Colfax CORP
Form FWP
April 25, 2008
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Issuer Free Writing Prospectus
Dated April 25, 2008
Filed Pursuant to Rule 433
Registration Statement No. 333-148486

This document comprises a prospectus relating to Colfax Corporation and has been approved on April 25, 2008 by the German Financial Supervisory Authority (*BaFin*) in accordance with section 13 of the German Securities Prospectus Act *(Wertpapierprospektgesetz)* which implemented the Prospectus Directive for the purposes of an offer of shares of our common stock to the public in Germany. Colfax Corporation has applied to *BaFin* to provide the Swedish Financial Supervisory Authority (*Finansinspektionen*) with a certificate of approval attesting that the prospectus has been drawn up in accordance with the German Securities Prospectus Act for purposes of a simultaneous offer of shares of our common stock to the public in Sweden. The shares of common stock are offered by Colfax Corporation and by the selling stockholders identified in this prospectus. After pricing of the offering, we expect that the shares will trade on the New York Stock Exchange under the symbol CFX .

Prospectus

for

the public offering of

up to 21,562,500 shares of common stock

including up to 2,812,500 shares of common stock

in connection with potential overallotments

with an expected public offering price between $15.00 and $17.00

of

Colfax Corporation

Richmond, Virginia, United States of America

CUSIP: 194014 106

International Securities Identification Number (ISIN): US1940141062

Merrill Lynch & Co.

Lehman Brothers

UBS Investment Bank

Robert W. Baird & Co.	**Banc of America Securities LLC**	**Deutsche Bank Securities**	**KeyBanc Capital Markets**

April 25, 2008

We have filed a registration statement (including a prospectus) with the United States Securities and Exchange Commission (SEC) in connection with the offering of shares of our common stock in the United States (Registration No. 333-148486). Before you invest, you should read the prospectus in that registration statement and other documents we have filed with the SEC for more complete information about us and this offering. You may get these documents for free by visiting EDGAR on the SEC Website at www.sec.gov. Alternatively, any underwriter participating in the offering will arrange to send you the prospectus, which you may request by calling 1- 212 449 1000.

A copy of the most recent prospectus that satisfies the requirements of the SEC can be found at the following URL link: http://www.totalmerrill.com/publish/mkt/prospectus/pdfs/red_cfx.pdf

Neither the SEC nor any state securities commission in the United States has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense in the United States.

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You should rely only on the information contained in this prospectus. We, the selling stockholders, and the underwriters have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date. Neither we nor the underwriters assume any obligation to update the information appearing in this prospectus, save as required by law (in particular, our obligation to publish supplements pursuant to section 16(1) of the German Securities Prospectus Act (*Wertpapierprospektgesetz*)).

Unless otherwise indicated, references in this prospectus to Colfax, the company, we, our and us refer to Colfax Corporation and its subsidia In the prospectus, references to United States or U.S. are to the United States of America, references to Germany are to the Federal Republic of Germany and references to Sweden are to The Kingdom of Sweden. In this prospectus, references to euro or are to the single currency which was introduced as of January 1, 1999 at the start of the third stage of European economic and monetary union, references to U.S. dollars , USD or $ are to United States dollars and references to SEK are to Swedish Krona.

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PROSPECTUS SUMMARY

The following summary is to be read as an introduction to this prospectus. This summary is qualified in its entirety by the more detailed information and the consolidated financial statements and related notes appearing elsewhere in this prospectus. This summary may not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully, including the section entitled Risk Factors, our consolidated financial statements and the related notes, before making an investment decision. Colfax Corporation assumes responsibility for the contents of the summary of this prospectus. Colfax Corporation can, however, only be held liable for the contents of the summary if the summary is misleading, incorrect or contradictory when read in conjunction with other sections of the prospectus. When asserting legal claims based on the information contained in the prospectus, an investor acting as plaintiff may have to bear the costs of translating the prospectus prior to commencement of the court case pursuant to the statutes of the individual member states of the European Economic Area.

Our Business

We are a global supplier of a broad range of fluid handling products, including pumps, fluid handling systems and specialty valves. We believe that we are a leading manufacturer of rotary positive displacement pumps, which include screw pumps, gear pumps and progressive cavity pumps. We have a global manufacturing footprint, with production facilities in Europe, North America and Asia, as well as worldwide sales and distribution channels. Our products serve a variety of applications in five strategic markets: commercial marine, oil and gas, power generation, global navy and general industrial. We design and engineer our products to high quality and reliability standards for use in critical fluid handling applications where performance is paramount. We also offer customized fluid handling solutions to meet individual customer needs based on our in-depth technical knowledge of the applications in which our products are used. Our products are marketed principally under the Allweiler, Fairmount, Houttuin, Imo, LSC, Portland Valve, Tushaco, Warren, and Zenith brand names. We believe that our brands are widely known and have a premium position in our industry. Allweiler, Houttuin, Imo and Warren are among the oldest and most recognized brands in the markets in which we participate, with Allweiler dating back to 1860.

