

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **April 25, 2013**

**Colfax Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-34045**  
(Commission  
File Number)

**54-1887631**  
(I.R.S. Employer  
Identification No.)

**8170 Maple Lawn Boulevard, Suite 180**  
**Fulton, MD 20759**  
(Address of Principal Executive Offices) (Zip Code)

**(301) 323-9000**  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

**Item 2.02. Results of Operations and Financial Condition.**

On April 25, 2013, Colfax Corporation issued a press release reporting financial results for the first quarter ended March 29, 2013. A copy of Colfax Corporation's press release is attached to this report as Exhibit 99.1 and is incorporated in this report by reference. Colfax Corporation has scheduled a conference call for 8:00 a.m. EDT on April 25, 2013 to discuss its financial results, and slides for that call are attached to this report as Exhibit 99.2 and are incorporated in this report by reference.

**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits**

- 99.1 Colfax Corporation press release dated April 25, 2013, reporting financial results for the first quarter ended March 29, 2013.
- 99.2 Colfax Corporation slides for April 25, 2013 conference call reporting financial results for the first quarter ended March 29, 2013.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Colfax Corporation**

Date: April 25, 2013

By: /s/ C. Scott Brannan  
Name: C. Scott Brannan  
Title: Senior Vice President, Finance and Chief Financial Officer

## EXHIBIT INDEX

- 99.1 Colfax Corporation press release dated April 25, 2013, reporting financial results for the first quarter ended March 29, 2013.
- 99.2 Colfax Corporation slides for April 25, 2013 conference call reporting financial results for the first quarter ended March 29, 2013.



## COLFAX REPORTS FIRST QUARTER 2013 RESULTS

FULTON, MD - April 25, 2013 - Colfax Corporation (NYSE: CFX) today announced its financial results for the first quarter ended March 29, 2013. On a year-over-year basis, highlights for the first quarter include:

### First Quarter of 2013 (all comparisons versus the first quarter of 2012)

- Net income of \$22.6 million (\$0.21 per share); adjusted net income (as defined below) of \$33.6 million (\$0.26 per share)
- Net sales of \$947.1 million, an increase of 6.8% from Q1 2012 net sales of \$886.4 million (an organic decrease of 2.7%)
- Operating income of \$72.3 million; adjusted operating income (as defined below) of \$78.2 million
- First quarter gas- and fluid-handling orders of \$502.1 million compared to orders of \$497.5 million in Q1 2012, an increase of 0.9% (an organic decrease of 4.3%)
- Gas- and fluid-handling backlog of \$1.4 billion at period end

Adjusted net income, adjusted net income per share, adjusted operating income, organic sales growth (decrease) and organic order growth (decrease) are not financial measures calculated in accordance with generally accepted accounting principles in the U.S. ("GAAP"). See below for a description of the measures' usefulness and a reconciliation of these measures to their most directly comparable GAAP financial measures.

Steve Simms, President and Chief Executive Officer, stated, "We are pleased to report results for the first quarter that exceeded our expectations. Although sales fell short of our targets, we benefited from strong operating margins in both segments, reflecting the impact of our improvement plans. Overall, the underlying market drivers for our long cycle gas- and fluid-handling business remain positive. Sales and orders for the quarter in this business were impacted by trends specific to individual sectors and we anticipate solid growth in the segment for the balance of 2013. Demand remained soft in the fabrication technology segment, but we continue to demonstrate that we can improve margins in the segment without sales growth. We remain excited about the future of both of our businesses and will continue to focus on our improvement initiatives and programs to deliver organic growth. We were also pleased with the refinancing of our debt during the quarter, which will result in reduced interest expense in future periods."

## **Non-GAAP Financial Measures and Other Adjustments**

Colfax has provided in this press release 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, adjusted operating income, organic sales growth (decline) and organic order growth (decline). Adjusted net income, adjusted net income per share and adjusted operating income exclude asbestos coverage litigation expense, restructuring and other related charges, expenses related to the Charter acquisition and fair value adjustments related to the ESAB and Howden inventory and backlog amortization expense 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 30.5% and 31% for the first quarters of 2013 and 2012, respectively. 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, expenses and significant year-one fair value adjustment amortization expense related to the Charter acquisition and major restructuring programs.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information calculated in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. A reconciliation of non-GAAP financial measures presented above to GAAP results has been provided in the financial tables included in this press release.

