COLFAX

Fourth Quarter 2012 Earnings Conference Call

February 6, 2013

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.

Q4 and Full Year 2012 Results

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Q4 2012 Highlights

- Adjusted net income of $50.5 million ($0.42 per share) compared to $14.4 million ($0.33 per share) in Q4 2011
- Net sales of $1.03 billion, a decrease of 2.1% from Q4 2011 proforma net sales of $1.05 billion (an organic decrease of 2.5%)
- Adjusted operating income of $88.9 million compared to $22.2 million in Q4 2011
- Fourth quarter gas- and fluid-handling orders of $520.3 million compared to proforma orders of $499.0 million in Q4 2011, an increase of 4.3% (an organic increase of 1.9%)
- Gas- and fluid-handling backlog of $1.4 billion at period end

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Full Year 2012 Highlights

- Adjusted net income of $159.8 million ($1.34 per share) compared to $49.6 million ($1.12 per share) in 2011
- Net sales of $3.9 billion, an increase of 1.9% from full year 2011 proforma net sales of $3.8 billion (an organic increase of 5.3%)
- Adjusted operating income of $334.9 million compared to $77.3 million in 2011
- Gas- and fluid-handling orders of $2.0 billion compared to proforma orders of $1.925 billion in 2011, an increase of 3.7% (organic increase of 2.8%)

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Gas- and Fluid-Handling

Gas- and Fluid-Handling Q4 2012 Highlights

- Net sales of $514.4 million compared to proforma net sales of $530.3 million in Q4 2011, a decrease of 3.0% (an organic decrease of 2.9%)
- Adjusted segment operating income of $62.4 million and adjusted segment operating income margin of 12.1%
- Q4 2012 orders of $520.3 million compared to proforma orders of $499.0 million in Q4 2011, an increase of 4.3% (an organic increase of 1.9%)
- Backlog of $1.4 billion at period end

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Gas- and Fluid-Handling Full Year 2012 Highlights

- Net sales of $1.901 billion compared to proforma net sales of $1.757 billion in 2011, an increase of 8.2% (an organic increase of 9.2%)
- Adjusted segment operating income of $215.7 million and adjusted segment operating income margin of 11.3%
- Orders of $2.0 billion compared to proforma orders of $1.925 billion in 2011, an increase of 3.7% (an organic increase of 2.8%)

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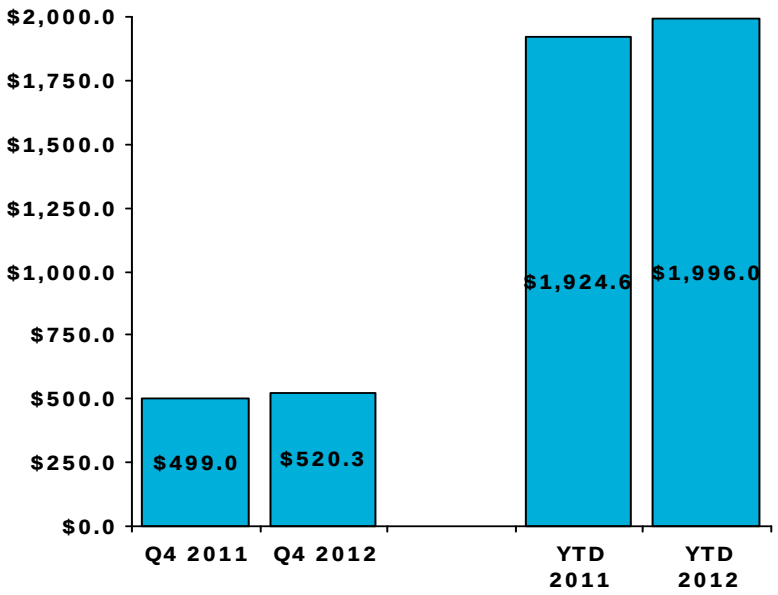
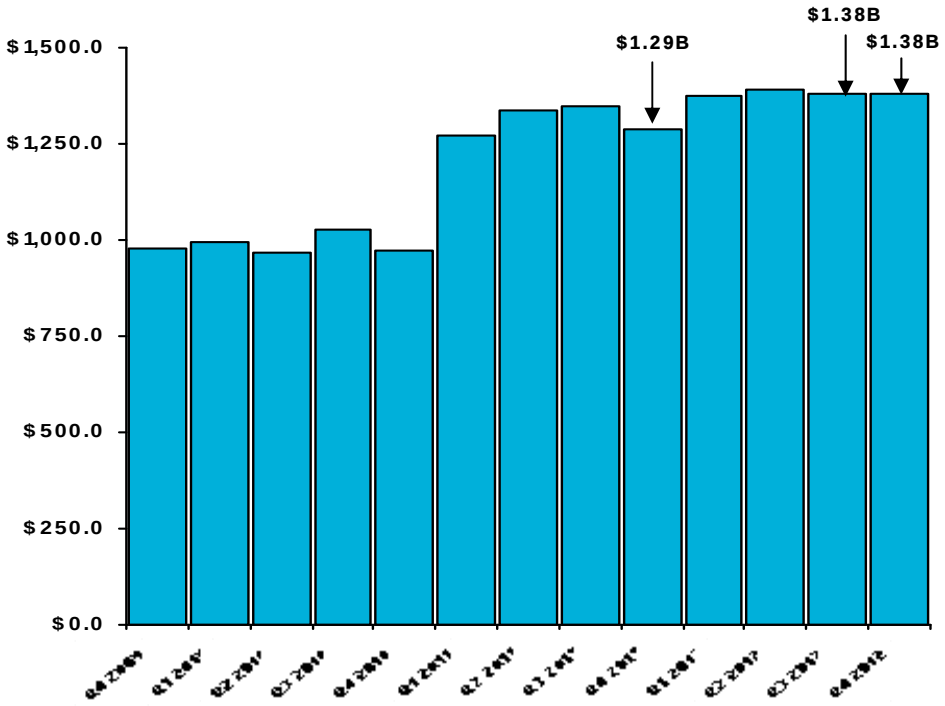
Orders and Backlog

