

DANAHER CORP /DE/
Form PRE 14A
March 18, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

DANAHER CORPORATION

(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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No fee required.

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

DANAHER CORPORATION

2200 Pennsylvania Avenue, N.W., Suite 800W

Washington, D.C. 20037-1701

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 10, 2011

To the Shareholders:

Notice is hereby given that the 2011 Annual Meeting of Shareholders of Danaher Corporation, a Delaware corporation (Danaher), will be held at the Mayflower Hotel, 1127 Connecticut Avenue, N.W., Washington, D.C., on May 10, 2011 at 3:00 p.m., local time, for the following purposes:

1. To elect the three directors named in the attached proxy statement to hold office for a term of three years and until their successors are elected and qualified.
2. To ratify the selection of Ernst & Young LLP as Danaher s independent registered public accounting firm for the year ending December 31, 2011.
3. To approve an amendment to Danaher s Restated Certificate of Incorporation to declassify the Board of Directors and provide for the annual election of directors.
4. To approve an amendment to Danaher s Restated Certificate of Incorporation to allow holders of twenty-five percent (25%) or more of the Company s outstanding shares to call a special meeting of shareholders.
5. To approve certain amendments to Danaher s 2007 Stock Incentive Plan and the material terms of the performance goals under the Plan.
6. To approve on an advisory basis the Company s executive officer compensation.
7. To hold an advisory vote relating to the frequency of future shareholder advisory votes on the Company s executive officer compensation
8. To consider and act upon such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 11, 2011 as the record date for determination of shareholders entitled to notice of and to vote at the meeting and any adjournment thereof.

YOUR VOTE IS IMPORTANT. PLEASE SUBMIT YOUR PROXY OR VOTING INSTRUCTIONS AT YOUR EARLIEST CONVENIENCE, WHETHER OR NOT YOU PLAN TO ATTEND THE DANAHER CORPORATION ANNUAL MEETING. Most shareholders have a choice of voting over the Internet, by telephone or by using a traditional proxy card. Please refer to the attached proxy materials or the information forwarded by your bank, broker or other holder of record to see which voting methods are available to you.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 10, 2011.

This proxy statement and the accompanying annual report are available at:

<http://www.danaher.com/proxy>.

BY ORDER OF THE BOARD OF DIRECTORS

JAMES F. O REILLY

Secretary

April 4, 2011

PROXY STATEMENT

DANAHER CORPORATION

2200 Pennsylvania Avenue, N.W., Suite 800W

Washington, D.C. 20037-1701

2011 ANNUAL MEETING OF SHAREHOLDERS

MAY 10, 2011

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors (**Board**) of Danaher Corporation, a Delaware corporation (**Danaher**), of proxies for use at the 2011 Annual Meeting of Shareholders (**Annual Meeting**) to be held at the Mayflower Hotel, 1127 Connecticut Avenue, N.W., Washington, D.C. on May 10, 2011 at 3:00 p.m., local time, and at any and all adjournments thereof. Danaher's principal address is 2200 Pennsylvania Avenue, N.W., Suite 800W, Washington, D.C. 20037-1701. The date of mailing of this Proxy Statement is on or about April 4, 2011.

Purpose of the Annual Meeting

The purpose of the meeting is to: elect the three directors named in this proxy statement to hold office for a term of three years and until their successors are elected and qualified; ratify the selection of Ernst & Young LLP as Danaher's independent registered public accounting firm for the year ending December 31, 2011; approve an amendment to Danaher's Restated Certificate of Incorporation to declassify the Board of Directors and provide for the annual election of directors; approve an amendment to Danaher's Restated Certificate of Incorporation to allow holders of twenty-five percent (25%) or more of the Company's outstanding shares to call a special meeting of shareholders; approve certain amendments to Danaher's 2007 Stock Incentive Plan and the material terms of the performance goals under the Plan; approve on an advisory basis the Company's executive officer compensation; hold an advisory vote relating to the frequency of future shareholder advisory votes on the Company's executive officer compensation; and consider and act upon such other business as may properly come before the meeting or any adjournment thereof.

Annual Meeting Admission

Please be prepared to present photo identification for admittance. If you are a shareholder of record or hold your shares through a Danaher 401(k) plan, your name will be verified against the list of shareholders of record or plan participants on the record date prior to your being admitted to the Annual Meeting. If you are not a shareholder of record but hold shares through a broker, trustee or nominee (*i.e.*, in street name), you should also be prepared to provide proof of beneficial ownership as of the record date, such as a recent brokerage account statement showing your ownership, a copy of the voting instruction card provided by your broker, trustee or nominee, or other similar evidence of ownership.

Outstanding Stock and Voting Rights

In accordance with Danaher's Bylaws, the Board has fixed the close of business on March 11, 2011 as the record date for determining the shareholders entitled to notice of, and to vote at, the Annual Meeting. Only shareholders of record at the close of business on that date will be entitled to vote. The only outstanding securities of Danaher entitled to vote at the Annual Meeting are shares of Common Stock, \$.01 par value. Each outstanding share of Danaher Common Stock entitles the holder to one vote on each directorship and other matter brought before the Annual Meeting. As of the close of business on March 11, 2011, 663,313,601 shares of Danaher Common Stock were outstanding, excluding shares held by or for the account of Danaher.

