



**Bank of America Merrill Lynch  
Global Industries Conference**

**December 14, 2010**



The preliminary results for the three and nine months ended October 1, 2010 and the preliminary restated results for the three and nine months ended October 2, 2009, included herein, reflect management's best estimate of corrections related to the overstatement of the Company's pension liability as described in the Form 8-K filed with the SEC on October 25, 2010. The annual results for 2009, 2008, 2007 and 2006, included herein, reflect historical results as reported, and do not include estimates of corrections related to the pension liability overstatement. Final results for the current year periods and final restated results for all prior year periods could change when the analysis of the pension matter is finalized, and these final results will be reflected in the Company's Third Quarter 2010 Report on Form 10-Q and amended prior reports, when filed.

The following information contains forward-looking statements, including forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements concerning Colfax's plans, objectives, expectations and intentions and other statements that are not historical or current facts. Forward-looking statements are based on Colfax's current expectations and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements. Factors that could cause Colfax's results to differ materially from current expectations include, but are not limited to factors detailed in Colfax's reports filed with the U.S. Securities and Exchange Commission as well as its Annual Report on Form 10-K under the caption "Risk Factors". In addition, these statements are based on a number of assumptions that are subject to change. This presentation speaks only as of this date. Colfax disclaims any duty to update the information herein.

- Global leader in specialty fluid-handling solutions
- Diverse end markets
- Global reach with leading brands
- Problem solvers for critical fluid-handling applications
- Balanced growth approach: acquisitions and organic
- Colfax Business System
- Committed to becoming a multi-platform business



**Oil & Gas**



**Defense**



**General Industrial**



**Commercial Marine**

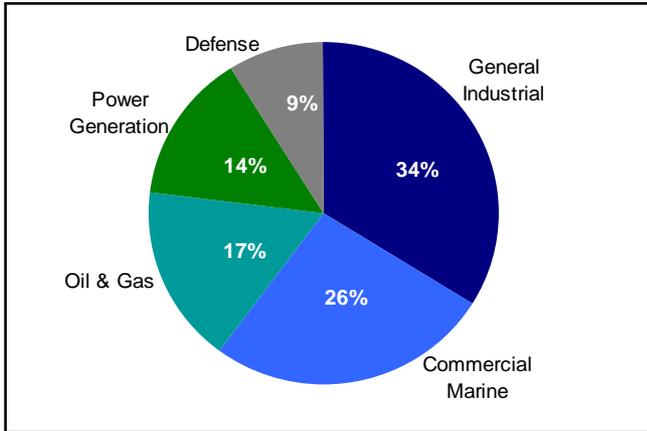


**Power Generation**

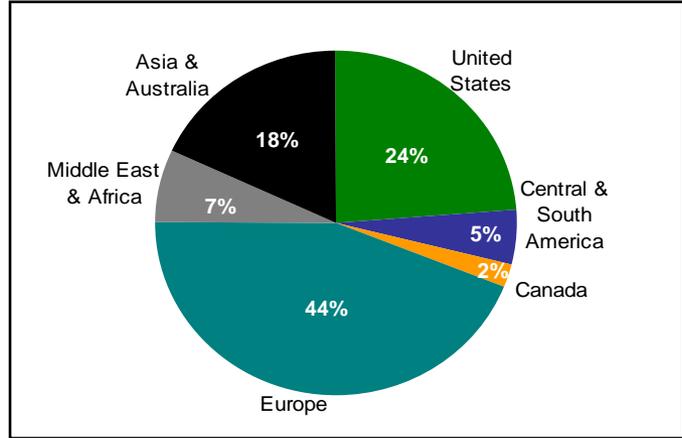


Delivering solutions for critical applications

## 2009 Revenues (\$525M) By End Markets

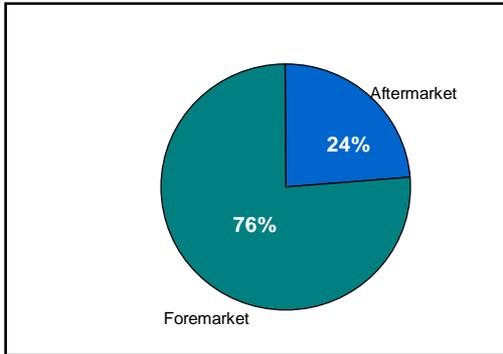


## 2009 Revenues (\$525M) By Geography (1)



(1) Revenues based on our shipping destination.