Orders(1)



	QTD	YTD
Existing Businesses	1.9 %	2.8 %
Acquisitions	4.4 %	5.2 %
FX Translation	(2.0) %	(4.3) %
Total Growth	4.3 %	3.7 %

Backlog(1)



(1) Order and backlog data for the periods prior to Q2 2012 are presented on a proforma basis.

Note: Dollars in millions (unaudited).

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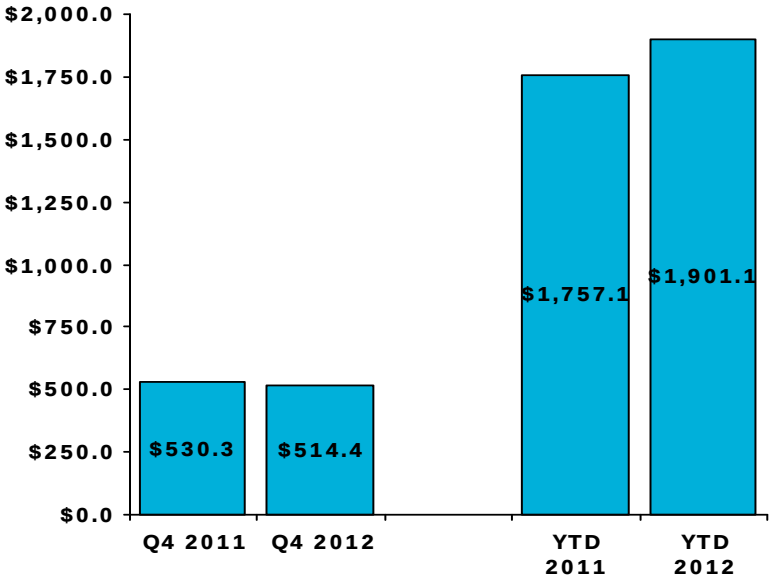
Revenue

Revenue[1]

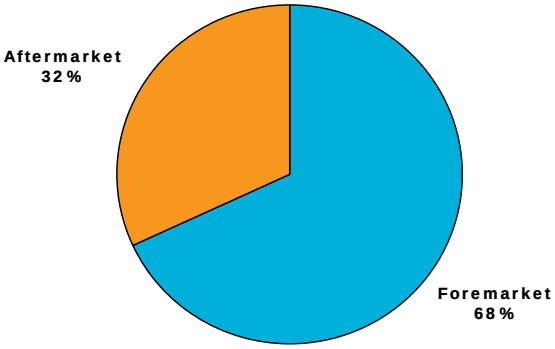


	QTD	YTD
Existing Businesses	(2.9)%	9.2 %
Acquisitions	2.3 %	3.3 %
FX Translation	(2.4)%	(4.3)%
Total Growth	(3.0)%	8.2 %

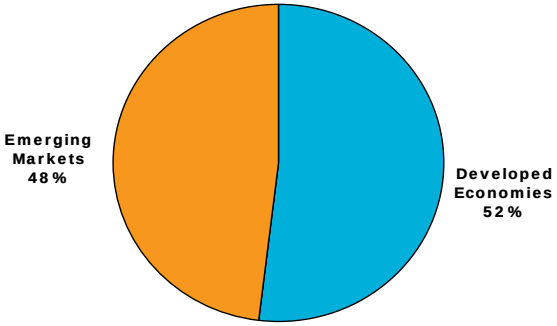
(1) Q4 2011 and YTD 2011 sales are presented on a proforma basis.