The proxies being solicited hereby are being solicited by Danaher's Board. The total expense of the solicitation will be borne by Danaher, including reimbursement paid to banks, brokerage firms and other nominees for their reasonable expenses in forwarding material regarding the Annual Meeting to beneficial

owners. Solicitation of proxies may be made personally or by mail, telephone, internet, e-mail or facsimile by officers and other management employees of Danaher, who will receive no additional compensation for their services. We have retained Georgeson Shareholder Communications, Inc. to aid in the solicitation of proxies. For these services, we expect to pay Georgeson a fee of less than \$15,000 and reimburse it for certain out-of-pocket disbursements and expenses.

Proxies will be voted as specified in the shareholder's proxy. If you sign your proxy card or broker voting instruction card with no further instructions, your shares will be voted (1) FOR each of the nominees named herein as directors, (2) FOR ratification of the selection of Ernst & Young LLP as Danaher's independent registered public accounting firm for the year ending December 31, 2011, (3) FOR approval of the amendment to Danaher's Restated Certificate of Incorporation to declassify the Board of Directors and provide for the annual election of directors, (4) FOR approval of the amendment to Danaher's Restated Certificate of Incorporation to allow holders of twenty-five percent (25%) or more of the Company's outstanding shares to call a special meeting of shareholders, (5) FOR approval of certain amendments to Danaher's 2007 Stock Incentive Plan and the material terms of the performance goals under the Plan, (6) FOR approval of the Company's executive officer compensation, (7) for shareholder advisory votes relating to the Company's executive officer compensation to be held every 1 YEAR, and (8) in the discretion of the proxy holders on any other matter that properly comes before the meeting or any adjournment thereof. The Board has selected Steven Rales and Mitchell Rales to act as proxies with full power of substitution.

Voting Requirements With Respect to Each of the Proposals Described in this Proxy Statement

Quorum. The quorum necessary to conduct business at the Annual Meeting consists of a majority of the issued and outstanding shares of Danaher Common Stock entitled to vote at the Annual Meeting as of the record date. Abstentions and broker non-votes will be counted as present in determining whether the quorum requirement is satisfied.

Broker Non-Votes. Under New York Stock Exchange (NYSE) rules, if your broker holds your shares in its name and does not receive voting instructions from you, your broker has discretion to vote those shares on Proposals 2-4, which are considered routine matters. However, on non-routine matters such as Proposals 1 and 5-7, your broker must receive voting instructions from you, as it does not have discretionary voting power for these particular items. Therefore, if you are a beneficial owner and do not provide your broker with voting instructions, your shares may constitute broker non-votes with respect to Proposals 1 and 5-7. Broker non-votes will not affect the required vote with respect to Proposals 1 and 5-7 (and will not affect the attainment of a quorum since the broker has discretion to vote on Proposals 2-4 and these votes will be counted toward establishing a quorum). However, in order for Proposal 5 to be approved, the NYSE listing standards require that the total votes cast must represent more than 50% of the Danaher Common Stock issued, outstanding and entitled to vote at the Annual Meeting (with abstentions counting as votes cast and broker non-votes not counting as votes cast). **As a result, the failure to give your broker instructions for how to vote on Proposal 5 could, depending on the number of votes cast, result in the proposal not being approved.**

Approval Requirements. If a quorum is present, the vote required under the Company's Bylaws to approve each of the proposals is as follows. All votes will be counted by the inspector of election appointed for the meeting.

With respect to Proposal 1, the election of directors, you may vote for or against any or all director nominees or you may abstain as to any or all director nominees. In uncontested elections of directors, such as this election, a nominee is elected by a majority of the votes cast by the shares present in person or represented by proxy and entitled to vote. A majority of the votes cast means that the number of votes cast for a director nominee must exceed the number of votes cast against that nominee. A vote to abstain is not treated as a vote for or against, and thus will have no effect on the outcome of the vote. Under our director resignation policy, our Board will not nominate a director

for election, or appoint a director to fill a vacancy or new directorship, unless the individual has tendered in advance an irrevocable resignation effective in such circumstances where the individual does not receive a majority of the votes cast in an uncontested election and such resignation is accepted by the Board. If an incumbent director is not elected by a majority of the votes cast in an uncontested election, our Nominating and Governance Committee will submit for prompt consideration by the Board a recommendation whether to accept or reject the director's resignation. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation.

With respect to Proposals 3 and 4, the affirmative vote of a majority of the outstanding shares of Danaher Common Stock entitled to vote is required for approval of amendments of our Certificate of Incorporation. For these proposals, abstentions have the effect of a vote against the proposal.

With respect to Proposals 2 and 5-7, the affirmative vote of a majority of the shares of Danaher Common Stock represented in person or by proxy and entitled to vote on the proposal is required for approval. For Proposals 2, 5 and 6, abstentions are counted for purposes of determining the minimum number of affirmative votes required for approval and, accordingly, have the effect of a vote against the proposal. With respect to Proposal 7, if none of the frequency options receive votes from a majority of the shares represented in person or by proxy and entitled to vote on the proposal (with abstentions being included in the denominator of this calculation), the frequency option receiving the greatest number of votes cast in this advisory vote will be considered the frequency recommended by Danaher's shareholders. In this situation, abstentions will not affect the determination as to which frequency option is recommended by the shareholders.

Voting Methods

If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered the registered holder of those shares. As the registered shareholder, you can ensure your shares are voted at the Annual Meeting by submitting your instructions by telephone, over the Internet, by completing, signing, dating and returning the enclosed proxy card in the envelope provided, or by attending the Annual Meeting and voting your shares at the meeting. Telephone and internet voting for registered shareholders will be available 24 hours a day, up until 11:59 PM Central time on May 9, 2011. You may obtain directions to the Annual Meeting in order to vote in person by calling Danaher's Investor Relations department at 202-828-0850.

