

The COLFAX logo is displayed in a bold, black, sans-serif font. The letters are thick and blocky, with a modern, slightly geometric feel. The 'O' and 'X' are particularly prominent. The logo is set against a light gray rectangular background that has a subtle, fine-grained texture. This background is positioned in the lower third of the slide, overlapping the blue wavy background.

**COLFAX**

**FOURTH QUARTER 2013 | EARNINGS CONFERENCE CALL**

# 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 2012 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.

The COLFAX logo is displayed in a bold, black, sans-serif font. The letters are closely spaced, and the 'X' is formed by two intersecting diagonal strokes. The logo is centered horizontally within a light gray rectangular box that has a fine grid pattern.

**COLFAX**

The text 'Q4 2013 RESULTS' is written in a bold, white, sans-serif font. It is centered horizontally within a light gray rectangular box that has a fine grid pattern, matching the one above it.

**Q4 2013 RESULTS**

## Q4 2013 HIGHLIGHTS

- Adjusted net income of \$70.1 million (\$0.61 per share) compared to \$50.5 million (\$0.42 per share) in Q4 2012
- Net sales of \$1.17 billion, an increase of 14% from Q4 2012 net sales of \$1.03 billion (an organic increase of 10.2%)
- Adjusted operating income of \$124.4 million compared to \$88.9 million in Q4 2012
- Fourth quarter gas- and fluid-handling orders of \$547.8 million compared to orders of \$520.3 million in Q4 2012, an increase of 5.3%
- Gas- and fluid-handling backlog of \$1.58 billion at period end

# FULL YEAR 2013 HIGHLIGHTS

- Adjusted net income of \$229.8 million (\$2.04 per share) compared to \$159.8 million (\$1.34 per share)
- Net sales of \$4.21 billion, an increase of 7.5% from full year 2012 net sales of \$3.91 billion (an organic increase of 2.7%)
- Adjusted operating income of \$431.4 million compared to \$334.9 million in 2012
- Gas- and fluid-handling orders of \$2.06 billion compared to orders of \$2.0 billion in 2012, an increase of 3.3%



The COLFAX logo is rendered in a bold, black, sans-serif typeface. The letters are closely spaced, and the 'X' features a distinctive design with a small gap in the center. The logo is positioned on a light gray rectangular background that has a fine, grid-like texture. This background element is placed over a larger, dark blue area that contains abstract, flowing, light blue wave-like patterns.

**COLFAX**

**GAS AND FLUID HANDLING**

# GAS AND FLUID HANDLING Q4 2013 HIGHLIGHTS

- Net sales of \$650.8 million compared to net sales of \$514.4 million in Q4 2012, an increase of 26.5% (an organic increase of 17.9%)
- Adjusted segment operating income of \$78.1 million and adjusted segment operating income margin of 12.0%
  - Margins flat as compared to Q4 2012
  - 2013 acquisitions diluted margins by approximately 90 bps
- Fourth quarter orders \$547.8 million compared to orders of \$520.3 million in Q4 2012, an increase of 5.3%
- Backlog of \$1.58 billion at period end

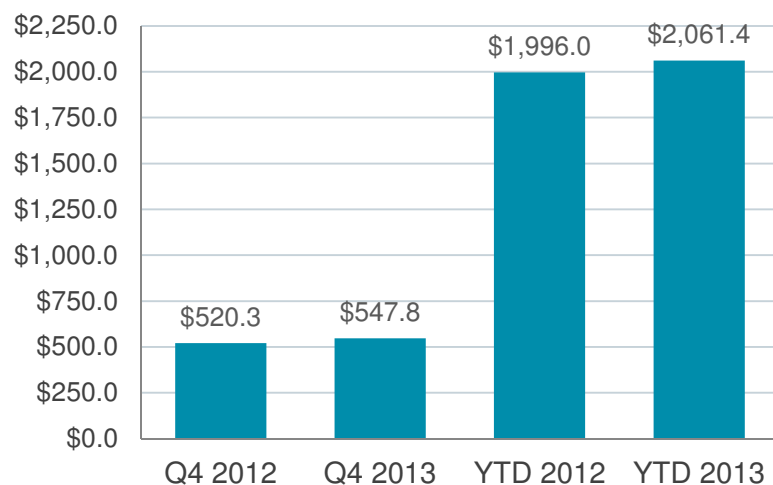
# GAS AND FLUID HANDLING FULL YEAR 2013 HIGHLIGHTS

- Net sales of \$2.104 billion compared to net sales of \$1.901 billion in 2012, an increase of 10.7% (an organic increase of 7.3%)
- Adjusted segment operating income of \$260.3 million and adjusted segment operating income margin of 12.4%
- Orders of \$2.06 billion compared to orders of \$2.0 billion in 2012, an increase of 3.3%



