





FAILURE IS NOT AN OPTION.



THREE GORGES DAM

TO PROPEL GROWTH



A SOLID FOUNDATION IS CRUCIAL



BUILDING A FOUNDATION FOR PROFITABLE GROWTH

TODAY'S FOCUS

BUILDING A FOUNDATION FOR PROFITABLE GROWTH

- Uniqueness
- Competitive Strategy
- Financial Momentum
- The Model



Building A Strong Foundation For Profitable Growth

UNIQUENESS



The best team wins.

Customers talk, we listen.

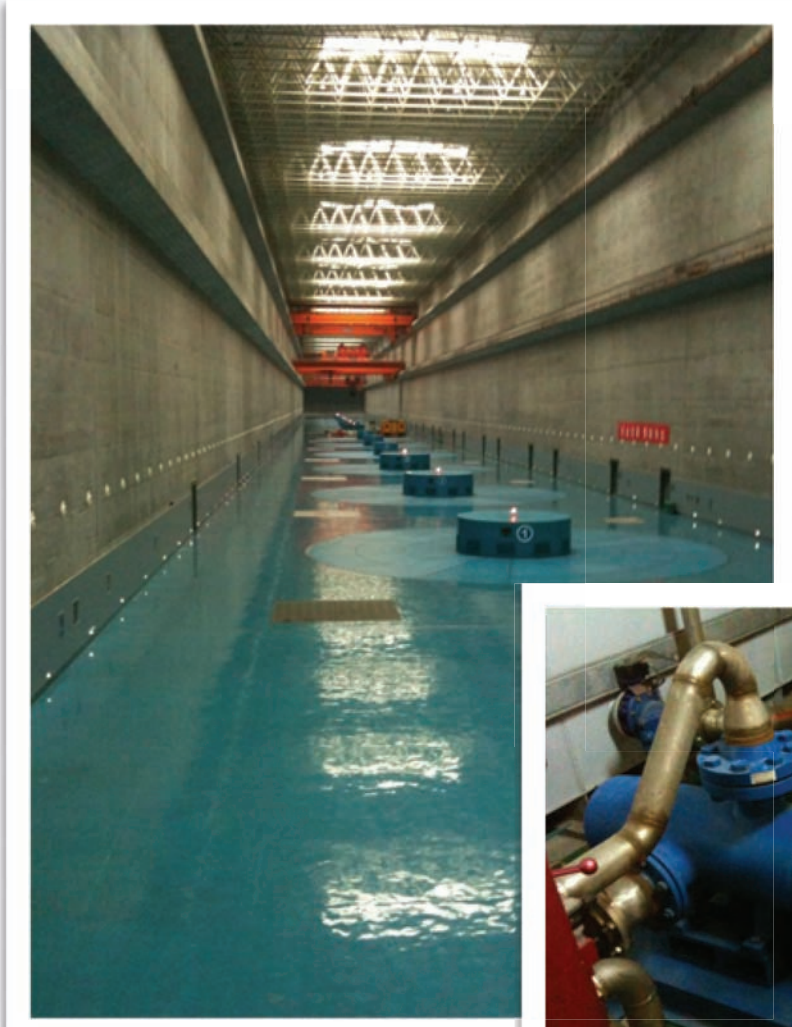
Continuous improvement is our way of life.

Leading edge innovation defines our future.

We compete for shareholders based on our performance.



SPECIALTY FLUID HANDLING



Colfax **UNIQUENESS**
SPECIALTY FLUID HANDLING

LEADING BRANDS/END-MARKET FOCUS



UNIQUENESS **Colfax**

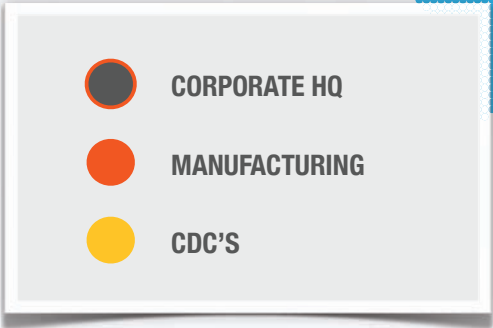
GLOBAL REACH

The map displays Colfax's global presence with markers for Corporate HQ, Manufacturing, and CDC's. The markers are color-coded: black for Corporate HQ, orange for Manufacturing, and yellow for CDC's. The map shows a high concentration of Manufacturing sites in North America and Europe, with a few CDC's sites in Europe and Asia. Corporate HQ is located in North America.

