FORM 10-Q

DANAHER CORP /DE/ - DHR

Filed: April 18, 2019 (period: March 29, 2019)

Quarterly report with a continuing view of a company's financial position

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 29, 2019

OR

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 1-8089

DANAHER CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**59-1995548**
(State of Incorporation)	**(I.R.S. Employer Identification number)**
2200 Pennsylvania Avenue, N.W., Suite 800W Washington, D.C.	**20037-1701**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: 202-828-0850

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

The number of shares of common stock outstanding at April 12, 2019 was 715,933,649.

DANAHER CORPORATION
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DANAHER CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
($ and shares in millions, except per share amount)
(unaudited)

	March 29, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and equivalents	$ 3,910.0	$ 787.8
Trade accounts receivable, net	3,409.2	3,489.6
Inventories:		
Finished goods	1,098.4	1,031.2
Work in process	335.5	313.9
Raw materials	594.0	565.0
Total inventories	2,027.9	1,910.1
Prepaid expenses and other current assets	733.3	906.3
Total current assets	10,080.4	7,093.8
Property, plant and equipment, net of accumulated depreciation of $2,906.2 and $2,828.3, respectively	2,504.3	2,511.2
Other long-term assets	1,646.4	648.4
Goodwill	26,001.4	25,906.0
Other intangible assets, net	11,541.9	11,673.1
Total assets	$ 51,774.4	$ 47,832.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and current portion of long-term debt	$ 36.6	$ 51.8
Trade accounts payable	1,676.2	1,712.8
Accrued expenses and other liabilities	2,920.0	3,076.9
Total current liabilities	4,632.8	4,841.5
Other long-term liabilities	6,114.7	5,075.8
Long-term debt	9,458.2	9,688.5
Stockholders' equity:		
Preferred stock, without par value, 15.0 million shares authorized; 1.65 million shares of 4.75% Mandatory Convertible Preferred Stock, Series A, issued and outstanding at March 29, 2019; no shares issued or outstanding at December 31, 2018	1,599.6	—
Common stock - $0.01 par value, 2.0 billion shares authorized; 832.5 and 817.9 issued; 715.8 and 701.5 outstanding, respectively	8.3	8.2
Additional paid-in capital	7,376.3	5,834.3
Retained earnings	25,368.5	25,163.0
Accumulated other comprehensive income (loss)	(2,796.1)	(2,791.1)
Total Danaher stockholders' equity	31,556.6	28,214.4
Noncontrolling interests	12.1	12.3
Total stockholders' equity	31,568.7	28,226.7
Total liabilities and stockholders' equity	$ 51,774.4	$ 47,832.5

See the accompanying Notes to the Consolidated Condensed Financial Statements.

DANAHER CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
($ and shares in millions, except per share amounts)
(unaudited)

	Three-Month Period Ended	
	March 29, 2019	March 30, 2018
Sales	$ 4,879.9	$ 4,695.4
Cost of sales	(2,161.9)	(2,051.8)
Gross profit	2,718.0	2,643.6
Operating costs:		
Selling, general and administrative expenses	(1,683.4)	(1,601.9)
Research and development expenses	(310.8)	(298.7)
Operating profit	723.8	743.0
Nonoperating income (expense):		
Other income, net	5.2	7.8
Interest expense	(23.3)	(39.1)
Interest income	15.7	1.4
Earnings before income taxes	721.4	713.1
Income taxes	(387.6)	(146.5)
Net earnings	333.8	566.6
Mandatory convertible preferred stock dividends	(6.5)	—
Net earnings attributable to common stockholders	$ 327.3	$ 566.6
Net earnings per common share:		
Basic	$ 0.46	$ 0.81
Diluted	$ 0.46	$ 0.80
Average common stock and common equivalent shares outstanding:		
Basic	707.6	698.6
Diluted	718.5	709.5

See the accompanying Notes to the Consolidated Condensed Financial Statements.

DANAHER CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
($ in millions)
(unaudited)

	Three-Month Period Ended	
	March 29, 2019	March 30, 2018
Net earnings	$ 333.8	$ 566.6
Other comprehensive income (loss), net of income taxes:		
Foreign currency translation adjustments	(10.8)	294.1
Pension and postretirement plan benefit adjustments	5.4	7.1
Unrealized gain (loss) on available-for-sale securities adjustments	0.4	(0.5)
Total other comprehensive income (loss), net of income taxes	(5.0)	300.7
Comprehensive income	$ 328.8	$ 867.3

See the accompanying Notes to the Consolidated Condensed Financial Statements.

DANAHER CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
($ and shares in millions)
(unaudited)

	Common Stock		Preferred Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests
	Shares	Amount	Shares	Amount				
For the Three-Month Period Ended March 29, 2019:								
Balance, December 31, 2018	817.9	$ 8.2	—	$ —	$ 5,834.3	$ 25,163.0	$ (2,791.1)	$ 12.3
Net earnings	—	—	—	—	—	333.8	—	—
Other comprehensive income (loss)	—	—	—	—	—	—	(5.0)	—
Dividends declared	—	—	—	—	—	(121.8)	—	—
Mandatory convertible preferred stock cumulative dividends	—	—	—	—	—	(6.5)	—	—
Common stock-based award activity	2.0	—	—	—	82.1	—	—	—
Common stock issued in connection with LYONs' conversions, including tax benefit of $4.7	0.5	—	—	—	16.8	—	—	—
Issuance of common stock	12.1	0.1	—	—	1,443.1	—	—	—
Issuance of mandatory convertible preferred stock	—	—	1.7	1,599.6	—	—	—	—
Change in noncontrolling interests	—	—	—	—	—	—	—	(0.2)
Balance, March 29, 2019	832.5	$ 8.3	1.7	$ 1,599.6	$ 7,376.3	$ 25,368.5	$ (2,796.1)	$ 12.1
For the Three-Month Period Ended March 30, 2018:								
Balance, December 31, 2017	812.5	$ 8.1	—	$ —	$ 5,538.2	$ 22,806.1	$ (1,994.2)	$ 9.6
Adoption of accounting standards	—	—	—	—	—	154.5	(151.2)	—
Balance, January 1, 2018	812.5	8.1	—	—	5,538.2	22,960.6	(2,145.4)	9.6
Net earnings	—	—	—	—	—	566.6	—	—
Other comprehensive income (loss)	—	—	—	—	—	—	300.7	—
Dividends declared	—	—	—	—	—	(111.8)	—	—
Common stock-based award activity	1.9	—	—	—	61.0	—	—	—
Common stock issued in connection with LYONs' conversions, including tax benefit of $3.1	0.4	—	—	—	11.9	—	—	—
Change in noncontrolling interests	—	—	—	—	—	—	—	2.3
Balance, March 30, 2018	814.8	$ 8.1	—	$ —	$ 5,611.1	$ 23,415.4	$ (1,844.7)	$ 11.9

See the accompanying Notes to the Consolidated Condensed Financial Statements.

DANAHER CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
($ in millions)
(unaudited)

	Three-Month Period Ended	
	March 29, 2019	March 30, 2018
Cash flows from operating activities:		
Net earnings	$ 333.8	$ 566.6
Noncash items:		
Depreciation	148.5	148.5
Amortization	179.9	172.3
Stock-based compensation expense	39.2	33.3
Change in trade accounts receivable, net	73.8	219.0
Change in inventories	(132.3)	(128.9)
Change in trade accounts payable	(32.3)	51.4
Change in prepaid expenses and other assets	152.6	125.0
Change in accrued expenses and other liabilities	(59.9)	(358.3)
Net operating cash provided by operating activities	703.3	828.9
Cash flows from investing activities:		
Cash paid for acquisitions	(308.2)	—
Payments for additions to property, plant and equipment	(155.7)	(137.9)
Proceeds from sales of property, plant and equipment	0.8	0.4
Payments for purchases of investments	(43.2)	—
Proceeds from sale of investments	—	21.9
All other investing activities	7.8	(7.1)
Net operating cash used in investing activities	(498.5)	(122.7)
Cash flows from financing activities:		
Proceeds from the issuance of common stock in connection with stock-based compensation	37.3	23.2
Proceeds from the public offering of common stock, net of issuance costs	1,443.2	—
Proceeds from the public offering of preferred stock, net of issuance costs	1,599.6	—
Payment of dividends	(112.2)	(97.5)
Net repayments of borrowings (maturities of 90 days or less)	(86.1)	(236.6)
All other financing activities	(4.0)	(10.8)
Net operating cash provided by (used in) financing activities	2,877.8	(321.7)
Effect of exchange rate changes on cash and equivalents	39.6	30.9
Net change in cash and equivalents	3,122.2	415.4
Beginning balance of cash and equivalents	787.8	630.3
Ending balance of cash and equivalents	$ 3,910.0	$ 1,045.7
Supplemental disclosures:		
Cash interest payments	$ 42.0	$ 47.7
Cash income tax (refunds) payments	(6.3)	133.5

See the accompanying Notes to the Consolidated Condensed Financial Statements.

DANAHER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(unaudited)

NOTE 1. GENERAL

The Consolidated Condensed Financial Statements included herein have been prepared by Danaher Corporation ("Danaher" or the "Company") without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). In this quarterly report, the terms "Danaher" or the "Company" refer to Danaher Corporation, Danaher Corporation and its consolidated subsidiaries or the consolidated subsidiaries of Danaher Corporation, as the context requires. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") have been condensed or omitted pursuant to SEC rules and regulations; however, the Company believes that the disclosures are adequate to make the information presented not misleading. The Consolidated Condensed Financial Statements included herein should be read in conjunction with the financial statements as of and for the year ended December 31, 2018 and the Notes thereto included in the Company's 2018 Annual Report on Form 10-K filed on February 21, 2019 (the "2018 Annual Report on Form 10-K").

In the opinion of the Company, the accompanying financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position of the Company as of March 29, 2019 and December 31, 2018, its results of operations for the three-month periods ended March 29, 2019 and March 30, 2018 and its cash flows for each of the three-month periods then ended.

Accounting Standards Recently Adopted

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, which requires lessees to recognize a right-of-use ("ROU") asset and a lease liability for all leases with terms greater than 12 months and also requires disclosures by lessees and lessors about the amount, timing and uncertainty of cash flows arising from leases. The accounting applied by a lessor is largely unchanged from that applied under the prior standard. Subsequent to the issuance of Topic 842, the FASB clarified the guidance through several ASUs; hereinafter the collection of lease guidance is referred to as "ASC 842".

On January 1, 2019, the Company adopted ASC 842 using the modified retrospective method for all lease arrangements at the beginning of the period of adoption. Results for reporting periods beginning January 1, 2019 are presented under ASC 842, while prior period amounts were not adjusted and continue to be reported in accordance with the Company's historic accounting under ASC 840, *Leases*. The standard had a material impact on the Company's Consolidated Condensed Balance Sheet but did not have a significant impact on the Company's consolidated net earnings and cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases, while the accounting for finance leases remained substantially unchanged. For leases that commenced before the effective date of ASC 842, the Company elected the permitted practical expedients to not reassess the following: (i) whether any expired or existing contracts contain leases; (ii) the lease classification for any expired or existing leases; and (iii) initial direct costs for any existing leases. The Company also elected to include leases with a term of 12 months or less in the recognized ROU assets and lease liabilities.

As a result of the cumulative impact of adopting ASC 842, the Company recorded operating lease ROU assets of $971 million and operating lease liabilities of $1,012 million as of January 1, 2019, primarily related to real estate and automobile leases, based on the present value of the future lease payments on the date of adoption. Refer to Note 5 for the additional disclosures required by ASC 842.

The Company determines if an arrangement is a lease at inception. For leases where the Company is the lessee, ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit interest rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The ROU asset also consists of any prepaid lease payments, lease incentives received, costs which will be incurred in exiting a lease and the amount of any asset or liability recognized on business combinations relating to favorable or unfavorable lease terms. The lease terms used to calculate the ROU asset and related lease liability include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term as an operating expense while the expense for finance leases is recognized as depreciation expense and interest expense using the accelerated interest method of recognition. The Company has lease agreements which require payments for lease and non-lease components and has elected to account for these as a single lease component.

The Company leases Life Sciences, Diagnostics, and Environmental & Applied Solutions equipment to customers in both operating-type lease ("OTL") and sales-type lease ("STL") arrangements. Equipment lease revenue for OTL agreements is recognized on a straight-line basis over the life of the lease, and the costs of customer-leased equipment is recorded within property, plant and equipment, net in the accompanying Consolidated Condensed Balance Sheets and depreciated over the equipment's estimated useful life. Depreciation expense associated with the leased equipment under OTL arrangements is reflected in cost of sales in the accompanying Consolidated Condensed Statements of Earnings. The OTLs are generally not cancellable until after an initial term and may or may not require the customer to purchase a minimum number of consumables or tests throughout the contract term. Certain of the Company's lease contracts are customized for larger customers and often result in complex terms and conditions that typically require significant judgment in applying the criteria used to evaluate whether the arrangement should be considered an OTL or an STL. An STL results in earlier recognition of equipment revenue as compared to an OTL. Some of the Company's leases include a purchase option for the customer to purchase the leased asset at the end of the lease arrangement for a purchase price equal to the asset's fair market value at the time of the purchase. The Company manages its risk on the unguaranteed residual asset for leased equipment through the pricing and term of the leases. In certain geographies, equipment coming off OTL and STL arrangements after the initial lease term may be leased to other customers or used for spare parts.

For lease arrangements with lease and non-lease components where the Company is the lessor, the Company allocates the contract's transaction price to the lease and non-lease components on a relative standalone selling price basis using the Company's best estimate of the standalone selling price of each distinct product or service in the contract. The primary method used to estimate standalone selling price is the price observed in standalone sales to customers; however, when prices in standalone sales are not available the Company may use third-party pricing for similar products or services or estimate the standalone selling price. Allocation of the transaction price is determined at the inception of the lease arrangement. The Company's leases primarily consist of leases with fixed lease payments. For those leases with variable lease payments, the variable lease payment is typically based upon use of the leased equipment or the purchase of consumables used with the leased equipment.

In August 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities,* which expands and refines hedge accounting for both financial and non-financial risk components, aligns the recognition and presentation of the effects of hedging instruments and hedge items in the financial statements and includes certain targeted improvements to ease the application of current guidance related to the assessment of hedge effectiveness. The ASU is effective for public entities for fiscal years beginning after December 15, 2018. In January 2019, the Company entered into approximately $1.9 billion of cross-currency swap derivative contracts to hedge its net investment in foreign operations against adverse changes in the exchange rates between the U.S. dollar and the Danish kroner, Japanese yen, euro and the Swiss franc. Refer to Note 9 for additional disclosures about the Company's hedging activities.

Except for the above accounting policy for leases that was updated as a result of adopting ASC 842, there have been no changes to the Company's significant accounting policies described in the Annual Report on Form 10-K for the year ended December 31, 2018 that have a material impact on the Company's Consolidated Condensed Financial Statements and the related Notes.

Accounting Standards Not Yet Adopted

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* which amends the impairment model by requiring entities to use a forward-looking approach based on expected losses rather than incurred losses to estimate credit losses on certain types of financial instruments, including trade receivables. This may result in the earlier recognition of allowances for losses. The ASU is effective for public entities for fiscal years beginning after December 15, 2019, with early adoption permitted. In November 2018, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*, which provided additional implementation guidance on the previously issued ASU. Management has not yet completed its assessment of the impact of the new standard on the Company's Consolidated Financial Statements. Currently, the Company believes that the most notable impact of this ASU will relate to its processes around the assessment of the adequacy of its allowance for doubtful accounts on trade accounts receivable and the recognition of credit losses.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820)*, which modifies the disclosures on fair value measurements by removing the requirement to disclose the amount and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy and the policy for timing of such transfers. The ASU expands the disclosure requirements for Level 3 fair value measurements, primarily focused on changes in unrealized gains and losses included in other comprehensive income (loss). The ASU is effective for public entities for fiscal years beginning after December 15, 2019, with early adoption permitted. Management has not yet completed its assessment of the impact of the new standard on the Company's financial statements.

In August 2018, the FASB issued ASU No. 2018-14, *Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans*, which amends ASC 715 to add, remove, and clarify disclosure requirements related to defined benefit pension and other postretirement plans. The ASU is effective for public entities for fiscal years beginning after December 15, 2020, with early adoption permitted. Management has not yet completed its assessment of the impact of the new standard on the Company's financial statements.

Accumulated Other Comprehensive Income (Loss)—Accumulated other comprehensive income (loss) refers to certain gains and losses that under U.S. GAAP are included in comprehensive income (loss) but are excluded from net earnings as these amounts are initially recorded as an adjustment to stockholders' equity. The changes in accumulated other comprehensive income (loss) by component are summarized below ($ in millions). Foreign currency translation adjustments generally relate to indefinite investments in non-U.S. subsidiaries, as well as the impact from the Company's hedges of its net investment in foreign operations, including the Company's cross-currency swap derivatives, net of any tax impacts.

	Foreign Currency Translation Adjustments	Pension & Postretirement Plan Benefit Adjustments	Unrealized Gain (Loss) on Available-For-Sale Securities Adjustments	Total
For the Three-Month Period Ended March 29, 2019:				
Balance, December 31, 2018	$ (2,098.1)	$ (691.1)	$ (1.9)	$ (2,791.1)
Other comprehensive income (loss) before reclassifications:				
(Decrease) increase	(7.3)	—	0.5	(6.8)
Income tax impact	(3.5)	—	(0.1)	(3.6)
Other comprehensive income (loss) before reclassifications, net of income taxes	(10.8)	—	0.4	(10.4)
Amounts reclassified from accumulated other comprehensive income (loss):				
Increase	—	7.1 [a]	—	7.1
Income tax impact	—	(1.7)	—	(1.7)
Amounts reclassified from accumulated other comprehensive income (loss), net of income taxes	—	5.4	—	5.4
Net current period other comprehensive income (loss), net of income taxes	(10.8)	5.4	0.4	(5.0)
Balance, March 29, 2019	$ (2,108.9)	$ (685.7)	$ (1.5)	$ (2,796.1)
For the Three-Month Period Ended March 30, 2018:				
Balance, December 31, 2017	$ (1,422.1)	$ (571.2)	$ (0.9)	$ (1,994.2)
Adoption of accounting standards	(43.8)	(107.2)	(0.2)	(151.2)
Balance, January 1, 2018	(1,465.9)	(678.4)	(1.1)	(2,145.4)
Other comprehensive income (loss) before reclassifications:				
Increase (decrease)	294.1	—	(0.8)	293.3
Income tax impact	—	—	0.3	0.3
Other comprehensive income (loss) before reclassifications, net of income taxes	294.1	—	(0.5)	293.6
Amounts reclassified from accumulated other comprehensive income (loss):				
Increase	—	9.3 [a]	—	9.3
Income tax impact	—	(2.2)	—	(2.2)
Amounts reclassified from accumulated other comprehensive income (loss), net of income taxes	—	7.1	—	7.1
Net current period other comprehensive income (loss), net of income taxes	294.1	7.1	(0.5)	300.7
Balance, March 30, 2018	$ (1,171.8)	$ (671.3)	$ (1.6)	$ (1,844.7)

[a] This accumulated other comprehensive income (loss) component is included in the computation of net periodic pension cost. Refer to Note 10 for additional details.

NOTE 2. REVENUE

The following tables present the Company's revenues disaggregated by geographical region and revenue type for the three-month periods ended March 29, 2019 and March 30, 2018 ($ in millions). Sales taxes and other usage-based taxes collected from customers are excluded from revenue.

	Three-Month Period Ended March 29, 2019				
	Life Sciences	Diagnostics	Dental	Environmental & Applied Solutions	Total
Geographical region:					
North America	$ 587.3	$ 632.4	$ 298.5	$ 449.2	$ 1,967.4
Western Europe	460.3	288.9	160.1	259.7	1,169.0
Other developed markets	149.3	92.0	40.4	28.9	310.6
High-growth markets	430.0	523.5	160.7	318.7	1,432.9
Total	$ 1,626.9	$ 1,536.8	$ 659.7	$ 1,056.5	$ 4,879.9
Revenue type:					
Recurring	$ 1,068.2	$ 1,324.1	$ 487.8	$ 582.2	$ 3,462.3
Nonrecurring	558.7	212.7	171.9	474.3	1,417.6
Total	$ 1,626.9	$ 1,536.8	$ 659.7	$ 1,056.5	$ 4,879.9

	Three-Month Period Ended March 30, 2018				
	Life Sciences	Diagnostics	Dental	Environmental & Applied Solutions	Total
Geographical region:					
North America	$ 480.4	$ 607.4	$ 291.3	$ 418.3	$ 1,797.4
Western Europe	449.9	310.4	175.6	264.8	1,200.7
Other developed markets	144.9	92.2	43.9	31.6	312.6
High-growth markets	400.8	509.7	161.8	312.4	1,384.7
Total	$ 1,476.0	$ 1,519.7	$ 672.6	$ 1,027.1	$ 4,695.4
Revenue type:					
Recurring	$ 970.4	$ 1,308.5	$ 488.0	$ 557.0	$ 3,323.9
Nonrecurring	505.6	211.2	184.6	470.1	1,371.5
Total	$ 1,476.0	$ 1,519.7	$ 672.6	$ 1,027.1	$ 4,695.4

The Company sells equipment to customers as well as consumables, spare parts, software licenses and services, some of which customers purchase on a recurring basis. Consumables are typically critical to the use of the equipment and are typically used on a one-time or limited basis, requiring frequent replacement in the customer's operating cycle. Examples of these consumables include reagents used in diagnostic tests, filters used in filtration, separation and purification processes and cartridges for marking and coding equipment. Additionally, some of the Company's consumables are used on a standalone basis, such as dental implants and water treatment solutions. The Company separates its goods and services between those sold on a recurring basis and those sold on a nonrecurring basis. Recurring revenue includes revenue from consumables, services, spare parts, software licenses recognized over time, SaaS licenses, sales-and-usage based royalties and OTLs. Nonrecurring revenue includes sales from equipment, software licenses recognized at a point in time and STLs. OTLs and STLs are included in the above revenue amounts. For the three-month periods ended March 29, 2019 and March 30, 2018, revenue accounted for under *Topic 842* and *840, Leases* was $107 million and $97 million, respectively.

