

DANAHER CORP /DE/
Form 11-K
June 24, 2005
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 26, 2004

or

.. **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 1-8089

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Danaher Corporation & Subsidiaries Retirement and Savings Plan;
Danaher Corporation & Subsidiaries Savings Plan;

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Danaher Corporation

2099 Pennsylvania Avenue, N.W., 12th Floor

Washington, D.C. 20006-1813

(202) 828-0850

Table of Contents

DANAHER CORPORATION & SUBSIDIARIES

RETIREMENT AND SAVINGS PLAN

Audited Financial Statements and Supplemental Schedule

As of December 26, 2004 and 2003 and for the year ended December 26, 2004 with Report of Independent Registered Public Accounting Firm

Table of Contents

Danaher Corporation & Subsidiaries Retirement and Savings Plan

Audited Financial Statements and Supplemental Schedule

As of December 26, 2004 and 2003 and for the year ended December 26, 2004

Contents

<u>Report of Independent Registered Public Accounting Firm</u>	1
Audited Financial Statements	
<u>Statements of Net Assets Available for Benefits</u>	2
<u>Statement of Changes in Net Assets Available for Benefits</u>	3
<u>Notes to Financial Statements</u>	4
<u>Supplemental Schedule</u>	
Schedule H, Line 4i Schedule of Assets (Held At End of Year)	10

Table of Contents

Report of Independent Registered Public Accounting Firm

Plan Administrator

Danaher Corporation & Subsidiaries

Retirement and Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Danaher Corporation & Subsidiaries Retirement and Savings Plan as of December 26, 2004 and 2003, and the related statement of changes in net assets available for benefits for the year ended December 26, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 26, 2004 and 2003, and the changes in its net assets available for benefits for the year ended December 26, 2004 in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 26, 2004 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the financial statements for the year ended December 26, 2004, and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Baltimore, Maryland

June 15, 2005

Table of Contents

Danaher Corporation & Subsidiaries Retirement and Savings Plan

Statements of Net Assets Available for Benefits

	December 26	
	2004	2003
Assets		
Investments, at fair value	\$ 51,250,920	\$ 43,483,047
Participant loans	2,236,983	2,059,262
Total investments	53,487,903	45,542,309
Receivables:		
Participant contributions	48,559	131,550
Employer contributions	32,591	49,312
Total receivables	81,150	180,862
Total assets	53,569,053	45,723,171
Liabilities		
Administrative expenses payable	1,386	2,547
Net assets available for benefits	\$ 53,567,667	\$ 45,720,624

See accompanying notes.

Table of Contents

DanaHER Corporation & Subsidiaries Retirement and Savings Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 26, 2004

Additions	
Contributions:	
Participant	\$ 2,418,679
Rollovers	161,515
Employer matching	832,153
Employer unilateral	999,659
	<hr/>
Total contributions	4,412,006
Interest and dividend income	1,327,535
Net realized and unrealized appreciation in fair value of investments	3,311,883
	<hr/>
Total additions	9,051,424
Deductions	
Benefit payments	3,249,123
Administrative expenses	28,634
	<hr/>
Total deductions	3,277,757
	<hr/>
Net increase prior to plan transfers	5,773,667
Net transfers into plan	2,073,376
	<hr/>
Net increase in assets available for benefits	7,847,043
Net assets available for benefits:	
Beginning of year	45,720,624
	<hr/>
End of year	\$ 53,567,667
	<hr/>

See accompanying notes.

Table of Contents

Danaher Corporation & Subsidiaries Retirement and Savings Plan

Notes to Financial Statements

December 26, 2004

1. Description of Plan

The Danaher Corporation & Subsidiaries Retirement and Savings Plan (the Plan) was established for certain employees effective December 1, 1986. Plan participants should refer to the formal legal documents of the Plan and Summary Plan Description for full explanation of all limitations, adjustments and special cases in the Plan. The Plan is administered through the trustee and record-keeper, Fidelity Management Trust Company.

