

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION.

3 October 2011

RECOMMENDED CASH AND SHARE OFFER

BY

COLFAX UK HOLDINGS LIMITED ("BIDCO")

A WHOLLY-OWNED SUBSIDIARY OF COLFAX CORPORATION ("COLFAX")

FOR

CHARTER INTERNATIONAL PLC ("CHARTER")

REPORT ON PROFIT FORECASTS

On 12 September 2011, the Board of Colfax and the Board of Charter announced that they had reached agreement on the terms of a recommended cash and share offer to be made by Bidco, a wholly-owned subsidiary of Colfax, for the entire issued and to be issued share capital of Charter (the "Offer Announcement").

As noted in the Offer Announcement, on 29 July 2011, concurrently with the release of its interim results for the second quarter of 2011, Colfax provided earnings guidance which the Panel has determined amounted to profit forecasts for the purposes of Rule 28 of the City Code. These profit forecasts have now been reported on by Ernst & Young LLP, as Colfax's reporting accountant, and by Deutsche Bank as Colfax's financial adviser. Copies of these reports are included in Parts B and C respectively of the Appendix to this announcement, which contains, among other information, certain key assumptions underlying the profit forecasts.

Ernst & Young LLP and Deutsche Bank have given and not withdrawn their consent to publication of their reports.

In accordance with Rule 28.8 of the City Code, please also refer to the Colfax Form 10-Q filed with the SEC on 3 May 2011, containing its first quarter 2011 results and the Colfax Form 10-Q filed with the SEC on 29 July 2011, containing its second quarter 2011 results.

Terms used in this announcement have the same meaning as those defined in the Offer Announcement.

About Colfax and Bidco

Colfax

Colfax is headquartered in Fulton, Maryland, U.S.A. and listed on the New York Stock Exchange (NYSE: CFX). Colfax was founded in 1995 by Mitchell P. Rales and Steven M. Rales. Colfax is a global supplier of a broad range of fluid handling products, including pumps, fluid handling and lubrication systems and controls, and specialty valves. It is a leading manufacturer of rotary positive displacement pumps, which include screw pumps, gear pumps and progressive cavity pumps, as well as certain centrifugal pumps. Colfax designs and engineers products to high quality and reliability standards for use in critical fluid handling applications where performance is paramount. Colfax also offers customized fluid handling solutions to meet individual customer needs based on in-depth technical knowledge of the applications in which the products are used.

Bidco

Bidco is a newly incorporated English company which is a wholly-owned subsidiary of Colfax established to effect the Acquisition.

Enquiries

Colfax and Bidco

Scott Brannan, Colfax (SVP and Chief Financial Officer)

+1 (301) 323 9000

Citigate Dewe Rogerson

(Public relations adviser to Colfax and Bidco)

Patrick Donovan

+44 (0)20 7282 2915

Ginny Pulbrook

+44 (0)20 7282 2945

Deutsche Bank

(Financial adviser and corporate broker to Colfax and Bidco)

Richard Sheppard

James Cass

Charles Wilkinson (corporate broking)

+44 (0)20 7545 8000

This announcement is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely pursuant to the terms of the Scheme Document (or, if applicable, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition or to elect to sell shares in connection with the acquisition, as the case may be. Any decision in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document.

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom, Jersey and the United States may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom, Jersey and the United States should inform themselves about, and observe any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom, Jersey or the United States to vote their Charter Shares with respect to the Scheme at the Meetings, or to execute and deliver forms of proxy appointing another to vote at the Meetings on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. This announcement has been prepared for the purpose of complying with Jersey law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom or Jersey.

Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The securities of Colfax referred to in the Offer Announcement have not been registered under the Securities Act of 1933 (the "Act"), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Act.