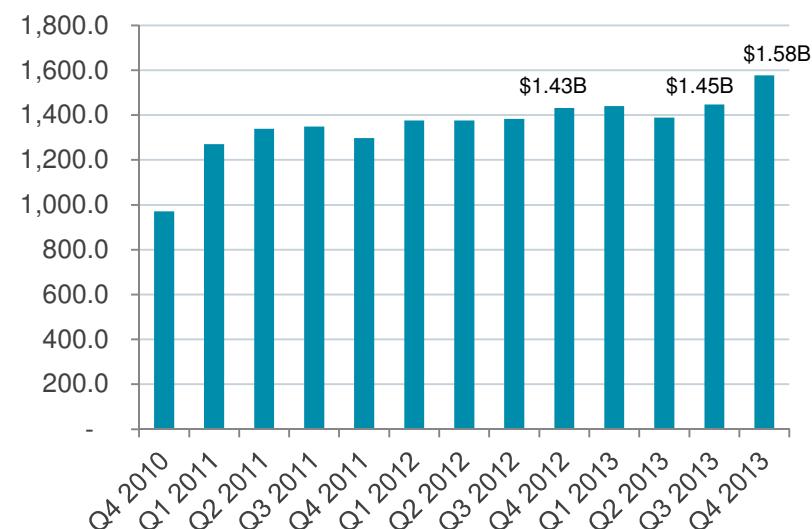
# ORDERS AND BACKLOG

## ORDERS



	QTD		YTD
Existing Businesses	(2.5)%		(0.8)%
Acquisitions	9.6%		4.8%
FX Translation	(1.8)%		(0.7)%
<b>Total Growth</b>	<b>5.3%</b>		<b>3.3%</b>

## BACKLOG<sup>(1)</sup>

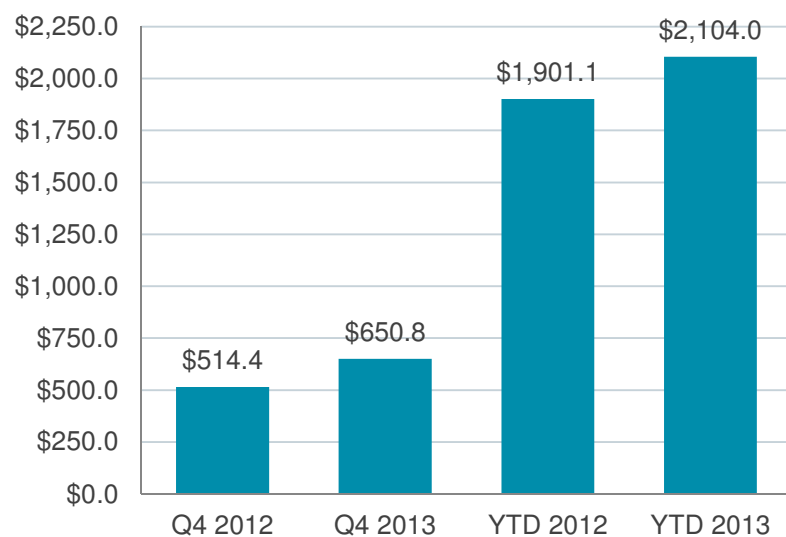


(1) Backlog data for the periods prior to Q1 2012 are presented on a proforma basis.

Note: Dollars in millions (unaudited).

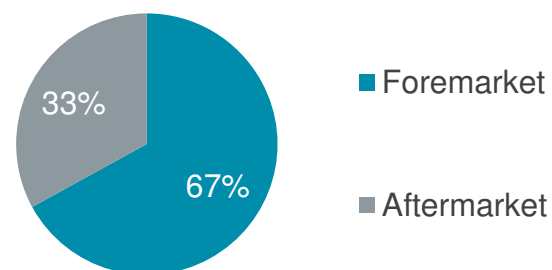
# REVENUE

## REVENUE

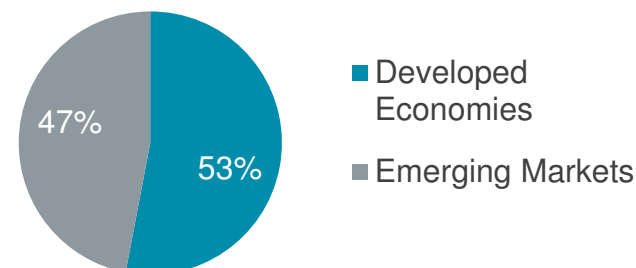


	QTD		YTD
Existing Businesses	17.9%		7.3%
Acquisitions	11.2%		4.4%
FX Translation	(2.6)%		(1.0)%
<b>Total Growth</b>	<b>26.5%</b>		<b>10.7%</b>

## AFTERMARKET REVENUE YTD 2013



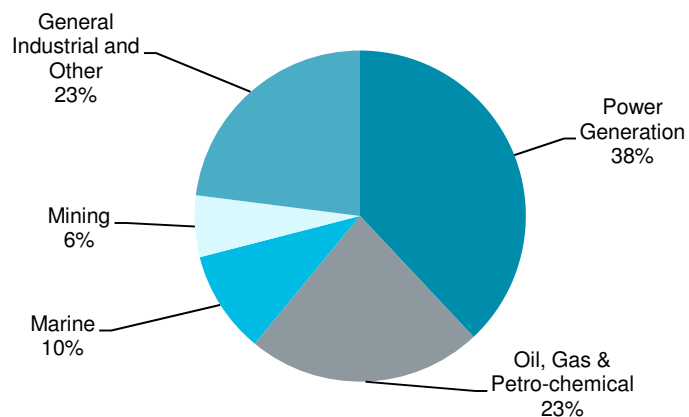
## GEOGRAPHIC EXPOSURE YTD 2013



Note: Dollars in millions (unaudited).

