



Third Quarter 2010 Preliminary Earnings Call

November 4, 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. 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 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.



- Adjusted net income of \$9.5 million (22 cents per share) compared to \$10.2 million (24 cents per share) in Q3 2009; Q3 2010 results include 3 cents per share related to currency effects and one-time acquisition costs
- Net sales of \$132.4 million compared to \$128.5 million in Q3 2009, an increase of 3.0% (organic increase of 5.9%)
- Adjusted operating income of \$15.6 million compared to \$16.8 million in Q3 2009; Q3 2010 results include currency effects and one-time acquisition costs of \$1.7 million
- Third quarter orders of \$124.1 million compared to \$117.2 million in Q3 2009, an increase of 5.9% (organic increase of 8.1%)
- Backlog of \$351.2 million



- Both sales and orders increased; 1st time since third quarter of 2008
 - Organic sales up 6%
 - Power gen, general industrial and commercial marine end markets up
 - Organic orders up 8%
 - Growth in oil & gas, general industrial and defense
 - Strengthening in most regions
- Gross profit margin relatively flat; adjusted operating margin flat (when adjusted for currency and one-time acquisition costs of \$1.7 million)
 - Productivity gains dampened by unfavorable price and mix
- Solid progress on strategic improvement priorities
 - CBS
 - VOC-aligned products
 - Alignment of global functional organization
 - Development of Asian strategy
- Purchased Baric Systems – premier supplier of engineered fluid-handling systems

