



Fourth Quarter 2010 Earnings Call

February 15, 2011

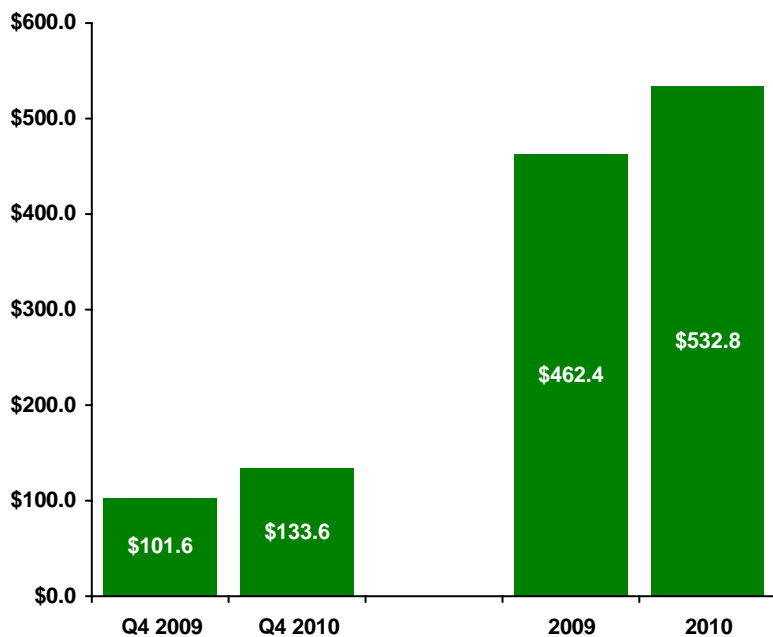


The following information contains forward-looking statements, including forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements concerning Colfax's plans, objectives, expectations 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.

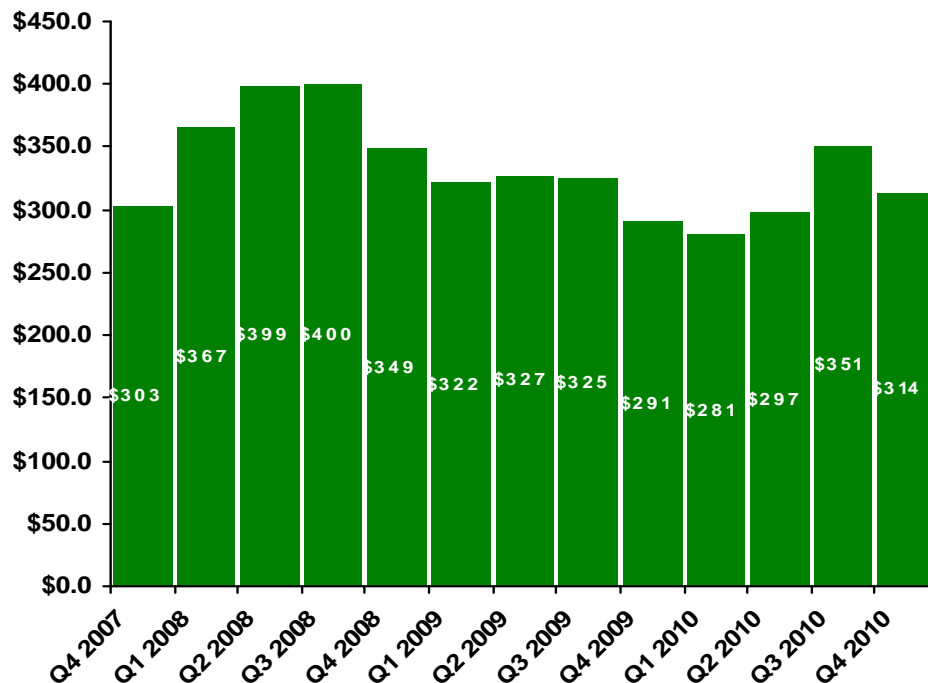
- Adjusted net income of \$16.9 million (39 cents per share) compared to \$11.5 million (26 cents per share) in Q4 2009, an increase of 47.1%; Q4 2010 results include negative 1 cent per share related to currency effects
- Net sales of \$166.7 million compared to \$131.0 million in Q4 2009, an increase of 27.2% (organic increase of 27.4%)
- Adjusted operating income of \$26.5 million compared to \$18.7 million in Q4 2009, an increase of 42.0%
- Fourth quarter orders of \$133.6 million compared to \$101.6 million in Q4 2009, an increase of 31.5% (organic increase of 34.4%)
- Backlog of \$313.5 million