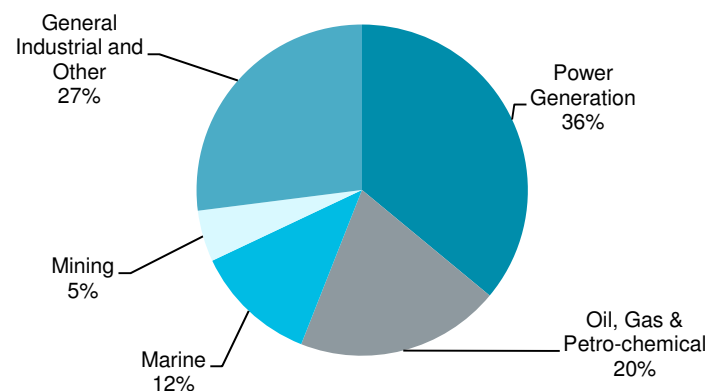
# Q4 2013 SALES AND ORDERS BY END MARKET

## SALES: \$650.8 Million



	Total Growth	Organic Growth (Decline)
Power Generation	38.4%	32.1%
Oil, Gas & Petrochemical	33.4%	20.4%
Marine	2.1%	(0.5)%
Mining	6.1%	9.6%
General Industrial & Other	21.3%	6.7%
<b>Total</b>	<b>26.5%</b>	<b>17.9%</b>

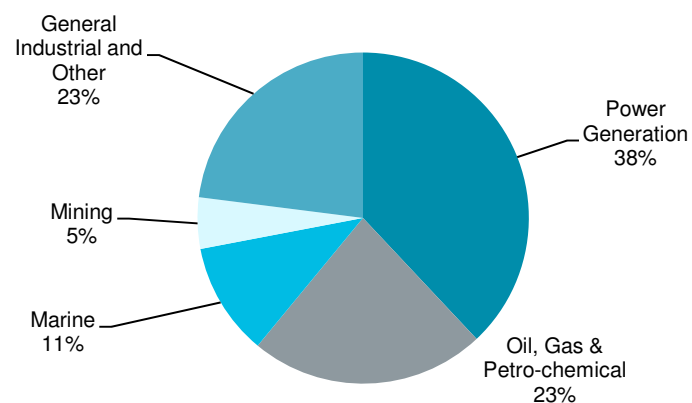
## ORDERS: \$547.8 Million



	Total Growth (Decline)	Organic Growth (Decline)
Power Generation	18.4%	11.0%
Oil, Gas & Petrochemical	0.3%	(4.5)%
Marine	41.1%	38.0%
Mining	(56.0)%	(60.3)%
General Industrial & Other	7.0%	(6.6)%
<b>Total</b>	<b>5.3%</b>	<b>(2.5)%</b>

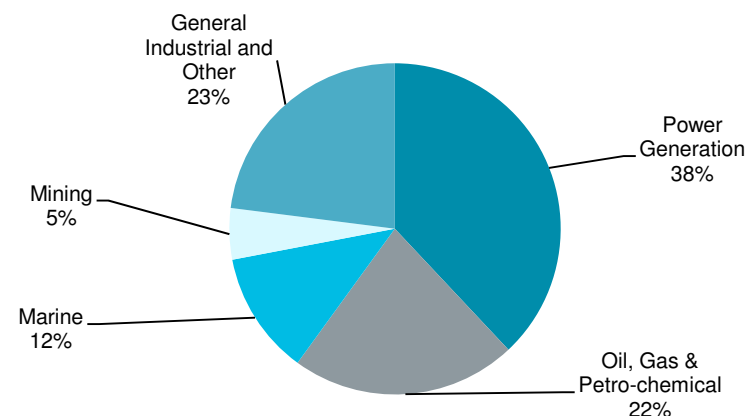
# FULL YEAR 2013 SALES AND ORDERS BY END MARKET

## SALES: \$2.104 Billion



	Total Growth (Decline)	Organic Growth (Decline)
Power Generation	31.8 %	30.5 %
Oil, Gas & Petrochemical	1.9 %	(2.2)%
Marine	7.0 %	3.9 %
Mining	(36.1)%	(34.1)%
General Industrial & Other	10.3 %	2.7 %
<b>Total</b>	<b>10.7 %</b>	<b>7.3 %</b>

## ORDERS: \$2.061 Billion



	Total Growth (Decline)	Organic Growth (Decline)
Power Generation	17.5 %	13.4 %
Oil, Gas & Petrochemical	(2.6)%	(5.3)%
Marine	11.2 %	8.4 %
Mining	(39.6)%	(37.1)%
General Industrial & Other	2.8 %	(5.8)%
<b>Total</b>	<b>3.3 %</b>	<b>(0.8)%</b>