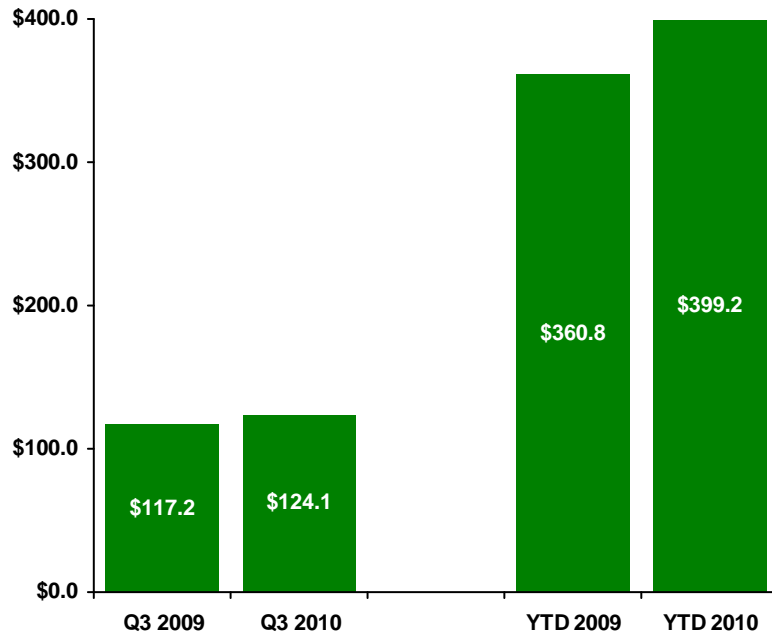




Orders and Backlog

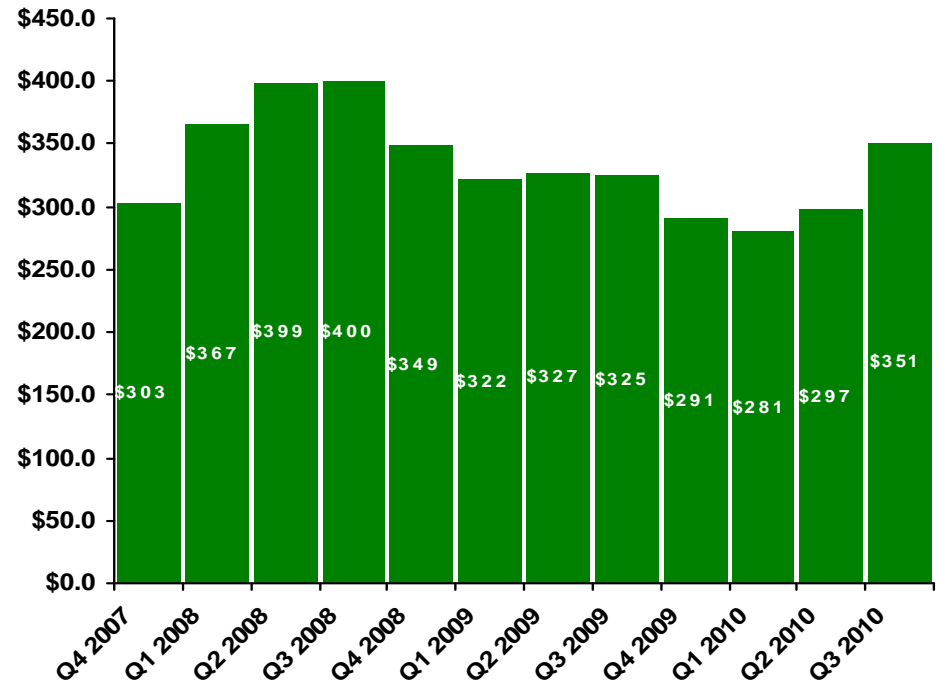
Q3 2010 Earnings Call

Orders



Existing Businesses	--	8.1 %	--	10.1%
Acquisitions	--	2.5%	--	1.3%
FX Translation	--	(4.7)%	--	(0.7)%
Total Growth	--	5.9 %	--	10.7%

Backlog



Note: Dollars in millions.

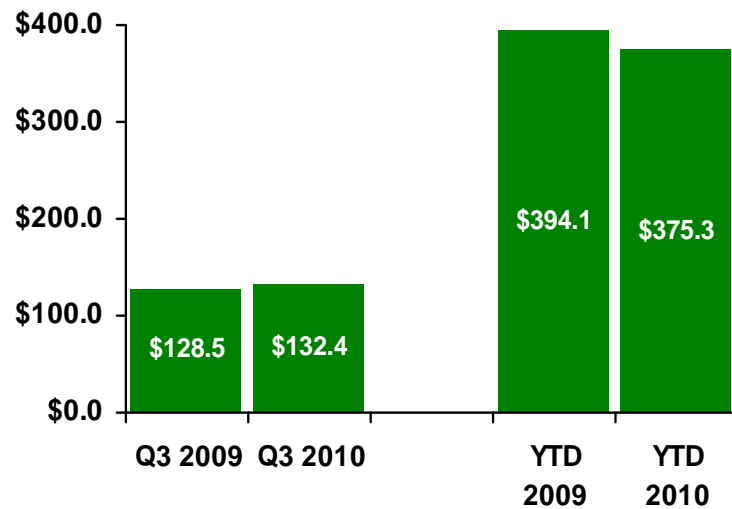




Revenue and Adjusted Operating Income

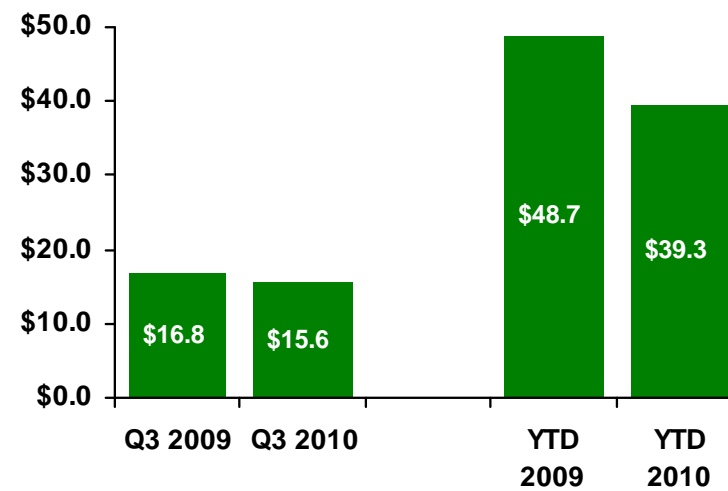
Q3 2010 Earnings Call

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)%
Total Growth (Decline)	--	3.0%	--	(4.7)%

Adjusted Operating Income ⁽¹⁾



	Q3 2009	Q3 2010	YTD 2009	YTD 2010
% Margin	13.1%	11.8%	12.4%	10.5%

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

Note: Dollars in millions.

