DANAHER CORPORATION

2017 OVERVIEW

DANAHER

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 2017 Annual Report on Form 10-K. 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 referenced in the following presentation, the accompanying information required by SEC Regulation G can be found in the back of the presentation. All references in this presentation (1) to company-specific financial metrics relate only to the continuing operations of Danaher's business, unless otherwise noted; (2) to "growth" or other period-to-period changes refer to year-over-year comparisons unless otherwise indicated; (3) to Operating Profit below the segment level exclude amortization; and (4) to "today" refers to the Company's 2017 performance. We may also describe certain products and devices which have applications submitted and pending for certain regulatory approvals.

2017 Financial Highlights

CORE REVENUE GROWTH ACCELERATION THROUGH THE YEAR

- Life Sciences, Diagnostics and Environmental & Applied Solutions all 4% core revenue growth in 2017
- Overall Danaher core revenue growth of 5.5% in Q4 2017

DOUBLE-DIGIT FREE CASH FLOW & ADJUSTED EPS GROWTH

- FCF exceeded Net Income for 26th consecutive year

EXPANDING MARGINS WHILE REINVESTING FOR GROWTH

- Core OMX +70bps, R&D up/G&A down (as a % of sales)

RECENT ACQUISITIONS OFF TO A GREAT START

- Cepheid, Pall, Nobel all performing well
- Closed 10 deals for ~$400M of acquisition spend

All financial metrics based on FY 2017

Building momentum as we begin 2018

Danaher Today

DIAGNOSTICS ~$5.8B	LIFE SCIENCES ~$5.7B	ENVIRONMENTAL & APPLIED SOLUTIONS ~$4.0B		DENTAL ~$2.8B
		WATER QUALITY	PRODUCT ID	
Beckman Coulter	Beckman Coulter Life Sciences	Hach	Videojet	KaVo Kerr
Leica Biosystems	SCIEX	Trojan technologies	Esko	Nobel Biocare
Radiometer	Molecular Devices	ChemTreat	x-rite Pantone	Ormco
Cepheid	Leica Microsystems			
	Pall			
	phenomenex			

All financial metrics shown reflect FY 2017 revenues

Multi-industry science & technology portfolio provides competitive advantages

Evolution of Danaher

1984

- ~$90M *REVENUE*
- ~20% *GROSS MARGIN*
- -- *CONSUMABLES REV.*
- -- *HGM REVENUE*

Founded by
Steve & Mitch Rales

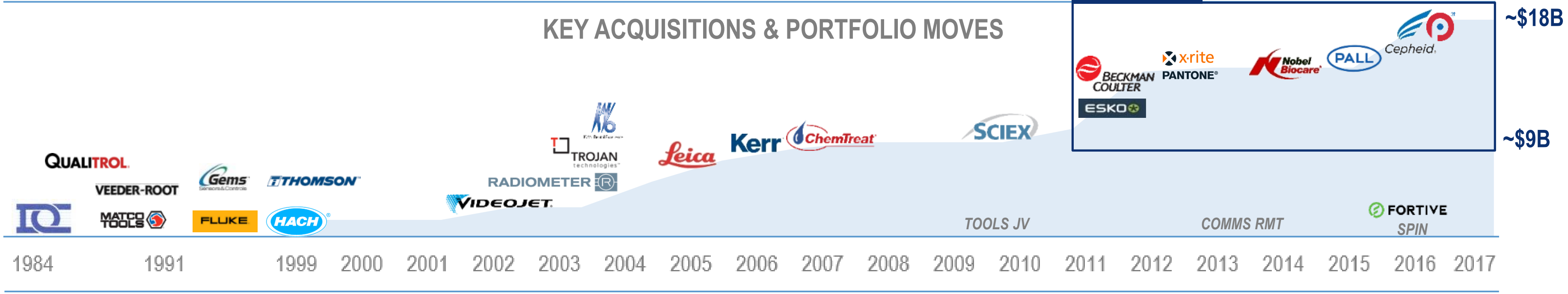
2000

- ~$4B *REVENUE*
- <40% *GROSS MARGIN*
- <15% *CONSUMABLES REV.*
- <10% *HGM REVENUE*

Today

- ~$18B *REVENUE*
- ~55% *GROSS MARGIN*
- ~65% *CONSUMABLES REV.*
- ~30% *HGM*

OPCOS AQUIRED SINCE 2011 REPRESENT >50% OF DANAHER TOTAL REVENUE TODAY



Shaded area represents 2017 revenue for each OpCo

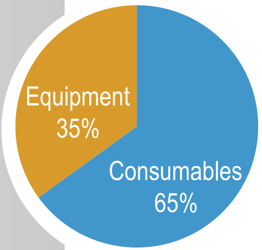
Significant portfolio transformation creates significant opportunity

STRONG PORTFOLIO

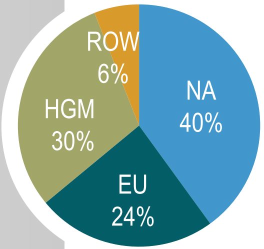
UNITED BY COMMON BUSINESS MODEL

- Outstanding brands with market-leading positions
- Extensive installed base
- Strong ‘captive’ recurring revenues
- High level of customer intimacy

