

COLFAX

First Quarter 2012 Earnings Conference Call

May 8, 2012

Forward-Looking Statements

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 including its 2011 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.

Q1 2012 Results

Q1 2012 Highlights

- Adjusted net income of \$25.5 million (\$0.23 per share) compared to \$9.2 million (\$0.21 per share) in Q1 2011
- Net sales of \$886.4 million, an increase of 11.3% from first quarter 2011 proforma net sales of \$796.5 million
- Adjusted operating income of \$63.4 million compared to \$15.4 million in Q1 2011
- First quarter gas- and fluid-handling orders of \$497.5 million compared to proforma orders of \$451.9 million in Q1 2011, an increase of 10.1%
- Gas- and fluid-handling backlog of \$1.4 billion at period end

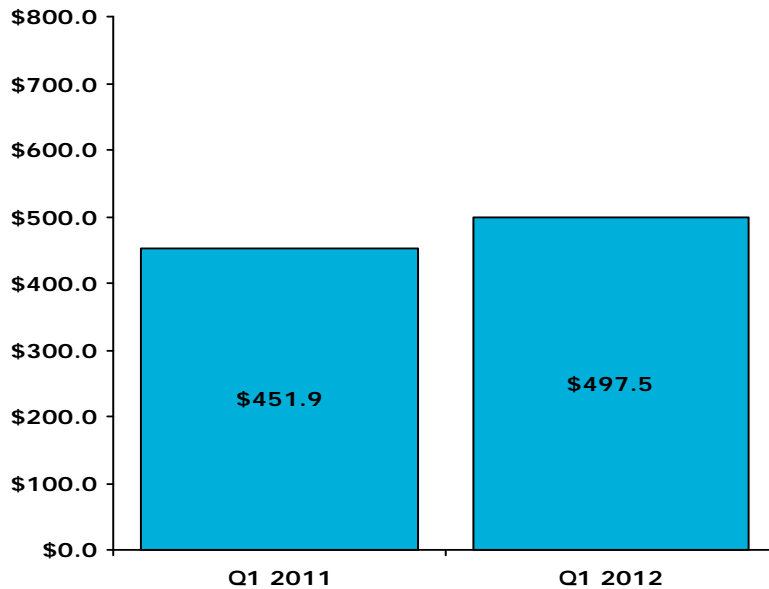
Gas- and Fluid- Handling

Gas- and Fluid-Handling Highlights

- Net sales of \$425.3 million compared to proforma net sales of \$342.9 million in Q1 2011, an increase of 24.0%
- Adjusted segment operating income of \$40.7 million and adjusted segment operating income margin of 9.6%
- First quarter orders of \$497.5 million compared to proforma orders of \$451.9 million in Q1 2011, an increase of 10.1%
- Backlog of \$1.4 billion at period end