Most Danaher shareholders hold their shares through a broker, bank, trustee or another nominee, rather than registered directly in their name. In that case, you are considered the beneficial owner of shares held in street name, and the proxy materials are being forwarded to you by your broker, bank, trustee or nominee, together with a voting instruction card. As the beneficial owner, you are entitled to direct the voting of your shares by your intermediary. Brokers, banks and nominees typically offer telephonic or electronic means by which the beneficial owners of shares held by them can submit voting instructions, in addition to the traditional mailed voting instruction cards.

If you participate in the Danaher Stock Fund through the Danaher Corporation & Subsidiaries Savings Plan (the 401(k) Plan) or the Danaher Corporation & Subsidiaries Retirement and Savings Plan (collectively with the 401(k) Plan, the Savings Plans), your proxy will also serve as a voting instruction for Fidelity Management Trust Company (Fidelity), the trustee of the Savings Plans, with respect to shares of Common Stock attributable to your Savings Plan account as of the record date. Fidelity will vote your Savings Plan shares as of the record date in the manner directed by you. If Fidelity does not receive voting instructions from you by May 5, 2011, Fidelity will not vote your Savings Plan shares on any of the proposals brought at the Annual Meeting.

Changing Your Vote

Any person giving a proxy pursuant to this solicitation has the power to revoke it at any time before it is voted. It may be revoked by filing with the Secretary of Danaher a written notice of revocation or a duly executed proxy bearing a later date, or it may be revoked by attending the meeting and voting in person. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to revoke your proxy or vote at the meeting, you must follow the instructions provided to you by the record holder and/or obtain from the record holder a proxy issued in your name. Attendance at the meeting will not, by itself, revoke a proxy.

Delivery of Documents to Shareholders Sharing an Address

Danaher and some banks, brokers and other nominee record holders participate in the practice of householding proxy statements and annual reports. This means that only one copy of our proxy statement and annual report to shareholders may have been sent to multiple shareholders in your household. You may revoke your consent to householding at any time by sending your name, the name of your brokerage firm, and your account number to Household Department, 51 Mercedes Way, Edgewood, NY 11717 or telephoning 1-800-542-1061. The revocation of your consent to householding will be effective 30 days after its receipt. We will promptly deliver a separate copy of our annual report and proxy statement to you if you contact us at Danaher Corporation, Attn: Investor Relations, 2200 Pennsylvania Avenue, N.W., Suite 800W, Washington, D.C. 20037-1701; telephone us at 202-828-0850; or email us at investor.relations@danaher.com. If you want to receive separate copies of the proxy statement or annual report in the future; if you and another shareholder sharing an address would like to request delivery of a single copy of the proxy statement or annual report at such address in the future; or if you would like to make a permanent election to receive either printed or electronic copies of the proxy materials and annual report in the future, you may contact us at the above address, telephone number or email address.

**BENEFICIAL OWNERSHIP OF DANAHER COMMON STOCK BY
DIRECTORS, OFFICERS AND PRINCIPAL SHAREHOLDERS**

The following table sets forth as of March 11, 2011, the number of shares and percentage of Danaher Common Stock beneficially owned by (1) each person who owns of record or is known to Danaher to beneficially own more than five percent of Danaher's Common Stock, (2) each of Danaher's directors and nominees for director and each of the executive officers named in the Summary Compensation Table (the named executive officers), and (3) all executive officers and directors of Danaher as a group. Except as otherwise indicated and subject to community property laws where applicable, each person or entity included in the table below has sole voting and investment power with respect to the shares beneficially owned by that person or entity. Under applicable SEC rules, the definition of beneficial ownership for purposes of this table includes shares over which a person or entity has sole or shared voting or investment power, whether or not the person or entity has any economic interest in the shares, and also includes shares as to which the person has the right to acquire beneficial ownership within 60 days of March 11, 2011.

Name	Number of Shares Beneficially Owned (1)	Percent Of Class (1)
Mortimer M. Caplin	662,626(2)	*
H. Lawrence Culp, Jr.	4,649,585(3)	*
Donald J. Ehrlich	202,330(4)	*
Linda P. Hefner	53,244(5)	*
Walter G. Lohr, Jr.	695,002(6)	*
Mitchell P. Rales	53,380,535(7)	8.0%
Steven M. Rales	58,140,869(8)	8.8%
John T. Schwieters	64,332(9)	*
Alan G. Spoon	93,186(10)	*
Elias A. Zerhouni, M.D.	8,330(11)	*
Daniel L. Comas	708,235(12)	*
William K. Daniel II	41,696(13)	*
Thomas P. Joyce, Jr.	361,336(14)	*
James A. Lico	500,324(15)	*
T. Rowe Price Associates, Inc.	67,176,575(16)	10.1%
FMR LLC	35,970,268(17)	5.4%
All executive officers and directors as a group (18 persons)	120,497,426(18)	18.0%