# POWER GENERATION MARKET PERSPECTIVE

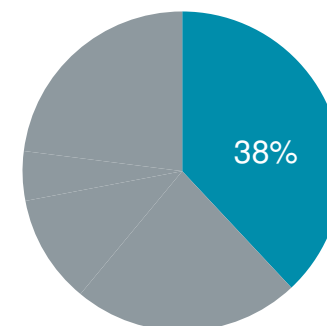
## SALES & ORDERS GROWTH

	Q4 2013 vs. Q4 2012		YTD 2013 vs. YTD 2012	
	Total	Organic	Total	Organic
<b>Sales</b>	<b>38.4 %</b>	<b>32.1 %</b>	<b>31.8 %</b>	<b>30.5 %</b>
<b>Orders</b>	<b>18.4 %</b>	<b>11.0 %</b>	<b>17.5 %</b>	<b>13.4 %</b>

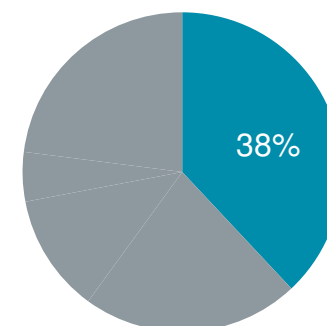
## HIGHLIGHTS

- Served by both Howden and Colfax Fluid Handling
- Driven by fundamental global undersupply of electricity
- Growth driven by environmental upgrades in China and the U.S., strong pump sales to natural gas combined cycle power stations, as well as strength in maintenance work in South Africa

## 2013 SALES SPLIT



## 2013 ORDERS SPLIT





# OIL, GAS & PETROCHEMICAL MARKET PERSPECTIVE

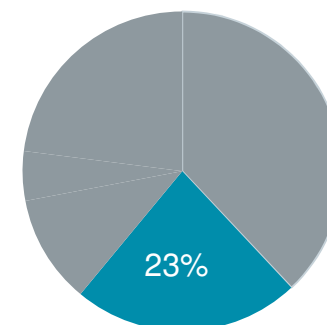
## SALES & ORDERS GROWTH (DECLINE)

	Q4 2013 vs. Q4 2012		YTD 2013 vs. YTD 2012	
	Total	Organic	Total	Organic
<b>Sales</b>	<b>33.4 %</b>	<b>20.4 %</b>	<b>1.9 %</b>	<b>(2.2)%</b>
<b>Orders</b>	<b>0.3 %</b>	<b>(4.5)%</b>	<b>(2.6)%</b>	<b>(5.3)%</b>

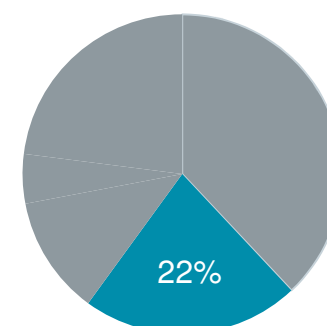
## HIGHLIGHTS

- Served by both Howden and Colfax Fluid Handling
- Strong quotation activity in our midstream business, particularly in the Middle East and Southeast Asia
- Benefiting from our previous investments in a local presence in the Middle East, where our selling and technical resources are starting to drive gains

## 2013 SALES SPLIT



## 2013 ORDERS SPLIT



# MARINE MARKET PERSPECTIVE

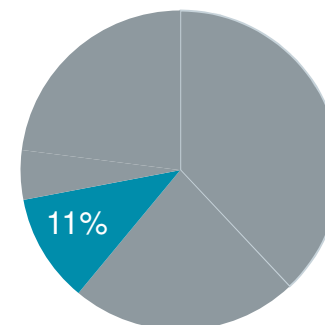
## SALES & ORDERS GROWTH (DECLINE)

	Q4 2013 vs. Q4 2012		YTD 2013 vs. YTD 2012	
	Total	Organic	Total	Organic
<b>Sales</b>	<b>2.1 %</b>	<b>(0.5) %</b>	<b>7.0 %</b>	<b>3.9 %</b>
<b>Orders</b>	<b>41.1%</b>	<b>38.0%</b>	<b>11.2 %</b>	<b>8.4 %</b>

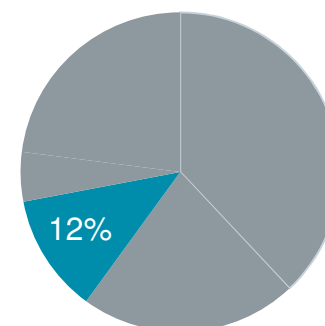
## HIGHLIGHTS

- Primarily served by Colfax Fluid Handling
- Sales increase driven largely by continued strength in vessels serving the offshore oil & gas industry
- \$4 million of CM-1000 orders in Q4

## 2013 SALES SPLIT



## 2013 ORDERS SPLIT



*Note: Marine market comprised of commercial marine and government, or defense, customers*

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# MINING MARKET PERSPECTIVE

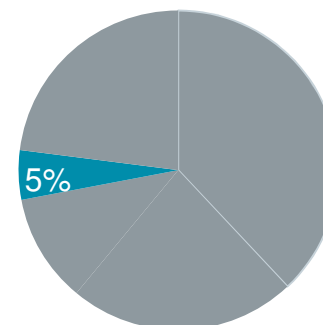
## SALES & ORDERS GROWTH (DECLINE)

