

The COLFAX logo is displayed in a bold, black, sans-serif font. The letters are thick and blocky, with a slight shadow effect. The 'X' is formed by two intersecting diagonal lines. The logo is set against a light gray rectangular background.

**COLFAX**

**FOURTH QUARTER 2014 | 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 2013 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 typeface. 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 2014 RESULTS' is written in a bold, white, sans-serif font. It is positioned within a light gray rectangular box with a fine grid pattern, which is placed over the blue background. The text is centered horizontally within the box.

**Q4 2014 RESULTS**

## Q4 2014 HIGHLIGHTS

- Adjusted net income of \$89.7 million (\$0.72 per share) compared to \$70.1 million (\$0.61 per share) in Q4 2013
- Net sales of \$1.206 billion, an increase of 3.0% from Q4 2013 net sales of \$1.171 billion (an organic decline of 3.4%)
- Adjusted operating income of \$136.7 million compared to \$124.4 million in Q4 2013
- Fourth quarter gas- and fluid-handling orders of \$570.1 million compared to orders of \$547.8 million in Q4 2013, an increase of 4.1% (an organic increase of 2.0%)
- Gas- and fluid-handling backlog of \$1.402 billion at period end

# FULL YEAR 2014 HIGHLIGHTS

- Adjusted net income of \$272.3 million (\$2.20 per share) compared to \$229.8 million (\$2.04 per share) in 2013
- Net sales of \$4.624 billion, an increase of 9.9% from full year 2013 net sales of \$4.207 billion (an organic decline of 1.9%)
- Adjusted operating income of \$467.7 million compared to \$431.4 million in 2013
- Gas- and fluid-handling orders of \$2.287 billion compared to orders of \$2.061 billion in 2013, an increase of 10.9% (flat organically)



The COLFAX logo is rendered in a bold, black, sans-serif typeface. The letters are closely spaced, and the 'X' is formed by two intersecting diagonal strokes. The logo is positioned on the left side of the slide, partially overlapping a grey rectangular area.

**COLFAX**

The text 'GAS AND FLUID HANDLING' is written in a white, bold, sans-serif font. It is centered horizontally within a grey rectangular area that is positioned below the COLFAX logo and extends to the right edge of the slide.

**GAS AND FLUID HANDLING**

# GAS AND FLUID HANDLING Q4 2014 HIGHLIGHTS

- Net sales of \$622.1 million compared to net sales of \$650.8 million in Q4 2013, a decrease of 4.4% (an organic decline of 5.3%)
- Adjusted segment operating income of \$85.3 million and adjusted segment operating income margin of 13.7%
  - Improvement over Q4 2013 of 170 basis points
  - Sequential improvement over Q3 2014 of 180 basis points
- Fourth quarter orders of \$570.1 million compared to orders of \$547.8 million in Q4 2013, an increase of 4.1% (an organic increase of 2.0%)
- Backlog of \$1.402 billion at period end

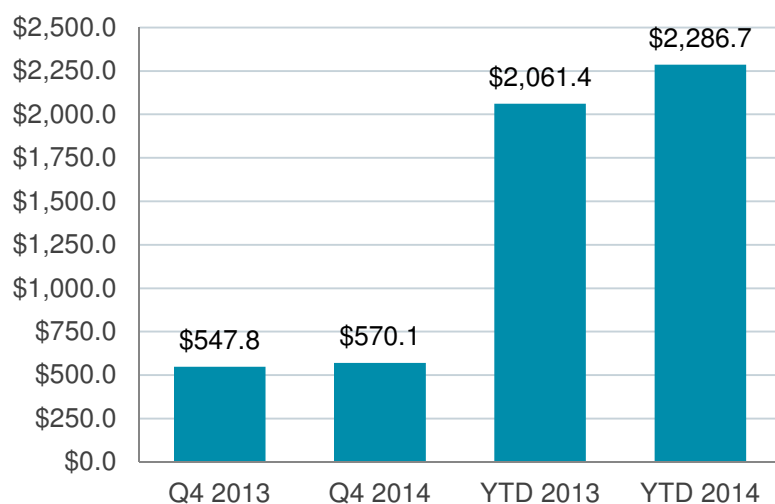
# GAS AND FLUID HANDLING FULL YEAR 2014 HIGHLIGHTS

- Net sales of \$2.330 billion compared to net sales of \$2.104 billion in 2013, an increase of 10.7% (an organic decline of 1.5%)
- Adjusted segment operating income of \$254.2 million and adjusted segment operating income margin of 10.9%
- Orders of \$2.287 billion compared to orders of \$2.061 billion in 2013, an increase of 10.9% (flat organically)