## **Conference Call and Webcast**

Colfax will host a conference call to provide details about its results on Thursday, April 25, 2013 at 8:00 a.m. EDT. The call will be open to the public through 877-303-7908 (U.S. callers) or 678-373-0875 (international callers) and referencing the conference ID number 35603512, or through webcast via Colfax's website at [www.colfaxcorp.com](http://www.colfaxcorp.com) under the "Investors" section. Access to a supplemental slide presentation can also be found at the Colfax website under the same heading. Both the audio of this call and the slide presentation will be archived on the website later today and will be available until the next quarterly call.

## **About Colfax Corporation**

Colfax Corporation is a diversified global manufacturing and engineering company that provides gas- and fluid-handling and fabrication technology products and services to commercial and governmental customers around the world under the Howden, Colfax Fluid Handling and ESAB brands. Colfax believes that its brands are among the most highly recognized in each of the markets that it serves. Colfax is traded on the NYSE under the ticker "CFX." Additional information about Colfax is available at [www.colfaxcorp.com](http://www.colfaxcorp.com).

## **CAUTIONARY NOTE CONCERNING FORWARD LOOKING STATEMENTS:**

This press release may contain forward-looking statements, including forward-looking statements within the meaning of the U.S. 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 fact. 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 press release speaks only as of the date hereof. Colfax disclaims any duty to update the information herein.

The term "Colfax" in reference to the activities described in this press release may mean one or more of Colfax's global operating subsidiaries and/or their internal business divisions and does not necessarily indicate activities engaged in by Colfax Corporation.

## **Contact:**

Scott Brannan, Chief Financial Officer  
Colfax Corporation  
301-323-9005  
[Scott.Brannan@colfaxcorp.com](mailto:Scott.Brannan@colfaxcorp.com)

**Colfax Corporation**  
**Condensed Consolidated Statements of Operations**  
**Dollars in thousands, except per share data**  
**(Unaudited)**

	<b>Three Months Ended</b>	
	<b>March 29, 2013</b>	<b>March 30, 2012</b>
Net sales	\$ 947,143	\$ 886,366
Cost of sales	656,418	644,660
Gross profit	290,725	241,706
Selling, general and administrative expense	212,478	212,056
Charter acquisition-related expense	—	42,851
Restructuring and other related charges	4,214	8,643
Asbestos coverage litigation expense	1,706	2,287
Operating income (loss)	72,327	(24,131)
Interest expense	23,289	18,982
Income (loss) before income taxes	49,038	(43,113)
Provision for income taxes <sup>(1)</sup>	16,763	57,348
Net income (loss)	32,275	(100,461)
Less: income attributable to noncontrolling interest, net of taxes	4,640	5,137
Net income (loss) attributable to Colfax Corporation	27,635	(105,598)
Dividends on preferred stock	5,082	3,734
Net income (loss) available to Colfax Corporation common shareholders	\$ 22,553	\$ (109,332)
Net income (loss) per share - basic and diluted	\$ 0.21	\$ (1.33)

<sup>(1)</sup>Provision for income taxes for the first quarter of 2012 was significantly impacted by the reassessment of certain deferred tax assets as of the date of the Charter acquisition, which resulted in an increase in the Company's valuation allowance, and the Charter acquisition-related expenses that are either not deductible for tax purposes or were incurred in jurisdictions where no tax benefit can be recognized.



**Colfax Corporation**  
**Reconciliation of GAAP to Non-GAAP Financial Measures**  
**Dollars in thousands, except per share data**  
**(Unaudited)**