On December 2, 2004, the API Delevan, Inc. 401(k) Plan for Hourly Employees and the API Deltran, Inc. 401(k) Plan for Hourly Employees merged into the Plan. These plan mergers occurred subsequent to and as a result of Danaher Corporation's (hereafter, the Company) acquisition of the above mentioned companies.

Contributions

Eligible employees may contribute up to 20% of their compensation (subject to annual maximums). The Company's matching contribution is equal to 50% of the first 6% of the compensation contributed by the employee. The Company's unilateral contribution is 3% of compensation of all eligible employees. Employees are eligible for Company match and unilateral contributions upon completion of one year of service.

Employees become fully vested with respect to the employer contributions upon completion of three years of service. Employee contributions and the earnings thereon are fully vested at all times.

Benefit Payments

A participant who attains normal retirement age shall be entitled to payment of the balance in his or her account. A participant who remains employed after attainment of normal retirement age shall continue to participate under the same terms and conditions as applied prior to reaching normal retirement age. A participant must begin receiving distributions upon reaching the age of 70 1/2.

Edgar Filing: DANAHER CORP /DE/ - Form 11-K

Upon total and permanent disability, a participant shall be entitled to payment of the balance in his or her account within a reasonable period of time after termination of employment.

Table of Contents

Danaher Corporation & Subsidiaries Retirement and Savings Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Benefit Payments

The beneficiary or beneficiaries of a deceased participant shall be entitled to payment of the participant's account balance within a reasonable period of time after the participant's death.

Upon a participant's termination of employment for reasons other than as specified above, a participant is entitled to payment of his or her vested account balance.

The plan administrator may permit a participant to make a withdrawal from his or her account in the event of a hardship. A hardship withdrawal shall not exceed the amount required to meet the immediate financial need created by the hardship or the amount unavailable from resources of the participant. Participants may also make in-service withdrawals generally from contributions transferred or rolled over into the Plan from other plans.

Participant Loans

A participant may receive a loan from the Plan in accordance with policy established by the plan administrator. Any such loan or loans shall not exceed the lesser of 50% of the participant's vested account balance or \$50,000. Participants will not be entitled to receive a loan more frequently than annually. The plan administrator shall establish the maximum maturity period that will be permitted to prevent the loan from being treated as a distribution. Current procedures require that all loans must be paid back within 54 months. The plan administrator may require loan payments to be made through payroll deductions.

Participant Accounts

Each participant account is credited with the participant's contributions, any employer matching and unilateral contributions, an allocation of Plan earnings and losses, and is charged with an administrative expense fee. Allocations are based on account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Forfeitures

At December 26, 2004 and 2003, forfeited nonvested accounts totaled \$41,769 and \$13,158, respectively. These accounts will be used to reduce future employer contributions and to pay administrative expenses.

Table of Contents

Danaher Corporation & Subsidiaries Retirement and Savings Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Termination of the Plan

Although the Company, as the Plan's sponsor, has not expressed an intention to do so, the Plan may be terminated at any time. In the event of termination of the Plan, the account balances of participants as of the date of termination shall immediately become nonforfeitable.

2. Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Administrative Expenses

Expenses pertaining to the administration of the Plan are paid by the Plan.

Benefits Paid to Participants

Benefit payments are recorded when paid by the Plan.

Investments

Investments are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. The income of each fund is reinvested in that fund.

The Fidelity MIP II Fund (MIP II), has underlying investments in guaranteed investment contracts (GICs), investment contracts issued by commercial banks, synthetic GICs and cash equivalents. The MIP II Fund is recorded at market value, as determined by the trustee.

Participant loans are valued at their unpaid balances, which approximate fair value.