Note: Dollars in millions (unaudited).

Aftermarket Revenue – 2012



Geographic Exposure – 2012



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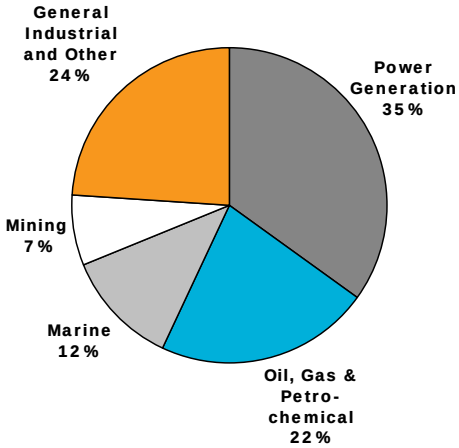
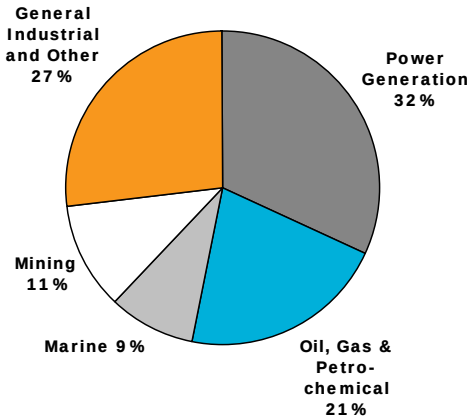
Q4 2012 Sales and Orders by End Market

Sales: $514.4 million



	Total Growth (Decline)	Organic Growth (Decline)
Power Generation	1.6 %	1.6 %
Oil, Gas & Petrochemical	(14.4)%	(13.1)%
Marine	6.0 %	6.6 %
Mining	(23.8)%	(18.0)%
General Industrial & Other	7.9 %	4.1%
Total	**(3.0)%**	**(2.9)%**

Orders: $520.3 million



	Total (Decline) Growth	Organic (Decline) Growth
Power Generation	(11.3)%	(10.7)%
Oil, Gas & Petrochemical	3.8 %	6.5 %
Marine	4.2 %	2.2 %
Mining	50.0 %	54.4 %
General Industrial & Other	14.1 %	0.6 %
Total	**4.3 %**	**1.9 %**

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

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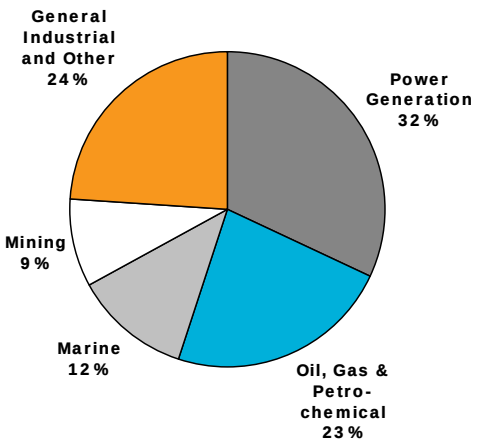
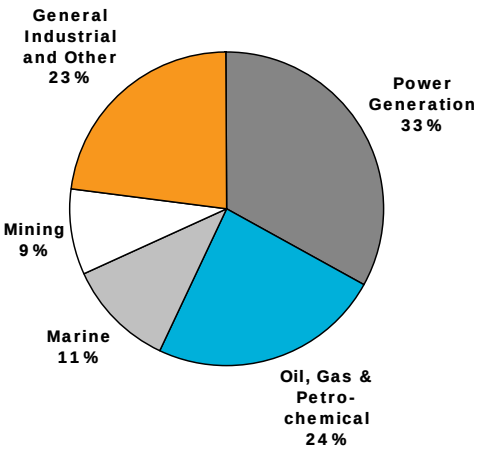
Full Year 2012 Sales and Orders by End Market

Sales: $1,901.1 million



	Total Growth (Decline)	Organic Growth (Decline)
Power Generation	13.8 %	15.3 %
Oil, Gas & Petrochemical	8.3 %	4.9 %
Marine	(7.5)%	(3.7)%
Mining	15.5 %	21.9 %
General Industrial & Other	7.4 %	8.8 %
Total	**8.2 %**	**9.2 %**