	<b>Three Months Ended</b>	
	<b>March 29, 2013</b>	<b>March 30, 2012</b>
<b>Adjusted Operating Income</b>		
Operating income (loss)	\$ 72,327	\$ (24,131)
Restructuring and other related charges	4,214	8,643
Charter acquisition-related expense	—	42,851
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense	—	33,705
Asbestos coverage litigation expense	1,706	2,287
Adjusted operating income	<u>\$ 78,247</u>	<u>\$ 63,355</u>
Adjusted operating income margin	8.3%	7.1%
<b>Adjusted Net Income and Adjusted Net Income Per Share</b>		
Net income (loss) attributable to Colfax Corporation	\$ 27,635	\$ (105,598)
Restructuring and other related charges	4,214	8,643
Charter acquisition-related expense	—	42,851
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense	—	33,705
Asbestos coverage litigation expense	1,706	2,287
Tax adjustment <sup>(1)</sup>	—	43,592
Adjusted net income	<u>33,555</u>	<u>25,480</u>
Adjusted net income margin	3.5%	2.9%
Dividends on preferred stock	5,082	3,734
Adjusted net income available to Colfax Corporation common shareholders	<u>28,473</u>	<u>21,746</u>
Less: net income attributable to participating securities <sup>(2)</sup>	3,655	2,757
	<u>\$ 24,818</u>	<u>\$ 18,989</u>
Weighted-average shares outstanding - diluted	95,153,498	82,851,827
Adjusted net income per share	<u>\$ 0.26</u>	<u>\$ 0.23</u>
Net income (loss) per share— basic and diluted (in accordance with GAAP)	<u>\$ 0.21</u>	<u>\$ (1.33)</u>

<sup>(1)</sup> The effective tax rates used to calculate adjusted net income and adjusted net income per share are 30.5% and 31% for the first quarters of 2013 and 2012, respectively.

<sup>(2)</sup> 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.

**Colfax Corporation**  
**Change in Sales, Orders and Backlog**  
**Dollars in millions**  
**(Unaudited)**

	<u>Net Sales</u>		<u>Orders</u>		<u>Backlog at Period End</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
<b>As of and for the three months ended March 30, 2012</b>	\$ 886.4		\$ 497.5		\$ 1,372.8	
<i>Components of Change:</i>						
Existing Businesses	(24.0)	(2.7)%	(21.5)	(4.3)%	59.0	4.3 %
Acquisitions <sup>(1)</sup>	105.2	11.9 %	33.5	6.7 %	19.8	1.4 %
Foreign Currency Translation	(20.5)	(2.4)%	(7.4)	(1.5)%	(8.2)	(0.6)%
Total	<u>60.7</u>	<u>6.8 %</u>	<u>4.6</u>	<u>0.9 %</u>	<u>70.6</u>	<u>5.1 %</u>
<b>As of and for the three months ended March 29, 2013</b>	<u><u>\$ 947.1</u></u>		<u><u>\$ 502.1</u></u>		<u><u>\$ 1,443.4</u></u>	

<sup>(1)</sup> Represents the incremental sales, orders and order backlog as a result of our acquisitions of Charter, Soldex and Co-Vent. The impact related to the Charter Acquisition represents 12 days of activity for ESAB and Howden as the acquisition closed on January 13, 2012.

The COLFAX logo is rendered in a bold, black, sans-serif font. The letters are thick and blocky, with a slight shadow effect. The 'O' and 'A' have a distinctive shape. The logo is set against a light gray rectangular background that is positioned over a blue abstract background with wavy, glowing lines.

**FIRST QUARTER 2013 | EARNINGS CONFERENCE CALL**

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# 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 rendered in a bold, black, sans-serif font. The letters are closely spaced, and the 'X' has a distinctive shape with a sharp point. The logo is set against a light gray rectangular background that is slightly offset to the left and top.

**COLFAX**

The text 'Q1 2013 RESULTS' is displayed in a white, bold, sans-serif font. It is centered within a light gray rectangular background that is slightly offset to the left and top, matching the style of the logo above it.

**Q1 2013 RESULTS**

## Q1 2013 HIGHLIGHTS

- Adjusted net income of \$33.6 million (\$0.26 per share) compared to \$25.5 million (\$0.23 per share) in Q1 2012
- Net sales of \$947.1 million, an increase of 6.8% from Q1 2012 net sales of \$886.4 million (an organic decrease of 2.7%)
- Adjusted operating income of \$78.2 million compared to \$63.4 million in Q1 2012
- First quarter gas- and fluid-handling orders of \$502.1 million compared to orders of \$497.5 million in Q1 2012, an increase of 0.9% (an organic decrease of 4.3%)
- Gas- and fluid-handling backlog of \$1.4 billion at period end

The logo for COLFAX is rendered in a bold, black, sans-serif font. The letters are closely spaced, and the 'X' has a distinctive shape with a sharp point. The text is set against a light gray rectangular background that is slightly offset to the left and top.

