profit margins of businesses that have been owned for less than one year or were disposed of during such period and did not qualify as discontinued operations	(0.65)	0.45	(1.90)	(0.05)	(0.60)
Year-over year core operating profit margin changes for first quarter 2017 (defined as all year-over-year operating profit margin changes other than the changes identified in the line above) (Non-GAAP)	(0.15)	1.65	(2.40)	(0.85)	0.60
Three Month Period Ended March 31, 2017 Operating Profit Margins from Continuing Operations (GAAP)	**14.80%**	**16.20%**	**11.60%**	**13.60%**	**22.70%**

Core Revenue Growth

	Three-Month Period Ended March 31, 2017 vs. Comparable 2016 Period
Total Revenue Growth from Continuing Operations (GAAP)	**7.0%**
Components of Revenue Growth	
Core (non-GAAP) [2]	2.5%
Acquisitions (non-GAAP)	6.0%
Impact of currency translation (non-GAAP)	(1.5%)
Total Revenue Growth from Continuing Operations (GAAP)	7.0%

[2] We use the term "core revenue" to refer to GAAP revenue from continuing operations excluding (1) sales from acquired businesses recorded prior to the first anniversary of the acquisition less the amount of sales attributable to divested businesses or product lines not considered discontinued operations ("acquisition sales") and (2) the impact of currency translation. The portion of GAAP revenue from continuing 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.

Non-GAAP Reconciliations

[A] Gain on sale of investments in the three-month period ended April 1, 2016 ($223 million pretax as presented in this line item, $140 million after-tax).

[B] Amortization of acquisition-related intangible assets in the following historical and forecasted periods ($ in millions) (only the pretax amounts set forth below are reflected in the amortization line item above):

	Three-Month Period Ended		Forecasted	
			Three-Month Period Ending	Year Ending
	March 31, 2017	April 1, 2016	June 30, 2017	December 31, 2017
Pretax	$ 166.1	$ 139.2	$ 166.0	$ 664.0
After-tax	132.0	107.2	132.0	527.9

[C] This line item reflects the aggregate tax effect of all non tax adjustments reflected in the table above. In addition, the footnotes above indicate the after-tax amount of each individual adjustment item. Danaher estimates the tax effect of the adjustment items identified in the reconciliation schedule above by applying Danaher's overall estimated effective tax rate to the pretax 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.

[D] Represents discrete income tax gains, primarily related to equity compensation related excess tax benefits. On January 1, 2017, Danaher adopted the updated accounting guidance required by ASU 2016-09, *Compensation—Stock Compensation* , which requires income statement recognition of all excess tax benefits and deficiencies related to equity compensation. We exclude from Adjusted Diluted Net EPS any excess tax benefits that exceed the levels we believe are representative of historical experience. In the first quarter of 2017, we anticipated $10 million of equity compensation related excess tax benefits and realized $26 million of excess tax benefits, and therefore we have excluded $16 million of these benefits in the calculation of Adjusted Diluted Net EPS. For the year ending December 31, 2017, excluding this first quarter 2017 $16 million benefit, we anticipate $40 million of equity compensation-related excess tax benefits which are reflected in Forecasted Adjusted Diluted Net Earnings per Share.

Statement Regarding Non-GAAP Measures

Each of the non-GAAP measures set forth above 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 these measures provide useful information to investors by offering additional ways of viewing Danaher Corporation's ("Danaher" or the "Company") results that, when reconciled to the corresponding GAAP measure, help our investors to:

- with respect to Adjusted Diluted Net EPS, understand the long-term profitability trends of our business and compare our profitability to prior and future periods and to our peers; and
- with respect to core revenue, identify underlying growth trends in our business and compare our revenue performance with prior and future periods and to our peers.

Management uses these non-GAAP measures to measure the Company's operating and financial performance, and uses a non-GAAP measure similar to Adjusted Diluted Net EPS in the Company's executive compensation program.

The items excluded from the non-GAAP measures set forth above have been excluded for the following reasons:

- With respect to Adjusted Diluted Net EPS, we exclude the amortization of acquisition-related intangible assets because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions we consummate. While we have a history of significant acquisition activity we do not acquire businesses on a predictable cycle, and the amount of an acquisition's purchase price allocated to intangible assets and related amortization term are unique to each acquisition and can vary significantly from acquisition to acquisition. Exclusion of this amortization expense facilitates more consistent comparisons of operating results over time between our newly acquired and long-held businesses, and with both acquisitive and non-acquisitive peer companies. We believe however that it is important for investors to understand that such intangible assets contribute to revenue generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized. With respect to the other items excluded from Adjusted Diluted Net EPS, we exclude these items because they are of a nature and/or size that 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; we believe that such items may obscure underlying business trends and make comparisons of long-term performance difficult.
- With respect to core revenue, (1) we exclude the impact of currency translation because it is not under management's control, is subject to volatility and can obscure underlying business trends, and (2) we exclude the effect of acquisitions and divested product lines because the nature, size and number of such transactions can vary significantly 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.

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