- Adjusted net income of \$40.2 million (92 cents per share) compared to \$40.9 million (94 cents per share) in 2009 (currency effect between years not material)
- Net sales of \$542.0 million compared to \$525.0 million in 2009, an increase of 3.2% (organic increase of 3.1%)
- Adjusted operating income of \$65.8 million compared to \$67.4 million in 2009
- Adjusted EBITDA of \$81.9 million compared to \$81.8 million in 2009
- Orders of \$532.8 million compared to \$462.4 million in 2009, an increase of 15.2% (organic increase of 15.4%)

Orders



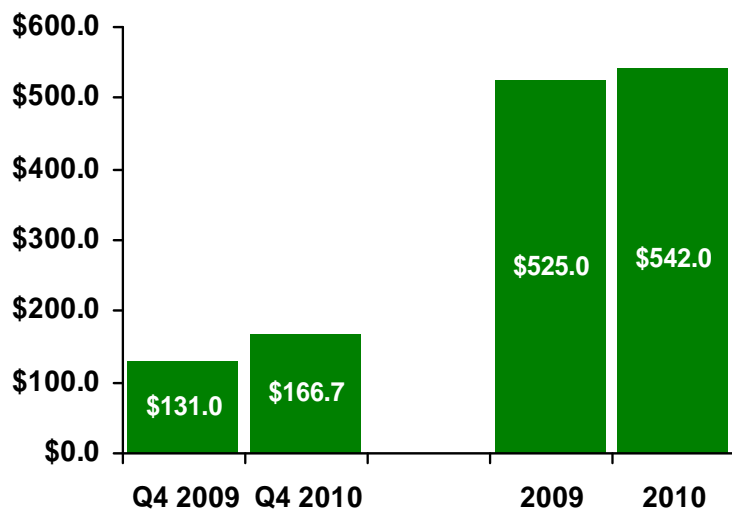
Backlog



	Q4 2009	Q4 2010	2009	2010
Existing Businesses	--	34.4 %	--	15.4 %
Acquisitions	--	1.3 %	--	1.3 %
FX Translation	--	(4.2)%	--	(1.5)%
Total Growth	--	31.5 %	--	15.2 %

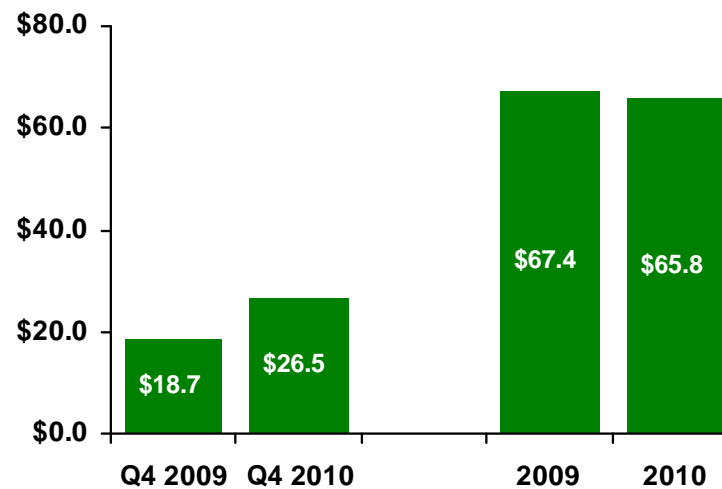
Note: Dollars in millions.

