



## 2Q 2009 Earnings Call

August 4, 2009



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 \$8.5 million (20 cents per share) compared to \$13.9 million (32 cents per share) in Q2 2008, including negative currency effects of 4 cents per share
- Net sales of \$129.2 million compared to \$161.4 million in Q2 2008, a decrease of 20.0% (organic decline of 10.2%)
- Adjusted operating income of \$14.3 million compared to \$23.6 million in Q2 2008, including negative currency effects of \$2.3 million
- Adjusted EBITDA of \$17.8 million compared to \$27.5 million in Q2 2008, including negative currency effects of \$2.6 million
- Second quarter orders of \$104.1 million compared to \$188.8 in Q2 2008, a decrease of 44.9% (organic decline of 38.3%)
- Backlog of \$292.3 million



### ▪ Lower Results for Q2 2009

- Organic sales down 10% year over year, down 8% sequentially
- Results impacted by reduced OEM demand and push-out of project deliveries
- Organic sales increased in commercial marine (up 7%) and global navy (up 26%)

### ▪ Global Business Conditions Continued to Weaken in Q2

- Organic orders declined 38% year-over-year, down 17% sequentially
  - Decline driven by commercial marine (down 54%) and general industrial (down 44%)

Decline in commercial marine orders includes cancellations of \$9 million

Weakness in most general industrial submarkets including chemical, distribution, machinery support and building products





## YTD 2009 Highlights

Q2 2009 Earnings Call

- Adjusted net income of \$18.9 million (44 cents per share) compared to \$24 million (55 cents per share) in 2008, including negative currency effects of 9 cents per share
- Net sales of \$265.5 million compared to \$292.1 million in 2008, a decrease of 9.1% (organic growth of 2.4%)
- Adjusted operating income of \$31.4 million compared to \$41.9 million in 2008, including negative currency effects of \$5.6 million
- Adjusted EBITDA of \$38.3 million compared to \$49.5 million in 2008, including negative currency effects of \$6.2 million
- Orders of \$224.9 million compared to \$369.1 million in 2008, a decrease of 39.1% (organic decline of 32.0%)



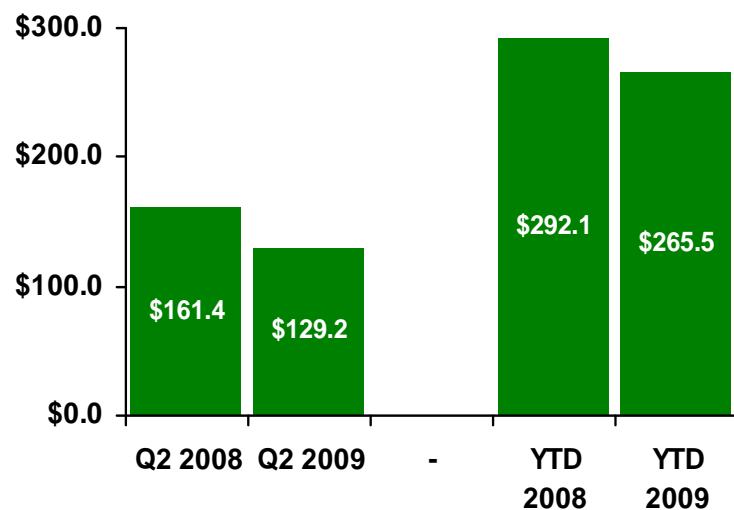
- Continuing to rightsize to align capacity with demand
- Major actions since the beginning of the year:
  - Reduced temporary, contract and full-time employees (approximately 150 associates)
  - Implemented furlough programs in Germany (approximately 628 associates, 100 full-time equivalents)
  - Closed facility in Aberdeen, NC
  - Announced closing of Sanford, NC facility
- Expect savings of about \$13 million in 2009, including furlough-related savings
- Expect restructuring expenses of about \$4 million in 2009 for activities announced to date
- Additional restructuring anticipated as year progresses
- Will remain agile and respond as conditions warrant
- CBS activity continues in all areas



