



## First Quarter 2011 Earnings Call

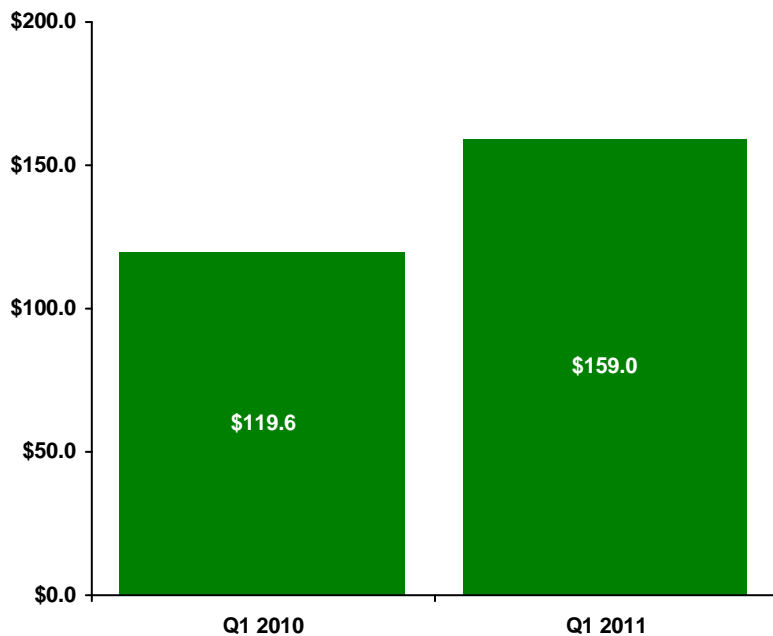
May 3, 2011



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.

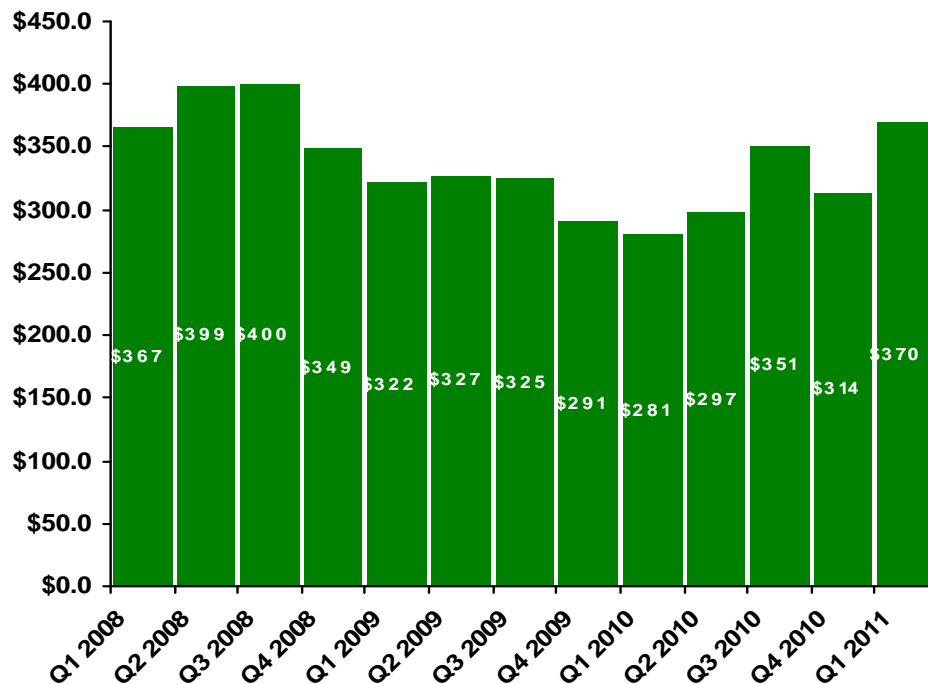
- Adjusted net income of \$10.1 million (23 cents per share) compared to \$6.0 million (14 cents per share) in Q1 2010, an increase of 68.6%; Q1 2011 results include the positive 1 cent per share effect of currency translation
- Net sales of \$158.6 million compared to \$120.0 million in Q1 2010, an increase of 32.2% (organic increase of 17.6%)
- Adjusted operating income of \$16.7 million compared to \$10.6 million in Q1 2010, an increase of 57.5%
- First quarter orders of \$159.0 million compared to \$119.6 million in Q1 2010, an increase of 32.9% (organic increase of 22.7%)
- Backlog of \$369.8 million