The issuance of Colfax shares pursuant to the Scheme of Arrangement will not be registered under the Act, and will be issued pursuant to the exemption provided by Section 3(a)(10) under the Act. In the event that Colfax determines to conduct the acquisition pursuant to an offer or otherwise in a manner that is not exempt from the registration requirements of the Act, it will file a registration statement with the Securities and Exchange Commission ("SEC") that will contain a prospectus. In this event, investors are urged to read these documents and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information, and such documents will be available free of charge at the SEC's website at www.sec.gov.

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin - Federal Financial Supervisory Authority) and authorised and subject to limited regulation by the Financial Services Authority. Details about the extent of Deutsche Bank AG's authorisation and regulation by the Financial Services Authority are available on request. Deutsche Bank AG is acting as financial adviser to Colfax and Bidco and no one else in connection with the contents of this announcement and will not be responsible to any person other than Colfax and Bidco for providing the protections afforded to clients of Deutsche Bank AG, nor for providing advice in relation to any matters referred to in this announcement.

Dealing disclosure requirements

Under Rule 8.3(a) of the City Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure. Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to

whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Appendix – Profit Forecasts

Part A – Profit Forecasts including Bases and Assumptions

Colfax made the following public statement on 29 July 2011 within its second quarter earnings release: "we anticipate adjusted earnings per share to be within the range of \$1.20 to \$1.26 for full year 2011 compared to our previous expectation of \$1.12 to \$1.22." Colfax also included the following table in its second quarter earnings release:

Colfax Corporation		Projected Adjusted 2011 Net Income Per Share	
(Unaudited)		<u>EPS Range</u>	
Projected net income per share - fully diluted	\$ 0.87	\$ 0.93	
Restructuring and other related charges	0.12	0.12	
Asbestos coverage litigation	0.12	0.12	
Asbestos liability and defense costs	0.09	0.09	
Projected adjusted net income per share - fully diluted	\$ 1.20	\$ 1.26	

Adjusted earnings per share is defined as net earnings attributable to Colfax, adjusted for asbestos liability and defense costs, asbestos coverage litigation expense and restructuring and other related charges to the extent such costs impact periods presented, divided by weighted average diluted shares. Weighted average diluted shares adds back incremental shares from assumed conversions, net of assumed share repurchases and long term incentive plan ("LTIP") shares to the weighted average basic shares outstanding.

The table above and the statement regarding adjusted earnings per share for the year ending 31 December 2011 constitute profit forecasts ("**Profit Forecasts**") for the purposes of the City Code.

Basis of preparation

The Profit Forecasts have been prepared on a basis consistent with the accounting policies adopted by Colfax which are in accordance with U.S. GAAP and are in accordance with those adopted in the preparation of the interim financial statements for the six months ended 1 July 2011, and those expected to be adopted in the financial statements for the year ending 31 December 2011.

The Profit Forecasts were based on the interim unaudited accounts for the six months ended 1 July 2011 and a forecast for the six months ending 31 December 2011 and on the basis that the proposed acquisition of Charter does not complete before 31 December 2011 and excludes any costs related to the proposed acquisition.

Assumptions

The Colfax Directors have prepared the Profit Forecasts on the basis of the following assumptions:

Factors outside the influence or control of the Colfax Directors

- There will not be any changes in general trading conditions, economic conditions, competitive environment or levels of demand, in the countries in which Colfax operates or trades which would materially affect Colfax's business
- There will be no material cancellations in respect of orders currently placed with Colfax
- There will be no business interruptions that materially affect Colfax, its major suppliers or major customers by reason of technological faults, natural disasters, industrial disruption, civil disturbance or government action
- There will be no material change in legislation (including taxation) or regulatory requirements impacting Colfax's operations or its accounting policies
- The estimated effective tax rate remains constant. This rate assumes that the nature (jurisdiction and character) of Colfax's annual income would remain consistent through 31 December 2011
- There will be no material exchange rate fluctuations

Factors within the influence or control of the Colfax Directors

- There will be no material change in the current management team or operational strategy of Colfax, nor of the ownership or control of the business
- The estimated effective tax rate remains constant. This excludes the impact of certain one-time items, such as changes in valuation allowances and tax reserves