**COLFAX**

The text 'GAS AND FLUID HANDLING' is written in a white, bold, sans-serif font. It is centered horizontally within a light gray rectangular background that is slightly offset to the left and top, matching the style of the logo above.

**GAS AND FLUID HANDLING**

## GAS AND FLUID HANDLING HIGHLIGHTS

- Net sales of \$425.1 million remained relatively consistent with prior year net sales of \$425.3 million in Q1 2012 (an organic decline of 1.7%)
- Adjusted segment operating income of \$44.2 million and adjusted segment operating income margin of 10.4%
- First quarter orders of \$502.1 million compared to \$497.5 million in Q1 2012, an increase of 0.9%
- Backlog of \$1.4 billion at period end



# ORDERS AND BACKLOG

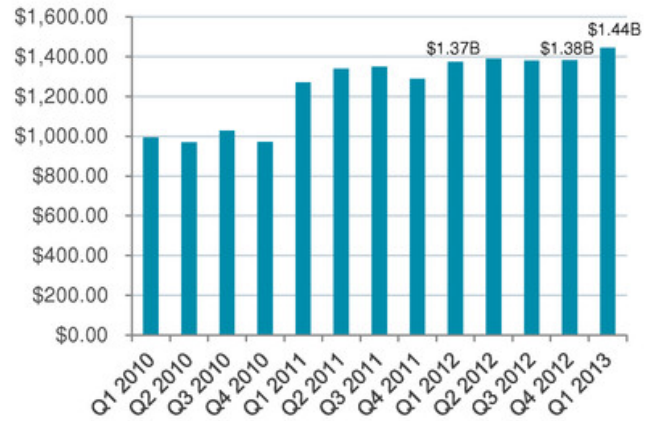
## ORDERS



	Q1
Existing Businesses	(4.3)%
Acquisitions	6.7%
FX Translation	(1.5)%
<b>Total Growth</b>	<b>0.9%</b>

Note: Dollars in millions (unaudited).

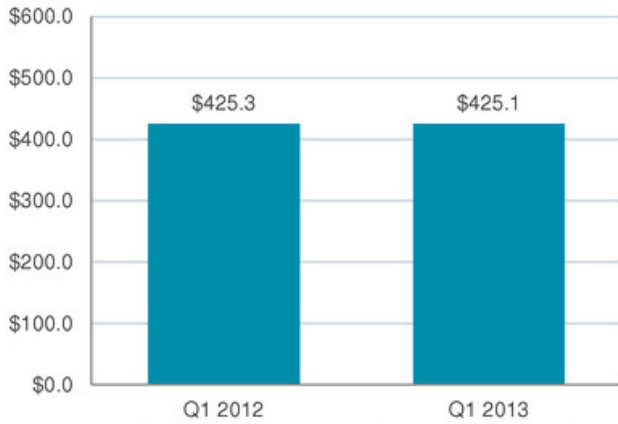
## BACKLOG<sup>(1)</sup>



(1) Backlog data for the periods prior to Q1 2013 are presented on a proforma basis.

# REVENUE

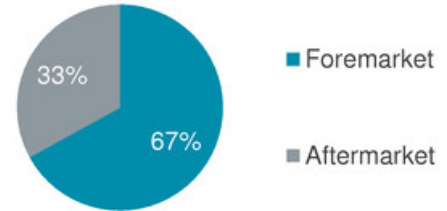
## REVENUE



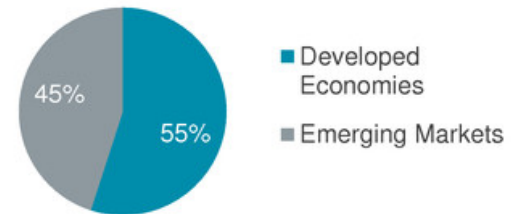
	Q1
Existing Businesses	(1.7)%
Acquisitions	3.6%
FX Translation	(1.9)%
<b>Total Decline</b>	<b>(0.1)%</b>

Note: Dollars in millions (unaudited).