	Q4 2013 vs. Q4 2012		YTD 2013 vs. YTD 2012	
	Total	Organic	Total	Organic
<b>Sales</b>	<b>6.1 %</b>	<b>9.6 %</b>	<b>(36.1)%</b>	<b>(34.1)%</b>
<b>Orders</b>	<b>(56.0)%</b>	<b>(60.3)%</b>	<b>(39.6)%</b>	<b>(37.1)%</b>

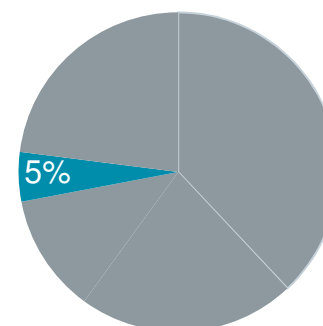
## HIGHLIGHTS

- Primarily served by Howden
- Driven by demand of mined resources, including: coal, iron ore, copper, gold, nickel and potash
- Significant decline in orders driven by decreased industry capital expenditures

## 2013 SALES SPLIT



## 2013 ORDERS SPLIT



# GENERAL INDUSTRIAL & OTHER MARKET PERSPECTIVE

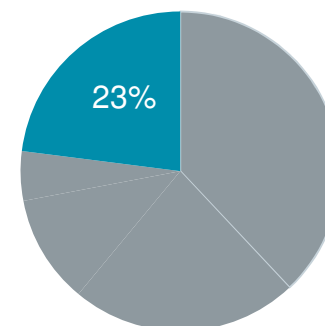
## SALES & ORDERS GROWTH (DECLINE)

	Q4 2013 vs. Q4 2012		YTD 2013 vs. YTD 2012	
	Total	Organic	Total	Organic
<b>Sales</b>	<b>21.3 %</b>	<b>6.7 %</b>	<b>10.3 %</b>	<b>2.7 %</b>
<b>Orders</b>	<b>7.0 %</b>	<b>(6.6)%</b>	<b>2.8 %</b>	<b>(5.8)%</b>

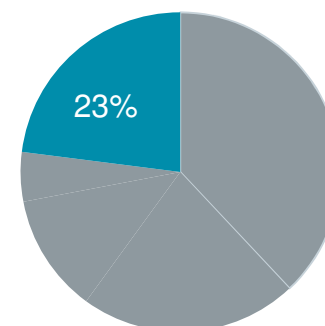
## HIGHLIGHTS

- Includes both Howden and Colfax Fluid Handling
- Quarterly comparisons can be quite volatile due to the lumpiness of large orders
- Environmental upgrades, particularly in China, offering significant opportunity

## 2013 SALES SPLIT



## 2013 ORDERS SPLIT



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**COLFAX**

**FABRICATION TECHNOLOGY**



# FABRICATION TECHNOLOGY Q4 2013 HIGHLIGHTS

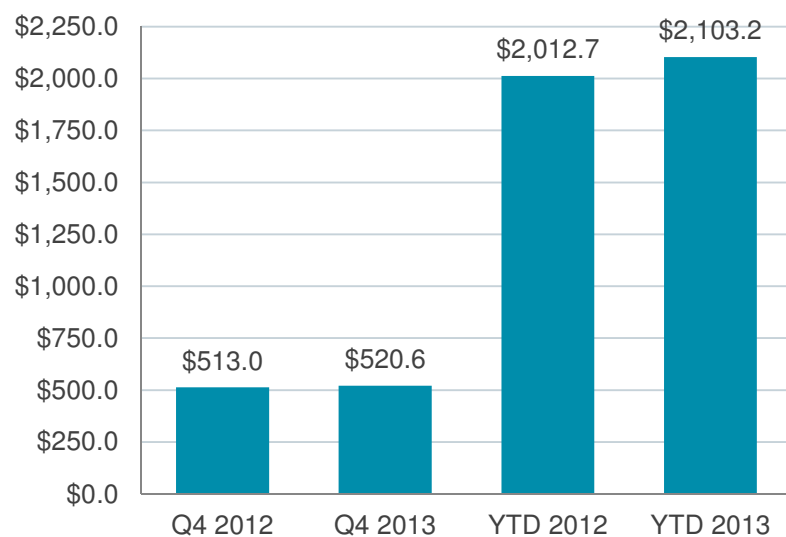
- Net sales of \$520.6 million compared to net sales of \$513.0 million in Q4 2012, an increase of 1.5% (an organic increase of 2.5%)
- Adjusted segment operating income of \$58.2 million and adjusted segment operating income margin of 11.2%

# FABRICATION TECHNOLOGY FULL YEAR 2013 HIGHLIGHTS

- Net sales of \$2.1 billion compared to net sales of \$2.0 billion in 2012, an increase of 4.5% (an organic decline of 1.5%)
- Adjusted segment operating income of \$219.6 million and adjusted segment operating income margin of 10.4%
  - Improvement of 260 basis points over 2012