Revenue



	Q4 2009	Q4 2010	2009	2010
Existing Businesses	--	27.4 %	--	3.1 %
Acquisitions	--	4.1 %	--	1.9 %
FX Translation	--	(4.3)%	--	(1.7)%
Total Growth	--	27.2 %	--	3.2 %

Adjusted Operating Income ⁽¹⁾

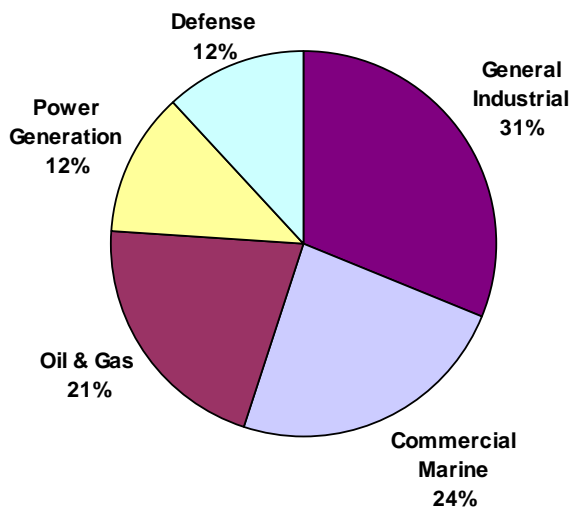


	Q4 2009	Q4 2010	2009	2010
% Margin	14.2%	15.9%	12.8%	12.1%

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

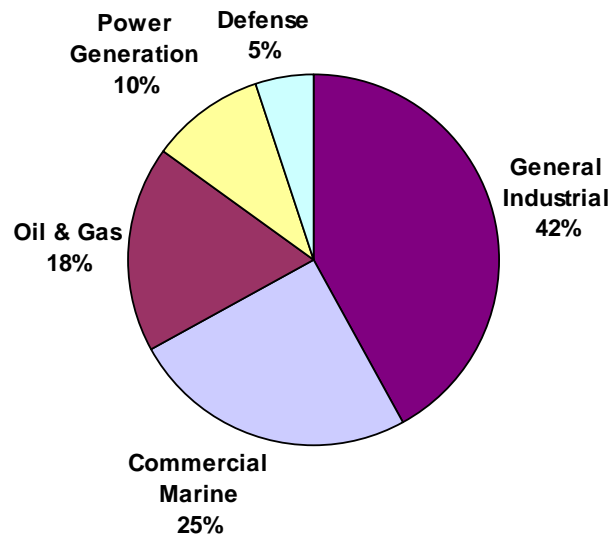
Note: Dollars in millions (unaudited).

Sales: \$166.7 million



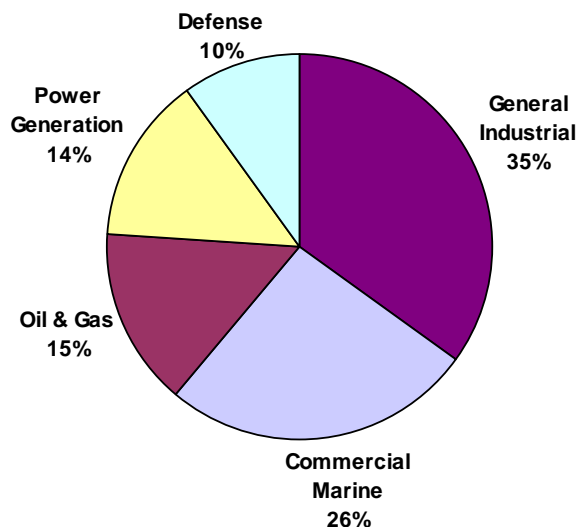
	<u>Total Growth</u>	<u>Organic Growth</u>
Commercial Marine	31 %	36 %
Oil & Gas	43 %	24 %
Power Generation	20 %	23 %
Defense	18 %	18 %
General Industrial	22 %	28 %
Total	27 %	27 %