Part B – Report of Reporting Accountant

The Directors
Colfax Corporation
8170 Maple Lawn Blvd. Suite 180
Fulton, MD 20759

3 October 2011

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London, EC2N 2DB

Dear Sirs

We report on the profit forecasts comprising earnings per share and adjusted earnings per share of Colfax Corporation (the “**Company**”) and its subsidiaries (together the “**Group**”) for the year ending 31 December 2011 (the “**Profit Forecasts**”). The Profit Forecasts, and the material assumptions upon which they are based, are set out in Part A of the announcement (the “**Document**”) issued by the Company dated 3 October 2011. This report is required by Rule 28.3(b) of The City Code on Takeovers and Mergers (the “**Code**”) and is given for the purpose of complying with that rule and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (“**Directors**”) to prepare the Profit Forecasts in accordance with the requirements of the Code.

It is our responsibility to form an opinion as required by the Code as to the proper compilation of the Profit Forecasts and to report that opinion to you.

Basis of preparation of the Profit Forecasts

The Profit Forecasts have been prepared on the basis stated in Part A of the Document and is based on the unaudited interim financial results for the six months ended 1 July 2011 and a forecast for the six months ending 31 December 2011. The Profit Forecasts are required to be presented on a basis consistent with the accounting policies of the Group.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included evaluating the basis on which the historical financial information included in the Profit Forecasts has been prepared and considering whether the Profit Forecasts have been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the Profit Forecasts are based are solely the responsibility of the Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the Profit Forecasts have not been disclosed or if any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Forecasts have been properly compiled on the basis stated.

Since the Profit Forecasts and the assumptions on which they are based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Profit Forecasts and differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Profit Forecasts have been properly compiled on the basis of the assumptions made by the Directors and the basis of accounting used is consistent with the accounting policies of the Group.

Yours faithfully

Ernst & Young LLP

Part C – Report by Deutsche Bank to Colfax

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London
EC2N 2DB
United Kingdom

To: The Directors

Colfax Corporation
8170 Maple Lawn Blvd., Suite 180
Fulton, MD 20759

3 October 2011

Dear Sirs

Report on profit forecasts by Colfax Corporation

We refer to the profit forecasts comprising the information disclosed by Colfax Corporation ("**Colfax**") in respect of the anticipated earnings per share and adjusted earnings per share of Colfax for the year ending 31 December 2011 (the "**Profit Forecasts**") published in Colfax's second quarter 2011 results press release dated 29 July 2011.

We have discussed the Profit Forecasts and the bases and assumptions on which they have been prepared with the executive officers of Colfax and with Ernst & Young LLP. Colfax has confirmed to us that all information relevant to the Profit Forecasts have been disclosed to us. We have relied upon the accuracy and completeness of all such information and have assumed such accuracy and completeness for the purposes of providing this letter to you. We have also discussed the accounting policies and basis of calculation for the Profit Forecasts with the executive officers of Colfax and with Ernst & Young LLP and we have considered Ernst & Young LLP's letter dated 3 October 2011 addressed to you and us on this matter.

This letter is provided to you solely in connection with Rule 28.3(b) of the City Code on Takeovers and Mergers and for no other purpose. Accordingly, save for any responsibility that we may have to those persons to whom this letter is expressly addressed, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person for any loss suffered by any such person as a result of, or in connection with, this letter.

On the basis of the foregoing, we consider that the Profit Forecasts, for which you in your capacity as directors are solely responsible, for the purposes of the City Code on Takeovers and Mergers, have been prepared with due care and consideration.

Deutsche Bank AG, London Branch has given and not withdrawn its consent to the publication of the Profit Forecasts with the inclusion of this letter and the references to its name in the form and context in which they appear.

Yours faithfully,

for and on behalf of

Deutsche Bank AG, London Branch