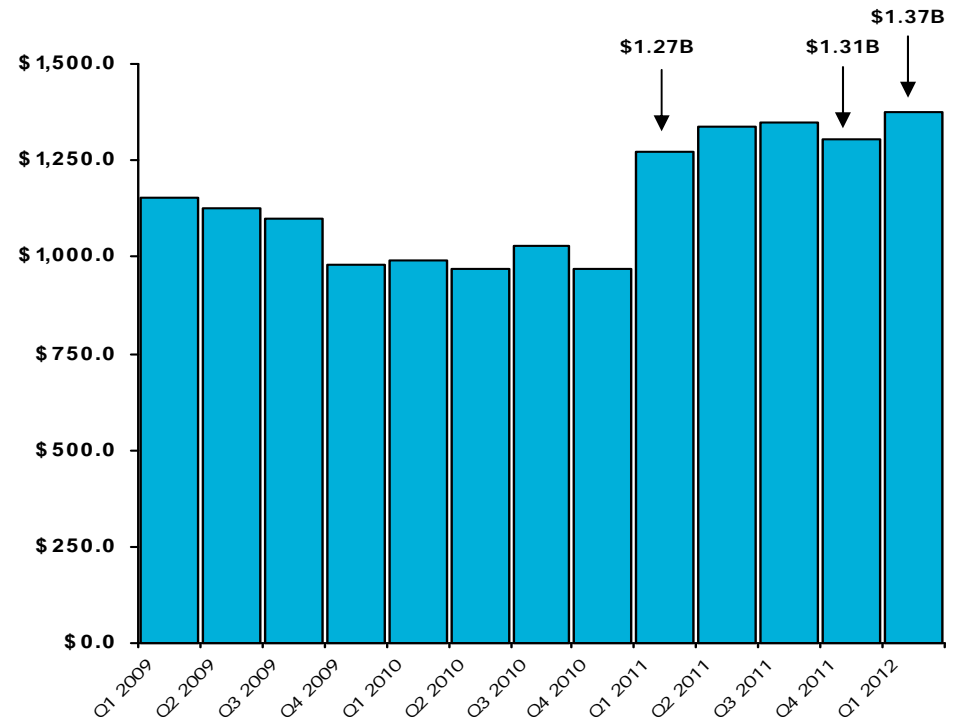
Orders and Backlog

Orders⁽¹⁾



Existing Businesses	(2.4)%
Acquisitions	14.8 %
FX Translation	(2.3)%
Total Growth	10.1%

Backlog⁽¹⁾



(1) Order and backlog data for the periods prior to Q1 2012 are presented on a proforma basis.

Note: Dollars in millions (unaudited).

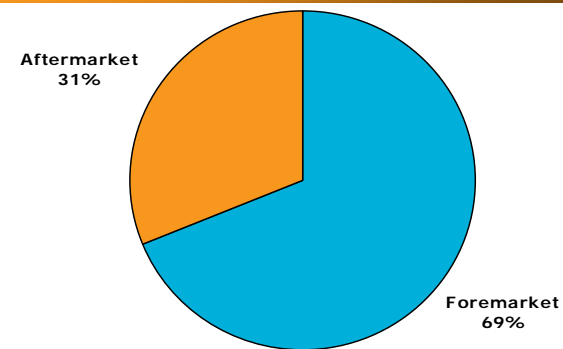
Revenue

Revenue⁽¹⁾

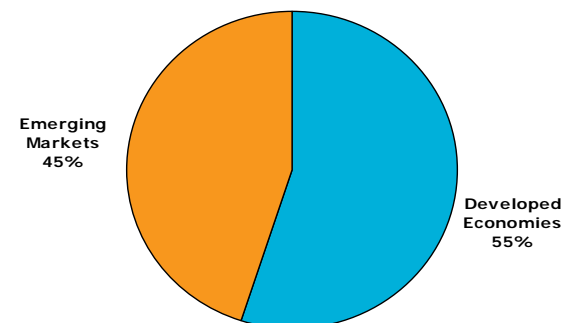


Existing Businesses	16.4 %
Acquisitions	9.9 %
FX Translation	(2.3)%
Total Growth	24.0%

Aftermarket Revenue



Geographic Exposure

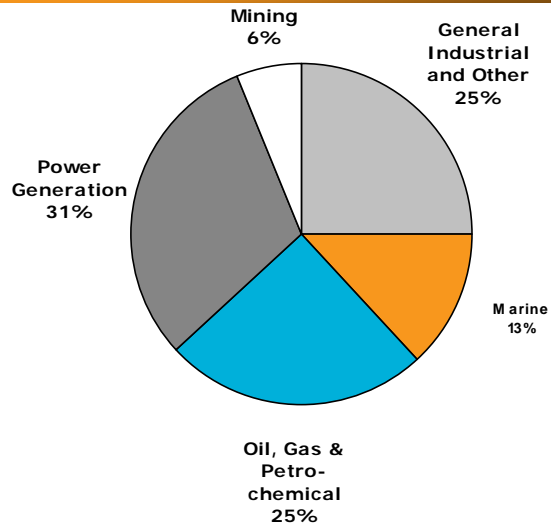


(1) Q1 2011 sales are presented on a proforma basis.

Note: Dollars in millions (unaudited).