Table of Contents

Danaher Corporation & Subsidiaries Retirement and Savings Plan

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)**Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

3. Tax Status of the Plan

The Plan has received a determination letter from the Internal Revenue Service dated January 14, 2003, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this issuance of the determination letter, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes that the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

4. Investments

The fair value of investments representing 5% or more of the Plan's net assets as follows:

	December 26	
	2004	2003
Danaher Corporation Stock Fund	\$ 9,771,300	\$ 7,457,035
Fidelity Asset Manager Fund	2,968,198	2,524,974
Fidelity Equity Income Fund	5,616,755	4,798,993
Fidelity Magellan Mutual Fund	6,959,535	6,211,114
Fidelity MIP II Fund	13,360,587	11,901,679
Fidelity Retirement Money Market Fund	6,100,419	5,782,811

Table of Contents

Danaher Corporation & Subsidiaries Retirement and Savings Plan

Notes to Financial Statements (continued)

4. Investments (continued)

During 2004, the Plan's investments (including gains and losses on investments bought and sold as well as held during the year) appreciated in fair value by \$3,311,883 as follows:

	Net Realized and Unrealized Appreciation (Depreciation) in Fair Value of Investments
Danaher Corporation Stock Fund	\$ 1,922,476
American Beacon Small Cap Value Fund Plan Ahead Class	7,094
Fidelity Asset Manager Fund	90,087
Fidelity Diversified International Fund	20,420
Fidelity Equity Income Fund	378,528
Fidelity Freedom Income Fund	367
Fidelity Freedom 2010 Fund	6,361
Fidelity Freedom 2020 Fund	3,311
Fidelity Freedom 2030 Fund	6,097
Fidelity Freedom 2040 Fund	8,622
Fidelity Low-Priced Stock Fund	252,567
Fidelity Magellan Mutual Fund	474,469
Franklin Small Cap Growth Fund I Class A	54,741
Janus Worldwide Fund	43,336
PIMCO Total Return Fund	(9,732)
Spartan U.S. Equity Index Fund	23,592
Templeton World Fund-Class A	29,547
	\$ 3,311,883

5. Party-in-Interest Transactions

Certain Plan investments are held in shares of mutual funds managed by Fidelity Management Trust Company (Fidelity). Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest. Additionally, as of December 26, 2004 and 2003, the Plan invested in 163,006 shares and 188,324 (on a split-adjusted basis) shares, respectively, of Danaher Corporation common stock as part of the Danaher Corporation Stock Fund. During the year ended December 26, 2004, the Plan received \$9,007 of dividends on shares of Danaher Corporation common stock. Therefore, these transactions qualify as party-in-interest.

Table of Contents

Danaher Corporation & Subsidiaries Retirement and Savings Plan

Notes to Financial Statements (continued)

6. Differences Between Financial Statements and Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	December 26,	
	2004	2003
Net assets available for benefits per the financial statements	\$ 53,567,667	\$ 45,720,624
Deemed distributions with no post-default payment activity	(264,130)	(281,429)
Net assets available for benefits per the Form 5500	\$ 53,303,537	\$ 45,439,195

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500 for the year ended December 26, 2004:

Benefits paid to participants per the financial statements	\$ 3,249,123
Loan defaults previously deemed distributed that reached a distributable event	(19,832)
Benefits paid to participants per the Form 5500	\$ 3,229,291

Table of Contents

Supplemental Schedule

Table of Contents

Danaher Corporation & Subsidiaries Retirement and Savings Plan

EIN: 59-19995548; Plan No.: 001

Schedule H, Line 4i

Schedule of Assets (Held At End of Year)