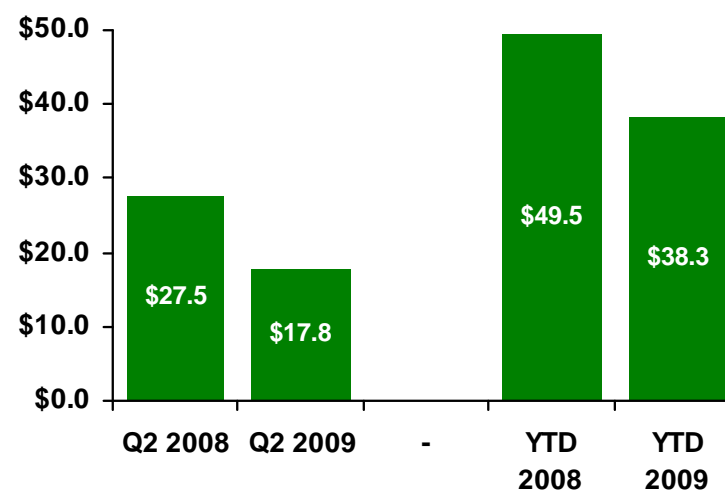
## Revenue and Adjusted EBITDA

Q2 2009 Earnings Call

### Revenue



### Adjusted EBITDA <sup>(1)</sup>



Existing Businesses	--	(10.2)%	--	2.4%
FX Translation	--	(9.8)%	--	(11.5)%
Total Growth (Decline)	--	(20.0)%	--	(9.1)%

% Margin	17.0%	13.8%	16.9%	14.4%
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(1) Refer to Appendix for Non-GAAP reconciliation.

Note: Dollars in millions.