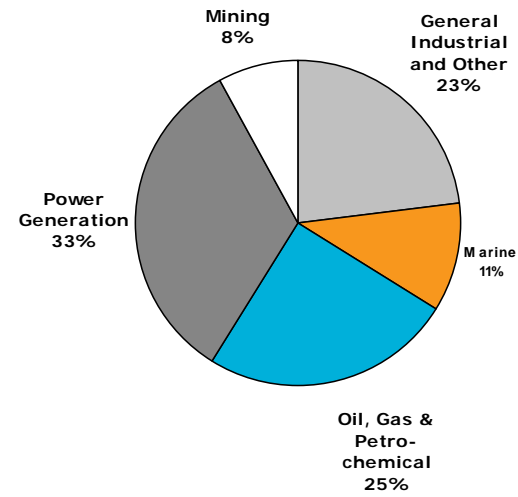
Q1 2012 Sales and Orders by End Market

Sales: \$425.3 million



	<u>Total (Decline)</u> <u>Growth</u>	<u>Organic (Decline)</u> <u>Growth</u>
Power Generation	30.0 %	30.4 %
Oil, Gas & Petrochemical	68.7 %	23.2%
Marine	(3.1)%	(1.1)%
Mining	6.9%	10.1%
General Industrial & Other	8.5 %	9.1 %
Total	24.0 %	16.4%

Orders: \$497.5 million



	<u>Total (Decline)</u> <u>Growth</u>	<u>Organic (Decline)</u> <u>Growth</u>
Power Generation	0.9 %	1.8 %
Oil, Gas & Petrochemical	54.7 %	(17.6)%
Marine	(5.6)%	(3.5)%
Mining	21.5%	26.0%
General Industrial & Other	(4.1) %	(5.5) %
Total	10.1 %	(2.4)%

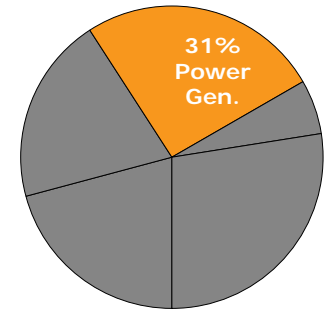
Note: Dollars in millions (unaudited). Total and organic growth (decline) is calculated on a proforma basis.

Power Generation Market Perspective

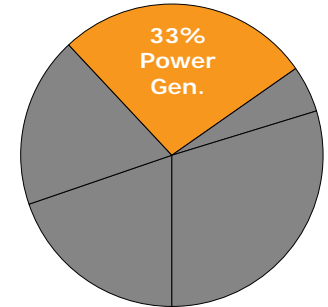
Sales & Orders Growth

	Q1 2012 vs. Q1 2011	
	Total	Organic
Sales	30.0%	30.4%
Orders	0.9%	1.8%

Colfax 2012
Sales Split



Colfax 2012
Orders Split



Highlights

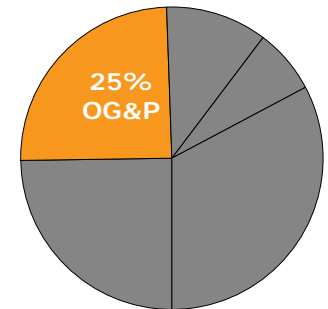
- Served by both Howden and Colfax Fluid Handling
- Driven by global fundamental undersupply of electricity
- Growth is strong in China, South East Asia, South Africa and the Middle East

Oil, Gas & Petrochemical Market Perspective

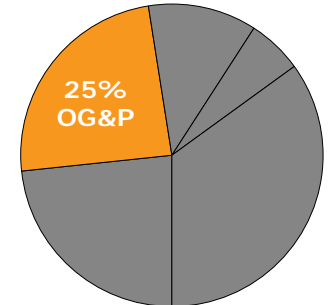
Sales & Orders Growth (Decline)