Orders: \$133.6 million

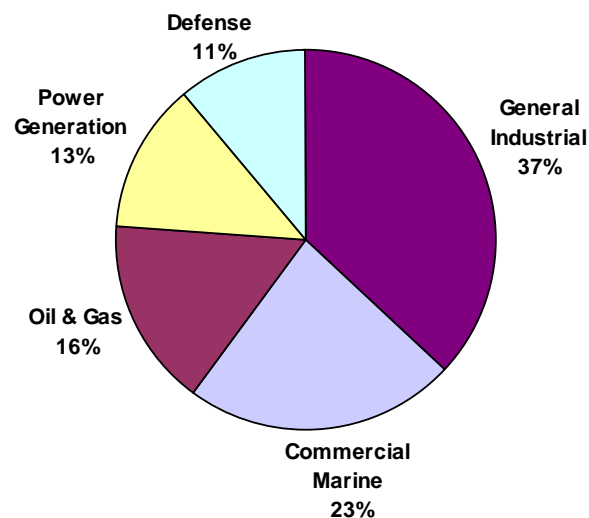


	<u>Total Growth (Decline)</u>	<u>Organic Growth (Decline)</u>
Commercial Marine	71 %	75 %
Oil & Gas	172 %	162 %
Power Generation	(18)%	(16)%
Defense	(43)%	(42)%
General Industrial	26 %	32 %
Total	32 %	34 %

Sales: \$542.0 million



Orders: \$532.8 million



	<u>Total Growth (Decline)</u>	<u>Organic Growth (Decline)</u>
Commercial Marine	3 %	2 %
Oil & Gas	(7)%	(14)%
Power Generation	4 %	6 %
Defense	13 %	13 %
General Industrial	5 %	8 %
Total	3 %	3 %

	<u>Total Growth (Decline)</u>	<u>Organic Growth (Decline)</u>
Commercial Marine	55 %	50 %
Oil & Gas	27 %	24 %
Power Generation	(7)%	(5)%
Defense	(27)%	(27)%
General Industrial	22 %	25 %
Total	15 %	15 %



2010 Q4 vs. 2010 Q3 Sales and Orders by End Market

Q4 2010 Earnings Call

Sales

Orders

Total Growth (Decline) Organic Growth (Decline)

Total Growth (Decline) Organic Growth (Decline)

Commercial Marine	20 %	14 %
Oil & Gas	93 %	71 %
Power Generation	(3)%	(6)%
Defense	47 %	46 %
General Industrial	12 %	7 %
Total	26 %	19 %

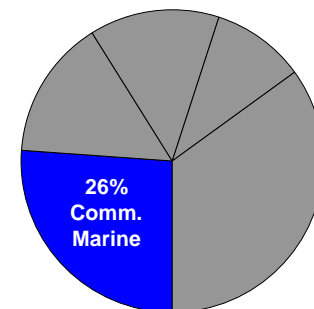
Commercial Marine	57 %	49 %
Oil & Gas	(1)%	(5)%
Power Generation	(29)%	(30)%
Defense	(45)%	(46)%
General Industrial	20 %	15 %
Total	8 %	4 %



Sales & Orders Growth

	Q410 YoY		Q410 YTD YoY		Q410 Sequential	
	Total	Organic	Total	Organic	Total	Organic
Sales	31%	36%	3%	2%	20%	14%
Orders	71%	75%	55%	50%	57%	49%

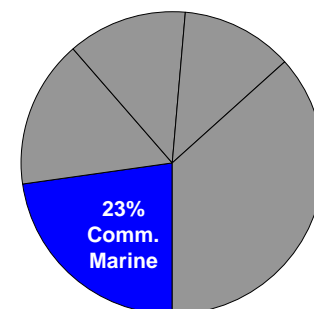
Colfax 2010 Sales Split



Highlights and Outlook

- Sales increase primarily driven by reduction in backlog
- Orders increased significantly due to improved market conditions
- Cancellations were \$6 million in Q4 2010 vs. \$3 million in Q4 2009; \$16 million YTD 2010 vs. \$22 million YTD 2009
- Focusing on aftermarket sales & service including opportunities related to changing environmental regulations
- Working through lower margin backlog

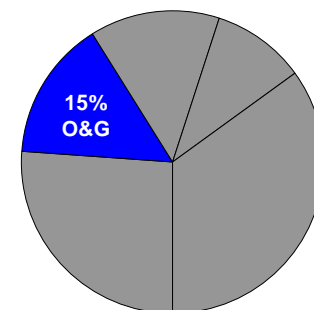
Colfax 2010 Orders Split



Sales & Orders Growth (Decline)

