

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): **February 20, 2009**

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.)

8730 Stony Point Parkway, Suite 150
Richmond, VA 23235
(Address of Principal Executive Offices) (Zip Code)

(804) 560-4070
(Registrant's telephone number, including area code)

Not Applicable
(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 February 20, 2009, Colfax Corporation issued a press release reporting financial results for the quarter and the year ended December 31, 2008. 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. EST on February 20, 2009 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 February 20, 2009, reporting financial results for the quarter and the year ended December 31, 2008.
- 99.2 Colfax Corporation slides for February 20, 2009 conference call for financial results for the quarter and the year ended December 31, 2008.

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.

Date: February 20, 2009

Colfax Corporation

By: /s/ JOHN A. YOUNG
Name: John A. Young
Title: President and Chief Executive Officer

EXHIBIT INDEX

- 99.1 Colfax Corporation press release dated February 20, 2009, reporting financial results for the quarter and the year ended December 31, 2008.
- 99.2 Colfax Corporation slides for February 20, 2009 conference call for financial results for the quarter and the year ended December 31, 2008.

COLFAX REPORTS FOURTH QUARTER, FULL-YEAR 2008 RESULTS

Record Sales and Orders Drive Strong Performance in 2008

RICHMOND, VA – February 20, 2009 - Colfax Corporation (NYSE: CFX), a global leader in engineered fluid handling products and systems, today announced financial results for the fourth quarter and full year ended December 31, 2008. On a year-over-year basis, highlights for the quarter and the year include:

Fourth quarter of 2008 (all comparisons versus the fourth quarter of 2007)

- Net income of \$10.4 million (24 cents per share – basic and diluted); Adjusted net income (as defined below) of \$17.5 million (40 cents per share), an increase of 19.1%
- Net sales of \$159.3 million, an increase of 10.9%; Organic sales growth (as defined below) of 19.1%
- Operating income of \$21.7 million; Adjusted operating income (as defined below) of \$28.6 million, an increase of 14.9%
- EBITDA (as defined below) of \$25.2 million; Adjusted EBITDA (as defined below) of \$32.1 million, an increase of 10.8%
- Fourth quarter orders of \$126.3 million, a decrease of 19.3%; Organic order decline (as defined below) of 15.8%
- Backlog of \$337.3 million at period end

Full year 2008 (all comparisons versus 2007)

- Net loss of \$0.6 million (11 cents per share – basic and diluted); Adjusted net income (as defined below) of \$53.7 million (\$1.22 per share), an increase of 32.8%
- Net sales of \$604.9 million, an increase of 19.5%; Organic sales growth (as defined below) of 13.9%
- Operating income of \$16.7 million; Adjusted operating income (as defined below) of \$90.8 million, an increase of 24.5%
- EBITDA (as defined below) of \$31.5 million; Adjusted EBITDA (as defined below) of \$105.6 million, an increase of 19.8%
- Record orders for the year of \$669.2 million, an increase of 15.1%; Organic order growth (as defined below) of 7.0%

Adjusted net income, adjusted net income per share, adjusted operating income, EBITDA, adjusted EBITDA, organic sales growth and organic order growth 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.

“We had an excellent fourth quarter,” said John Young, president and CEO of Colfax Corporation. “Our strong results were driven by organic sales growth of 19% and a 210 basis point improvement in gross profit margin. We also delivered record results for the year, including organic sales growth of 14%, in line with our low double-digit growth expectation. Sales growth was lead by increased demand in the power generation, commercial marine and general industrial end markets. We are well positioned heading into 2009, with a higher backlog than we had at the beginning of 2008.”

He continued, “Despite our recent performance and our relatively strong backlog, we expect that the second half of the year could be very challenging if current economic conditions persist. We remain cautious on our outlook but continue to expect organic sales growth in the range of 1% to 3% and adjusted earnings per share of \$1.10 to \$1.17 for 2009. Our focus continues to be on growing the business through expanding our served markets, executing on our breakthrough initiatives and pursuing acquisitions while controlling costs. Our strong financial position allows us to be flexible as well as opportunistic. We believe that the long-term fundamentals of our end markets including the need for infrastructure and energy worldwide bode well for our fluid-handling products and solutions.”

Non-GAAP Financial Measures

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, EBITDA, adjusted EBITDA, organic sales growth and organic order growth. Adjusted net income, adjusted net income per share, adjusted operating income and adjusted EBITDA exclude asbestos liability and defense cost (income) and asbestos coverage litigation expense, certain legacy legal charges, certain due diligence costs, as well as one time initial public offering-related costs. Adjusted net income also reflects interest expense as if the initial public offering (IPO) had occurred at the beginning of 2007 and presents income taxes at an effective tax rate of 34%. Adjusted net income per share assumes the 44,006,026 shares outstanding at the closing of the IPO to be outstanding since January 1, 2007. Organic sales growth and organic order growth 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 changes in our capital structure and asset base, non-recurring items such as IPO-related costs, legacy asbestos issues (except in the case of EBITDA) and items outside the control of its operating management team.