	Q1 2012 vs. Q1 2011	
	Total	Organic
Sales	68.7%	23.2%
Orders	54.7%	(17.6)%

Colfax Q1 2012 Sales Split



Colfax Q1 2012 Orders Split



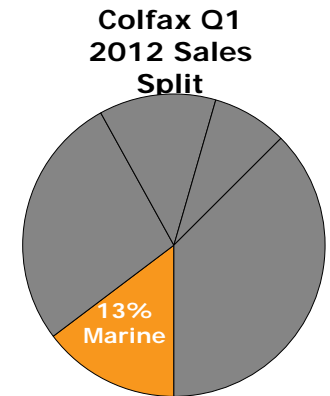
Highlights

- Served by both Howden and Colfax Fluid Handling
- Driven by sustained price levels for oil globally
- Thomassen compressor acquisition increases presence in this market

Marine Market Perspective

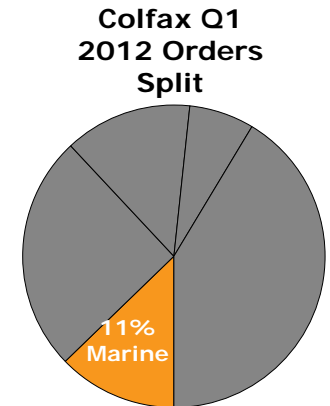
Sales & Orders (Decline)

	Q1 2012 vs. Q1 2011	
	Total	Organic
Sales	(3.1)%	(1.1)%
Orders	(5.6)%	(3.5)%



Highlights

- Comprised of commercial marine and government, or defense, customers
- Primarily served by Colfax Fluid Handling
- New ship build is down from 2011 peak

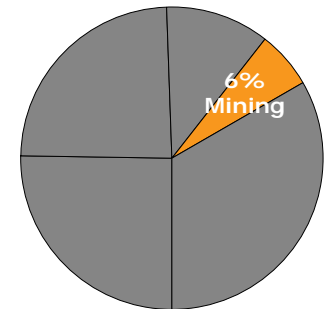


Mining Market Perspective

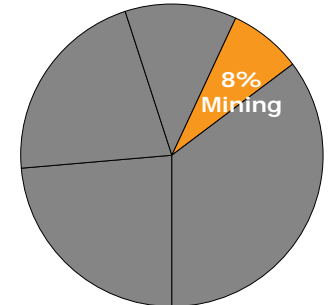
Sales & Orders Growth

	Q1 2012 vs. Q1 2011	
	Total	Organic
Sales	6.9%	10.1%
Orders	21.5%	26.0%

Colfax Q1
2012 Sales
Split



Colfax Q1
2012 Orders
Split



Highlights

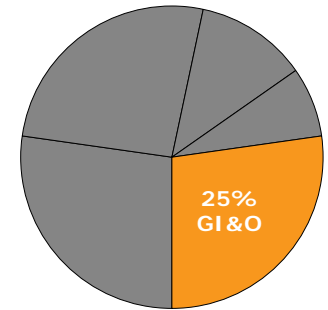
- Primarily served by Howden
- Includes centrifugal and axial fans, providing mine ventilation
- Driven by demand of mined resources, including: coal, iron ore, copper, gold, rare earths, nickel and potash

General Industrial & Other Market Perspective

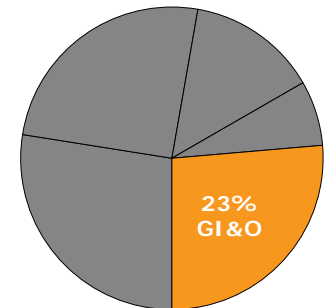
Sales & Orders Growth (Decline)

	Q1 2012 vs. Q1 2011	
	Total	Organic
Sales	8.5%	9.1%
Orders	(4.1)%	(5.5)%

Colfax Q1
2012 Sales
Split



Colfax Q1
2012 Orders
Split



Highlights

- Includes both Howden and Colfax Fluid Handling
- Represents a variety of industrial fans and compressors, tunnel ventilation and pumps serving various industrial needs
- Sales were driven by industrial fans and compressors, and fluid-handling's distribution, waste water and chemical processing submarkets