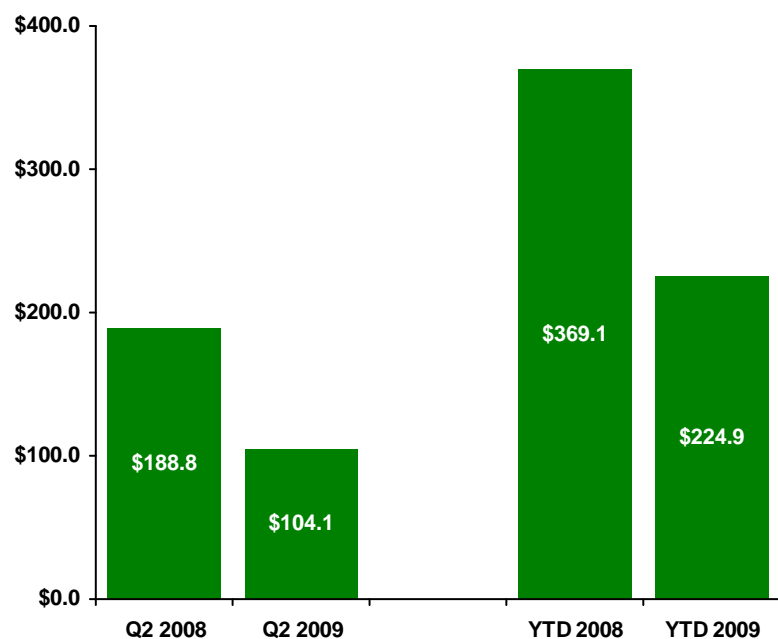




## Orders and Backlog

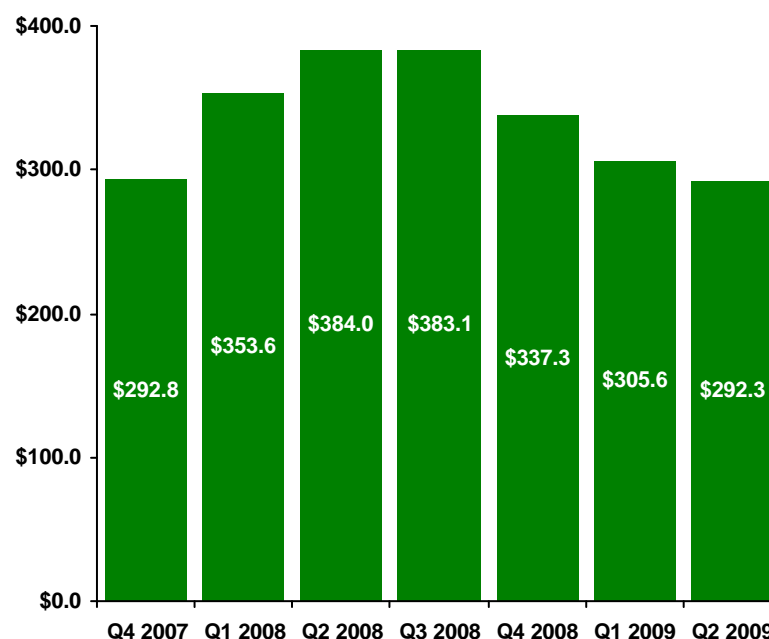
Q2 2009 Earnings Call

### Orders



Existing Businesses	--	(38.3)%	--	(32.0)%
FX Translation	--	(6.6)%	--	(7.0)%
<b>Total Growth</b>		<b>(44.9)%</b>		<b>(39.1)%</b>

### Backlog



Note: Dollars in millions.



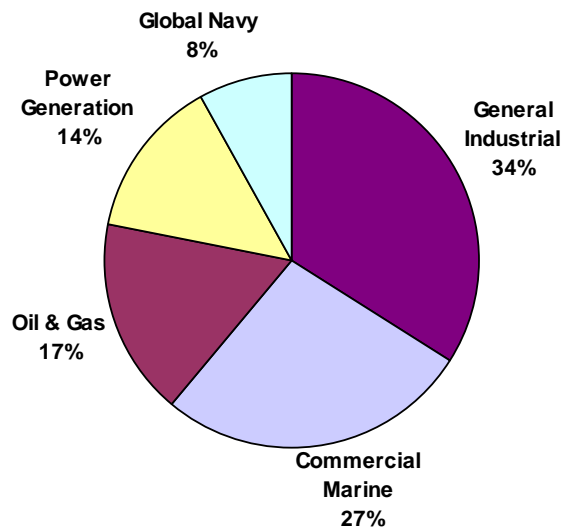




## Q2 2009 Sales and Orders by End Market

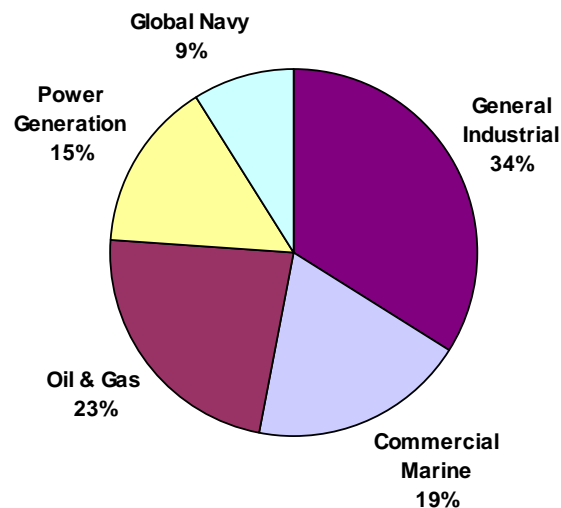
Q2 2009 Earnings Call

### Sales: \$129.2 million



	<u>Total Growth</u>	<u>Organic Growth</u>
Commercial Marine	(12)%	7%
Oil & Gas	(3)%	1%
Power Generation	(31)%	(25)%
Global Navy	22%	26%
General Industrial	(32)%	(23)%
Total	(20)%	(10)%

### Orders: \$104.1 million



	<u>Total Growth</u>	<u>Organic Growth</u>
Commercial Marine	(62)%	(54)%
Oil & Gas	(21)%	(16)%
Power Generation	(33)%	(25)%
Global Navy	(26)%	(24)%
General Industrial	(50)%	(44)%
Total	(45)%	(38)%