- (1) Pursuant to the definition of beneficial ownership, balances credited to each executive officer's account under the Amended and Restated Danaher Corporation Executive Deferred Incentive Program (the EDIP), which could under the terms of the EDIP be converted into shares of Danaher Common Stock within 60 days of March 11, 2011, are reflected in the table. EDIP participants generally have the right to terminate employment at any time and at their election receive an immediate distribution of their vested EDIP balance in the form of Danaher Common Stock. For purposes of the table, the number of shares of Danaher Common Stock attributable to a person's EDIP account is equal to (1) the person's outstanding EDIP balance as of March 11, 2011 (to the extent such balance is vested or will become vested within 60 days of March 11, 2011), divided by (2) the closing price of Danaher Common Stock as reported on the NYSE on March 11, 2011 (\$51.40 per share). For purposes of the table, the number of shares attributable to each executive officer's 401(k) account is equal to (a) the officer's balance, as of March 11, 2011, in the Danaher stock fund included in the executive officer's 401(k) account (the 401(k) Danaher Stock Fund), divided by (b) the closing price of Danaher Common Stock as reported on the NYSE on March 11, 2011. The 401(k) Danaher Stock Fund consists of a unitized pool of Danaher Common Stock and cash. The table also includes shares that may be acquired upon (x) exercise of options that are exercisable within 60 days of March 11, 2011, or (y) vesting of restricted stock units (RSUs) that vest within 60 days of March 11, 2011.

- (2) Includes 354,000 shares and options to acquire 80,330 shares, in each case owned by a revocable trust of which Mr. Caplin and his spouse are the sole trustees, 200,000 shares owned by a grantor retained annuity trust of which Mr. Caplin is trustee and the sole annuitant and 28,296 shares held by a charitable foundation of which Mr. Caplin is director and president. The 354,000 shares owned outright by the revocable trust are pledged to a bank as security and Mr. Caplin is in compliance with the underlying instrument. Mr. Caplin disclaims beneficial ownership of the shares held by the charitable foundation.
- (3) Includes options to acquire 3,427,596 shares, 675,694 shares owned by a limited liability company the members of which are Mr. Culp and an entity controlled by Mr. Culp, 3,653 shares attributable to Mr. Culp's 401(k) account and 266,390 shares attributable to Mr. Culp's EDIP account.
- (4) Includes options to acquire 80,330 shares, 32,000 shares owned by a limited partnership of which Mr. Ehrlich is general partner, 12,800 shares owned by an IRA for the benefit of Mr. Ehrlich and 2,000 shares owned by Mr. Ehrlich's spouse. Mr. Ehrlich disclaims beneficial ownership of the shares held by his spouse.
- (5) Includes options to acquire 40,330 shares. 5,314 of the shares owned outright by Ms. Hefner are pledged as security under a real property mortgage, and Ms. Hefner is in compliance with the mortgage.
- (6) Includes options to acquire 80,330 shares. Also includes 60,000 shares held by a charitable foundation of which Mr. Lohr is president, and 106,672 shares held by Mr. Lohr as trustee of a trust for his children, as to each of which Mr. Lohr disclaims beneficial ownership.
- (7) Includes 40,000,000 shares owned by limited liability companies of which Mr. Rales is the sole member, 856,080 shares owned by an IRA for the benefit of Mr. Rales, 2,400,000 shares owned by grantor retained annuity trusts as to which Mr. Rales is trustee and the sole annuitant and 131,973 shares attributable to Mr. Rales' 401(k) account. All of the shares of Danaher Common Stock held by the limited liability companies of which Mr. Rales is the sole member are pledged to secure lines of credit with certain banks and each of these entities and Mr. Rales is in compliance with these lines of credit. The business address of Mitchell Rales, and of each of the limited liability companies, is 2200 Pennsylvania Avenue, N.W., Suite 800W, Washington, D.C. 20037-1701. On a combined basis, Steven Rales and Mitchell Rales own 111,521,404 shares, or 16.8% of the Danaher Common Stock.
- (8) Includes 40,000,000 shares owned by limited liability companies of which Mr. Rales is the sole member, 9,129 shares attributable to Mr. Rales' 401(k) account and 117,000 shares owned by a charitable foundation of which Mr. Rales is a director. Mr. Rales disclaims beneficial ownership of those shares held by the charitable foundation. All of the shares of Danaher Common Stock held by the limited liability companies of which Mr. Rales is the sole member are pledged to secure lines of credit with certain banks and each of these entities and Mr. Rales is in compliance with these lines of credit. The business address of Steven Rales, and of each of the limited liability companies, is 2200 Pennsylvania Avenue, N.W., Suite 800W, Washington, D.C. 20037-1701. On a combined basis, Steven Rales and Mitchell Rales own 111,521,404 shares, or 16.8% of the Danaher Common Stock.
- (9) Includes options to acquire 56,330 shares. 6,002 of the shares owned outright by Mr. Schwieters are held in a margin account.
- (10) Includes options to acquire 80,330 shares.
- (11) Consists of options to acquire 8,330 shares.
- (12) Includes options to acquire 650,600 shares, 6,578 shares attributable to Mr. Comas' 401(k) account, 15,561 shares attributable to Mr. Comas' EDIP account and 4,528 shares held by Mr. Comas' spouse. Mr. Comas disclaims beneficial ownership of the shares held by his spouse.

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- (13) Includes options to acquire 38,200 shares and 3,496 shares attributable to Mr. Daniel's EDIP account.

- (14) Includes options to acquire 243,600 shares, 50,670 shares attributable to Mr. Joyce's 401(k) account and 66,327 shares attributable to Mr. Joyce's EDIP account.