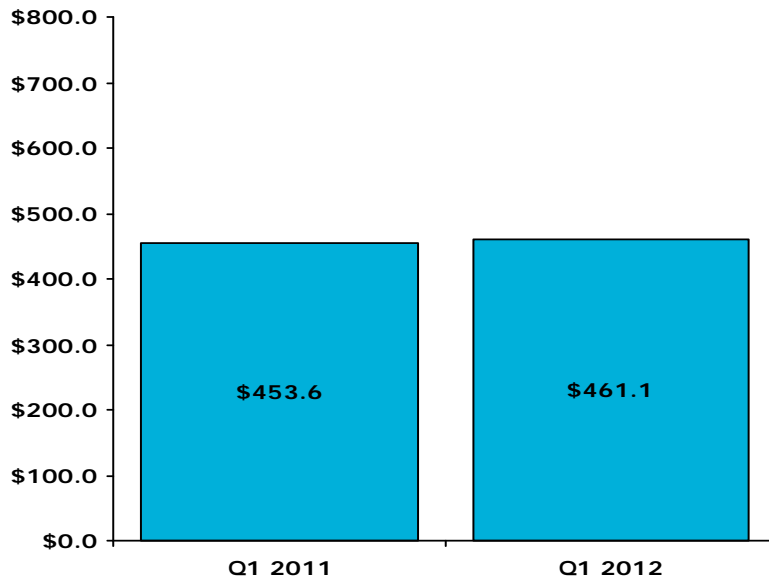
Fabrication Technology

Fabrication Technology Highlights

- Net sales of \$461.1 million compared to proforma net sales of \$453.6 million in Q1 2011, an increase of 1.6%
- Adjusted segment operating income of \$34.0 million and adjusted operating income margin of 7.4%
- Higher volumes in North America and the Middle East
- Benefitted by \$4 million from cost savings initiatives during the quarter; offset, in part, by depressed volumes in Europe, higher production costs in India and Asia and start up of a new consumables facility in the U.S.

Revenue

Revenue⁽¹⁾

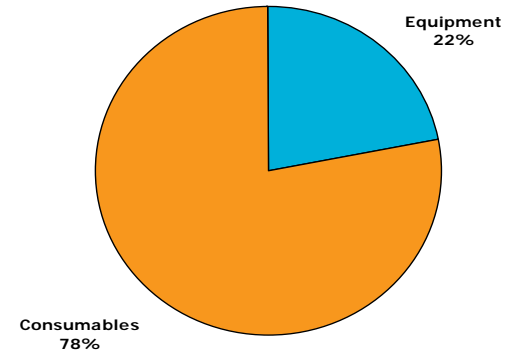


Volume	1.8 %
Price/Mix	3.8 %
Acquisitions	0.6 %
FX Translation	(4.6)%
Total Growth	1.6 %

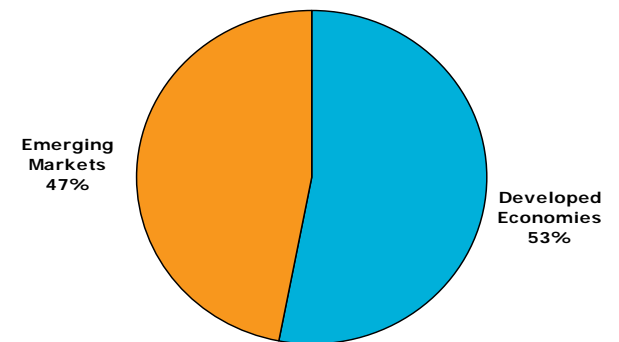
(1) Q1 2011 sales are presented on a proforma basis.

Note: Dollars in millions (unaudited).

Revenue



Geographic Exposure



Results of Operations

Income Statement Summary

(unaudited)

	Three Months Ended	
	March 30, 2012	April 1, 2011
Sales	\$ 886.4	\$ 158.6
Gross profit	\$ 255.4	\$ 53.3
% of sales	28.8%	33.6%
SG&A expense	\$ 225.7	\$ 37.9
% of sales	25.5%	23.9%
Adjusted operating income	\$ 63.4	\$ 15.4
% of sales	7.1%	9.7%
Adjusted EBITDA	\$ 91.5	\$ 20.9
% of sales	10.3%	13.2%
Adjusted net income	\$ 25.5	\$ 9.2
% of sales	2.9%	5.8%
Adjusted net income per share	\$ 0.23	\$ 0.21

Refer to Appendix for Non-GAAP reconciliation and footnotes.

