

# Danaher Corporation Reports Record Fourth Quarter and 2000 Results

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PRNewswire  
WASHINGTON

Danaher Corporation announced today results for the fourth quarter and year ended December 31, 2000. Net earnings for the fourth quarter of 2000 were \$87.8 million, up 18% from \$74.3 million for the 1999 fourth quarter. Diluted earnings per share were \$.60 for the 2000 fourth quarter, an increase of 18% from \$.51 in 1999. Sales for the 2000 fourth quarter were \$1,032.4 million, compared to \$848.2 million for the fourth quarter of 1999, an increase of 22%.

For the full year, net earnings (excluding the one-time charge associated with the pooling-of-interests with Hach Company in 1999) increased 19% on an 18% sales gain. Net earnings for 2000 were \$324.2 million, compared to \$271.4 million before the one-time charge for the year ended December 31, 1999. Diluted earnings per share were \$2.23 for 2000, a 20% increase compared to \$1.86 in 1999, before the one-time charge. Sales in 2000 were \$3.778 billion, compared to \$3.197 billion in 1999.

George M. Sherman, President and Chief Executive Officer, stated, "We are extremely pleased to report record performance for both the fourth quarter and all of 2000. Process/Environmental Control segment sales were strong during the fourth quarter, allowing us to realize 4% core volume growth despite the expected sales decline in several Tools and Components segment businesses. The new strategic platforms that we have created over the past few years in our Process/Environmental Control segment provided excellent growth for the full year, allowing us to achieve 6% overall core volume growth for the full year. Operating profit for 2000 was 21% higher than in 1999, reflecting continued cost improvements in both business segments. Operating cash flow increased \$93.1 million to a record \$512.2 million in 2000. While we are cautious with respect to the U.S. economic slow-down, we are well-positioned with strength in our key growth businesses and a cost structure consistent with a slow to no growth scenario for the U.S. economy. We remain confident that Danaher will continue to deliver superior performance 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.

DANAHER CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF EARNINGS  
(in thousands, except per share amounts)

Quarter Ended

Year Ended

(unaudited)

|   | 12/31/00    | 12/31/99  | 12/31/00    | 12/31/99    |
|---|-------------|-----------|-------------|-------------|
| Net sales   | \$1,032,369 | \$848,194 | \$3,777,777 | \$3,197,238 |
| Cost of sales   | 636,774     | 520,260   | 2,315,731   | 1,960,822   |
| Selling,<br>general and<br>administrative<br>expenses | 244,584     | 205,681   | 909,897     | 778,409     |
| Total operating<br>expenses                           | 881,358     | 725,941   | 3,225,628   | 2,739,231   |
| Operating profit                                      | 151,011     | 122,253   | 552,149     | 458,007     |
| One-time costs of<br>merger before<br>tax (1)         | --          | --        | 11,778      | --          |
| Interest expense                                      | 9,456       | 1,434     | 29,225      | 16,667      |
| Earnings before<br>income taxes                       | 141,555     | 120,819   | 522,924     | 429,562     |
| Income taxes  | 53,791      | 46,516    | 198,711     | 167,938     |
| Net earnings  | \$87,764    | \$74,303  | \$324,213   | \$261,624   |
| Basic earnings<br>per share                           | \$.62       | \$.52     | \$2.28      | \$1.84      |
| Average shares<br>outstanding                         | 142,516     | 142,946   | 142,469     | 141,832     |
| Diluted earnings<br>per share                         | \$.60       | \$.51     | \$2.23      | \$1.79      |
| Average shares and<br>equivalents<br>outstanding      | 146,095     | 146,799   | 145,499     | 146,089     |

|   |    |    |    |         |
|---|----|----|----|---------|
| (1) After-tax<br>effect of one-<br>time costs | -- | -- | -- | \$9,800 |
| Per diluted share                             | -- | -- | -- | \$.07   |