## Orders



Existing Businesses	22.7 %
Acquisitions	9.3 %
FX Translation	0.9 %
<b>Total Growth</b>	<b>32.9 %</b>

## Backlog



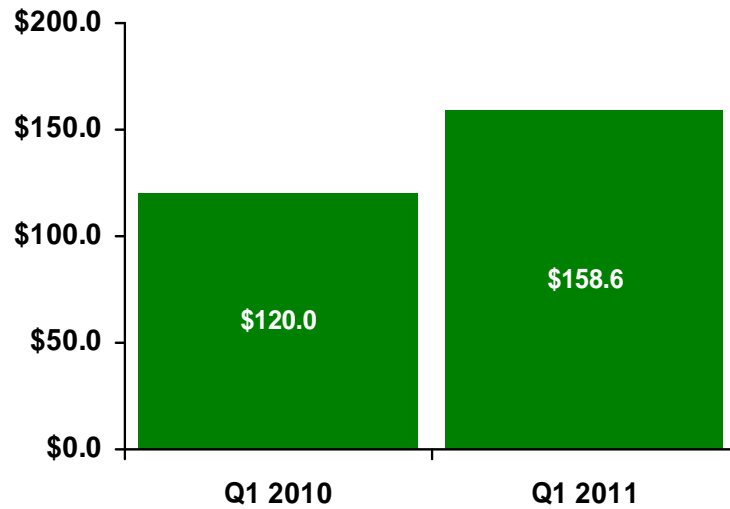
Note: Dollars in millions.



# Revenue and Adjusted Operating Income

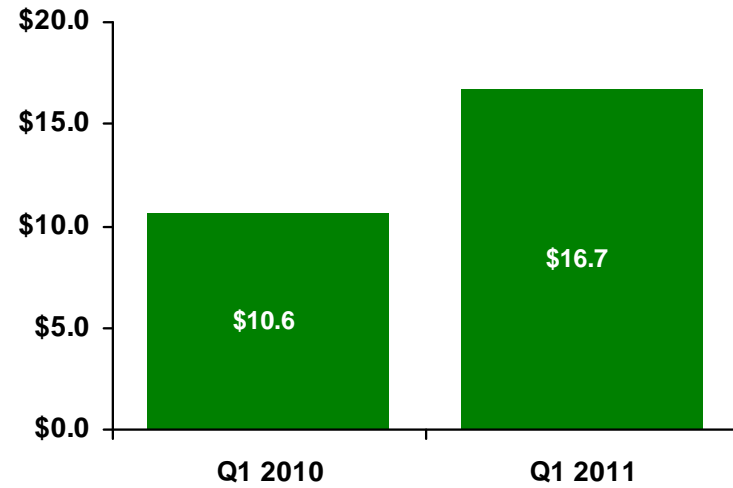
Q1 2011 Earnings Call

## Revenue



Existing Businesses	17.6 %
Acquisitions	13.3 %
FX Translation	1.3 %
<b>Total Growth</b>	<b>32.2 %</b>

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



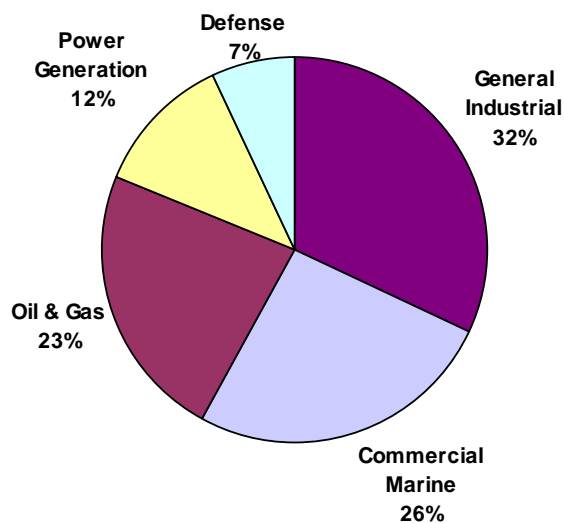
% Margin	8.9%	10.5%
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(1) Refer to Appendix for Non-GAAP reconciliation.