Orders: $1,996.0 million



	Total Growth (Decline)	Organic Growth (Decline)
Power Generation	8.0 %	9.6 %
Oil, Gas & Petrochemical	1.3 %	(8.0)%
Marine	(2.1)%	1.8 %
Mining	8.6 %	15.7 %
General Industrial & Other	1.4 %	0.3 %
Total	**3.7 %**	**2.8 %**

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

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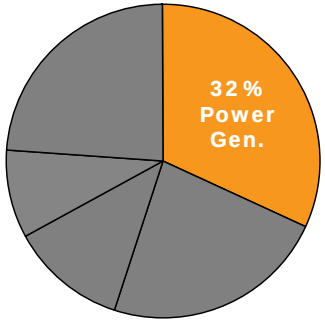
Power Generation Market Perspective

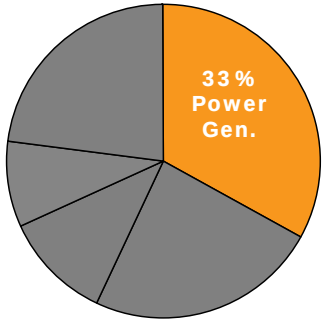
Sales & Orders Growth (Decline)

	Q4 2012 vs. Q4 2011		YTD 2012 vs. YTD 2011	
	Total	Organic	Total	Organic
Sales	1.6%	1.6%	13.8%	15.3%
Orders	(11.3)%	(10.7)%	8.0%	9.6%

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 Africa and South East Asia

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

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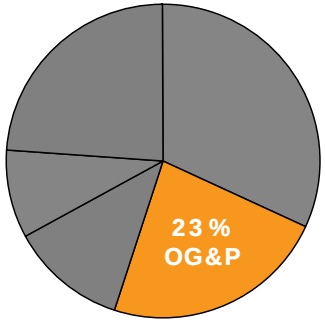
Oil, Gas & Petrochemical Market Perspective

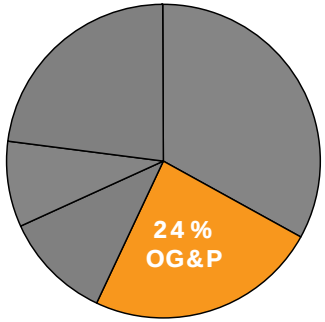
Sales & Orders (Decline) Growth

	Q4 2012 vs. Q4 2011		YTD 2012 vs. YTD 2011	
	Total	Organic	Total	Organic
Sales	(14.4)%	(13.1)%	8.3 %	4.9%
Orders	3.8%	6.5%	1.3%	(8.0)%

Colfax 2012 Sales Split



Colfax 2012 Orders Split



Highlights

- Served by both Howden and Colfax Fluid Handling
- National oil companies in Latin America and Russia expanding production and refinery capacity
- Continued weakness in construction of pipelines for heavy crudes

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

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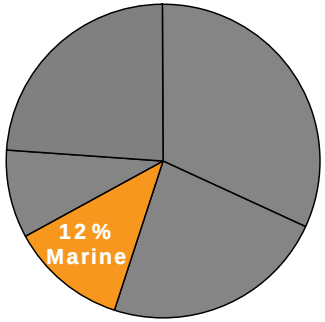
Marine Market Perspective

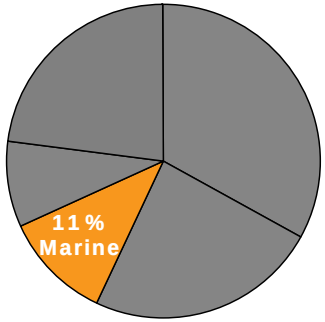
Sales & Orders Growth (Decline)

	Q4 2012 vs. Q4 2011		YTD 2012 vs. YTD 2011	
	Total	Organic	Total	Organic
Sales	6.0%	6.6%	(7.5)%	(3.7)%
Orders	4.2%	2.2%	(2.1)%	1.8%

Colfax 2012
Sales Split



Colfax 2012
Orders Split



Highlights

- Primarily served by Colfax Fluid Handling
- New ship build is down from 2011 peak
- Q4 orders strong for oil & gas service vessels

Note: Total and organic growth (decline) is calculated on a proforma basis.
Marine market comprised of commercial marine and government, or defense, customers

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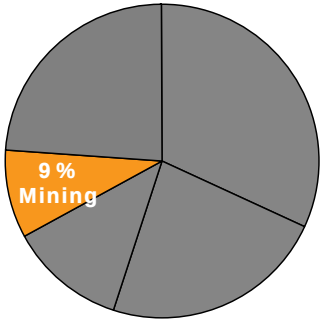
Mining Market Perspective