	Q410 YoY		Q410 YTD YoY		Q410 Sequential	
	Total	Organic	Total	Organic	Total	Organic
Sales	43%	24%	(7)%	(14)%	93%	71%
Orders	172%	162%	27%	24%	(1)%	(5)%

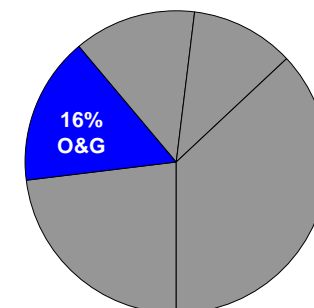
Colfax 2010 Sales Split



Highlights and Outlook

- New project orders beginning to book; midstream gaining strength
- Acquired Baric Systems in August
- Quoting activity remains good – midstream and refinery
- Solid activity in Latin America, Middle East, Canada and Asia

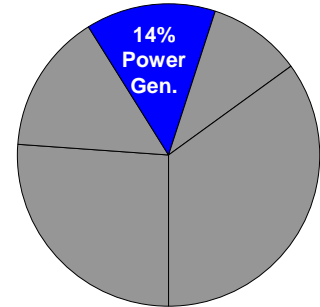
Colfax 2010 Orders Split



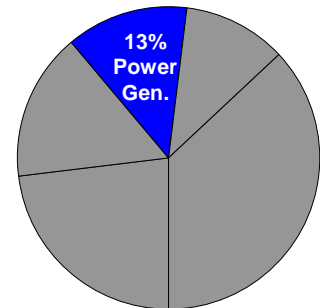
Sales & Orders Growth (Decline)

	Q410 YoY		Q410 YTD YoY		Q410 Sequential	
	Total	Organic	Total	Organic	Total	Organic
Sales	20%	23%	4%	6%	(3)%	(6)%
Orders	(18)%	(16)%	(7)%	(5)%	(29)%	(30)%

Colfax 2010 Sales Split



Colfax 2010 Orders Split



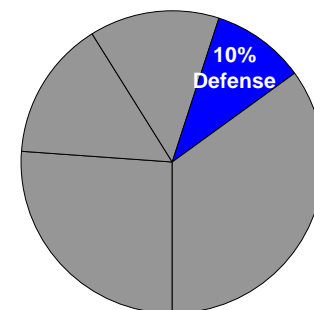
Highlights and Outlook

- Solid growth in sales while orders down primarily due to decision to exit certain business in the Middle East
- Several new infrastructure projects underway in Asia & Middle East
- Evaluating product offerings and pruning lower value add business

Sales & Orders Growth (Decline)

	Q410 YoY		Q410 YTD YoY		Q410 Sequential	
	Total	Organic	Total	Organic	Total	Organic
Sales	18%	18%	13%	13%	47%	46%
Orders	(43)%	(42)%	(27)%	(27)%	(45)%	(46)%

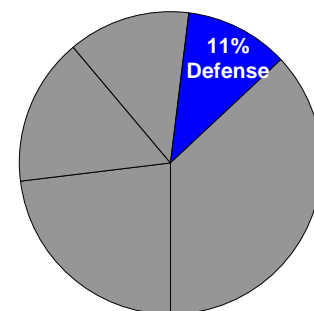
Colfax 2010 Sales Split



Highlights and Outlook

- Sales up in Q4 2010 and YTD
- Orders down in Q4 2010 and YTD, due to significant multi-year program booked in 2009
- Solid backlog
- ROW navies also expanding (projects in several European countries, Brazil, Australia, India and Malaysia)

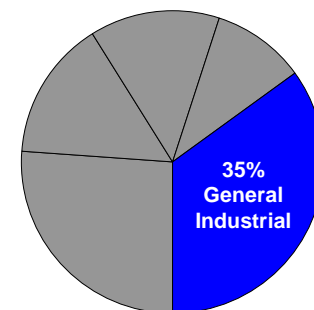
Colfax 2010 Orders Split



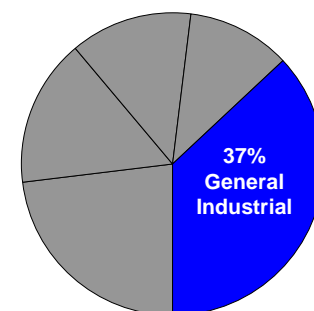
Sales & Orders Growth

	Q410 YoY		Q410 YTD YoY		Q410 Sequential	
	Total	Organic	Total	Organic	Total	Organic
Sales	22%	28%	5%	8%	12%	7%
Orders	26%	32%	22%	25%	20%	15%