Remaining performance obligations related to *Topic 606, Revenue from Contracts with Customers* ("ASC 606") represent the aggregate transaction price allocated to performance obligations with an original contract term greater than one year which are fully or partially unsatisfied at the end of the period. As of March 29, 2019, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately $1.9 billion. The Company expects to recognize revenue on approximately 43% of the remaining performance obligations over the next 12 months, 27% recognized over the subsequent 12 months, and the remainder recognized thereafter.

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets) and deferred revenue, customer deposits and billings in excess of revenue recognized (contract liabilities) on the Consolidated Condensed Balance Sheets. Most of the Company's long-term contracts are billed as work progresses in accordance with the contract terms and conditions, either at periodic intervals or upon achievement of certain milestones. Often this results in billing occurring subsequent to revenue recognition resulting in contract assets. Contract assets are generally classified as other current assets in the Consolidated Condensed Balance Sheets. The balance of contract assets as of March 29, 2019 and December 31, 2018 were $97 million and $82 million, respectively.

The Company often receives cash payments from customers in advance of the Company's performance resulting in contract liabilities. These contract liabilities are classified as either current or long-term in the Consolidated Condensed Balance Sheets based on the timing of when the Company expects to recognize revenue. As of March 29, 2019 and December 31, 2018, contract liabilities were $838 million and $799 million, respectively, and are included within accrued expenses and other liabilities and other long-term liabilities in the accompanying Consolidated Condensed Balance Sheets. Revenue recognized during the three-month periods ended March 29, 2019 and March 30, 2018 that was included in the contract liability balance on December 31, 2018 and at the date of adoption of ASC 606 on January 1, 2018 was $287 million and $265 million, respectively. Contract assets and liabilities are reported on the accompanying Consolidated Condensed Balance Sheets on a contract-by-contract basis.

NOTE 3. ACQUISITIONS

For a description of the Company's acquisition activity for the year ended December 31, 2018, reference is made to the financial statements as of and for the year ended December 31, 2018 and Note 3 thereto included in the Company's 2018 Annual Report.

The Company continually evaluates potential acquisitions that either strategically fit with the Company's existing portfolio or expand the Company's portfolio into a new and attractive business area. The Company has completed a number of acquisitions that have been accounted for as purchases and have resulted in the recognition of goodwill in the Company's financial statements. This goodwill arises because the purchase prices for these businesses reflect a number of factors including the future earnings and cash flow potential of these businesses, the multiple to earnings, cash flow and other factors at which similar businesses have been purchased by other acquirers, the competitive nature of the processes by which the Company acquired the businesses, avoidance of the time and costs which would be required (and the associated risks that would be encountered) to enhance the Company's existing product offerings to key target markets and enter into new and profitable businesses and the complementary strategic fit and resulting synergies these businesses bring to existing operations.

The Company makes an initial allocation of the purchase price at the date of acquisition based upon its understanding of the fair value of the acquired assets and assumed liabilities. The Company obtains this information during due diligence and through other sources. In the months after closing, as the Company obtains additional information about these assets and liabilities, including through tangible and intangible asset appraisals, and learns more about the newly acquired business, it is able to refine the estimates of fair value and more accurately allocate the purchase price. Only items identified as of the acquisition date are considered for subsequent adjustment. The Company is continuing to evaluate certain pre-acquisition contingencies associated with its 2018 and 2019 acquisitions and is also in the process of obtaining valuations of certain plant and equipment, acquired intangible assets and certain acquisition-related liabilities in connection with its first quarter 2019 acquisition. The Company will make appropriate adjustments to the purchase price allocation prior to completion of the measurement period, as required.

During the three-month period ended March 29, 2019, the Company acquired one business for total consideration of $308 million in cash, net of cash acquired. The business acquired complements an existing unit of the Life Sciences segment. The aggregate annual sales of this business at the time of its acquisition, based on the company's revenues for its last completed fiscal year prior to the acquisition, were $61 million. The Company preliminarily recorded an aggregate of $211 million of goodwill related to this acquisition.

The following summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition for the acquisition consummated during the three-month period ended March 29, 2019 ($ in millions):

Trade accounts receivable	$ 7.7
Inventories	8.6
Property, plant and equipment	3.9
Goodwill	211.1
Other intangible assets, primarily customer relationships, trade names and technology	87.0
Trade accounts payable	(2.6)
Other assets and liabilities, net	(7.5)
Net cash consideration	$ 308.2

Pro Forma Financial Information

The unaudited pro forma information for the periods set forth below gives effect to the 2019 and 2018 acquisitions as if they had occurred as of January 1, 2018. The pro forma information is presented for informational purposes only and is not necessarily indicative of the results of operations that actually would have been achieved had the acquisitions been consummated as of that time ($ in millions, except per share amounts):

	Three-Month Period Ended	
	March 29, 2019	March 30, 2018
Sales	$ 4,884.1	$ 4,788.3
Net earnings attributable to common stockholders	326.1	552.4
Diluted net earnings per share	0.45	0.78

Pending Acquisition

On February 25, 2019, the Company entered into an Equity and Asset Purchase Agreement (the “GE Biopharma Purchase Agreement”) with General Electric Company (“GE”) to acquire the Biopharma Business of GE Life Sciences (the “GE Biopharma Business” or “GE Biopharma”) for a cash purchase price of approximately $21.0 billion, subject to certain adjustments, and the assumption of approximately $0.4 billion of pension liabilities (the “GE Biopharma Acquisition”). The GE Biopharma Business is a leading provider of instruments, consumables and software that support the research, discovery, process development and manufacturing workflows of biopharmaceutical drugs. Based on unaudited preliminary financial measures provided by GE, the GE Biopharma Business generated revenues of approximately $3.0 billion in 2018. The GE Biopharma Acquisition is expected to provide additional sales and earnings growth opportunities for the Company’s Life Sciences segment by expanding the business’ geographic and product line diversity, including new product and service offerings that complement the Company’s current biologics workflow solutions. The Company expects to include the GE Biopharma Business within the Life Sciences segment. The transaction is expected to be completed in the fourth quarter of 2019, subject to customary conditions, including receipt of applicable regulatory approvals.

The Company expects to finance the GE Biopharma Acquisition with approximately $3.0 billion of proceeds from the March 1, 2019 underwritten public offerings of its Common Stock and Mandatory Convertible Preferred Stock (“MCPS”), proceeds from the issuance of debt or other borrowings and available cash on hand. Refer to Note 14 for additional information related to the March 1, 2019 public offerings.

NOTE 4. DENTAL INITIAL PUBLIC OFFERING

In July 2018, the Company announced its intention to spin-off its Dental business into a separate publicly-traded company (the “Dental Separation”). On February 25, 2019, in connection with the announcement of the GE Biopharma Acquisition, the Company also announced a modification of its plans with respect to the Dental business, specifically that it now intends to conduct an initial public offering of shares of the Dental business (the “Dental IPO”) in the second half of 2019, subject to the satisfaction of certain conditions, including obtaining final approval from the Danaher Board of Directors, favorable rulings from the Internal Revenue Service (“IRS”) and other regulatory approvals. All assets, liabilities, revenues and expenses of the Dental business are included in continuing operations of the Company in these Consolidated Condensed Financial Statements.

Subsequent to the anticipated Dental IPO, the Company currently intends to distribute to our shareholders all or a portion of our remaining equity interest in the Dental business, which may include the spin-off of Dental business shares effected as a dividend to all our shareholders, the split-off of Dental business shares in exchange for Danaher shares or other securities, or any combination thereof in one transaction or in a series of transactions (collectively, "the Distribution"). While the Company currently intends to effect the Distribution, the Company has no obligation to pursue or consummate any further dispositions of our ownership in the Dental business, including through the Distribution, by any specified date or at all. If pursued, the Distribution may be subject to various conditions, including receipt of any necessary regulatory or other approvals, the existence of satisfactory market conditions, and the receipt of an opinion of counsel to the effect that the separation of the Dental business in connection with the IPO, together with such Distribution, will be tax-free to the Company and the Company's shareholders for U.S. federal income tax purposes. The conditions to the Distribution may not be satisfied; the Company may decide not to consummate the Distribution even if the conditions are satisfied; or we may decide to waive one or more of these conditions and consummate the Distribution even if all of the conditions are not satisfied. In addition to or in lieu of the Distribution, subsequent to the Dental IPO the Company may sell additional shares of the Dental business in one or more publicly registered offerings or private placements. The Company cannot assure whether or when any such transaction will be consummated or as to the final terms of any such transaction.

NOTE 5. LEASES

The Company has operating leases for office space, warehouses, distribution centers, research and development facilities, manufacturing locations and certain equipment, primarily automobiles. Many leases include one or more options to renew, some of which include options to extend the leases for up to 30 years, and some leases include options to terminate the leases within 30 days. In certain of the Company's lease agreements, the rental payments are adjusted periodically to reflect actual charges incurred for capital area maintenance, utilities, inflation and/or changes in other indexes. The Company's finance leases were not material as of March 29, 2019 and for the three-month period then ended. ROU assets arising from finance leases are included in property, plant and equipment, net and the liabilities are included in notes payable and current portion of long-term debt and long-term debt in the accompanying Consolidated Condensed Balance Sheets.

For the three-month period ended March 29, 2019, the components of operating lease expense were as follows ($ in millions):

Fixed operating lease expense [(a)]	$	63.4
Variable operating lease expense		12.0
Total operating lease expense	$	75.4

[(a)] Includes short-term leases and sublease income, both of which were immaterial.

Supplemental cash flow information related to the Company's operating leases for the three-month period ended March 29, 2019 was as follows ($ in millions):

Cash paid for amounts included in the measurement of operating lease liabilities	$	61.9
ROU assets obtained in exchange for operating lease obligations		39.6

The following table presents the lease balances within the Consolidated Condensed Balance Sheet, weighted average remaining lease term, and weighted average discount rates related to the Company's operating leases as of March 29, 2019 ($ in millions except for the weighted average remaining lease term and weighted average discount rate):

Lease Assets and Liabilities	Classification		
Assets:			
Operating lease ROU assets	Other long-term assets	$	946.7
Liabilities:			
Current:			
Operating lease liabilities	Accrued expenses and other liabilities	$	186.1
Long-term:			
Operating lease liabilities	Other long-term liabilities		800.0
Total operating lease liabilities		$	986.1

Weighted average remaining lease term	7 years
Weighted average discount rate	3.3%

The following table presents the maturity of the Company's operating lease liabilities as of March 29, 2019 ($ in millions):

Remainder of 2019	$	163.3
2020		183.5
2021		149.0
2022		125.8
2023		109.7
Thereafter		395.3
Total operating lease payments		1,126.6
Less: imputed interest		140.5
Total operating lease liabilities	$	986.1

As of March 29, 2019, the Company had no additional significant operating or finance leases that had not yet commenced.

NOTE 6. GOODWILL

The following is a rollforward of the Company's goodwill ($ in millions):

Balance, December 31, 2018	$	25,906.0
Attributable to 2019 acquisitions		211.1
Adjustments due to finalization of purchase price allocations		(6.1)
Foreign currency translation and other		(109.6)
Balance, March 29, 2019	$	26,001.4

The carrying value of goodwill by segment is summarized as follows ($ in millions):

		March 29, 2019		December 31, 2018
Life Sciences	$	13,463.0	$	13,311.0
Diagnostics		6,902.9		6,925.6
Dental		3,301.0		3,325.5
Environmental & Applied Solutions		2,334.5		2,343.9
Total	$	26,001.4	$	25,906.0

The Company has not identified any "triggering" events which indicate an impairment of goodwill in the three-month period ended March 29, 2019.

NOTE 7. FAIR VALUE MEASUREMENTS

Accounting standards define fair value based on an exit price model, establish a framework for measuring fair value where the Company's assets and liabilities are required to be carried at fair value and provide for certain disclosures related to the valuation methods used within a valuation hierarchy as established within the accounting standards. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, or other observable characteristics for the asset or liability, including interest rates, yield curves and credit risks, or inputs that are derived principally from, or corroborated by, observable market data through correlation. Level 3 inputs are unobservable inputs based on the Company's assumptions. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

A summary of financial assets and liabilities that are measured at fair value on a recurring basis were as follows ($ in millions):

	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
March 29, 2019:				
Assets:				
Available-for-sale debt securities	$ —	$ 36.8	$ —	$ 36.8
Investment in equity securities	—	—	193.1	193.1
Cross-currency swap derivative contracts	—	17.1	—	17.1
Liabilities:				
Cross-currency swap derivative contracts	—	2.3	—	2.3
Deferred compensation plans	—	66.3	—	66.3
December 31, 2018:				
Assets:				
Available-for-sale debt securities	$ —	$ 38.3	$ —	$ 38.3
Investment in equity securities	—	—	148.9	148.9
Liabilities:				
Deferred compensation plans	—	60.9	—	60.9

Available-for-sale debt securities, which are included in other long-term assets in the accompanying Consolidated Condensed Balance Sheets, are measured at fair value using quoted prices reported by investment brokers and dealers based on the underlying terms of the security and comparison to similar securities traded on an active market. As of March 29, 2019, available-for-sale debt securities primarily include U.S. Treasury Notes and corporate debt securities, which are valued based on instruments with similar terms traded on an active market.

The Company's investments in equity securities are classified as Level 3 in the fair value hierarchy because the Company estimates the fair value based on the measurement alternative and adjusts for impairments and observable price changes with a same or similar security from the same issuer within net earnings (the "Fair Value Alternative"). The investments in equity securities includes investments that the Company has made as a limited partner in a partnership for which the underlying investments are recorded on a fair value basis.

The cross-currency swap derivative contracts are used to partially hedge the Company's net investments in foreign operations against adverse movements in exchange rates between the U.S. dollar and the Danish kroner, Japanese yen, euro and the Swiss franc. The cross-currency swap derivative contracts are classified as Level 2 in the fair value hierarchy as they are measured using the income approach with the relevant interest rates and foreign currency current exchange rates and forward curves as inputs. Refer to Note 9 for additional information.

The Company has established nonqualified deferred compensation programs that permit the Company to make tax-deferred contributions to officers and certain other employees, and also permit directors, officers and certain other employees to voluntarily defer taxation on a portion of their compensation. All amounts deferred under such plans are unfunded, unsecured obligations of the Company and are presented as a component of the Company's compensation and benefits accrual included in other long-term liabilities in the accompanying Consolidated Condensed Balance Sheets. Non-director participants may choose among alternative earning rates for the amounts they defer, which are primarily based on investment options within the Company's 401(k) program. Changes in the deferred compensation liability under these programs are recognized based on changes in the fair value of the participants' accounts, which are based on the applicable earnings rates. Amounts voluntarily deferred by directors and amounts unilaterally contributed to participant accounts by the Company are deemed invested in the Company's common stock and future distributions of such contributions (as well as future distributions of any voluntary deferrals allocated at any time to the Danaher common stock investment option) will be made solely in shares of common stock. As a result, Company contributions to these programs and voluntary deferrals allocated at any time to the Danaher common stock investment option are not reflected in the above amounts.

Fair Value of Financial Instruments

The carrying amounts and fair values of the Company's financial instruments were as follows ($ in millions):

	March 29, 2019		December 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:				
Available-for-sale debt securities	$ 36.8	$ 36.8	$ 38.3	$ 38.3
Investment in equity securities	193.1	193.1	148.9	148.9
Cross-currency swap derivative contracts	17.1	17.1	—	—
Liabilities:				
Cross-currency swap derivative contracts	2.3	2.3	—	—
Notes payable and current portion of long-term debt	36.6	36.6	51.8	51.8
Long-term debt	9,458.2	9,848.5	9,688.5	9,990.6

As of March 29, 2019 and December 31, 2018, investments in non-marketable equity securities were categorized as Level 3, available-for-sale debt securities and cross-currency swap derivative contracts were categorized as Level 2 and short and long-term borrowings were categorized as Level 1.

The fair value of long-term borrowings was based on quoted market prices. The difference between the fair value and the carrying amounts of long-term borrowings (other than the Company's Liquid Yield Option Notes due 2021 (the "LYONs")) is attributable to changes in market interest rates and/or the Company's credit ratings subsequent to the incurrence of the borrowing. In the case of the LYONs, differences in the fair value from the carrying value are attributable to changes in the price of the Company's common stock due to the LYONs' conversion features. The fair values of borrowings with original maturities of one year or less, as well as cash and cash equivalents, trade accounts receivable, net and trade accounts payable approximate their carrying amounts due to the short-term maturities of these instruments.

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NOTE 8. FINANCING

As of March 29, 2019, the Company was in compliance with all of its debt covenants. The components of the Company's debt were as follows ($ in millions):

	March 29, 2019	December 31, 2018
U.S. dollar-denominated commercial paper	$ —	$ 72.8
Euro-denominated commercial paper (€2.1 billion and €2.1 billion, respectively)	2,327.0	2,377.5
1.0% senior unsecured notes due 2019 (€600.0 million aggregate principal amount) (the "2019 Euronotes")	672.7	687.0
2.4% senior unsecured notes due 2020	498.7	498.5
5.0% senior unsecured notes due 2020 (the "2020 Assumed Pall Notes")	386.6	386.7
Zero-coupon LYONs due 2021	44.3	56.2
0.352% senior unsecured notes due 2021 (¥30.0 billion aggregate principal amount) (the "2021 Yen Notes")	270.2	273.2
1.7% senior unsecured notes due 2022 (€800.0 million aggregate principal amount) (the "2022 Euronotes")	894.1	913.2
Floating rate senior unsecured notes due 2022 (€250.0 million aggregate principal amount) (the "Floating Rate 2022 Euronotes")	279.7	285.7
0.5% senior unsecured bonds due 2023 (CHF 540.0 million aggregate principal amount) (the "2023 CHF Bonds")	543.4	550.7
2.5% senior unsecured notes due 2025 (€800.0 million aggregate principal amount) (the "2025 Euronotes")	893.4	912.6
3.35% senior unsecured notes due 2025	496.9	496.8
0.3% senior unsecured notes due 2027 (¥30.8 billion aggregate principal amount) (the "2027 Yen Notes")	276.9	279.9
1.2% senior unsecured notes due 2027 (€600.0 million aggregate principal amount) (the "2027 Euronotes")	667.6	682.0
1.125% senior unsecured bonds due 2028 (CHF 210.0 million aggregate principal amount) (the "2028 CHF Bonds")	215.2	218.1
0.65% senior unsecured notes due 2032 (¥53.2 billion aggregate principal amount) (the "2032 Yen Notes")	478.1	483.4
4.375% senior unsecured notes due 2045	499.4	499.3
Other	50.6	66.7
Total debt	9,494.8	9,740.3
Less: currently payable	36.6	51.8
Long-term debt	$ 9,458.2	$ 9,688.5

For additional details regarding the Company's debt financing, refer to Note 10 of the Company's financial statements as of and for the year ended December 31, 2018 included in the Company's 2018 Annual Report.

The Company satisfies any short-term liquidity needs that are not met through operating cash flow and available cash primarily through issuances of commercial paper under its U.S. dollar and euro-denominated commercial paper programs. Credit support for the commercial paper programs is generally provided by the Company's $4.0 billion unsecured, multi-year revolving credit facility with a syndicate of banks that expires on July 10, 2020 (the "Credit Facility"), which can also be used for working capital and other general corporate purposes described below. As of March 29, 2019, no borrowings were outstanding under the Credit Facility and the Company was in compliance with all covenants thereunder. In addition to the Credit Facility, the Company has also entered into reimbursement agreements with various commercial banks to support the issuance of letters of credit.

As of March 29, 2019, borrowings outstanding under the Company's euro-denominated commercial paper program had a weighted average annual interest rate of negative 0.3% and a weighted average remaining maturity of approximately 37 days. There were no borrowings outstanding under the Company's U.S. dollar-denominated commercial paper program as of March 29, 2019.

The Company has classified the $673 million of 2019 Euronotes and approximately $2.3 billion of its borrowings outstanding under the euro-denominated commercial paper program as of March 29, 2019 as long-term debt in the accompanying Consolidated Condensed Balance Sheet as the Company had the intent and ability, as supported by availability under the Credit Facility, to refinance these borrowings for at least one year from the balance sheet date.

Debt discounts, premiums and debt issuance costs totaled $17 million and $19 million as of March 29, 2019 and December 31, 2018, respectively, and have been netted against the aggregate principal amounts of the related debt in the components of debt table above.

Guarantors of Debt

The Company has guaranteed long-term debt and commercial paper issued by certain of its wholly-owned subsidiaries. The 2019 Euronotes, 2022 Euronotes, Floating Rate 2022 Euronotes, 2025 Euronotes and 2027 Euronotes were issued by DH Europe Finance S.A. ("Danaher International"). The 2023 CHF Bonds and 2028 CHF Bonds were issued by DH Switzerland Finance S.A. ("Danaher Switzerland"). The 2021 Yen Notes, 2027 Yen Notes and 2032 Yen Notes were issued by DH Japan Finance S.A. ("Danaher Japan"). Each of Danaher International, Danaher Switzerland and Danaher Japan are wholly-owned finance subsidiaries of Danaher Corporation. All of the securities issued by each of these entities, as well as the 2020 Assumed Pall Notes, are fully and unconditionally guaranteed by the Company and these guarantees rank on parity with the Company's unsecured and unsubordinated indebtedness.