- CORPORATE HQ
- MANUFACTURING
- CDC'S

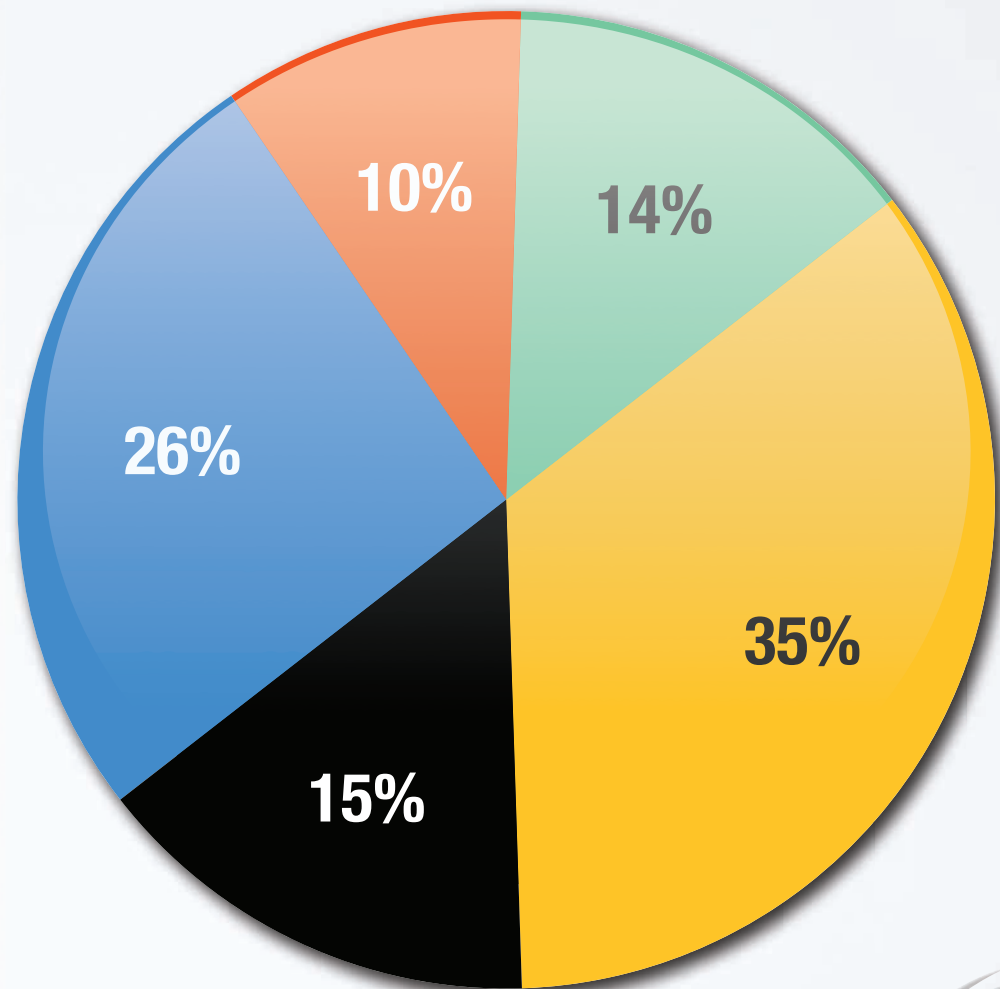
Colfax

UNIQUENESS



END-MARKET DIVERSITY

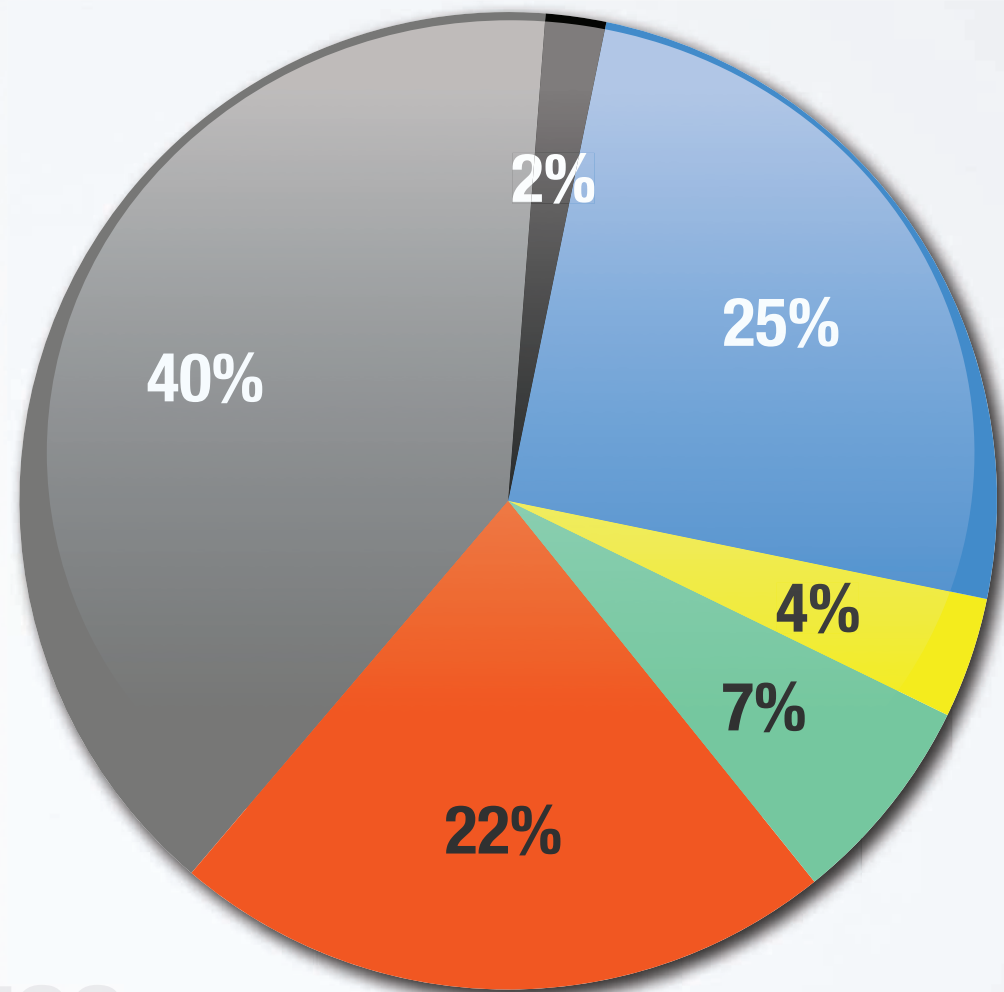
2010 REVENUES (\$542M)



UNIQUENESS *Colfax*

GEOGRAPHIC DIVERSITY

2010 REVENUES (\$542M)



CUSTOMER DIVERSITY

BLUE CHIP CUSTOMERS



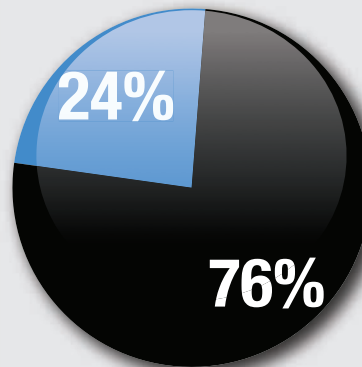
SIEMENS



GENERAL DYNAMICS



HYUNDAI
HEAVY INDUSTRIES CO. LTD.



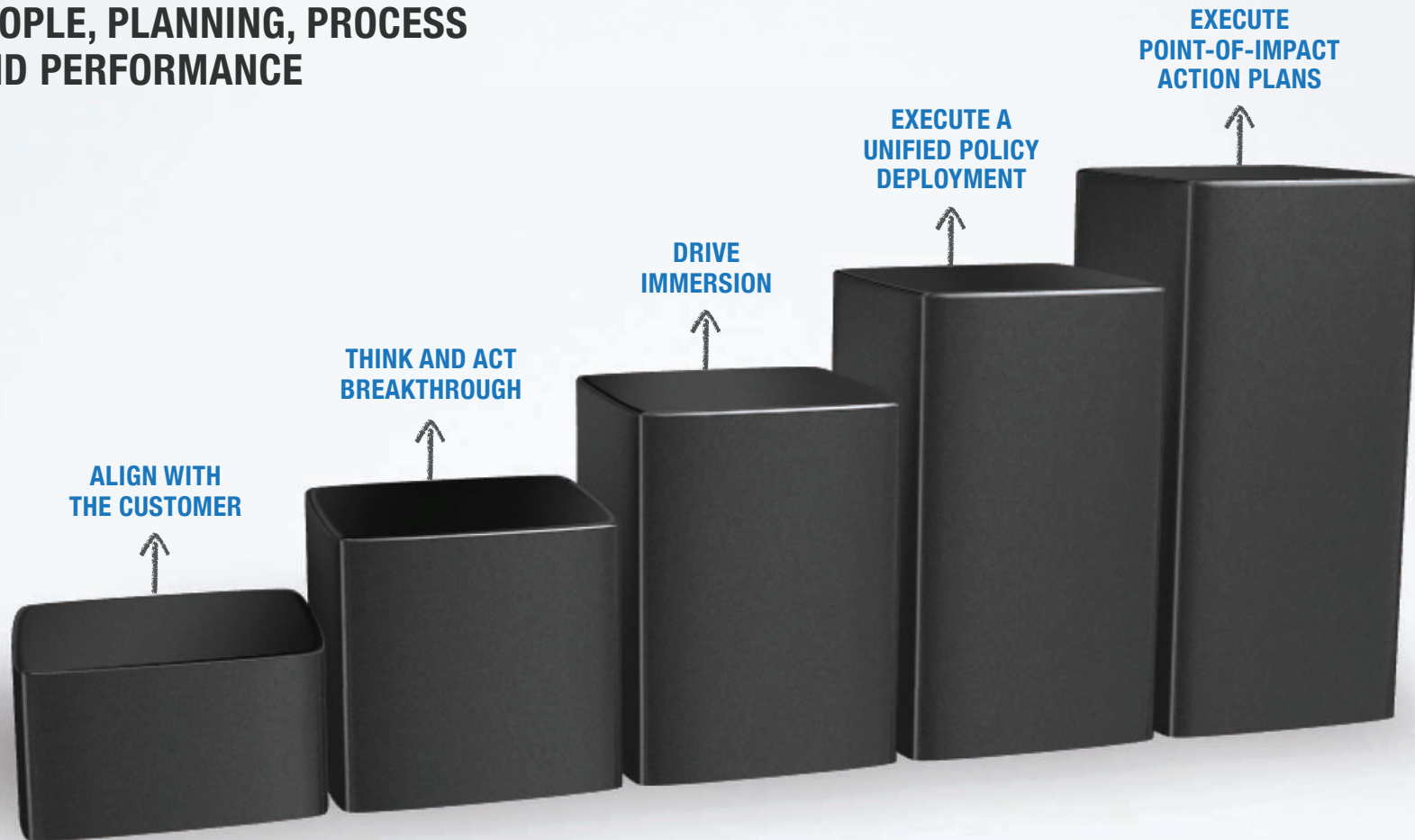
**2010 FORE-MARKET &
AFTER-MARKET SALES**