December 26, 2004

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment	Cost	Current Value
*Fidelity Retirement Money Market Fund	Money market	**	\$ 6,100,419
*Fidelity MIP II Fund	Common/collective trust	**	13,360,587
*Danaher Corporation Common Stock	Unitized stock fund	**	9,771,300
American Beacon Small Cap Value Fund Plan Ahead Class	Mutual fund	**	236,148
*Fidelity Asset Manager Fund	Mutual fund	**	2,968,198
*Fidelity Diversified International Fund	Mutual fund	**	190,626
*Fidelity Equity Income Fund	Mutual fund	**	5,616,755
*Fidelity Freedom Income Fund	Mutual fund	**	51,348
*Fidelity Freedom 2010 Fund	Mutual fund	**	88,664
*Fidelity Freedom 2020 Fund	Mutual fund	**	181,225
*Fidelity Freedom 2030 Fund	Mutual fund	**	209,461
*Fidelity Freedom 2040 Fund	Mutual fund	**	332,749
*Fidelity Low-Priced Stock Fund	Mutual fund	**	2,015,469
*Fidelity Magellan Mutual Fund	Mutual fund	**	6,959,535
Franklin Small Cap Growth Fund I Class A	Mutual fund	**	487,849
PIMCO Total Return Fund	Mutual fund	**	921,538
*Spartan U.S. Equity Index Fund	Mutual fund	**	313,333
Templeton World Fund Class A	Mutual fund	**	1,445,716
*Participant loans	Interest rates range from 5% to 11% with maturity at various dates	**	2,236,983
Total investments			\$ 53,487,903

* Indicates a party-in-interest to the Plan.

** Historical cost not required to be presented, as all investments are participant-directed.

Table of Contents

DANAHER CORPORATION & SUBSIDIARIES SAVINGS PLAN

Audited Financial Statements and Supplemental Schedule

As of December 26, 2004 and 2003 and for the year ended December 26, 2004 with Report of Independent Registered Public Accounting Firm

Table of Contents

Danaher Corporation & Subsidiaries Savings Plan

Audited Financial Statements and Supplemental Schedule

As of December 26, 2004 and 2003 and for the year ended December 26, 2004

Contents

<u>Report of Independent Registered Public Accounting Firm</u>	1
Audited Financial Statements	
<u>Statements of Net Assets Available for Benefits</u>	2
<u>Statement of Changes in Net Assets Available for Benefits</u>	3
<u>Notes to Financial Statements</u>	4
<u>Supplemental Schedule</u>	
Schedule H, Line 4i Schedule of Assets (Held At End of Year)	10

Table of Contents

Report of Independent Registered Public Accounting Firm

Plan Administrator

Danaher Corporation & Subsidiaries Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Danaher Corporation & Subsidiaries Savings Plan as of December 26, 2004 and 2003, and the related statement of changes in net assets available for benefits for the year ended December 26, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 26, 2004 and 2003, and the changes in its net assets available for benefits for the year ended December 26, 2004 in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 26, 2004 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the financial statements for the year ended December 26, 2004, and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Baltimore, Maryland

June 15, 2005

Table of Contents

Danaher Corporation & Subsidiaries Savings Plan

Statements of Net Assets Available for Benefits

December 26, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Assets		
Investments, at fair value	\$ 897,397,978	\$ 749,013,877
Participant loans	18,143,389	17,337,527
	<u>915,541,367</u>	<u>766,351,404</u>
Receivables:		
Participant contributions	2,004,081	2,693,203
Employer contributions	2,893,754	887,174
	<u>4,897,835</u>	<u>3,580,377</u>
Total assets	<u>920,439,202</u>	<u>769,931,781</u>
Liabilities		
Administrative expenses payable	182,003	20,434
Net assets available for benefits	<u>\$ 920,257,199</u>	<u>\$ 769,911,347</u>

See accompanying notes.

Table of Contents

Danaher Corporation & Subsidiaries Savings Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 26, 2004

Additions	
Contributions:	
Participant	\$ 51,266,388
Rollovers	13,565,401
Employer matching	16,341,268
Employer unilateral	20,496,744
Employer discretionary	1,387,365
	<hr/>
Total contributions	103,057,166
Interest and dividend income	22,703,739
Net realized and unrealized appreciation in fair value of investments	72,501,382
	<hr/>
Total additions	198,262,287
Deductions	
Benefit payments	78,870,010
Administrative expenses	593,081
	<hr/>
Total deductions	79,463,091
	<hr/>
Net increase prior to plan transfers	118,799,196
Net transfers into plan	31,546,656
	<hr/>
Net increase in net assets available for benefits	150,345,852
Net assets available for benefits:	
Beginning of year	769,911,347
	<hr/>
End of year	\$ 920,257,199
	<hr/>

See accompanying notes.