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 and business strategy on Friday, February 20 at 8:00 a.m. EST. The call will be open to the public through 719-325-4744 or 877-723-9518 and webcast via Colfax's website at <http://www.colfaxcorp.com> under the "Investor Relations" 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. In addition, a replay of this call will be available until approximately March 6, 2009. The replay number in the U.S. is 888-203-1112 and internationally it is 719-457-0820, and the access code is 4053059.

About Colfax Corporation

Colfax Corporation is a global leader in critical fluid-handling solutions, including the manufacture of positive displacement industrial pumps and valves used in global oil & gas, power generation, marine, naval and a variety of other industrial applications. Key product brands include Allweiler, Fairmount Automation, Houttuin, Imo, LSC, Portland Valve, Tushaco, Warren and Zenith. Colfax is traded on the NYSE under the ticker "CFX." Additional information about Colfax's products, businesses and practices is available at www.colfaxcorp.com

Cautionary Note Concerning Forward Looking Statements

This press release contains forward-looking statements, including forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements concerning Colfax's plans, objectives, expectations and intentions and other statements that are not historical or current facts. Forward-looking statements are based on Colfax's current expectations and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements. Factors that could cause Colfax's results to differ materially from current expectations include, but are not limited to factors detailed in Colfax's reports filed with the U.S. Securities and Exchange Commission as well as its Registration Statement on Form S-1 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 this date. Colfax disclaims any duty to update the information herein.

COLFAX CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited

(amounts in thousands, except per share data)

	Three Months Ended		Year Ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
Net sales	\$ 159,311	\$ 143,703	\$ 604,854	\$ 506,305
Cost of sales	<u>101,557</u>	<u>94,488</u>	<u>387,667</u>	<u>330,714</u>
Gross profit	57,754	49,215	217,187	175,591
Initial public offering-related costs	-	-	57,017	-
Selling, general and administrative expenses	27,718	23,223	125,234	98,500
Research and development expenses	1,426	1,087	5,856	4,162
Asbestos liability and defense (income) costs	1,978	(31,946)	(4,771)	(63,978)
Asbestos coverage litigation expenses	<u>4,905</u>	<u>5,314</u>	<u>17,162</u>	<u>13,632</u>
Operating income	21,727	51,537	16,689	123,275
Interest expense	<u>2,138</u>	<u>4,830</u>	<u>11,822</u>	<u>19,246</u>
Income before income taxes	19,589	46,707	4,867	104,029
Provision for income taxes	<u>9,210</u>	<u>17,715</u>	<u>5,438</u>	<u>39,147</u>
Net income (loss)	<u>\$ 10,379</u>	<u>\$ 28,992</u>	<u>\$ (571)</u>	<u>\$ 64,882</u>
Net income (loss) available to common shareholders per share—basic and diluted	<u>\$ 0.24</u>	<u>\$ 0.77</u>	<u>\$ (0.11)</u>	<u>\$ 1.79</u>

COLFAX CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
Preliminary and Unaudited
(amounts in thousands)

	December 31,	
	2008	2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 28,762	\$ 48,093
Trade receivables, less allowance for doubtful accounts	101,064	84,430
Inventories, net	80,327	68,287
Asbestos insurance asset	26,473	19,059
Asbestos insurance receivable	36,371	44,664
Other current assets	21,860	22,534
Total current assets	294,857	287,067
Deferred income taxes, net	53,428	36,447
Property, plant and equipment, net	92,090	88,391
Goodwill and intangible assets, net	179,046	185,353
Long-term asbestos insurance asset	277,542	286,169
Deferred loan costs, pension and other assets	16,113	13,113
Total assets	\$ 913,076	\$ 896,540
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt and capital leases	\$ 5,420	\$ 2,640
Accounts payable	52,138	48,910
Accrued asbestos liability	28,574	28,901
Other accrued liabilities	68,154	67,923
Total current liabilities	154,286	148,374
Long-term debt, less current portion	91,701	203,853
Long-term dividend payable to shareholders	-	35,054
Long-term asbestos liability	328,684	347,332
Pension and accrued post-retirement benefits	130,188	71,365
Other liabilities	41,286	37,511
Total liabilities	746,145	843,489
Shareholders' equity	166,931	53,051
Total liabilities and shareholders' equity	\$ 913,076	\$ 896,540

COLFAX CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Preliminary and Unaudited
(amounts in thousands)

	Year ended December 31,	
	2008	2007
Cash flows from operating activities:		
Net (loss) income	\$ (571)	\$ 64,882
Adjustments to reconcile net (loss) income to cash (used in) provided by operating activities:		
Depreciation and amortization	14,788	15,239
Noncash stock-based compensation	11,330	-
Write off of deferred loan costs	4,614	-
Other adjustments for non-cash items	994	1,609
Deferred income taxes	(13,357)	22,186
Changes in working capital	(27,680)	3,344
Changes in other operating assets and liabilities	(21,631)	(32,777)
Net cash (used in) provided by operating activities	<u>(31,513)</u>	<u>74,483</u>
Cash flows from investing activities:		
Purchases of fixed assets	(20,113)	(13,671)
Acquisitions, net of cash received	(439)	(32,987)
Proceeds from sale of fixed assets	23	133
Net cash used in investing activities	<u>(20,529)</u>	<u>(46,525)</u>
Cash flows from financing activities:		
Borrowings under term credit facility	100,000	55,000
Payments under term credit facility	(210,278)	(11,791)
Proceeds from borrowings on revolving credit facilities	28,185	58,000
Repayments of borrowings on revolving credit facilities	(28,158)	(86,500)
Proceeds from the issuance of common stock, net of offering costs	193,020	-
Repurchases of common stock	(5,731)	-
Dividends paid to preferred shareholders	(38,546)	-
Other	(3,656)	(2,972)
Net cash provided by financing activities	<u>34,836</u>	<u>11,737</u>
Effect of exchange rates on cash	<u>(2,125)</u>	<u>790</u>
(Decrease) increase in cash and cash equivalents	(19,331)	40,485
Cash and cash equivalents, beginning of year	48,093	7,608
Cash and cash equivalents, end of year	<u>\$ 28,762</u>	<u>\$ 48,093</u>