We serve a global customer base across multiple markets through a combination of direct sales and marketing associates and third-party distribution channels. Our customer base is highly diversified and includes commercial, industrial, marine and governmental customers such as Alfa Laval, Cummins, General Dynamics, Hyundai Heavy Industries, Siemens, Solar Turbines, Thyssenkrupp, the U.S. Navy and various sovereign navies around the world. We have a large installed base, which, combined with the critical nature of the applications in which our products are used, leads to a tendency for our customers to replace like for like products. This tendency leads to significant aftermarket demand for replacement products as well as for spare parts and maintenance service.

We employ a comprehensive set of tools and processes known as the Colfax Business System, or CBS. CBS is a disciplined strategic planning and execution methodology designed to achieve excellence and world-class financial performance in all aspects of our business by focusing on the *Voice of the Customer* and continuously improving quality, delivery and cost.

We have an experienced management team that has established a focused industrial manufacturing business with strong market positions within the fluid handling industry. We believe we are well positioned to continue to grow by enhancing our product offerings and expanding our customer base in each of our strategic markets. We also have successfully completed and integrated several acquisitions and expect to continue to

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pursue acquisitions of complementary businesses that will broaden our product portfolio, expand our geographic footprint or enhance our position in our strategic markets.

Our Market Opportunity

The global fluid handling industry is highly fragmented, with over 10,000 companies competing across numerous markets and sectors of the economy. Because fluid handling products often are used in critical applications, we believe the most successful industry participants are those that have the technical capabilities to meet customer specifications, offer products with reputations for quality and reliability and can provide timely delivery and strong aftermarket support.

We believe there is strong growth potential for our products and services in our strategic markets, which are global in nature and have a need for highly engineered, critical fluid handling solutions. We believe that our global presence positions us to compete successfully in all of our markets throughout the world.

Our Competitive Strengths

We believe that the following competitive strengths position us as a premium provider of fluid handling products and will contribute to our future growth:

Strong Market Positions, Broad Product Portfolio and Leading Brands. We believe that we are a leading manufacturer of rotary positive displacement pumps, which include screw pumps, gear pumps and progressive cavity pumps. We offer a broad portfolio of fluid handling products that fulfill critical needs of customers across numerous industries. Our brands are among the oldest and most recognized in the markets in which we participate.

Strong Application Expertise. We believe that our reputation for quality and technical expertise positions us as a premium supplier of fluid handling products. With over 140 years of experience, we have significant expertise in designing and manufacturing fluid handling products that are used in critical applications, such as lubricating power generation turbines, transporting crude oil through pipelines and transferring heavy fuel oil in commercial marine vessels.

Extensive Global Sales, Distribution and Manufacturing Network. We sell our products through over 300 direct sales and marketing associates and more than 450 authorized distributors in 79 countries. We believe that our global reach within the highly fragmented, worldwide fluid handling industry provides us with an ability to better serve our customers. Our European, North American and Asian manufacturing capabilities provide us with the ability to optimize material sourcing, transportation and production costs and lower foreign currency risk.

We Use CBS to Continuously Improve Our Business. CBS is our business system designed to encourage a culture of continuous improvement in all aspects of our operations and strategic planning. Modeled on the Danaher Business System, CBS focuses on conducting root-cause analysis, developing process improvements and implementing sustainable systems. Our approach addresses the entire business, not just manufacturing operations.

Large Installed Base Generating Aftermarket Sales and Service. With a product history dating back to 1860, we have a significant installed base across numerous industries. Because of the critical applications in which our products are used and the high quality and reliability of our products, we believe there is a tendency for our customers to replace like for like products. This tendency leads to significant aftermarket demand for replacement products as well as spare parts and for repair and maintenance service. In the year ended December 31, 2007, we estimate that approximately 25% of our revenues were derived from aftermarket sales and services.

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Broad and Diverse Customer Base. Our customer base spans numerous industries and is geographically diverse. Approximately 66% of our sales in 2007 were derived from operations outside of the U.S. In addition, no single customer represented more than 3% of our sales during that period.

Management Team with Extensive Industry Experience and Focus on Strategic Development. We are led by a senior management team with an average of over 20 years of experience in industrial manufacturing. John A. Young, our President and Chief Executive Officer, is one of our founders and played a key role in developing the acquisition strategy that formed our company. Since 1995, as part of this strategy, we have acquired 12 companies and divested businesses that do not fit within our long-term growth strategy.

Our Growth Strategy

We intend to continue to increase our sales, expand our geographic reach, broaden our product offerings and improve our profitability through the following strategies:

Apply CBS to Drive Profitable Sales Growth and Increase Shareholder Value. The core element of our management philosophy is CBS, which we implement in each of our businesses. CBS is a strategic planning and execution methodology designed to achieve world-class excellence in all aspects of our business. CBS focuses our organization on continuous improvement and performance goals by empowering our associates to develop innovative strategies to meet customer needs. Rather than a static process, CBS continues to evolve as we benchmark ourselves against best-in-class industrial companies.