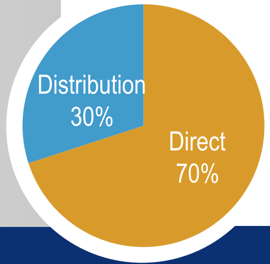
Revenue By Mix



By Geography



Direct vs. Distribution



~$18B TOTAL REVENUE

~55% GROSS MARGIN

>20% ADJUSTED EBITDA MARGIN

>100% FREE CASH FLOW TO NET INCOME

Building & enhancing a sustainable growth, earnings and free cash flow profile

All financial metrics based on FY 2017 and all pie chart percentages are % of 2017 revenues

DANAHER

Well-Positioned Portfolio Serving Attractive End-Markets

	LIFE SCIENCES	DIAGNOSTICS	WATER QUALITY	PRODUCT ID	DENTAL
ADDRESSABLE MARKET SIZE	~$40B	~$35B	~$20B	~$10B	~$20B
REGULATORY REQUIREMENTS	●	●	●	●	●
WORKFLOW EFFICIENCY	●	●	●	●	●
HIGH GROWTH MARKETS	●	●	●	●	●
IMPROVING STANDARDS OF CARE	●	●		●	●
ENVIRONMENTAL SAFETY	●		●	●	

Attractive end-markets with strong secular drivers and higher barriers to entry

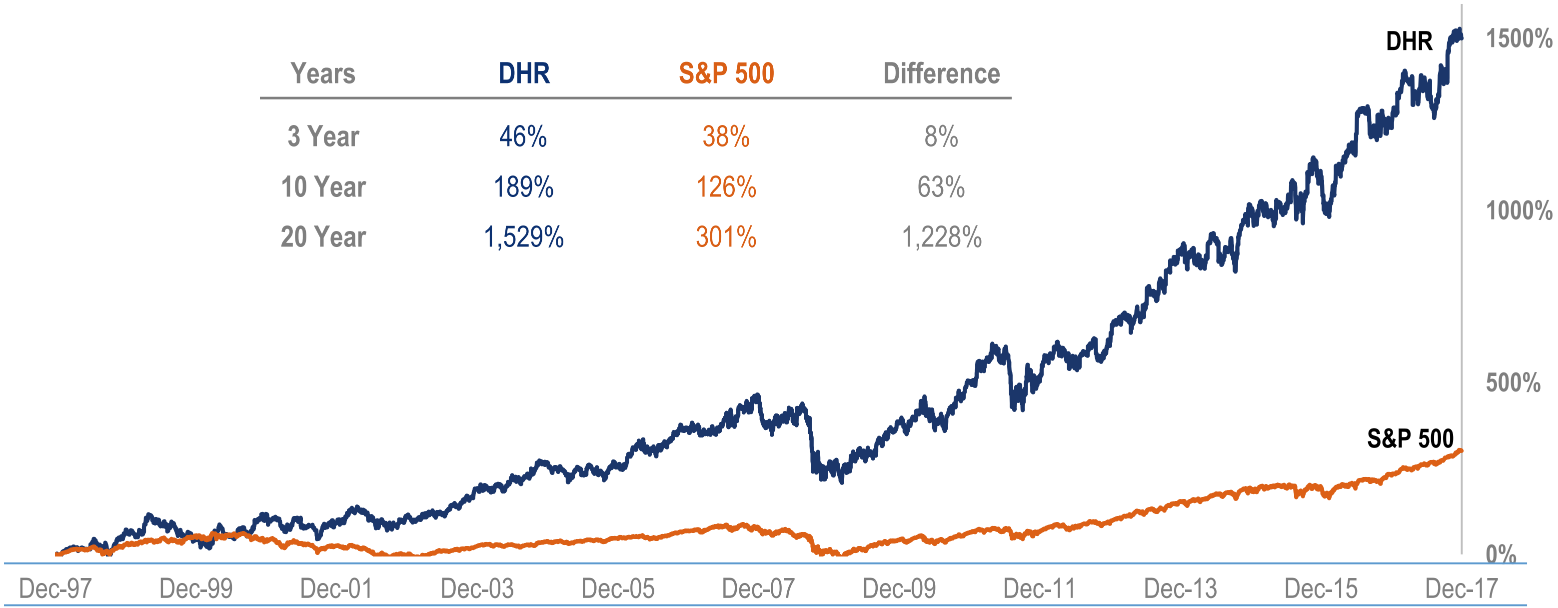
Danaher Business System (DBS)

OUR SHARED PURPOSE

HELPING REALIZE LIFE'S POTENTIAL

20 Year Total Shareholder Return: DHR vs S&P 500

Years	DHR	S&P 500	Difference
3 Year	46%	38%	8%
10 Year	189%	126%	63%
20 Year	1,529%	301%	1,228%



Outperforming over the long term

DANAHER

Our Strategic Priorities

Strengthen our competitive advantage with DBS

Enhance our portfolio via strategic M&A

Attract & retain exceptional talent

DBS Is Our Competitive Advantage

8 CORE VALUE DRIVERS

SHAREHOLDER	CORE REVENUE GROWTH OMX CASH FLOW / WC TURNS ROIC
CUSTOMER	QUALITY (EXTERNAL PPM) ON-TIME DELIVERY (OTD)
ASSOCIATE	INTERNAL FILL RATE RETENTION