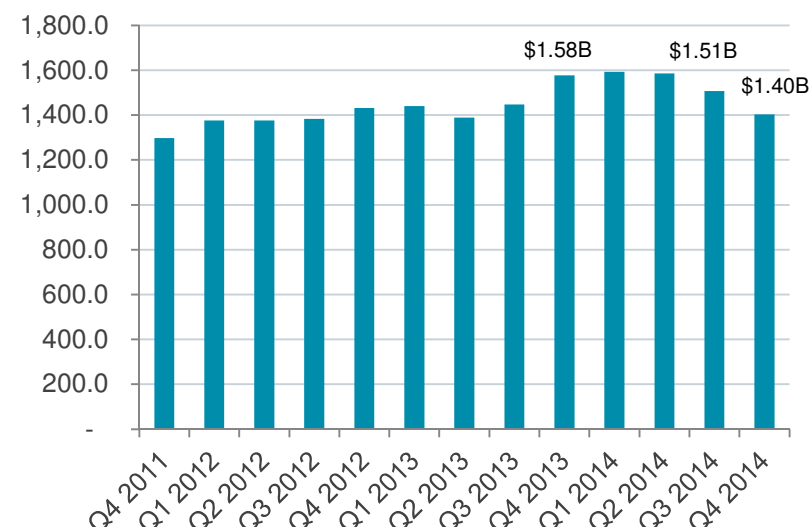
# ORDERS AND BACKLOG

## ORDERS



	QTD		YTD
Existing Businesses	2.0%		0.0%
Acquisitions	7.4%		12.2%
FX Translation	(5.3)%		(1.3)%
<b>Total Growth</b>	<b>4.1%</b>		<b>10.9%</b>

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

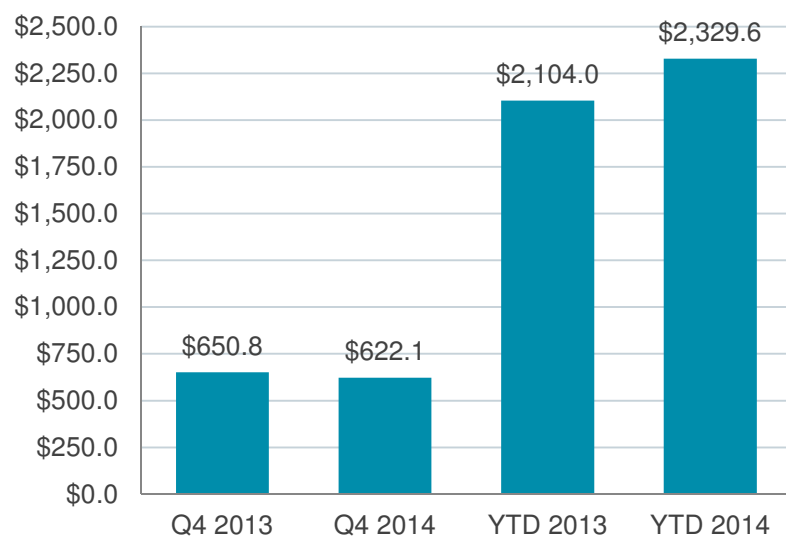


(1) Backlog data for the periods prior to Q1 2012 are presented on a proforma basis.

Note: Dollars in millions (unaudited).

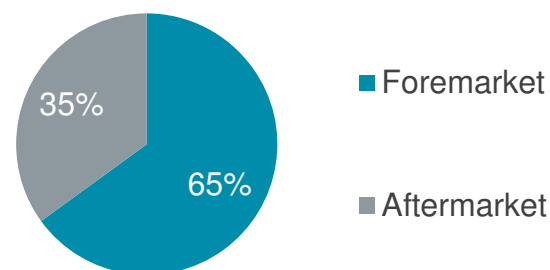
# REVENUE

## REVENUE

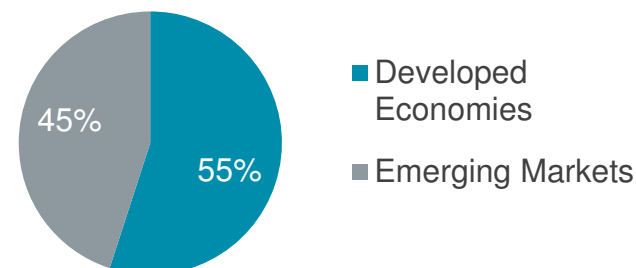


	QTD		YTD
Existing Businesses	(5.3)%		(1.5)%
Acquisitions	5.8%		13.7%
FX Translation	(4.9)%		(1.5)%
<b>Total Growth</b>	<b>(4.4)%</b>		<b>10.7%</b>

## AFTERMARKET REVENUE YTD 2014



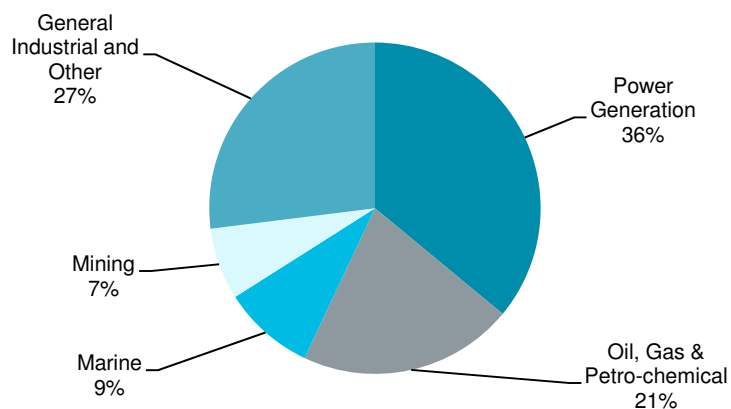
## GEOGRAPHIC EXPOSURE YTD 2014



Note: Dollars in millions (unaudited).