COLFAX CORPORATION
Reconciliation of GAAP to non-GAAP Financial Measures

Unaudited

(dollars in thousands, except per share data)

	Three Months Ended		Year Ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
EBITDA				
Net income (loss)	\$ 10,379	\$ 28,992	\$ (571)	\$ 64,882
Interest expense	2,138	4,830	11,822	19,246
Provision for income taxes	9,210	17,715	5,438	39,147
Depreciation and amortization	3,443	4,034	14,788	15,239
EBITDA	\$ 25,170	\$ 55,571	\$ 31,477	\$ 138,514
EBITDA margin	15.8%	38.7%	5.2%	27.4%
Adjusted EBITDA				
Net income (loss)	\$ 10,379	\$ 28,992	\$ (571)	\$ 64,882
Interest expense	2,138	4,830	11,822	19,246
Provision for income taxes	9,210	17,715	5,438	39,147
Depreciation and amortization	3,443	4,034	14,788	15,239
IPO-related costs	-	-	57,017	-
Legacy legal adjustment	-	-	4,131	-
Due diligence costs	-	-	582	-
Asbestos liability and defense (income) costs	1,978	(31,946)	(4,771)	(63,978)
Asbestos coverage litigation expense	4,905	5,314	17,162	13,632
Adjusted EBITDA	\$ 32,053	\$ 28,939	\$ 105,598	\$ 88,168
Adjusted EBITDA margin	20.1%	20.1%	17.5%	17.4%
Adjusted Net Income and Adjusted Earnings per Share				
Net income (loss)	\$ 10,379	\$ 28,992	\$ (571)	\$ 64,882
IPO-related costs	-	-	57,017	-
Legacy legal adjustment	-	-	4,131	-
Due diligence costs	-	-	582	-
Asbestos liability and defense (income) costs	1,978	(31,946)	(4,771)	(63,978)
Asbestos coverage litigation expense	4,905	5,314	17,162	13,632
Interest adjustment to effect IPO at beginning of period	-	2,143	2,302	7,536
Tax adjustment to 34% effective rate	210	10,161	(22,201)	18,333
Adjusted net income	\$ 17,472	\$ 14,664	\$ 53,651	\$ 40,405
Adjusted net income margin	11.0%	10.2%	8.9%	8.0%
Shares outstanding at closing of IPO	44,006,026	44,006,026	44,006,026	44,006,026
Adjusted net income per share	\$ 0.40	\$ 0.33	\$ 1.22	\$ 0.92
Net income (loss) per share-basic and diluted in accordance with GAAP	\$ 0.24	\$ 0.77	\$ (0.11)	\$ 1.79
Adjusted Operating Income				
Operating income	\$ 21,727	\$ 51,537	\$ 16,689	\$ 123,275
IPO-related costs	-	-	57,017	-
Legacy legal adjustment	-	-	4,131	-
Due diligence costs	-	-	582	-
Asbestos liability and defense (income) costs	1,978	(31,946)	(4,771)	(63,978)
Asbestos coverage litigation expense	4,905	5,314	17,162	13,632
Adjusted operating income	\$ 28,610	\$ 24,905	\$ 90,810	\$ 72,929
Adjusted operating income margin	18.0%	17.3%	15.0%	14.4%

COLFAX CORPORATION
Sales and Order Growth
Unaudited
(amounts in millions)

	<u>Sales</u>		<u>Orders</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Three Months Ended December 31, 2007	\$ 143.7		\$ 156.5	
<i>Components of Growth:</i>				
Organic growth from existing businesses	27.4	19.1%	(24.7)	(15.8)%
Acquisitions	0.8	0.6%	3.1	2.0%
Foreign currency translation	(12.6)	(8.8)%	(8.6)	(5.5)%
Total Growth	15.6	10.9%	(30.2)	(19.3)%
Three Months Ended December 31, 2008	\$ 159.3		\$ 126.3	
	<u>Sales</u>		<u>Orders</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Year Ended December 31, 2007	\$ 506.3		\$ 581.5	
<i>Components of Growth:</i>				
Organic growth from existing businesses	70.2	13.9%	40.9	7.0%
Acquisitions	5.5	1.1%	11.7	2.0%
Foreign currency translation	22.9	4.5%	35.1	6.1%
Total Growth	98.6	19.5%	87.7	15.1%
Year Ended December 31, 2008	\$ 604.9		\$ 669.2	