- (15) Includes options to acquire 448,600 shares, 9,969 shares attributable to Mr. Lico's 401(k) account and 41,755 shares attributable to Mr. Lico's EDIP account.
- (16) The amount shown and the following information is derived from a Schedule 13G dated February 14, 2011 filed by T. Rowe Price Associates, Inc. (Price Associates), which sets forth Price Associates' beneficial ownership as of December 31, 2010. According to the Schedule 13G, Price Associates has sole voting power over 19,047,551 shares and sole dispositive power over 67,176,575 shares. These shares are owned by various individual and institutional investors for which Price Associates serves as an investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the Securities Exchange Act of 1934, as amended (Securities Exchange Act), Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. The address of Price Associates is 100 E. Pratt Street, Baltimore, Maryland 21202.
- (17) The amount shown and the following information is derived from a Schedule 13G dated February 11, 2011 filed by FMR LLC and Edward C. Johnson 3d, which sets forth their respective beneficial ownership as of December 31, 2010. Pursuant to the Schedule 13G, 33,843,495 of the shares reported (including 7,849 shares which may be acquired by the holder at any time upon conversion of \$270,000 principal amount of Danaher's zero coupon Liquid Yield Option Notes due 2021 (the LYONs)) are beneficially owned by Fidelity Management & Research Company, an investment adviser and a wholly-owned subsidiary of FMR LLC, as a result of acting as investment adviser to various investment companies (collectively, the Fidelity Funds), and with respect to these shares, FMR LLC, Mr. Edward C. Johnson 3d and each of the Fidelity Funds exercise sole investment power and the Fidelity Funds' Boards of Trustees exercises sole voting power; 9,879 shares are beneficially owned by Strategic Advisors, Inc., an investment advisor and wholly owned subsidiary of FMR LLC; 136,909 shares (including 56,309 shares which may be acquired by the holder at any time upon conversion of \$1,937,000 principal amount of Danaher's LYONs) are beneficially owned by Pyramis Global Advisors, LLC, an investment advisor and wholly-owned subsidiary of FMR LLC, as to which each of Mr. Johnson and FMR LLC, through its control of Pyramis Global Advisors, LLC, has sole investment and sole voting power; 950,953 shares (including 6,395 shares which may be acquired by the holder at any time upon conversion of \$220,000 principal amount of Danaher's LYONs) are owned by Pyramis Global Advisors Trust Company, a bank and a wholly-owned subsidiary of FMR LLC, as to which each of Mr. Johnson and FMR LLC, through its control of Pyramis Global Advisors Trust Company, has sole investment power, and sole voting power with respect to 682,853 of such shares; and the remaining 1,029,032 shares reported are beneficially owned by FIL Limited, an investment adviser and investment manager and an entity independent of FMR LLC, as to which shares FIL Limited exercises sole investment power, and sole voting power with respect to 944,932 shares. FMR LLC disclaims beneficial ownership of the shares beneficially owned by FIL Limited. The address of FMR LLC is 82 Devonshire Street, Boston, Massachusetts 02109.
- (18) Includes options to acquire 5,610,656 shares, 305,231 shares attributable to executive officers' 401(k) accounts and 554,762 shares attributable to executive officers' EDIP accounts. In addition to the shares identified in the footnotes above as being pledged as security, an additional 280,647 of the aggregate shares beneficially owned by directors and executive officers are pledged as security.

* Represents less than 1% of the outstanding Danaher Common Stock.

PROPOSAL 1.

ELECTION OF DIRECTORS OF DANAHER

Danaher's Restated Certificate of Incorporation provides that the Board is divided into three classes with the number of directors in each class to be as equal as possible. The Board has fixed the number of directors at ten. At the 2011 Annual Meeting, shareholders will be asked to elect the three directors set forth below to serve until the 2014 annual meeting of shareholders and until their successors are duly elected and qualified. The Board has nominated H. Lawrence Culp, Jr., Mitchell P. Rales and Elias A. Zerhouni, M.D. to serve as directors in the class whose term expires in 2014. Mortimer M. Caplin, Donald J. Ehrlich, Linda P. Hefner and Walter G. Lohr, Jr. will continue to serve as directors in the class whose term expires in 2012. Steven M. Rales, John T. Schwieters and Alan G. Spoon will continue to serve as directors in the class whose term expires in 2013.

As discussed in greater detail in Proposal 3, in February 2011 the Board approved an amendment to Article Five, Section I of Danaher's Restated Certificate of Incorporation to declassify the Board and provide for the annual election of directors, subject to the approval of the shareholders at the 2011 Annual Meeting. If Proposal 3 is approved by the requisite vote of the shareholders, the directors elected at the 2012 Annual Meeting (and at each annual meeting thereafter) will be elected for one-year terms and beginning with the 2014 annual meeting the entire Board will be elected annually.

We have set forth below information relating to each nominee for election as director and each director continuing in office, including: his or her principal occupation and any board memberships at other public companies during the past five years; the other experience, qualifications, attributes or skills that led the Board to conclude that he or she should serve or should continue to serve as a director of Danaher; the year in which he or she became a director; age; and the year in which his or her term is scheduled to expire. Please see Corporate Governance Board of Directors and Committees of the Board Nominating and Governance Committee for a further discussion of the Board's process for nominating these candidates. In the event a nominee declines or is unable to serve, the proxies may be voted in the discretion of the proxy holders for a substitute nominee designated by the Board, or the Board may reduce the number of directors to be elected. We know of no reason why this will occur.