LYONs Redemption

During the three-month period ended March 29, 2019, holders of certain of the Company's LYONs converted such LYONs into an aggregate of approximately 486 thousand shares of the Company's common stock, par value $0.01 per share. The Company's deferred tax liability associated with the book and tax basis difference in the converted LYONs of $5 million was transferred to additional paid-in capital as a result of the conversions.

NOTE 9. HEDGING TRANSACTIONS AND DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses cross-currency swap derivative contracts to partially hedge its net investments in foreign operations against adverse movements in exchange rates between the U.S. dollar and the Danish kroner, Japanese yen, euro and the Swiss franc. The cross-currency swap derivative contracts are agreements to exchange fixed-rate payments in one currency for fixed-rate payments in another currency. In January 2019, the Company entered into cross-currency swap derivative contracts on approximately $1.9 billion which corresponds with certain of its U.S. dollar-denominated bonds. These contracts effectively convert the Company's U.S. dollar-denominated bonds to obligations denominated in Danish kroner, Japanese yen, euro and Swiss franc, and will partially offset the impact of changes in currency rates on foreign currency denominated net investments in future periods. The changes in the fair value of these instruments are recorded in accumulated other comprehensive income (loss) in stockholders' equity, partially offsetting the foreign currency translation adjustment of the Company's related net investment that is also recorded in accumulated other comprehensive income (loss) in the Company's Consolidated Condensed Statements of Stockholders' Equity. Any ineffective portions of net investment hedges are reclassified from accumulated other comprehensive income (loss) into earnings during the period of change. The interest income or expense from these swaps are recorded in interest expense in the Company's Consolidated Condensed Statements of Earnings consistent with the interest expense attributable to the underlying debt. These instruments will mature on dates ranging from June 2019 to September 2028.

The Company incurred foreign currency denominated long-term debt as partial hedges of its net investments in foreign operations against adverse movements in exchange rates between the U.S. dollar and the euro, Japanese yen, Swiss franc, British pound and Canadian dollar. These foreign currency denominated long-term debt issuances are designated and qualify as nonderivative hedging instruments. Accordingly, the foreign currency translation of these debt instruments is recorded in accumulated other comprehensive income (loss) in stockholders' equity in the accompanying Consolidated Condensed Balance Sheets, offsetting the foreign currency translation adjustment of the Company's related net investment that is also recorded in accumulated other comprehensive income (loss). Any ineffective portions of net investment hedges are reclassified from accumulated other comprehensive income (loss) into earnings during the period of change. These instruments will mature on dates ranging from June 2019 to May 2032.

The following table summarizes the notional values and pretax impact of changes in the fair values of instruments designated as net investment hedges ($ in millions):

	Three-Month Period Ended March 29, 2019	
	Notional Amount	Gain (Loss) Recognized in OCI
Foreign currency contracts	$ 1,875.0	$ 14.8
Foreign currency denominated debt	7,518.3	137.8
Total	$ 9,393.3	$ 152.6

The Company did not reclassify any deferred gains or losses related to net investment hedges from accumulated other comprehensive income (loss) to earnings during the three-month period ended March 29, 2019. In addition, the Company did not have any ineffectiveness related to net investment hedges during the three-month period ended March 29, 2019. The cash inflows and outflows associated with the Company's derivative contracts designated as net investment hedges are classified in the line item "all other investing activities" in the accompanying Consolidated Condensed Statement of Cash Flows.

The Company's derivative instruments, as well as its nonderivative debt instruments designated and qualifying as net investment hedges, were classified as of March 29, 2019 in the Company's Consolidated Condensed Balance Sheet as follows ($ in millions):

	March 29, 2019
Derivative assets:	
Prepaid expenses and other current assets	$ 17.1
Derivative liabilities:	
Accrued expenses and other liabilities	2.3
Nonderivative hedging instruments:	
Long-term debt	7,518.3

Amounts related to the Company's derivatives expected to be reclassified from accumulated other comprehensive income (loss) to net earnings during the next 12 months are not significant.

NOTE 10. DEFINED BENEFIT PLANS

The following sets forth the components of the Company's net periodic benefit cost of the noncontributory defined benefit pension plans ($ in millions):

	Three-Month Period Ended	
	March 29, 2019	March 30, 2018
U.S. pension benefits:		
Service cost	$ (1.6)	$ (2.1)
Interest cost	(22.3)	(20.2)
Expected return on plan assets	31.6	33.1
Amortization of actuarial loss	(6.3)	(7.8)
Amortization of prior service cost	(0.2)	(0.3)
Net periodic pension benefit	$ 1.2	$ 2.7
Non-U.S. pension benefits:		
Service cost	$ (8.1)	$ (8.7)
Interest cost	(6.7)	(6.7)
Expected return on plan assets	10.9	12.1
Amortization of actuarial gain (loss)	0.1	(1.5)
Amortization of prior service (cost) credit	(1.2)	0.1
Settlement loss recognized	—	(0.4)
Net periodic pension cost	$ (5.0)	$ (5.1)

The following sets forth the components of the Company's net periodic benefit cost of the other postretirement employee benefit plans ($ in millions):

	Three-Month Period Ended	
	March 29, 2019	March 30, 2018
Service cost	$ (0.1)	$ (0.1)
Interest cost	(1.2)	(1.2)
Amortization of prior service credit	0.5	0.6
Net periodic cost	$ (0.8)	$ (0.7)

The net periodic benefit cost of the noncontributory defined benefit pension plans and other postretirement employee benefit plans incurred during the three-month periods ended March 29, 2019 and March 30, 2018 are reflected in the following captions in the accompanying Consolidated Condensed Statements of Earnings ($ in millions):

	Three-Month Period Ended	
	March 29, 2019	March 30, 2018
Service cost:		
Cost of sales	$ (2.0)	$ (2.1)
Selling, general and administrative expenses	(7.8)	(8.8)
Total service cost	(9.8)	(10.9)
Other net periodic benefit costs:		
Other income, net	5.2	7.8
Total	$ (4.6)	$ (3.1)

Employer Contributions

During 2019, the Company's cash contribution requirements for its U.S. and non-U.S. defined benefit pension plans are forecasted to be approximately $10 million and $50 million, respectively. The ultimate amounts to be contributed depend upon, among other things, legal requirements, underlying asset returns, the plan's funded status, the anticipated tax deductibility of the contribution, local practices, market conditions, interest rates and other factors.

NOTE 11. INCOME TAXES

The following table summarizes the Company's effective tax rate:

	Three-Month Period Ended	
	March 29, 2019	March 30, 2018
Effective tax rate	53.7%	20.5%

The effective tax rate for 2019 differs from the U.S. federal statutory rate of 21.0% principally due to the impact of net discrete tax charges of $242 million ($0.34 per diluted share) related primarily to changes in estimates associated with prior period uncertain tax positions and audit settlements, net of the release of valuation allowances associated with certain foreign tax credits, tax benefits resulting from a change in tax law, and excess tax benefits from stock-based compensation. These discrete tax charges increased the reported tax rate by 34.0%. These provisions were partially offset by benefits from the impact of earnings outside the United States which generally are taxed at rates lower than the U.S. federal rate.

The Company's effective tax rate for 2018 was slightly lower than the U.S. federal statutory rate of 21.0% due principally to the impact of the Company's earnings outside the United States which generally are taxed at rates lower than the U.S. federal rate. The 2018 effective tax rate includes the benefit of a lower U.S. corporate income tax rate of 21.0% from the enactment of the Tax Cuts and Jobs Act ("TCJA"), partially offset by a new minimum tax on certain non-U.S. earnings. The effective tax rate for the three-month period ended March 30, 2018 also includes tax benefits for release of reserves upon the expiration of statutes of limitation and excess tax benefits from stock-based compensation which were offset by changes in estimates associated with prior period uncertain tax provisions and other matters.

In the fourth quarter of 2018 and first quarter of 2019, the IRS has proposed significant adjustments to the Company's taxable income for the years 2012 through 2015 with respect to the deferral of tax on certain premium income related to the Company's self-insurance programs. The proposed adjustments would increase the Company's taxable income over the 2012-2015 period by approximately $2.7 billion. Management believes the positions the Company has taken in its U.S. tax returns are in accordance with the relevant tax laws, intends to vigorously defend these positions and is currently considering all of its alternatives. Due to the enactment of the TCJA in 2017 and the resulting reduction in the U.S. corporate tax rate for years after 2017, the Company revalued its deferred tax liabilities related to the temporary differences associated with this deferred premium income from 35.0% to 21.0%. If the Company is not successful in defending these assessments, the taxes owed to the IRS may be computed under the previous 35.0% statutory tax rate and the Company may be required to revalue the related deferred tax liabilities from 21.0% to 35.0%, which in addition to any interest due on the amounts assessed, would require a charge to future earnings. The ultimate resolution of this matter is uncertain, could take many years and could result in a material adverse impact to the Company's Consolidated Condensed Financial Statements, including its cash flows and effective tax rate.

Tax authorities in Denmark have raised significant issues related to interest accrued by certain of the Company's subsidiaries. On December 10, 2013, the Company received assessments from the Danish tax authority ("SKAT") totaling approximately DKK 1.7 billion including interest through March 29, 2019 (approximately $253 million based on the exchange rate as of March 29, 2019), imposing withholding tax relating to interest accrued in Denmark on borrowings from certain of the Company's subsidiaries for the years 2004-2009. The Company appealed these assessments to the National Tax Tribunal in 2014, which appeal has been pending awaiting the outcome of other cases brought to the Court of Justice of the European Union ("CJEU"). The Company is currently in discussions with SKAT and anticipates receiving an assessment for similar withholding tax matters for the years 2010-2012 totaling approximately DKK 994 million including interest through March 29, 2019 (approximately $149 million based on the exchange rate as of March 29, 2019). In February 2019, the CJEU decided several other cases related to Danish withholding tax on dividends and interest. In these cases, the CJEU ruled that the exemption of interest payments from withholding taxes provided in the applicable European Union ("EU") directive should be denied where taxpayers use the directive for abusive or fraudulent purposes, and that it is up to the national courts to make this determination. Management believes the positions the Company has taken in Denmark are in accordance with the relevant tax laws and is vigorously defending its positions. The Company intends on pursuing this matter through the Danish High Court should the appeal to the Tax Tribunal be unsuccessful. The Company will continue to monitor decisions of both the Danish courts and the CJEU and evaluate the impact of these court rulings on the Company's tax positions in Denmark. The ultimate resolution of this matter is uncertain, could take many years, and could result in a material adverse impact to the Company's Consolidated Condensed Financial Statements, including its effective tax rate.

NOTE 12. NONOPERATING INCOME (EXPENSE)

The Company disaggregates the service cost component of net periodic benefit costs of the noncontributory defined benefit pension plans and other postretirement employee benefit plans and presents the other components of net periodic benefit cost in other income, net. These other components include the assumed rate of return on plan assets partially offset by amortization of actuarial losses and interest and aggregated to a gain of $5 million and $8 million for the three-month periods ended March 29, 2019 and March 30, 2018, respectively.

NOTE 13. COMMITMENTS AND CONTINGENCIES

For a description of the Company's litigation and contingencies, refer to Note 17 of the Company's financial statements as of and for the year ended December 31, 2018 included in the Company's 2018 Annual Report. The Company reviews the adequacy of its legal reserves on a quarterly basis and establishes reserves for loss contingencies that are both probable and reasonably estimable. During the three-month period ended March 29, 2019, the Company recorded a provision of an additional $36 million ($29 million after-tax or $0.04 per diluted share) for costs and estimated damages related to a legal contingency.

The Company generally accrues estimated warranty costs at the time of sale. In general, manufactured products are warranted against defects in material and workmanship when properly used for their intended purpose, installed correctly and appropriately maintained. Warranty periods depend on the nature of the product and range from the date of such sale up to the life of the product. The amount of the accrued warranty liability is determined based on historical information such as past experience, product failure rates or number of units repaired, estimated cost of material and labor and in certain instances estimated property damage. The accrued warranty liability is reviewed on a quarterly basis and may be adjusted as additional information regarding expected warranty costs becomes known.

The following is a rollforward of the Company's accrued warranty liability ($ in millions):

Balance, December 31, 2018	$	77.4
Accruals for warranties issued during the period		18.0
Settlements made		(17.2)
Effect of foreign currency translation		(0.2)
Balance, March 29, 2019	$	78.0

NOTE 14. STOCK TRANSACTIONS AND STOCK-BASED COMPENSATION

Neither the Company nor any "affiliated purchaser" repurchased any shares of Company common stock during the three-month period ended March 29, 2019. On July 16, 2013, the Company's Board of Directors approved a repurchase program (the "Repurchase Program") authorizing the repurchase of up to 20 million shares of the Company's common stock from time to time on the open market or in privately negotiated transactions. As of March 29, 2019, 20 million shares remained available for repurchase pursuant to the Repurchase Program.

On March 1, 2019, the Company completed the underwritten public offering of 12.1 million shares of Danaher common stock at a price to the public of $123.00 per share (the "Common Stock Offering"), resulting in net proceeds of approximately $1.4 billion, after deducting expenses and the underwriters' discount of $45 million. Simultaneously, the Company completed the underwritten public offering of 1.65 million shares of its 4.75% Mandatory Convertible Preferred Stock, Series A ("MCPS"), without par value and with a liquidation preference of $1,000 per share (the "MCPS Offering"), resulting in net proceeds of approximately $1.6 billion, after deducting expenses and the underwriters' discount of $50 million. The Company intends to use the net proceeds from the Common Stock Offering and the MCPS Offering to fund a portion of the cash consideration payable for, and certain costs associated with, the GE Biopharma Acquisition. Pending completion of the GE Biopharma Acquisition, the Company intends to invest the net proceeds in short-term bank deposits and/or interest-bearing, investment-grade securities.

Unless converted or redeemed earlier in accordance with the terms of the applicable certificate of designations, each share of MCPS will mandatorily convert on the mandatory conversion date, which is expected to be April 15, 2022, into between 6.6368 and 8.1300 shares of the Company's common stock, subject to customary anti-dilution adjustments. The number of shares of the Company's common stock issuable upon conversion will be determined based on the average volume-weighted average price per share of the Company's common stock over the 20 consecutive trading day period beginning on, and including, the 21st scheduled trading day immediately before April 15, 2022. Subject to certain exceptions, at any time prior to April 15, 2022, holders may elect to convert each share of the MCPS into 6.6368 shares of common stock, subject to customary anti-dilution adjustments. In the event of a fundamental change, the MCPS will convert at the fundamental change rates specified in the certificate of designations, and the holders of MCPS would be entitled to a fundamental change make-whole dividend.

Holders of MCPS will be entitled to receive, when and if declared by the Company's Board of Directors, cumulative dividends at the annual rate of 4.75% of the liquidation preference of $1,000 per share (equivalent to $47.50 annually per share), payable in cash or, subject to certain limitations, by delivery of shares of the Company's common stock or any combination of cash and shares of the Company's common stock, at the Company's election. If declared, dividends on the MCPS will be payable quarterly on January 15, April 15, July 15 and October 15 of each year (commencing on July 15, 2019 to, and including, April 15, 2022), to the holders of record of the MCPS as they appear on the Company's stock register at the close of business on the immediately preceding December 31, March 31, June 30 and September 30, respectively.

If the GE Biopharma Acquisition has not closed on or before 5:00 p.m. (New York City time) on August 25, 2020, the GE Biopharma Purchase Agreement is terminated or the Company's Board of Directors, in its good faith judgment, determines that the GE Biopharma Acquisition will not occur, the Company has the option to redeem the shares of MCPS, in whole but not in part, subject to certain terms and conditions.

For a full description of the Company's stock-based compensation programs, refer to Note 18 of the Company's financial statements as of and for the year ended December 31, 2018 included in the Company's 2018 Annual Report. As of March 29, 2019, approximately 48 million shares of the Company's common stock were reserved for issuance under the 2007 Omnibus Incentive Plan.

The following summarizes the components of the Company's stock-based compensation expense ($ in millions):

	Three-Month Period Ended	
	March 29, 2019	March 30, 2018
Restricted stock units ("RSUs")/performance stock units ("PSUs"):		
Pretax compensation expense	$ 24.3	$ 20.9
Income tax benefit	(5.1)	(4.4)
RSU/PSU expense, net of income taxes	19.2	16.5
Stock options:		
Pretax compensation expense	14.9	12.4
Income tax benefit	(3.2)	(2.6)
Stock option expense, net of income taxes	11.7	9.8
Total stock-based compensation:		
Pretax compensation expense	39.2	33.3
Income tax benefit	(8.3)	(7.0)
Total stock-based compensation expense, net of income taxes	$ 30.9	$ 26.3

Stock-based compensation has been recognized as a component of selling, general and administrative expenses in the accompanying Consolidated Condensed Statements of Earnings. As of March 29, 2019, $246 million of total unrecognized compensation cost related to RSUs/PSUs is expected to be recognized over a weighted average period of approximately three years. As of March 29, 2019, $209 million of total unrecognized compensation cost related to stock options is expected to be recognized over a weighted average period of approximately three years. Future compensation amounts will be adjusted for any changes in estimated forfeitures.

NOTE 15. NET EARNINGS PER SHARE

Basic net earnings per share ("EPS") is calculated by dividing net earnings attributable to common stockholders by the weighted average number of common shares outstanding for the applicable period. Diluted net EPS is computed based on the weighted average number of common shares outstanding increased by the number of additional shares that would have been outstanding had the potentially dilutive common shares been issued and reduced by the number of shares the Company could have repurchased with the proceeds from the issuance of the potentially dilutive shares. For the three-month period ended March 29, 2019, no options to purchase shares were excluded from the diluted EPS calculation. For the three-month period ended March 30, 2018, approximately three million options to purchase shares were not included in the diluted EPS calculation as the impact of their inclusion would have been anti-dilutive.

The impact of the MCPS calculated under the if-converted method was anti-dilutive, and as such 12.9 million shares underlying the MCPS were excluded from the dilutive EPS calculation for the three-month period ended March 29, 2019.

Information related to the calculation of net earnings per share is summarized as follows ($ and shares in millions, except per share amounts):

	Three-Month Period Ended	
	March 29, 2019	March 30, 2018
Numerator:		
Net earnings	$ 333.8	$ 566.6
Adjustment for interest on convertible debentures	0.5	0.6
MCPS dividends	(6.5)	—
Net earnings attributable to common stockholders after assumed conversions for diluted EPS	$ 327.8	$ 567.2
Denominator:		
Weighted average common shares outstanding used in basic EPS	707.6	698.6
Incremental common shares from:		
Assumed exercise of dilutive options and vesting of dilutive RSUs and PSUs	8.7	8.3
Assumed conversion of the convertible debentures	2.2	2.6
Weighted average common shares outstanding used in diluted EPS	718.5	709.5
Basic EPS	$ 0.46	$ 0.81
Diluted EPS	$ 0.46	$ 0.80

NOTE 16. SEGMENT INFORMATION

The Company operates and reports its results in four separate business segments consisting of the Life Sciences, Diagnostics, Dental and Environmental & Applied Solutions segments. When determining the reportable segments, the Company aggregated operating segments based on their similar economic and operating characteristics. Operating profit represents total revenues less operating expenses, excluding nonoperating income and expense, interest and income taxes. Operating profit amounts in the Other segment consist of unallocated corporate costs and other costs not considered part of management's evaluation of reportable segment operating performance. Intersegment amounts are not significant and are eliminated to arrive at consolidated totals.

Segment results are shown below ($ in millions):

	Three-Month Period Ended	
	March 29, 2019	March 30, 2018
Sales:		
Life Sciences	$ 1,626.9	$ 1,476.0
Diagnostics	1,536.8	1,519.7
Dental	659.7	672.6
Environmental & Applied Solutions	1,056.5	1,027.1
Total	$ 4,879.9	$ 4,695.4
Operating profit:		
Life Sciences	$ 309.0	$ 271.3
Diagnostics	233.1	248.0
Dental	48.2	50.9
Environmental & Applied Solutions	244.6	227.2
Other	(111.1)	(54.4)
Total	$ 723.8	$ 743.0

Segment identifiable assets are shown below ($ in millions):

	March 29, 2019	December 31, 2018
Life Sciences	$ 22,485.9	$ 22,122.4
Diagnostics	14,282.8	14,031.1
Dental	6,019.5	5,897.3
Environmental & Applied Solutions	4,782.6	4,637.3
Other	4,203.6	1,144.4
Total	$ 51,774.4	$ 47,832.5

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is designed to provide a reader of Danaher Corporation's ("Danaher," the "Company," "we," "us" or "our") financial statements with a narrative from the perspective of Company management. The Company's MD&A is divided into five sections:

- Information Relating to Forward-Looking Statements
- Overview
- Results of Operations
- Liquidity and Capital Resources
- Critical Accounting Estimates

You should read this discussion along with the Company's MD&A and audited financial statements as of and for the year ended December 31, 2018 and Notes thereto, included in the Company's 2018 Annual Report on Form 10-K and the Company's Consolidated Condensed Financial Statements and related Notes as of and for the three-month period ended March 29, 2019 included in this Report.

Unless otherwise indicated, all financial results in this report refer to continuing operations.

INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this quarterly report, in other documents we file with or furnish to the Securities and Exchange Commission, in our press releases, webcasts, conference calls, materials delivered to shareholders and other communications, are "forward-looking statements" within the meaning of the United States federal securities laws. All statements other than historical factual information are forward-looking statements, including without limitation statements regarding: projections of revenue, expenses, profit, profit margins, tax rates, tax provisions, cash flows, pension and benefit obligations and funding requirements, our liquidity position or other projected financial measures; management's plans and strategies for future operations, including statements relating to anticipated operating performance, cost reductions, restructuring activities, new product and service developments, competitive strengths or market position, acquisitions and the integration thereof, divestitures, spin-offs, split-offs or other distributions (including the anticipated initial public offering of the Company's Dental business), strategic opportunities, securities offerings, stock repurchases, dividends and executive compensation; growth, declines and other trends in markets we sell into; new or modified laws, regulations and accounting pronouncements; future regulatory approvals; outstanding claims, legal proceedings, tax audits and assessments and other contingent liabilities; future foreign currency exchange rates and fluctuations in those rates; general economic and capital markets conditions; the anticipated timing of any of the foregoing; assumptions underlying any of the foregoing; and any other statements that address events or developments that Danaher intends or believes will or may occur in the future. Terminology such as "believe," "anticipate," "should," "could," "intend," "will," "plan," "expect," "estimate," "project," "target," "may," "possible," "potential," "forecast" and "positioned" and similar references to future periods are intended to identify forward-looking statements, although not all forward-looking statements are accompanied by such words.

Forward-looking statements are based on assumptions and assessments made by our management in light of their experience and perceptions of historical trends, current conditions, expected future developments and other factors. Forward-looking statements are not guarantees of future performance and actual results may differ materially from the results, developments and business decisions contemplated by our forward-looking statements. Accordingly, you should not place undue reliance on any such forward-looking statements. Important factors that in some cases have affected us in the past and that in the future could cause actual results to differ materially from those envisaged in the forward-looking statements include the following:

- We may not complete the GE Biopharma Acquisition within the time frame we anticipate or at all; any regulatory approval of the GE Biopharma Acquisition may be subject to conditions; and the GE Biopharma Acquisition could negatively impact our business, financial statements and stock price.
- We have outstanding debt, and our debt will increase as a result of the GE Biopharma Acquisition. Our existing and future indebtedness may limit our operations and our use of our cash flow and negatively impact our credit ratings; and any failure to comply with the covenants that apply to our indebtedness could adversely affect our liquidity and financial statements.

- We intend to conduct an initial public offering of shares of our Dental business in the second half of 2019. Subsequent to the initial public offering, we intend to distribute our remaining equity interest in the Dental business in one or more spin-off and/or split-off transactions, and in addition to or in lieu of such transactions may sell additional shares of the Dental business in one or more publicly registered offerings or private placements. Any or all of these transactions may not be completed on the currently contemplated timeline or at all and may not achieve the intended benefits.
- Conditions in the global economy, the particular markets we serve and the financial markets may adversely affect our business and financial statements.
- Significant developments or uncertainties stemming from the U.S. administration, including changes in U.S. trade policies, tariffs and the reaction of other countries thereto, could have an adverse effect on our business.
- Our growth could suffer if the markets into which we sell our products and services decline, do not grow as anticipated or experience cyclicality.
- We face intense competition and if we are unable to compete effectively, we may experience decreased demand and decreased market share. Even if we compete effectively, we may be required to reduce prices for our products and services.
- Our growth depends in part on the timely development and commercialization, and customer acceptance, of new and enhanced products and services based on technological innovation.
- Our reputation, ability to do business and financial statements may be impaired by improper conduct by any of our employees, agents or business partners.
- Certain of our businesses are subject to extensive regulation by the U.S. Food and Drug Administration and by comparable agencies of other countries, as well as laws regulating fraud and abuse in the health care industry and the privacy and security of health information. Failure to comply with those regulations could adversely affect our reputation, ability to do business and financial statements.
- Our products are subject to clinical trials, the results of which may be unexpected, or perceived as unfavorable by the market, and could have a material adverse effect on our business, financial condition or results of operations.
- The health care industry and related industries that we serve have undergone, and are in the process of undergoing, significant changes in an effort to reduce costs, which could adversely affect our financial statements.
- Any inability to consummate acquisitions at our historical rate and at appropriate prices, and to make appropriate investments that support our long-term strategy, could negatively impact our growth rate and stock price.
- Our acquisition of businesses, investments, joint ventures and other strategic relationships could negatively impact our financial statements.
- The indemnification provisions of acquisition agreements by which we have acquired companies may not fully protect us and as a result we may face unexpected liabilities.
- Divestitures or other dispositions could negatively impact our business, and contingent liabilities from businesses that we have disposed could adversely affect our financial statements.
- We could incur significant liability if the anticipated IPO of our Dental business, any subsequent spin-off and/or split-off of, or sale of additional shares of, our Dental business, the 2016 spin-off of Fortive Corporation ("Fortive") or the 2015 split-off of our communications business is determined to be a taxable transaction.
- Potential indemnification liabilities pursuant to the anticipated IPO of our Dental business, any subsequent spin-off and/or split-off of, or sale of additional shares of, our Dental business, 2016 spin-off of Fortive or the 2015 split-off of our communications business could materially and adversely affect our business and financial statements.
- A significant disruption in, or breach in security of, our information technology systems or data or violation of data privacy laws could adversely affect our business, reputation and financial statements.
- Our operations, products and services expose us to the risk of environmental, health and safety liabilities, costs and violations that could adversely affect our business, reputation and financial statements.

- Our businesses are subject to extensive regulation; failure to comply with those regulations could adversely affect our financial statements and our business, including our reputation.
- Our restructuring actions could have long-term adverse effects on our business.
- We may be required to recognize impairment charges for our goodwill and other intangible assets.
- Foreign currency exchange rates may adversely affect our financial statements.
- Changes in our tax rates or exposure to additional income tax liabilities or assessments could affect our profitability. In addition, audits by tax authorities could result in additional tax payments for prior periods.
- Changes in tax law relating to multinational corporations could adversely affect our tax position.
- We are subject to a variety of litigation and other legal and regulatory proceedings in the course of our business that could adversely affect our business and financial statements.
- If we do not or cannot adequately protect our intellectual property, or if third parties infringe our intellectual property rights, we may suffer competitive injury or expend significant resources enforcing our rights.
- Third parties may claim that we are infringing or misappropriating their intellectual property rights and we could suffer significant litigation expenses, losses or licensing expenses or be prevented from selling products or services.
- The U.S. government has certain rights to use and disclose some of the intellectual property that we license and could exclusively license it to a third party if we fail to achieve practical application of the intellectual property.
- Defects and unanticipated use or inadequate disclosure with respect to our products or services (including software), or allegations thereof, could adversely affect our business, reputation and financial statements.
- The manufacture of many of our products is a highly exacting and complex process, and if we directly or indirectly encounter problems manufacturing products, our reputation, business and financial statements could suffer.
- Adverse changes in our relationships with, or the financial condition, performance, purchasing patterns or inventory levels of, key distributors and other channel partners could adversely affect our financial statements.
- Certain of our businesses rely on relationships with collaborative partners and other third parties for development, supply and marketing of certain products and potential products, and such collaborative partners or other third parties could fail to perform sufficiently.
- Our financial results are subject to fluctuations in the cost and availability of commodities that we use in our operations.
- If we cannot adjust our manufacturing capacity or the purchases required for our manufacturing activities to reflect changes in market conditions and customer demand, our profitability may suffer. In addition, our reliance upon sole or limited sources of supply for certain materials, components and services could cause production interruptions, delays and inefficiencies.
- Changes in laws or governmental regulations may reduce demand for our products or services or increase our expenses.
- Work stoppages, union and works council campaigns and other labor disputes could adversely impact our productivity and results of operations.
- International economic, political, legal, compliance and business factors could negatively affect our financial statements.
- Significant developments stemming from the United Kingdom’s referendum decision to exit the EU could have an adverse effect on our business.
- If we suffer loss to our facilities, supply chains, distribution systems or information technology systems due to catastrophe or other events, our operations could be seriously harmed.
- Our defined benefit pension plans are subject to financial market risks that could adversely affect our financial statements.

See Part I—Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 and Part I—Item 1A of this Quarterly Report for further discussion regarding reasons that actual results may differ materially from the results, developments and business decisions contemplated by our forward-looking statements. Forward-looking statements speak only as of the date of the report, document, press release, webcast, call, materials or other communication in which they are made. Except to the extent required by applicable law, we do 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.

OVERVIEW

General

As a result of the Company's geographic and industry diversity, the Company faces a variety of opportunities and challenges, including rapid technological development (particularly with respect to computing, automation, artificial intelligence, mobile connectivity, communications and digitization) in most of the Company's served markets, the expansion and evolution of opportunities in high-growth markets, trends and costs associated with a global labor force, consolidation of the Company's competitors and increasing regulation. The Company operates in a highly competitive business environment in most markets, and the Company's long-term growth and profitability will depend in particular on its ability to expand its business in high-growth geographies and high-growth market segments, identify, consummate and integrate appropriate acquisitions, develop innovative and differentiated new products and services with higher gross profit margins, expand and improve the effectiveness of the Company's sales force, continue to reduce costs and improve operating efficiency and quality, and effectively address the demands of an increasingly regulated environment. The Company is making significant investments, organically and through acquisitions, to address the rapid pace of technological change in its served markets and to globalize its manufacturing, research and development and customer-facing resources (particularly in high-growth markets) in order to be responsive to the Company's customers throughout the world and improve the efficiency of the Company's operations.

Business Performance and Outlook

During the first quarter of 2019, the Company's revenues increased 4.0% compared to the comparable period of 2018. While differences exist among the Company's businesses, on an overall basis, demand for the Company's products and services increased during the first quarter of 2019 compared to the comparable period of 2018. This demand, together with the Company's continued investments in sales growth initiatives and the other business-specific factors discussed below, contributed to year-over-year core sales growth of 5.5% (for the definition of "core sales" or "core revenue" refer to "—Results of Operations" below). Geographically, both high-growth and developed markets contributed to core sales growth during the first quarter of 2019. Core revenues in high-growth markets increased at a high-single digit rate during the first quarter of 2019 as compared to the comparable period of 2018 led primarily by continued strength in China. High-growth markets represented approximately 29% of the Company's total sales in the first quarter of 2019. Core revenues in developed markets increased at a mid-single digit rate during the first quarter of 2019 led primarily by growth in North America and Western Europe. The Company expects overall year-over-year sales growth for the remainder of 2019 but remains cautious about challenges due to macro-economic and geopolitical uncertainties, including global uncertainties related to trade, tariffs, monetary and fiscal policies. For additional information regarding the Company's sales by geographical region during the three-month periods ended March 29, 2019 and March 30, 2018, refer to Note 2 to the accompanying Consolidated Condensed Financial Statements.

The Company's net earnings for the three-month period ended March 29, 2019 totaled $334 million or $0.46 per diluted share compared to $567 million or $0.80 per diluted share for the three-month period ended March 30, 2018. The tax-related charges discussed below in "Results of Operations – Income Taxes" are the primary drivers of the year-over-year decrease in net earnings and diluted earnings per share for the three-month period ended March 29, 2019.

Acquisitions and Proposed Dental Initial Public Offering

The Company's growth strategy contemplates future acquisitions. Operations and results can be affected by the rate and extent to which appropriate acquisition opportunities are available and successfully consummated, acquired businesses are effectively integrated and anticipated synergies or cost savings are achieved. For a description of the Company's pending acquisition of the Biopharma Business of GE Life Sciences and the anticipated financing thereof, refer to Note 3 to the accompanying Consolidated Condensed Financial Statements. For a description of the Company's anticipated initial public offering with respect to its Dental business, refer to Note 4 to the accompanying Consolidated Condensed Financial Statements.

During the three-month period ended March 29, 2019 the Company acquired one business for total consideration of $308 million in cash, net of cash acquired. The business acquired complements an existing unit of the Life Sciences segment. The aggregate annual sales of this business at the time of its acquisition, based on the company's revenues for its last completed fiscal year prior to the acquisition, were $61 million. The Company preliminarily recorded an aggregate of $211 million of goodwill related to this acquisition.

Currency Exchange Rates

On a year-over-year basis, currency exchange rates negatively impacted reported sales by approximately 4.0% for the three-month period ended March 29, 2019, compared to the comparable period of 2018, primarily due to the strength of the U.S. dollar against most major currencies in the first quarter of 2019. If the currency exchange rates in effect as of March 29, 2019 were to prevail throughout the remainder of 2019, currency exchange rates would reduce the Company's estimated full year 2019 sales by approximately 2.0% on a year-over-year basis. Any future strengthening of the U.S. dollar against major currencies would adversely impact the Company's sales and results of operations for the remainder of the year, and any weakening of the U.S. dollar against major currencies would positively impact the Company's sales and results of operations for the remainder of the year.

UK's Referendum Decision to Exit the EU ("Brexit")

In a referendum on June 23, 2016, voters approved for the United Kingdom ("UK") to exit the EU. The timing of the UK's exit from the EU remains uncertain; the EU has extended the deadline for the UK to exit the EU until October 31, 2019. With the terms of the UK's withdrawal and the nature of its future relationship with the EU still being decided, the Company continues to monitor the status of the negotiations and plan for any impact. To mitigate the potential impact of Brexit on the import and export of goods to and from the UK, the Company has increased its warehouse capacity and the level of inventory within the UK. For goods the Company manufactures within the UK and exports to other countries, the Company has manufactured and shipped additional goods for storage in countries outside the UK in an effort to maintain inventory required to meet customer demand in the event of disruption in shipments from the UK. The ultimate impact of Brexit on the Company's financial results is uncertain. For additional information, refer to the "Item 1A—Risk Factors" section of the Company's 2018 Annual Report on Form 10-K filed on February 21, 2019.

RESULTS OF OPERATIONS

Non-GAAP Measures

In this report, references to the non-GAAP measure of core sales (also referred to as core revenues or sales/revenues from existing businesses) refer to sales calculated according to U.S. GAAP, but excluding:

- sales from acquired businesses; and
- the impact of currency translation.

References to sales or operating profit attributable to acquisitions or acquired businesses refer to sales or operating profit, as applicable, from acquired businesses recorded prior to the first anniversary of the acquisition less the amount of sales and operating profit, as applicable, attributable to divested product lines not considered discontinued operations. The portion of revenue attributable to currency translation is calculated as the difference between:

- the period-to-period change in revenue (excluding sales from acquired businesses); and
- the period-to-period change in revenue (excluding sales from acquired businesses) after applying current period foreign exchange rates to the prior year period.

Core sales growth should be considered in addition to, and not as a replacement for or superior to, sales, and may not be comparable to similarly titled measures reported by other companies. Management believes that reporting the non-GAAP financial measure of core sales growth provides useful information to investors by helping identify underlying growth trends in Danaher's business and facilitating comparisons of Danaher's revenue performance with its performance in prior and future periods and to Danaher's peers. Management also uses core sales growth to measure the Company's operating and financial performance, and uses it as one of the performance measures in the Company's executive short-term cash incentive program. The Company excludes the effect of currency translation from core sales because currency translation is not under management's control, is subject to volatility and can obscure underlying business trends. The Company excludes the effect of acquisitions and divestiture-related items because the nature, size, timing and number of acquisitions and divestitures can vary dramatically from period-to-period and between the Company and its peers and can also obscure underlying business trends and make comparisons of long-term performance difficult.

Throughout this discussion, references to sales volume refer to the impact of both price and unit sales and references to productivity improvements generally refer to improved cost-efficiencies resulting from the ongoing application of the Danaher Business System.

Core Revenue

	% Change Three-Month Period Ended March 29, 2019 vs. Comparable 2018 Period
Total sales growth (GAAP)	4.0 %
Less the impact of:	
Acquisitions	(2.5)%
Currency exchange rates	4.0 %
Core revenue growth (non-GAAP)	5.5 %

Operating Profit Performance

Operating profit margins decreased 100 basis points from 15.8% during the three-month period ended March 30, 2018 to 14.8% for the three-month period ended March 29, 2019.

First quarter 2019 vs. first quarter 2018 operating profit margin comparisons were favorably impacted by:

- Higher 2019 core sales volumes, incremental year-over-year cost savings associated with continuing productivity improvement initiatives taken in 2018, net of incremental year-over-year costs associated with various new product development, sales, service and marketing growth investments and the impact of foreign currency exchange rates in the first quarter of 2019 - 40 basis points

First quarter 2019 vs. first quarter 2018 operating profit margin comparisons were unfavorably impacted by:

- The incremental net dilutive effect in 2019 of acquired businesses - 10 basis points
- Transaction costs incurred in the first quarter of 2019 related to the GE Biopharma Acquisition - 30 basis points
- First quarter 2019 costs and estimated damages related to a legal contingency - 75 basis points.
- Costs incurred in the first quarter of 2019 related to the Dental IPO, including separation related activities and costs related to establishing a new separate company infrastructure, primarily related to incremental salaries, benefits and rent expense - 25 basis points

Business Segments

Sales by business segment for each of the periods indicated were as follows ($ in millions):

	Three-Month Period Ended	
	March 29, 2019	March 30, 2018
Life Sciences	$ 1,626.9	$ 1,476.0
Diagnostics	1,536.8	1,519.7
Dental	659.7	672.6
Environmental & Applied Solutions	1,056.5	1,027.1
Total	$ 4,879.9	$ 4,695.4

For information regarding the Company’s sales by geographical region during the three-month periods ended March 29, 2019 and March 30, 2018, please refer to Note 2 to the accompanying Consolidated Condensed Financial Statements.

LIFE SCIENCES

The Company’s Life Sciences segment offers a broad range of research tools that scientists use to study the basic building blocks of life, including genes, proteins, metabolites and cells, in order to understand the causes of disease, identify new therapies and test new drugs and vaccines. The segment is also a leading provider of filtration, separation and purification technologies to the biopharmaceutical, food and beverage, medical, aerospace, microelectronics and general industrial sectors.

Life Sciences Selected Financial Data

($ in millions)	Three-Month Period Ended March 29, 2019	Three-Month Period Ended March 30, 2018
Sales	$ 1,626.9	$ 1,476.0
Operating profit	309.0	271.3
Depreciation	32.3	30.6
Amortization	89.6	80.7
Operating profit as a % of sales	19.0%	18.4%
Depreciation as a % of sales	2.0%	2.1%
Amortization as a % of sales	5.5%	5.5%

Core Revenue

	% Change Three-Month Period Ended March 29, 2019 vs. Comparable 2018 Period
Total sales growth (GAAP)	10.0 %
Less the impact of:	
Acquisitions	(7.0)%
Currency exchange rates	4.0 %
Core revenue growth (non-GAAP)	7.0 %

Price increases in the segment contributed 0.5% to sales growth on a year-over-year basis during the three-month period ended March 29, 2019 and are reflected as a component of core revenue growth.

Core sales of the business' broad range of mass spectrometers grew on a year-over-year basis during the three-month period ended March 29, 2019, led by strong sales growth in the high-growth markets and Western Europe, partially offset by lower core sales in the clinical end-market in North America due to a difficult prior year comparison. Growth was led by demand in the academic and pharmaceutical end-markets and by service offerings. Core sales of microscopy products grew during the three-month period, partially driven by recent new product releases, and led by North America and China. Demand for the business' flow cytometry and particle counting product lines increased across most major geographies, led by North America, China and Western Europe in the three-month period ended March 29, 2019. Core sales for filtration, separation and purification technologies increased across all major geographies in the three-month period in 2019 versus the comparable period in 2018, led by growth in the biopharmaceutical, aerospace and fluid technology and process and industrial end-markets.

Sales growth from acquisitions is primarily due to the acquisition of Integrated DNA Technologies ("IDT") in April 2018. IDT provides additional sales and earnings growth opportunities for the segment by expanding the segment's product line diversity, including new product and service offerings in the area of genomics consumables. During the three-month period ended March 29, 2019, IDT's revenues grew on a year-over-year basis with growth across all major product lines and all major geographies, primarily driven by North America.

In addition, as noted above, the GE Biopharma Acquisition is expected to be completed in the fourth quarter of 2019 subject to customary conditions, including receipt of applicable regulatory approvals. Upon closing, the Company expects to include the GE Biopharma Business within the Life Sciences segment. The GE Biopharma Acquisition is expected to provide additional sales and earnings growth opportunities for the Company's Life Sciences segment by expanding the business' geographic and product line diversity, including new product and service offerings in the areas of process chromatography and consumables, cell culture media, single-use technologies, development instrumentation and consumables that complement the Company's current biologics workflow solutions.

Operating Profit Performance

Operating profit margins increased 60 basis points during the three-month period ended March 29, 2019 as compared to the comparable period of 2018.

First quarter 2019 vs. first quarter 2018 operating profit margin comparisons were favorably impacted by:

- Higher 2019 core sales volumes and incremental year-over-year cost savings, net of incremental year-over-year costs associated with various new product development, sales and marketing growth investments and the impact of foreign currency exchange rates in the first quarter of 2019 - 100 basis points

First quarter 2019 vs. first quarter 2018 operating profit margin comparisons were unfavorably impacted by:

- The incremental net dilutive effect in 2019 of acquired businesses - 40 basis points

DIAGNOSTICS

The Company's Diagnostics segment offers analytical instruments, reagents, consumables, software and services that hospitals, physicians' offices, reference laboratories and other critical care settings use to diagnose disease and make treatment decisions.