COLFAX CORPORATION
Reconciliation of Projected 2009 Net Income Per Share to Adjusted Net Income Per Share
Preliminary and Unaudited
(amounts in dollars)

	<u>EPS Range</u>	
Projected 2009 net income per share - fully diluted	\$ 0.80	\$ 0.87
Asbestos coverage litigation	0.28	0.28
Asbestos liability and defense costs	0.16	0.16
Income tax benefit at 32%	<u>(0.14)</u>	<u>(0.14)</u>
Projected 2009 adjusted net income per share - fully diluted	<u>\$ 1.10</u>	<u>\$ 1.17</u>

Contact:

Mitzi Reynolds, Vice President, Investor Relations
Colfax Corporation
804-327-5689



Q4 2008 Earnings Call

February 20, 2009



The following information contains forward-looking statements, including forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements concerning Colfax's plans, objectives, expectations and intentions and other statements that are not historical or current facts. Forward-looking statements are based on Colfax's current expectations and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements. Factors that could cause Colfax's results to differ materially from current expectations include, but are not limited to factors detailed in Colfax's reports filed with the U.S. Securities and Exchange Commission as well as its Registration Statement on Form S-1 under the caption "Risk Factors". In addition, these statements are based on a number of assumptions that are subject to change. This presentation speaks only as of this date. Colfax disclaims any duty to update the information herein.



- Adjusted net income of \$17.5 million (40 cents per share), an increase of 19.1%
- Net sales of \$159.3 million, an increase of 10.9% (organic growth of 19.1%)
- Adjusted operating income of \$28.6 million, an increase of 14.9%
- Adjusted EBITDA of \$32.1 million, an increase of 10.8%
- Fourth quarter orders of \$126.3 million, a decrease of 19.3% (organic decrease of 15.8%)
- Record backlog of \$337.3 million

Strong performance in 2008



- Adjusted net income of \$53.7 million (\$1.22 per share), an increase of 32.8%
- Net sales of \$604.9 million, an increase of 19.5% (organic growth of 13.9%)
- Adjusted operating income of \$90.8 million, an increase of 24.5%
- Adjusted EBITDA of \$105.6 million, an increase of 19.8%
- Orders of \$669.2 million, an increase of 15.1% (organic growth of 7.0%)

Strong performance in 2008



Orders



Backlog



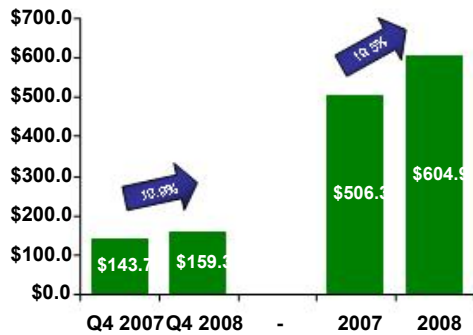
Existing Businesses	--	(15.8)%	--	7.0%
Acquisitions	--	2.0%	--	2.0%
FX Translation	--	(5.5)%	--	6.1%
Total Growth		(19.3)%		15.1%

Steady backlog growth

Note: Dollars in millions.



Revenue



Existing Businesses	--	19.1%	--	13.9%
Acquisitions	--	0.6%	--	1.1%
FX Translation	--	(8.8)%	--	4.5%
Total Growth		10.9%		19.5%

Adjusted EBITDA (1)



% Margin	20.1%	20.1%	-	17.5%	17.4%
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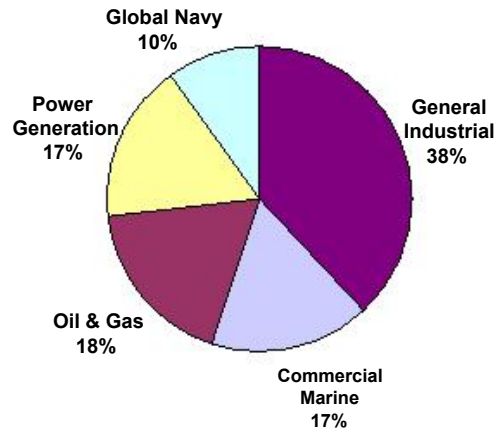
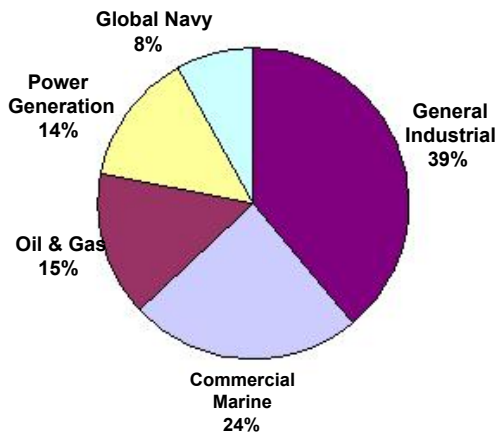
Consistent track record of profitable sales growth

(1) Refer to Appendix for Non-GAAP reconciliation.
Note: Dollars in millions.