- Fore-Market
- After-Market

UNIQUENESS *Colfax*

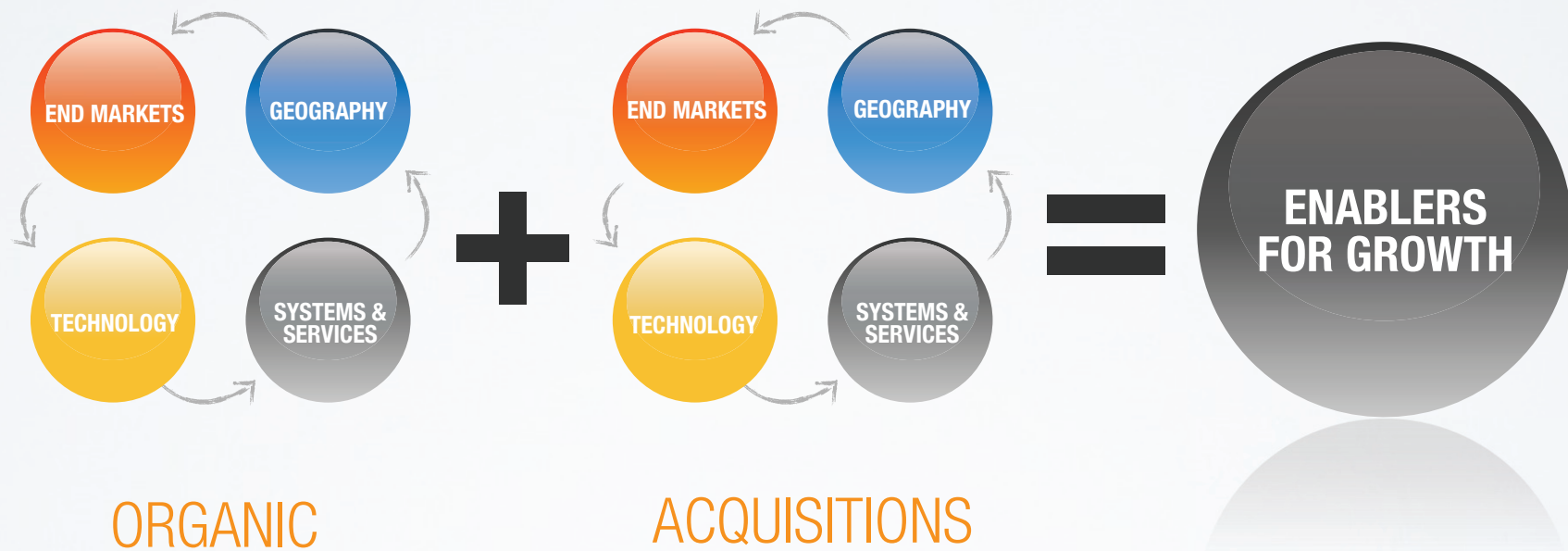
INTENSIFY APPLICATION OF CBS

COLFAX BUSINESS SYSTEM:
PEOPLE, PLANNING, PROCESS
AND PERFORMANCE



Colfax **UNIQUENESS**

FORMULA FOR GROWTH

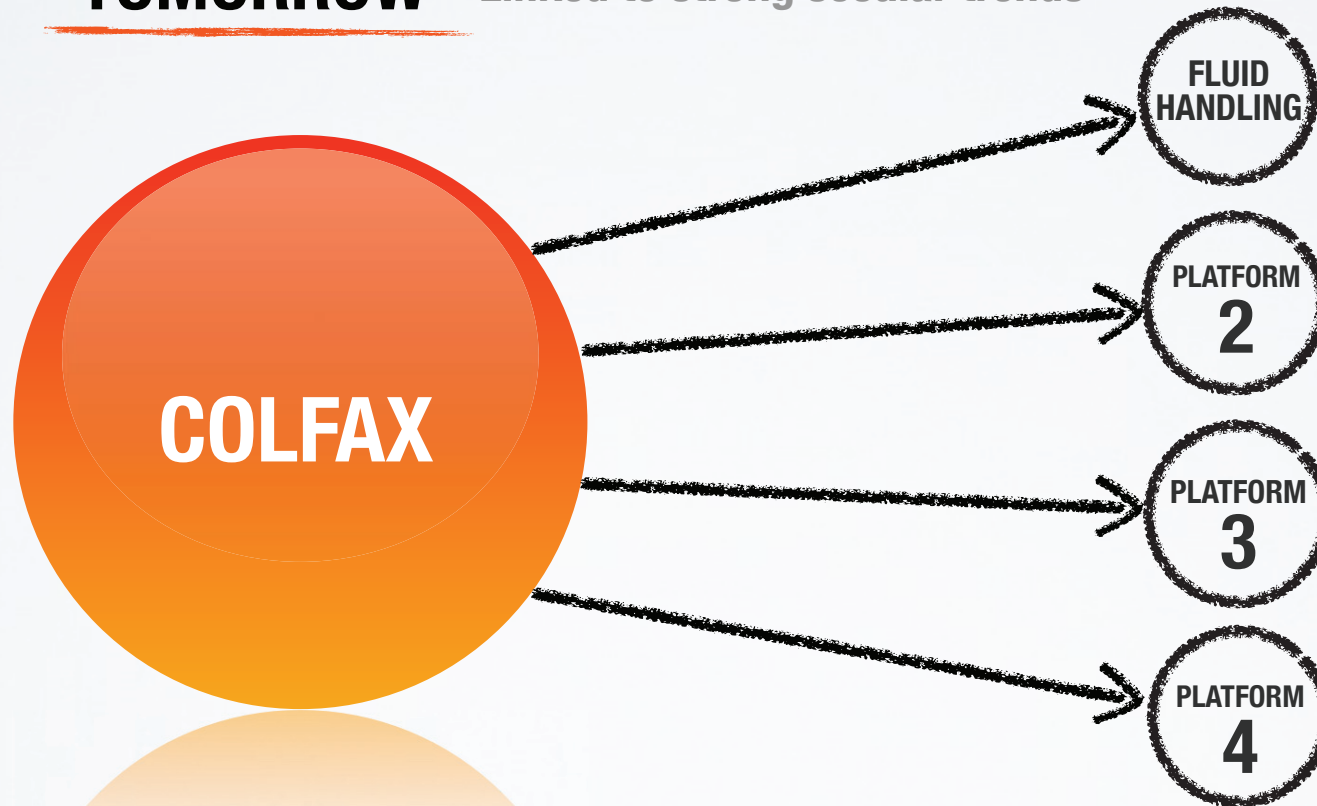


UNIQUENESS *Colfax*

COMMITMENT TO MULTI-PLATFORM BUSINESS

TOMORROW

Linked to strong secular trends



Colfax **UNIQUENESS**

Building A Strong Foundation For Profitable Growth



COMPETITIVE STRATEGY

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STRATEGIC POSITIONING

Unique Value Proposition

Comprehensive Solution

Different Set of Activities



OIL+GAS



COMMERCIAL MARINE



DEFENSE



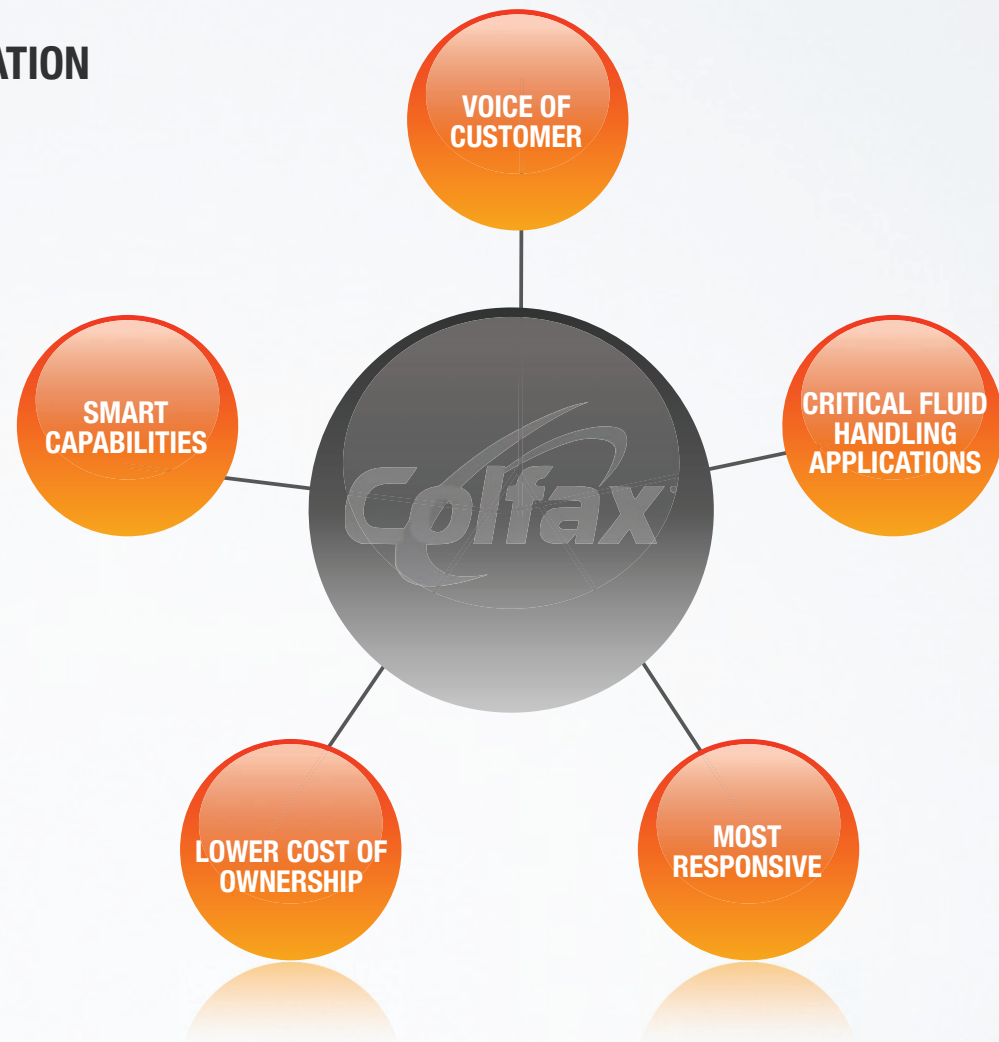
POWER GENERATION



GEN INDUSTRIAL

COMPETITIVE STRATEGY

- **STRATEGY IS ONE OF DIFFERENTIATION**
Powered by 5 elements:



STRATEGY *Colfax*

BREAKTHROUGH IMPROVEMENT PRIORITIES

- **Realign as a market-facing global functional organization**