DANAHER CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(in thousands)

|   | As of December 31, |             |
|---|--------------------|-------------|
| ASSETS  | 2000               | 1999        |
| Current assets:   |                    |             |
| Cash and equivalents  | \$176,924          | \$260,281   |
| Trade accounts receivable,<br>less allowance for doubtful<br>accounts of \$37,000 and \$28,000                          | 704,214            | 544,738     |
| Inventories   | 460,610            | 324,673     |
| Prepaid expenses and other  | 132,558            | 72,425      |
| Total current assets  | 1,474,306          | 1,202,117   |
| Property, plant and equipment, net  | 575,531            | 500,189     |
| Other assets  | 117,942            | 52,476      |
| Excess of cost over net assets<br>of acquired companies, less<br>accumulated amortization of<br>\$245,000 and \$196,000 | 1,863,900          | 1,292,289   |
|   | \$4,031,679        | \$3,047,071 |

LIABILITIES AND STOCKHOLDERS' EQUITY

|  |          |          |
|--|----------|----------|
| Current liabilities:                         |          |          |
| Notes payable and current<br>portion of debt | \$81,633 | \$33,597 |
| Trade accounts payable                       | 262,095  | 213,209  |
| Accrued expenses                             | 674,812  | 461,980  |

|   |             |             |
|---|-------------|-------------|
| Total current liabilities   | 1,018,540   | 708,786     |
| Other liabilities   | 357,249     | 288,494     |
| Long-term debt  | 713,557     | 341,037     |
| Stockholders' equity:   |             |             |
| Common stock, one cent par value;<br>300,000 shares authorized;<br>155,650 and 154,035 issued;<br>142,013 and 142,440 outstanding | 1,556       | 1,540       |
| Additional paid-in capital  | 364,426     | 420,036     |
| Accumulated other<br>comprehensive income   | (59,130)    | (34,105)    |
| Retained earnings   | 1,635,481   | 1,321,283   |
| Total stockholders' equity  | 1,942,333   | 1,708,754   |
|   | \$4,031,679 | \$3,047,071 |

DANAHER CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands)

Year Ended December 31,  
2000      1999

|   |           |           |
|---|-----------|-----------|
| Cash flows from operating activities:                           |           |           |
| Net earnings  | \$324,213 | \$261,624 |
| Depreciation and amortization                                   | 149,721   | 126,419   |
| Change in accounts receivable                                   | (15,926)  | (60,327)  |
| Change in inventories   | (38,451)  | 11,149    |
| Change in accounts payable                                      | (81)      | 45,852    |
| Change in other assets<br>and liabilities                       | 92,769    | 34,390    |
| Total operating cash flows                                      | 512,245   | 419,107   |
| Cash flows from investing activities:                           |           |           |
| Payments for additions to property,<br>plant and equipment, net | (88,503)  | (88,909)  |
| Disposition of businesses                                       | --        | --        |
| Net cash paid for acquisitions                                  | (706,794) | (64,834)  |
| Net cash used in investing activities                           | (795,297) | (153,743) |
| Cash flows from financing activities:                           |           |           |
| Proceeds from sale of treasury stock                            | --        | 69,845    |
| Proceeds from issuance of common stock                          | 26,580    | 18,141    |
| Dividends paid  | (10,015)  | (9,912)   |
| Borrowings (repayments) of debt                                 | 266,090   | (129,851) |
| Purchase of common stock  | (82,174)  | --        |
| Net cash provided by (used in)<br>financing activities          | 200,481   | (51,777)  |
| Effect of exchange rate changes on cash                         | (786)     | (1,104)   |
| Net change in cash and equivalents                              | (83,357)  | 212,483   |
| Beginning balance of cash<br>and equivalents                    | 260,281   | 47,798    |
| Ending balance of cash<br>and equivalents                       | \$176,924 | \$260,281 |

SOURCE: Danaher Corporation

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<https://investors.danaher.com/2001-01-24-Danaher-Corporation-Reports-Record-Fourth-Quarter-and-2000-Results>