## AFTERMARKET REVENUE Q1 2013

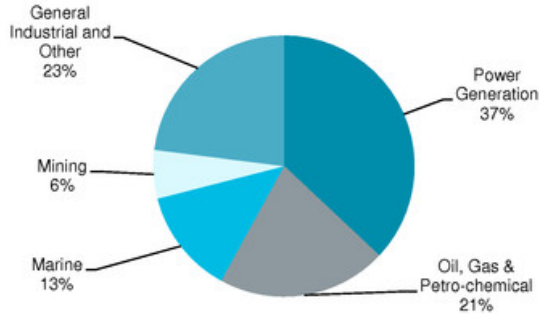


## GEOGRAPHIC EXPOSURE Q1 2013



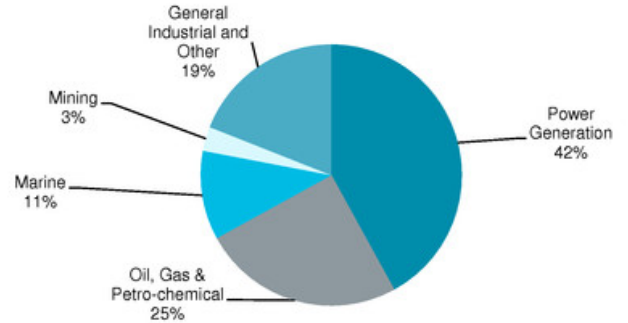
# Q1 2013 SALES AND ORDERS BY END MARKET

## SALES: \$425.1 Million



	Total Growth (Decline)	Organic Growth (Decline)
Power Generation	18.3 %	19.7%
Oil, Gas & Petrochemical	(15.9)%	(19.0)%
Marine	1.2 %	(0.2)%
Mining	10.1 %	14.7 %
General Industrial & Other	(9.6)%	(15.2)%
<b>Total</b>	<b>(0.1)%</b>	<b>(1.7)%</b>

## ORDERS: \$502.1 Million



	Total Growth (Decline)	Organic Growth (Decline)
Power Generation	26.7 %	18.4 %
Oil, Gas & Petrochemical	(0.1)%	(3.8)%
Marine	6.9 %	4.9 %
Mining	(60.4)%	(59.3)%
General Industrial & Other	(15.5)%	(22.1)%
<b>Total</b>	<b>0.9 %</b>	<b>(4.3)%</b>

# POWER GENERATION MARKET PERSPECTIVE

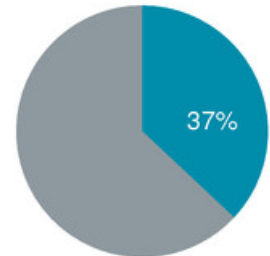
## SALES & ORDERS GROWTH

	Q1 2013 vs. Q1 2012	
	Total	Organic
Sales	18.3 %	19.7 %
Orders	26.7 %	18.4 %

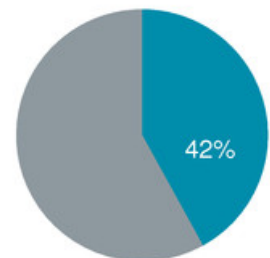
## HIGHLIGHTS

- Served by both Howden and Colfax Fluid Handling
- Driven by fundamental global undersupply of electricity
- Growth is driven by environmental upgrades in China and the U.S. and strong pump sales to natural gas-combined cycle power stations

## Q1 2013 SALES SPLIT



## Q1 2013 ORDERS SPLIT



# OIL, GAS & PETROCHEMICAL MARKET PERSPECTIVE

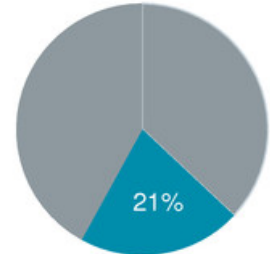
## SALES & ORDERS DECLINE

	Q1 2013 vs. Q1 2012	
	Total	Organic
Sales	(15.9)%	(19.0)%
Orders	(0.1)%	(3.8)%

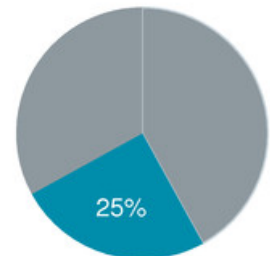
## HIGHLIGHTS

- Served by both Howden and Colfax Fluid Handling
- Period over period comparisons are difficult due to the timing of large projects
- Quoting activity remains strong across all major served markets led by transportation, low sulfur fuels, increasing use of sour crudes and Middle Eastern capacity increases