Nominees for Three Year Terms That Will Expire in 2014

H. Lawrence Culp, Jr.

Mr. Culp has served on Danaher's Board of Directors and as Danaher's President and Chief Executive Officer since May 2001. He is also a member of the board of directors of GlaxoSmithKline plc.

Age 48

Mr. Culp joined the Company in 1990 and served in leadership positions in a variety of different functions and businesses before his promotion to President and CEO in 2001. His broad operating and functional experience and in-depth knowledge of Danaher's businesses and of the Danaher Business System are particularly valuable given the complex, diverse nature of Danaher's portfolio. His insights and perspective from serving on the board of one of the world's largest pharmaceutical companies have also proved valuable to Danaher. These experiences, combined with Mr. Culp's talent for leadership and his long-term strategic perspective, have helped drive Danaher's sustained record of growth and performance through a full range of economic cycles.

Mitchell P. Rales

Age 54

Mr. Rales is a co-founder of Danaher and has served on Danaher's Board of Directors since 1983, serving as Chairman of the Executive Committee of Danaher since 1984. He was also President of the Company from 1984 to 1990. In addition, for more than the past five years he has been a principal in private and public business entities in the manufacturing area. Mr. Rales is also a member of the board of directors of Colfax Corporation, and is a brother of Steven M. Rales.

The strategic vision and leadership of Mr. Rales and his brother, Steven Rales, helped create the Danaher Business System and have guided Danaher down a path of consistent, profitable growth that continues today. In addition, as a result of his substantial ownership stake in Danaher, he is well-positioned to understand, articulate and advocate for the rights and interests of the Company's shareholders.

Elias A. Zerhouni, M.D.

Age 59

Dr. Zerhouni has served on Danaher's Board of Directors since 2009. He was originally proposed to the Nominating and Governance Committee for election as a director by the management directors of Danaher. None of the management directors knew Dr. Zerhouni at the time they proposed him to the committee, but they were aware of Dr. Zerhouni's professional reputation and experience and believed that his background would be of significant benefit to the Board given Danaher's strategic expansion in the area of medical technology. Dr. Zerhouni has served as President, Global Research & Development, for Sanofi-Aventis, a global pharmaceutical company, since December 2010. From 1996 to 2002, Dr. Zerhouni served as Chair of the Russell H. Morgan Department of Radiology and Radiological Sciences, Vice Dean for Research and Executive Vice Dean of the Johns Hopkins School of Medicine. From 2002 to November 2008, Dr. Zerhouni served as director of the National Institutes of Health (NIH), and from November 2008 to December 2010 he provided advisory and consulting services to various non-profit and other organizations as Chairman and President of Zerhouni Holdings.

Dr. Zerhouni, a physician, scientist, and world-renowned leader in radiology research, is widely viewed as one of the leading authorities in the United States on emerging trends and issues in medicine and medical care. These insights, as well as his deep, technical knowledge of the research and clinical applications of medical technologies, are of considerable importance given Danaher's strategic expansion in the medical technologies segment. Dr. Zerhouni's government experience also gives him a strong understanding of how government agencies work, and his experience growing up in North Africa, together with the global nature of the issues he faced at NIH, give him a global perspective that is valuable to Danaher.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR EACH OF THE FOREGOING NOMINEES.

Directors Whose Terms Will Expire in 2012

Mortimer M. Caplin

Age 94

Mr. Caplin has served on Danaher's Board of Directors since 1990. He has been a member of Caplin & Drysdale, a law firm in Washington, D.C., for over five years. Mr. Caplin is also a member of the board of directors of Presidential Realty Corporation, and within the past five years has also served as a director of the Fairchild Corporation.

Mr. Caplin has served as U.S. Commissioner of the Internal Revenue Service, founded one of the country's leading tax law firms and has practiced and taught tax and corporate law for many years. He brings to Danaher a deep understanding of the government, public policy, tax law and corporate governance, which offer significant benefits to Danaher as a large, global and complex company.

Donald J. Ehrlich

Age 73

Mr. Ehrlich has served on Danaher's Board of Directors since 1985. He served as President and Chief Executive Officer of Schwab Corp., a manufacturer of fire-protective safes, files, cabinets and vault doors, from January 2003 until his retirement in July 2008, and has also served on the boards of private and non-profit organizations.

Mr. Ehrlich also founded and served as the chairman and chief executive officer of an NYSE-listed publicly-traded manufacturing company, and has also founded and served as CEO of two privately held manufacturing companies. As an entrepreneur and business leader who began his career on the factory floor, has been awarded over fifteen patents and worked his way to leadership of a large publicly-traded company, Mr. Ehrlich has a broad understanding of the strategic challenges and opportunities facing a publicly-traded manufacturing company such as Danaher, as well as a broad, functional skill-set in the areas of engineering, finance, capital allocation and executive compensation.

Linda P. Hefner

Age 51

Ms. Hefner has served on Danaher's Board of Directors since 2005. Since May 2007, she has served as Executive Vice President of Wal-Mart Stores Inc. (an operator of retail stores and warehouse clubs) and since April 2009 as Chief Merchandising Officer for Sam's Club, a division of Wal-Mart. From May 2004 through December 2006, Ms. Hefner served as Executive Vice President - Global Strategy for Kraft Foods Inc., a company that manufactures and sells branded foods and beverages.

