

# Danaher Corporation Announces First Quarter Results

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WASHINGTON

Danaher Corporation announced today that net earnings for its first quarter ended March 29, 2002, before the effect of a change in accounting principle, were \$82.7 million, comparable to 2001 first quarter net income of \$82.6 million. Diluted earnings per share for the 2002 quarter, before the effect of a change in accounting principle, were \$0.55, 2% below the comparable \$0.56 for the 2001 first quarter. In accordance with the adoption of Statement of Financial Accounting Standards 142 (SFAS 142), the Company stopped amortizing goodwill as of January 1, 2002. Excluding goodwill amortization from the first quarter of 2001, adjusted diluted earnings per share fell 14%, from \$0.64 in 2001 to \$0.55 in 2002. Also related to the adoption of SFAS 142, the Company recorded a \$173.8 million one-time non-cash charge for impairment of goodwill associated with the Company's power quality businesses. After the accounting change, the first quarter resulted in a net loss of \$91 million or \$.58 per share. Sales for the 2002 first quarter were \$1,004.2 million, essentially flat to the \$1,005.3 million for the 2001 first quarter.

H. Lawrence Culp, Jr., President and Chief Executive Officer, stated, "We are pleased to report expected 2002 earnings, despite the continued challenging economic environment. Also as expected, we experienced core volume declines in both business segments, totaling 15% overall. However, we have seen a sequential stabilization in revenues, particularly in our motion and power quality businesses, which were most negatively affected by the recession in 2001. Acquisitions added approximately 16% of revenue growth for the quarter, due primarily to the previously announced acquisitions of Gilbarco, Videojet and Viridor. Operating cash flow, at \$263 million, was a quarterly record, with strong gains in all working capital components. The signs of stability in many of our industrial markets, combined with our on-going cost reduction programs and the early progress at Videojet, Gilbarco, and Viridor give us a more encouraging outlook for the balance of the year."

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

Results of Operations  
(thousands, except per share amounts)  
(unaudited)

Three Months Ended	
March 29, 2002	March 30, 2001

Net sales	\$ 1,004,207	\$ 1,005,283	
Cost of sales	628,184	628,398	
Selling, general and administrative expenses	236,053	223,862	
Goodwill and other amortization	2,749	14,605	
Total operating expenses	866,986	866,865	
Operating profit	137,221	138,418	
Interest expense, net	10,908	6,296	
Earnings before income taxes and effect of accounting change	126,313	132,122	
Income taxes	43,578	49,545	
Net earnings, before effect of accounting change	82,735	82,577	
Effect of accounting change, net of tax	(173,750)	--	
Net earnings (loss)	\$ (91,015)	\$ 82,577	
Per-share amounts before accounting change			
Basic earnings per share	\$ .57	\$ .58	
Weighted average shares outstanding-Basic	145,173	142,874	
Diluted earnings per share	\$ .55	\$ .56	
Weighted average shares outstanding-Diluted	153,942	150,466	

Per-share amounts after accounting change			
Basic earnings (loss) per share	\$ (.63)	\$ .58	
Diluted earnings (loss) per share	\$ (.58)	\$ .56	

Per-share effect of accounting change-Basic \$ (1.20) \$ --

Per-share effect of accounting change-Diluted \$ (1.13) \$ --

Notes:

1) Net earnings, before effect of accounting change and after adjustment for 2001 goodwill amortization

	\$ 82,735	\$ 95,067
Per diluted share	\$ 0.55	\$ 0.64

2) A complete copy of Danaher's Form 10-Q financial statements is available on the Company's web site ([www.danaher.com](http://www.danaher.com)).

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