Q4 2008 Sales: \$159.3 million

Q4 2008 Orders: \$126.3 million

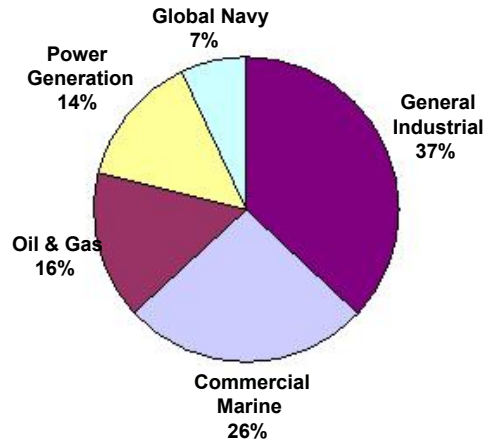
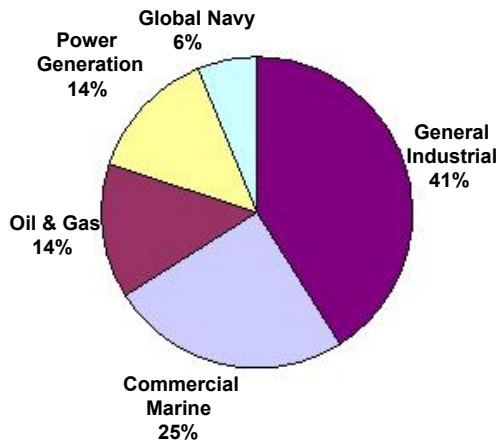


Well positioned in five attractive and diverse end markets



2008 Sales: \$604.9 million

2008 Orders: \$669.2 million



Well positioned in five attractive and diverse end markets



Q4 2008 Year-Over-Year Results

- Orders down 62.5% year-over-year (-58.2% organic growth)
- Sales up 21.4% year-over-year (34.4% organic growth)

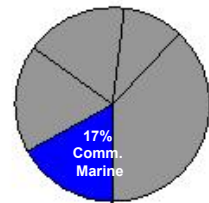
2008 Year-Over-Year Results

- Orders up 4.9% year-over-year (-2.4% organic growth)
- Sales up 24.1% year-over-year (17.1% organic growth)

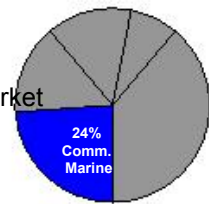
Market Trends

- International trade and demand for bulk commodities and oil continuing to drive new ship construction
- Aging fleet, environmental regulations requiring ship owners to upgrade or replace ships
- Local presence required to effectively serve customers and capture aftermarket business
- Declining orders and risk of potential cancellations/project delays

Colfax Q4 08 Orders Split



Colfax Q4 08 Sales Split



Executing strategies to drive profitable sales growth



Q4 2008 Year-Over-Year Results

- Orders up 35.8% year-over-year (37.2% organic growth)
- Sales up 8.9% year-over-year (10.7% organic growth)

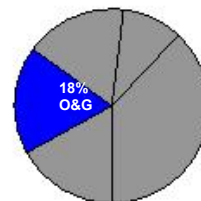
2008 Year-Over-Year Results

- Orders up 38.2% year-over-year (33.6% organic growth)
- Sales up 4.9% year-over-year (2.1% organic growth)

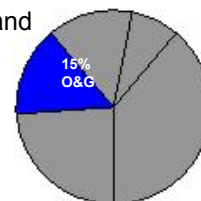
Market Trends

- Capacity constraints and global demand spurring heavy oil exploration, transport and processing
- Customers focusing more on "total cost of ownership" to reduce downtime and increase efficiency
- Application expertise critical to winning large project orders
- Volatile oil prices and economic downturn resulting in project delays

Colfax Q4 08 Orders Split



Colfax Q4 08 Sales Split



Strong product portfolio capable of solving needs of evolving oil & gas market



Q4 2008 Year-Over-Year Results

- Orders up 50.0% year-over-year (59.2% organic growth)
- Sales down 8.4% year-over-year (-2.8% organic growth)

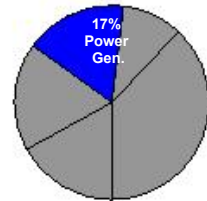
2008 Year-Over-Year Results

- Orders up 17.6% year-over-year (12.9% organic growth)
- Sales up 25.5% year-over-year (21.3% organic growth)

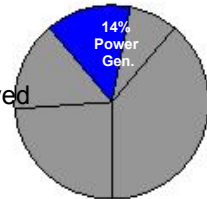
Market Trends

- Economic growth in Asia and Middle East driving investment in energy infrastructure projects
- Aging power infrastructure in mature markets creating upgrade projects to increase efficiency and lower operating costs
- Multiple forms of power generation (gas, coal, hydro, nuclear) being employed to satisfy growing global demand

Colfax Q4 08 Orders Split



Colfax Q4 08 Sales Split



Leading supplier of lubrication solutions to power generation OEMs



Q4 2008 Year-Over-Year Results

- Orders up 84.7% year-over-year (38.3% organic growth)
- Sales up 26.9% year-over-year (20.1% organic growth)

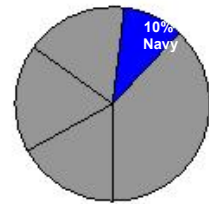
YTD 2008 Year-Over-Year Results

- Orders up 58.0% year-over-year (22.1% organic growth)
- Sales up 11.1% year-over-year (-2.3% organic growth)