Ms. Hefner has served in senior management roles with some of the country's leading consumer goods companies, with responsibilities in the areas of marketing, branding and merchandising. Understanding and responding to the needs of our customers is fundamental to Danaher's business strategy, and Ms. Hefner's keen marketing and branding insights have been a valuable resource to Danaher's Board. Her leadership role with one of the world's largest and most successful public companies also gives her an appreciation for the business practices that are critical to the success of a large, growing public company such as Danaher.

Walter G. Lohr, Jr.

Age 67

Mr. Lohr has served on Danaher's Board of Directors since 1983. He has been a partner of Hogan Lovells, a global law firm, for over five years and has also served on the boards of private and non-profit organizations.

Prior to his tenure at Hogan Lovells, Mr. Lohr served as assistant attorney general for the state of Maryland. He has extensive experience advising companies in a broad range of transactional matters, including mergers and acquisitions, contests for corporate control and securities offerings. His extensive knowledge of the legal strategies, issues and dynamics that pertain to mergers and acquisitions and capital raising have been a critical resource for Danaher given the importance of its acquisition program.

Directors Whose Terms Will Expire in 2013

Steven M. Rales

Age 60

Mr. Rales is a co-founder of Danaher and has served on Danaher's Board of Directors since 1983, serving as Danaher's Chairman of the Board since 1984. He was also CEO of the Company from 1984 to 1990. In addition, for more than the past five years he has been a principal in private business entities in the areas of manufacturing and film production. Mr. Rales is a brother of Mitchell P. Rales.

The strategic vision and leadership of Mr. Rales and his brother, Mitchell Rales, helped create the Danaher Business System and have guided Danaher down a path of consistent, profitable growth that continues today. In addition, as a result of his substantial ownership stake in Danaher, he is well-positioned to understand, articulate and advocate for the rights and interests of the Company's shareholders.

John T. Schwieters

Age 71

Mr. Schwieters has served on Danaher's Board of Directors since 2003. He has been a Senior Advisor of Perseus, LLC, a merchant bank and private equity fund management company, since March 2009 after serving as Vice Chairman from April 2000 to March 2009. Mr. Schwieters is a member of the board of directors of Smithfield Foods, Inc. and Choice Hotels International, Inc., and within the past five years has also served as a director of Union Street Acquisition Corp. and Manor Care, Inc.

In addition to his roles with Perseus, Mr. Schwieters led the Mid-Atlantic region of one of the world's largest accounting firms after previously leading that firm's tax practice in the Mid-Atlantic region, and has served on the boards and chaired the audit committees of several NYSE-listed public companies. He brings to Danaher extensive knowledge and experience in the areas of public accounting, tax accounting and finance, which are areas of critical importance to Danaher as a large, global and complex public company.

Alan G. Spoon

Age 59

Mr. Spoon has served on Danaher's Board of Directors since 1999. He has served as General Partner of Polaris Venture Partners, a company which invests in private technology firms, since May 2000. Mr. Spoon is also a member of the board of directors of IAC/InterActiveCorp., and within the past five years has also served as a director of Getty Images, Inc. and TechTarget, Inc.

In addition to his leadership role at Polaris Venture, Partners, Mr. Spoon previously served as president, chief operating officer and chief financial officer of one of the country's largest, publicly-traded education and media companies, and has served on the boards of numerous public and private companies. His public company leadership experience gives him insight into business strategy, leadership and executive compensation and his public company and private equity experience give him insight into technology trends, acquisition strategy and financing, each of which represents an area of key strategic opportunity for the Company.

CORPORATE GOVERNANCE

Corporate Governance Guidelines, Committee Charters and Standards of Conduct

As part of its ongoing commitment to good corporate governance, our Board of Directors has codified its corporate governance practices into a set of Corporate Governance Guidelines and has also adopted written charters for each of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee of the Board. Danaher has also adopted a code of business conduct and ethics for directors, officers (including our principal executive officer, principal financial officer and principal accounting officer) and employees, known as the Standards of Conduct. The Corporate Governance Guidelines, committee charters and Standards of Conduct referenced above are each available in the Investor Corporate Governance section of our website at www.danaher.com.

Board Leadership Structure and Risk Oversight

Board Leadership Structure. The Board has separated the positions of Chairman and CEO because it believes that, at this time, this structure best enables the Board to ensure that Danaher's business and affairs are managed effectively and in the best interests of shareholders. This is particularly the case in light of the fact that the Company's Chairman is Steven Rales, a co-founder of the Company who owns approximately 8.8% of the Company's outstanding shares, served as CEO of the company from 1984 to 1990 and continues to serve as an executive officer of the company. As a result of his substantial ownership stake in the Company, the Board believes that Mr. Rales is uniquely able to understand, articulate and advocate for the rights and interests of the Company's shareholders. Moreover, Mr. Rales uses his management experience with the Company and Board tenure to help ensure that the non-management directors have a keen understanding of the Company's business as well as the strategic and other risks and opportunities that the Company faces. This enables the Board to more effectively provide insight and direction to, and exercise oversight of, the Company's President and CEO and the rest of the management team responsible for the Company's day-to-day business (including with respect to oversight of risk management).