"Common sense vigorously applied"

"OMX" is Operating Margin Expansion; "WC" is Working Capital

Evolution of the Danaher Business System (DBS)

OUR SHARED PURPOSE

HELPING REALIZE LIFE'S POTENTIAL

As portfolio evolved, so has DBS – from Lean to a balanced approach

How We Create Value: Running the Danaher Playbook

IMPROVE COST STRUCTURE

REINVEST FOR GROWTH

ACCELERATE MARGINS & CORE GROWTH

↑ Gross Margins	↓ G&A
↑ R&D	↑ S&M
↑ Core Growth	↑ OMX

Core Revenue Growth

+

Margin Expansion

+

Strong Free Cash Flow

+

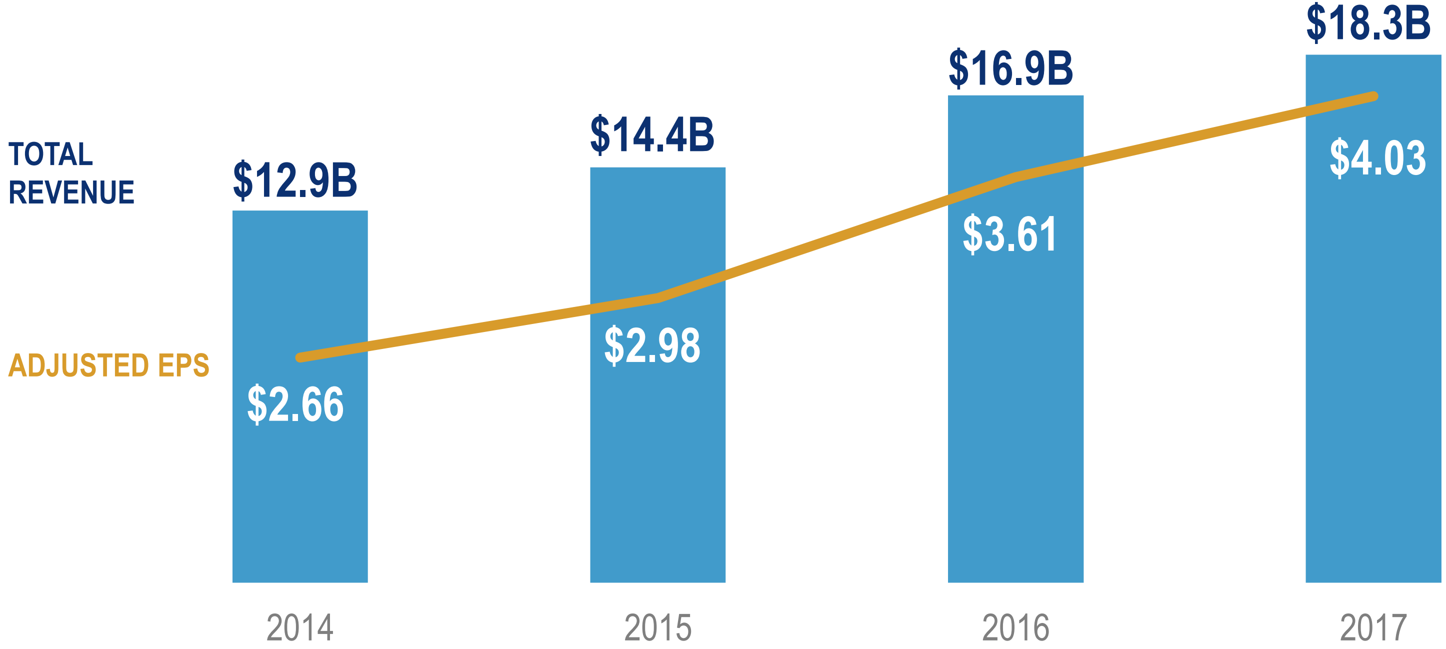
Acquisitions

=

TOP QUARTILE EPS GROWTH & COMPOUNDING RETURNS

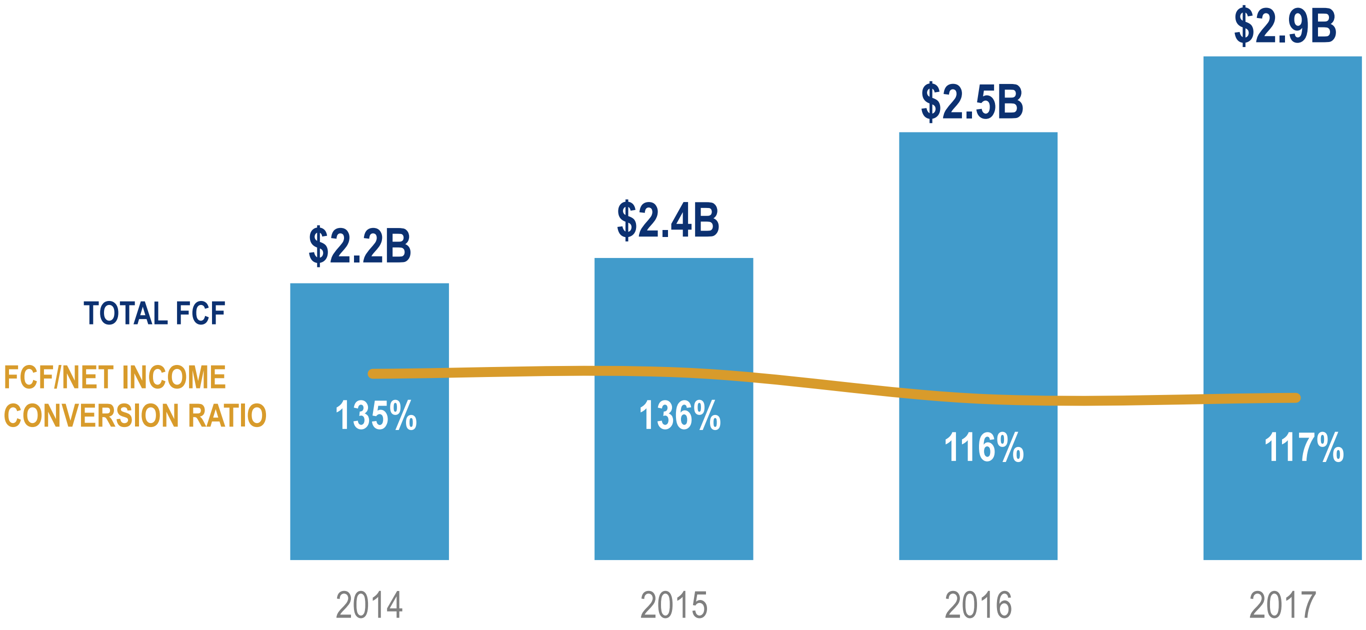
Balanced approach to deliver long-term value to shareholders

Historical Performance



Mid-teens adjusted EPS CAGR from 2014 – 2017

Superior Free Cash Flow Generation



2017 free cash flow exceeded net income for 26th year in a row

DANAHER

Our Strategic Approach to M&A

MARKET

- Secular growth drivers