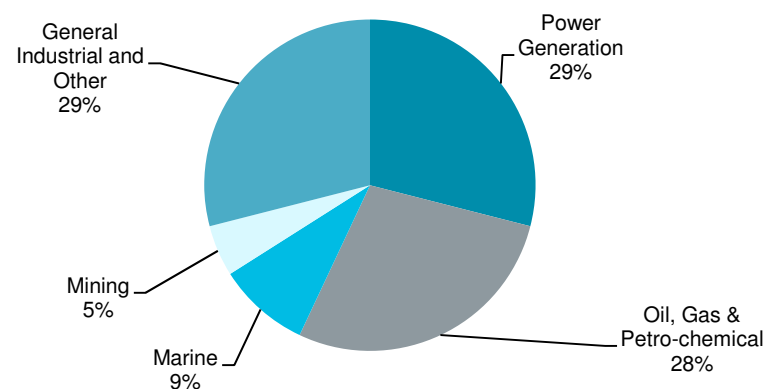
# Q4 2014 SALES AND ORDERS BY END MARKET

## SALES: \$622.1 Million



	Total (Decline) Growth	Organic (Decline) Growth
Power Generation	(10.5)%	(9.6)%
Oil, Gas & Petrochemical	(15.6)%	(13.8)%
Marine	(13.0)%	(7.1)%
Mining	14.2%	13.6%
General Industrial & Other	16.0%	6.7%
<b>Total</b>	<b>(4.4)%</b>	<b>(5.3)%</b>

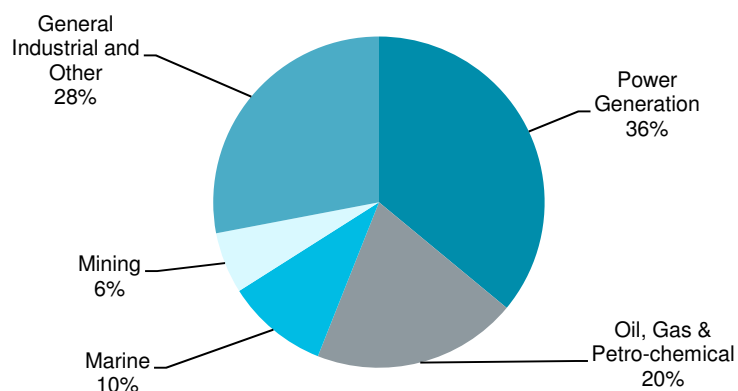
## ORDERS: \$570.1 Million



	Total (Decline) Growth	Organic (Decline) Growth
Power Generation	(16.2)%	(15.8)%
Oil, Gas & Petrochemical	40.3%	41.4%
Marine	(16.1)%	(14.4)%
Mining	3.3%	(3.3)%
General Industrial & Other	12.3%	3.6%
<b>Total</b>	<b>4.1%</b>	<b>2.0%</b>

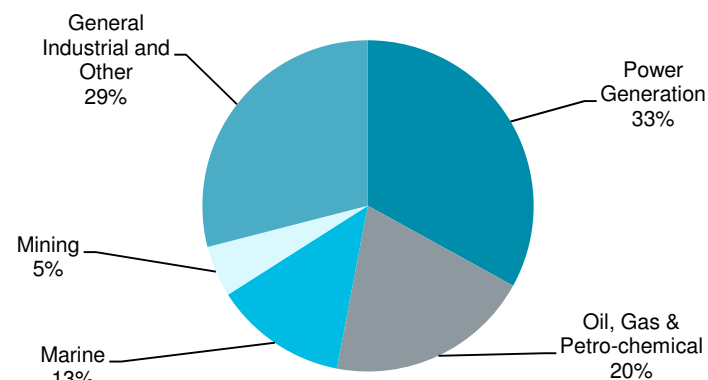
# FULL YEAR 2014 SALES AND ORDERS BY END MARKET

## SALES: \$2.330 Billion



	Total Growth (Decline)	Organic (Decline) Growth
Power Generation	4.3%	(2.1)%
Oil, Gas & Petrochemical	(1.0)%	(9.5)%
Marine	(0.7)%	(0.3)%
Mining	28.2%	6.2%
General Industrial & Other	34.2%	5.0%
<b>Total</b>	<b>10.7%</b>	<b>(1.5)%</b>

## ORDERS: \$2.287 Billion



	Total (Decline) Growth	Organic (Decline) Growth
Power Generation	(2.6)%	(6.9)%
Oil, Gas & Petrochemical	2.3%	(9.7)%
Marine	23.4%	20.5%
Mining	(1.1)%	(15.4)%
General Industrial & Other	37.7%	13.9%
<b>Total</b>	<b>10.9%</b>	<b>0.0%</b>

# POWER GENERATION MARKET PERSPECTIVE

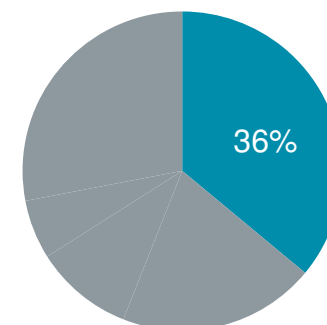
## SALES & ORDERS (DECLINE) GROWTH

	Q4 2014 vs. Q4 2013		YTD 2014 vs. YTD 2013	
	Total	Organic	Total	Organic
<b>Sales</b>	<b>(10.5)%</b>	<b>(9.6)%</b>	<b>4.3%</b>	<b>(2.1)%</b>
<b>Orders</b>	<b>(16.2)%</b>	<b>(15.8)%</b>	<b>(2.6)%</b>	<b>(6.9)%</b>