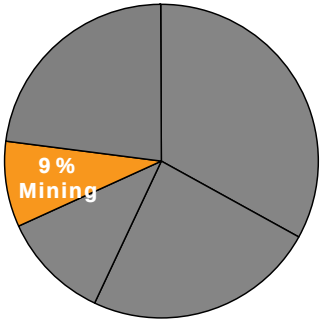
Sales & Orders (Decline) Growth

	Q4 2012 vs. Q4 2011		YTD 2012 vs. YTD 2011	
	Total	Organic	Total	Organic
Sales	(23.8)%	(18.0)%	15.5%	21.9%
Orders	50.0%	54.4%	8.6%	15.7%

Colfax 2012 Sales Split



Colfax 2012 Orders Split



Highlights

- Primarily served by Howden
- Driven by demand of mined resources, including: coal, iron ore, copper, gold, nickel and potash
- Received largest order in at least the past 15 years during quarter

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

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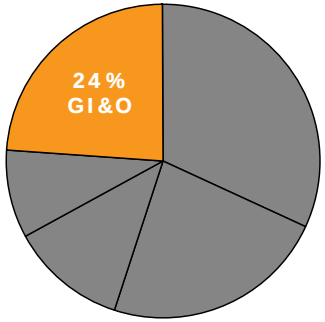
General Industrial & Other Market Perspective

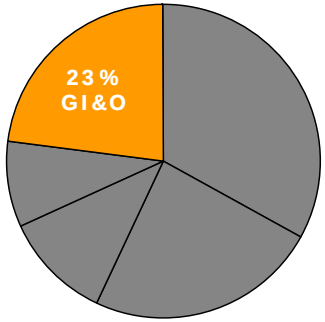
Sales & Orders Growth

	Q4 2012 vs. Q4 2011		YTD 2012 vs. YTD 2011	
	Total	Organic	Total	Organic
Sales	7.9%	4.1%	7.4%	8.8%
Orders	14.1%	0.6%	1.4%	0.3%

Colfax 2012 Sales Split



Colfax 2012 Orders Split



Highlights

- Includes both Howden and Colfax Fluid Handling
- Strong sales and orders for industrial fans and compressors, particularly for steel industry
- Continued weakness in European market for industrial pumps

Note: Total and organic growth is calculated on a proforma basis.

Fabrication Technology

Fabrication Technology Q4 2012 Highlights

- Net sales of $513.0 million compared to proforma net sales of $519.5 million in Q4 2011, a decrease of 1.3% (an organic decline of 2.2%)
- Adjusted segment operating income of $33.9 million and adjusted operating income margin of 6.6%
  - Soldexa contributed $3 million in operating profit before approximately $5 million in transaction and acquisition accounting expenses
  - Balance of platform operating income margin of 7.2%, reduced largely by lower fixed cost absorption on inventory reduction and expenses to finalize and launch new Warrior equipment line.
- Revenue and operating income negatively impacted by the start up of a new consumables facility in the U.S.

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Fabrication Technology Full Year 2012 Highlights

- Net sales of $2.0 billion, a decrease of 3.3% compared to proforma 2011 sales (an organic increase of 2.0%)
- Adjusted segment operating income of $157.2 million and adjusted operating income margin of 7.8%
- Higher consumable volumes in North America, South America and Russia

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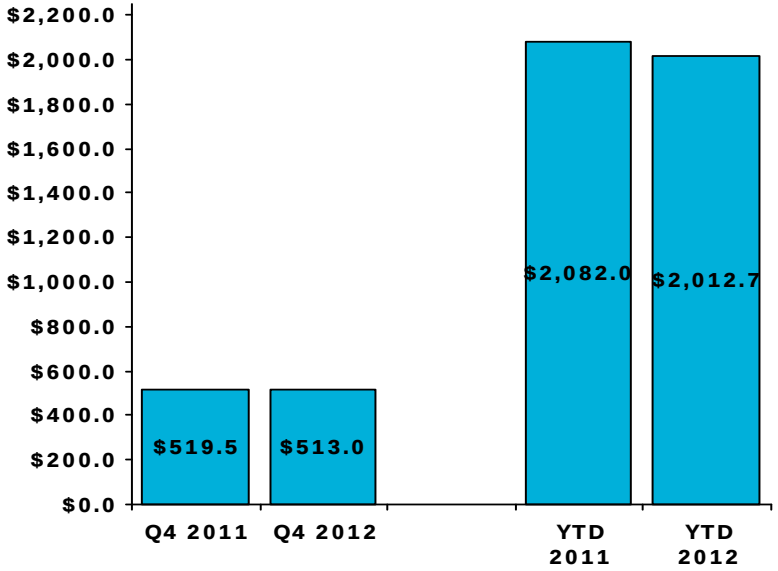
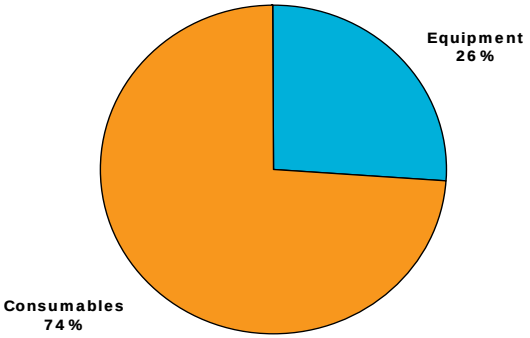
Revenue