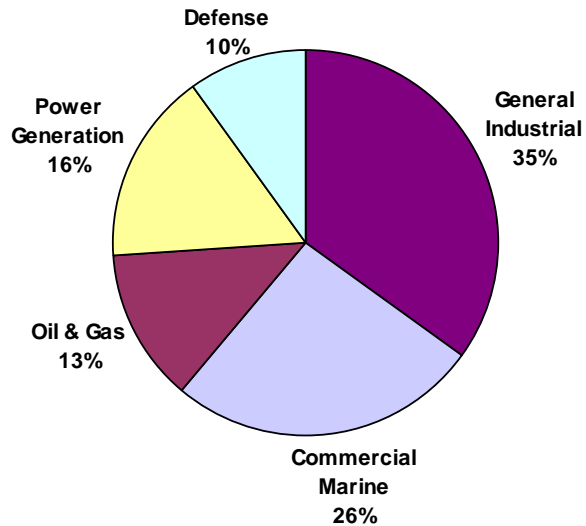




Q3 2010 Sales and Orders by End Market

Q3 2010 Earnings Call

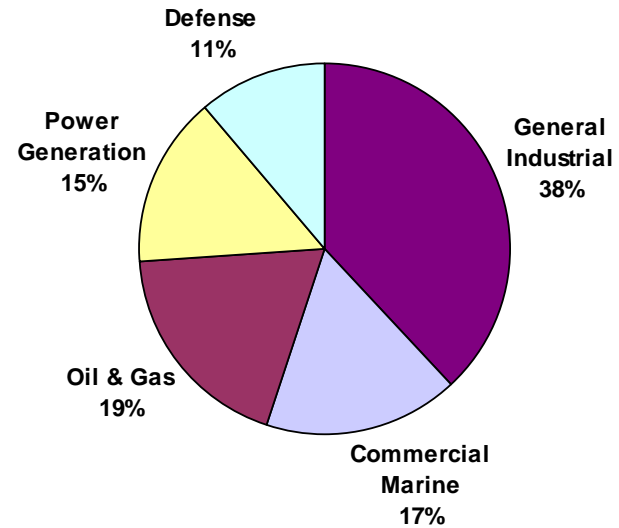
Sales: \$132.4 million



	<u>Total Growth (Decline)</u>	<u>Organic Growth (Decline)</u>
--	-------------------------------	---------------------------------

Commercial Marine	5%	9%
Oil & Gas	(14)%	(23)%
Power Generation	14%	21%
Defense	(8)%	(7)%
General Industrial	8%	16%
Total	3%	6%

Orders: \$124.1 million



	<u>Total Growth (Decline)</u>	<u>Organic Growth (Decline)</u>
--	-------------------------------	---------------------------------

Commercial Marine	--	--
Oil & Gas	38%	31%
Power Generation	(19)%	(17)%
Defense	--	2%
General Industrial	12%	19%
Total	6%	8%