- **Drive breakthrough levels of customer service**
- **Accelerate growth in Lubrication Systems & Services**

ACQUISITIONS

- Create opportunities with acquisitions...deliver value with superior execution
- Culture provides the foundation for success



STRATEGY *Colfax*





END-MARKET FOCUS

OIL AND GAS MARKET

MARKET

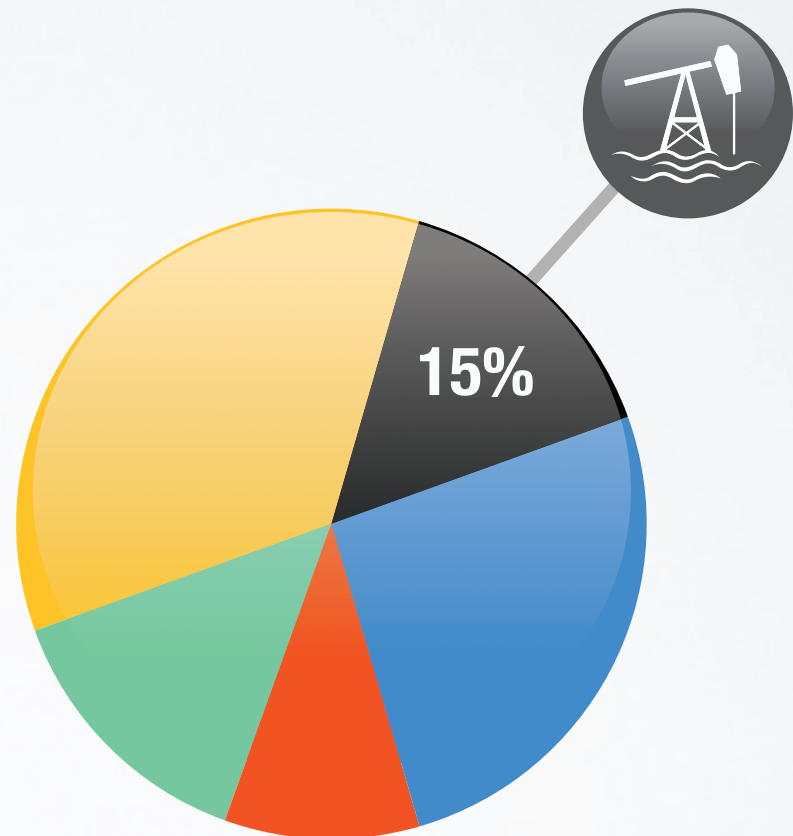
- Long-term demand for oil projected to increase
- Increased proportion of heavy oil
- Increased quote and book activity

CRITICAL APPLICATIONS

- Crude oil gathering
- Unloading and loading
- Rotating equipment lubrication
- Lube oil purification

OUR STRATEGY

- Grow heavy crude transfer and storage
- Expand SMART solutions
- Provide lowest total cost of ownership solutions
- Expand lubrication services and systems



DEFENSE

MARKET

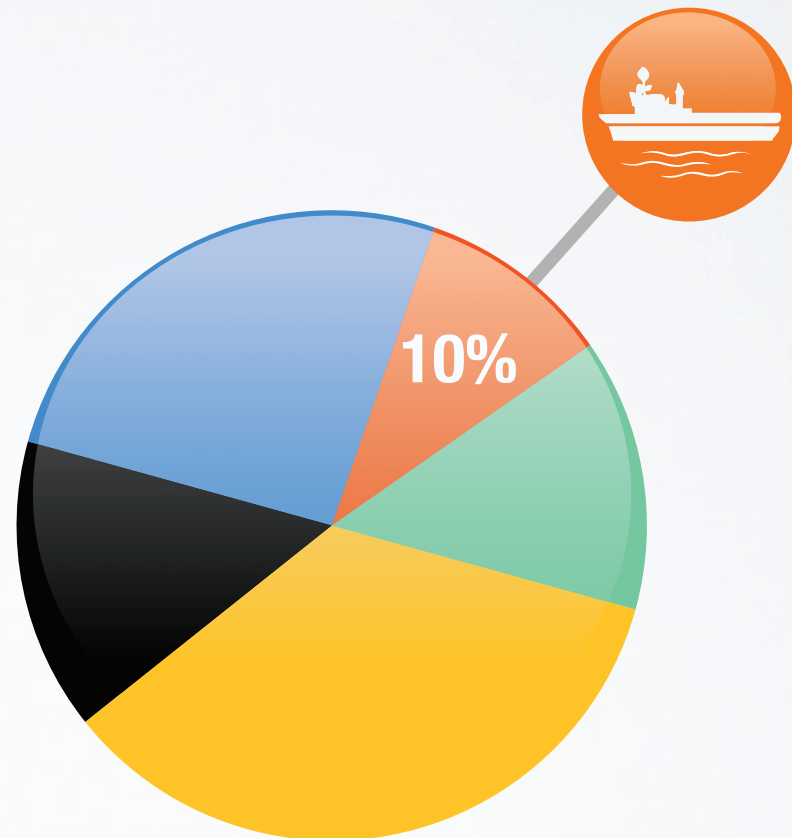
- Recent growth in Navy funding
- Focus on automation
- Modernization and expansion of ROW navies