Revenue[1]

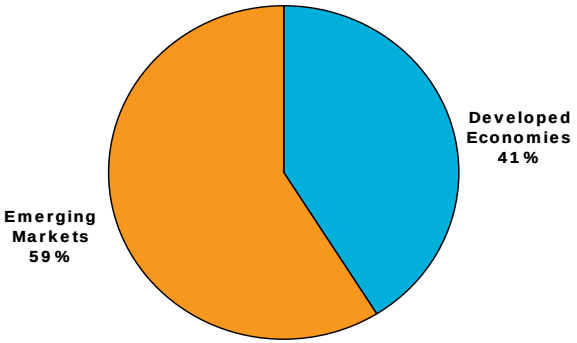


	QTD	YTD
Volume	(2.9)%	1.0 %
Price/Mix	0.7 %	1.0 %
Acquisitions	4.2 %	1.3 %
FX Translation	(3.3)%	(6.6)%
Total Decline	(1.3)%	(3.3)%

Revenue – 2012



Geographic Exposure – 2012



(1) Q4 2011 and YTD 2011 sales are presented on a proforma basis.

Note: Dollars in millions (unaudited).

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Results of Operations

Income Statement Summary
(unaudited)

	Three Months Ended	
	December 31, 2012	December 31, 2011
Net sales	$ 1,027.4	$ 177.8
Gross profit	$ 307.6	$ 61.5
% of sales	29.9 %	34.6 %
SG&A expense	$ 234.3	$ 39.4
% of sales	22.8 %	22.2 %
Adjusted operating income	$ 88.9	$ 22.2
% of sales	8.7 %	12.5 %
Adjusted net income	$ 50.5	$ 14.4
% of sales	4.9 %	8.1 %
Adjusted net income per share	$ 0.42	$ 0.33

Refer to Appendix for Non-GAAP reconciliation and footnotes.

Note: Dollars in millions, except per share amounts.

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Income Statement Summary
(unaudited)

	Year Ended	
	December 31, 2012	December 31, 2011
Net sales	$ 3,913.9	$ 693.4
Gross profit	$ 1,152.1	$ 240.1
% of sales	29.4 %	34.6 %
SG&A expense	$ 895.5	$ 162.8
% of sales	22.9 %	23.5 %
Adjusted operating income	$ 334.9	$ 77.3
% of sales	8.6 %	11.1 %
Adjusted net income	$ 159.8	$ 49.6
% of sales	4.1 %	7.2 %
Adjusted net income per share	$ 1.34	$ 1.12

Refer to Appendix for Non-GAAP reconciliation and footnotes.

Note: Dollars in millions, except per share amounts.

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Appendix

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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, projected 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, projected adjusted net income per share and adjusted operating income exclude 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 and adjusted net income per share are 15% and 25% for the fourth quarter and full year ended December 31, 2012, respectively, and 30.5% for both the fourth quarter and full year ended December 31, 2011. Projected adjusted earnings per share was calculated using a 31% effective tax rate for 2013. 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 the year to date 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 significant year-one fair value adjustment amortization expense.

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

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Non-GAAP Reconciliation
(unaudited)

	Three Months Ended		Year Ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Adjusted Net Income and Adjusted Net Income Per Share				
Net income (loss) attributable to Colfax Corporation	$ 19,736	$ (16,080)	$ (64,402)	$ 4,555
Restructuring and other related charges	16,994	2,162	60,060	9,680
Charter acquisition-related expense	—	25,324	43,617	31,052
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense	15,614	—	78,196	—
Asbestos coverage litigation expense	4,147	2,246	12,987	10,700
Tax adjustment(1)	(6,022)	767	29,297	(6,351)
Adjusted net income	50,469	14,419	159,755	49,636
Adjusted net income margin	4.9 %	8.1 %	4.1 %	7.2 %
Dividends on preferred stock	5,072	—	18,951	—
Adjusted net income available to Colfax Corporation common shareholders	45,397	14,419	140,804	49,636
Less: net income attributable to participating securities(2)	5,831	—	18,087	—
	$ 39,566	$ 14,419	$ 122,717	$ 49,636
Weighted-average shares outstanding - diluted	94,978,755	44,279,400	91,918,513	44,268,110
Adjusted net income per share	$ 0.42	$ 0.33	$ 1.34	$ 1.12
Net income (loss) per share— basic (in accordance with GAAP)	$ 0.14	$ (0.37)	$ (0.92)	$ 0.10
Net income (loss) per share— diluted (in accordance with GAAP)	$ 0.13	$ (0.37)	$ (0.92)	$ 0.10