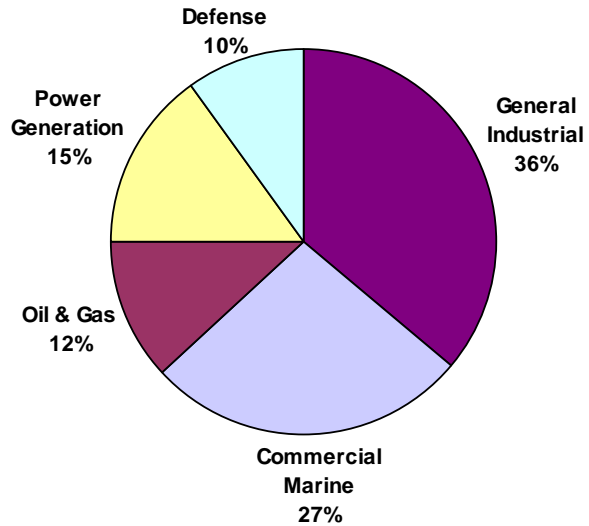




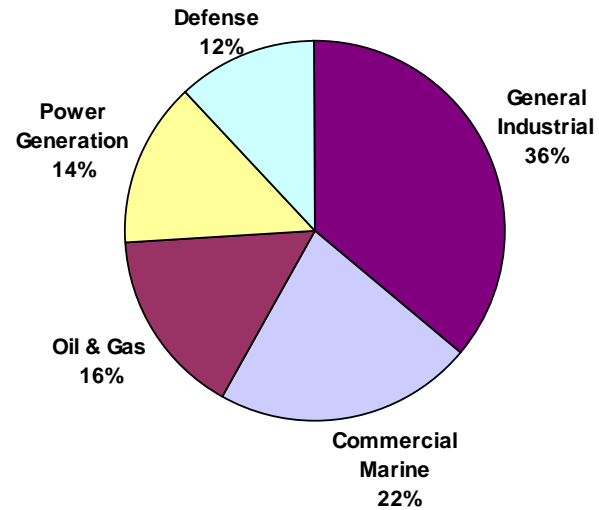
2010 YTD Sales and Orders by End Market

Q3 2010 Earnings Call

Sales: \$375.3 million



Orders: \$399.2 million



	<u>Total Growth (Decline)</u>	<u>Organic Growth (Decline)</u>
Commercial Marine	(5)%	(9)%
Oil & Gas	(26)%	(28)%
Power Generation	(2)%	1%
Defense	11%	11%
General Industrial	---	2%
Total	(5)%	(5)%

	<u>Total Growth (Decline)</u>	<u>Organic Growth (Decline)</u>
Commercial Marine	50%	42%
Oil & Gas	6%	4%
Power Generation	(4)%	(2)%
Defense	(24)%	(24)%
General Industrial	20%	22%
Total	11%	10%





2010 Q3 vs. 2010 Q2 Sales and Orders by End Market

Q3 2010 Earnings Call

Sales

	<u>Total Growth (Decline)</u>	<u>Organic Growth (Decline)</u>
Commercial Marine	3%	1%
Oil & Gas	8%	(6)%
Power Generation	31%	30%
Defense	9%	9%
General Industrial	2%	1%
Total	8%	5%

Orders

	<u>Total Growth (Decline)</u>	<u>Organic Growth (Decline)</u>
Commercial Marine	(36)%	(37)%
Oil & Gas	(7)%	(16)%
Power Generation	(20)%	(21)%
Defense	(44)%	(44)%
General Industrial	(5)%	(6)%
Total	(20)%	(22)%





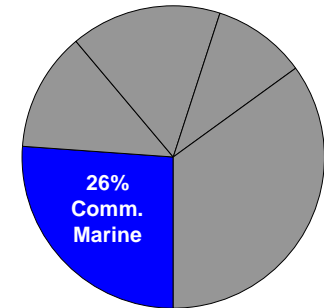
Sales & Orders Growth (Decline)

	Q310 YoY		Q310 YTD YoY		Q310 Sequential	
	Total	Organic	Total	Organic	Total	Organic
Sales	5%	9%	(5)%	(9)%	3%	1%
Orders	-	-	50%	42%	(36)%	(37)%

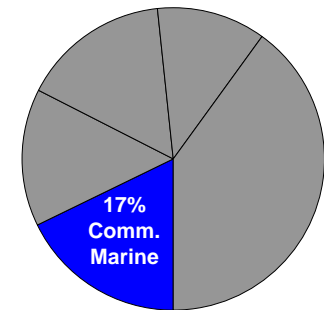
Highlights and Outlook

- Sales increase driven by customers taking deliveries sooner than expected
- Cancellations were \$4 million in Q3 2010 vs. \$1 million in Q3 2009; \$10 million YTD 2010 vs. \$19 million YTD 2009; delivery extensions continuing
- Approximately 9,000 ships on order at shipyards; 1/3 of current capacity
- Focusing on aftermarket sales & service including opportunities related to changing environmental regulations
- Working through lower margin backlog

Colfax Q3 10 Sales Split



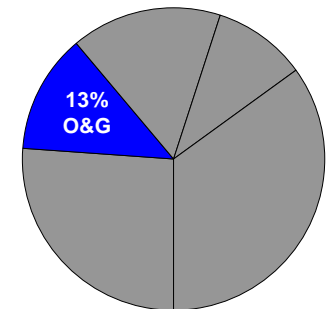
Colfax Q3 10 Orders Split



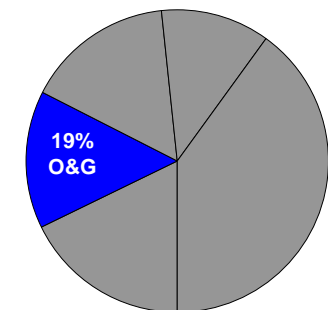
Sales & Orders Growth (Decline)