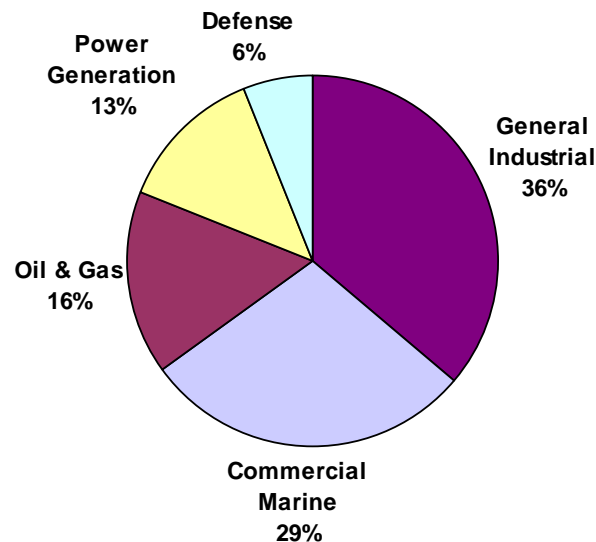
Note: Dollars in millions (unaudited).



## Sales: \$158.6 million



## Orders: \$159.0 million



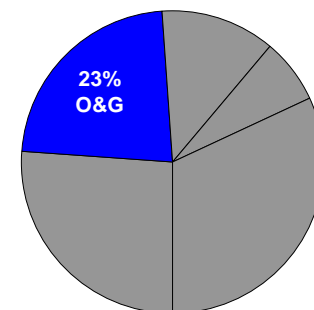
	<u>Total Growth (Decline)</u>	<u>Organic Growth (Decline)</u>
Commercial Marine	21 %	17 %
Oil & Gas	200 %	72 %
Power Generation	10 %	10 %
Defense	(8)%	(8)%
General Industrial	14 %	13 %
<b>Total</b>	<b>32 %</b>	<b>18 %</b>

	<u>Total Growth (Decline)</u>	<u>Organic Growth (Decline)</u>
Commercial Marine	35 %	32 %
Oil & Gas	99 %	31 %
Power Generation	58 %	58 %
Defense	(27)%	(28)%
General Industrial	24 %	18 %
<b>Total</b>	<b>33 %</b>	<b>23 %</b>

## Sales & Orders Growth

	Q1 2011 vs. Q1 2010	
	Total	Organic
Sales	200%	72%
Orders	99%	31%

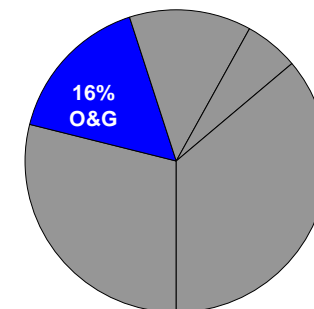
Colfax Q1 2011 Sales Split



## Highlights and Outlook

- New project orders continuing to book; fueled by higher crude oil prices
- Robust activity in Middle East, Latin America and Canada
- Quoting activity remains strong – heavy crude transfer, storage and refinery lubrication systems
- Acquisitions of Baric and Rosscor broadened our product offering and increased our participation in this end market

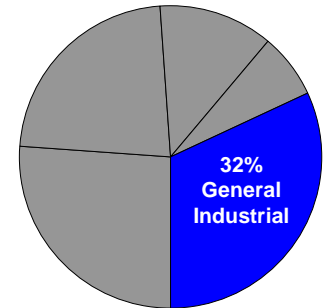
Colfax Q1 2011 Orders Split



## Sales & Orders Growth

	Q1 2011 vs. Q1 2010	
	Total	Organic
Sales	14%	13%
Orders	24%	18%

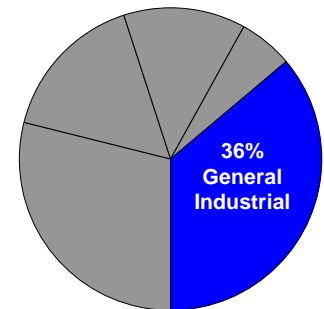
Colfax Q1 2011 Sales Split



## Highlights and Outlook

- Sales and orders up for the quarter
- Order strength is geographically broad-based, with continued strength in North America, Europe and Asia
- Growth in Q1 2011 was broad-based across our submarkets, most notably diesel and machining
- Aftermarket improving – deferred maintenance spending

Colfax Q1 2011 Orders Split

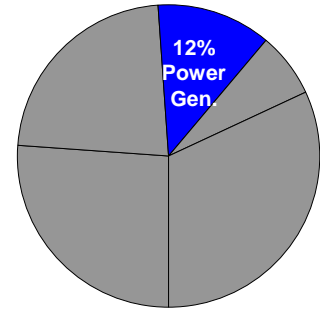




## Sales & Orders Growth

	Q1 2011 vs. Q1 2010	
	Total	Organic
Sales	10%	10%
Orders	58 %	58 %

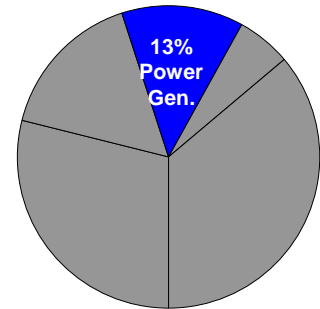
Colfax Q1 2011 Sales Split



## Highlights and Outlook

- Growth in sales and orders, despite decision to exit certain business in the Middle East
- Robust growth in OEM and packaged systems businesses, especially in Europe, North America and Asia
- Continuing to evaluate product offerings and pruning lower value-add business