## 2009 Foremarket & Aftermarket Sales



## Blue Chip Customers



**SIEMENS**



**GENERAL DYNAMICS**



**HYUNDAI**  
HEAVY INDUSTRIES CO. LTD.

Diverse end markets and customer base

## Differentiation

- Voice of the customer aligned solutions and services
- Critical fluid-handling applications
- Lowest total cost of ownership
- Most responsive
- SMART capabilities



- Intensify the application of CBS tools (EMEA focus)
- Align into a global functional organizational structure
- Utilize *Voice of the Customer* process to drive differentiated product development
- Grow Asia

Enhancing the foundation for sustained growth

- Align with the customer
- Think and act breakthrough
- Drive immersion
- Execute a unified PD (Policy Deployment)
- Execute point-of-impact action plans

CBS – People, Planning, Process & Performance

## Acquisition Criteria:

- Strong brand name recognition
- Leading market position
- Global reach and manufacturing
- Differentiated product technology / highly engineered solutions
- Complementary end market / geographic focus
- Attain double digit return on investment in the 3<sup>rd</sup> year
- Supported by secular trends

Completed 14 acquisitions since 1995



- Acquired in August
- Premier supplier of engineered fluid-handling systems
  - Primary operations in Blyth, UK
  - Serves oil & gas, petrochemical and power markets
  - Installed base of 3,000 systems worldwide
- Backlog = \$42 million at 10/1/10



**Applications**

- Crude oil gathering
- Pipeline services
- Unloading and loading
- Rotating equipment lubrication
- Lube oil purification

**Brands:** Allweiler, Baric, Houttuin, Imo, LSC, Tushaco, Warren

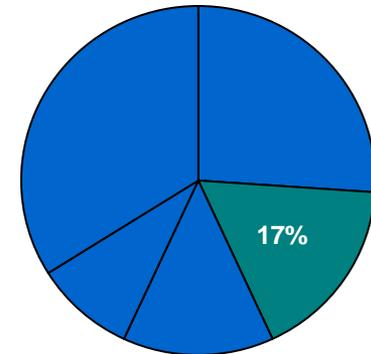
**Market Trends**

- Long-term demand for oil projected to increase
- Increased proportion of heavy oil
- Increased quote and book activity

**Our Strategy**

- Capitalize on growth in heavy oil exploration and transport
  - Middle East, Asia Pacific, Latin America
- Expand SMART solutions
- Provide lowest total cost of ownership solutions

**Colfax 2009 Sales Split**



## Applications

- Fuel oil transfer
- Oil transport
- Water and wastewater handling
- Firefighting

**Brands:** Allweiler, Fairmount, Imo, Imo AB, Portland Valve, Warren

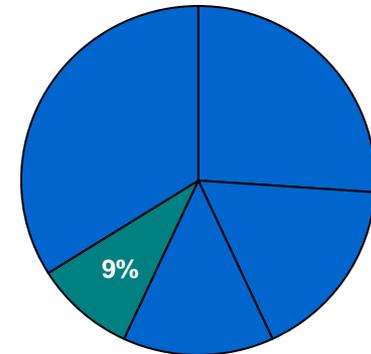
## Market Trends

- Recent growth in Navy funding
- Focus on automation
- Modernization and expansion of ROW navies

## Our Strategy

- Leverage SMART technology
- Expand service network
- Support expansion of fleets outside of U.S. including Europe and India

Colfax 2009 Sales Split



**Applications**

- Chemical processing
- Machinery lubrication
- Hydraulic elevators
- Pulp and paper processing
- Food and beverage processing

**Brands:** Allweiler, Fairmount, Houttuin, Imo, Tushaco, Warren, Zenith

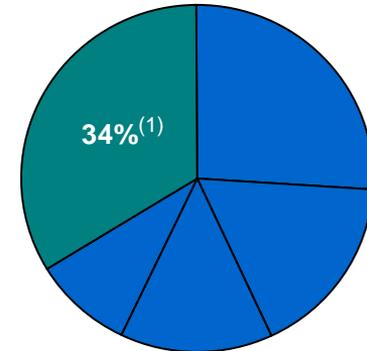
**Market Trends**

- Demand driven by long-term capital investment
- U.S., Europe and Asia have strengthened
- Developing regions embracing engineered products and solutions

**Our Strategy**

- Continue to expand and diversify customer base
- Develop VOC-based solutions that improve efficiency

**Colfax 2009 Sales Split**



(1) Includes Distribution (9%), Chemical Processing (5%), Machinery Support (3%), Building Products (3%), Wastewater (2%), Heat Transfer (1%), Pulp and Paper (1%), Diesel Engines (1%), Food & Beverage (1%) and Other (8%).