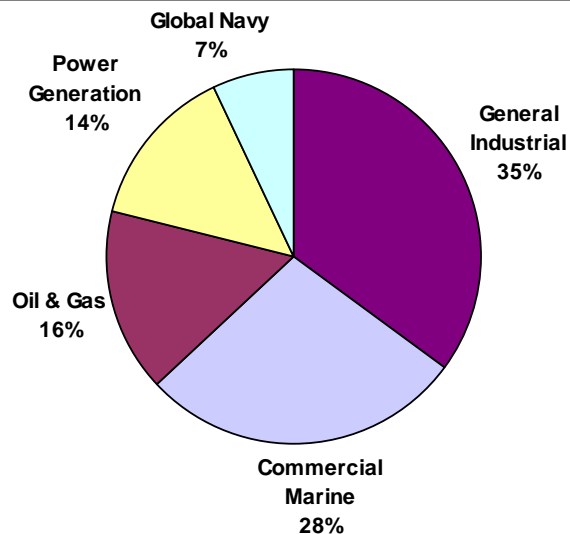




## 2009 YTD Sales and Orders by End Market

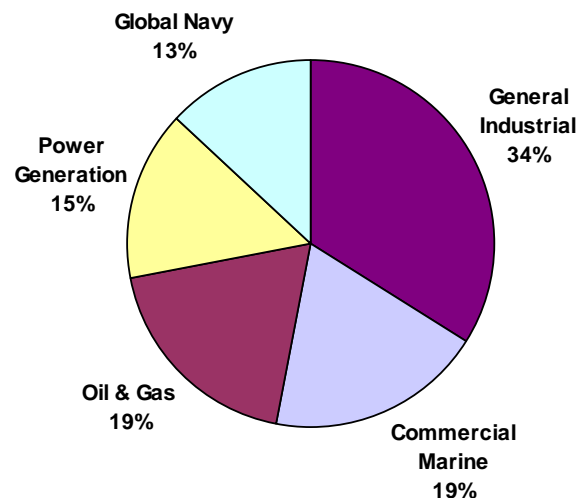
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### Sales: \$265.5 million



	<u>Total Growth</u>	<u>Organic Growth</u>
Commercial Marine	3%	24%
Oil & Gas	5%	10%
Power Generation	(15)%	(6)%
Global Navy	25%	29%
General Industrial	(23)%	(13)%
<b>Total</b>	<b>(9)%</b>	<b>2%</b>

### Orders: \$224.9 million



	<u>Total Growth</u>	<u>Organic Growth</u>
Commercial Marine	(63)%	(56)%
Oil & Gas	(9)%	(4)%
Power Generation	(27)%	(18)%
Global Navy	19%	21%
General Industrial	(43)%	(36)%
<b>Total</b>	<b>(39)%</b>	<b>(32)%</b>



- Strong balance sheet
  - Debt to adjusted EBITDA = 1
  - Debt of \$94 million, principal payments of \$5 million in 2009, matures in 2013
  - Cash = \$38 million
  - \$136 million available on revolver
- Strong cash flow
  - Adjusted EBITDA (LTM) of \$94 million



## Income Statement Summary

Q2 2009 Earnings Call

	Three Months Ended		Delta	
	7/3/2009	6/27/2008	\$	%
Orders	\$ 104.1	\$ 188.8	\$ (84.7)	(44.9)%
Sales	\$ 129.2	\$ 161.4	\$ (32.2)	(20.0)%
Gross Profit	\$ 44.6	\$ 56.8	\$ (12.2)	(21.5)%
% of Sales	34.5%	35.2%		
Adjusted SG&A Expenses	\$ 28.6	\$ 31.6	\$ (3.1)	(9.7)%
R&D Expense	1.7	1.6	0.1	6.9%
Operating Expenses	\$ 30.3	\$ 33.2	\$ (3.0)	(8.9)%
% of Sales	23.4%	20.6%		
Adjusted Operating Income	\$ 14.3	\$ 23.6	\$ (9.3)	(39.4)%
% of Sales	11.1%	14.6%		
Adjusted EBITDA	\$ 17.8	\$ 27.5	\$ (9.7)	(35.2)%
% of Sales	13.8%	17.0%		
Adjusted Net Income	\$ 8.5	\$ 13.9	\$ (5.4)	(38.8)%
% of Sales	6.6%	8.6%		

Refer to Appendix for Non-GAAP reconciliation.