Note: Dollars in millions.

Appendix

Disclaimer

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 and depreciation (EBITDA), adjusted EBITDA, organic sales growth and organic order growth. Adjusted net income, adjusted net income per share, adjusted EBITDA and adjusted operating income excludes asbestos coverage litigation expense, expenses related to major restructuring programs or any additional structural changes announced in the future, expenses related to the Charter acquisition and significant year-one fair value adjustment amortization expense. The effective tax rates used to calculate adjusted net income, adjusted net income per share and projected adjusted net income per share are 31% for Q1 2012 in comparison to 32% for Q1 2011. Organic sales growth (decline) and organic order growth (decline) exclude the impact of bolt-on acquisitions and foreign exchange rate fluctuations and are presented on a proforma basis (the proforma comparison includes the 2011 sales and orders for Howden and ESAB, excluding the first 12 days of each reporting period). 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 asbestos insurance coverage issues, costs related to the Charter acquisition, major restructuring programs and items outside the control of its operating management.

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

Non-GAAP Reconciliation

(unaudited)

	Three Months Ended	
	March 30, 2012	April 1, 2011
EBITDA		
Net (loss) income	\$ (100,461)	\$ 6,555
Interest expense	18,982	1,827
Provision for income taxes	57,348	2,950
Depreciation and amortization	<u>61,804</u>	<u>5,527</u>
EBITDA	<u>\$ 37,673</u>	<u>\$ 16,859</u>
EBITDA margin	4.3%	10.6%
Adjusted EBITDA		
Net (loss) income	\$ (100,461)	\$ 6,555
Interest expense	18,982	1,827
Provision for income taxes	57,348	2,950
Depreciation and amortization	61,804	5,527
Restructuring and other related charges	8,643	1,977
Charter acquisition-related expense	42,851	-
Asbestos coverage litigation expense	<u>2,287</u>	<u>2,066</u>
Adjusted EBITDA	<u>\$ 91,454</u>	<u>\$ 20,902</u>
Adjusted EBITDA margin	10.3%	13.2%

Non-GAAP Reconciliation

(unaudited)

	Three Months Ended	
	March 30, 2012	April 1, 2011
Adjusted Net Income and Adjusted Earnings Per Share		
Net (loss) income attributable to Colfax Corporation	\$ (105,598)	\$ 6,555
Restructuring and other related charges	8,643	1,977
Charter acquisition-related expense	42,851	-
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense	33,705	-
Asbestos coverage litigation expense	2,287	2,066
Tax adjustment ⁽¹⁾	43,592	(1,385)
Adjusted net income	25,480	9,213
Adjusted net income margin	2.9%	5.8%
Dividends on preferred stock	3,734	-
Adjusted net income available to Colfax Corporation common shareholders	21,746	9,213
Less: net income attributable to participating securities ⁽²⁾	2,757	-
	<u>\$ 18,989</u>	<u>\$ 9,213</u>
Weighted-average shares outstanding - diluted	82,851,827	44,105,120
Adjusted net income per share	<u>\$ 0.23</u>	<u>\$ 0.21</u>
Net (loss) income per share— basic and diluted (in accordance with GAAP)	<u>\$ (1.33)</u>	<u>\$ 0.15</u>

(1) The effective tax rates used to calculate adjusted net income and adjusted net income per share are 31% and 32% for the first quarter of 2012 and 2011, respectively.

(2) Adjusted net income per share was calculated consistent with the two-class method in accordance with GAAP as the Series A preferred stock are considered participating securities. Losses are not allocated to the preferred stock.