## Applications

- Fuel oil transfer
- Oil transport
- Water and wastewater handling

**Brands:** Allweiler, Houttuin, Imo AB

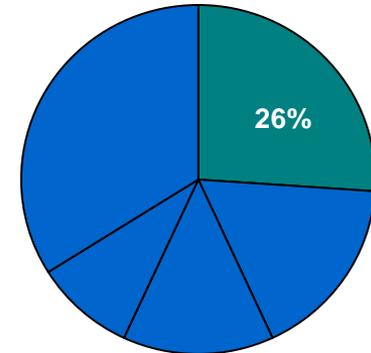
## Market Trends

- Long-term increase in global trade
- Aging fleet and increased environmental regulations
- Approximately 9,000 ships on order
- Continued cancellations and delivery extensions

## Our Strategy

- Improve OTD and responsiveness to best-of-class
- Grow aftermarket sales and service
  - Capitalize on growth in installed base
  - Focus on opportunities related to changing environmental regulations

Colfax 2009 Sales Split



## Applications

- Fuel unloading, transfer, burner and injection
- Rotating equipment lubrication
- Hydroelectric hydraulics

**Brands:** Allweiler, Baric, Imo, Tushaco, Warren

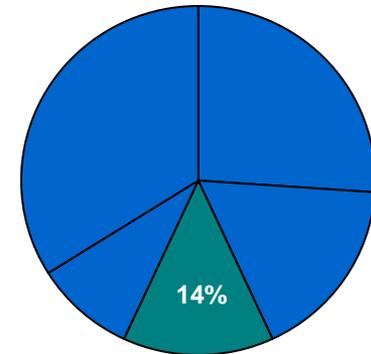
## Market Trends

- Worldwide demand for electricity expected to double by 2030
- Majority of growth in developing countries

## Our Strategy

- Grow China, India and Middle East

Colfax 2009 Sales Split



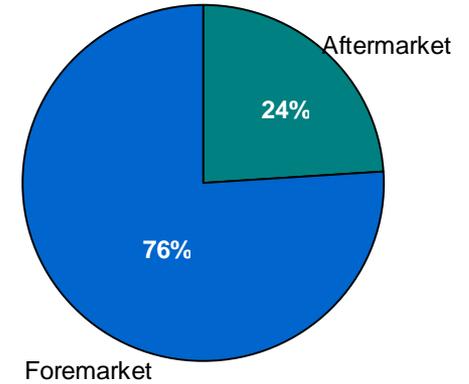
**Market Trends**

- Significant aftermarket demand for replacement products
- Tendency for customers to replace “like for like” products

**Our Strategy**

- Leverage large installed base
- Expand service center network
- Enhance offerings and capabilities

**Colfax 2009 Aftermarket Sales**



Spare parts kit

Opti-line



- Strong balance sheet
  - Debt of \$85 million, principal payments of \$9 million in 2010, matures in 2013
  - Cash = \$43 million
  - \$133 million available on revolver
- Strong cash flow
  - Working capital to annualized sales improved to 22% from 25%
  - Inventory on hand reduced by 19 days (22%) since beginning of year

Note: As of 10/1/2010



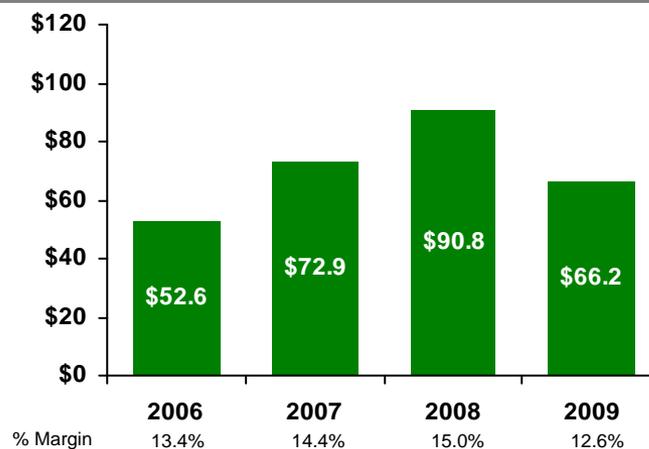
# Financial Performance Overview – 2006-2009