- Fragmented
- Higher barriers to entry
- Optionality with multi-industry portfolio

COMPANY

- Competitive market position
- Strong brand / channel
- Consistent revenue visibility
- Higher margin businesses
- Cultural fit

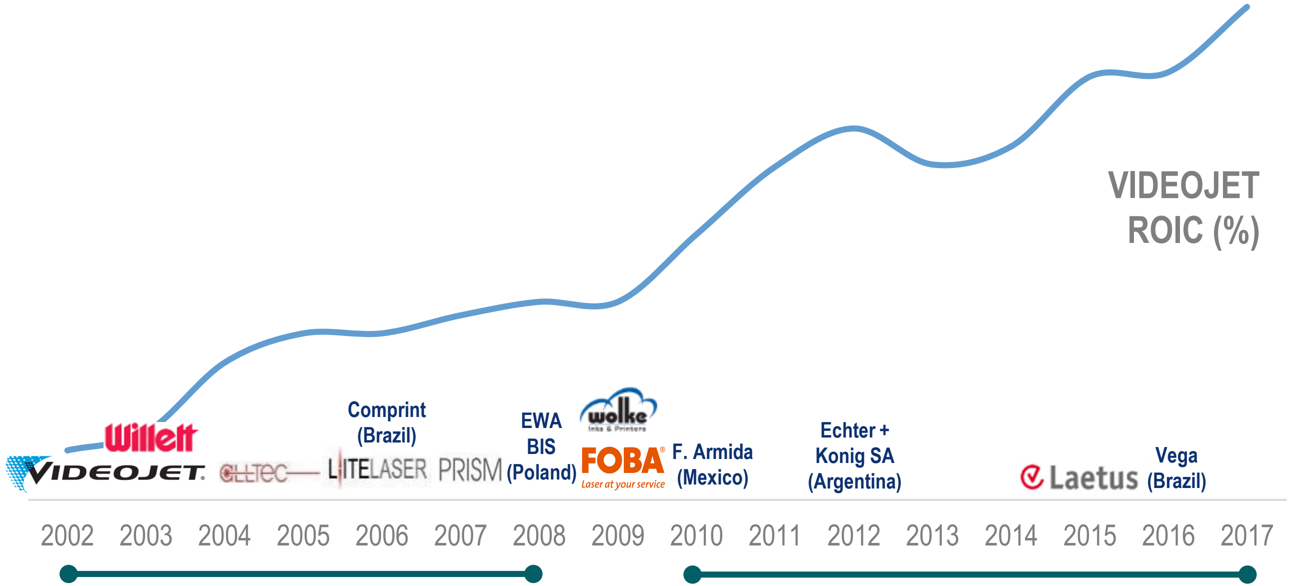
VALUATION

- Focus on ROIC
- DBS opportunities
- Sustainability
- Synergies with DHR OpCos
- Combination of value & growth deals

"ROIC" is Return on Invested Capital

Selectively pursuing value creation opportunities

Value Creation Model: Videojet Example



CORE GROWTH CAGR **LSD**

CORE GROWTH CAGR **MSD**

MSD CORE REVENUE CAGR OVER THE LAST 8 YEARS

>100BPS AVG. ANNUAL OMX LAST 3 YEARS

14 ACQUISITIONS SINCE 2002

>20% ROIC TODAY

Organic execution + M&A = compounding returns

DANAHER

Update on Recent Larger Acquisitions

Nobel Biocare — ACQUIRED DEC 2014	AT ACQ.	TODAY (3 YEARS IN)
Core Growth	Flat/LSD	MSD
Gross Margin	~70%	>70%
Operating Profit Margin	LDD	>20%
ROIC	LSD	▲ HSD