CRITICAL APPLICATIONS

- Fuel oil transfer
- Oil transport
- Water and wastewater handling
- Fire-fighting

OUR STRATEGY

- Leverage SMART technology
- Expand service network
- Support expansion of fleets outside of U.S. including Europe and India



STRATEGY *Colfax*

GENERAL INDUSTRIAL

MARKET

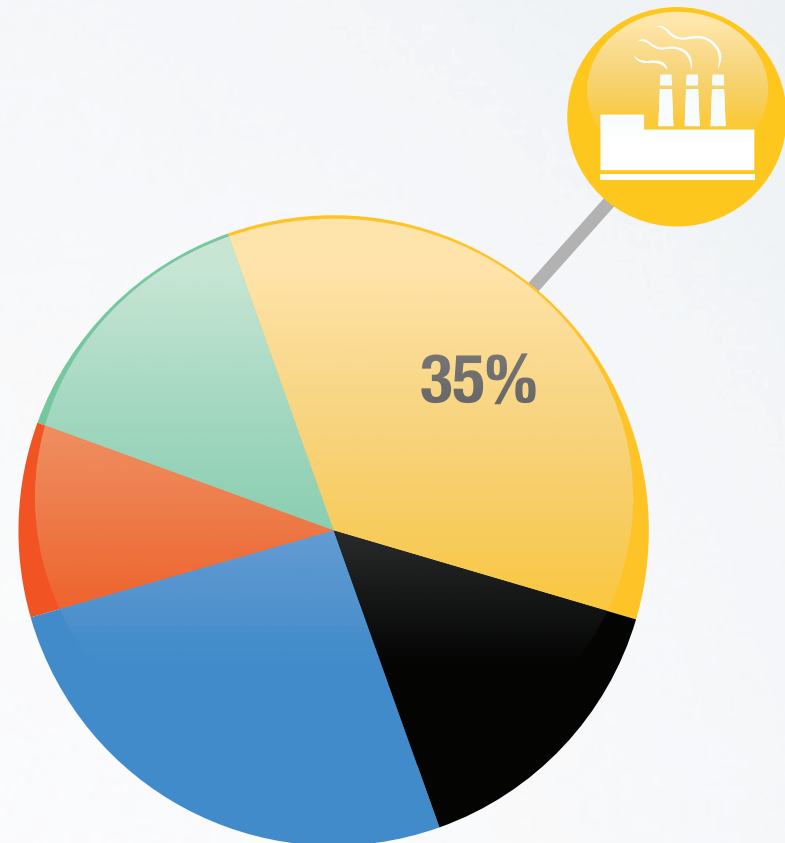
- Demand driven by long-term capital investment
- U.S. Europe and Asia strengthening
- Developing regions embracing engineered products and solutions

CRITICAL APPLICATIONS

- Chemical processing
- Machinery lubrication
- Hydraulic elevators
- Pulp and paper processing

OUR STRATEGY

- Continue to expand and diversify customer base
- Develop VOC- based solutions that improve efficiency



COMMERCIAL MARINE

MARKET

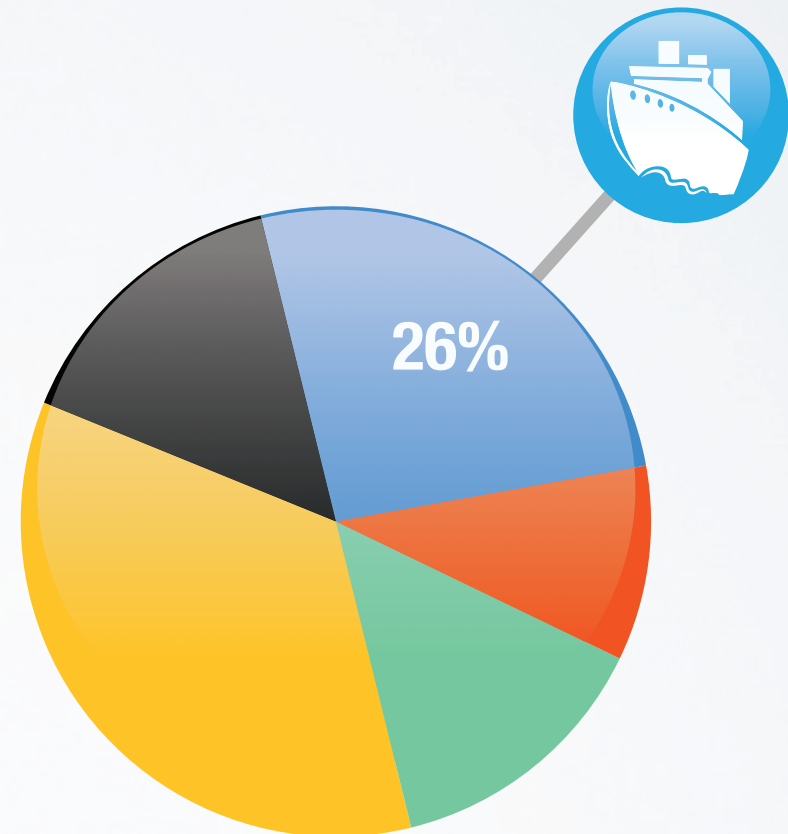
- Long-term increase in global trade
- Aging fleet and increased environmental regulations
- Approximately 8,600 ships on order
- Market slowly stabilizing

CRITICAL APPLICATIONS

- Fuel oil transfer
- Oil transfer
- Water and wastewater handling

OUR STRATEGY

- Improve OTD and responsiveness to best-of-class
- Grow after-market sales and service
 - Capitalize on growth in installed base
 - Focus on opportunities related to changing environmental regulations



STRATEGY *Colfax*

POWER GENERATION

MARKET

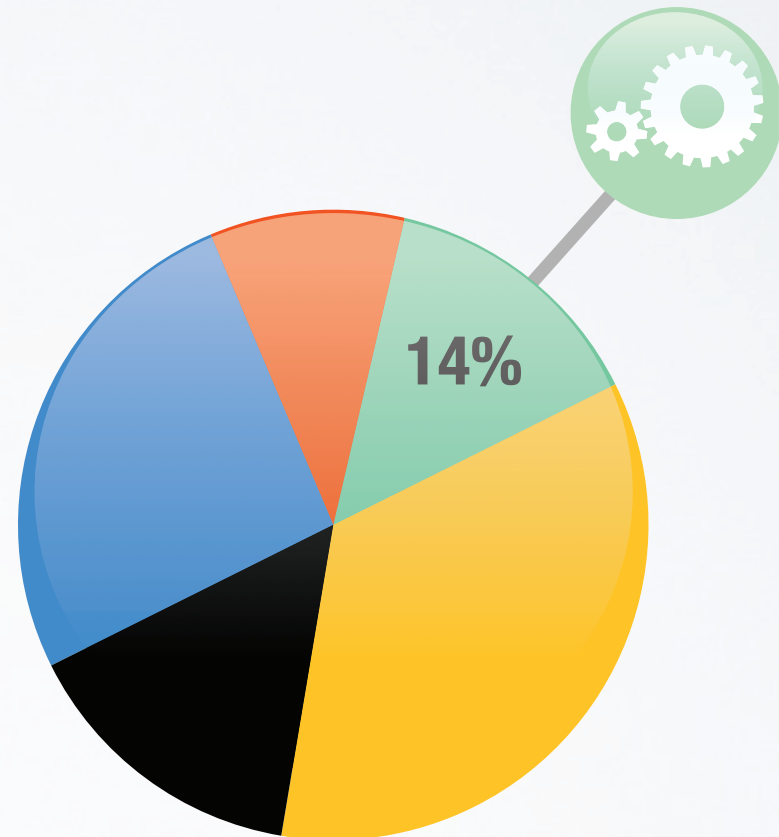
- Worldwide demand for electricity expected to double by 2030
- Majority of growth in developing countries