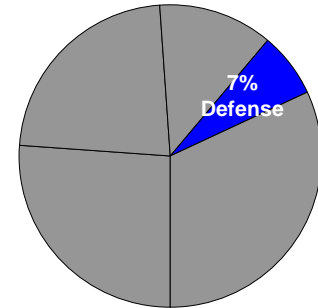
Colfax Q1 2011 Orders Split



## Sales & Orders Decline

	Q1 2011 vs. Q1 2010	
	Total	Organic
Sales	(8)%	(8)%
Orders	(27)%	(28)%

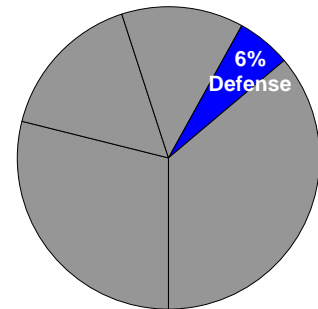
Colfax Q1 2011 Sales Split



## Highlights and Outlook

- Sales and orders declined in Q1 2011, as expected
- Shipment and order activity follow timing of specific ship programs
- Aftermarket orders delayed due to funding, recent approval will contribute to sales this year
- Solid backlog

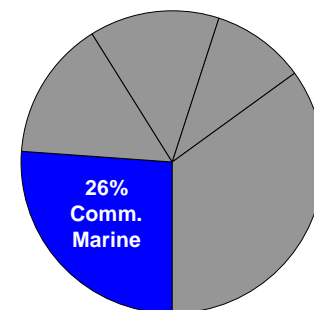
Colfax Q1 2011 Orders Split



## Sales & Orders Growth

	Q1 2011 vs. Q1 2010	
	Total	Organic
Sales	21%	17%
Orders	35%	32%

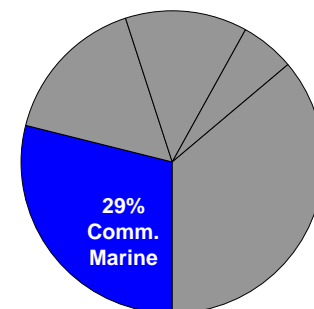
Colfax Q1 2011 Sales Split



## Highlights and Outlook

- Sales increase primarily driven by reduction in backlog
- Orders increased significantly due to improved market conditions
- Cancellations were less than \$1 million in Q1 2011 vs. \$3 million in Q1 2010
- Focusing on aftermarket sales & service including opportunities related to changing environmental regulations
- Working through lower margin backlog

Colfax Q1 2011 Orders Split



## 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 \$84 million, principal payments of \$10 million in 2011, matures in 2013
  - Cash of \$45 million
  - \$118 million available on revolver



# Income Statement Summary (Unaudited)

Q1 2011 Earnings Call

	Three Months Ended		Change	
	April 1, 2011	April 2, 2010	\$	%
Orders	\$ 159.0	\$ 119.6	\$ 39.4	32.9 %
Sales	\$ 158.6	\$ 120.0	\$ 38.6	32.2 %
Gross Profit	\$ 53.3	\$ 41.8	\$ 11.5	27.5 %
% of Sales	33.6%	34.8%		
SG&A Expenses	\$ 34.9	\$ 29.5	\$ 5.4	18.3 %
R&D Expense	1.6	1.6	-	0.0 %
Operating Expenses	\$ 36.5	\$ 31.1	\$ 5.4	17.4 %
% of Sales	23.0%	25.9%		
Adjusted Operating Income	\$ 16.7	\$ 10.6	\$ 6.1	57.5 %
% of Sales	10.5%	8.9%		
Adjusted EBITDA	\$ 22.1	\$ 14.4	\$ 7.7	53.5 %
% of Sales	13.9%	12.0%		
Adjusted Net Income	\$ 10.1	\$ 6.0	\$ 4.1	68.3 %
% of Sales	6.4%	5.0%		
Adjusted Net Income Per Share	\$ 0.23	\$ 0.14	\$ 0.09	64.3 %

Refer to Appendix for Non-GAAP reconciliation and footnotes.