Colfax Corporation

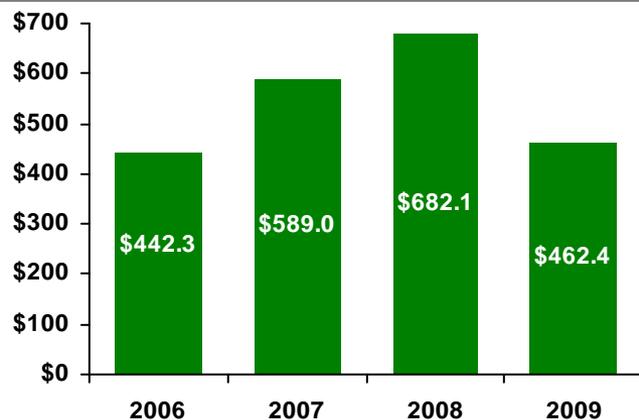
## Revenue



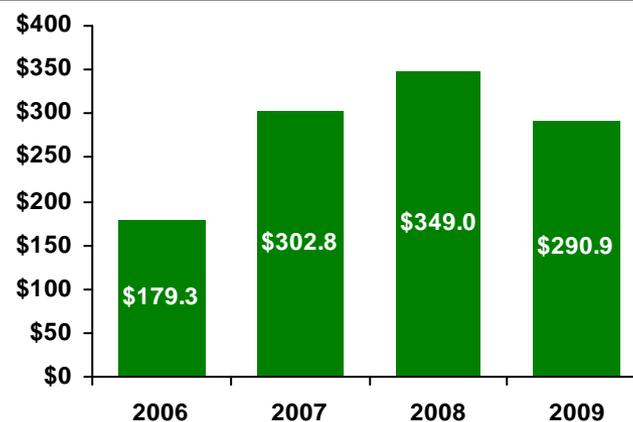
## Adjusted Operating Income <sup>(1)</sup>



## Orders



## Backlog



(1) Refer to Appendix for Non-GAAP reconciliation and footnote.

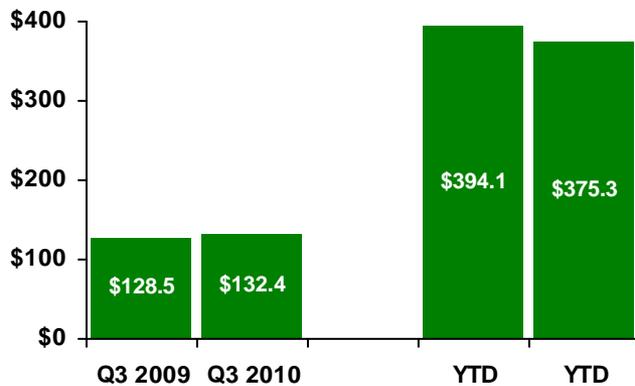
Note: Dollars in millions.



# Financial Performance Overview – Current Quarter

Colfax Corporation

## Revenue



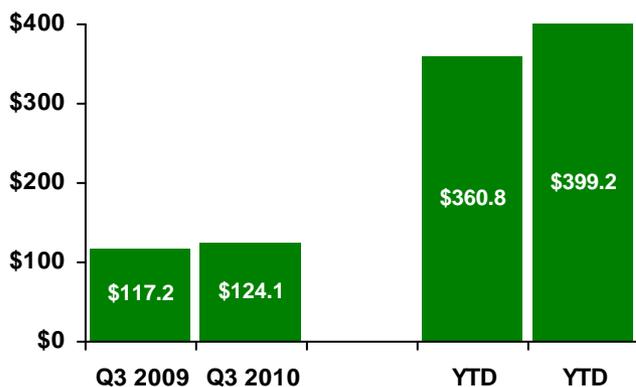
	Q3 2009	Q3 2010	YTD 2009	YTD 2010
Existing Businesses	--	5.9%	--	(5.0)%
Acquisitions	--	2.3%	--	1.2%
FX Translation	--	(5.2)%	--	(0.9)%
<b>Total Growth (Decline)</b>	<b>--</b>	<b>3.0%</b>	<b>--</b>	<b>(4.7)%</b>