(1) The effective tax rates used to calculate adjusted net income and adjusted net income per share are 15% and 25% for the fourth quarter and full year ended December 31, 2012, respectively, and 30.5% for both the fourth quarter and full year ended December 31, 2011.

(2) Adjusted net income per share was calculated consistently 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.

Note: Dollars in thousands, except per share amounts.

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Non-GAAP Reconciliation
(unaudited)

	Q4 2012				Q4 2011		
	Gas and Fluid Handling	Fabrication Technology	Corporate and Other	Total Colfax Corporation	Fluid Handling	Corporate and Other	Total Colfax Corporation
Net sales	$ 514,433	$ 512,964	$ -	$ 1,027,397	$ 177,791	$ -	$ 177,791
Soldexa net sales		21,602					
		$ 491,362					
Operating income (loss)	39,405 7.7 %	20,306 4.0 %	(7,543)	52,168 5.1 %	23,171 13.0 %	(30,744)	(7,573) (4.3)%
Charter acquisition-related expense	-	-	-	-	-	25,324	25,324
Restructuring and other related charges	3,273	13,616	105	16,994	2,162	-	2,162
Asbestos coverage litigation expense	4,147	-	-	4,147	2,246	-	2,246
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense	15,614	-	-	15,614	-	-	-
Adjusted operating income (loss)	$ 62,439 12.1 %	$ 33,922 6.6 %	$ (7,438)	$ 88,923 8.7 %	$ 27,579 15.5 %	$ (5,420)	$ 22,159 12.5 %
Add: Soldexa operating loss		(1,531)					
Balance of platform adjusted operating income		$ 35,453 7.2 %					

Note: Dollars in thousands.

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Non-GAAP Reconciliation
(unaudited)

	YTD Q4 2012						YTD Q4 2011				
	Gas and Fluid Handling		Fabrication Technology		Corporate and Other	Total Colfax Corporation		Fluid Handling		Corporate and Other	Total Colfax Corporation	
Net sales	$ 1,901,132		$ 2,012,724		$ —	$ 3,913,856		$ 693,392		$ —	$ 693,392	
Operating income (loss)	132,872	7.0 %	94,948	4.7 %	(87,811)	140,009	3.6 %	$ 78,032	11.3 %	$ (52,126)	25,906	3.7 %
Charter acquisition-related expense	—		—		43,617	43,617		—		31,052	31,052	
Restructuring and other related charges	8,652		45,236		6,172	60,060		8,631		1,049	9,680	
Asbestos coverage litigation expense	12,987		—		—	12,987		10,700		—	10,700	
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense	61,211		16,985		—	78,196		—		—	—	
Adjusted operating income (loss)	$ 215,722	11.3 %	$ 157,169	7.8 %	$ (38,022)	$ 334,869	8.6 %	$ 97,363	14.0 %	$ (20,025)	$ 77,338	11.2 %

Note: Dollars in thousands.

COLFAX

Sales & Order Growth
(unaudited)

	Net Sales		Orders	
	$	%	$	%
Proforma for the three months ended December 31, 2011	**$ 1,049.8**		**$ 499.0**	
Components of Change:				
Existing Businesses	(26.5)	(2.5)%	9.6	1.9 %
Acquisitions	34.2	3.3 %	22.1	4.4 %
Foreign Currency Translation	(30.1)	(2.9)%	(10.4)	(2.0)%
Total	(22.4)	(2.1)%	21.3	4.3 %
For the three months ended December 31, 2012	**$ 1,027.4**		**$ 520.3**	

	Net Sales		Orders		Backlog at Period End	
	$	%	$	%	$	%
Proforma as of and for the year ended December 31, 2011	**$ 3,839.1**		**$ 1,924.6**		**$ 1,288.3**	
Components of Change:						
Existing Businesses	202.2	5.3 %	54.0	2.8 %	117.5	9.1 %
Acquisitions	86.5	2.2 %	100.4	5.2 %	9.4	0.7 %
Foreign Currency Translation	(213.9)	(5.6)%	(83.0)	(4.3)%	(33.8)	(2.6)%
Total	74.8	1.9 %	71.4	3.7 %	93.1	7.2 %
As of and for the year ended December 31, 2012	**$ 3,913.9**		**$ 1,996.0**		**$ 1,381.4**	

Note: Dollars in millions.