Risk Oversight. The Board's role in risk oversight at the Company is consistent with the Company's leadership structure, with management having day-to-day responsibility for assessing and managing the Company's risk exposure and the Board and its committees overseeing those efforts, with particular emphasis on the most significant risks facing the Company. The Board oversees the Company's risk management processes directly and through its committees. In general, the Board oversees the management of risks inherent in the operation of the Company's businesses, the implementation of its strategic plan, its acquisition and capital allocation program and its organizational structure. Each of the Board's committees also oversees the management of Company risks that fall within the committee's areas of responsibility. The Audit Committee oversees risks related to financial controls and legal and compliance risks and generally oversees the Company's risk assessment and risk management policies; the Finance Committee oversees risks involving the Company's capital structure and liquidity; the Nominating & Governance Committee oversees corporate governance risks; and the Compensation Committee considers the impact of the Company's compensation programs on the Company's risk profile. Each committee reports to the full Board on a regular basis, including as appropriate with respect to the committee's risk oversight activities. In addition, since risk issues often overlap, committees from time to time request that the full Board discuss particular risks. On an annual basis, the Company's Risk Committee (consisting of members of senior management) inventories, assesses and prioritizes the most significant risks facing the Company as well as related mitigation efforts and provides a report to the Board and each of the committees of the Board with risk oversight responsibilities. With respect to the manner in which the Board's risk oversight function impacts the Board's leadership structure, as described above our Board believes that Mr. Rales' management experience and tenure help the Board to more effectively exercise its risk oversight function.

Director Independence

At least a majority of the Board must qualify as independent within the meaning of the listing standards of the NYSE. The Board has affirmatively determined that other than Messrs. Steven Rales, Mitchell Rales and H. Lawrence Culp, Jr., each of whom is an executive officer of Danaher, all of the remaining seven members of the Board, consisting of Ms. Hefner, Messrs. Caplin, Ehrlich, Lohr, Schwieters and Spoon and Dr. Zerhouni, are independent within the meaning of the listing standards of the NYSE. The Board concluded that none of the independent directors possesses any of the bright-line relationships set forth in the listing standards of the NYSE that prevent independence, or except as discussed below, any other relationship with Danaher other than Board membership.

With respect to Mr. Lohr, the Board considered the fact that Mr. Lohr and other attorneys at the Hogan Lovells law firm (at which Mr. Lohr is a partner) provide legal services to entities controlled by Messrs. Steven Rales and Mitchell Rales. The Board concluded that the relationship does not constitute a material relationship because it has not impaired and does not impair Mr. Lohr's independent judgment in connection with his duties and responsibilities as a director of Danaher. The aggregate amount of legal services provided by Hogan Lovells in 2010 to the Rales' affiliates was less than one percent of Hogan Lovells' annual revenues.

With respect to Ms. Hefner, the Board considered the fact that Ms. Hefner is an officer of Wal-Mart Stores Inc. and of the Sam's Club division of Wal-Mart, and that certain of Danaher's subsidiaries sold products to and purchased products from Wal-Mart in 2010 on commercial terms. The Board concluded that none of these transactions, individually or in the aggregate, constitutes a material relationship because all of the sales and purchases were conducted in the ordinary course of business and on an arm's-length basis and Ms. Hefner had no role in the decision-making at Wal-Mart or Danaher with respect to such transactions. The amount of sales and purchases in 2010 was in each case less than one percent of the annual revenues of each of Danaher and Wal-Mart.

With respect to Mr. Ehrlich, the Board considered the fact that certain of his immediate family members during 2010 were employed by a publicly-traded business that on a commercial basis purchased products from certain of Danaher's subsidiaries in 2010. The Board concluded that none of these transactions, individually or in the aggregate, constitutes a material relationship because all of the sales were conducted in the ordinary course of business and on an arm's-length basis and neither Mr. Ehrlich nor any of the immediate family members had any role in the decision-making at Danaher or such other company with respect to such transactions. The amount of sales in 2010 was less than one percent of the annual revenues of each of Danaher and the other company.

With respect to Dr. Zerhouni, the Board considered the fact that Dr. Zerhouni is an officer of Sanofi-Aventis, and that certain of Danaher's subsidiaries sold products to Sanofi-Aventis in 2010 on commercial terms. The Board concluded that none of these transactions, individually or in the aggregate, constitutes a material relationship because all of the sales were conducted in the ordinary course of business and on an arm's-length basis and Dr. Zerhouni had no role in the decision-making at Sanofi-Aventis or Danaher with respect to such transactions. The amount of sales in 2010 was less than one percent of the annual revenues of each of Danaher and Sanofi-Aventis.

Danaher's non-management directors (all of whom are independent within the meaning of the listing standards of the NYSE) meet in executive session following the Board's regularly-scheduled meetings. The sessions are scheduled and chaired by the chair of the Nominating and Governance Committee.

Board of Directors and Committees of the Board

General. The Board met ten times during 2010. All directors attended at least 75% of the aggregate of the total number of meetings of the Board and of all committees of the Board on which they served (during the period they so served) during 2010. Danaher typically schedules a Board meeting in conjunction with each annual meeting of shareholders and as a general matter expects that the members of the Board will attend the annual meeting. Nine of the directors attended the Company's annual meeting in May 2010.

The membership of each of the Audit, Compensation, Nominating & Governance and Finance committees as of March 11, 2011 is set forth below.

Name of Director	Audit	Compensation	Nominating & Governance	Finance
Mortimer M. Caplin	X	X		
H. Lawrence Culp, Jr.				X
Donald J. Ehrlich	X	X*		
Linda P. Hefner			X	
Walter G. Lohr, Jr.			X*	X
Mitchell P. Rales				X*
Steven M. Rales				X
John T. Schwieters	X*		X	
Alan G. Spoon		X		
Elias A. Zerhouni, M.D.				