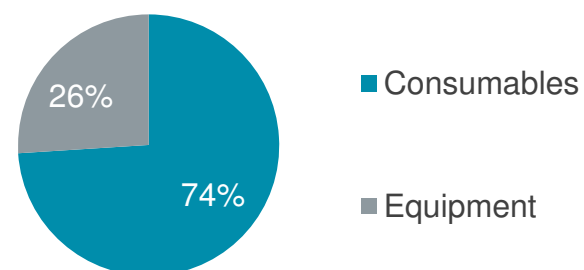
# REVENUE

## REVENUE

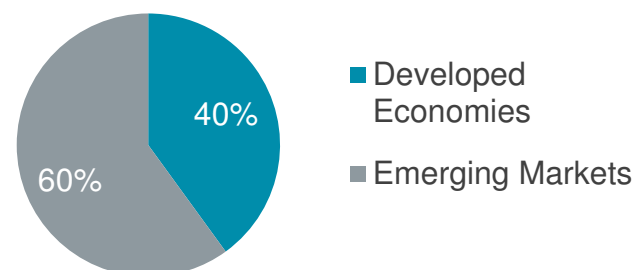


	QTD		YTD
Volume	(0.2)%		(2.4)%
Price/ Mix	2.7 %		0.9 %
Acquisitions	1.8 %		8.1 %
FX Translation	(2.8)%		(2.1)%
<b>Total Growth</b>	<b>1.5 %</b>		<b>4.5 %</b>

## REVENUE 2013



## GEOGRAPHIC EXPOSURE 2013



Note: Dollars in millions (unaudited).

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**COLFAX**

The text 'RESULTS OF OPERATIONS' is written in a bold, white, sans-serif font. It is centered within a light gray rectangular box with a fine, grid-like texture, similar to the one above it. This box is also positioned on the left side of the slide, overlapping the blue background.

**RESULTS OF OPERATIONS**

# INCOME STATEMENT SUMMARY

(unaudited)

	Three Months Ended		Year Ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Net sales	\$ 1,171.4	\$ 1,027.4	\$ 4,207.2	\$ 3,913.9
Gross profit	\$ 357.4	\$ 307.6	\$ 1,306.2	\$ 1,152.1
% of sales	30.5 %	29.9 %	31.0 %	29.4 %
SG&A expense	\$ 219.2	\$ 234.3	\$ 861.0	\$ 895.5
% of sales	18.7 %	22.8 %	20.5 %	22.9 %
Adjusted operating income	\$ 124.4	\$ 88.9	\$ 431.4	\$ 334.9
% of sales	10.6 %	8.7 %	10.3 %	8.6 %
Adjusted net income	\$ 70.1	\$ 50.5	\$ 229.8	\$ 159.8
% of sales	6.0 %	4.9 %	5.5 %	4.1 %
Adjusted net income per share	\$ 0.61	\$ 0.42	\$ 2.04	\$ 1.34

Refer to Appendix for Non-GAAP reconciliation and footnotes.  
Note: Dollars in millions, except per share amounts.



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**COLFAX**

**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, 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 and expenses, significant year-one fair value adjustment amortization expense related to the Charter acquisition, write-off of certain deferred financing fees and original issue discount associated with the refinancing of Colfax's credit agreement and gain recorded on acquisition of remaining ownership interest of Sicelub, a less than wholly owned subsidiary, in which Colfax did not hold a controlling interest, to the extent they impact the periods presented. The effective tax rates used to calculate adjusted net income and adjusted net income per share are 27.6% and 26.6% for the fourth quarter and full year ended December 31, 2013, respectively, and 15% and 25% for fourth quarter and full year ended December 31, 2012. 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 asbestos insurance coverage issues and expenses, expenses and year-one fair value adjustment amortization expense related to the Charter acquisition and major restructuring programs.

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		Year Ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
<b>Adjusted Net Income and Adjusted Net Income Per Share</b>				
Net income (loss) attributable to Colfax Corporation	37,126	\$ 19,736	\$ 178,628	\$ (64,402)
Restructuring and other related charges	18,074	16,994	35,502	60,060
Charter acquisition-related expense	—	—	—	43,617
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense	—	15,614	—	78,196
Asbestos coverage litigation expense	533	4,147	3,334	12,987
Gain on revaluation of Sicelub investment	(13,784)	—	(13,784)	—
Debt extinguishment charges- Refinancing of credit agreement	26,860	—	26,860	—
Tax adjustment <sup>(1)</sup>	1,309	(6,022)	(759)	29,297
Adjusted net income	70,118	50,469	229,781	159,755
Adjusted net income margin	6.0 %	4.9 %	5.5 %	4.1 %
Dividends on preferred stock	5,142	5,072	20,396	18,951
Adjusted net income available to Colfax Corporation common shareholders	64,976	45,397	209,385	140,804
Less: adjusted net income attributable to participating securities <sup>(2)</sup>	—	5,831	4,571	18,087
	\$ 64,976	\$ 39,566	\$ 204,814	\$ 122,717
Weighted-average shares outstanding - diluted	115,634,088	94,978,755	100,366,455	91,918,513
Adjusted net income per share	\$ 0.61	\$ 0.42	\$ 2.04	\$ 1.34
Net income (loss) per share— diluted (in accordance with GAAP)	\$ 0.31	\$ 0.13	\$ 1.54	\$ (0.92)

(1) The effective tax rates used to calculate adjusted net income and adjusted net income per share are 27.6% and 26.6% for the fourth quarter and full year ended December 31, 2013, respectively, and 15.0% and 25.0% for the fourth quarter and full year ended December 31, 2012.