Diagnostics Selected Financial Data

	Three-Month Period Ended	
($ in millions)	March 29, 2019	March 30, 2018
Sales	$ 1,536.8	$ 1,519.7
Operating profit	233.1	248.0
Depreciation	91.6	94.3
Amortization	52.0	53.1
Operating profit as a % of sales	15.2%	16.3%
Depreciation as a % of sales	6.0%	6.2%
Amortization as a % of sales	3.4%	3.5%

Core Revenue

	% Change Three-Month Period Ended March 29, 2019 vs. Comparable 2018 Period
Total sales growth (GAAP)	1.0%
Less the impact of:	
Currency exchange rates	4.0%
Core revenue growth (non-GAAP)	5.0%

Pricing in the segment did not significantly impact sales growth on a year-over-year basis during the three-month period ended March 29, 2019.

Core sales in the segment's clinical lab business increased on a year-over-year basis for the three-month period ended March 29, 2019 due to increased demand in the high-growth markets, led by China, and in North America, partially offset by lower demand in Western Europe. The immunoassay and automation product lines drove the core sales growth. During the three-month period, core sales decreased slightly in the molecular diagnostics business as growth in the developed markets was more than offset by the difficult prior year sales comparison driven by the severity of the 2018 flu season. Core sales in the acute care diagnostic business increased year-over-year in the three-month period ended March 29, 2019, as installed base growth drove continued strong sales of blood gas and immunoassay product lines across most major geographies, led by China and North America. Core sales in the pathology diagnostics business grew year-over-year in the three-month period, as demand for both the advanced staining and core histology product lines increased core sales in North America, China and Western Europe.

Operating Profit Performance

Operating profit margins decreased 110 basis points during the three-month period ended March 29, 2019 as compared to the comparable period of 2018. The following factors unfavorably impacted year-over-year operating profit margin comparisons:

- Incremental year-over-year costs associated with various new product development, sales, service and marketing growth investments, unfavorable product mix and the impact of foreign currency exchange rates in the first quarter of 2019, net of higher 2019 core sales volumes and incremental year-over-year cost savings associated with the restructuring actions and continuing productivity improvement initiatives taken in 2018 - 110 basis points

DENTAL

The Company's Dental segment provides products that are used to diagnose, treat and prevent disease and ailments of the teeth, gums and supporting bone, as well as to improve the aesthetics of the human smile. With leading brand names, innovative technology and significant market position, the Company is a leading worldwide provider of a broad range of dental consumables, equipment and services, and is dedicated to driving technological innovations that help dental professionals improve clinical outcomes and enhance productivity.

Dental Selected Financial Data

	Three-Month Period Ended	
($ in millions)	March 29, 2019	March 30, 2018
Sales	$ 659.7	$ 672.6
Operating profit	48.2	50.9
Depreciation	9.8	9.9
Amortization	22.5	22.9
Operating profit as a % of sales	7.3%	7.6%
Depreciation as a % of sales	1.5%	1.5%
Amortization as a % of sales	3.4%	3.4%

Core Revenue

	% Change Three-Month Period Ended March 29, 2019 vs. Comparable 2018 Period
Total sales growth (GAAP)	(2.0)%
Less the impact of:	
Currency exchange rates	4.5 %
Core revenue growth (non-GAAP)	2.5 %

Price in the segment negatively impacted sales growth by 0.5% on a year-over-year basis in the three-month period ended March 29, 2019 and is reflected as a component of core revenue growth.

Core revenue growth for the specialty consumables business, which consists of implant systems and orthodontic products, was led by high-growth markets, primarily China, and North America for the three-month period ended March 29, 2019. Core sales growth was driven by demand for premium implant systems and equipment, as well as increased demand for orthodontic products due partially to recent product launches. Core sales of dental equipment and traditional dental consumables grew in the three-month period ended March 29, 2019, led by demand in the high-growth markets. Core sales also grew in North America as the business experienced stabilization in this market after the realignment of certain distribution relationships disrupted 2018 performance.

In July 2018, the Company announced its intention to spin-off its Dental business into a separate publicly-traded company (the "Dental Separation"). On February 25, 2019, in connection with the announcement of the GE Biopharma Acquisition, the Company also announced a modification of its plans with respect to the Dental business, specifically that it now intends to conduct an initial public offering of shares of the Dental business in the second half of 2019, subject to the satisfaction of certain conditions, including obtaining final approval from the Danaher Board of Directors, favorable rulings from the IRS and other regulatory approvals.

Subsequent to the anticipated Dental IPO, the Company currently intends to distribute to our shareholders all or a portion of our remaining equity interest in the Dental business, which may include the spin-off of Dental business shares effected as a dividend to all our shareholders, the split-off of Dental business shares in exchange for Danaher shares or other securities, or any combination thereof in one transaction or in a series of transactions (collectively, the "Distribution"). While the Company currently intends to effect the Distribution, the Company has no obligation to pursue or consummate any further dispositions of our ownership in the Dental business, including through the Distribution, by any specified date or at all. If pursued, the Distribution may be subject to various conditions, including receipt of any necessary regulatory or other approvals, the existence of satisfactory market conditions, and the receipt of an opinion of counsel to the effect that the separation of the Dental business in connection with the IPO, together with such Distribution, will be tax-free to the Company and the Company's shareholders for U.S. federal income tax purposes. The conditions to the Distribution may not be satisfied; the Company may decide not to consummate the Distribution even if the conditions are satisfied; or we may decide to waive one or more of these conditions and consummate the Distribution even if all of the conditions are not satisfied. In addition to or in lieu of the Distribution, subsequent to the Dental IPO the Company may sell additional shares of the Dental business in one or more publicly registered offerings or private placements. The Company cannot assure whether or when any such transaction will be consummated or as to the final terms of any such transaction.

Operating Profit Performance

Operating profit margins decreased 30 basis points during the three-month period ended March 29, 2019 as compared to the comparable period of 2018. The following factors unfavorably impacted year-over-year operating profit margin comparisons:

- Lower overall pricing and incremental year-over-year costs associated with sales and marketing growth investments, net of higher 2019 core sales volumes, lower spending on productivity initiatives in 2019, cost savings associated with productivity initiatives taken in 2018 and the impact of foreign currency exchange rates in the first quarter of 2019 - 30 basis points

ENVIRONMENTAL & APPLIED SOLUTIONS

The Company's Environmental & Applied Solutions segment offers products and services that help protect important resources and keep global food and water supplies safe. The Company's water quality business provides instrumentation, services and disinfection systems to help analyze, treat and manage the quality of ultra-pure, potable, industrial, waste, ground, source and ocean water in residential, commercial, municipal, industrial and natural resource applications. The Company's product identification business provides equipment, software, services and consumables for various color and appearance management, packaging design and quality management, packaging converting, printing, marking, coding and traceability applications on consumer, pharmaceutical and industrial products.

Environmental & Applied Solutions Selected Financial Data

	Three-Month Period Ended	
($ in millions)	March 29, 2019	March 30, 2018
Sales	$ 1,056.5	$ 1,027.1
Operating profit	244.6	227.2
Depreciation	12.4	11.7
Amortization	15.8	15.6
Operating profit as a % of sales	23.2%	22.1%
Depreciation as a % of sales	1.2%	1.1%
Amortization as a % of sales	1.5%	1.5%

Core Revenue

	% Change Three-Month Period Ended March 29, 2019 vs. Comparable 2018 Period
Total sales growth (GAAP)	3.0 %
Less the impact of:	
Acquisitions	(1.0)%
Currency exchange rates	3.5 %
Core revenue growth (non-GAAP)	5.5 %

Price increases in the segment contributed 1.5% to sales growth on a year-over-year basis during the three-month period ended March 29, 2019 and are reflected as a component of core revenue growth.

Core sales in the segment's water quality business increased at a high-single digit rate during the three-month period ended March 29, 2019 as compared to the comparable period of 2018. Year-over-year core sales in the analytical instrumentation product line grew in the three-month period, driven by increased demand in high-growth markets, particularly China, and Western Europe. Core revenue growth in the business' chemical treatment solutions product line for the three-month period was driven by higher demand in the oil and gas, primary metals and chemical end-markets, partially offset by lower core sales in the power end-market. Geographically, year-over-year core revenue growth for chemical treatment solutions was driven by increased demand in North America. Core sales in the business' ultraviolet water disinfection product line increased across all major end-markets during the three-month period, led by the completion of several municipal projects. Geographically, year-over-year core sales growth for ultraviolet water disinfection products was driven by North America and China.

Core sales in the segment's product identification businesses increased at a low-single digit rate during the three-month period ended March 29, 2019 as compared to the comparable period of 2018. Increased demand for marking and coding equipment and related consumables drove core sales growth in North America, Western Europe and high-growth markets. For packaging and color solutions products and services, increased demand for packaging was offset by lower demand for color solutions in the three-month period. Geographically, year-over-year core revenue growth for packaging and color solutions products and services strengthened in high-growth markets, but was offset by softness in developed markets.

Operating Profit Performance

Operating profit margins increased 110 basis points during the three-month period ended March 29, 2019 as compared to the comparable period of 2018.

First quarter 2019 vs. first quarter 2018 operating profit margin comparisons were favorably impacted by:

- Higher 2019 core sales volumes, incremental year-over-year cost savings associated with the restructuring actions and continuing productivity improvement initiatives taken in 2018 and the impact of foreign currency exchange rates in the first quarter of 2019, net of incremental year-over-year costs associated with sales, service and marketing growth investments - 140 basis points

First quarter 2019 vs. first quarter 2018 operating profit margin comparisons were unfavorably impacted by:

- The incremental net dilutive effect in 2019 of acquired businesses - 30 basis points

COST OF SALES AND GROSS PROFIT

	Three-Month Period Ended	
($ in millions)	March 29, 2019	March 30, 2018
Sales	$ 4,879.9	$ 4,695.4
Cost of sales	(2,161.9)	(2,051.8)
Gross profit	$ 2,718.0	$ 2,643.6
Gross profit margin	55.7%	56.3%

The year-over-year increase in cost of sales during the three-month period ended March 29, 2019 as compared to the comparable period in 2018 was due primarily to the impact of higher year-over-year sales volumes, including sales from recently acquired businesses, partly offset by incremental year-over-year cost savings associated with the restructuring and continued productivity improvement actions taken in 2018.

The year-over-year decrease in gross profit margins during the three-month period ended March 29, 2019 as compared to the comparable period in 2018 was due to the impact of product mix and higher freight and tariffs costs, partially offset by the impact of higher year-over-year sales volumes, including sales from recently acquired businesses, increased leverage of certain manufacturing costs and incremental year-over-year cost savings associated with the restructuring activities and continued productivity improvement actions taken in 2018.

OPERATING EXPENSES

	Three-Month Period Ended	
($ in millions)	March 29, 2019	March 30, 2018
Sales	$ 4,879.9	$ 4,695.4
Selling, general and administrative (“SG&A”) expenses	1,683.4	1,601.9
Research and development (“R&D”) expenses	310.8	298.7
SG&A as a % of sales	34.5%	34.1%
R&D as a % of sales	6.4%	6.4%

The year-over-year increase in SG&A expenses as a percentage of sales for the three-month period ended March 29, 2019 as compared to the comparable period in 2018, was primarily driven by investments in sales and marketing growth initiatives and a provision for legal matters of $36 million, partially offset by the benefit of increased leverage of the Company’s general and administrative cost base resulting from higher 2019 sales volumes.

Year-over-year, R&D expenses (consisting principally of internal and contract engineering personnel costs) remained constant as a percentage of sales for the three-month period ended March 29, 2019 as compared to the comparable period in 2018, as year-over-year increases in the Company’s new product development initiatives corresponded to the increase in sales.

NONOPERATING INCOME (EXPENSE)

The Company disaggregates the service cost component of net periodic benefit costs of the noncontributory defined benefit pension plans and other postretirement employee benefit plans and presents the other components of net periodic benefit cost in other income, net. These other components include the assumed rate of return on plan assets partially offset by amortization of actuarial losses and interest and aggregated to a gain of $5 million and $8 million for the three-month periods ended March 29, 2019 and March 30, 2018, respectively.

INTEREST COSTS AND FINANCING

For a discussion of the Company’s outstanding indebtedness, refer to Note 8 to the accompanying Consolidated Condensed Financial Statements.

Interest expense of $23 million for the three-month period ended March 29, 2019, was $16 million lower than the comparable period of 2018, due primarily to the impact of the Company’s cross-currency swap derivatives. In January 2019, the Company entered into approximately $1.9 billion of cross-currency swap derivative contracts on its U.S. dollar-denominated bonds to effectively convert the Company’s U.S. dollar-denominated bonds to obligations denominated in Danish kroner, Japanese yen, euro and Swiss franc. Interest income of $16 million for the three-month period ended March 29, 2019, was $14 million higher than the comparable period of 2018, due primarily to higher average cash balances during 2019 from the additional cash received from the Common Stock and MCPS Offerings completed in preparation for the GE Biopharma Acquisition.

INCOME TAXES

The following table summarizes the Company's effective tax rate:

	Three-Month Period Ended	
	March 29, 2019	March 30, 2018
Effective tax rate	53.7%	20.5%

The effective tax rate for 2019 differs from the U.S. federal statutory rate of 21.0% principally due to the impact of net discrete tax charges of $242 million ($0.34 per diluted share) related primarily to changes in estimates associated with prior period uncertain tax positions and audit settlements, net of the release of valuation allowances associated with certain foreign tax credits, tax benefits resulting from a change in tax law, and excess tax benefits from stock-based compensation. These discrete tax charges increased the reported tax rate by 34.0%. These provisions were partially offset by benefits from the impact of earnings outside the United States which generally are taxed at rates lower than the U.S. federal rate.

The Company's effective tax rate for 2018 was slightly lower than the U.S. federal statutory rate of 21.0% due principally to the impact of the Company's earnings outside the United States which generally are taxed at rates lower than the U.S. federal rate. The 2018 effective tax rate includes the benefit of a lower U.S. corporate income tax rate of 21.0% from the enactment of the TCJA, partially offset by a new minimum tax on certain non-U.S. earnings. The effective tax rate for the three-month period ended March 30, 2018 also includes tax benefits for release of reserves upon the expiration of statutes of limitation and excess tax benefits from stock-based compensation which were offset by changes in estimates associated with prior period uncertain tax provisions and other matters.

The Company conducts business globally, and files numerous consolidated and separate income tax returns in federal, state and foreign jurisdictions. The non-U.S. countries in which the Company has a significant presence include China, Denmark, Germany, Singapore, Switzerland and the United Kingdom. The Company believes that a change in the statutory tax rate of any individual foreign country would not have a material effect on the Company's financial statements given the geographical dispersion of the Company's taxable income.

The Company and its subsidiaries are routinely examined by various domestic and international taxing authorities. The IRS has completed the examinations of substantially all of the Company's federal income tax returns through 2011 and is currently examining certain of the Company's federal income tax returns for 2012 through 2015. In addition, the Company has subsidiaries in Austria, Belgium, Canada, China, Denmark, France, Germany, India, Japan, New Zealand, Sweden, Switzerland and the United Kingdom and various other countries, states and provinces that are currently under audit for years ranging from 2004 through 2016.

In the fourth quarter of 2018 and first quarter of 2019, the IRS has proposed significant adjustments to the Company's taxable income for the years 2012 through 2015 with respect to the deferral of tax on certain premium income related to the Company's self-insurance programs. The proposed adjustments would increase the Company's taxable income over the 2012-2015 period by approximately $2.7 billion. Management believes the positions the Company has taken in its U.S. tax returns are in accordance with the relevant tax laws, intends to vigorously defend these positions and is currently considering all of its alternatives. Due to the enactment of the TCJA in 2017 and the resulting reduction in the U.S. corporate tax rate for years after 2017, the Company revalued its deferred tax liabilities related to the temporary differences associated with this deferred premium income from 35.0% to 21.0%. If the Company is not successful in defending these assessments, the taxes owed to the IRS may be computed under the previous 35.0% statutory tax rate and the Company may be required to revalue the related deferred tax liabilities from 21.0% to 35.0%, which in addition to any interest due on the amounts assessed, would require a charge to future earnings. The ultimate resolution of this matter is uncertain, could take many years and could result in a material adverse impact to the Company's Consolidated Condensed Financial Statements, including its cash flows and effective tax rate.

Tax authorities in Denmark have raised significant issues related to interest accrued by certain of the Company's subsidiaries. On December 10, 2013, the Company received assessments from the Danish tax authority totaling approximately DKK 1.7 billion including interest through March 29, 2019 (approximately $253 million based on the exchange rate as of March 29, 2019), imposing withholding tax relating to interest accrued in Denmark on borrowings from certain of the Company's subsidiaries for the years 2004-2009. The Company appealed these assessments to the National Tax Tribunal in 2014, which appeal has been pending awaiting the outcome of other cases brought to the CJEU. The Company is currently in discussions with SKAT and anticipates receiving an assessment for similar withholding tax matters for the years 2010-2012 totaling approximately DKK 994 million including interest through March 29, 2019 (approximately $149 million based on the exchange rate as of March 29, 2019). In February 2019, the CJEU decided several other cases related to Danish withholding tax on dividends and interest. In these cases, the CJEU ruled that the exemption of interest payments from withholding taxes provided in the applicable EU directive should be denied where taxpayers use the directive for abusive or fraudulent purposes, and that it is up to the national courts to make this determination. Management believes the positions the Company has taken in Denmark are in accordance with the relevant tax laws and is vigorously defending its positions. The Company intends on pursuing this matter through the Danish High Court should the appeal to the Tax Tribunal be unsuccessful. The Company will continue to monitor decisions of both the Danish courts and the CJEU and evaluate the impact of these court rulings on the Company's tax positions in Denmark. The ultimate resolution of this matter is uncertain, could take many years, and could result in a material adverse impact to the Company's Consolidated Condensed Financial Statements, including its effective tax rate.

The Company expects its effective tax rate for the remainder of 2019 to be approximately 20.0%. The Company's effective tax rate could vary as a result of many factors, including but not limited to the following:

- The expected rate for the remainder of 2019 includes the anticipated discrete income tax benefits from excess tax deductions related to the Company's stock compensation programs, which are reflected as a reduction in tax expense, though the actual benefits (if any) will depend on the Company's stock price and stock option exercise patterns.
- The actual mix of earnings by jurisdiction could fluctuate from the Company's projection.
- The tax effects of other discrete items, including accruals related to tax contingencies, the resolution of worldwide tax matters, tax audit settlements, statute of limitations expirations and changes in tax regulations.
- Any future legislative changes or potential tax reform, the impact of future regulations and guidance implementing the TCJA and any related additional tax planning efforts to address these changes.

As a result of the uncertainty in predicting these items, it is reasonably possible that the actual effective tax rate used for financial reporting purposes will change in future periods.

COMPREHENSIVE INCOME

For the three-month period ended March 29, 2019, comprehensive income decreased $539 million as compared to the comparable period of 2018, primarily due to lower net earnings in 2019 versus the three-month period in 2018 and due to losses from foreign currency translation adjustments in the three-month period ended March 29, 2019 as compared to gains from foreign currency translation adjustments recognized in the comparable period of 2018. For the three-month period ended March 29, 2019, the Company recorded a foreign currency translation loss of $11 million, as compared to a foreign currency translation gain of $294 million for the three-month period ended March 30, 2018.

INFLATION

The effect of inflation on the Company's revenues and net earnings was not significant in the three-month period ended March 29, 2019.

LIQUIDITY AND CAPITAL RESOURCES

Management assesses the Company's liquidity in terms of its ability to generate cash to fund its operating, investing and financing activities. The Company continues to generate substantial cash from operating activities and forecasts that its operating cash flow and other sources of liquidity (including the anticipated financing for the GE Biopharma Acquisition) will be sufficient to allow it to continue investing in existing businesses, consummating strategic acquisitions and investments (including the anticipated GE Biopharma Acquisition), paying interest and servicing debt and managing its capital structure on a short and long-term basis.

Following is an overview of the Company’s cash flows and liquidity ($ in millions):

Overview of Cash Flows and Liquidity

($ in millions)	Three-Month Period Ended March 29, 2019	Three-Month Period Ended March 30, 2018
Total operating cash flows	$ 703.3	$ 828.9
Cash paid for acquisitions	$ (308.2)	$ —
Payments for additions to property, plant and equipment	(155.7)	(137.9)
Proceeds from sales of property, plant and equipment	0.8	0.4
Payments for purchases of investments	(43.2)	—
Proceeds from sale of investments	—	21.9
All other investing activities	7.8	(7.1)
Net operating cash used in investing activities	$ (498.5)	$ (122.7)
Proceeds from the issuance of common stock in connection with stock-based compensation	$ 37.3	$ 23.2
Proceeds from the public offering of common stock, net of issuance costs	1,443.2	—
Proceeds from the public offering of preferred stock, net of issuance costs	1,599.6	—
Payment of dividends	(112.2)	(97.5)
Net repayments of borrowings (maturities of 90 days or less)	(86.1)	(236.6)
All other financing activities	(4.0)	(10.8)
Net operating cash provided by (used in) financing activities	$ 2,877.8	$ (321.7)

- Operating cash flows decreased $126 million, or approximately 15%, during the three-month period ended March 29, 2019 as compared to the comparable period of 2018, primarily due to lower earnings and higher cash used for funding trade accounts receivable, inventories and accounts payable during the period compared to the prior year. This decrease was partially offset by lower cash used for payments for income taxes.
- On March 1, 2019, the Company completed the underwritten public offering of 12.1 million shares of Danaher common stock at a price to the public of $123.00 per share resulting in net proceeds of approximately $1.4 billion. Simultaneously, the Company completed the underwritten public offering of 1.65 million shares of its MCPS resulting in net proceeds of approximately $1.6 billion, after deducting expenses and the underwriters’ discount. The Company intends to use the net proceeds from the Common Stock Offering and the MCPS Offering to fund a portion of the cash consideration payable for, and certain costs associated with, the GE Biopharma Acquisition.
- The Company invested $43 million in strategic non-marketable equity securities.
- As of March 29, 2019, the Company held approximately $3.9 billion of cash and cash equivalents.