## Adjusted Operating Income <sup>(1)</sup>



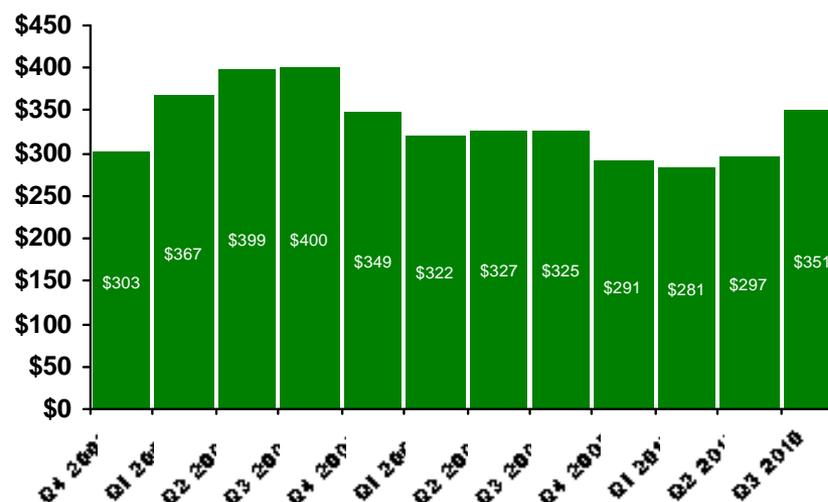
	Q3 2009	Q3 2010	YTD 2009	YTD 2010
<b>% Margin</b>	<b>13.1%</b>	<b>11.8%</b>	<b>12.4%</b>	<b>10.5%</b>

## Orders



	Q3 2009	Q3 2010	YTD 2009	YTD 2010
Existing Businesses	--	8.1%	--	10.1%
Acquisitions	--	2.5%	--	1.3%
FX Translation	--	(4.7)%	--	(0.7)%
<b>Total Growth (Decline)</b>	<b>--</b>	<b>5.9%</b>	<b>--</b>	<b>10.7%</b>

## Backlog



(1) Refer to Appendix for Non-GAAP reconciliation and footnotes.

Note: Dollars in millions.

Revenue Range			
2010 Organic growth (decline) <sup>(1)</sup>	(2)%	To	0%
2010 Total	\$520 million	To	\$530 million

EPS Range			
2010 Net income per share	\$0.38	To	\$0.43
2010 Adjusted net income per share <sup>(2)</sup>	\$0.83	To	\$0.88

Assumptions	
Asbestos coverage litigation	\$13 million
Asbestos liability and defense costs	\$5 million
Euro <sup>(3)</sup>	\$1.36
Tax rate	32%
Interest expense	\$7 million
Outstanding shares	43.5 million

(1) Excludes impact of acquisitions and foreign exchange rate fluctuations

(2) Excludes impact of asbestos coverage litigation, asbestos liability and defense costs, and restructuring and other related charges

(3) Spot rate as of 9/30/10.

Typically, a 5 cent change in the Euro is expected to result in a 1 cent change in annual EPS assuming all other currencies remain constant.

(See Appendix for Non-GAAP reconciliation)



## Aligning Assets and Resources to Drive Best-of-Class Results

Colfax Corporation

- Perform a thorough assessment of the business
- Build the best team
- Establish the strategic vital few and focus on them
- Initiate a global function organizational structure aligned with our customers
- Intensify the application of CBS and enhance our ability to generate cash
- Rationalize product and develop VOC-based differentiated solutions by market
- Explore strategically important businesses

Building for the future



- Strong portfolio of brands, products, and solutions
- Diverse end markets and geographies
- Strong balance sheet to fund organic growth initiatives and acquisitions
- Commitment to build the best team
- CBS intensity and potential
- Our values

Driving sustained growth for long-term value creation

# Appendix

Colfax has provided financial information that has not been prepared in accordance with GAAP. These non-GAAP financial measures are adjusted operating income and organic sales growth (decline) and organic order growth (decline). Adjusted operating income excludes asbestos liability and defense costs (income) and asbestos coverage litigation expenses, certain legacy legal charges, restructuring and other related charges, certain due diligence costs and certain other post-employment benefit settlement, as well as one time initial public offering-related costs to the extent they impact the periods presented. Projected adjusted net income per share excludes actual and estimated restructuring and other related charges, asbestos coverage litigation expenses and asbestos liability and defense costs and presents income taxes at an effective tax rate of 32%. Organic sales growth (decline) and organic order growth (decline) exclude the impact of foreign exchange rate fluctuations and acquisitions. These non-GAAP financial measures assist Colfax in comparing its operating performance on a consistent basis because, among other things, they remove the impact of non-recurring items such as IPO-related costs, legacy asbestos issues and items outside the control of its operating management team.

