

2 QUALITY ANALYSIS

Company Danaher 7-18-12

(DHR)

07/18/12

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	5 YEAR AVG.	TREND UP / DOWN
A % Pre-tax Profit on Sales	14.2	15.1	15.4	15.5	15.1	14.8	13.8	12.7	17.6	14.8	14.7	EVEN
B % ROE (Beginning Yr)		17.1	19.4	18.4	21.1	17.2	13.8	11.3	14.7	13.3	14.1	DOWN
C % Debt to Equity	40.4	35.3	20.0	16.8	36.4	38.2	26.0	25.0	20.4	31.3	28.2	UP

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) 51.99 (18.0) 52-WEEK HIGH (P/E) 56.45 (19.5) 52-WEEK LOW (P/E) 39.34 (13.6)

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2007	44.6	34.6	1.86	24.0	18.6	0.055	3.0	0.2
2 2008	44.1	23.6	1.98	22.3	11.9	0.060	3.0	0.3
3 2009	38.3	23.9	1.73	22.1	13.8	0.065	3.8	0.3
4 2010	47.6	34.9	2.64	18.0	13.2	0.080	3.0	0.2
5 2011	56.1	39.3	2.77	20.3	14.2	0.090	3.2	0.2
6 AVERAGE		31.3		21.3	13.3		3.2	
AVERAGE P/E RATIO		17.8 17.3	PROJECTED P/E RATIO		16.4	TTM EPS		2.89
CURRENT P/E RATIO		18.0	PEG RATIO		1.6	FTM EPS		3.18
RELATIVE VALUE		101.1% 104.0%	PROJ. RELATIVE VALUE		91.9% 94.5%	AVG TTM + FTM EPS		3.03

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E ~~21.3~~ 20.7 X Estimated High Earnings/Share 4.46 = Forecast High Price \$ 92.3

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E 13.3 X Estimated Low Earnings/Share ~~2.77~~ 2.89 = \$ 38.4
(as adj.)

(b) Average 5-Year Low Price = 31.3

(c) Recent Severe Low Price = 34.9

(d) Price Dividend Will Support = Present Divd. + High Yield = 0.100 + 0.003 = 36.8

Selected Estimated Low Price = \$ 38.4

C PRICE RANGES

Forecast High Price 92.3 - Estimated Low Price 38.4 = Range 53.9 25% of Range = 13.5

BUY (Lower 25% of Range) = 38.4 to 51.9

MAYBE (Middle 50% of Range) = 51.9 to 78.8

SELL (Upper 25% of Range) = 78.8 to 92.3

Current Price 51.990 is in the Hold Range

D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 92.3 - Current Price 51.990) ÷ (Current Price 51.990 - Estimated Low Price 38.4) = 3.0 To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD

Present Full Year's Dividend \$ 0.100 ÷ Current Price of Stock \$ 51.990 = 0.2 % Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout 3.2 ÷ Forecast High P/E 20.7 = Avg. Yield 0.2

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout 3.2 ÷ Forecast Avg P/E 17.0 = Avg. Yield 0.2

C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield 0.2 % + Annual Appreciation 12.2 % = Compound Annual Total Return 12.3 %

D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield 0.2 % + Annual Appreciation 7.8 % = Projected Average Total Return 8.0 %