(2) Adjusted net income per share for periods prior to April 23, 2013 were calculated consistently with the two-class method in accordance with GAAP as the Series A preferred stock were considered participating securities. Subsequent to April 23, 2013, adjusted net income per share was calculated consistently with the if-converted method in accordance with GAAP as the Series A preferred stock were no longer participating securities. Adjusted net income per share for the full year ended December 31, 2013 excludes the impact of 12,173,291 common stock equivalent shares as their inclusion would be anti-dilutive.

Note: Dollars in thousands, except per share amounts.

**COLFAX**

# NON-GAAP RECONCILIATION

(unaudited)

	Q4 2013								Q4 2012							
	Gas and Fluid Handling		Fabrication Technology		Corporate and Other		Total Colfax Corporation		Gas and Fluid Handling		Fabrication Technology		Corporate and Other		Total Colfax Corporation	
Net sales	\$	650,820	\$	520,558	\$	—	\$	1,171,378	\$	514,433	\$	512,964	\$	—	\$	1,027,397
Operating income (loss)		85,682 13.2 %		45,767 8.8 %		(11,834)		119,615 10.2 %		39,405 7.7 %		20,306 4.0 %		(7,543)		52,168 5.1 %
Charter acquisition-related expense		—		—		—		—		—		—		—		—
Restructuring and other related charges		5,685		12,389		—		18,074		3,273		13,616		105		16,994
Asbestos coverage litigation expense		533		—		—		533		4,147		—		—		4,147
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense		—		—		—		—		15,614		—		—		15,614
Gain on revaluation of Sichelub investment		(13,784)		—		—		(13,784)		—		—		—		—
Adjusted operating income (loss)	\$	78,116 12.0 %	\$	58,156 11.2 %	\$	(11,834)	\$	124,438 10.6 %	\$	62,439 12.1 %	\$	33,922 6.6 %	\$	(7,438)	\$	88,923 8.7 %
	Year Ended December 31, 2013								Year Ended December 31, 2012							
	Gas and Fluid Handling		Fabrication Technology		Corporate and Other		Total Colfax Corporation		Gas and Fluid Handling		Fabrication Technology		Corporate and Other		Total Colfax Corporation	
Net sales	\$	2,104,048	\$	2,103,161	\$	—	\$	4,207,209	\$	1,901,132	\$	2,012,724	\$	—	\$	3,913,856
Operating income (loss)		260,279 12.4 %		194,561 9.3 %		(48,448)		406,392 9.7 %		132,872 7.0 %		94,948 4.7 %		(87,811)		140,009 3.6 %
Charter acquisition-related expense		—		—		—		—		—		—		43,617		43,617
Restructuring and other related charges		10,429		25,073		—		35,502		8,652		45,236		6,172		60,060
Asbestos coverage litigation expense		3,334		—		—		3,334		12,987		—		—		12,987
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense		—		—		—		—		61,211		16,985		—		78,196
Gain on revaluation of Sichelub investment		(13,784)		—		—		(13,784)		—		—		—		—
Adjusted operating income (loss)	\$	260,258 12.4 %	\$	219,634 10.4 %	\$	(48,448)	\$	431,444 10.3 %	\$	215,722 11.3 %	\$	157,169 7.8 %	\$	(38,022)	\$	334,869 8.6 %

Note: Dollars in thousands.

**COLFAX**

# SALES & ORDERS GROWTH

(unaudited)

	Net Sales		Orders	
	\$	%	\$	%
<b>For the three months ended December 31, 2012</b>	\$	1,027.4	\$	520.3
<i>Components of Change:</i>				
Existing Businesses	105.1	10.2 %	(12.8)	(2.5)%
Acquisitions <sup>(1)</sup>	66.7	6.5 %	50.2	9.6 %
Foreign Currency Translation	(27.8)	(2.7)%	(9.9)	(1.8)%
Total	144.0	14.0 %	27.5	5.3 %
<b>For the three months ended December 31, 2013</b>	<b>\$</b>	<b>1,171.4</b>	<b>\$</b>	<b>547.8</b>

	Net Sales		Orders		Backlog at Period End	
	\$	%	\$	%	\$	%
<b>As of and for the year ended December 31, 2012</b>	\$	3,913.9	\$	1,996.0	\$	1,431.5
<i>Components of Change:</i>						
Existing Businesses	107.5	2.7 %	(15.3)	(0.8)%	(58.6)	(4.1)%
Acquisitions <sup>(1)</sup>	246.9	6.3 %	96.4	4.8 %	231.2	16.2 %
Foreign Currency Translation	(61.1)	(1.5)%	(15.7)	(0.7)%	(26.7)	(1.9)%
Total	293.3	7.5 %	65.4	3.3 %	145.9	10.2 %
<b>As of and for the year ended December 31, 2013</b>	<b>\$</b>	<b>4,207.2</b>	<b>\$</b>	<b>2,061.4</b>	<b>\$</b>	<b>1,577.4</b>

- (1) Represents the incremental sales and orders as a result of our acquisitions of Charter, Soldex, Co-Vent, Clarus, CKD Kompressory, Flakt Woods, TLT-Babcock, Alphair, and Sicelub. The full year impact related to the Charter Acquisition represents 12 days of activity for ESAB and Howden as the acquisition closed on January 13, 2012. Represents the incremental order backlog as a result of our acquisitions of Clarus, CKD Kompressory, Flakt Woods, TLT-Babcock, Alphair, and Sicelub.