Note: Dollars in millions.





## Income Statement Summary

Q2 2009 Earnings Call

	Six Months Ended		Delta	
	7/3/2009	6/27/2008	\$	%
Orders	\$ 224.9	\$ 369.1	\$ (144.2)	(39.1)%
Sales	\$ 265.5	\$ 292.1	\$ (26.6)	(9.1)%
Gross Profit	\$ 92.6	\$ 105.0	\$ (12.4)	(11.8)%
% of Sales	34.9%	35.9%		
Adjusted SG&A Expense	\$ 58.1	\$ 60.2	\$ (2.0)	(3.4)%
R&D Expense	3.1	3.0	0.1	4.6%
Operating Expenses	\$ 61.2	\$ 63.1	\$ (1.9)	(3.0)%
% of Sales	23.1%	21.6%		
Adjusted Operating Income	\$ 31.4	\$ 41.9	\$ (10.5)	(25.0)%
% of Sales	11.8%	14.3%		
Adjusted EBITDA	\$ 38.3	\$ 49.5	\$ (11.2)	(22.7)%
% of Sales	14.4%	16.9%		
Adjusted Net Income	\$ 18.9	\$ 24.0	\$ (5.2)	(21.5)%
% of Sales	7.1%	8.2%		

Refer to Appendix for Non-GAAP reconciliation.

Note: Dollars in millions.





## Statement of Cash Flows Summary

Q2 2009 Earnings Call

	Six Months Ended	
	7/3/2009	6/27/2008
Net income (loss)	\$ 11.2	\$ (24.6)
Non-cash expenses	7.7	4.3
Change in working capital and accrued liabilities	(5.9)	(32.8)
Other	4.9	(3.9)
<b>Total Operating Activities</b>	<b>\$ 17.9</b>	<b>\$ (57.0)</b>
Capital expenditures	\$ (5.9)	\$ (9.1)
Other	0.1	0.1
<b>Total Investing Activities</b>	<b>\$ (5.8)</b>	<b>\$ (9.0)</b>
Repayments of borrowings	\$ (2.5)	\$ (106.5)
Proceeds from IPO, net of offering costs	-	193.0
Dividends paid to preferred shareholders	-	(38.5)
Other	(0.4)	(3.1)
<b>Total Financing Activities</b>	<b>\$ (2.9)</b>	<b>\$ 44.9</b>
Effect of exchange rates on cash	-	0.1
<b>Increase (decrease) in cash</b>	<b>9.2</b>	<b>(21.0)</b>
Cash, beginning of period	28.8	48.1
<b>Cash, end of period</b>	<b>\$ 38.0</b>	<b>\$ 27.1</b>

Note: Dollars in millions.





## 2009 Outlook Summary

Q2 2009 Earnings Call

Revenue Range			
2009 Organic growth <sup>(1)</sup>	(6)%	to	(8)%
2009 Total	\$515 million	to	\$530 million

EPS Range			
2009 Net income per share	\$0.57	to	\$0.64
2009 Adjusted net income per share <sup>(2)</sup>	\$0.93	to	\$1.00

Assumptions	
Asbestos coverage litigation	\$12 million
Asbestos liability and defense costs	\$7 million
Euro	\$1.41
Tax rate	32%
Interest expense	\$8 million
Incremental public company costs	\$2.5 million
Outstanding shares	43.3 million