## Q1 2013 SALES SPLIT



## Q1 2013 ORDERS SPLIT



# MARINE MARKET PERSPECTIVE

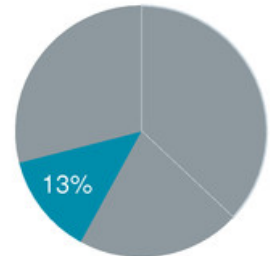
## SALES & ORDERS GROWTH (DECLINE)

	Q1 2013 vs. Q1 2012	
	Total	Organic
Sales	1.2 %	(0.2)%
Orders	6.9 %	4.9 %

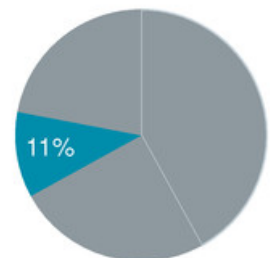
## HIGHLIGHTS

- Primarily served by Colfax Fluid Handling
- Q1 orders strong for oil & gas service vessels
- Modest growth despite continued decline in overall shipbuilding activity

## Q1 2013 SALES SPLIT



## Q1 2013 ORDERS SPLIT



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

# MINING MARKET PERSPECTIVE

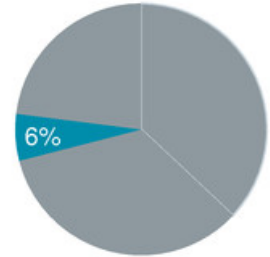
## SALES & ORDERS GROWTH (DECLINE)

	Q1 2013 vs. Q1 2012	
	Total	Organic
<b>Sales</b>	10.1 %	14.7 %
<b>Orders</b>	(60.4)%	(59.3)%

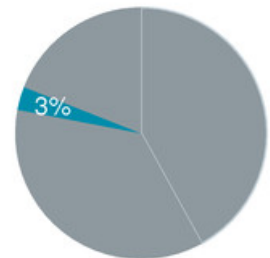
## HIGHLIGHTS

- Primarily served by Howden
- Driven by demand of mined resources, including: coal, iron ore, copper, gold, nickel and potash
- Overall market environment in capital equipment for mining applications remains subdued, particularly in Australia

## Q1 2013 SALES SPLIT



## Q1 2013 ORDERS SPLIT



# GENERAL INDUSTRIAL & OTHER MARKET PERSPECTIVE

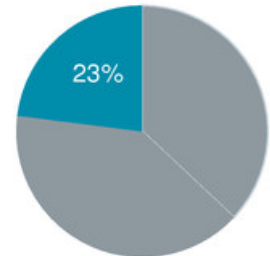
## SALES & ORDERS DECLINE

	Q1 2013 vs. Q1 2012	
	Total	Organic
Sales	(9.6)%	(15.2)%
Orders	(15.5)%	(22.1)%

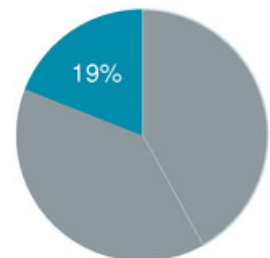
## HIGHLIGHTS

- Includes both Howden and Colfax Fluid Handling
- Broad-based decline across geographies and end-market segments

## Q1 2013 SALES SPLIT



## Q1 2013 ORDERS SPLIT





The logo features the word "COLFAX" in a bold, black, sans-serif font. The letters are contained within a light gray rectangular box that has a slight drop shadow, making it stand out against the blue background. The background itself is a vibrant blue with dynamic, wavy, light-colored streaks that create a sense of motion and depth.