CRITICAL APPLICATIONS

- Fuel unloading, transfer, burner and injection
- Rotating equipment lubrication
- Hydroelectric hydraulics

OUR STRATEGY

- Grow China, India and Middle East
- Sell Systems



Building A Strong Foundation For Profitable Growth



FINANCIAL MOMENTUM

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FINANCIAL PERSPECTIVE



FINANCIAL MOMENTUM

FINANCIAL PERSPECTIVE

Strong Cash Flow

- Working capital to annual sales improved from 23% for 2009 to 19% in 2010
- Inventory on hand reduced by 16 days (21%) in 2010

Significant Working Capital

- Debt of \$83 Million, principle payments of \$10 Million in 2011, matures in 2013
- Cash = \$61 Million
- \$130 Million available on revolver

FINANCIAL MOMENTUM 

RECENT PERFORMANCE

REVENUE

	Q4 2010	2010
Existing Businesses	27.4%	3.1%
Acquisitions	4.1%	1.9%
FX Translation	(4.3)%	(1.7)%
Total Growth	27.2%	3.2%

Note:
Dollars in millions

**27.2%
Growth**



FINANCIAL MOMENTUM

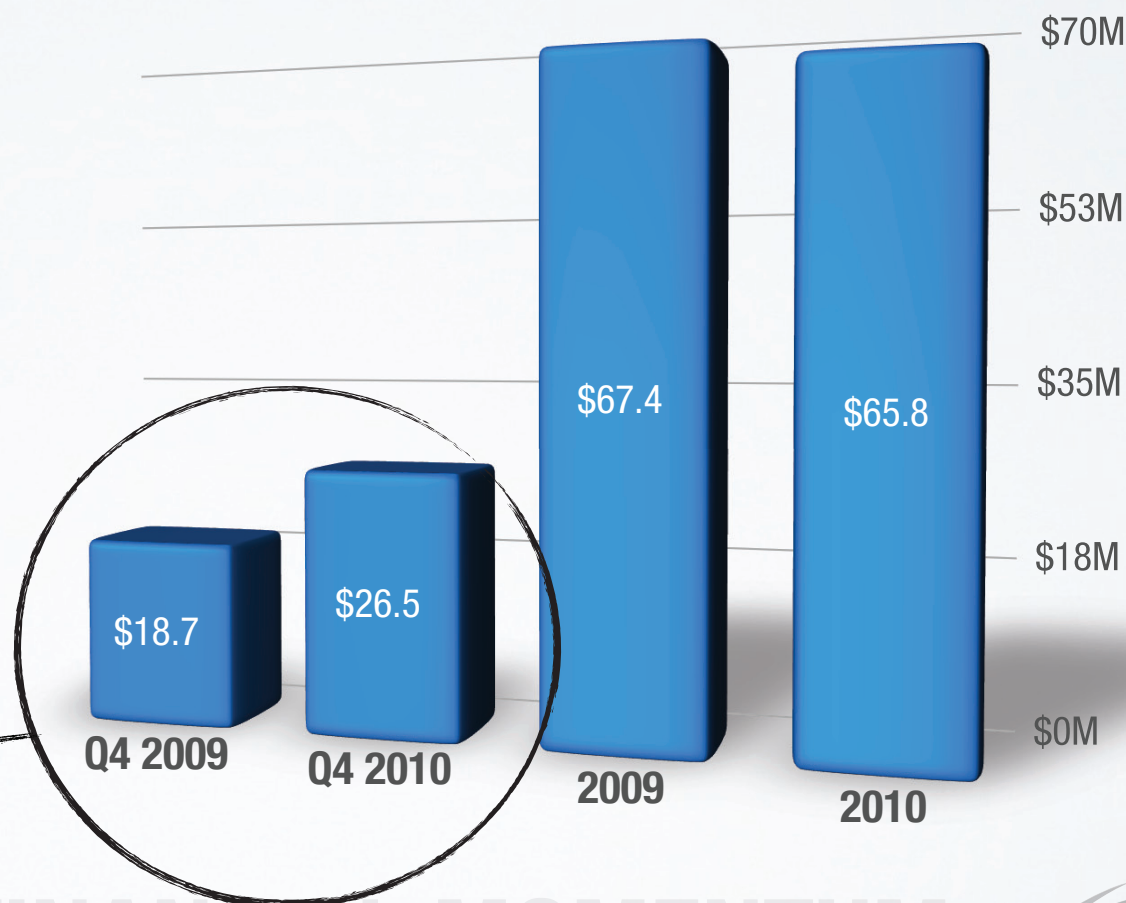
RECENT PERFORMANCE

ADJUSTED OPERATING INCOME⁽¹⁾

	% Margin
Q4 2009	14.2%
Q4 2010	15.9%
2009	12.8%
2010	12.1%

Note:
Dollars in millions

**41.7%
Increase**



(1) Refer to Appendix for Non-GAAP reconciliation and footnote.

FINANCIAL MOMENTUM *Colfax*

RECENT PERFORMANCE

ORDERS

	Q4 2010	2010
Existing Businesses	34.4%	15.4%
Acquisitions	1.3%	1.3%
FX Translation	(4.2)%	(1.5)%
Total Growth	31.5%	15.2%