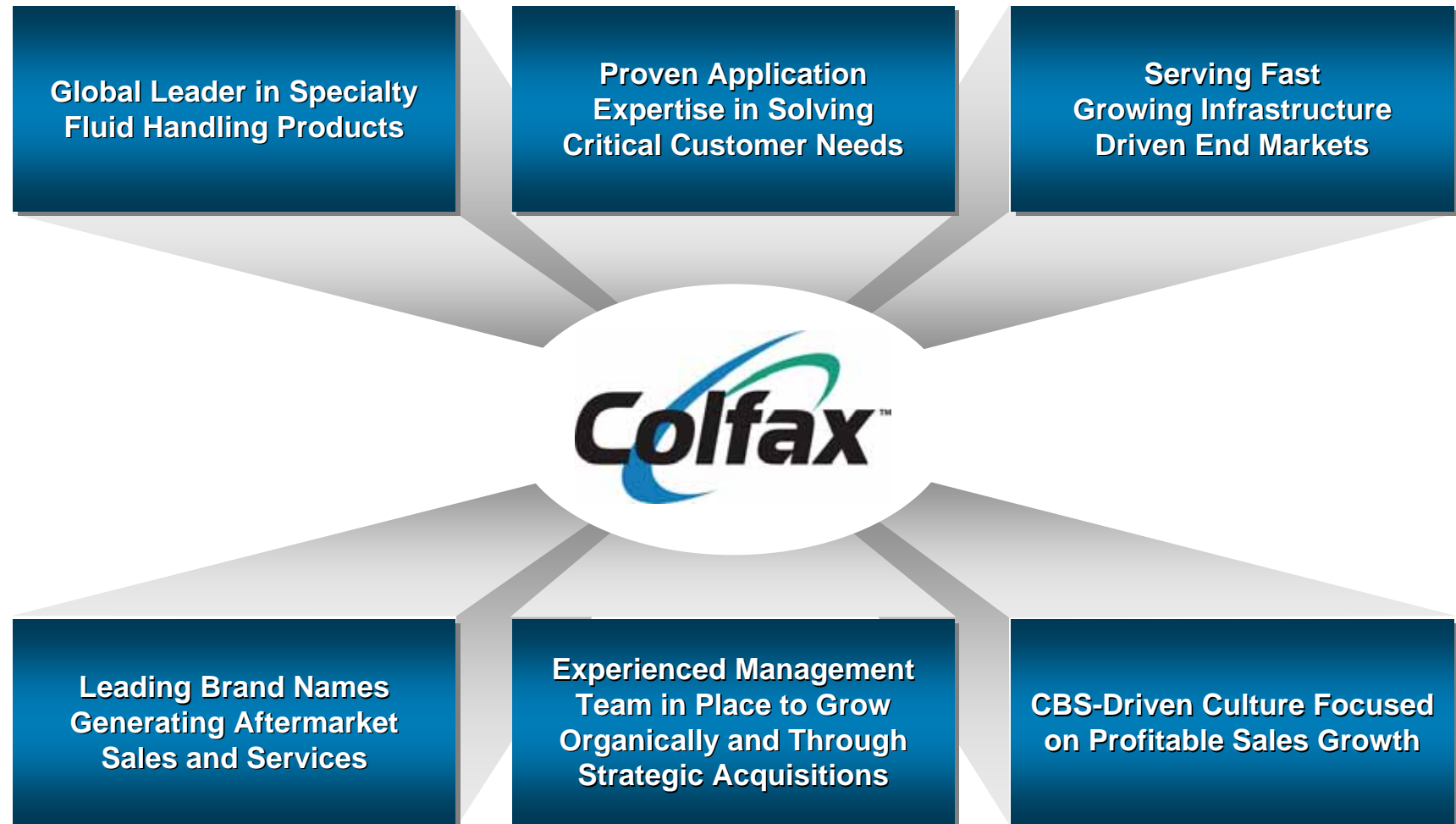
(1) Excludes impact of foreign exchange rate fluctuations

(2) Excludes impact of asbestos coverage litigation, asbestos liability and defense costs, and restructuring and other related charges

(See Appendix for Non-GAAP reconciliation)