	Q310 YoY		Q310 YTD YoY		Q310 Sequential	
	Total	Organic	Total	Organic	Total	Organic
Sales	(14)%	(23)%	(26)%	(28)%	8%	(6)%
Orders	38%	31%	6%	4%	(7)%	(16)%

Colfax Q3 10 Sales Split



Colfax Q3 10 Orders 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

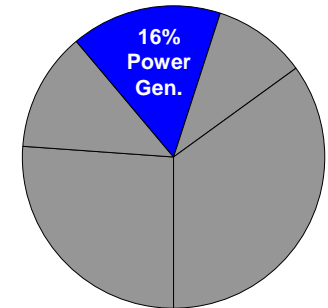




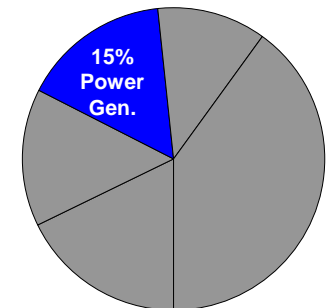
Sales & Orders Growth (Decline)

	Q310 YoY		Q310 YTD YoY		Q310 Sequential	
	Total	Organic	Total	Organic	Total	Organic
Sales	14%	21%	(2)%	1%	31%	30%
Orders	(19)%	(17)%	(4)%	(2)%	(20)%	(21)%

Colfax Q3 10 Sales Split



Colfax Q3 10 Orders Split



Highlights and Outlook

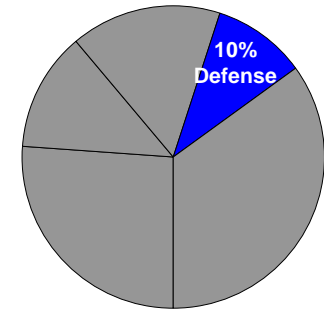
- Solid growth in sales while orders down primarily due to decision to exit certain business in the Middle East
- Several new infrastructure projects underway in Asia & Middle East
- Evaluating product offerings and pruning lower value add business



Sales & Orders Growth (Decline)

	Q310 YoY		Q310 YTD YoY		Q310 Sequential	
	Total	Organic	Total	Organic	Total	Organic
Sales	(8)%	(7)%	11%	11%	9%	9%
Orders	-	2%	(24)%	(24)%	(44)%	(44)%

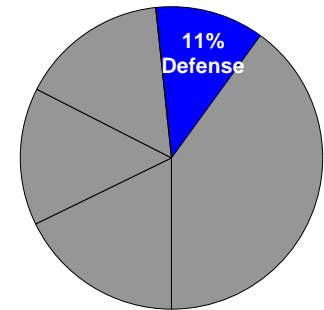
Colfax Q3 10 Sales Split



Highlights and Outlook

- Sales down in Q3 2010 due to timing of shipments
- Orders up slightly in Q3 2010 but down YTD, due to large orders booked in first half 2009 related to seven Virginia class subs
- Solid backlog
- ROW navies also expanding (projects in several European countries, Brazil, Australia, India and Malaysia)

Colfax Q3 10 Orders Split

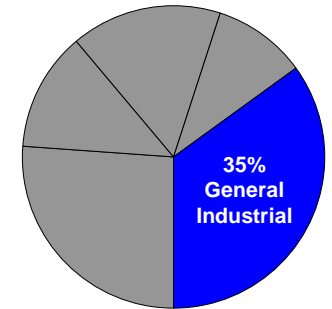




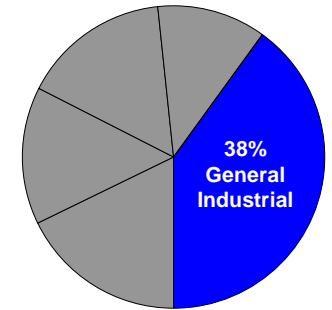
Sales & Orders Growth (Decline)

	Q310 YoY		Q310 YTD YoY		Q310 Sequential	
	Total	Organic	Total	Organic	Total	Organic
Sales	8%	16%	-	2%	2%	1%
Orders	12%	19%	20%	22%	(5)%	(6)%

Colfax Q3 10 Sales Split



Colfax Q3 10 Orders Split



Highlights and Outlook

- Sales and orders up for the quarter
- Growth in 3Q 2010 led by increases in orders in the chemical and diesel engine submarkets
- Order strength is geographically broad based
- Aftermarket improving – deferred maintenance spending