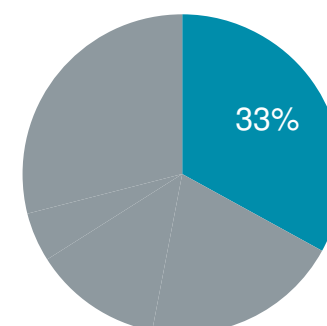
## HIGHLIGHTS

- Served by both Howden and Colfax Fluid Handling
- Lower sales due to new-build project timing in China and slow aftermarket sales in the U.S.
- Howden saw declines in China SCR orders, partially offset by continued strong investment levels in new capacity in Southeast Asia

## 2014 SALES SPLIT



## 2014 ORDERS SPLIT





# OIL, GAS & PETROCHEMICAL MARKET PERSPECTIVE

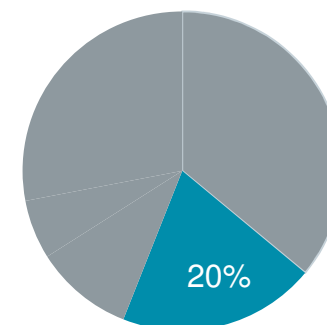
## SALES & ORDERS (DECLINE) GROWTH

	Q4 2014 vs. Q4 2013		YTD 2014 vs. YTD 2013	
	Total	Organic	Total	Organic
<b>Sales</b>	<b>(15.6)%</b>	<b>(13.8)%</b>	<b>(1.0)%</b>	<b>(9.5)%</b>
<b>Orders</b>	<b>40.3%</b>	<b>41.4%</b>	<b>2.3%</b>	<b>(9.7)%</b>

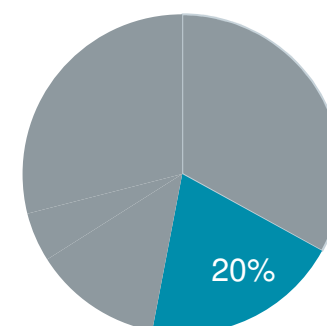
## HIGHLIGHTS

- Served by both Howden and Colfax Fluid Handling
- Period over period comparisons are difficult due to the timing of large projects
- Macro oil price trends having little, if any, impact on quoting activity
- Received single largest compressor order in the Middle East

## 2014 SALES SPLIT



## 2014 ORDERS SPLIT



# MARINE MARKET PERSPECTIVE

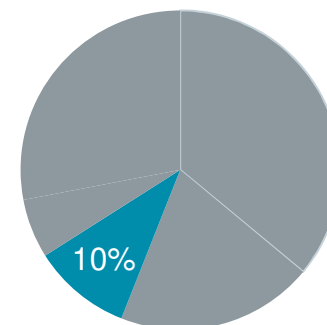
## SALES & ORDERS (DECLINE) GROWTH

	Q4 2014 vs. Q4 2013		YTD 2014 vs. YTD 2013	
	Total	Organic	Total	Organic
<b>Sales</b>	<b>(13.0)%</b>	<b>(7.1)%</b>	<b>(0.7)%</b>	<b>(0.3)%</b>
<b>Orders</b>	<b>(16.1)%</b>	<b>(14.4)%</b>	<b>23.4%</b>	<b>20.5%</b>

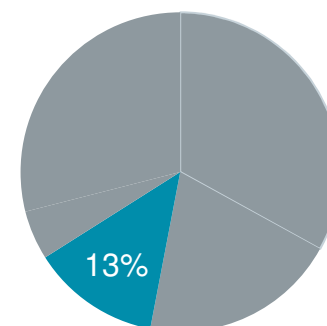
## HIGHLIGHTS

- Primarily served by Colfax Fluid Handling
- Significant CM-1000 commissioning activity
- Requirement to meet low sulfur/low viscosity regulations provide opportunity

## 2014 SALES SPLIT



## 2014 ORDERS SPLIT



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

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# MINING MARKET PERSPECTIVE

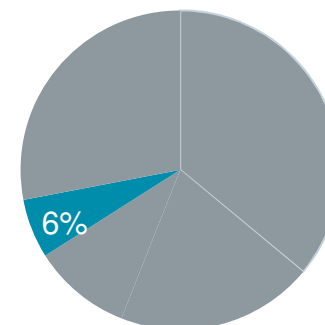
## SALES & ORDERS GROWTH (DECLINE)

	Q4 2014 vs. Q4 2013		YTD 2014 vs. YTD 2013	
	Total	Organic	Total	Organic
<b>Sales</b>	<b>14.2%</b>	<b>13.6%</b>	<b>28.2%</b>	<b>6.2%</b>
<b>Orders</b>	<b>3.3%</b>	<b>(3.3)%</b>	<b>(1.1)%</b>	<b>(15.4)%</b>

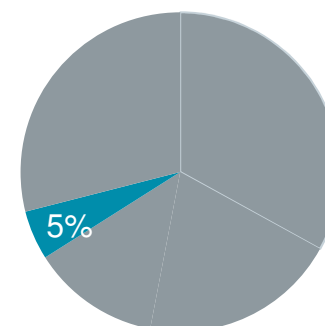
## HIGHLIGHTS

- Primarily served by Howden
- Remains a depressed market; faced subdued spending for the past year and a half
- Some bright spots, including follow on orders for Australia copper mine and ventilation systems for copper and gold mines in North and South America
- Order declines partially offset by our 2013 Alphair acquisition