Sales and order information by end market are estimates. We periodically update our customer groupings in order to refine these estimates.



## Non-GAAP Reconciliation

Colfax Corporation

	2009	2008	2007	2006
<b>Adjusted Operating Income</b>				
Operating income	\$ 38,459	\$ 16,689	\$ 123,275	\$ 19,543
Restructuring and other related charges	18,175	-	-	-
Asbestos liability and defense (income) costs	(2,193)	(4,771)	(63,978)	21,783
Asbestos coverage litigation expenses	11,742	17,162	13,632	12,033
IPO-related costs	-	57,017	-	-
Legacy legal adjustment	-	4,131	-	8,330
Due diligence costs	-	582	-	-
Other post-employment benefit settlement	-	-	-	(9,102)
Adjusted operating income	\$ 66,183	\$ 90,810	\$ 72,929	\$ 52,587
Adjusted operating income margin	12.6%	15.0%	14.4%	13.4%

The annual results for 2009, 2008, 2007 and 2006, included herein, reflect historical results as reported, and do not include estimates of corrections related to the overstatement of the Company's pension liability as described in the Form 8-K filed with the SEC on October 25, 2010. Results for these periods will change when the analysis of the pension matter is finalized, and these final restated results will be reflected in the Company's amended 2009 Annual Report on Form 10-K when filed.

Note: Dollars in thousands.



(Preliminary<sup>1</sup> and unaudited)

	Three Months Ended		Nine Months Ended	
	October 1, 2010	October 2, 2009 As Restated	October 1, 2010	October 2, 2009 As Restated
<b>Adjusted Operating Income</b>				
Operating income	\$ 8,602	\$ 9,657	\$ 14,810	\$ 30,281
Restructuring and other related charges	2,441	9,608	9,515	10,755
Asbestos liability and defense costs (income)	2,202	(4,303)	4,179	(1,176)
Asbestos coverage litigation expenses	2,339	1,845	10,763	8,838
Adjusted operating income	<u>\$ 15,584</u>	<u>\$ 16,807</u>	<u>\$ 39,267</u>	<u>\$ 48,698</u>
Adjusted operating income margin	11.8%	13.1%	10.5%	12.4%

<sup>1</sup> The preliminary results for the three and nine months ended October 1, 2010 and the preliminary restated results for the three and nine months ended October 2, 2009, included herein, reflect management's best estimate of corrections related to the overstatement of the Company's pension liability as described in the Form 8-K filed with the SEC on October 25, 2010. Selling, general and administrative expenses for the nine months ended October 1, 2010, include an estimated correction related to the first six months of 2010, resulting in a reduction of \$0.5 million compared to the historical results reported in the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2010.

Selling, general and administrative expenses for the three and nine months ended October 2, 2009, include estimated corrections resulting in reductions of \$0.3 million and \$0.8 million, respectively, compared to the historical results reported in the Company's Quarterly Report on Form 10-Q for the period ended October 2, 2009.

Final results for the current year periods and final restated results for the 2009 periods could change when the analysis of the pension matter is finalized, and these final results will be reflected in the Company's Quarterly Report on Form 10-Q for the period ended October 1, 2010 and amended prior reports, when filed.

**Colfax Corporation**  
**Reconciliation of Projected 2010 Net Income Per Share to Adjusted Net Income Per Share**  
 Amounts in Dollars  
 (Preliminary<sup>1</sup> and unaudited)

	<b>EPS Range</b>	
Projected net income per share - fully diluted	\$ 0.38	\$ 0.43
Restructuring and other related charges incurred year-to-date	0.15	0.15
Estimated restructuring and other related charges <sup>2</sup>	0.02	0.02
Asbestos coverage litigation expenses	0.20	0.20
Asbestos liability and defense costs	0.08	0.08
Projected adjusted net income per share - fully diluted	\$ 0.83	\$ 0.88

<sup>1</sup> The preliminary projected net income per share for the year ended December 31, 2010 reflects management's best estimate of corrections related to the overstatement of the Company's pension liability as described in the Form 8-K filed with the SEC on October 25, 2010. Projected 2010 net income per share includes an after-tax benefit of \$.01 per share for the estimated correction related to the first six months of 2010, compared to the historical results for that period as reported in the Company's Quarterly Report on Form 10-Q for the period ended July 2, 2010. Final results for the current year periods could change when the analysis of the pension matter is finalized.

<sup>2</sup> Represents estimated restructuring and other related charges for actions implemented through November 4, 2010.