Colfax 2010 Sales Split



Colfax 2010 Orders Split



Highlights and Outlook

- Sales and orders up for the quarter
- Growth in 2010 led by increases in orders in the chemical and diesel engine submarkets
- Order strength is geographically broad based
- Aftermarket improving – deferred maintenance spending

Headquarters

- Hengelo, The Netherlands

Products

- Multiphase pump (MPP) systems for upstream oil & gas applications
- Other engineered pump and compression systems

Key Served Regions

- Russia, Kazakhstan, Southeast Asia

Acquisition Rationale

- Logical extension to oil & gas product line in attractive segment
- Channel leverage (Colfax and Rosscor geographically complementary)
- Proven supplier with valuable domain expertise; consistent with strategy of delivering solutions to customers



- Strong balance sheet
 - Debt of \$83 million, principal payments of \$10 million in 2011, matures in 2013
 - Cash of \$61 million
 - \$130 million available on revolver
- Strong cash flow
 - Working capital to annual net sales of 19% for 2010 from 23% in 2009
 - Inventory on hand reduced by 16 days (21%) in 2010



Income Statement Summary (Unaudited)

Q4 2010 Earnings Call

	Three Months Ended December 31,		Change	
	2010	2009	\$	%
Orders	\$ 133.6	\$ 101.6	\$ 32.0	31.5 %
Sales	\$ 166.7	\$ 131.0	\$ 35.7	27.2 %
Gross Profit	\$ 59.6	\$ 47.0	\$ 12.6	26.8 %
% of Sales	35.7%	35.9%		
SG&A Expenses	\$ 31.6	\$ 27.0	\$ 4.6	17.0 %
R&D Expense	1.5	1.3	0.2	15.4 %
Operating Expenses	\$ 33.1	\$ 28.3	\$ 4.8	17.0 %
% of Sales	19.9%	21.6%		
Adjusted Operating Income	\$ 26.5	\$ 18.7	\$ 7.8	42.0 %
% of Sales	15.9%	14.2%		
Adjusted EBITDA	\$ 31.4	\$ 22.5	\$ 8.9	39.6 %
% of Sales	18.8%	17.2%		
Adjusted Net Income	\$ 16.9	\$ 11.5	\$ 5.4	47.1 %
% of Sales	10.2%	8.8%		
Adjusted Net Income Per Share	\$ 0.39	\$ 0.26	\$ 0.13	50.0 %

Refer to Appendix for Non-GAAP reconciliation and footnotes.

Note: Dollars in millions.





Income Statement Summary (Unaudited)

Q4 2010 Earnings Call

	Year Ended December 31,		Change	
	2010	2009	\$	%
Orders	\$ 532.8	\$ 462.4	\$ 70.4	15.2 %
Sales	\$ 542.0	\$ 525.0	\$ 17.0	3.2 %
Gross Profit	\$ 191.4	\$ 185.8	\$ 5.6	3.0 %
% of Sales	35.3%	35.4%		
SG&A Expense	\$ 119.4	\$ 112.5	\$ 6.9	6.1 %
R&D Expense	6.2	5.9	0.3	5.1 %
Operating Expenses	\$ 125.6	\$ 118.4	\$ 7.2	6.1 %
% of Sales	23.2%	22.6%		
Adjusted Operating Income	\$ 65.8	\$ 67.4	\$ (1.6)	(2.3)%
% of Sales	12.1%	12.8%		
Adjusted EBITDA	\$ 81.9	\$ 81.8	\$ 0.1	0.1 %
% of Sales	15.1%	15.6%		
Adjusted Net Income	\$ 40.2	\$ 40.9	\$ (0.7)	(1.7)%
% of Sales	7.4%	7.8%		
Adjusted Net Income Per Share	\$ 0.92	\$ 0.94	\$ (0.02)	(2.1)%

Refer to Appendix for Non-GAAP reconciliation and footnotes.