Note:
Dollars in millions

**31.5%
Growth**



FINANCIAL MOMENTUM *Colfax*

RECENT PERFORMANCE

BACKLOG

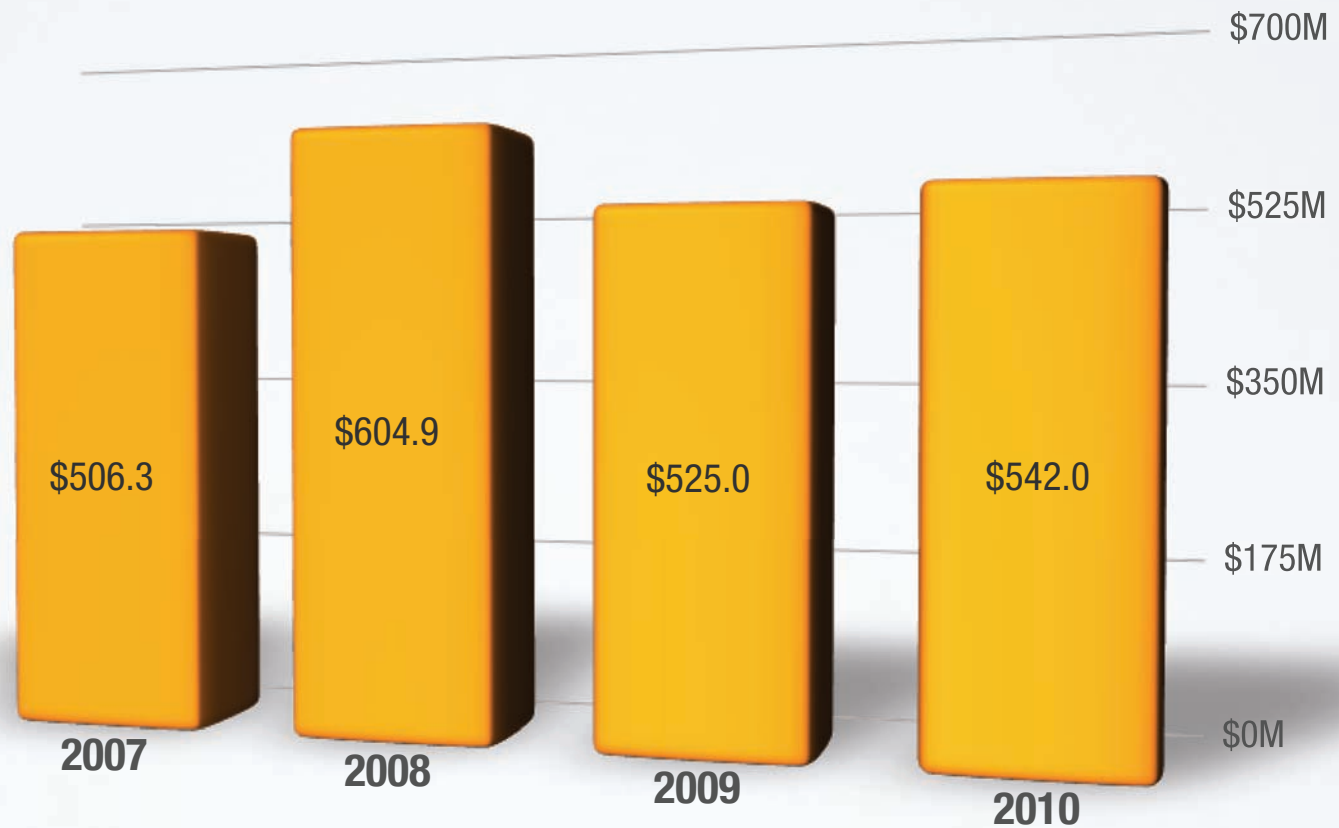


Note:
Dollars in millions

FINANCIAL MOMENTUM *Colfax*

HISTORICAL PERFORMANCE

REVENUE



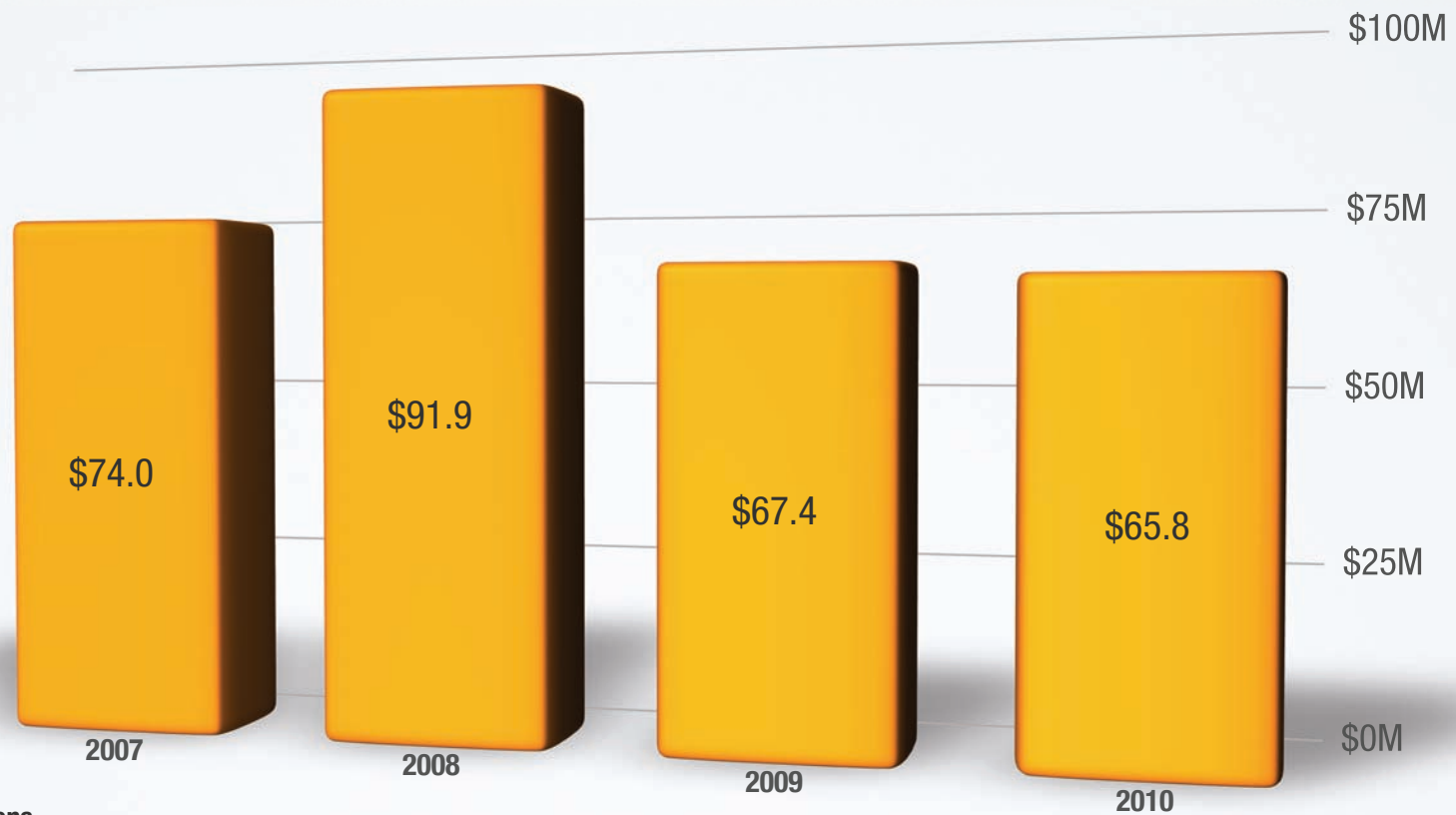
Note:
Dollars in millions



FINANCIAL MOMENTUM

HISTORICAL PERFORMANCE

ADJUSTED OPERATING INCOME⁽¹⁾



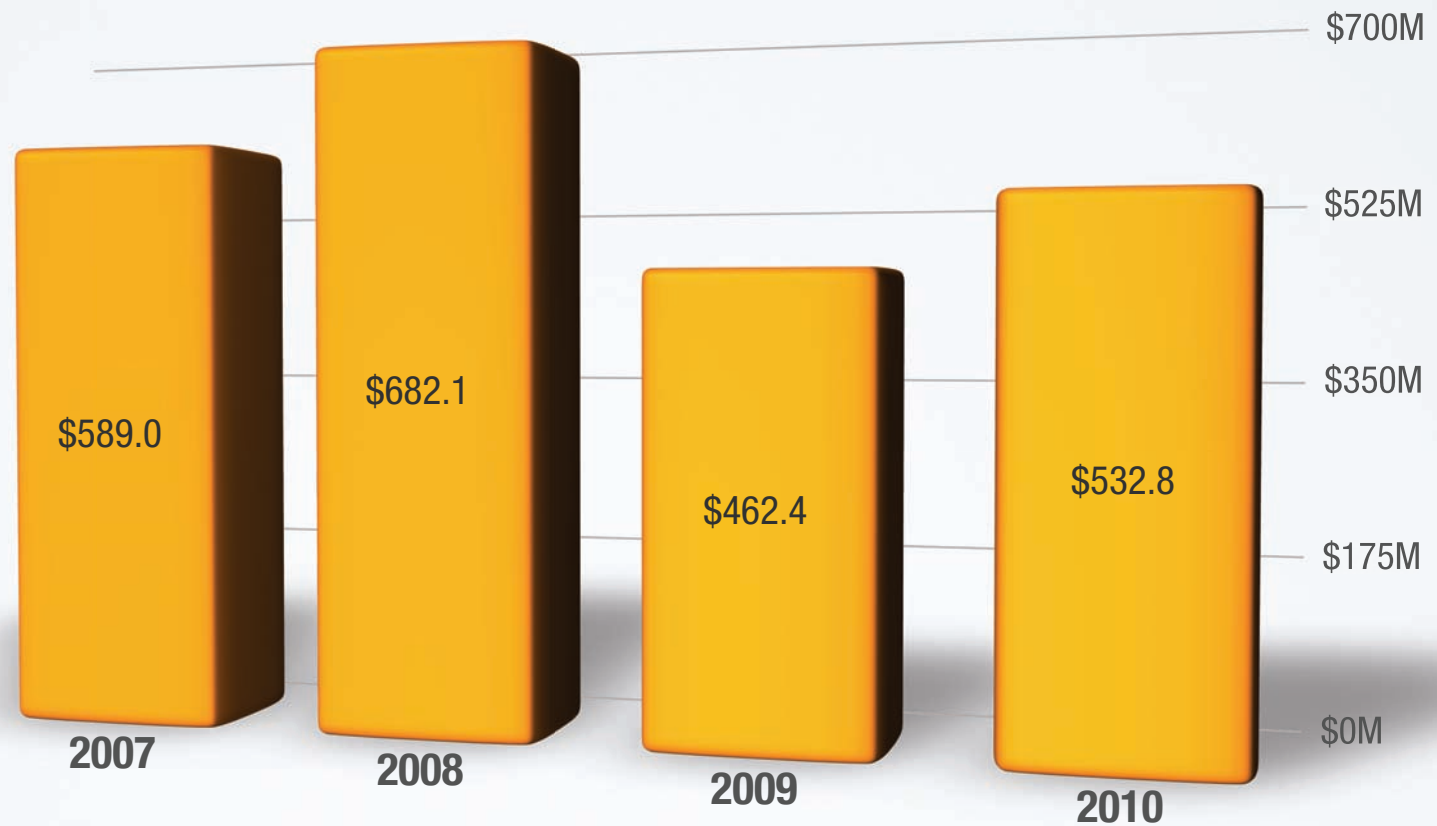
Note:
Dollars in millions

(1) Refer to Appendix for Non-GAAP reconciliation and footnote.

FINANCIAL MOMENTUM *Colfax*

HISTORICAL PERFORMANCE

ORDERS



Note:
Dollars in millions



FINANCIAL MOMENTUM

HISTORICAL PERFORMANCE

BACKLOG



Note:
Dollars in millions

FINANCIAL MOMENTUM *Colfax*

2011 OUTLOOK SUMMARY

REVENUE RANGE

2011 Organic Growth ^(1, 2)	2% - 4%
2011 Total ⁽³⁾	\$570 Million - \$580 Million

EPS RANGE

2011 Net Income Per Share ⁽³⁾	\$0.80 - \$0.90
2011 Adjusted Net Income Per Share ^(2, 4)	\$1.00 - \$1.10

EPS RANGE

Abestos Coverage Litigation	\$6 Million
Abestos Liability & Defense Costs	\$5 Million
Restructuring Costs	\$2 Million
Euro	\$1.35
Tax Rate	32%
Interest Expense	\$6 Million
Outstanding Shares	44 Million

(1) Excludes impact of acquisitions and foreign exchange rate fluctuations

(2) Refer to Appendix for Non-GAAP reconciliation

(3) Excludes Rosscor's post-acquisition operations

(4) Excludes impact of Abestos coverage litigation, abestos liability and defense costs, and restructuring and other related changes.

Typically, a 5 cent change in the Euro is expected to result in a 1 cent change in Annual EPS assuming all other currencies remain constant.

FINANCIAL MOMENTUM 

Building A Strong Foundation For Profitable Growth

THE MODEL



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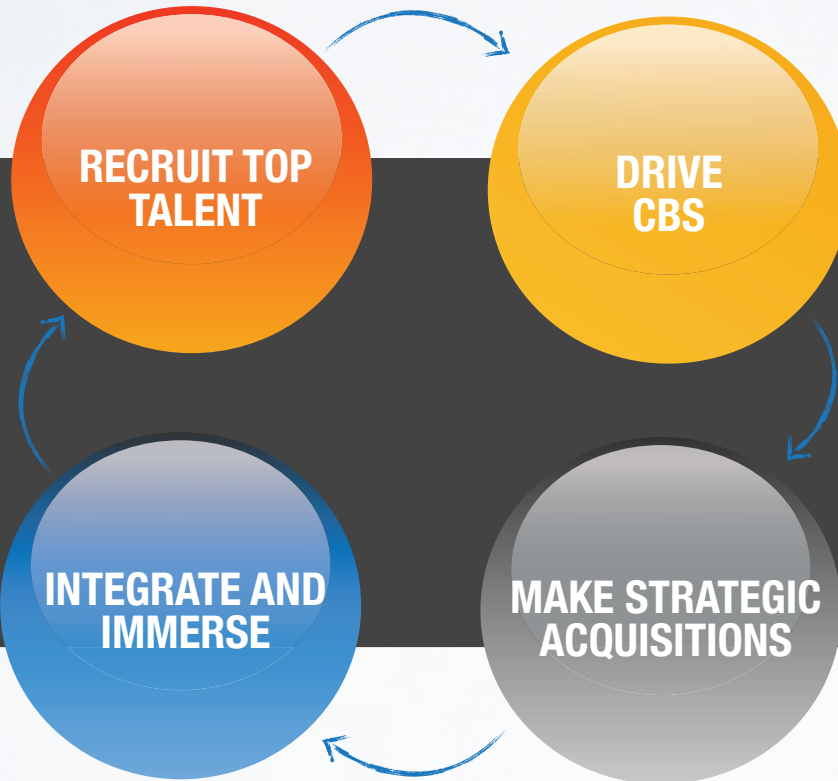
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MODEL APPLICATION



**PAST
PRESENT
FUTURE**



DISCLAIMER

Colfax has provided financial information that has not been prepared in accordance with GAAP. These non-GAAP financial measures are adjusted operating income and organic sales growth (decline) and organic order growth (decline). Adjusted operating income excludes asbestos liability and defense costs (income) and asbestos coverage litigation expenses, certain legacy legal charges, restructuring and other