Operating Activities

Cash flows from operating activities can fluctuate significantly from period-to-period as working capital needs and the timing of payments for income taxes, restructuring activities, pension funding and other items impact reported cash flows.

Operating cash flows were $703 million for the first three months of 2019, a decrease of $126 million, or approximately 15%, as compared to the comparable period of 2018. The year-over-year change in operating cash flows from 2018 to 2019 was primarily attributable to the following factors:

- 2019 operating cash flows reflected a decrease of $233 million in net earnings for the first three months of 2019 as compared to the comparable period in 2018.
- Net earnings for the first three months of 2019 reflected an increase of $8 million of depreciation and amortization expense as compared to the comparable period of 2018. Amortization expense primarily relates to the amortization of intangible assets acquired in connection with acquisitions and increased due to recently acquired businesses. Depreciation expense relates to both the Company’s manufacturing and operating facilities as well as instrumentation

leased to customers under OTL arrangements and increased due primarily to the impact of increased capital expenditures. Depreciation and amortization are noncash expenses that decrease earnings without a corresponding impact to operating cash flows.

- The aggregate of trade accounts receivable, inventories and trade accounts payable used $91 million in operating cash flows during the first three months of 2019, compared to $142 million of operating cash flows provided in the comparable period of 2018. The amount of cash flow generated from or used by the aggregate of trade accounts receivable, inventories and trade accounts payable depends upon how effectively the Company manages the cash conversion cycle, which effectively represents the number of days that elapse from the day it pays for the purchase of raw materials and components to the collection of cash from its customers and can be significantly impacted by the timing of collections and payments in a period.
- The aggregate of prepaid expenses and other assets and accrued expenses and other liabilities provided $93 million of operating cash flows during the first three months of 2019, compared to $233 million of operating cash flows used in the comparable period of 2018. Operational cash flows provided in the first three months of 2019 resulted primarily from the timing of cash payments for income taxes.

Investing Activities

Cash flows relating to investing activities consist of cash used for acquisitions and capital expenditures, including instruments leased to customers, cash used for investments and cash proceeds from divestitures of businesses or assets.

Net cash used in investing activities increased $376 million in the three-month period ended March 29, 2019 compared to the comparable period of 2018 due primarily to cash used for the acquisition of a business and investments in non-marketable equity securities during the three-month period ended March 29, 2019. For a discussion of the Company's acquisitions during the first three months of 2019 refer to "—Overview". In addition, for a description of the Company's pending GE Biopharma Acquisition, refer to Note 3 to the accompanying Consolidated Condensed Financial Statements; and for a description of the anticipated Dental IPO, refer to Note 4 to the accompanying Consolidated Condensed Financial Statements.

Capital expenditures are made primarily for increasing capacity, replacing equipment, supporting new product development, improving information technology systems and the manufacture of instruments that are used in OTL arrangements that certain of the Company's businesses enter into with customers. Capital expenditures increased $18 million on a year-over-year basis for the first three months of 2019 compared to 2018 due to increased investments in operating assets at newly acquired businesses such as IDT and increased investments in facilities and operating assets across the Company. For the full year 2019, the Company forecasts capital spending to be approximately $750 million, though actual expenditures will ultimately depend on business conditions.

Financing Activities and Indebtedness

Cash flows relating to financing activities consist primarily of cash flows associated with the issuance and repayments of commercial paper, issuance and repurchases of common stock, issuance of preferred stock and payments of cash dividends to shareholders. Financing activities provided cash of approximately $2.9 billion during the first three months of 2019 compared to $322 million of cash used in the comparable period of 2018. The year-over-year increase in cash provided by financing activities was due primarily to the public offerings of common and preferred stock during the first quarter of 2019 and lower net repayments from commercial paper borrowings in 2019.

For a description of the Company's outstanding debt as of March 29, 2019, and the Company's commercial paper programs and credit facilities, refer to Note 8 to the accompanying Consolidated Condensed Financial Statements. As of March 29, 2019, the Company was in compliance with all of its debt covenants.

The Company satisfies any short-term liquidity needs that are not met through operating cash flow and available cash primarily through issuances of commercial paper under its U.S. dollar and euro-denominated commercial paper programs. Credit support for the commercial paper programs is generally provided by the Company's $4.0 billion Credit Facility.

As of March 29, 2019, Danaher had the ability to incur an additional approximately $1.7 billion of indebtedness in direct borrowings under the Credit Facility, and/or under outstanding commercial paper facilities (based on aggregate amounts available under the Credit Facility that were not being used to backstop outstanding commercial paper balances).

For a description of the Company's anticipated financing of the pending GE Biopharma Acquisition, refer to Note 3 to the accompanying Consolidated Condensed Financial Statements.

The Company has classified the $673 million of 2019 Euronotes and approximately $2.3 billion of its borrowings outstanding under the euro-denominated commercial paper program as of March 29, 2019 as long-term debt in the accompanying Consolidated Condensed Balance Sheet as the Company had the intent and ability, as supported by availability under the Credit Facility, to refinance these borrowings for at least one year from the balance sheet date. As commercial paper obligations mature, the Company may issue additional short-term commercial paper obligations to refinance all or part of these borrowings.

Common Stock Offering and MCPS Stock Offering

For a description of the Common Stock and MCPS Offerings, refer to Note 14 to the accompanying Consolidated Condensed Financial Statements.

Stock Repurchase Program

For information regarding the Company's stock repurchase program, please see Part II—Item 2, "Unregistered Sales of Equity Securities and Use of Proceeds".

Dividends

Aggregate cash payments for dividends during the three-month period ended March 29, 2019 were $112 million. The increase over the comparable period of 2018 results from an increase in the quarterly dividend rate effective with respect to the dividend paid in the second quarter of 2018.

In the first quarter of 2019, the Company declared a regular quarterly dividend of $0.17 per share payable on April 26, 2019 to holders of record on March 29, 2019, reflecting a 6% increase in the per share amount of the Company's quarterly dividend.

Dividends on our MCPS are payable on a cumulative basis, when and if declared by our Board, at an annual rate of 4.75% of the liquidation preference of $1,000 per share (equivalent to $47.50 annually per share).

Cash and Cash Requirements

As of March 29, 2019, the Company held approximately $3.9 billion of cash and cash equivalents that were held on deposit with financial institutions or invested in highly liquid investment-grade debt instruments with a maturity of 90 days or less with an approximate weighted average annual interest rate of 2.3%. Of this amount, approximately $2.8 billion was held within the United States and approximately $1.1 billion was held outside of the United States. The Company will continue to have cash requirements to support working capital needs, capital expenditures and acquisitions (including the GE Biopharma Acquisition), pay interest and service debt, pay taxes and any related interest or penalties, fund its restructuring activities and pension plans as required, pay dividends to shareholders, repurchase shares of the Company's common stock and support other business needs. For a description of the Company's anticipated financing of the GE Biopharma Acquisition, please refer to Note 3 to the accompanying Consolidated Condensed Financial Statements.

The Company generally intends to use available cash and internally generated funds to meet these cash requirements, but in the event that additional liquidity is required, particularly in connection with acquisitions (including as noted above in connection with the GE Biopharma Acquisition), the Company may also borrow under its commercial paper programs or the credit facilities, enter into new credit facilities and either borrow directly thereunder or use such credit facilities to backstop additional borrowing capacity under its commercial paper programs and/or access the capital markets. The Company also may from time to time access the capital markets to take advantage of favorable interest rate environments or other market conditions. With respect to the Company's 2019 Euronotes and commercial paper scheduled to mature during the remainder of 2019, the Company expects to repay the principal amounts when due using available cash, proceeds from the issuance of commercial paper and/or proceeds from other debt issuances.

While repatriation of some cash held outside the United States may be restricted by local laws, most of the Company's foreign cash could be repatriated to the United States. Following enactment of the TCJA and the associated Transition Tax, in general, repatriation of cash to the United States can be completed with no incremental U.S. tax; however, repatriation of cash could subject the Company to non-U.S. jurisdictional taxes on distributions. The cash that the Company's non-U.S. subsidiaries hold for indefinite reinvestment is generally used to finance foreign operations and investments, including acquisitions. The income taxes, if any, applicable to such earnings including basis differences in our foreign subsidiaries are not readily determinable. As of March 29, 2019, management believes that it has sufficient sources of liquidity to satisfy its cash needs, including its cash needs in the United States.

During 2019, the Company's cash contribution requirements for its U.S. and non-U.S. defined benefit pension plans are forecasted to be approximately $10 million and $50 million, respectively. The ultimate amounts to be contributed depend upon, among other things, legal requirements, underlying asset returns, the plan's funded status, the anticipated tax deductibility of the contribution, local practices, market conditions, interest rates and other factors.

CRITICAL ACCOUNTING ESTIMATES

There were no material changes to the Company's critical accounting estimates described in the Annual Report on Form 10-K for the year ended December 31, 2018 that have a material impact on the Company's Consolidated Condensed Financial Statements and the related Notes.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and qualitative disclosures about market risk appear in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Instruments and Risk Management," in the Company's 2018 Annual Report. There were no material changes during the quarter ended March 29, 2019 to this information reported in the Company's 2018 Annual Report.

ITEM 4. CONTROLS AND PROCEDURES

The Company's management, with the participation of the Company's President and Chief Executive Officer, and Executive Vice President and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's President and Chief Executive Officer, and Executive Vice President and Chief Financial Officer, have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective.

During the first quarter of 2019, the Company implemented controls and processes relating to adoption of the new lease accounting standard that the Company adopted as of January 1, 2019. Throughout the implementation, the Company evaluated the impact of the adoption of the new standard on its internal control over financial reporting and made changes to controls where necessary to maintain the effectiveness of internal control over financial reporting in all material respects. There have been no other changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the Company's most recent completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For additional information regarding legal proceedings, refer to the section titled "Legal Proceedings" in MD&A in the Company's 2018 Annual Report on Form 10-K filed on February 21, 2019

ITEM 1A. RISK FACTORS

Except as set forth below, there were no material changes during the quarter ended March 29, 2019 to the risk factors reported in the Company's 2018 Annual Report. Additional information regarding risk factors can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Information Related to Forward-Looking Statements," in Part I—Item 2 of this Form 10-Q and in Part I—Item 1A of the Company's 2018 Annual Report on Form 10-K.

We may not complete the GE Biopharma Acquisition within the time frame we anticipate or at all; any regulatory approval of the GE Biopharma Acquisition may be subject to conditions; and the GE Biopharma Acquisition could negatively impact our business, financial statements and stock price.

The GE Biopharma Acquisition discussed above would constitute Danaher's largest acquisition to date based on purchase price, would expand Danaher's business into new segments and involves a number of financial, accounting, managerial, operational, legal, compliance and other risks and challenges, including the following. Any of these risks or challenges could adversely affect our business, financial statements and stock price.

- If the GE Biopharma Acquisition is not completed on the anticipated timetable or at all, or if regulatory approval of the acquisition is subject to conditions, we may fail to realize the anticipated benefits of the GE Biopharma Acquisition on the anticipated timetable or at all.
- The GE Biopharma Business could under-perform relative to our expectations and the price that we pay or not perform in accordance with our anticipated timetable, or we could fail to operate such business profitably.
- The GE Biopharma Acquisition could cause our financial results to differ from our own or the investment community's expectations in any given period, or over the long-term.
- Pre-closing and post-closing earnings charges related to the GE Biopharma Acquisition could adversely impact operating results in any given period, and the impact may be substantially different from period-to-period.
- The GE Biopharma Acquisition could create demands on our management, operational resources and financial and internal control systems that we are unable to effectively address.
- The GE Biopharma Acquisition could divert management's attention and other resources, which could have a negative impact on our ability to manage existing operations or pursue other strategic transactions.
- We could experience difficulty or greater-than-anticipated costs in integrating the personnel, operations and financial and other controls and systems of GE Biopharma, and could experience difficulty attracting and retaining key employees and customers.
- We may be unable to achieve anticipated cost savings or other synergies on the timetable we expect or at all.
- We may assume unknown liabilities, known contingent liabilities that become realized, known liabilities that prove greater than anticipated, internal control deficiencies or exposure to regulatory sanctions resulting from GE Biopharma's activities and the realization of any of these liabilities or deficiencies may increase our expenses, adversely affect our financial position or cause us to fail to meet our public financial reporting obligations.
- The GE Biopharma Purchase Agreement includes provisions relating to purchase price adjustments, which may have unpredictable financial results.
- As a result of the GE Biopharma Acquisition, we expect to record significant goodwill and other assets on our balance sheet and if we are not able to realize the value of these assets, we may be required to incur impairment charges.

We have outstanding debt, and our debt will increase as a result of the GE Biopharma Acquisition. Our existing and future indebtedness may limit our operations and our use of our cash flow and negatively impact our credit ratings; and any failure to comply with the covenants that apply to our indebtedness could adversely affect our liquidity and financial statements.

As of March 29, 2019, we had approximately $9.5 billion in outstanding indebtedness and had the ability to incur approximately an additional approximately $1.7 billion of indebtedness in direct borrowings or under our outstanding commercial paper facility based on the amounts available under the Company's $4.0 billion Credit Facility which were not being used to backstop outstanding commercial paper balances. We expect to incur up to approximately $18 billion of additional indebtedness to fund a portion of the purchase price of the GE Biopharma Acquisition.

Our debt level and related debt service obligations can have negative consequences, including (1) requiring us to dedicate significant cash flow from operations to the payment of principal and interest on our debt, which reduces the funds we have available for other purposes such as acquisitions and other investments; (2) reducing our flexibility in planning for or reacting to changes in our business and market conditions; and (3) exposing us to interest rate risk since a portion of our debt obligations are at variable rates.

We anticipate that the additional indebtedness we expect to incur in connection with the GE Biopharma Acquisition will likely result in a negative change to our credit ratings and a potential downgrading compared to our credit rating prior to the public announcement of the GE Biopharma Acquisition. This anticipated reduction in our credit ratings will limit our ability to borrow at interest rates consistent with the interest rates that have been available to us prior to the GE Biopharma Acquisition. If our credit ratings are further downgraded or put on watch for a further potential downgrade, we may not be able to sell additional debt securities or borrow money in the amounts, at the times or interest rates or upon the more favorable terms and conditions that might be available if our current credit ratings were maintained.

Our current revolving credit facility and long-term debt obligations also impose certain restrictions on us, including certain restrictions on our ability to incur liens on our assets, and a requirement under the revolving credit facility to maintain a consolidated leverage ratio (the ratio of consolidated indebtedness to consolidated indebtedness plus shareholders' equity) of 0.65 to 1.0 or less. If we breach any of these restrictions and cannot obtain a waiver from the lenders on favorable terms, subject to applicable cure periods, the outstanding indebtedness (and any other indebtedness with cross-default provisions) could be declared immediately due and payable, which would adversely affect our liquidity and financial statements.

If we add new debt in the future, the risks described above would increase.

We intend to conduct an initial public offering of shares of our Dental business in the second half of 2019. Subsequent to the initial public offering, we intend to distribute our remaining equity interest in the Dental business in one or more spin-off and/or split-off transactions, and in addition to or in lieu of such transactions may sell additional shares of the Dental business in one or more publicly registered offerings or private placements. Any or all of these transactions may not be completed on the currently contemplated timeline or at all and may not achieve the intended benefits.

In July 2018, the Company announced its intention to spin-off its Dental business into an independent publicly-traded company. On February 25, 2019, in connection with the announcement of the GE Biopharma Acquisition, the Company also announced a modification of its plans with respect to the Dental business, specifically that it now intends to conduct an initial public offering of shares of the Dental business in the second half of 2019, subject to the satisfaction of certain conditions, including obtaining final approval from the Danaher Board of Directors, receipt of favorable rulings from the IRS and receipt of other receipt of regulatory approvals. Subsequent to the Dental IPO, we intend to distribute our remaining equity interest in the Dental business in one or more spin-off and/or split-off transactions, and in addition to or in lieu of such transactions may sell additional shares of the Dental business in one or more publicly registered offerings or private placements.

Unanticipated developments, including adverse market conditions, possible delays in obtaining various tax rulings, regulatory approvals or clearances, uncertainty of the financial markets or changes in the Company's cash requirements, business performance and challenges in establishing infrastructure or processes, could delay or prevent the proposed Dental IPO and/or any of the other potential transactions described above, or cause the proposed Dental IPO and/or any of the other potential transactions described above to occur on terms or conditions that are less favorable and/or different than expected. Even if these transactions are completed, we may not realize some or all of the anticipated benefits therefrom. Expenses incurred to accomplish these transactions may be significantly higher than what we currently anticipate.

Executing the proposed separation also requires significant time and attention from management, which could distract them from other tasks in operating our business. We cannot assure you that the Dental IPO and the other transactions described above, if consummated, will yield greater, net benefits to Danaher and its shareholders than if the Dental IPO and other transactions described above had not occurred.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Neither the Company nor any “affiliated purchaser” repurchased any shares of Company common stock during the three-month period ended March 29, 2019. On July 16, 2013, the Company’s Board of Directors approved a repurchase program (the “Repurchase Program”) authorizing the repurchase of up to 20 million shares of the Company’s common stock from time to time on the open market or in privately negotiated transactions. There is no expiration date for the Repurchase Program, and the timing and amount of any shares repurchased under the program will be determined by the Company’s management based on its evaluation of market conditions and other factors. The Repurchase Program may be suspended or discontinued at any time. Any repurchased shares will be available for use in connection with the Company’s equity compensation plans (or any successor plans) and for other corporate purposes. As of March 29, 2019, 20 million shares remained available for repurchase pursuant to the Repurchase Program. The Company expects to fund any future stock repurchases using the Company’s available cash balances or proceeds from the issuance of debt.

During the first quarter of 2019, holders of certain of the Company’s Liquid Yield Option Notes due 2021 (“LYONS”) converted such LYONS into an aggregate of 486 thousand shares of Danaher common stock, par value $0.01 per share. In each case, the shares of common stock were issued solely to existing security holders upon conversion of the LYONs pursuant to the exemption from registration provided under Section 3(a)(9) of the Securities Act of 1933, as amended.

ITEM 6. EXHIBITS

(a) Exhibits:

2.1	Equity and Asset Purchase Agreement dated as of February 25, 2019, by and between General Electric Company and Danaher Corporation (incorporated by reference from Exhibit 2.1 to Danaher Corporation's Current Report on Form 8-K filed February 25, 2019 (Commission File Number: 1-8089))
3.1	Restated Certificate of Incorporation of Danaher Corporation (incorporated by reference from Exhibit 3.1 to Danaher Corporation's Quarterly Report on Form 10-Q for the quarter ended June 29, 2012 (Commission File Number: 1-8089))
3.2	Amended and Restated By-laws of Danaher Corporation (incorporated by reference from Exhibit 3.2 to Danaher Corporation's Current Report on Form 8-K filed December 6, 2016 (Commission File Number: 1-8089))
3.3	Certificate of Designations of the 4.75% Mandatory Convertible Preferred Stock, Series A, filed with the Secretary of State of the State of Delaware on February 28, 2019 (incorporated by reference from Exhibit 3.1 to Danaher Corporation's Current Report on Form 8-K filed March 1, 2019 (Commission File Number: 1-8089))
4.1	Specimen Certificate of the 4.75% Mandatory Convertible Preferred Stock, Series A (contained in Exhibit 3.3 above)
10.1	Form of Danaher Corporation 2007 Omnibus Incentive Plan PSU Agreement
11.1	Computation of per-share earnings (See Note 15, "Net Earnings Per Share", to the Consolidated Condensed Financial Statements)
31.1	Certification of Chief Executive Officer Pursuant to Item 601(b)(31) of Regulation S-K, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to Item 601(b)(31) of Regulation S-K, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer, Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document *
101.SCH	XBRL Taxonomy Extension Schema Document *
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document *
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document *
101.LAB	XBRL Taxonomy Extension Label Linkbase Document *
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document *

* Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Condensed Balance Sheets as of March 29, 2019 and December 31, 2018, (ii) Consolidated Condensed Statements of Earnings for the three-month periods ended March 29, 2019 and March 30, 2018, (iii) Consolidated Condensed Statements of Comprehensive Income for the three-month periods ended March 29, 2019 and March 30, 2018, (iv) Consolidated Condensed Statements of Stockholders' Equity for the three-month periods ended March 29, 2019 and March 30, 2018, (v) Consolidated Condensed Statements of Cash Flows for the three-month periods ended March 29, 2019 and March 30, 2018, and (vi) Notes to Consolidated Condensed Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DANAHER CORPORATION

Date:	April 17, 2019	By:	/s/ Matthew R. McGrew
			Matthew R. McGrew
			Executive Vice President and Chief Financial Officer
Date:	April 17, 2019	By:	/s/ Robert S. Lutz
			Robert S. Lutz
			Senior Vice President and Chief Accounting Officer

Exhibit 10.1

DANAHER CORPORATION

2007 OMNIBUS INCENTIVE PLAN, AS AMENDED AND RESTATED

PERFORMANCE STOCK UNIT AGREEMENT

Unless otherwise defined herein, the terms defined in the Danaher Corporation 2007 Omnibus Incentive Plan, As Amended and Restated (the "Plan") will have the same defined meanings in this Performance Stock Unit Agreement (the "Agreement").