Note: Dollars in millions, except per share data





Statement of Cash Flows Summary (unaudited)

Q4 2010 Earnings Call

	Year ended December 31,	
	2010	2009
Net income	\$ 16.2	\$ 23.8
Non-cash expenses	19.7	21.0
Changes in working capital	27.3	6.1
Other	(1.3)	(12.2)
Total Operating Activities	61.9	38.7
Purchases of fixed assets	(12.5)	(11.0)
Acquisitions, net of cash acquired	(28.0)	(1.7)
Other	0.1	0.2
Total Investing Activities	(40.4)	(12.5)
Repayments of borrowings	(14.3)	(5.0)
Proceeds from borrowings	5.5	-
Other	0.7	(0.4)
Total Financing Activities	(8.1)	(5.4)
Effect of exchange rates on cash	(2.9)	0.4
Increase in cash and cash equivalents	10.5	21.2
Cash and cash equivalents, beginning of period	50.0	28.8
Cash and cash equivalents, end of period	\$ 60.5	\$ 50.0

Note: Dollars in millions.



Revenue Range			
2011 Organic growth ⁽¹⁾	2%	To	4%
2011 Total ⁽²⁾	\$570 million	To	\$580 million

EPS Range			
2011 Net income per share ⁽²⁾	\$0.80	To	\$0.90
2011 Adjusted net income per share ⁽³⁾	\$1.00	To	\$1.10

Assumptions	
Asbestos coverage litigation	\$6 million
Asbestos liability and defense costs	\$5 million
Restructuring costs	\$2 million
Euro	\$1.35
Tax rate	32%
Interest expense	\$6 million
Outstanding shares	44 million

- (1) Excludes impact of acquisitions and foreign exchange rate fluctuations
- (2) Excludes Rosscor's post-acquisition operations
- (3) Excludes impact of asbestos coverage litigation, asbestos liability and defense costs, and restructuring and other related charges

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)



Appendix

Colfax has provided financial information that has not been prepared in accordance with GAAP. These non-GAAP financial measures are adjusted net income, adjusted net income per share, adjusted operating income, earnings before interest, taxes depreciation and amortization (EBITDA), adjusted EBITDA, organic sales growth (decline) and organic order growth (decline). Adjusted net income, adjusted net income per share, adjusted operating income and adjusted EBITDA exclude asbestos liability and defense costs, asbestos coverage litigation expenses, and restructuring and other related charges to the extent they impact the periods presented. Adjusted net income, adjusted net income per share and projected adjusted net income per share present income taxes at an effective tax rate of 32%. Projected adjusted net income per share excludes estimated restructuring and other related charges, asbestos coverage litigation expenses and asbestos liability and defense costs. Organic sales growth (decline) and organic order growth (decline) exclude the impact of acquisitions and foreign exchange rate fluctuations. 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 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.

	Three Months Ended December 31,		Year Ended December 31,	
	2010	2009	2010	2009
EBITDA				
Net income	\$ 8,650	\$ 6,726	\$ 16,215	\$ 23,797
Interest expense	1,609	1,746	6,684	7,212
Provision for income taxes	9,296	884	11,473	8,621
Depreciation and amortization	4,888	3,834	16,130	14,426
EBITDA	<u>\$ 24,443</u>	<u>\$ 13,190</u>	<u>\$ 50,502</u>	<u>\$ 54,056</u>
EBITDA margin	14.7%	10.1%	9.3%	10.3%
Adjusted EBITDA				
Net income	\$ 8,650	\$ 6,726	\$ 16,215	\$ 23,797
Interest expense	1,609	1,746	6,684	7,212
Provision for income taxes	9,296	884	11,473	8,621
Depreciation and amortization	4,888	3,834	16,130	14,426
Restructuring and other related charges	808	7,420	10,323	18,175
Asbestos liability and defense costs (income)	3,697	(1,017)	7,876	(2,193)
Asbestos coverage litigation expenses	2,443	2,904	13,206	11,742
Adjusted EBITDA	<u>\$ 31,391</u>	<u>\$ 22,497</u>	<u>\$ 81,907</u>	<u>\$ 81,780</u>
Adjusted EBITDA margin	18.8%	17.2%	15.1%	15.6%

Note: Dollars in thousands.