Non-GAAP Reconciliation

(unaudited)

	Q1 2012						Q1 2011					
	Gas and Fluid Handling		Fabrication Technology		Corporate and Other	Total Colfax Corporation		Fluid Handling		Corporate and Other	Total Colfax Corporation	
Net sales	\$ 425,331		\$ 461,035		\$ -	\$ 886,366		\$ 158,558		\$ -	\$ 158,558	
Operating income	21,316	5.0%	10,880	2.4%	(56,327)	(24,131)	(2.7)%	\$ 17,969	11.3%	\$ (6,637)	\$ 11,332	7.1%
Charter acquisition-related expense	-		-		42,851	42,851		-		-	-	
Restructuring and other related charges	780		6,116		1,747	8,643		1,014		963	1,977	
Asbestos coverage litigation expense	2,287		-		-	2,287		2,066		-	2,066	
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense	16,742		16,963		-	33,705		-		-	-	
Adjusted operating income	41,125	9.7%	33,959	7.4%	(11,729)	63,355	7.1%	\$ 21,049	13.3%	\$ (5,674)	\$ 15,375	9.7%

Sales & Order Growth

(unaudited)

	<u>Sales</u>		<u>Orders</u>		<u>Backlog</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Proforma three months ended April 1, 2011	\$ 796.5		\$ 451.9		\$ 1,270.5	
<i>Components of Change:</i>						
Existing Businesses	81.9	10.3 %	(11.0)	(2.4)%	136.4	10.7 %
Acquisitions	37.1	4.7 %	66.7	14.8 %	2.9	0.2 %
Foreign Currency Translation	<u>(29.1)</u>	<u>(3.7)%</u>	<u>(10.1)</u>	<u>(2.3)%</u>	<u>(37.0)</u>	<u>(2.8)%</u>
Total	<u>89.9</u>	<u>11.3 %</u>	<u>45.6</u>	<u>10.1 %</u>	<u>102.3</u>	<u>8.1 %</u>
Three months ended March 30, 2012	<u>\$ 886.4</u>		<u>\$ 497.5</u>		<u>\$ 1,372.8</u>	

2012 Outlook Summary

Revenue Range			
2012 Total ⁽¹⁾	\$4.0 billion	To	\$4.1 billion

EPS and Adjusted Net Income Range			
2012 Net loss per share	\$(0.35)	To	\$(0.15)
Adjusted net income - Colfax	\$172,500	To	\$193,700
2012 Adjusted net income per share ⁽¹⁾	\$1.45	To	\$1.65

Assumptions	
Asbestos coverage litigation	\$9 million
Asbestos liability and defense costs	\$7 million
Restructuring costs	\$30 million
Charter acquisition-related expense	\$43 million
Fair value adjustments – ESAB/Howden inventory and backlog	\$78 million
Euro	\$1.30
Tax rate - Adjusted basis/GAAP	31%/80%
Outstanding shares – common and equivalents/preferred	95 million/13.9 million (Q2 – Q4) 92 million/13.4 million (Full Year)

(1) Excludes impact of asbestos coverage litigation costs, Charter acquisition-related expense, Charter inventory and backlog fair value adjustments and restructuring charges.

(See Non-GAAP Reconciliation included in this Appendix)

2012 Outlook Summary

(continued)

Assumptions (continued)	
Depreciation	\$70 million
Amortization	\$105 million
Interest Expense (based on LIBOR = 25 bps, EURIBOR = 70 bps)	\$97 million
Capital Expenditures	2.5% of revenue
Pension funding in excess of expense	\$40 million
Preferred dividend	\$19 million

Non-GAAP Reconciliation

(unaudited)

	<u>EPS Range</u>	
Projected net income per share - diluted	\$ (0.35)	\$ (0.15)
Fair value adjustments - Charter inventory and backlog	0.78	0.78
Restructuring costs	0.30	0.30
Asbestos coverage litigation	0.09	0.09
Charter transaction costs	0.43	0.43
Tax adjustment	<u>0.20</u>	<u>0.20</u>
Projected adjusted net income per share - diluted	<u>\$ 1.45</u>	<u>\$ 1.65</u>