related charges, certain due diligence costs and certain other post-employment benefit settlement, as well as one time initial public offering-related costs to the extent they impact the periods presented. Projected adjusted net income per share excludes estimated restructuring and other related charges, asbestos coverage litigation expenses and asbestos liability and defense costs and presents income taxes at an effective tax rate of 32%. Organic sales growth (decline) and organic order growth (decline) exclude the impact of foreign exchange rate fluctuations and acquisitions. 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 non-recurring items such as IPO-related costs, 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.



NON-GAAP RECONCILIATION

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Adjusted Operating Income				
Operating income	\$ 34,372	\$ 39,630	\$ 17,818	\$ 124,349
Restructuring and other related charges	10,323	18,175	-	-
Asbestos liability and defense costs (income)	7,876	(2,193)	(4,771)	(63,978)
Asbestos coverage litigation expenses	13,206	11,742	17,162	13,632
IPO-related costs	-	-	57,017	-
Legacy legal adjustment	-	-	4,131	-
Due diligence costs	<u>-</u>	<u>-</u>	<u>582</u>	<u>-</u>
Adjusted operating income	<u>\$ 65,777</u>	<u>\$ 67,354</u>	<u>\$ 91,939</u>	<u>\$ 74,003</u>
Adjusted operating income margin	12.1%	12.8%	15.2%	14.6%



NON-GAAP RECONCILIATION

	Three Months Ended December 31,		Year Ended December 31,	
	2010	2009	2010	2009
Adjusted Operating Income				
Operating income	\$ 19,555	\$ 9,356	\$ 34,372	\$ 39,630
Restructuring and other related charges	808	7,420	10,323	18,175
Asbestos liability and defense costs (income)	3,697	(1,017)	7,876	(2,193)
Asbestos coverage litigation expenses	<u>2,443</u>	<u>2,904</u>	<u>13,206</u>	<u>11,742</u>
Adjusted operating income	<u>\$ 26,503</u>	<u>\$ 18,663</u>	<u>\$ 65,777</u>	<u>\$ 67,354</u>
Adjusted operating income margin	15.9%	14.2%	12.1%	12.8%



NON-GAAP RECONCILIATION

	<u>EPS Range</u>	
Projected net income per share - fully diluted	\$ 0.80	\$ 0.90
Restructuring and other related charges	0.03	0.03
Asbestos coverage litigation	0.09	0.09
Asbestos liability and defense costs	<u>0.08</u>	<u>0.08</u>
Projected adjusted net income per share - fully diluted	<u><u>\$ 1.00</u></u>	<u><u>\$ 1.10</u></u>