COLFAX

Balance Sheet
(unaudited)

	December 31, 2012	December 31, 2011
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 482,449	$ 75,108
Trade receivables, less allowance for doubtful accounts of $16,464 and $2,578	873,382	117,475
Inventories, net	493,649	56,136
Other current assets	285,906	102,489
Total current assets	2,135,386	351,208
Property, plant and equipment, net	688,570	90,939
Goodwill	2,074,230	204,844
Intangible assets, net	779,049	41,029
Other assets	447,492	400,523
Total assets	$ 6,124,727	$ 1,088,543
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 34,799	$ 10,000
Accounts payable	699,626	54,035
Accrued liabilities	456,947	176,007
Total current liabilities	1,191,372	240,042
Long-term debt, less current portion	1,693,512	101,518
Other liabilities	1,083,557	557,708
Total liabilities	3,968,441	899,268
Equity:		
Preferred stock, $0.001 par value; 20,000,000 and 10,000,000 shares authorized; 13,877,552 and none issued and outstanding	14	—
Common stock, $0.001 par value; 400,000,000 and 200,000,000 shares authorized; 94,067,418 and 43,697,570 issued and outstanding	94	44
Additional paid-in capital	2,197,694	415,527
Accumulated deficit	(138,856)	(55,503)
Accumulated other comprehensive loss	(146,594)	(170,793)
Total Colfax Corporation equity	1,912,352	189,275
Noncontrolling interest	243,934	—
Total equity	2,156,286	189,275
Total liabilities and equity	$ 6,124,727	$ 1,088,543

Note: Dollars in thousands.

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2013 Outlook Summary

Revenue Range			
2013 Total [1]	$4.175 billion	To	$4.250 billion

EPS and Adjusted Net Income Range			
2013 Net income per share	$1.40	To	$1.60
Adjusted net income	$186,600	To	$209,600
2013 Adjusted net income per share [1]	$1.70	To	$1.90

Assumptions	
Asbestos coverage litigation	$5 million
Asbestos liability and defense costs	$9 million
Restructuring costs	$30 million
Euro	$1.30
Tax rate - Adjusted basis / GAAP	30-31% / 33%
Outstanding shares – common and equivalents / preferred	96 million / 13.9 million

(1) Excludes impact of asbestos coverage litigation costs and restructuring charges.

(See Non-GAAP Reconciliation included in this Appendix)

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Note: Guidance as of 2/6/13

2013 Outlook Summary
(continued)

Assumptions (continued)	
Depreciation	$75 million
Amortization	$40 million
Interest Expense (based on LIBOR and EURIBOR = 25 bps)	$90 million
Capital Expenditures	2.5% of revenue
Pension funding in excess of expense	$30 million
Preferred dividend	$20 million

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Note: Guidance as of 2/6/13

2013 Organic Growth Outlook

	2013 Forecast Organic Growth
Fluid handling	**(4)-0%**
Howden	**4-6%**
Fabrication Technology	**0-2%**

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Note: Guidance as of 2/6/13

2013 Rollforward

	Sales		Adjusted Income		EPS Range Low	EPS Range High
2012 Actuals- sales/ adjusted operating income	$	3,914,000	$	335,000		
ESAB/ Howden additional 2 weeks		71,000		5,000		
Soldexa/ Covent incremental		140,000		20,000		
Projected before growth/ cost actions		4,125,000		360,000		
Organic revenue at 1%; 20% fall-through	50,000		10,000			
Organic revenue at 3%; 25% fall-through		125,000		31,000		
Cost actions	—	—	55,000	65,000		
	4,175,000	4,250,000	425,000	456,000		
Interest expense			(90,000)	(90,000)		
Tax			(100,000)	(108,000)		
Noncontrolling interest			(28,000)	(28,000)		
Adjusted net income- Colfax			**207,000**	**230,000**		
Preferred dividends			(20,400)	(20,400)		
			$ 186,600	$ 209,600	$ 1.70	$ 1.90

(See Non-GAAP Reconciliation included in this Appendix)

Note: Dollars in thousands, except per share amounts. Guidance as of 2/6/13

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Non-GAAP Reconciliation

(unaudited)

	2013 EPS Range	
Projected net income per share - diluted	$ 1.40	$ 1.60
Restructuring costs	0.27	0.27
Asbestos coverage litigation	0.05	0.05
Tax adjustment	(0.02)	(0.02)
Projected adjusted net income per share - diluted	$ 1.70	$ 1.90

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Note: Guidance as of 2/6/13