PALL — ACQUIRED AUG 2015	AT ACQ.	TODAY (2 YEARS IN)
Core Growth	LSD	MSD*
Gross Margin	~50%	>50%
Operating Profit Margin	High-teens	~25%
ROIC	LSD	▲ MSD

Cepheid — ACQUIRED NOV 2016	AT ACQ.	TODAY (1 YEAR IN)
Core Growth	DD	DD
Gross Margin	~50%	~55%
Operating Profit Margin	Flat/LSD	Mid-teens
ROIC	—	▲ LSD

Deals at or above initial expectations

Reflects 2H 2017

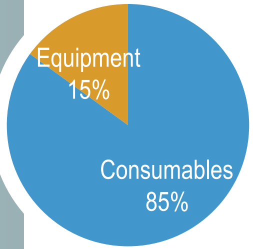
Evolving Strategic Approach to Talent

	10+ YEARS AGO	TODAY
TALENT	• General industrial talent • Outsourced talent acquisition	• Science & technology talent • Internal talent acquisition & cultivation
ORGANIZATION	• OpCos & Corporate	• Platform leadership driving strategic moves & portfolio evolution • OpCos execute strategic decisions
DEVELOPING LEADERS	• Development primarily “on the job”	• Progressive responsibilities & formalized development programs

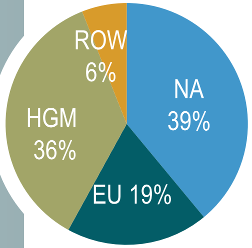
Associates are key to sustaining our competitive advantage

DIAGNOSTICS

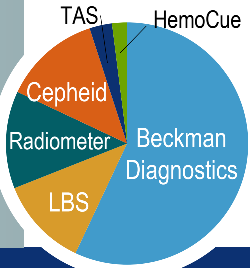
Revenue
By Mix



By Geography



By OpCo



~$5.8B REVENUE

~25% ADJUSTED EBITDA MARGIN

~$35B ADDRESSABLE MARKET SIZE

Strong brands with a broad global presence

All financial metrics based on FY 2017 and all pie chart percentages are % of 2017 revenues

LIFE SCIENCES

BECKMAN COULTER Life Sciences

SCIEX

Leica MICROSYSTEMS

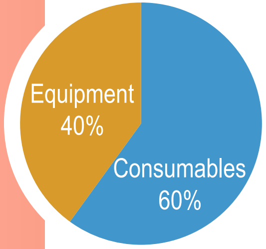
PALL

MOLECULAR DEVICES

phenomenex®

All financial metrics based on FY 2017 and all pie chart percentages are % of 2017 revenues

Revenue By Mix



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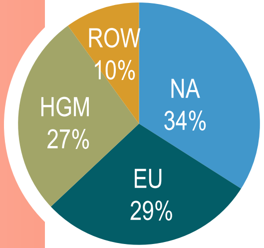
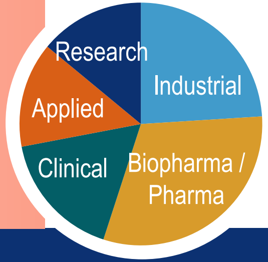


By End-Market



~$5.7B REVENUE

~25% ADJUSTED EBITDA MARGIN

~$40B ADDRESSABLE MARKET SIZE

Strong global brands with leading market positions

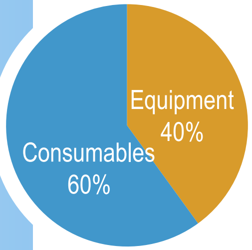
WATER QUALITY

HACH®

ChemTreat®

TROJAN technologies™

Revenue By Mix



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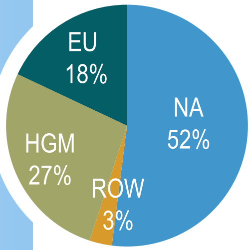
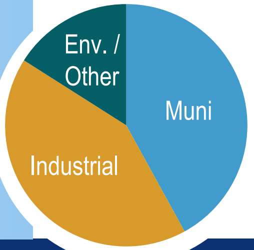


By End-Market



~$2.2B REVENUE

>25% EAS ADJUSTED EBITDA MARGIN

~$20B ADDRESSABLE MARKET SIZE

A global leader in water measurement & treatment

All financial metrics based on FY 2017 and all pie chart percentages are % of 2017 revenues

PRODUCT ID

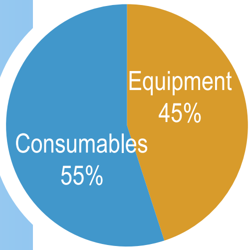
VIDEOJET®

ESKO

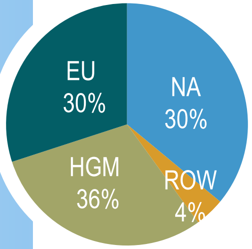
x-rite

PANTONE®

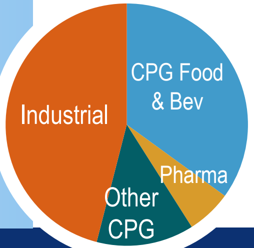
Revenue By Mix



By Geography



By End-Market



~$1.8B REVENUE

>25% EAS ADJUSTED EBITDA MARGIN

~$10B ADDRESSABLE MARKET SIZE

Leading global player supporting the entire packaging value chain

All financial metrics based on FY 2017 and all pie chart percentages are % of 2017 revenues