- 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
- Purchase price \$28 million, net of cash acquired (\$1 million one-time acquisition costs)
- Backlog = \$42 million at quarter end
- 2010 – estimated sales of \$10 million, no impact to EPS, amortization expense of \$0.9 million



- 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





Preliminary Income Statement Summary

Q3 2010 Earnings Call

	Three Months Ended		Delta	
	October 1, 2010	October 2, 2009 As Restated	\$	%
Orders	\$ 124.1	\$ 117.2	\$ 6.9	5.9 %
Sales	\$ 132.4	\$ 128.5	\$ 3.9	3.0 %
Gross Profit	\$ 47.1	\$ 46.2	\$ 0.9	1.9 %
% of Sales	35.6%	35.9%		
SG&A Expenses	\$ 29.9	\$ 27.9	\$ 2.1	7.4 %
R&D Expense	1.6	1.5	0.1	3.9 %
Operating Expenses	\$ 31.5	\$ 29.4	\$ 2.1	7.2 %
% of Sales	23.8%	22.9%		
Adjusted Operating Income	\$ 15.6	\$ 16.8	\$ (1.2)	(7.3)%
% of Sales	11.8%	13.1%		
Adjusted Net Income	\$ 9.5	\$ 10.2	\$ (0.6)	(6.2)%
% of Sales	7.2%	7.9%		
Adjusted Net Income Per Share	\$ 0.22	\$ 0.24	\$ (0.02)	(6.9)%

Refer to Appendix for Non-GAAP reconciliation and footnotes.

Note: Dollars in millions.





Preliminary Income Statement Summary

Q3 2010 Earnings Call

	Nine Months Ended		Delta	
	October 1, 2010	October 2, 2009 As Restated	\$	%
Orders	\$ 399.2	\$ 360.8	\$ 38.4	10.7 %
Sales	\$ 375.3	\$ 394.1	\$ (18.7)	(4.7)%
Gross Profit	\$ 131.8	\$ 138.8	\$ (6.9)	(5.0)%
% of Sales	35.1%	35.2%		
SG&A Expenses	\$ 87.8	\$ 85.5	\$ 2.4	2.8 %
R&D Expense	4.7	4.6	0.1	2.6 %
Operating Expenses	\$ 92.6	\$ 90.1	\$ 2.5	2.8 %
% of Sales	24.7%	22.9%		
Adjusted Operating Income	\$ 39.3	\$ 48.7	\$ (9.4)	(19.4)%
% of Sales	10.5%	12.4%		
Adjusted Net Income	\$ 23.3	\$ 29.4	\$ (6.1)	(20.9)%
% of Sales	6.2%	7.5%		
Adjusted Net Income Per Share	\$ 0.53	\$ 0.68	\$ (0.15)	(21.4)%

Refer to Appendix for Non-GAAP reconciliation and footnotes.

Note: Dollars in millions.





Financial Metrics (as of 10/1/10)

Q3 2010 Earnings Call

Liquidity

Cash	\$43
Accounts receivable	\$93
Inventory	\$58
Accounts payable	\$43
Working capital	\$108
Working capital to annualized sales	22%

Cash Flow (9 months)

Depreciation and amortization	\$11
Acquisitions	\$28
Capex	\$9

Leverage

Current portion long-term debt	\$10
Long-term debt	\$75
Net debt	\$42
Revolver availability	\$133

Asbestos

Asbestos insurance receivable	\$41
Asbestos insurance asset	\$385
Asbestos insurance liability	\$438
Asbestos net cash outflow	\$8 (9 mos)
Asbestos liability and defense costs	\$2 (3Q)
Asbestos coverage litigation	\$2 (3Q)



Note: Dollars in millions.