Note: Dollars in millions.



# BALANCE SHEET

(unaudited)

	December 31,	
	2013	2012
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 311,301	\$ 482,449
Trade receivables, less allowance for doubtful accounts of \$31,282 and \$16,464	1,030,892	873,382
Inventories, net	445,752	493,649
Other current assets	350,401	282,266
Total current assets	2,138,346	2,131,746
Property, plant and equipment, net	757,140	688,570
Goodwill	2,384,522	2,098,836
Intangible assets, net	832,553	779,049
Other assets	470,292	450,086
Total assets	<u>\$ 6,582,853</u>	<u>\$ 6,148,287</u>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt	\$ 29,449	\$ 34,799
Accounts payable	860,380	699,626
Accrued liabilities	485,261	447,220
Total current liabilities	1,375,090	1,181,645
Long-term debt, less current portion	1,457,642	1,693,512
Other liabilities	1,009,006	1,116,844
Total liabilities	3,841,738	3,992,001
Equity:		
Preferred stock, \$0.001 par value; 20,000,000 shares authorized; 13,877,552 issued and outstanding	14	14
Common stock, \$0.001 par value; 400,000,000 shares authorized; 101,921,613 and 94,067,418 issued and outstanding	102	94
Additional paid-in capital	2,541,005	2,197,694
Retained earnings (accumulated deficit)	19,376	(138,856)
Accumulated other comprehensive loss	(46,608)	(146,594)
Total Colfax Corporation equity	2,513,889	1,912,352
Noncontrolling interest	227,226	243,934
Total equity	2,741,115	2,156,286
Total liabilities and equity	<u>\$ 6,582,853</u>	<u>\$ 6,148,287</u>

Note: Dollars in thousands, except per share amounts.

# STATEMENT OF CASH FLOWS

(unaudited)

	Year Ended December 31,		
	2013	2012	2011
<b>Cash flows from operating activities:</b>			
Net income (loss)	\$ 209,143	\$ (42,264)	\$ 4,555
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation, amortization and fixed asset impairment charges	119,258	183,403	22,598
Stock-based compensation expense	13,334	9,373	4,908
Non-cash interest expense	44,377	16,997	735
Gain on revaluation of Sicelub investment	(13,784)	—	—
Unrealized loss on acquisition-related foreign currency derivative	—	—	21,146
Deferred income tax provision (benefit)	9,946	7,222	(1,722)
Changes in operating assets and liabilities, net of acquisitions:			
Trade receivables, net	(98,912)	(37,338)	(5,972)
Inventories, net	79,987	26,694	10,844
Accounts payable	128,889	88,927	(7,298)
Changes in other operating assets and liabilities	(130,069)	(78,994)	7,359
<b>Net cash provided by operating activities</b>	<b>362,169</b>	<b>174,020</b>	<b>57,153</b>
<b>Cash flows from investing activities:</b>			
Purchases of fixed assets, net	(71,482)	(83,187)	(13,624)
Acquisitions, net of cash received	(372,476)	(1,859,645)	(56,346)
Loans to non-trade creditors	(31,012)	—	—
Other, net	—	1,857	—
<b>Net cash used in investing activities</b>	<b>(474,970)</b>	<b>(1,940,975)</b>	<b>(69,970)</b>
<b>Cash flows from financing activities:</b>			
Borrowings under term credit facility	50,861	1,731,523	—
Payments under term credit facility	(679,755)	(531,415)	(10,000)
Proceeds from borrowings on revolving credit facilities	648,000	13,149	141,203
Repayments of borrowings on revolving credit facilities	(328,133)	(53,414)	(102,180)
Proceeds from issuance of common stock, net	324,153	756,762	3,719
Proceeds from issuance of preferred stock, net	—	332,969	—
Acquisition of shares held by noncontrolling interest	(14,913)	(29,292)	—
Payments of dividend on preferred stock	(20,396)	(17,446)	—
Other	(24,870)	(19,608)	—
<b>Net cash (used in) provided by financing activities</b>	<b>(45,053)</b>	<b>2,183,228</b>	<b>32,742</b>
<b>Effect of foreign exchange rates on Cash and cash equivalents</b>	<b>(13,294)</b>	<b>(8,932)</b>	<b>(5,359)</b>
(Decrease) increase in Cash and cash equivalents	(171,148)	407,341	14,566
Cash and cash equivalents, beginning of period	482,449	75,108	60,542
<b>Cash and cash equivalents, end of period</b>	<b>\$ 311,301</b>	<b>\$ 482,449</b>	<b>\$ 75,108</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>			
Interest payments	58,970	79,857	5,209
Income tax payments, net	93,856	70,677	16,731

Note: Dollars in thousands.