Table of Contents

Danaher Corporation & Subsidiaries Savings Plan

Notes to Financial Statements

December 26, 2004

1. Description of the Plan

The Danaher Corporation & Subsidiaries Savings Plan (the Plan) was established for certain employees, effective November 30, 2002. Prior to November 30, 2002, these employees participated in the Danaher Corporation & Subsidiaries Retirement and Savings Plan. Plan participants should refer to the formal legal documents of the Plan and Summary Plan Description for full explanation of all limitations, adjustments and special cases in the Plan. The Plan is administered through the trustee and record-keeper, Fidelity Management Trust Company.

On March 31, 2004, the Quantic Industries, Inc. Profit Sharing and Salary Deferral Plan merged into the Plan. On June 1, 2004, the ELE International, LLC Savings and Retirement 401(k) Plan merged into the Plan.

These plan mergers occurred subsequent to and as a result of Danaher Corporation's (hereafter, the Company) acquisition of the above mentioned companies.

Contributions

Eligible employees may contribute up to 20% of their compensation (subject to annual maximums and capped at 9% for highly compensated employees). The Company's matching contribution is equal to 50% of the first 6% of the compensation contributed by the employee. The Company's unilateral contribution is 3% of compensation. The Plan also has provisions for an employer discretionary contribution that equals a percentage of eligible compensation above the Social Security wage base in effect at the beginning of the Plan year. For the Plan year ended December 26, 2004, the discretionary contribution percentage was set at 2%. This contribution is calculated and deposited into eligible employee accounts subsequent to the Plan year-end. Employees are eligible for Company contributions upon completion of one year of service.

Employees become fully vested with respect to the employer contributions upon completion of three years of service. Employee contributions and the earnings or losses thereon are fully vested at all times.

Table of Contents

Danaher Corporation & Subsidiaries Savings Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Benefit Payments

A participant who attains normal retirement age shall be entitled to payment of the balance in his or her account. A participant who remains employed after attainment of normal retirement age shall continue to participate under the same terms and conditions as applied prior to reaching normal retirement age. A participant must begin receiving distribution upon reaching the age of 70 ¹/₂.

Upon total and permanent disability, a participant shall be entitled to payment of the balance in his or her account within a reasonable period of time after termination of employment.

The beneficiary or beneficiaries of a deceased participant shall be entitled to payment of the participant's account balance within a reasonable period of time after the participant's death.

Upon a participant's termination of employment for reasons other than as specified above, a participant is entitled to payment of his or her vested account balance.

The plan administrator may permit a participant to make a withdrawal from his or her account in the event of a hardship. A hardship withdrawal shall not exceed the amount required to meet the immediate financial need created by the hardship or the amount unavailable from resources of the participant. Participants may also make in-service withdrawals generally from contributions transferred or rolled over into the Plan from other plans.

Participant Loans

A participant may receive a loan from the Plan in accordance with policy established by the Plan administrator. Any such loan or loans shall not exceed the lesser of 50% of the participant's vested account balance or \$50,000. Participants will not be entitled to receive a loan more frequently than annually. The plan administrator shall establish the maximum maturity period that will be permitted to prevent the loan from being treated as a distribution. Current procedures require that all loans must be paid back within 54 months. The plan administrator may require loan payments to be made through payroll deductions.