Revenue Range			
2010 Organic growth (decline) ⁽¹⁾	(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 ⁽²⁾	\$0.83	To	\$0.88

Assumptions	
Asbestos coverage litigation	\$13 million
Asbestos liability and defense costs	\$5 million
Euro ⁽³⁾	\$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)



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, organic sales growth (decline) and organic order growth (decline). Adjusted net income, adjusted net income per share and adjusted operating income 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 actual and 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 non-recurring items, 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

Q3 2010 Earnings Call

(Preliminary¹ and unaudited)

	Three Months Ended		Nine Months Ended	
	October 1, 2010	October 2, 2009	October 1, 2010	October 2, 2009
		As Restated		As Restated
Adjusted Net Income and Adjusted Earnings per Share				
Net income	\$ 5,836	\$ 5,529	\$ 7,559	\$ 17,065
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
Tax adjustment to effective rate of 32%	(3,271)	(2,497)	(8,765)	(6,084)
Adjusted net income	\$ 9,547	\$ 10,182	\$ 23,251	\$ 29,398
Adjusted net income margin	7.2%	7.9%	6.2%	7.5%
Weighted average shares outstanding - diluted	43,619,252	43,324,995	43,539,372	43,274,177
Adjusted net income per share	\$ 0.22	\$ 0.24	\$ 0.53	\$ 0.68
Net income per share—basic and diluted in accordance with GAAP	\$ 0.13	\$ 0.13	\$ 0.17	\$ 0.39
Adjusted Operating Income				
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	\$ 15,584	\$ 16,807	\$ 39,267	\$ 48,698
Adjusted operating income margin	11.8%	13.1%	10.5%	12.4%

¹ 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. The related net income impact for nine months ended October 1, 2010 is an after-tax benefit of \$0.3 million (\$.01 per share).

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. The related net income impacts for the three and nine months ended October 2, 2009, are after-tax benefits of \$0.2 million (less than \$.01 per share) and \$0.5 million (\$.01 per share), respectively.

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. The Company will amend and restate the consolidated financial statements contained in its Annual Report on Form 10-K for the year ended December 31, 2009 and Quarterly Reports on Form 10-Q for the periods ended April 2, 2010 and July 2, 2010. The Company plans to file the amended reports as soon as practicable in the fourth quarter of 2010.

Note: Dollars in thousands.



	<u>Sales</u>		<u>Orders</u>			
Three Months Ended October 2, 2009	\$ 128.5		\$ 117.2			
<i>Components of Change:</i>						
Existing businesses	7.6	5.9 %	9.4	8.1 %		
Acquisitions	3.0	2.3 %	3.0	2.5 %		
Foreign currency translation	(6.7)	(5.2)%	(5.5)	(4.7)%		
Total	<u>3.9</u>	<u>3.0 %</u>	<u>6.9</u>	<u>5.9 %</u>		
Three Months Ended October 1, 2010	\$ 132.4		\$ 124.1			
	<u>Sales</u>		<u>Orders</u>		<u>Backlog at Period End</u>	
Nine Months Ended October 2, 2009	\$ 394.1		\$ 360.8		\$ 325.3	
<i>Components of Change:</i>						
Existing businesses	(20.0)	(5.0)%	36.2	10.1 %	(7.2)	(2.2)%
Acquisitions	4.6	1.2 %	4.7	1.3 %	42.3	13.0 %
Foreign currency translation	(3.4)	(0.9)%	(2.5)	(0.7)%	(9.2)	(2.8)%
Total	<u>(18.8)</u>	<u>(4.7)%</u>	<u>38.4</u>	<u>10.7 %</u>	<u>25.9</u>	<u>8.0 %</u>
Nine Months Ended October 1, 2010	\$ 375.3		\$ 399.2		\$ 351.2	
	<u>Sales</u>		<u>Orders</u>		<u>Backlog at Period End</u>	
Three Months Ended July 2, 2010	\$ 123.0		\$ 155.6		\$ 297.1	
<i>Components of Change:</i>						
Existing businesses	5.8	4.7 %	(34.7)	(22.3)%	(9.7)	(3.2)%
Acquisitions	2.2	1.8 %	2.1	1.4 %	42.3	14.2 %
Foreign currency translation	1.4	1.2 %	1.1	0.7 %	21.5	7.2 %
Total	<u>9.4</u>	<u>7.7 %</u>	<u>(31.5)</u>	<u>(20.2)%</u>	<u>54.1</u>	<u>18.2 %</u>
Three Months Ended October 1, 2010	\$ 132.4		\$ 124.1		\$ 351.2	

Note: Dollars in millions.





Non-GAAP Reconciliation

Q3 2010 Earnings Call

Colfax Corporation
Reconciliation of Projected 2010 Net Income Per Share to Adjusted Net Income Per Share
 Amounts in Dollars
 (Preliminary¹ and unaudited)

	EPS Range	
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 ²	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

¹ 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.

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