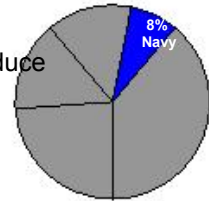
Market Trends

- New ships replacing older decommissioned vessels in the U.S.
- Sovereign navies around the world expanding fleets to address heightened national security level concerns
- Increased demand for integrated fluid handling systems and solutions to reduce operating costs

Colfax Q4 08 Orders Split



Colfax Q4 08 Sales Split



Developing innovative fluid handling products and systems to drive future growth



Q4 2008 Year-Over-Year Results

- Orders down 22.2% year-over-year (-14.7% organic growth)
- Sales up 11.0% year-over-year (22.8% organic growth)

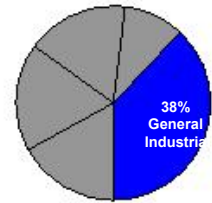
2008 Year-Over-Year Results

- Orders up 8.4% year-over-year (1.0% organic growth)
- Sales up 21.9% year-over-year (16.9% organic growth)

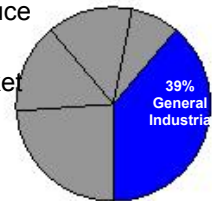
Market Trends

- Global economic development driving increased capital investment
- Developing regions embracing engineered products and solutions that reduce costs and increase efficiency
- Global footprint and channel optimization required to cover broad end market applications
- Uncertain economy impacting some end markets

Colfax Q4 08 Orders Split



Colfax Q4 08 Sales Split



Leading supplier of highly engineered fluid handling products and systems with global reach



	Three Months Ended		Delta	
	12/31/2008	12/31/2007	\$	%
Orders	\$ 126.3	\$ 156.5	\$ (30.2)	-19.3%
Sales	\$ 159.3	\$ 143.7	\$ 15.6	10.9%
Gross Profit	\$ 57.8	\$ 49.2	\$ 8.5	17.4%
% of Sales	36.3%	34.2%		
SG&A Expense	\$ 27.7	\$ 23.2	\$ 4.5	19.4%
R&D Expense	1.4	1.1	0.3	31.2%
Operating Expenses	\$ 29.1	\$ 24.3	\$ 4.8	19.9%
% of Sales	18.3%	16.9%		
Adjusted Operating Income	\$ 28.6	\$ 24.9	\$ 3.7	14.9%
% of Sales	18.0%	17.3%		
Adjusted EBITDA	\$ 32.1	\$ 28.9	\$ 3.1	10.8%
% of Sales	20.1%	20.1%		
Adjusted Net Income	\$ 17.5	\$ 14.7	\$ 2.8	19.1%
% of Sales	11.0%	10.2%		

Refer to Appendix for Non-GAAP reconciliation.

Note: Dollars in millions.



	Year Ended		Delta	
	12/31/2008	12/31/2007	\$	%
Orders	\$ 669.2	\$ 581.5	\$ 87.7	15.1%
Sales	\$ 604.9	\$ 506.3	\$ 98.6	19.5%
Gross Profit	\$ 217.2	\$ 175.6	\$ 41.6	23.7%
% of Sales	35.9%	34.7%		
Adjusted SG&A Expense	\$ 120.5	\$ 98.5	\$ 22.0	22.4%
R&D Expense	5.9	4.2	1.7	40.7%
Operating Expenses	\$ 126.4	\$ 102.7	\$ 23.7	23.1%
% of Sales	20.9%	20.3%		
Adjusted Operating Income	\$ 90.8	\$ 72.9	\$ 17.9	24.5%
% of Sales	15.0%	14.4%		
Adjusted EBITDA	\$ 105.6	\$ 88.2	\$ 17.4	19.8%
% of Sales	17.5%	17.4%		
Adjusted Net Income	\$ 53.7	\$ 40.4	\$ 13.2	32.8%
% of Sales	8.9%	8.0%		

Refer to Appendix for Non-GAAP reconciliation.

Note: Dollars in millions.





Statement of Cash Flows Summary (Preliminary & Unaudited)

Q4 2008 Earnings Call

	Year Ended December 31,	
	2008	2007
Net (Loss) Income	\$ (0.6)	\$ 64.9
Non-Cash Expenses	18.4	39.0
Change in Working Capital and Accrued Liabilities	(27.7)	3.3
Other	(21.6)	(32.7)
Total Operating Activities	\$ (31.5)	\$ 74.5
Capital Expenditures	\$ (20.1)	\$ (13.6)
Acquisitions	(0.4)	(33.0)
Proceeds from Sale of Fixed Assets	-	0.1
Total Investing Activities	\$ (20.5)	\$ (46.5)
Net Borrowings	\$ (110.3)	\$ 14.7
Proceeds from IPO, Net of Offering Costs	193.0	-
Dividends Paid	(38.5)	-
Common Stock Repurchases	(5.7)	-
Other	(3.7)	(3.0)
Total Financing Activities	\$ 34.8	\$ 11.7
Effect of Exchange Rates on Cash	(2.1)	0.8
(Decrease) Increase in Cash	(19.3)	40.5
Cash Beginning of Period	48.1	7.6
Cash End of Period	\$ 28.8	\$ 48.1

Note: Dollars in millions.