## 2014 SALES SPLIT



## 2014 ORDERS SPLIT



# GENERAL INDUSTRIAL & OTHER MARKET PERSPECTIVE

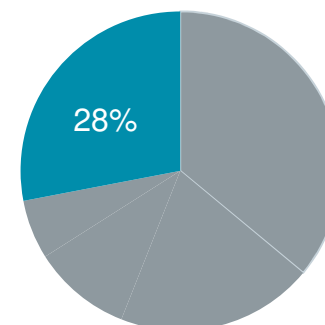
## SALES & ORDERS GROWTH

	Q4 2014 vs. Q4 2013		YTD 2014 vs. YTD 2013	
	Total	Organic	Total	Organic
<b>Sales</b>	<b>16.0%</b>	<b>6.7%</b>	<b>34.2%</b>	<b>5.0%</b>
<b>Orders</b>	<b>12.3%</b>	<b>3.6%</b>	<b>37.7%</b>	<b>13.9%</b>

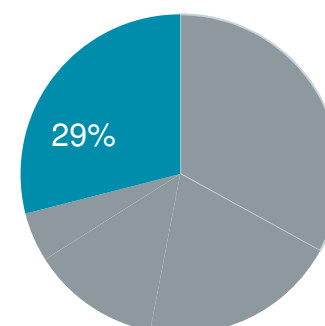
## HIGHLIGHTS

- Includes both Howden and Colfax Fluid Handling
- Volatile quarter to quarter due to large orders
- Near term opportunities for fans and large gas-gas heaters in China for steel plants to be fitted with flue-gas desulfurization capabilities

## 2014 SALES SPLIT



## 2014 ORDERS SPLIT



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**COLFAX**

The text 'FABRICATION TECHNOLOGY' is written in a white, bold, sans-serif font. It is centered horizontally within a grey rectangular box that is positioned below the COLFAX logo.

**FABRICATION TECHNOLOGY**



# FABRICATION TECHNOLOGY Q4 2014 HIGHLIGHTS

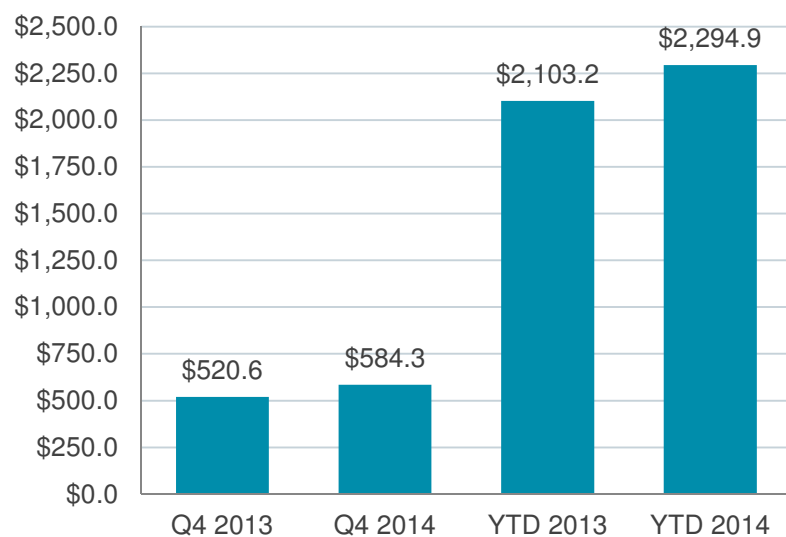
- Net sales of \$584.3 million compared to net sales of \$520.6 million in Q4 2013, an increase of 12.2% (an organic decline of 1.1%)
- Adjusted segment operating income of \$62.7 million and adjusted segment operating income margin of 10.7%

# FABRICATION TECHNOLOGY FULL YEAR 2014 HIGHLIGHTS

- Net sales of \$2.295 billion compared to net sales of \$2.103 billion in 2013, an increase of 9.1% (an organic decline of 2.3%)
- Adjusted segment operating income of \$265.8 million and adjusted segment operating income margin of 11.6%
  - Improvement of 120 basis points over 2013

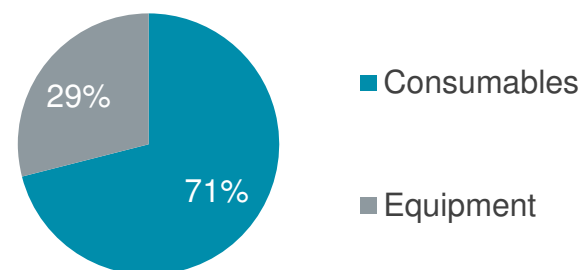
# REVENUE

## REVENUE

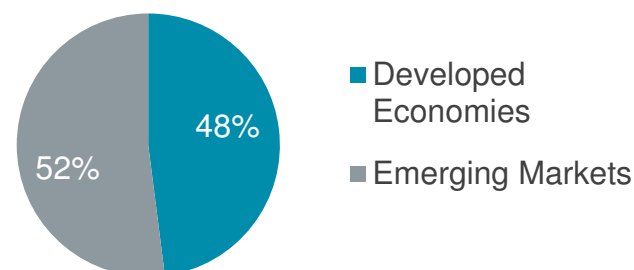


	QTD		YTD
Volume	(1.1)%		(3.7)%
Price/ Mix	0.0%		1.4%
Acquisitions	22.7%		16.5%
FX Translation	(9.4)%		(5.1)%
<b>Total Growth</b>	<b>12.2%</b>		<b>9.1%</b>

## REVENUE 2014



## GEOGRAPHIC EXPOSURE 2014



Note: Dollars in millions (unaudited).