NOTE: Guidance as of 8/4/09







# Appendix

Adjusted net income, adjusted net income per share, adjusted operating income and adjusted EBITDA exclude asbestos liability and defense costs (income) and asbestos coverage litigation expenses, certain legacy legal charges, certain due diligence costs, restructuring and other related charges as well as one time initial public offering-related costs to the extent they impact the periods presented. Adjusted selling, general and administrative expenses exclude legacy legal adjustments. Adjusted net income also reflects interest expense as if the initial public offering (IPO) had occurred at the beginning of 2007 and presents income taxes at an effective tax rate of 32% in 2009 and 34% in 2008. Adjusted net income per share in 2008 assumes the 44,006,026 shares outstanding at the closing of the IPO to be outstanding since January 1, 2007. 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 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 changes in our capital structure and asset base, non-recurring items such as IPO-related costs, legacy asbestos issues (except in the case of EBITDA) 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. During 2009, reclassifications of previously reported amounts were made to conform to current period presentation. No changes have been made to total sales or orders.



## Non-GAAP Reconciliation

Q2 2009 Earnings Call

	Three Months Ended		Six Months Ended	
	July 3, 2009	June 27, 2008	July 3, 2009	June 27, 2008
<b>EBITDA</b>				
Net income (loss)	\$ 4,366	\$ (31,399)	\$ 11,227	\$ (24,601)
Interest expense	1,786	3,236	3,632	7,733
Provision (benefit) for income taxes	2,142	(12,679)	5,245	(9,101)
Depreciation and amortization	3,538	3,955	6,911	7,650
EBITDA	<u>\$ 11,832</u>	<u>\$ (36,887)</u>	<u>\$ 27,015</u>	<u>\$ (18,319)</u>
EBITDA margin	9.2%	(22.9)%	10.2%	(6.3)%
<b>Adjusted EBITDA</b>				
Net income (loss)	\$ 4,366	\$ (31,399)	\$ 11,227	\$ (24,601)
Interest expense	1,786	3,236	3,632	7,733
Provision for income taxes	2,142	(12,679)	5,245	(9,101)
Depreciation and amortization	3,538	3,955	6,911	7,650
Restructuring and other related charges	486	-	1,147	-
IPO-related costs	-	57,017	-	57,017
Legacy legal adjustment	-	4,131	-	4,131
Asbestos liability and defense costs (income)	1,482	(715)	3,127	(437)
Asbestos coverage litigation expense	4,027	3,970	6,993	7,109
Adjusted EBITDA	<u>\$ 17,827</u>	<u>\$ 27,516</u>	<u>\$ 38,282</u>	<u>\$ 49,501</u>
Adjusted EBITDA margin	13.8%	17.0%	14.4%	16.9%

Note: Dollars in thousands.





## Non-GAAP Reconciliation

Q2 2009 Earnings Call

	Three Months Ended		Six Months Ended	
	July 3, 2009	June 27, 2008	July 3, 2009	June 27, 2008
<b>Adjusted Net Income and Adjusted Earnings per Share</b>				
Net income (loss)	\$ 4,366	\$ (31,399)	\$ 11,227	\$ (24,601)
Restructuring and other related charges	486	-	1,147	-
IPO-related costs	-	57,017	-	57,017
Legacy legal adjustment	-	4,131	-	4,131
Asbestos liability and defense costs	1,482	(715)	3,127	(437)
Asbestos coverage litigation expense	4,027	3,970	6,993	7,109
Interest adjustment to effect IPO at beginning of period	-	725	-	2,302
Tax adjustment to effective rate of 32% and 34%, respectively	(1,859)	(19,836)	(3,631)	(21,484)
Adjusted net income	<u>\$ 8,502</u>	<u>\$ 13,893</u>	<u>\$ 18,863</u>	<u>\$ 24,037</u>
Adjusted net income margin	6.6%	8.6%	7.1%	8.2%
Weighted average shares outstanding - diluted	43,245,990	-	43,237,856	-
Shares outstanding at closing of IPO	-	44,006,026	-	44,006,026
Adjusted net income per share	<u>\$ 0.20</u>	<u>\$ 0.32</u>	<u>\$ 0.44</u>	<u>\$ 0.55</u>
Net income per share-basic and diluted in accordance with GAAP	<u>\$ 0.10</u>	<u>\$ (1.01)</u>	<u>\$ 0.26</u>	<u>\$ (0.99)</u>
<b>Adjusted Operating Income</b>				
Operating income (loss)	\$ 8,294	\$ (40,842)	\$ 20,104	\$ (25,969)
Restructuring and other related charges	486	-	1,147	-
IPO-related costs	-	57,017	-	57,017
Legacy legal adjustment	-	4,131	-	4,131
Asbestos liability and defense costs	1,482	(715)	3,127	(437)
Asbestos coverage litigation expense	4,027	3,970	6,993	7,109
Adjusted operating income	<u>\$ 14,289</u>	<u>\$ 23,561</u>	<u>\$ 31,371</u>	<u>\$ 41,851</u>
Adjusted operating income margin	11.1%	14.6%	11.8%	14.3%