- Debt to adjusted EBITDA < 1 times
- Approximately \$130 million available on revolver (expires in 2013)
- Approximately \$29 million in cash

Strong balance sheet and credit availability provide flexibility

(1) As of FYE 2008



Revenue Range			
2009 Organic growth ⁽¹⁾	1%	to	3%
2009 Total	\$570 million	to	\$585 million

EPS Range			
2009 Net income per share	\$0.80	to	\$0.87
2009 Adjusted net income per share ⁽²⁾	\$1.10	to	\$1.17

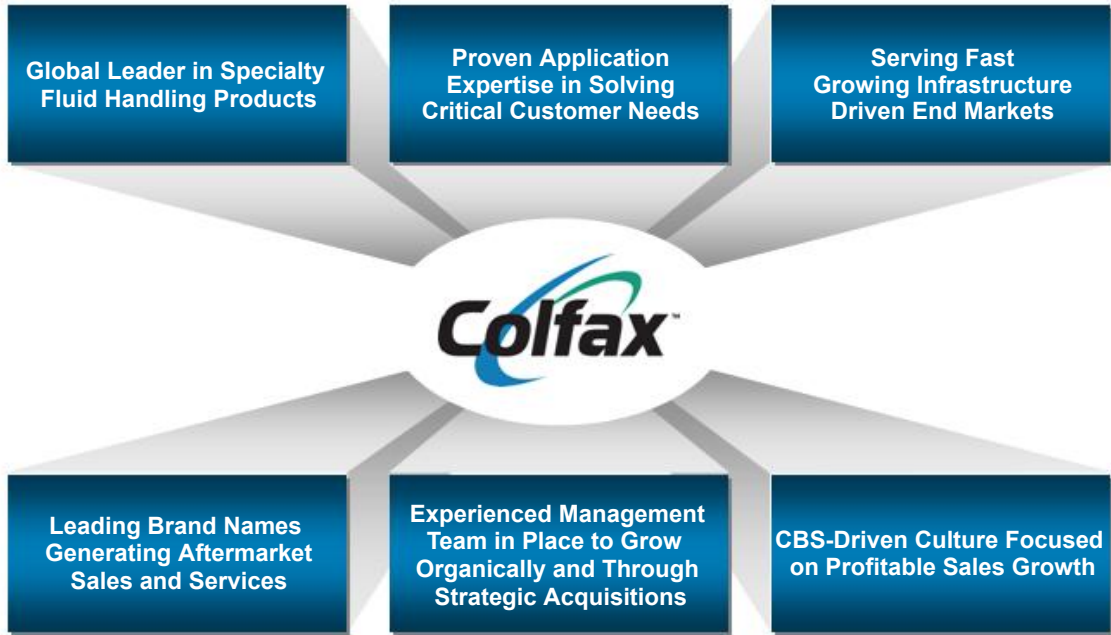
Assumptions	
Asbestos coverage litigation	\$12 million
Asbestos liability and defense costs	\$7 million
Euro	\$1.41
Tax rate	32%
Interest expense	\$8 million
Incremental public company costs	\$2.5 million
Outstanding shares	43.3 million

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

(2) Excludes impact of asbestos coverage litigation and asbestos liability and defense costs
(See Appendix for Non-GAAP reconciliation)

Adjusted EPS for 2009 of \$1.10 to \$1.17





Appendix



Adjusted net income, adjusted net income per share, adjusted operating income, EBITDA, adjusted EBITDA, adjusted selling, general and administrative expenses, organic sales growth and organic order growth are non-GAAP financial measures. Adjusted net income, adjusted net income per share, adjusted operating income and adjusted EBITDA exclude asbestos liability and defense cost (income) and asbestos coverage litigation expense, certain legacy legal charges, certain due diligence costs, as well as one time initial public offering-related costs. Adjusted selling, general and administrative expenses exclude certain legacy legal charges and certain due diligence costs. Adjusted net income also reflects interest expense as if the initial public offering (IPO) had occurred at the beginning of 2007 and presents income taxes at an effective tax rate of 34%. Adjusted net income per share assumes the 44,006,026 shares outstanding at the closing of the IPO to be outstanding since January 1, 2007. Projected adjusted net income per share excludes asbestos coverage litigation and asbestos liability and defense costs, and presents income tax benefit at 32%. Organic sales growth and organic order growth 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 changes in our capital structure and asset base, non-recurring items such as IPO-related costs, legacy asbestos issues (except in the case of EBITDA) and items outside the control of its operating management team.

Sales and order information by end market are estimates. We periodically update our customer groupings in order to refine these estimates. During the fourth quarter of 2008, reclassifications of previously reported amounts were made to conform to current period presentation. No changes have been made to total sales or orders.



