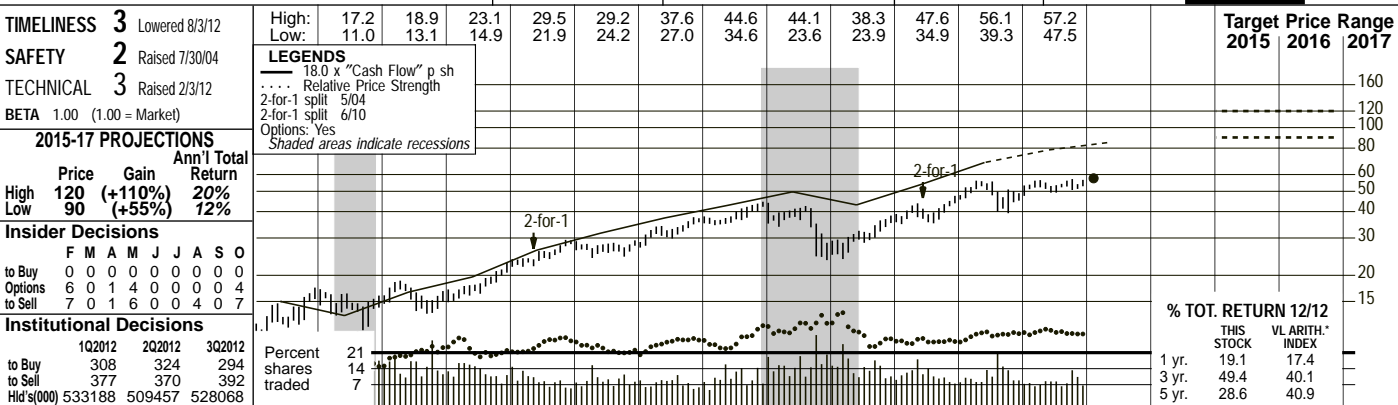


DANAHER CORP. NYSE-DHR

RECENT PRICE **57.68** P/E RATIO **17.7** (Trailing: 18.3; Median: 19.0) RELATIVE P/E RATIO **1.12** DIV'D YLD **0.2%**

VALUE LINE



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
3.85	4.38	5.38	5.61	6.65	6.58	7.50	8.61	11.15	13.07	15.57	17.32	19.92	17.29	20.03	23.34	26.10	27.05	Revenues per sh	36.20
.42	.49	.48	.68	.83	.72	.92	1.09	1.46	1.76	2.08	2.39	2.76	2.39	2.98	3.83	4.75	4.75	"Cash Flow" per sh	6.70
.27	.32	.34	.46	.56	.58	.69	.82	1.15	1.38	1.65	1.92	2.12	1.81	2.31	2.83	3.15	3.50	Earnings per sh A	5.25
.01	.01	.01	.02	.02	.02	.02	.03	.03	.04	.04	.05	.06	.06	.08	.09	.10	.12	Div'ds Decl'd per sh B	.20
.11	.13	.17	.16	.16	.14	.11	.13	.19	.20	.22	.25	.30	.29	.33	.48	.65	.70	Cap'l Spending per sh	.85
1.70	1.96	2.50	3.00	3.42	3.88	4.93	5.93	7.48	8.31	10.78	14.27	15.39	17.98	20.80	24.62	28.30	31.20	Book Value per sh C	42.85
471.11	467.83	540.43	569.76	568.05	574.52	610.13	614.72	617.84	611.14	616.48	636.60	637.40	646.96	659.18	689.29	692.00	695.00	Common Shs Outst'g D	700.00
18.4	20.0	28.1	29.8	23.1	25.4	23.3	22.1	21.8	19.5	19.8	20.1	17.0	17.1	17.3	17.4	16.9		Avg Ann'l P/E Ratio	20.0
1.15	1.15	1.46	1.70	1.50	1.30	1.27	1.26	1.15	1.04	1.07	1.07	1.02	1.14	1.10	1.10	1.05		Relative P/E Ratio	1.35
.2%	.2%	.1%	.1%	.1%	.1%	.1%	.1%	.1%	.1%	.1%	.1%	.2%	.2%	.2%	.2%	.2%		Avg Ann'l Div'd Yield	.2%