I. NOTICE OF GRANT

Name:

Address:

The undersigned Participant has been granted an Award of Performance Stock Units, subject to the terms and conditions of the Plan and this Agreement, as follows (each of the following capitalized terms are defined terms having the meaning indicated below):

Date of Grant:	
Target PSUs:	
TSR Performance Period:	
ROIC Performance Period:	
Vesting Conditions:	Per this Agreement (including Addendum A)

II. AGREEMENT

1. Grant of PSUs. Danaher Corporation (the "Company") hereby grants to the Participant named in this Grant Notice (the "Participant"), an Award of Performance Stock Units (or "PSUs") subject to the terms and conditions of this Agreement and the Plan, which are incorporated herein by reference.

2. Vesting.

(a) Vesting Schedule. Except as may otherwise be set forth in this Agreement or in the Plan, the Award shall vest with respect to the number of PSUs, if any, as determined pursuant to the terms of Addendum A, which is incorporated by reference herein and made a part of this Agreement (such terms are referred to herein as the "Vesting Conditions"); provided that (except as set forth in Sections 4(b) and 4(c) below) the Award shall not vest with respect to any PSUs under the terms of this Agreement unless the Participant continues to be actively employed with the Company or an Eligible Subsidiary from the Date of Grant through the date on which the Compensation Committee (the "Committee") of the Company's Board of Directors determines the number of PSUs that vest pursuant to the Vesting Conditions (the "Certification Date"). The Committee shall determine how many PSUs vest pursuant to the Vesting Conditions and such determination shall be final and conclusive. Until the Committee has made such a determination, none of the Vesting Conditions will be considered to have been satisfied. Such certification shall occur, if at all, no later than four (4) calendar months following the last day of the Performance Period (the "Certification End Date").

(b) Fractional PSU Vesting. In the event the Participant is vested in a fractional portion of a PSU (a "Fractional Portion"), such Fractional Portion will be rounded up and converted into a whole share of Company Common Stock ("Share") and issued to the Participant; provided that to the extent rounding a fractional share up would result in the imposition of either (i) individual tax and penalty interest charges imposed under Section 409A of the Internal Revenue Code of 1986 ("Section 409A"), or (ii) adverse tax consequences if the Participant is located outside of the United States, the fractional share will be rounded down without the payment of any consideration in respect of such fractional share.

3. Form and Timing of Payment; Conditions to Issuance of Shares.

(a) Form and Timing of Payment. The Award of PSUs represents the right to receive a number of Shares equal to the number of PSUs that vest pursuant to the Vesting Conditions. Unless and until the PSUs have vested in the manner set forth herein, the Participant shall have no right to payment of any such PSUs. Prior to actual issuance of any Shares underlying the PSUs, such PSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Subject to the other terms of the Plan and this Agreement, with respect to any PSUs that vest in accordance with this Agreement (other than in cases where the Participant dies during employment, which is addressed in Section 4(b) below), the underlying Shares will be paid to the Participant in whole Shares (and related Dividend Equivalent Rights will also be paid) as soon as practicable (but in any event within 90 days) following the fifth anniversary of the commencement date of the Performance Period (the "Commencement Date"), and such payment shall not be conditioned on continuation of the Participant's active employment with the Company or an Eligible Subsidiary following the Certification Date. Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Committee may require the Participant to take any reasonable action in order to comply with any such rules or regulations.

(b) Acknowledgment of Potential Securities Law Restrictions. Unless a registration statement under the Securities Act covers the Shares issued upon vesting of a PSU, the Committee may require that the Participant agree in writing to acquire such Shares for investment and not for public resale or distribution, unless and until the Shares subject to the PSUs are registered under the Securities Act. The Committee may also require the Participant to acknowledge that he or she shall not sell or transfer such Shares except in compliance with all applicable laws, and may apply such other restrictions as it deems appropriate. The Participant acknowledges that the U.S. federal securities laws prohibit trading in the stock of the Company by persons who are in possession of material, non-public information, and also acknowledges and understands the other restrictions set forth in the Company's Insider Trading Policy.

4. Termination.

(a) General. In the event the Participant's active employment or other active service-providing relationship, as applicable, with the Company or an Eligible Subsidiary terminates (the date of any such termination is referred to as the "Termination Date") for any reason (other than death, Early Retirement or Normal Retirement) whether or not in breach of applicable labor laws, unless contrary to applicable law and unless otherwise provided by the Administrator either initially or subsequent to the grant of the PSUs, all PSUs that are unvested as of the Termination Date shall automatically terminate as of the Termination Date and the Participant's right to receive further PSUs under the Plan shall also terminate as of the Termination Date. The Committee shall have discretion to determine whether the Participant has ceased to be actively employed by (or, if the Participant is a consultant or director, has ceased actively providing services to) the Company or Eligible Subsidiary, and the effective date on which such active employment (or active service-providing relationship, as applicable) terminated. The Participant's active employer-employee or other active service-providing relationship, as applicable, will not be extended by any notice period mandated under applicable law (*e.g.,* active employment shall not include a period of "garden leave," paid administrative leave or similar period pursuant to applicable law). Unless the Committee provides otherwise (1) termination of the Participant's employment will include instances in which Participant is terminated and immediately rehired as an independent contractor, and (2) the spin-off, sale, or disposition of the Participant's employer from the Company or an Eligible Subsidiary (whether by transfer of shares, assets or otherwise) such that the Participant's employer no longer constitutes an Eligible Subsidiary will constitute a termination of employment or service.

(b) Death.

(i) In the event the Participant's active employment or other active service-providing relationship with the Company or an Eligible Subsidiary terminates as a result of death prior to the conclusion of the Performance Period, unless contrary to applicable law and unless otherwise provided by the Administrator either initially or subsequent to the grant of the Award, the Participant's estate will become vested in the portion of the Award determined by multiplying (1) the amount of Target PSUs (and related Dividend Equivalent Rights) subject to such Award, times (2) the quotient of the number of complete twelve-month periods between and including the Commencement Date and the Termination Date (provided that any partial twelve-month period between and including the Commencement Date and the Termination Date shall also be considered a complete twelve-month period for purposes of this pro-ration methodology), divided by the total number of twelve-month periods in the Performance Period. Unless otherwise provided by the Committee, this acceleration of the vesting will also apply to any PSUs the Committee has designated as covered by Performance Objectives for purposes of complying with Code Section 162(m). With respect to any PSUs that vest pursuant to this Section 4(b), the underlying Shares (and related Dividend Equivalent Rights) will be paid to the Participant's estate as soon as reasonably practicable (but in any event within 90 days) following the Participant's death.

(ii) In the event the Participant's active employment or other active service-providing relationship with the Company or an Eligible Subsidiary terminates as a result of death following the conclusion of the Performance Period but prior to the date the Shares (and related Dividend Equivalent Rights) underlying vested PSUs are issued and paid, unless contrary to applicable law and unless otherwise provided by the Administrator either initially or subsequent to the grant of the Award, the underlying Shares (and related Dividend Equivalent Rights) will be paid to the Participant's estate as soon as reasonably practicable (but in any event within 90 days) following the later of (i) the Participant's death, and (ii) the Certification End Date.

(iii) For avoidance of doubt, in all other situations, if the Participant dies after the Participant's active employment or other active service-providing relationship with the Company or an Eligible Subsidiary terminates but prior to the date the Shares (and related Dividend Equivalent Rights) underlying vested PSUs are issued and paid, the underlying Shares (and related Dividend Equivalent Rights) will be paid to the Participant's estate as soon as reasonably practicable (but in any event within 90 days) following the fifth anniversary of the Commencement Date.

(c) Retirement. In the event the Participant's active employment or other active service-providing relationship, as applicable, with the Company or an Eligible Subsidiary terminates prior to the Certification Date as a result of (i) Normal Retirement or (ii) Early Retirement, the Participant will become vested in a number of PSUs (and related Dividend Equivalent Rights) determined by multiplying (1) the amount of PSUs actually earned pursuant to the Vesting Conditions (which shall be determined following completion of the Performance Period) under such Award, by (2) the quotient of (A) the number of complete months between and including the Commencement Date and the Termination Date (provided that any partial month between and including the Commencement Date and the Termination Date shall also be considered a complete month for purposes of this pro-ration methodology), divided by (B) the total number of months in the Performance Period (such quotient is referred to as the "Retirement Proration Quotient", provided that the Retirement Proration Quotient shall never be greater than 1.0)

(d) Gross Misconduct. If the Participant's employment with the Company or an Eligible Subsidiary is terminated for Gross Misconduct as determined by the Administrator, the Administrator in its sole discretion may provide that all, or any portion specified by the Administrator, of the Participant's unvested PSUs shall automatically terminate as of the time of termination without consideration. The Participant acknowledges and agrees that the Participant's termination of employment shall also be deemed to be a termination of employment by reason of the Participant's Gross Misconduct if, after the Participant's employment has terminated, facts and circumstances are discovered or confirmed by the Company that would have justified a termination for Gross Misconduct.

(e) Violation of Post-Termination Covenant. To the extent that any of the Participant's unvested PSUs remain outstanding under the terms of the Plan or this Agreement after the Termination Date, any unvested PSUs shall expire as of the date the Participant violates any covenant not to compete or other post-termination covenant that exists between the Participant on the one hand and the Company or any Subsidiary of the Company, on the other hand.

(f) Substantial Corporate Change. Upon a Substantial Corporate Change, the Participant's unvested PSUs will terminate unless provision is made in writing in connection with such transaction for the assumption or continuation of the PSUs, or the substitution for such PSUs of any options or grants covering the stock or securities of a successor employer corporation, or a parent or subsidiary of such successor, with appropriate adjustments as to the number and kind of shares of stock and prices, in which event the PSUs will continue in the manner and under the terms so provided.

(g) Non-Transferability of PSUs. Unless the Committee determines otherwise in advance in writing, PSUs may not be transferred in any manner otherwise than by will or by the applicable laws of descent or distribution. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs and permitted successors and assigns of the Participant.

5. Amendment of PSUs or Plan.

(a) The Plan and this Agreement constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof. The Participant expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. The Board may amend, modify or terminate the Plan or any Award in any respect at any time; provided, however, that modifications to this Agreement or the Plan that materially and adversely affect the Participant's rights hereunder can be made only in an express written contract signed by the Company and the Participant. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement and the Participant's rights under outstanding PSUs as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, (1) upon a Substantial Corporate Change, (2) as required by law, or (3) to comply with Section 409A of the Internal Revenue Code of 1986 ("Section 409A") or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award.

(b) The Participant acknowledges and agrees that if the Participant changes classification from a full-time employee to a part-time employee the Committee may in its sole discretion reduce or eliminate the Participant's unvested PSUs.

6. Tax Obligations.

(a) Withholding Taxes. Regardless of any action the Company or any Subsidiary employing the Participant (the "Employer") takes with respect to any or all federal, state, local or foreign income tax, social insurance, payroll tax, payment on account or other tax related items ("Tax Related Items"), the Participant acknowledges that the ultimate liability for all Tax Related Items associated with the PSUs is and remains the Participant's responsibility and that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the PSUs, including, but not limited to, the grant or vesting of the PSUs, the delivery of the Shares, the subsequent sale of Shares acquired at vesting and the receipt of any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate the Participant's liability for Tax Related Items. Further, if the Participant is subject to tax in more than one ju risdiction, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(i) This Section 6(a)(i) shall apply to the Participant only if the Participant is not subject to Section 16 of the Securities Exchange Act of 1934 as of the date the relevant PSU first becomes includible in the gross income of Participant for purposes of Tax Related ITems. The Participant shall, no later than the date as of which the value of a PSU first becomes includible in the gross income of the Participant for purposes of Tax Related Items, pay to the Company and/or the Employer, or make arrangements satisfactory to the Administrator regarding payment of, all Tax Related Items required by applicable law to be withheld by the Company and/or the Employer with respect to the PSU. The obligations of the Company under the Plan shall be conditional on the making of such payments or arrangements, and the Company and/or the Employer shall, to the extent permitted by applicable law, have the right to deduct any such Tax Related Items from any payment of any kind otherwise due to the Participant. The Company shall have the right to require the Participant to remit to the Company an amount in cash sufficient to satisfy any applicable withholding requirements related thereto. With the approval of the Administrator, the Participant may satisfy the foregoing requirement by either (i) electing to have the Company withhold from delivery of Shares or (ii) delivering already owned unrestricted Shares, in each case, having a value equal to the minimum amount of tax required to be withheld (or such other rate that will not cause adverse accounting consequences for the Company). Any such Shares shall be valued at their Fair Market Value on the date as of which the amount of Tax Related Items to be withheld is determined. Such an election may be made with respect to all or any portion of the Shares to be delivered pursuant to an Award. The Company may also use any other method or combination of methods of obtaining the necessary payment or proceeds, as permitted by applicable law, to satisfy its withholding obligation with respect to any PSU.

(ii) This Section 6(a)(ii) shall apply to the Participant only if the Participant is subject to Section 16 of the Securities Exchange Act of 1934 as of the date the relevant PSU first becomes includible in the gross income of the Participant for purposes of Tax Related Items. All Tax Related Items legally payable by the Participant in respect of the PSUs shall be satisfied by the Company, withholding a number of the Shares that would otherwise be delivered to the Participant upon the vesting or settlement of the PSUs with a Fair Market Value, determined as of the date of the relevant taxable event, equal to the minimum statutory withholding amount that applies to the Participant, rounded up to the nearest whole share ("Net Settlement"). The Net Settlement mechanism described in this paragraph was approved by the Committee prior to the Date of Grant in a manner intended to constitute "approval in advance" by the Committee for purposes of Rule 16b3-(e) under the Securities Exchange Act of 1934, as amended.

(iii) If the obligation for Tax Related-Items is satisfied by withholding in net settlement, for tax purposes, the Participant shall be deemed to have been issued the full number of Shares issued upon vesting of the PSUs notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax Related-Items.

(b) Code Section 409A. Payments made pursuant to this Plan and the Agreement are intended to qualify for an exemption from or comply with Section 409A. Notwithstanding any provision in the Agreement, the Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan and/or this Agreement to ensure that all PSUs granted to Participants who are United States taxpayers are made in such a manner that either qualifies for exemption from or complies with Section 409A; provided, however, that the Company makes no representations that the Plan or the PSUs shall be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to the Plan or any PSUs granted thereunder. If this Agreement fails to meet the requirements of Section 409A, neither the Company nor any of its Eligible Subsidiaries shall have any liability for any tax, penalty or interest imposed on the Participant by Section 409A, and the Participant shall have no recourse against the Company or any of its Eligible Subsidiaries for payment of any such tax, penalty or interest imposed by Section 409A.

Notwithstanding anything to the contrary in this Agreement, these provisions shall apply to any payments and benefits otherwise payable to or provided to the Participant under this Agreement. For purposes of Section 409A, each "payment" (as defined by Section 409A) made under this Agreement shall be considered a "separate payment." In addition, for purposes of Section 409A, payments shall be deemed exempt from the definition of deferred compensation under Section 409A to the fullest extent possible under (i) the "short-term deferral" exemption of Treasury Regulation § 1.409A-1(b)(4), and (ii) (with respect to amounts paid as separation pay no later than the second calendar year following the calendar year containing the Participant's "separation from service" (as defined for purposes of Section 409A)) the "two years/two-times" involuntary separation pay exemption of Treasury Regulation § 1.409A-1(b)(9)(iii), which are hereby incorporated by reference.

For purposes of making a payment under this Agreement, if any amount is payable as a result of a Substantial Corporate Change, such event must also constitute a "change in ownership or effective control" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A.

If the Participant is a "specified employee" as defined in Section 409A (and as applied according to procedures of the Company and its Subsidiaries) as of his or her separation from service, to the extent any payment under this Agreement constitutes deferred compensation (after taking into account any applicable exemptions from Section 409A), and such payment is payable by reason of a separation from service, then to the extent required by Section 409A, no payments due under this Agreement may be made until the earlier of: (i) the first day of the seventh month following the Participant's separation from service, or (ii) the Participant's date of death; provided, however, that any payments delayed during this six-month period shall be paid in the aggregate in a lump sum, without interest, on the first day of the seventh month following the Participant's separation from service.

7. Rights as Shareholder; Dividends. The Participant shall have no rights as a shareholder of the Company, no dividend rights (except as expressly provided in this Section 7 with respect to Dividend Equivalent Rights) and no voting rights, with respect to the PSUs or any Shares underlying or issuable in respect of such PSUs until such Shares are actually issued to the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the stock certificate or book entry evidencing such Shares. If on or after the Date of Grant and prior to the date the Shares underlying vested PSUs are issued to the Participant a record date occurs with respect to a cash dividend declared by the Board on the shares of Company Common Stock, the Participant will be credited with dividend equivalents equal to (i) the per share cash dividend paid by the Company on its Common Stock with respect to such record date, multiplied by (ii) the total number of PSUs subject to the Award that vest (a "Dividend Equivalent Right"); provided that any Dividend Equivalent Rights credited pursuant to the foregoing provisions of this Section 7 shall be subject to the same vesting, payment and other terms, conditions and restrictions as the PSUs to which they relate and for the avoidance of doubt shall only vest and be paid if and when the PSUs to which such Dividend Equivalent Rights relate vest and the underlying shares are issued; and provided further that Dividend Equivalent Rights that vest and are paid shall be paid in cash.

8. No Employment Contract. Nothing in the Plan or this Agreement constitutes an employment contract between the Company and the Participant and this Agreement shall not confer upon the Participant any right to continuation of employment with the Company or any of its Eligible Subsidiaries, nor shall this Agreement interfere in any way with the Company's or any of its Eligible Subsidiaries right to terminate the Participant's employment or at any time, with or without cause (subject to any employment agreement the Participant may otherwise have with the Company or an Eligible Subsidiary thereof and/or applicable law).

9. Board Authority. The Board and/or the Committee shall have the power to interpret this Agreement and to adopt such rules for the administration, interpretation and application of the Agreement as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the

determination of whether any PSUs have vested). All interpretations and determinations made by the Board and/or the Committee in good faith shall be final and binding upon the Participant, the Company and all other interested persons and such determinations of the Board and/or the Committee do not have to be uniform nor do they have to consider whether Plan participants are similarly situated.

10. Headings. The captions used in this Agreement and the Plan are inserted for convenience and shall not be deemed to be a part of the PSUs for construction and interpretation.

11. Electronic Delivery.

(a) If the Participant executes this Agreement electronically, for the avoidance of doubt the Participant acknowledges and agrees that his or her execution of this Agreement electronically (through an on-line system established and maintained by the Company or a third party designated by the Company, or otherwise) shall have the same binding legal effect as would execution of this Agreement in paper form. The Participant acknowledges that upon request of the Company he or she shall also provide an executed, paper form of this Agreement.

(b) If the Participant executes this Agreement in paper form, for the avoidance of doubt the parties acknowledge and agree that it is their intent that any agreement previously or subsequently entered into between the parties that is executed electronically shall have the same binding legal effect as if such agreement were executed in paper form.

(c) If the Participant executes this Agreement multiple times (for example, if the Participant first executes this Agreement in electronic form and subsequently executes this Agreement in paper form), the Participant acknowledges and agrees that (i) no matter how many versions of this Agreement are executed and in whatever medium, this Agreement only evidences a single Award relating to the number of PSUs set forth in the Grant Notice and (ii) this Agreement shall be effective as of the earliest execution of this Agreement by the parties, whether in paper form or electronically, and the subsequent execution of this Agreement in the same or a different medium shall in no way impair the binding legal effect of this Agreement as of the time of original execution.

(d) The Company may, in its sole discretion, decide to deliver by electronic means any documents related to the PSUs, to participation in the Plan, or to future awards granted under the Plan, or otherwise required to be delivered to the Participant pursuant to the Plan or under applicable law, including but not limited to, the Plan, the Agreement, the Plan prospectus and any reports of the Company generally provided to shareholders. Such means of electronic delivery may include, but do not necessarily include, the delivery of a link to the Company's intranet or the internet site of a third party involved in administering the Plan, the delivery of documents via electronic mail ("e-mail") or such other means of electronic delivery specified by the Company. By executing this Agreement, the Participant hereby consents to receive such documents by electronic delivery. At the Participant's written request to the Secretary of the Company, the Company shall provide a paper copy of any document at no cost to the Participant.

12. ***Data Privacy*. The Company is located at 2200 Pennsylvania Avenue, NW, Suite 800W, Washington, D.C., 20037, United States of America and grants PSUs under the Plan to employees of the Company and its Subsidiaries in its sole discretion. In conjunction with the Company's grant of the PSUs under the Plan and its ongoing administration of such awards, the Company is providing the following information about its data collection, processing and transfer practices ("Personal Data Activities"). In accepting the grant of the PSUs, the Participant expressly and explicitly consents to the Personal Data Activities as described herein.**

(a) ***Data Collection, Processing and Usage*. The Company collects, processes and uses the Participant's personal data, including the Participant's name, home address, email address, and telephone**

number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any Shares or directorships held in the Company, and details of all PSUs or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Participant's favor, which the Company receives from the Participant or the Employer. In granting the PSUs under the Plan, the Company will collect the Participant's personal data for purposes of allocating Shares and implementing, administering and managing the Plan. The Company's legal basis for the collection, processing and usage of the Participant's personal data is the Participant's consent.