Note: Dollars in millions.



# 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%. 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.





# Q1 2011 vs. Q4 2010 Sales and Orders by End Market

Q1 2011 Earnings Call

## Sales

	<u>Total Growth (Decline)</u>	<u>Organic Decline</u>
Commercial Marine	1 %	(1)%
Oil & Gas	7 %	(18)%
Power Generation	(12)%	(12)%
Defense	(45)%	(45)%
General Industrial	1 %	(1)%
<b>Total</b>	<b>(5)%</b>	<b>(11)%</b>

## Orders

	<u>Total Growth</u>	<u>Organic Growth (Decline)</u>
Commercial Marine	38 %	35 %
Oil & Gas	7 %	(1)%
Power Generation	48 %	48 %
Defense	34 %	33 %
General Industrial	4 %	(1)%
<b>Total</b>	<b>19 %</b>	<b>15 %</b>



	<b>Three Months Ended</b>	
	<b>April 1, 2011</b>	<b>April 2, 2010</b>
<b>EBITDA</b>		
Net income (loss)	\$ 6,555	\$ (374)
Interest expense	1,827	1,813
Provision for (benefit from) income taxes	2,950	(155)
Depreciation and amortization	<u>5,353</u>	<u>3,735</u>
EBITDA	<u>\$ 16,685</u>	<u>\$ 5,019</u>
EBITDA margin	10.5%	4.2%
<b>Adjusted EBITDA</b>		
Net income (loss)	\$ 6,555	\$ (374)
Interest expense	1,827	1,813
Provision for (benefit from) income taxes	2,950	(155)
Depreciation and amortization	5,353	3,735
Restructuring and other related charges	1,977	4,039
Asbestos liability and defense costs	1,333	1,435
Asbestos coverage litigation expenses	<u>2,066</u>	<u>3,881</u>
Adjusted EBITDA	<u>\$ 22,061</u>	<u>\$ 14,374</u>
Adjusted EBITDA margin	13.9%	12.0%

Note: Dollars in thousands.

	Three Months Ended	
	April 1, 2011	April 2, 2010
<b>Adjusted Net Income and Adjusted Earnings per Share</b>		
Net income (loss)	\$ 6,555	\$ (374)
Restructuring and other related charges	1,977	4,039
Asbestos liability and defense costs	1,333	1,435
Asbestos coverage litigation expenses	2,066	3,881
Tax adjustment to effective rate of 32%	<u>(1,812)</u>	<u>(2,979)</u>
Adjusted net income	<u>\$ 10,119</u>	<u>\$ 6,002</u>
Adjusted net income margin	6.4%	5.0%
Weighted average shares outstanding - diluted	44,105,120	43,242,659
Adjusted net income per share	<u>\$ 0.23</u>	<u>\$ 0.14</u>
Net income (loss) per share—diluted in accordance with GAAP	<u>\$ 0.15</u>	<u>\$ (0.01)</u>
<b>Adjusted Operating Income</b>		
Operating income	\$ 11,332	\$ 1,284
Restructuring and other related charges	1,977	4,039
Asbestos liability and defense costs	1,333	1,435
Asbestos coverage litigation expenses	<u>2,066</u>	<u>3,881</u>
Adjusted operating income	<u>\$ 16,708</u>	<u>\$ 10,639</u>
Adjusted operating income margin	10.5%	8.9%

Note: Dollars in thousands, except share data.



# Sales & Order Growth

(unaudited)

Q1 2011 Earnings Call

	Sales		Orders		Backlog at Period End	
	\$	%	\$	%	\$	%
<b>Three months ended April 2, 2010</b>	<b>\$ 120.0</b>		<b>\$ 119.6</b>		<b>\$ 281.3</b>	
<i>Components of Change:</i>						
Existing Businesses	21.1	17.6 %	27.2	22.7 %	(0.4)	(0.1)%
Acquisitions	15.9	13.3 %	11.1	9.3 %	76.9	27.3 %
Foreign Currency Translation	<u>1.6</u>	1.3 %	<u>1.1</u>	0.9 %	<u>12.0</u>	4.3 %
Total	<u>38.6</u>	32.2 %	<u>39.4</u>	32.9 %	<u>88.5</u>	31.5 %
<b>Three months ended April 1, 2011</b>	<b><u>\$ 158.6</u></b>		<b><u>\$ 159.0</u></b>		<b><u>\$ 369.8</u></b>	

Note: Dollars in millions.