Note: Dollars in thousands, except per share amounts.





## Sales & Order Growth

Q2 2009 Earnings Call

	Sales		Orders	
	\$	%	\$	%
<b>Three Months Ended June 27, 2008</b>	<b>\$ 161.4</b>		<b>\$ 188.8</b>	
<i>Components of Growth:</i>				
Existing Businesses	(16.4)	(10.2)%	(72.3)	(38.3)%
Foreign Currency Translation	(15.8)	(9.8)%	(12.4)	(6.6)%
Total Growth	(32.2)	(20.0)%	(84.7)	(44.9)%
<b>Three Months Ended July 3, 2009</b>	<b>\$ 129.2</b>		<b>\$ 104.1</b>	

	Sales		Orders		Backlog at Period End	
	\$	%	\$	%		
<b>Six Months Ended June 27, 2008</b>	<b>\$ 292.1</b>		<b>\$ 369.1</b>		<b>\$ 384.0</b>	
<i>Components of Growth:</i>						
Existing Businesses	7.0	2.4%	(118.2)	(32.0)%	(63.8)	(16.6)%
Foreign Currency Translation	(33.6)	(11.5)%	(26.0)	(7.0)%	(27.9)	(7.3)%
Total Growth	(26.6)	(9.1)%	(144.2)	(39.1)%	(91.7)	(23.9)%
<b>Six Months Ended July 3, 2009</b>	<b>\$ 265.5</b>		<b>\$ 224.9</b>		<b>\$ 292.3</b>	

Note: Dollars in millions.





## Non-GAAP Reconciliation

Q2 2009 Earnings Call

	Three Months Ended		Six Months Ended	
	July 3, 2009	June 27, 2008	July 3, 2009	June 27, 2008
<b>Adjusted SG&amp;A Expense</b>				
Selling, general and administrative expenses	\$ 28,586	\$ 35,776	\$ 58,112	\$ 64,283
Legacy legal adjustment	-	4,131	-	4,131
Adjusted selling, general and administrative expenses	<u>\$ 28,586</u>	<u>\$ 31,645</u>	<u>\$ 58,112</u>	<u>\$ 60,152</u>
	22.1%	19.6%	21.9%	20.6%

Note: Dollars in thousands.





## Non-GAAP Reconciliation

Q2 2009 Earnings Call

**Colfax Corporation**  
**Reconciliation of Projected 2009 Net Income Per Share to Adjusted Net Income Per Share**  
**Amounts in Dollars**  
**(unaudited)**

	<u>EPS Range</u>	
Projected net income per share - fully diluted	\$ 0.57	\$ 0.64
Actual first half restructuring and other related charges	0.02	0.02
Estimated second half restructuring and other related charges	0.04	0.04
Asbestos coverage litigation	0.19	0.19
Asbestos liability and defense costs	0.11	0.11
Projected adjusted net income per share - fully diluted	<u>\$ 0.93</u>	<u>\$ 1.00</u>