Table of Contents

Danaher Corporation & Subsidiaries Savings Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Participant Accounts

Each participant account is credited with the participant's contributions; any employer matching, unilateral, and discretionary contributions; and an allocation of Plan earnings or losses; and is charged with an administrative expense fee. Allocations are based on account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Forfeited Accounts

At December 26, 2004 and 2003, forfeited nonvested accounts totaled \$1,296,570 and \$1,516,907, respectively. These amounts will be used to reduce future employer matching contributions and to pay administrative expenses.

Termination of the Plan

Although the Company, as the Plan's sponsor, has not expressed an intention to do so, the Plan may be terminated at any time. In the event of termination of the Plan, the account balances of participants as of the date of termination shall immediately become non-forfeitable.

2. Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Administrative Expenses

Expenses pertaining to the administration of the Plan are paid by the Plan.

Table of Contents

Danaher Corporation & Subsidiaries Savings Plan

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Benefits Paid to Participants

Benefits payments are recorded when paid by the Plan.

Investments

Investments are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. The income of each fund is reinvested in that fund.

The Fidelity MIP II Fund (MIP II), has underlying investments in guaranteed investment contracts (GICs), investment contracts issued by commercial banks, synthetic GICs and cash equivalents. The MIP II Fund is recorded at market value, as determined by the trustee.

Participant loans are valued at their unpaid balances, which approximate fair value.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

3. Tax Status of the Plan

Edgar Filing: DANAHER CORP /DE/ - Form 11-K

The Plan has received a determination letter from the Internal Revenue Service dated July 20, 2004, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this issuance of the determination letter, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes that the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

Table of Contents

Danaher Corporation & Subsidiaries Savings Plan

Notes to Financial Statements (continued)

4. Investments

The fair value of investments representing 5% or more of the Plan's net assets is as follows:

	2004	2003
Danaher Corporation Stock Fund	\$ 179,233,161	\$ 122,004,218
Fidelity Asset Manager Fund	63,731,368	60,511,621
Fidelity Equity Income Fund	71,110,570	63,493,040
Fidelity Low-Priced Stock Fund	68,394,291	47,356,482
Fidelity Magellan Mutual Fund	175,440,339	160,171,378
Fidelity MIP II Fund	146,587,651	147,055,581
Fidelity Retirement Money Market Fund	<i>(less than 5%)</i>	47,135,906

For the year ended December 26, 2004, the Plan's investments (including gains and losses on investments bought and sold as well as held during the year) appreciated in fair value by \$72,501,382 as follows:

	Net Realized and Unrealized Appreciation (Depreciation) in Fair Value of Investments
Danaher Corporation Stock Fund	\$ 34,821,031
American Beacon Small Cap Value Fund Plan Ahead Class	169,097
Fidelity Asset Manager Fund	2,100,811
Fidelity Diversified International Fund	3,142,704
Fidelity Equity Income Fund	4,868,207
Fidelity Freedom Income Fund	21,767
Fidelity Freedom 2010 Fund	133,031
Fidelity Freedom 2020 Fund	177,473
Fidelity Freedom 2030 Fund	181,924
Fidelity Freedom 2040 Fund	94,118
Fidelity Low-Priced Stock Fund	8,363,656
Fidelity Magellan Mutual Fund	12,436,172
Franklin Small Cap Growth Fund I Class A	2,907,952
Janus Worldwide Fund	653,581
PIMCO Total Return Fund	(218,331)
Spartan U.S. Equity Index Fund	1,761,856
Templeton World Fund-Class A	886,333

\$ 72,501,382

Table of Contents

Danaher Corporation & Subsidiaries Savings Plan

Notes to Financial Statements (continued)

5. Party-in-Interest Transactions

Certain Plan investments are held in shares of mutual funds managed by Fidelity Management Trust Company (Fidelity). Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest. Additionally, as of December 26, 2004 and 2003, the Plan invested in 3,097,119 shares and 2,950,424 (on a split-adjusted basis) shares, respectively, of Danaher Corporation common stock as part of the Danaher Corporation Stock Fund. During the year ended December 26, 2004, the Plan received \$155,694 of dividends on shares of Danaher Corporation common stock. Therefore, these transactions qualify as party-in-interest.