(b) ***Stock Plan Administration Service Provider. The Company transfers the Participant's personal data to Fidelity Stock Plan Services LLC, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share the Participant's personal data with another company that serves in a similar manner. The Stock Plan Administrator will open an account for the Participant to receive and trade Shares acquired under the Plan. The Participant will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to the Participant's ability to participate in the Plan.***

(c) ***International Data Transfers. The Company and the Stock Plan Administrator are based in the United States. The Participant should note that the Participant's country of residence may have enacted data privacy laws that are different from the United States. The Company's legal basis for the transfer of the Participant's personal data to the United States is the Participant's consent.***

(d) ***Voluntariness and Consequences of Consent Denial or Withdrawal. The Participant's participation in the Plan and his or her grant of consent is purely voluntary. The Participant may deny or withdraw his or her consent at any time. If the Participant does not consent, or if the Participant later withdraws his or her consent, the Participant may be unable to participate in the Plan. This would not affect the Participant's existing employment or salary; instead, the Participant merely may forfeit the opportunities associated with the Plan.***

(e) ***Data Subjects Rights. The Participant may have a number of rights under the data privacy laws in the Participant's country of residence. For example, the Participant's rights may include the right to (i) request access or copies of personal data the Company processes, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) place restrictions on processing, (v) lodge complaints with competent authorities in the Participant's country of residence, and/or (vi) request a list with the names and addresses of any potential recipients of the Participant's personal data. To receive clarification regarding the Participant's rights or to exercise his or her rights, the Participant should contact his or her local human resources department.***

13. Waiver of Right to Jury Trial. EACH PARTY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES ANY RIGHT OR EXPECTATION AGAINST THE OTHER TO TRIAL OR ADJUDICATION BY A JURY OF ANY CLAIM, CAUSE OR ACTION ARISING WITH RESPECT TO THE PSUS OR HEREUNDER, OR THE RIGHTS, DUTIES OR LIABILITIES CREATED HEREBY.

14. Agreement Severable. In the event that any provision of this Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement.

15. Governing Law and Venue. The laws of the State of Delaware (other than its choice of law provisions) shall govern this Agreement and its interpretation. For purposes of litigating any dispute that arises with respect to the PSUs, this Agreement or the Plan, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the courts of New Castle County, or the United States Federal court for the District of Delaware, and no other courts; and waive,

to the fullest extent permitted by law, any objection that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in any such court is improper or that such proceedings have been brought in an inconvenient forum. Any claim under the Plan, this Agreement or any Award must be commenced by the Participant within twelve (12) months of the earliest date on which the Participant's claim first arises, or the Participant's cause of action accrues, or such claim will be deemed waived by the Participant.

16. Nature of PSUs. In accepting the PSUs, the Participant acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the award of PSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards of PSUs or benefits in lieu of PSUs, even if PSUs have been awarded in the past;

(c) all decisions with respect to future equity awards, if any, shall be at the sole discretion of the Company;

(d) the Participant's participation in the Plan is voluntary;

(e) the award of PSUs and the Shares subject to the PSUs, and the income from and value of same, are an extraordinary item that (i) does not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary, and (ii) is outside the scope of the Participant's employment or service contract, if any;

(f) the award of PSUs and the Shares subject to the PSUs, and the income from and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary;

(g) the award of PSUs and any Shares acquired under the Plan, and the income from and value of same, are not intended to replace or supplement any pension rights or compensation

(h) unless otherwise expressly agreed with the Company, the PSUs and the Shares subject to the PSUs, and the income from and value of same, are not granted as consideration for, or in connection with, any service the Participant may provide as a director of any Subsidiary;

(i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(j) the value of the Shares acquired upon vesting/settlement of the PSUs may increase or decrease in value;

(k) in consideration of the award of PSUs, no claim or entitlement to compensation or damages shall arise from termination of the PSUs or from any diminution in value of the PSUs or the Shares upon vesting of the PSUs resulting from termination of the Participant's employment or continuous service with the Company or any Subsidiary (for any reason whatsoever and whether or not in breach of applicable labor laws of the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the PSUs, the Participant agrees not to institute any claim against the Company or any Subsidiary; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement/electronically accepting this Agreement, Participant shall be deemed to have irrevocably waived the Participant's entitlement to pursue or seek remedy for any such claim; and

(l) neither the Company, the Employer nor any other Eligible Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the PSUs or of any amounts due to the Participant pursuant to the settlement of the PSUs or the subsequent sale of any Shares acquired upon vesting.

17. Language. The Participant acknowledges that he or she is proficient in the English language and understands the terms of this Agreement. If Participant has received the Plan, this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise prescribed by applicable law.

18. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. Waiver. The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other participant.

20. Insider Trading/Market Abuse Laws. By accepting the PSUs, the Participant acknowledges that the Participant is bound by all the terms and conditions of any Company insider trading policy as may be in effect from time to time. The Participant further acknowledges that, depending on the Participant's country, the Participant may be or may become subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., PSUs) or rights linked to the value of Shares under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any Company insider trading policy as may be in effect from time to time. The Participant acknowledges that it is the Participant's personal responsibility to comply with any applicable restrictions, and the Participant should speak to his or her personal advisor on this matter.

21. Legal and Tax Compliance; Cooperation. If the Participant resides or is employed outside of the United States, the Participant agrees, as a condition of the grant of the PSUs, to repatriate all payments attributable to the Shares and/or cash acquired under the Plan (including, but not limited to, dividends and any proceeds derived from the sale of Shares acquired pursuant to the PSUs) if required by and in accordance with local foreign exchange rules and regulations in the Participant 's country of residence (and country of employment, if different). In addition, the Participant also agrees to take any and all actions, and consent to any and all actions taken by the Company and its Eligible Subsidiaries, as may be required to allow the Company and its Eligible Subsidiaries to comply with local laws, rules and regulations in the Participant's country of residence (and country of employment, if different). Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under local laws, rules and regulations in the Participant 's country of residence (and country of employment, if different).

22. Private Offering. The grant of the PSUs is not intended to be a public offering of securities in the Participant's country of residence (and country of employment, if different). The Company has not submitted any registration statement, prospectus or other filing with the local securities authorities with respect to the grant of the PSUs (unless otherwise required under local law). **No employee of the Company is permitted to advise the Participant on whether the Participant should acquire Shares under the Plan or provide the Participant with any legal, tax or financial advice with respect to the grant of the PSUs. Investment in Shares involves a degree of risk. Before deciding to acquire Shares pursuant to the PSUs, the Participant should carefully consider all risk factors and tax considerations relevant to the acquisition of Shares under the Plan or the disposition of them. Further, the Participant should carefully review all of the materials related to the PSUs and the Plan, and the Participant should consult with the Participant's personal legal, tax and financial advisors for professional advice in relation to the Participant's personal circumstances.**

23. Foreign Asset/Account Reporting Requirements and Exchange Controls. The Participant's country may have certain foreign asset/ account reporting requirements and exchange controls which may affect the Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including any dividends paid on Shares, sale proceeds resulting from the sale of Shares acquired under the Plan) in a brokerage or bank account outside the Participant's country. The Participant may be required to report such accounts, assets, or transactions to the tax or other authorities in the Participant's country. The Participant may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker within a certain time after receipt. The Participant acknowledges that it is the Participant's responsibility to be compliant with such regulations and the Participant should consult his or her personal legal advisor for any details.

24. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the PSUs and on any Shares subject to the PSUs, to the extent the Company determines it is necessary or advisable for legal or administrative reasons and provided the imposition of the term or condition will not result in any adverse accounting expense to the Company, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

25. Recoupment. The PSUs granted pursuant to this Agreement are subject to the terms of the Danaher Corporation Recoupment Policy in the form approved by the Committee from time to time (including any successor thereto, the "Policy") if and to the extent such Policy by its terms applies to the PSUs, and to the terms required by applicable law; and the terms of the Policy and such applicable law are incorporated by reference herein and made a part hereof. For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold the Participant's Shares and other amounts acquired pursuant to the Participant's PSUs, to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company upon the Company's enforcement of the Policy. To the extent that the Agreement and the Policy conflict, the terms of the Policy shall prevail.

26. Notices. The Company may, directly or through its third party stock plan administrator, endeavor to provide certain notices to Participant regarding certain events relating to awards that the Participant may have received or may in the future receive under the Plan, such as notices reminding the Participant of the vesting or expiration date of certain awards. The Participant acknowledges and agrees that (1) the Company has no obligation (whether pursuant to this Agreement or otherwise) to provide any such notices; (2) to the extent the Company does provide any such notices to the Participant the Company does not thereby assume any obligation to provide any such notices or other notices; and (3) the Company, its Subsidiaries and the third party stock plan administrator have no liability for, and the Participant has no right whatsoever (whether pursuant to this Agreement or otherwise) to make any claim against the Company, any of its Subsidiaries or the third party stock plan administrator based on any allegations of, damages or harm suffered by the

Participant as a result of the Company's failure to provide any such notices or the Participant's failure to receive any such notices. Participant further agrees to notify the Company upon any change in his or her residence or address.

27. Limitations on Liability. Notwithstanding any other provisions of the Plan or this Agreement, no individual acting as a director, employee, or agent of the Company or any of its Subsidiaries will be liable to the Participant or the Participant's spouse, beneficiary, or any other person or entity for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable because of any contract or other instrument he or she executes in such other capacity. No member of the Board or of the Committee will be liable for any action or determination (including, but limited to, any decision not to act) made in good faith with respect to the Plan or any PSUs.

28. **Consent and Agreement With Respect to Plan. The Participant (a) acknowledges that the Plan and the prospectus relating thereto are available to the Participant on the website maintained by the Company's third party stock plan administrator; (b) represents that he or she has read and is familiar with the terms and provisions thereof, has had an opportunity to obtain the advice of counsel of his or her choice prior to executing this Agreement and fully understands all provisions of the Agreement and the Plan; (c) accepts these PSUs subject to all of the terms and provisions thereof; (d) consents and agrees to all amendments that have been made to the Plan since it was adopted in 2007 (and for the avoidance of doubt consents and agrees to each amended term reflected in the Plan as in effect on the date of this Agreement), and consents and agrees that all options, restricted stock units and PSUs, if any, held by the Participant that were previously granted under the Plan as it has existed from time to time are now governed by the Plan as in effect on the date of this Agreement (except to the extent the Committee has expressly provided that a particular Plan amendment does not apply retroactively); and (e) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement.**

[*If the Agreement is signed in paper form, complete and execute the following:*]

PARTICIPANT **DANAHER CORPORATION**

Signature *Signature*

Print Name *Print Name*

Title

Residence Address

Declaration of Data Privacy Consent. By providing the additional signature below, the undersigned explicitly declares his or her consent to the data processing operations described in Section 12 of this Agreement. This includes, without limitation, the transfer of the Participant's personal data to, and the processing of such data by, the Company, the Employer or, as the case may be, the Stock Plan Administrator in the United States. The undersigned may withdraw his or her consent at any time, with future effect and for any or no reason as described in Section 13 of this Agreement.

PARTICIPANT:

Signature

ADDENDUM A

PERFORMANCE VESTING REQUIREMENTS

1. Performance Criteria. For the avoidance of doubt, terms defined in the Agreement will have the same definition in this Addendum A. The percentage of Target PSUs (and related Dividend Equivalent Rights) awarded hereunder that vest will be determined based on the Company's (1) relative total shareholder return ("TSR") percentile for the TSR Performance Period, and (2) return on invested capital ("ROIC") performance for the ROIC Performance Period, determined as follows:

(a) First, a preliminary vesting percentage of Target PSUs will be determined based on TSR percentile rank, per the table below (for TSR Percentile Rank performance between the levels indicated below, the portion of the PSUs that vest will be determined on a straight-line basis (i.e., linearly interpolated) between the two nearest levels indicated below):

TSR Percentile Rank	**Preliminary Vesting Percentage of Target PSUs Based on TSR**
75^{th} percentile and above	200%
55^{th} percentile	100%
35^{th} percentile	50%
Below 35^{th} percentile	0%

(b) The final percentage of Target PSUs (and related Dividend Equivalent Rights) awarded hereunder that vest is equal to the product of (i) the preliminary vesting percentage of Target PSUs identified in Section 1(a) of this Addendum A, and (ii) the applicable ROIC Modifier Factor identified per the table below based on the Company's Three Year Average ROIC Change:

Three Year Average ROIC Change	**ROIC Modifier Factor**
At or above + 200 basis points	110%
Below + 200 basis points and above zero basis points	100%
At or below zero basis points	90%

All PSUs that do not vest will terminate.

(c) Notwithstanding the foregoing:

(i) if the Company's TSR for the Performance Period is positive, the minimum final vesting percentage shall be twenty-five percent (25%) of the Target PSUs;

(ii) if the Company's TSR for the Performance Period is negative, the maximum final vesting percentage shall be one hundred percent (100%) of the Target PSUs;

(iii) the final vesting percentage cannot exceed two hundred percent (200%) of the Target PSUs; and

(iv) for the avoidance of doubt, with respect to Section 1(c)(i), (ii) and (iii) above, the ROIC Modifier Factor shall not apply if such factor would reduce the final vesting percentage below 25% in the case of (i) above, increase the final vesting percentage above 100% in the case of (ii) above or increase the final vesting percentage above 200% in any circumstance.

2. Definitions. For purposes of the Award, the following definitions will apply:

- "Adjusted Invested Capital" means the average of the quarter-end balances for each fiscal quarter of the ROIC Performance Period of (a) the sum of (i) the Company's GAAP total stockholders' equity and (ii) the Company's GAAP total short-term and long-term debt; less (b) the Company's GAAP cash and cash equivalents; but excluding in all cases the impact of (1) any business acquisition by the Company for a purchase price equal to or greater than $250 million and consummated during the ROIC Performance Period, (2) any business sale, divestiture or disposition by the Company during the ROIC Performance Period, and (3) all Company investments in marketable or non-marketable securities that are consummated during the ROIC Performance Period.

- "Adjusted Net Income" means the Company's GAAP net income from continuing operations for the ROIC Performance Period, but excluding the Adjustment Items.

- "Adjustment Items" with respect to the ROIC Performance Period means (1) unusual or infrequently occurring items in accordance with GAAP; (2) the impact of any change in accounting principles that occurs during the ROIC Performance Period and the cumulative effect thereof, to the extent such change was not considered in establishing target performance levels (the Administrator may either apply the changed accounting principle to the calculation of Adjusted Net Income for the Baseline Year, or exclude the impact of the change in accounting principle from the calculation of Adjusted Net Income for the ROIC Performance Period); (3) goodwill and other intangible impairment charges; (4) gains or charges associated with (i) the sale or divestiture (in any manner) of any interest in a business or (ii) losing control of a business, as well as the gains or charges associated with the operation of any business (a) as to which control is or was lost in the ROIC Performance Period, or (b) as to which the Company divested or divests its interest in the ROIC Performance Period; (5) gains or charges related to the sale or impairment of assets; (6)(i) transaction costs directly related to the acquisition of a business during the ROIC Performance Period for a purchase price equal to or greater than $250 million, (ii) gains and charges associated with any business acquired by the Company during the ROIC Performance Period for a purchase price equal to or greater than $250 million, and (iii) gains or charges related to Company investments in marketable or non-marketable securities (regardless of whether such investments are consummated during or prior to the ROIC Performance Period); (7) the impact of any discrete income tax charges or benefits recorded in the ROIC Performance Period; (8) all non-cash amortization charges; and (9) all after-tax interest expense; provided, that with respect to the gains and charges referred to in sections (3), (4), (5) and (7), only gains or charges that individually or as part of a series of related items exceed $10 million during the ROIC Performance Period are excluded.

- "Beginning Price" means, with respect to the Company and any other Comparison Group member, the average of the closing market prices of such company's common stock on the principal exchange on which such stock is traded for the twenty (20) consecutive trading days ending with the last trading day before the beginning of the Performance Period. For the purpose of determining Beginning Price, the value of dividends and other distributions shall be determined by treating them as reinvested in additional shares of stock at the closing market price on the ex-dividend date.

- "Comparison Group" means the Company and each other company included in the Standard & Poor's 500 index on the first day of the Performance Period and, except as provided below, the common stock (or similar equity security) of which is continually listed or traded on a national securities exchange from the first day of the Performance Period through the last trading day of the Performance Period. In the event a member of the Comparison Group files for bankruptcy or liquidates due to an insolvency, such company shall continue to be treated as a Comparison Group member, and such company's Ending Price will be treated as $0 if the common stock (or similar equity security) of such company is no longer listed or traded on a national securities exchange on the last trading day of the Performance Period (and if multiple members of the Comparison Group file for bankruptcy or liquidate due to an insolvency, such members shall be ranked in order of when such bankruptcy or liquidation occurs, with earlier bankruptcies/ liquidations ranking lower than later bankruptcies/liquidations). In the event of a formation of a new parent company by a Comparison Group member, substantially all of the assets and liabilities of which consist immediately after the transaction of the equity interests in the original Comparison Group member or the assets and liabilities of such Comparison Group member immediately prior to the transaction, such new parent company shall be substituted for the Comparison Group member to the extent (and for such period of time) as its common stock (or similar equity securities) are listed or traded on a national securities exchange but the common stock (or similar equity securities) of the original Comparison Group member are not. In the event of a merger or other business combination of two Comparison Group members (including, without limitation, the acquisition of one Comparison Group member, or all or substantially all of its assets, by another Comparison Group member), the surviving, resulting or successor entity, as the case may be, shall continue to be treated as a member of the Comparison Group, provided that the common stock (or similar equity security) of such entity is listed or traded on a national securities exchange through the last trading day of the Performance Period. With respect to the preceding two sentences, the applicable stock prices shall be equitably and proportionately adjusted to the extent (if any) necessary to preserve the intended incentives of the awards and mitigate the impact of the transaction.

- "Ending Price" means, with respect to the Company and any other Comparison Group member, the average of the closing market prices of such company's common stock on the principal exchange on which such stock is traded for the twenty (20) consecutive trading days ending on the last trading day of the Performance Period. For the purpose of determining Ending Price, the value of dividends and other distributions shall be determined by treating them as reinvested in additional shares of stock at the closing market price on the ex-dividend date.

- "ROIC Performance Period" means the ROIC Performance Period specified in the Grant Notice.

- "Three Year Average ROIC Change" means (1) the quotient of (a) the Company's Adjusted Net Income for the ROIC Performance Period divided by three, divided by (b) the Company's Adjusted Invested Capital for the ROIC Performance Period, less (2) the quotient of (x) the Company's Adjusted Net Income for the year immediately preceding the Date of Grant (the "Baseline Year"), divided by (y) the Company's Adjusted Invested Capital for the Baseline Year.

- "Target PSUs" means the target number of PSUs subject to the Award as specified in the Grant Notice.
- "TSR" shall be determined with respect to the Company and any other Comparison Group member by dividing: (a) the sum of (i) the difference obtained by subtracting the applicable Beginning Price from the applicable Ending Price plus (ii) all dividends and other distributions on the respective shares with an ex-dividend date that falls during the Performance Period by (b) the applicable Beginning Price. Any non-cash distributions shall be valued at fair market value. For the purpose of determining TSR, the value of dividends and other distributions shall be determined by treating them as reinvested in additional shares of stock at the closing market price on the date of distribution.

• “TSR Percentile Rank” means the percentile ranking of the Company’s TSR among the TSRs for the Comparison Group members for the Performance Period. TSR Percentile Rank is determined by ordering the Comparison Group members (plus the Company if the Company is not one of the Comparison Group members) from highest to lowest based on TSR for the relevant Performance Period and counting down from the company with the highest TSR (ranked first) to the Company’s position on the list. If two companies are ranked equally, the ranking of the next company shall account for the tie, so that if one company is ranked first, and two companies are tied for second, the next company is ranked fourth. In determining the Company’s TSR Percentile Rank for the Performance Period, in the event that the Company’s TSR for the Performance Period is equal to the TSR(s) of one or more other Comparison Group members for that same period, the Company’s TSR Percentile Rank ranking will be determined by ranking the Company’s TSR for that period as being greater than such other Comparison Group members. After this ranking, the TSR Percentile Rank will be calculated using the following formula, rounded to the nearest whole percentile by application of regular rounding:

$$\text{TSR Percentile Rank} = \frac{(N - R)}{N} * 100$$

“N” represents the number of Comparison Group members for the relevant Performance Period (plus the Company if the Company is not one of the Comparison Group members for that Performance Period).

“R” represents the Company’s ranking among the Comparison Group members (plus the Company if the Company is not one of the Comparison Group members for the relevant Performance Period).

• “TSR Performance Period” means the TSR Performance Period specified in the Grant Notice.

3. General. With respect to the computation of TSR, Beginning Price, and Ending Price, there shall also be an equitable and proportionate adjustment to the extent (if any) necessary to preserve the intended incentives of the awards and mitigate the impact of any change in corporate capitalization, such as a stock split, stock dividend or reverse stock split, occurring during the Performance Period (or during the applicable 20-day period in determining Beginning Price or Ending Price, as the case may be). In the event of any ambiguity or discrepancy, the determination of the Committee shall be final and binding.

Exhibit 31.1

Certification

I, Thomas P. Joyce, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Danaher Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	April 17, 2019	By:	/s/ Thomas P. Joyce, Jr.
			Thomas P. Joyce, Jr.
			President and Chief Executive Officer

Certification

I, Matthew R. McGrew, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Danaher Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	April 17, 2019	By:	/s/ Matthew R. McGrew
			Matthew R. McGrew
			Executive Vice President and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas P. Joyce, Jr., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Danaher Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2019 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Danaher Corporation.

Date:	April 17, 2019	By:	/s/ Thomas P. Joyce, Jr.
			Thomas P. Joyce, Jr.
			President and Chief Executive Officer

This certification accompanies the Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that Danaher Corporation specifically incorporates it by reference.

Exhibit 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matthew R. McGrew, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Danaher Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2019 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Danaher Corporation.

Date:	April 17, 2019	By:	/s/ Matthew R. McGrew
			Matthew R. McGrew
			Executive Vice President and Chief Financial Officer

This certification accompanies the Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that Danaher Corporation specifically incorporates it by reference.