DENTAL

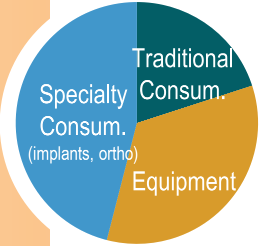
KAVO Kerr

Ormco™

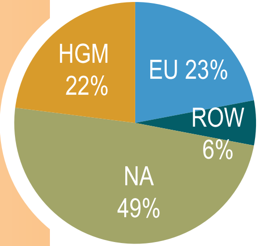
Nobel Biocare®

IMPLANT DIRECT™

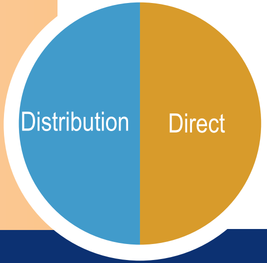
Revenue By Mix



By Geography



Direct vs. Distribution



~$2.8B REVENUE

High-teens ADJUSTED EBITDA MARGIN

~$20B ADDRESSABLE MARKET SIZE

A leading global player covering entire dental workflow

All financial metrics based on FY 2017 and all pie chart percentages are % of 2017 revenues

DANAHER

Non-GAAP Reconciliations

Adjusted EBITDA Margins
($ in Millions)

	Year Ended December 31, 2017					
	Life Sciences	**Diagnostics**	**Dental**	**EAS**	**Corporate Office**	**Total Danaher**
Operating Profit (GAAP)	$ 1,004.3	$ 871.6	$ 400.7	$ 914.6	$ (170.0)	$ 3,021.2
Depreciation	119.0	368.1	39.7	43.4	7.6	577.8
Amortization	308.9	213.4	81.7	56.5	0.0	660.5
Segment EBITDA (Non-GAAP)	$ 1,432.2	$ 1,453.1	$ 522.1	$ 1,014.5	$ (162.4)	$ 4,259.5
Interest, net						(155.2)
Other Income						72.8
Income Taxes						(469.0)
Depreciation						(577.8)
Amortization						(660.5)
Net Income Continuing Ops (GAAP)						$ 2,469.8
Net Sales	$ 5,710.1	$ 5,839.9	$ 2,810.9	$ 3,968.8		$ 18,329.7
Segment EBITDA Margin (Non-GAAP)	≈25%	≈25%	High-teens	>25%		>20%

(1) Management defines "Segment EBITDA" as GAAP operating income excluding (1) depreciation and (2) amortization, and defines "Segment EBITDA Margin" as Segment EBITDA divided by sales.

Non-GAAP Reconciliations

Reconciliation of Operating Cash Flows from Continuing Operations (GAAP) to Free Cash Flow from Continuing Operations (Non-GAAP)
($ in Millions)

	Full Year Ended December 31			
Free Cash Flow from Continuing Operations:	**2014**	**2015**	**2016**	**2017**
Operating Cash Flows from Continuing Operations (GAAP)	$ 2,671.2	$ 2,832.2	$ 3,087.5	$ 3,477.8
Less: purchases of property, plant & equipment (capital expenditures) from continuing operations (GAAP)	(465.4)	(512.9)	(589.6)	(619.6)
Plus: proceeds from sale of property, plant & equipment (capital disposals) from continuing operations (GAAP)	4.2	60.4	9.8	32.6
Free Cash Flow from Continuing Operations (Non-GAAP)	$ 2,210.0	$ 2,379.7	$ 2,507.7	$ 2,890.8
Ratio of Free Cash Flow to Net Earnings from Continuing Operations:				
Free Cash Flow from Continuing Operations from Above (Non-GAAP)	$ 2,210.0	$ 2,379.7	$ 2,507.7	$ 2,890.8
Net Earnings from Continuing Operations (GAAP)	1,638.7	1,746.7	2,153.4	2,469.8
Free Cash Flow from Continuing Operations to Net Earnings from Continuing Operations Conversion Ratio (Non-GAAP)	1.35	1.36	1.16	1.17

We define free cash flow as operating cash flows from continuing operations, less payments for purchases of property, plant and equipment from continuing operations ("capital expenditures") plus the proceeds from the sale of plant, property and equipment from continuing operations ("capital disposals").