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**COLFAX**

The text 'RESULTS OF OPERATIONS' is written in a white, bold, sans-serif font. It is centered horizontally within a light gray rectangular box that is positioned below the COLFAX logo.

**RESULTS OF OPERATIONS**

# INCOME STATEMENT SUMMARY

(unaudited)

	Three Months Ended		Year Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Net sales	\$ 1,206.4	\$ 1,171.4	\$ 4,624.5	\$ 4,207.2
Gross profit	\$ 391.8	\$ 357.4	\$ 1,478.8	\$ 1,306.2
% of sales	32.5 %	30.5 %	32.0 %	31.0 %
SG&A expense	\$ 255.1	\$ 219.7	\$ 1,011.2	\$ 864.3
% of sales	21.1 %	18.8 %	21.9 %	20.5 %
Adjusted operating income	\$ 136.7	\$ 124.4	\$ 467.7	\$ 431.4
% of sales	11.3 %	10.6 %	10.1 %	10.3 %
Adjusted net income	\$ 89.7	\$ 70.1	\$ 272.3	\$ 229.8
% of sales	7.4 %	6.0 %	5.9 %	5.5 %
Adjusted net income per share	\$ 0.72	\$ 0.61	\$ 2.20	\$ 2.04

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



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**COLFAX**

The word APPENDIX is written in a white, bold, sans-serif font. It is located below the COLFAX logo, also within the light gray rectangular area.

**APPENDIX**

# DISCLAIMER

Colfax has provided financial information that has not been prepared in accordance with GAAP. These non-GAAP financial measures are projected adjusted net income, projected adjusted net income per share, adjusted net income, adjusted net income per share, adjusted operating income, organic sales growth (decline) and organic order growth (decline). Projected adjusted net income, projected adjusted net income per share, adjusted net income, adjusted net income per share and adjusted operating income exclude restructuring and other related charges and, for the 2013 periods presented, asbestos coverage litigation expense, 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. Projected adjusted net income, projected adjusted net income per share, adjusted net income and adjusted net income per share for the year ended December 31, 2014, exclude the preferred stock conversion inducement payment. The effective tax rates used to calculate adjusted net income and adjusted net income per share are 24.5% and 27.8% for the fourth quarter and full year ended December 31, 2014, respectively, and 27.6% and 26.6% for the fourth quarter and full year ended December 31, 2013. 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, restructuring and other related charges, the write-off of certain deferred financing fees and original issue discount and preferred stock conversion inducement payment.

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 December 31, 2014								Three Months Ended December 31, 2013										
	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	\$	622,059	\$	584,297	\$	-	\$	1,206,356	\$	650,820	\$	520,558	\$	-	\$	1,171,378			
Operating income (loss)	70,375	11.3 %	48,239	8.3 %	(11,273)	107,341	8.9 %		85,682	13.2 %	45,767	8.8 %	(11,834)	119,615	10.2 %				
Restructuring and other related charges	14,916		14,471		-	29,387			5,685		12,389		-	18,074					
Asbestos coverage litigation expense	-		-		-	-			533		-		-	533					
Gain on revaluation of Sicelub investment	-		-		-	-			(13,784)		-		-	(13,784)					
Adjusted operating income (loss)	<u>\$</u>	<u>85,291</u>	<u>13.7 %</u>	<u>\$</u>	<u>62,710</u>	<u>10.7 %</u>	<u>\$</u>	<u>(11,273)</u>	<u>\$</u>	<u>78,116</u>	<u>12.0 %</u>	<u>\$</u>	<u>58,156</u>	<u>11.2 %</u>	<u>\$</u>	<u>(11,834)</u>	<u>\$</u>	<u>124,438</u>	<u>10.6 %</u>

	Year Ended December 31, 2014								Year Ended December 31, 2013										
	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	\$	2,329,598	\$	2,294,878	\$	-	\$	4,624,476	\$	2,104,048	\$	2,103,161	\$	-	\$	4,207,209			
Operating income (loss)	227,707	9.8 %	234,225	10.2 %	(52,379)	409,553	8.9 %		260,279	12.4 %	194,561	9.3 %	(48,448)	406,392	9.7 %				
Restructuring and other related charges	26,533		31,588		-	58,121			10,429		25,073		-	35,502					
Asbestos coverage litigation expense	-		-		-	-			3,334		-		-	3,334					
Gain on revaluation of Sicelub investment	-		-		-	-			(13,784)		-		-	(13,784)					
Adjusted operating income (loss)	<u>\$</u>	<u>254,240</u>	<u>10.9 %</u>	<u>\$</u>	<u>265,813</u>	<u>11.6 %</u>	<u>\$</u>	<u>(52,379)</u>	<u>\$</u>	<u>260,258</u>	<u>12.4 %</u>	<u>\$</u>	<u>219,634</u>	<u>10.4 %</u>	<u>\$</u>	<u>(48,448)</u>	<u>\$</u>	<u>431,444</u>	<u>10.3 %</u>

Note: Dollars in thousands.