	Three Months Ended December 31,		Year Ended December 31,	
	2010	2009	2010	2009
Adjusted Net Income and Adjusted Earnings per Share				
Net income	\$ 8,650	\$ 6,726	\$ 16,215	\$ 23,797
Restructuring and other related charges	808	7,420	10,323	18,175
Asbestos liability and defense costs (income)	3,697	(1,017)	7,876	(2,193)
Asbestos coverage litigation expenses	2,443	2,904	13,206	11,742
Tax adjustment to effective rate of 32%	1,330	(4,529)	(7,437)	(10,624)
Adjusted net income	<u>\$ 16,928</u>	<u>\$ 11,504</u>	<u>\$ 40,183</u>	<u>\$ 40,897</u>
Adjusted net income margin	10.2%	8.8%	7.4%	7.8%
Weighted average shares outstanding - diluted	43,876,791	43,449,493	43,667,225	43,325,704
Adjusted net income per share	<u>\$ 0.39</u>	<u>\$ 0.26</u>	<u>\$ 0.92</u>	<u>\$ 0.94</u>
Net income per share—diluted in accordance with GAAP	<u>\$ 0.20</u>	<u>\$ 0.15</u>	<u>\$ 0.37</u>	<u>\$ 0.55</u>
Adjusted Operating Income				
Operating income	\$ 19,555	\$ 9,356	\$ 34,372	\$ 39,630
Restructuring and other related charges	808	7,420	10,323	18,175
Asbestos liability and defense costs (income)	3,697	(1,017)	7,876	(2,193)
Asbestos coverage litigation expenses	2,443	2,904	13,206	11,742
Adjusted operating income	<u>\$ 26,503</u>	<u>\$ 18,663</u>	<u>\$ 65,777</u>	<u>\$ 67,354</u>
Adjusted operating income margin	15.9%	14.2%	12.1%	12.8%

Note: Dollars in thousands, except share data.



Sales & Order Growth

(unaudited)

Q4 2010 Earnings Call

	Sales		Orders	
	\$	%	\$	%
Three Months Ended December 31, 2009	\$ 131.0		\$ 101.6	
<i>Components of Change:</i>				
Existing Businesses	36.0	27.4 %	35.0	34.4 %
Acquisitions	5.4	4.1 %	1.3	1.3 %
Foreign Currency Translation	(5.7)	(4.3)%	(4.3)	(4.2)%
Total	<u>35.7</u>	27.2 %	<u>32.0</u>	31.5 %
Three Months Ended December 31, 2010	<u>\$ 166.7</u>		<u>\$ 133.6</u>	

	Sales		Orders		Backlog at Period End	
	\$	%	\$	%	\$	%
Year ended December 31, 2009	\$ 525.0		\$ 462.4		\$ 290.9	
<i>Components of Change:</i>						
Existing Businesses	16.1	3.1 %	71.1	15.4 %	(6.6)	(2.3)%
Acquisitions	10.0	1.9 %	6.1	1.3 %	38.7	13.3 %
Foreign Currency Translation	(9.1)	(1.7)%	(6.8)	(1.5)%	(9.5)	(3.3)%
Total	<u>17.0</u>	3.2 %	<u>70.4</u>	15.2 %	<u>22.6</u>	7.8 %
Year ended December 31, 2010	<u>\$ 542.0</u>		<u>\$ 532.8</u>		<u>\$ 313.5</u>	

Note: Dollars in millions.





Non-GAAP Reconciliation

(In dollars, unaudited)

Q4 2010 Earnings Call

	<u>EPS Range</u>	
Projected net income per share - fully diluted	\$ 0.80	\$ 0.90
Restructuring and other related charges	0.03	0.03
Asbestos coverage litigation	0.09	0.09
Asbestos liability and defense costs	<u>0.08</u>	<u>0.08</u>
Projected adjusted net income per share - fully diluted	<u>\$ 1.00</u>	<u>\$ 1.10</u>