	Three Months Ended		Year Ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
EBITDA				
Net income (loss)	\$ 10,379	\$ 28,992	\$ (571)	\$ 64,882
Interest expense	2,138	4,830	11,822	19,246
Provision for income taxes	9,210	17,715	5,438	39,147
Depreciation and amortization	3,443	4,034	14,788	15,239
EBITDA	\$ 25,170	\$ 55,571	\$ 31,477	\$ 138,514
EBITDA margin	15.8%	38.7%	5.2%	27.4%
Adjusted EBITDA				
Net income (loss)	\$ 10,379	\$ 28,992	\$ (571)	\$ 64,882
Interest expense	2,138	4,830	11,822	19,246
Provision for income taxes	9,210	17,715	5,438	39,147
Depreciation and amortization	3,443	4,034	14,788	15,239
IPO-related costs	-	-	57,017	-
Legacy legal adjustment	-	-	4,131	-
Due diligence costs	-	-	582	-
Asbestos liability and defense (income) costs	1,978	(31,946)	(4,771)	(63,978)
Asbestos coverage litigation expense	4,905	5,314	17,162	13,632
Adjusted EBITDA	\$ 32,053	\$ 28,939	\$ 105,598	\$ 88,168
Adjusted EBITDA margin	20.1%	20.1%	17.5%	17.4%

Note: Dollars in thousands.



	Three Months Ended		Year Ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
Adjusted Net Income and Adjusted Earnings per Share				
Net income (loss)	\$ 10,379	\$ 28,992	\$ (571)	\$ 64,882
IPO-related costs	-	-	57,017	-
Legacy legal adjustment	-	-	4,131	-
Due diligence costs	-	-	582	-
Asbestos liability and defense (income) costs	1,978	(31,946)	(4,771)	(63,978)
Asbestos coverage litigation expense	4,905	5,314	17,162	13,632
Interest adjustment to effect IPO at beginning of period	-	2,143	2,302	7,536
Tax adjustment to 34% effective rate	210	10,161	(22,201)	18,333
Adjusted net income	<u>\$ 17,472</u>	<u>\$ 14,664</u>	<u>\$ 53,651</u>	<u>\$ 40,405</u>
Adjusted net income margin	11.0%	10.2%	8.9%	8.0%
Shares outstanding at closing of IPO	44,006,026	44,006,026	44,006,026	44,006,026
Adjusted net income per share	<u>\$ 0.40</u>	<u>\$ 0.33</u>	<u>\$ 1.22</u>	<u>\$ 0.92</u>
Net income (loss) per share-basic and diluted in accordance with GAAP	<u>\$ 0.24</u>	<u>\$ 0.77</u>	<u>\$ (0.11)</u>	<u>\$ 1.79</u>
Adjusted Operating Income				
Operating income	\$ 21,727	\$ 51,537	\$ 16,689	\$ 123,275
IPO-related costs	-	-	57,017	-
Legacy legal adjustment	-	-	4,131	-
Due diligence costs	-	-	582	-
Asbestos liability and defense (income) costs	1,978	(31,946)	(4,771)	(63,978)
Asbestos coverage litigation expense	4,905	5,314	17,162	13,632
Adjusted operating income	<u>\$ 28,610</u>	<u>\$ 24,905</u>	<u>\$ 90,810</u>	<u>\$ 72,929</u>
Adjusted operating income margin	18.0%	17.3%	15.0%	14.4%

Note: Dollars in thousands, except per share amounts.



	<u>Three Months Ended</u>		<u>Year Ended</u>	
	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Adjusted SG&A Expense				
Selling, general and administrative expenses	\$ 27,718	\$ 23,223	\$ 125,234	\$ 98,500
Legacy legal adjustment	-	-	4,131	-
Due diligence costs	-	-	582	-
Adjusted selling, general and administrative expenses	<u>\$ 27,718</u>	<u>\$ 23,223</u>	<u>\$ 120,521</u>	<u>\$ 98,500</u>

Note: Dollars in thousands.



	Sales		Orders	
	\$	%	\$	%
Three Months Ended December 31, 2007	\$ 143.7		\$ 156.5	
<i>Components of Growth:</i>				
Organic growth from existing businesses	27.4	19.1%	(24.7)	(15.8%)
Acquisitions	0.8	0.6%	3.1	2.0%
Foreign currency translation	(12.6)	(8.8%)	(8.6)	(5.5%)
Total Growth	<u>15.6</u>	<u>10.9%</u>	<u>(30.2)</u>	<u>(19.3%)</u>
Three Months Ended December 31, 2008	\$ 159.3		\$ 126.3	

	Sales		Orders	
	\$	%	\$	%
Year Ended December 31, 2007	\$ 506.3		\$ 581.5	
<i>Components of Growth:</i>				
Organic growth from existing businesses	70.2	13.9%	40.9	7.0%
Acquisitions	5.5	1.1%	11.7	2.0%
Foreign currency translation	22.9	4.5%	35.1	6.1%
Total Growth	<u>98.6</u>	<u>19.5%</u>	<u>87.7</u>	<u>15.1%</u>
Year Ended December 31, 2008	\$ 604.9		\$ 669.2	

Note: Dollars in millions.



	<u>EPS Range</u>	
Projected 2009 net income per share - fully diluted	\$ 0.80	\$ 0.87
Asbestos coverage litigation	0.28	0.28
Asbestos liability and defense costs	0.16	0.16
Income tax benefit at 32%	<u>(0.14)</u>	<u>(0.14)</u>
Projected 2009 adjusted net income per share - fully diluted	<u>\$ 1.10</u>	<u>\$ 1.17</u>