**COLFAX**

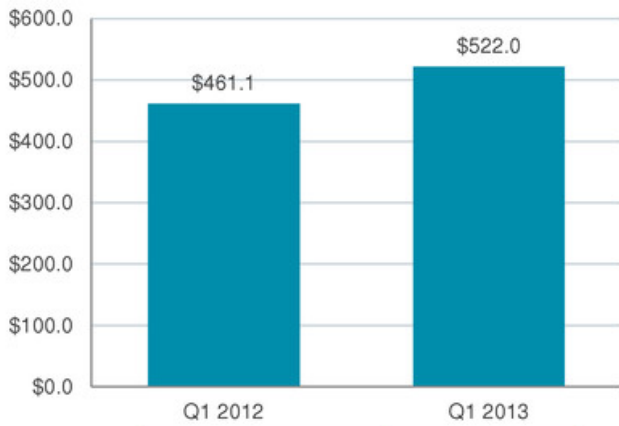
**FABRICATION TECHNOLOGY**

## FABRICATION TECHNOLOGY HIGHLIGHTS

- Net sales of \$522.0 million compared to net sales of \$461.1 million in Q1 2012, an increase of 13.2% (an organic decline of 3.7%)
- Adjusted segment operating income of \$44.5 million and adjusted segment operating income margin of 8.5%
- Excluding Soldex:
  - Gross margin increased approximately one percentage point, despite the organic decline in sales
  - Selling, general and administrative expense as a percentage of sales reduced 50 basis points from Q1 2012
  - Adjusted segment operating income margin improved 1.3% sequentially and 1.1% over Q1 2012

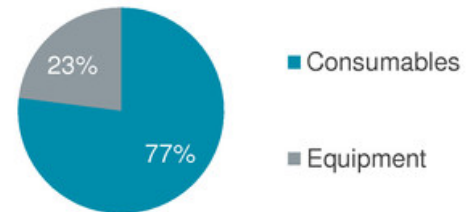
# REVENUE

## REVENUE

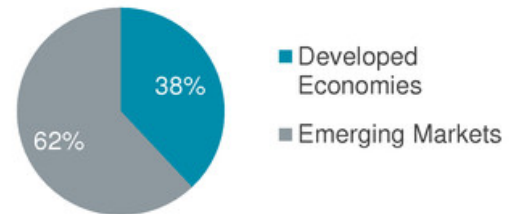


	Q1
Volume	(7.3)%
Price/ Mix	3.6%
Acquisitions	19.5 %
FX Translation	(2.6)%
<b>Total Growth</b>	<b>13.2 %</b>

## REVENUE Q1 2013



## GEOGRAPHIC EXPOSURE Q1 2013



Note: Dollars in millions (unaudited).

The logo for COLFAX, featuring the word "COLFAX" in a bold, black, sans-serif font. The letters are closely spaced, and the 'X' has a distinctive shape with a diagonal slash. The logo is set against a light gray rectangular background.

**COLFAX**

The text "RESULTS OF OPERATIONS" in a white, sans-serif font. The text is centered within a light gray rectangular background that overlaps the bottom of the logo box.

**RESULTS OF OPERATIONS**

# INCOME STATEMENT SUMMARY

(unaudited)

	Three Months Ended	
	March 29, 2013	March 30, 2012
Net sales	\$ 947.1	\$ 886.4
Gross profit	\$ 290.7	\$ 241.7
% of sales	30.7 %	27.3 %
SG&A expense	\$ 212.5	\$ 212.1
% of sales	22.4 %	23.9 %
Adjusted operating income	\$ 78.2	\$ 63.4
% of sales	8.3 %	7.1 %
Adjusted net income	\$ 33.6	\$ 25.5
% of sales	3.5 %	2.9 %
Adjusted net income per share	\$ 0.26	\$ 0.23

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

The logo for COLFAX, featuring the word in a bold, black, sans-serif font. The letters are closely spaced and have a slight shadow effect, giving it a three-dimensional appearance. It is set against a light gray rectangular background.

**COLFAX**

The word APPENDIX in a white, sans-serif font, positioned on a dark gray rectangular background that overlaps the bottom of the COLFAX logo box.