Non-GAAP Reconciliations

Year-Over-Year Core Operating Margin Changes

	Total Company	Segments: Life Sciences	Diagnostics	Dental	Environmental and Applied Solutions
Three-Month Period Ended December 31, 2016 Operating Profit Margins from Continuing Operations (GAAP)	**15.90%**	**16.80%**	**12.60%**	**15.40%**	**24.00%**
Fourth 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	(0.15)	(0.10)	(0.40)	-	(0.40)
Tradename impairments and related restructuring in the Dental segment	(0.20)	-	-	(1.30)	-
Fourth quarter 2017 gain (loss) on resolution of acquisition-related matters	0.20	(0.20)	0.90	-	-
Acquisition-related transaction costs deemed significant, change in control payments and restructuring charges, and fair value adjustments to inventory and deferred revenue, in each case primarily related to the acquisitions of Cepheid & Phenomenex and incurred in the fourth quarter of 2016.	1.80	0.45	5.35	-	-
Year-over-year core operating profit margin changes for fourth quarter 2017 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	1.05	3.05	1.05	(1.00)	(0.50)
Three-Month Period Ended December 31, 2017 Operating Profit Margins from Continuing Operations (GAAP)	**18.60%**	**20.00%**	**19.50%**	**13.10%**	**23.10%**
Year Ended December 31, 2016 Operating Profit Margins from Continuing Operations (GAAP)	**16.30%**	**15.30%**	**15.60%**	**15.10%**	**23.60%**
Full year 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	(0.50)	0.20	(1.50)	(0.10)	(0.65)
Tradename impairments and related restructuring in the Dental segment	(0.05)	-	-	(0.35)	-
Acquisition-related transaction costs deemed significant, change in control payments and restructuring charges, and fair value adjustments to inventory and deferred revenue, in each case primarily related to the acquisitions of Cepheid & Phenomenex and incurred in the fourth quarter of 2016.	0.50	0.10	1.50	-	-
Third quarter 2016 (gain) and fourth quarter 2017 gain (loss) on resolution of acquisition-related matters	(0.05)	(0.05)	0.25	-	-
Full year 2017 impact of restructuring, impairment and related charges related to the discontinuation of a product line in the Diagnostics segment in the second quarter of 2017	(0.40)	-	(1.30)	-	-
Year-over-year core operating profit margin changes for full year 2017 (defined as all year-over-year operating profit margin changes other than the changes identified in the line items above) (non-GAAP)	0.70	2.05	0.35	(0.35)	0.05
Year Ended December 31, 2017 Operating Profit Margins from Continuing Operations (GAAP)	**16.50%**	**17.60%**	**14.90%**	**14.30%**	**23.00%**

Revenue Performance

	Three-Month Period Ended December 31	Year Ended December 31, 2017				
	Total Danaher	**Life Sciences**	**Diagnostics**	**Dental**	**EAS**	**Total Danaher**
Total Revenue Growth from Continuing Operations (GAAP)	**11.0%**	**6.5%**	**16.0%**	**1.0%**	**7.5%**	**8.5%**
Less the impact of:						
Acquisitions and other	(2.5%)	(2.0%)	(12.0%)	0.0%	(3.0%)	(4.5%)
Currency exchange rates	(3.0%)	(0.5%)	0.0%	(1.0%)	(0.5%)	(0.5%)
Core Revenue Growth from Continuing Operations (Non-GAAP) [1]	**5.5%**	**4.0%**	**4.0%**	**0.0%**	**4.0%**	**3.5%**

[1] 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.

Adjusted Diluted Net Earnings Per Share from Continuing Operations

	Full Year Ended December 31: 2014	2015	2016	2017
Diluted Net Earnings Per Share from Continuing Operations (GAAP)	**$ 2.29**	**$ 2.47**	**$ 3.08**	**$ 3.50**
Pretax amortization of acquisition-related intangible assets [A]	0.38 [A]	0.56 [A]	0.83 [A]	0.94 [A]
Pretax gains on resolution of acquisition-related matters [B,C]	-	-	(0.02) [B]	(0.02) [C]
Pretax gain on sales of investments [D,E,F,G]	(0.17) [D]	(0.02) [E]	(0.32) [F]	(0.10) [G]
Pretax productivity charges in excess of amounts originally budgeted and publicly communicated in December 2013 [H]	0.09 [H]	-	-	-
Pretax restructuring, impairment and other related charges recorded in the second quarter of 2017 [I]	-	-	-	0.11 [I]
Pretax charge for early extinguishment of borrowings [J]	-	-	0.26 [J]	-
Pretax acquisition-related transaction costs deemed significant, change in control payments and restructuring costs and fair value adjustments to inventory and deferred revenue [K,L,M]	0.02 [K]	0.21 [K,L]	0.12 [M]	-
Tax effect of all adjustments reflected above [N]	(0.04) [N]	(0.16) [N]	(0.21) [N]	(0.19) [N]
Discrete tax adjustments and other tax-related adjustments [O,P,Q,R]	0.09 [O]	(0.08) [P]	(0.13) [Q]	(0.21) [R]
Adjusted Diluted Net Earnings Per Share from Continuing Operations (Non-GAAP)	**$ 2.66**	**$ 2.98**	**$ 3.61**	**$ 4.03**

Non-GAAP Reconciliations

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

	Year Ended December 31			
	2014	2015	2016	2017
Pretax	$ 269.2	396.7	$ 583.1	$ 660.5
After-tax	215.3	313.4	449.7	523.5

B Gains on resolution of acquisition-related matters ($18 million pretax as presented in this line item, $14 million after-tax) for the year ended December 31, 2016.

C Net gains on resolution of acquisition-related matters in the Life Sciences and Diagnostics segments ($11 million pretax as presented in this line item, $8 million after-tax) for the year ended December 31, 2017.

D Gain on sale of marketable equity securities in the year ended December 31, 2014 ($123 million pretax as presented in this line item, $77 million after-tax).

E Gain on sale of marketable equity securities in the year ended December 31, 2015 ($12 million pretax as presented in this line item, $8 million after-tax).