# NON-GAAP RECONCILIATION

(unaudited)

	Three Months Ended		Year Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>Adjusted Net Income</b>				
Net income attributable to Colfax Corporation	\$ 80,134	\$ 37,126	\$ 392,098	\$ 178,628
Restructuring and other related charges	29,387	18,074	58,121	35,502
Asbestos coverage litigation expense	-	533	-	3,334
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>	(19,790)	1,309	(177,944)	(759)
Adjusted net income	<u>\$ 89,731</u>	<u>\$ 70,118</u>	<u>\$ 272,275</u>	<u>\$ 229,781</u>
Adjusted net income margin	<u>7.4 %</u>	<u>6.0 %</u>	<u>5.9 %</u>	<u>5.5 %</u>
<b>Adjusted Net Income Per Share</b>				
Net income available to Colfax Corporation common shareholders	\$ 80,134	\$ 31,984	\$ 370,185	\$ 158,232
Restructuring and other related charges	29,387	18,074	58,121	35,502
Asbestos coverage litigation expense	-	533	-	3,334
Gain on revaluation of Sicelub investment	-	(13,784)	-	(13,784)
Debt extinguishment charges- Refinancing of credit agreement	-	26,860	-	26,860
Preferred stock conversion inducement payment	-	-	19,565	-
Tax adjustment <sup>(1)</sup>	(19,790)	1,309	(177,944)	(759)
Adjusted net income available to Colfax Corporation common shareholders	<u>89,731</u>	<u>64,976</u>	<u>269,927</u>	<u>209,385</u>
Dividends on preferred stock	-	5,142	2,348	-
Less: adjusted net income attributable to participating securities <sup>(2)</sup>	-	-	-	4,571
	<u>\$ 89,731</u>	<u>\$ 70,118</u>	<u>\$ 272,275</u>	<u>\$ 204,814</u>
Weighted-average shares outstanding - diluted	125,156,755	115,634,088	124,033,702	100,366,455
Adjusted net income per share	<u>\$ 0.72</u>	<u>\$ 0.61</u>	<u>\$ 2.20</u>	<u>\$ 2.04</u>
Net income per share— diluted (in accordance with GAAP)	<u>\$ 0.64</u>	<u>\$ 0.31</u>	<u>\$ 3.02</u>	<u>\$ 1.54</u>

(1) The effective tax rates used to calculate adjusted net income and adjusted net income per share are 24.5% and 27.8% for the fourth quarter and full year ended December 31, 2014, respectively, and 27.6% and 26.6% for the fourth quarter and full year ended December 31, 2013, respectively.

(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 and prior to February 12, 2014, adjusted net income per share was calculated consistently with the if-converted method in accordance with GAAP until the Series A Perpetual Convertible 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. On February 12, 2014, the Series A Perpetual Convertible Preferred Stock were converted to common stock and the Company paid a \$19.6 million conversion inducement to the holders of the Series A Perpetual Convertible Preferred Stock.

Note: Dollars in thousands, except per share amounts.

**COLFAX**

# SALES & ORDERS GROWTH

(unaudited)

	Net Sales		Orders	
	\$	%	\$	%
<b>For the three months ended December 31, 2013</b>	\$ 1,171.4		\$ 547.8	
<i>Components of Change:</i>				
Existing Businesses	(40.1)	(3.4)%	10.9	2.0 %
Acquisitions <sup>(1)</sup>	156.0	13.3 %	40.5	7.4 %
Foreign Currency Translation	(80.9)	(6.9)%	(29.1)	(5.3)%
Total	35.0	3.0 %	22.3	4.1 %
<b>For the three months ended December 31, 2014</b>	<b>\$ 1,206.4</b>		<b>\$ 570.1</b>	

	Net Sales		Orders		Backlog at Period End	
	\$	%	\$	%	\$	%
<b>As of and for the year ended December 31, 2013</b>	\$ 4,207.2		\$ 2,061.4		\$ 1,577.4	
<i>Components of Change:</i>						
Existing Businesses	(79.0)	(1.9)%	(0.1)	—%	(42.9)	(2.7)%
Acquisitions <sup>(1)</sup>	635.2	15.1 %	251.7	12.2 %	—	—%
Foreign Currency Translation	(138.9)	(3.3)%	(26.3)	(1.3)%	(132.2)	(8.4)%
Total	417.3	9.9 %	225.3	10.9 %	(175.1)	(11.1)%
<b>As of and for the year ended December 31, 2014</b>	<b>\$ 4,624.5</b>		<b>\$ 2,286.7</b>		<b>\$ 1,402.3</b>	

- (1) Represents the incremental sales and orders as a result of our acquisitions of Clarus Fluid Intelligence, LLC, CKD Kompressory a.s., the global industrial and industry division of Flakt Woods Group, TLT-Babcock Inc., Alphair Ventilating Systems Inc., and Sistemas Centrales de Lubrication S.A. de C.V., and incremental sales as a result of our acquisition of Victor Technologies Holdings, Inc.

Note: Dollars in millions.