CAPITAL STRUCTURE as of 9/30/12
 Total Debt \$4714.3 mill. Due in 5 Yrs \$1200.0 mill.
 LT Debt \$4659.2 mill. LT Interest \$255.0 mill. (19% of Cap'l)

Leases, Uncapitalized Annual rentals \$195.0 mill.
Pension Assets-12/11 \$1735.4 mill.
Oblig. \$2316.1 mill.

Pfd Stock None

Common Stock 692,687,947 shs.
MARKET CAP: \$40.0 billion (Large Cap)

CURRENT POSITION (SMILL.)

	2010	2011	9/30/12
Cash Assets	1632.9	537.0	1541.3
Receivables	2219.0	3049.9	2984.7
Inventory (LIFO)	1225.2	1781.4	1882.4
Other	652.4	904.1	499.6
Current Assets	5729.5	6272.4	6908.0
Accts Payable	1215.8	1422.4	1492.6
Debt Due	40.8	98.4	55.1
Other	2048.2	2651.2	2387.0
Current Liab.	3304.8	4172.0	3934.7

4577.2	5293.9	6889.3	7984.7	9596.4	11026	12697	11184	13203	16091	18050	18800	Revenues (\$mill)	25350
18.0%	18.5%	18.4%	18.1%	17.9%	18.5%	18.5%	16.7%	19.2%	19.6%	19.8%	20.0%	Operating Margin	22.8%
129.6	133.4	156.2	177.0	217.2	268.5	339.3	341.6	397.1	634.9	825	875	Depreciation (\$mill)	1000
434.1	536.8	746.0	897.8	1063.5	1249.9	1420.7	1205.0	1568.9	2007.5	2180	2435	Net Profit (\$mill)	3675
34.0%	32.6%	29.5%	27.3%	23.4%	25.8%	24.7%	19.2%	23.5%	25.8%	26.0%	26.0%	Income Tax Rate	26.0%
9.5%	10.1%	10.8%	11.2%	11.1%	11.3%	11.2%	10.8%	11.9%	12.5%	12.1%	13.0%	Net Profit Margin	14.5%
1122.0	1562.2	716.4	676.4	935.3	1149.9	1442.0	2459.6	2424.7	2100.4	3100	3300	Working Cap'l (\$mill)	4000
1197.4	1284.5	925.5	857.8	2422.9	3395.8	2553.2	2889.0	2783.9	5206.8	4600	4100	Long-Term Debt (\$mill)	2700
3009.6	3646.7	4619.7	5080.4	6644.7	9085.7	9808.6	11630	13711	16972	19600	21700	Equity (\$mill)	30000
10.8%	10.9%	13.9%	15.5%	12.2%	10.5%	12.0%	8.7%	9.9%	9.8%	9.5%	10.0%	Return on Total Cap'l	11.5%
14.4%	14.7%	16.1%	17.7%	16.0%	13.8%	14.5%	10.4%	11.4%	11.8%	11.0%	11.0%	Return on Shr. Equity	12.5%
14.0%	14.3%	15.8%	17.2%	15.6%	13.4%	14.1%	10.0%	11.1%	11.5%	11.0%	11.0%	Retained to Com Eq	12.0%
3%	3%	2%	2%	2%	3%	3%	3%	3%	3%	3%	3%	All Div'ds to Net Prof	4%

BUSINESS: Danaher Corp. designs, manufactures, and markets professional, medical, industrial, and commercial products and services, which have strong brand names and major market shares. Acquired 14 companies in 2011 at a total cost of \$6.2 billion, incl. \$5.5 bil. for Beckman Coulter; 17 in 2010 for \$2.1 billion; 15 in 2009 for \$704 million. Foreign sales were 58% of 2011 revenues. Has 59,000 employees. '11 depreciation rate: 16.9%. Rales brothers own 15.7% of common stock; officers and directors, 16.8%; T. Rowe Price, 9.6% (4/12 Proxy). Chairman.: Steven M. Rales. Pres. & CEO: H. Lawrence Culp. Incorporated: Delaware. Address: 2099 Pennsylvania Avenue, N.W., 12th Floor, Washington, D.C. 20006. Telephone: 202-828-0850. Internet: www.danaher.com.