F Gain on sales of investments in the year ended December 31, 2016 ($223 million pretax as presented in this line item, $140 million after-tax).

G Gain on sales of investments in the year ended December 31, 2017 ($73 million pretax as presented in this line item, $46 million after-tax).

H Continuing operations portion of productivity charges for the year ended December 31, 2014 in excess of amounts originally budgeted and publicly communicated in December 2013 ($64 million pretax as presented in this line item, $49 million after-tax).

I During the year ended December 31, 2017, the Company recorded $76 million of pretax restructuring, impairment and other related charges ($51 million after-tax) primarily related to the Company's strategic decision to discontinue a molecular diagnostic product line in its Diagnostics segment. As a result, the Company incurred noncash charges for the impairment of certain technology-related intangibles as well as related inventory and plant, property and equipment with no further use totaling $49 million. In addition, the Company incurred cash restructuring costs primarily related to employee severance and related charges totaling $27 million.

J Charge for early extinguishment of borrowings ($179 million pretax as presented in this line item, $112 million after-tax) incurred in the third quarter of 2016.

K Acquisition-related transaction costs deemed significant ($12 million pretax as presented in this line item, $9 million after-tax) for the year ended December 31, 2014 and fair value adjustments to inventory ($5 million pretax as presented in this line item, $4 million after-tax) for the year ended December 31, 2014 and fair value adjustments to inventory ($20 million pretax as presented in this line item, $15 million after-tax) incurred in the year ended December 31, 2015, in each case incurred in connection with the acquisition of Nobel Biocare. Danaher deems acquisition-related transaction costs incurred in a given period to be significant (generally relating to Danaher's larger acquisitions) if it determines that such costs exceed the range of acquisition-related transaction costs typical for Danaher in a given period.

L Acquisition-related transaction costs deemed significant ($21 million pretax as presented in this line item, $16 million after-tax), change in control payments, and fair value adjustments to inventory and deferred revenue, net of the impact of freezing pension benefits, in each case related to the acquisition of Pall Corporation and incurred in the year ended December 31, 2015 ($107 million pretax as presented in this line item, $84 million after-tax)

M Acquisition-related transaction costs deemed significant ($12 million pretax as presented in this line item, $9 million after-tax), change in control payments and restructuring costs ($49 million pretax as presented in this line item, $30 million after-tax), and fair value adjustments to inventory and deferred revenue ($23 million pretax as presented in this line item, $14 million after-tax), in each case related to the acquisitions of Cepheid and Phenomenex and incurred in the year ended December 31, 2016. The Company deems acquisition-related transaction costs incurred in a given period to be significant (generally relating to the Company's larger acquisitions) if it determines that such costs exceed the range of acquisition-related transaction costs typical for Danaher in a given period.

N This line item reflects the aggregate tax effect of all nontax 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.

O Discrete income tax charges net of discrete income tax gains and benefits from a lower than expected effective tax rate in the year ended December 31, 2014 (compared to the anticipated effective tax rate publicly communicated in December 2013), due primarily to year-end 2014 tax law changes

P Discrete income tax gains net of discrete income tax charges incurred in the year ended December 31, 2015 ($58 million).

Q Discrete income tax gains net of discrete income tax charges and Fortive separation-related tax costs related to repatriation of earnings and legal entity realignments incurred in the year ended December 31, 2016 ($91 million).

R Discrete tax adjustments and other tax-related adjustments for the year ended December 31, 2017 include:

($ in millions)	Year Ended December 31, 2017
Discrete income tax gains, primarily related to expiration of statute of limitations [1]	$ 129
Impact of ASU No. 2016-09, *Compensation—Stock Compensation* [2]	16
Remeasurement of deferred tax assets and liabilities as a result of the Tax Cuts and Jobs Act of 2017 [3]	1,219
Transition tax on deemed repatriation of foreign earnings as a result of the Tax Cuts and Jobs Act of 2017 [4]	(1,218)
	$ 146

Represents (1) discrete income tax gains, primarily related to expiration of statute of limitations ($129 million in the year ended December 31, 2017), (2) equity compensation-related excess tax benefits ($16 million in the year ended December 31, 2017), (3) remeasurement of deferred tax assets and liabilities, net related to enactment of the Tax Cuts and Jobs Act ($1.2 billion gain in the year ended December 31, 2017), and (4) transition tax on deemed repatriation of foreign earnings in connection with enactment of the Tax Cuts and Jobs Act ($1.2 billion provision in the year ended December 31, 2017).

On January 1, 2017, Danaher adopted the updated accounting guidance required by ASU No. 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 Earnings per Share. In the second, third and fourth quarters of 2017, realized equity compensation-related excess tax benefits approximated the anticipated benefit and no adjustments were required.

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.
  - We exclude costs incurred pursuant to discrete restructuring plans that are fundamentally different (in terms of the size, strategic nature and planning requirements, as well as the inconsistent frequency, of such plans) from the ongoing productivity improvements that result from application of the Danaher Business System. Because these restructuring plans are incremental to the core activities that arise in the ordinary course of our business and we believe are not indicative of Danaher's ongoing operating costs in a given period, we exclude these costs from the calculation of Adjusted Diluted Net EPS to facilitate a more consistent comparison of operating results over time.
  - 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 timing, size, number and nature 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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