# BALANCE SHEETS

(unaudited)

	December 31,	
	2014	2013 <sup>(1)</sup>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 305,448	\$ 311,301
Trade receivables, less allowance for doubtful accounts of \$27,256 and \$31,282	1,029,150	1,023,732
Inventories, net	442,732	443,536
Other current assets	322,133	353,589
Total current assets	2,099,463	2,132,158
Property, plant and equipment, net	729,728	754,261
Goodwill	2,872,903	2,409,699
Intangible assets, net	1,043,583	832,553
Other assets	499,421	472,513
Total assets	<u>\$ 7,245,098</u>	<u>\$ 6,601,184</u>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt	\$ 9,855	\$ 29,449
Accounts payable	780,287	862,125
Accrued liabilities	495,393	492,694
Total current liabilities	1,285,535	1,384,268
Long-term debt, less current portion	1,529,389	1,457,642
Other liabilities	1,077,730	1,018,151
Total liabilities	3,892,654	3,860,061
Equity:		
Preferred stock, \$0.001 par value; 20,000,000 shares authorized; none and 13,877,552 issued and outstanding	—	14
Common stock, \$0.001 par value; 400,000,000 shares authorized; 123,730,578 and 101,921,613 issued and outstanding	124	102
Additional paid-in capital	3,200,832	2,541,005
Retained earnings	389,561	19,376
Accumulated other comprehensive loss	(443,691)	(46,600)
Total Colfax Corporation equity	3,146,826	2,513,897
Noncontrolling interest	205,618	227,226
Total equity	3,352,444	2,741,123
Total liabilities and equity	<u>\$ 7,245,098</u>	<u>\$ 6,601,184</u>

- (1) During the year ended December 31, 2014, the Company retrospectively adjusted provisional amounts with respect to four acquisitions that were completed during the fourth quarter of 2013 that were recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date.

*Note: Dollars in thousands, except share amounts.*

# STATEMENTS OF CASH FLOWS

(unaudited)

	<u>2014</u>	<u>2013</u>
<b>Cash flows from operating activities:</b>		
Net income	\$ 420,273	\$ 209,143
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and impairment charges	174,724	119,258
Stock-based compensation expense	17,580	13,334
Non-cash interest expense	9,094	44,377
Gain on revaluation of Sicelub investment	—	(13,784)
Deferred income tax (benefit) provision	(139,488)	9,946
Changes in operating assets and liabilities, net of acquisitions:		
Trade receivables, net	(19,916)	(98,912)
Inventories, net	57,847	79,987
Accounts payable	(54,666)	128,889
Changes in other operating assets and liabilities	(79,690)	(130,069)
<b>Net cash provided by operating activities</b>	<u>385,758</u>	<u>362,169</u>
<b>Cash flows from investing activities:</b>		
Purchases of fixed assets, net	(81,343)	(71,482)
Acquisitions, net of cash received	(948,800)	(372,476)
Loans to non-trade creditors	—	(31,012)
<b>Net cash used in investing activities</b>	<u>(1,030,143)</u>	<u>(474,970)</u>
<b>Cash flows from financing activities:</b>		
Borrowings under term credit facility	150,000	50,861
Payments under term credit facility	(15,542)	(679,755)
Proceeds from borrowings on revolving credit facilities and other	1,370,626	648,000
Repayments of borrowings on revolving credit facilities and other	(1,414,146)	(328,133)
Proceeds from issuance of common stock, net	613,927	324,153
Acquisition of shares held by noncontrolling interest	(10,338)	(14,913)
Preferred stock conversion inducement payment	(19,565)	—
Payments of dividend on preferred stock	(3,853)	(20,396)
Other	(21,060)	(24,870)
<b>Net cash provided by (used in) financing activities</b>	<u>650,049</u>	<u>(45,053)</u>
<b>Effect of foreign exchange rates on Cash and cash equivalents</b>	<u>(11,517)</u>	<u>(13,294)</u>
Decrease in Cash and cash equivalents	(5,853)	(171,148)
Cash and cash equivalents, beginning of period	311,301	482,449
<b>Cash and cash equivalents, end of period</b>	<u>\$ 305,448</u>	<u>\$ 311,301</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Interest payments	42,041	58,970
Income tax payments, net	82,694	93,856

Note: Dollars in thousands.

# 2015 OUTLOOK SUMMARY

## LOCAL CURRENCY GUIDANCE UNCHANGED FROM DECEMBER REVISIONS REFLECT FX CHANGES ONLY FROM ORIGINAL GUIDANCE

REVENUE RANGE			
2015 Total	\$4.250 billion	To	\$4.400 billion

EPS AND ADJUSTED NET INCOME RANGE			
2015 Net income per share	\$1.75	To	\$1.95
Adjusted operating income	\$460 million		\$495 million
Adjusted net income	\$260 million	To	\$285 million
2015 Adjusted net income per share <sup>(1)</sup>	\$2.03	To	\$2.23

ASSUMPTIONS	
Restructuring costs	\$50 million
Euro	\$1.13
Tax rate - adjusted basis/GAAP	28-30%
Outstanding shares	128 million
Interest expense	\$52 million

(1) Excludes impact of restructuring charges.

Note: Guidance as of 2/5/15. (See Non-GAAP Reconciliation included in this slide deck).

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# NON-GAAP RECONCILIATION (Unaudited)

	<b>2015 EPS Range</b>	
	<b>Low</b>	<b>High</b>
Projected net income per share - diluted	\$ 1.75	\$ 1.95
Restructuring costs	0.39	0.39
Tax adjustment	(0.11)	(0.11)
Projected adjusted net income per share - diluted	<u>\$2.03</u>	<u>\$2.23</u>

*Note: Guidance as of 2/5/15.*