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	12.5%	12.0%	11.0%
"Cash Flow"	15.0%	13.5%	14.0%
Earnings	16.5%	13.0%	15.0%
Dividends	16.5%	17.5%	18.0%
Book Value	20.0%	20.0%	13.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	2627	2673	2750	3132	11184
2010	3092	3311	3190	3610	13203
2011	3292	3636	4446	4717	16091
2012	4316	4554	4416	4764	18050
2013	4465	4735	4650	4950	18800

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.36	.45	.45	.55	1.81
2010	.48	.56	.60	.67	2.31
2011	.60	.69	.73	.81	2.83
2012	.73	.84	.77	.81	3.15
2013	.78	.90	.85	.97	3.50

QUARTERLY DIVIDENDS PAID B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.015	.015	.015	.015	.06
2010	.02	.02	.02	.02	.08
2011	.02	.02	.02	.025	.085
2012	.025	.025	.025	.025	.10
2013					

Danaher likely posted earnings growth north of 10% for 2012. Our expectation now sits at \$3.15 a share, down a touch from our original call. This performance is still admirable, given the way that business conditions in Europe deteriorated throughout the year. A noticeable slowdown in the Chinese economy did not help this industrial conglomerate, either. All things considered, DHR's growth-via-acquisition strategy has held up well through these tumultuous times, especially from a global perspective. The Danaher Business System is as formidable a device as ever.

Make no mistake, acquiring new businesses remains a priority for 2013 and beyond. The Beckman Coulter (BC) deal was huge, even by Danaher's standards. Most companies would be on the sidelines for an elongated period of time following such an undertaking. Regardless, DHR is forging ahead due to its ample cash balance and improving cash flow generation. We would not be surprised if some of the new platforms that have sprouted as a result of the BC purchase were fleshed out. Bolt-on agree-

ments should continue to roll in at their usual pace as the year progresses. **Altering the operations of two of its businesses should enhance profitability in the years ahead.** Our 3- to 5-year projections have share net rising by a double-digit percentage on an annual basis. The company's communications business should contribute more to the bottom line now that it is slanted toward wireless and security operations, which reap fatter profits than the testing business that had been a focus in years past. Also, Leica Biosystems, an entity that when purchased was based in sample processing, is now immersed in innovative technologies for the cancer diagnostics field. Clearly, the margins now generated are a cut above the former specialty. **These good-quality shares are a solid selection for investors with an eye on the 2015-2017 time frame.** For the coming six to 12 months, this equity will likely trade in line with the broader market indices. Too, dividend increases over that span should be minimal, as acquisitions take precedent at this conglomerate.

Erik M. Manning
 January 18, 2013

(A) Diluted earnings. May not sum due to rounding. Excl. nonrecr. gains/(losses): '98, (6c); '99, (2c); '01, (8c); '02, (2c); '03, 3c; '05, 2c; '06, 9c; '07, (6c); '08, (14c); '09, (16c); '10, 33c. Excl. gains/(loss) from discount. ops.; '96, 9c; '07, 24c. Next eggs. report due January 28th.
 (B) Dividends are paid in late April, July, October, December.
 (C) Incl. intang.'11: \$20,315 mill., \$29.47/sh.
 (D) In millions, adjusted for stock splits.

Company's Financial Strength B++
Stock's Price Stability 90
Price Growth Persistence 95
Earnings Predictability 90