**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, adjusted operating income, organic sales growth (decline) and organic order growth (decline). Adjusted net income, adjusted net income per share and adjusted operating income exclude asbestos coverage litigation expense, expenses related to major restructuring programs and expenses and significant year-one fair value adjustment amortization expense related to the Charter acquisition, 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 30.5% for the first quarter of 2013 and 31% for the first quarter of 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	
	March 29, 2013	March 30, 2012
<b>Adjusted Net Income and Adjusted Net Income Per Share</b>		
Net income (loss) attributable to Colfax Corporation	\$ 27,635	\$ (105,598)
Restructuring and other related charges	4,214	8,643
Charter acquisition-related expense	—	42,851
Fair value adjustments - ISAB/Howden backlog and inventory amortization expense	—	33,705
Asbestos coverage litigation expense	1,706	2,287
Tax adjustment <sup>(1)</sup>	—	43,592
Adjusted net income	<u>33,555</u>	<u>25,480</u>
Adjusted net income margin	3.5 %	2.9 %
Dividends on preferred stock	<u>5,082</u>	<u>3,734</u>
Adjusted net income available to Colfax Corporation common shareholders	28,473	21,746
Less: net income attributable to participating securities <sup>(2)</sup>	<u>3,655</u>	<u>2,757</u>
	<u>\$ 24,818</u>	<u>\$ 18,989</u>
Weighted-average shares outstanding - diluted	95,153,498	82,851,827
Adjusted net income per share	<u>\$ 0.26</u>	<u>\$ 0.23</u>
Net income (loss) per share—basic and diluted (in accordance with GAAP)	<u>\$ 0.21</u>	<u>\$ (1.33)</u>

(1) The effective tax rates used to calculate adjusted net income and adjusted net income per share are 30.5% and 31% for the first quarter of 2013 and 2012, respectively.

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



# NON-GAAP RECONCILIATION

(unaudited)

	Q1 2013				Q1 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	\$ 425,105	\$ 522,038	\$ —	\$ 947,143	\$ 425,331	\$ 461,035	\$ —	\$ 886,366
Operating income (loss)	41,215 9.7 %	41,527 8.0 %	(10,415)	72,327 7.6 %	19,028 4.5 %	10,880 2.4 %	(54,039)	(24,131) (2.7)%
Charter acquisition-related expense	—	—	—	—	—	—	42,851	42,851
Restructuring and other related charges	1,273	2,941	—	4,214	780	6,116	1,747	8,643
Asbestos coverage litigation expense	1,706	—	—	1,706	2,287	—	—	2,287
Fair value adjustments - ESAB/Howden backlog and inventory amortization expense	—	—	—	—	16,742	16,963	—	33,705
Adjusted operating income (loss)	<u>\$ 44,194 10.4 %</u>	<u>\$ 44,468 8.5 %</u>	<u>\$ (10,415)</u>	<u>\$ 78,247 8.3 %</u>	<u>\$ 38,837 9.1 %</u>	<u>\$ 33,959 7.4 %</u>	<u>\$ (9,441)</u>	<u>\$ 63,355 7.1 %</u>

Note: Dollars in thousands.

# SALES & ORDERS GROWTH

(unaudited)

	Net Sales		Orders		Backlog at Period End	
	\$	%	\$	%	\$	%
<b>As of and for the three months ended March 30, 2012</b>	\$ 886.4		\$ 497.5		\$ 1,372.8	
Components of Change:						
Existing Businesses	(24.0)	(2.7)%	(21.5)	(4.3)%	59.0	4.3 %
Acquisitions <sup>(1)</sup>	105.2	11.9 %	33.5	6.7 %	19.8	1.4 %
Foreign Currency Translation	(20.5)	(2.4)%	(7.4)	(1.5)%	(8.2)	(0.6)%
Total	60.7	6.8 %	4.6	0.9 %	70.6	5.1 %
<b>As of and for the three months ended March 29, 2013</b>	<b>\$ 947.1</b>		<b>\$ 502.1</b>		<b>\$ 1,443.4</b>	

- (1) Represents the incremental sales, orders and order backlog as a result of our acquisitions of Charter, Soldex and Co-Vent. The impact related to the Charter Acquisition represents 12 days of activity for ESAB and Howden as the acquisition closed on January 13, 2012.

Note: Dollars in thousands.