6. Differences Between Financial Statements and Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	December 26,	
	2004	2003
Net assets available for benefits per the financial statements	\$ 920,257,199	\$ 769,911,347
Deemed distributions with no post-default payment activity	(472,882)	(503,358)
Net assets available for benefits per the Form 5500	\$ 919,784,317	\$ 769,407,989

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500 for the year ended December 26, 2004:

Benefits paid to participants per the financial statements	\$ 78,870,010
Loan defaults previously deemed distributed that reached a distributable event	(128,573)
Corrective distributions	(31,562)
Benefits paid to participants per the Form 5500	\$ 78,709,875

Table of Contents

Supplemental Schedule

Table of Contents

Danaher Corporation & Subsidiaries Savings Plan

EIN: 59-19995548; Plan No.: 004

Schedule H, Line 4i

Schedule of Assets (Held At End of Year)

December 26, 2004

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment	Cost	Current Value
*Fidelity Retirement Money Market Fund	Money market	**	\$ 45,981,354
*Fidelity MIP II Fund	Common/collective trust	**	146,587,651
*Danaher Corporation Common Stock	Unitized stock fund	**	179,233,161
American Beacon Small Cap Value Fund Plan Ahead Class	Mutual fund	**	5,007,738
*Fidelity Asset Manager Fund	Mutual fund	**	63,731,368
*Fidelity Diversified International Fund	Mutual fund	**	24,051,435
*Fidelity Equity Income Fund	Mutual fund	**	71,110,570
*Fidelity Freedom Income Fund	Mutual fund	**	958,454
*Fidelity Freedom 2010 Fund	Mutual fund	**	2,922,984
*Fidelity Freedom 2020 Fund	Mutual fund	**	2,801,952
*Fidelity Freedom 2030 Fund	Mutual fund	**	2,298,794
*Fidelity Freedom 2040 Fund	Mutual fund	**	1,185,435
*Fidelity Low-Priced Stock Fund	Mutual fund	**	68,394,291
*Fidelity Magellan Mutual Fund	Mutual fund	**	175,440,339
Franklin Small Cap Growth Fund I Class A	Mutual fund	**	25,254,415
PIMCO Total Return Fund	Mutual fund	**	29,778,131
*Spartan U.S. Equity Index Fund	Mutual fund	**	21,018,210
Templeton World Fund Class A	Mutual fund	**	31,641,696
*Participant loans	Interest rates range from 5% to 11% with maturity at various dates	**	18,143,389
Total investments			\$ 915,541,367

* Indicates a party-in-interest to the Plan.

** Historical cost is not required to be presented, as all investments are participant-directed.

Table of Contents

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Danaher Corporation & Subsidiaries Retirement & Savings Plan trustee or other person who administers the Plan have duly caused this annual report to be signed on behalf of the Plan by the undersigned hereunto duly authorized.

DANAHER CORPORATION & SUBSIDIARIES

RETIREMENT AND SAVINGS PLAN

By: DANAHER CORPORATION, Plan Sponsor

Date: June 22, 2005

By: /s/ Daniel L. Comas

Daniel L. Comas
Executive Vice President Chief Financial Officer

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Danaher Corporation & Subsidiaries Savings Plan trustee or other person who administers the Plan have duly caused this annual report to be signed on behalf of the Plan by the undersigned hereunto duly authorized.

DANAHER CORPORATION & SUBSIDIARIES

SAVINGS PLAN

By: DANAHER CORPORATION, Plan Sponsor

Date: June 22, 2005

By: /s/ Daniel L. Comas

Daniel L. Comas
Executive Vice President Chief Financial Officer

Table of Contents

EXHIBIT INDEX

Exhibit

<u>Number</u>	<u>Description</u>
23.1	Consent of Ernst & Young LLP, independent registered public accounting firm