Execute Market Focused Strategies. We believe that our five strategic markets are attractive due to their ongoing capital expenditure requirements, growth rates and global nature.

Commercial Marine We intend to continue to increase our installed base of products and grow our aftermarket sales and service revenues. We also intend to expand our capabilities in the Asia Pacific region by utilizing our Chinese and Indian facilities to offer locally manufactured products, reduce production costs and provide local customer service and support.

Oil and Gas We intend to continue our strategy of offering oil and gas customers increased efficiency and lower total cost of ownership by replacing legacy products currently in use with our more efficient products. We also intend to capture the growing need for complex turnkey systems through the development of solutions that can undertake the difficult task of handling varying mixtures of heavy crude oil, natural gas and water at the same time. We intend to continue to target the fast growing oil and gas markets around the world, including Asia and developing nations.

Power Generation We intend to use our extensive expertise in power generation applications to continue our growth as a provider of turnkey systems in this market. We also intend to use our global presence to strengthen relationships with large original equipment manufacturers.

Global Navy We intend to continue to design, develop and manufacture high value fluid handling systems to meet the needs of evolving naval requirements worldwide. For example, we are currently working with the U.S. Navy to incorporate advanced electronics and controls into our products, and we are also focused on expanding our repair and service capabilities for naval customers.

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General Industrial We intend to continue to apply our application expertise to supply our customers in diverse industries such as chemicals, pulp and paper processing and commercial construction with a portfolio of products that can solve their most critical fluid handling needs. We also intend to grow our presence in the general industrial market by targeting new applications for our existing products, deploying regionally focused strategies and utilizing our global presence and sales channels to sell our solutions worldwide.

Target Fast Growing Regions by Leveraging Our Global Manufacturing, Sales and Distribution Network. We intend to continue to utilize our strong global presence and worldwide network of distributors to capitalize on growth opportunities by selling regionally developed and marketed products and solutions throughout the world. As our customers have become increasingly global in scope, we have increased our global reach to serve our customers by maintaining a local presence in numerous markets and investing in sales and marketing capabilities worldwide. For example, we have recently expanded our manufacturing capabilities by establishing a plant in China and acquiring an Indian manufacturer of fluid handling products.

Develop New Products, Applications and Technologies. We will continue to engineer our key products to meet the needs of new and existing customers and also to improve our existing product offerings to strengthen our market position. We intend to develop technological, or SMART, solutions, which incorporate advanced electronics, sensors and controls, through the use of our *Voice of the Customer* process to solve specific customer needs. We believe our SMART solutions will reduce our customers total cost of ownership by providing real-time diagnostic capabilities to minimize downtime, increase operational efficiency and avoid unnecessary costs.

Grow Our Offerings of Systems and Solutions. We will continue to provide high value added fluid handling solutions by utilizing our engineering and application expertise and our brand recognition and sales channels to drive incremental revenue. We intend to establish regional system manufacturing capabilities to address our customers desire to purchase turnkey modules and their preference for outsourced assembly. Part of our strategy is to continue to seek a greater share of overall project value by providing complete systems and solutions, particularly where we control project design.

Continue to Pursue Strategic Acquisitions that Complement Our Platform. We believe that the fragmented nature of the fluid handling industry presents substantial consolidation and growth opportunities for companies with access to capital and the management expertise to execute a disciplined acquisition and integration program. We believe that we can identify a number of attractive acquisition candidates in the future and that strategic acquisition growth will give us a competitive advantage over small competitors through greater purchasing power, a larger global sales and distribution network and a broader portfolio of products and services.

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Other Information

Company Information

We were organized as a Delaware corporation in 1998. Our principal executive offices are located at 8730 Stony Point Parkway, Suite 150, Richmond, Virginia 23235, United States, and our main telephone number at that address is +1 (804) 560-4070. Our corporate website address is www.colfaxcorp.com. **The contents of our website are not a part of this prospectus**.

Management

Upon completion of this offering, we will have an authorized board of directors consisting of 8 members, a majority of whom will be independent.

The following table lists our current executive officers, directors, key employees and those who will become executive officers and directors upon consummation of the offering.

Name	Position
John A. Young	President and Chief Executive Officer and Director
G. Scott Faison	Senior Vice President, Finance and Chief Financial Officer
Thomas M. O Brien	Senior Vice President, General Counsel and Secretary
Michael K. Dwyer	Senior Vice President, General Manager - Asia Pacific
Steven W. Weidenmuller	Senior Vice President, Human Resources
Joseph B. Niemann	Senior Vice President, Marketing and Strategic Planning
William E. Roller	Senior Vice President, General Manager - Americas
Mario E. DiDomenico	Senior Vice President, General Manager - Engineered Products
Dr. Michael Matros	Senior Vice President, General Manager - Allweiler
Mitchell P. Rales	Director
Steven M. Rales(1)	Director
Patrick W. Allender	Director Nominee
C. Scott Brannan	Director Nominee
Joseph O. Bunting III	Director Nominee and Vice President
Thomas S. Gayner	Director Nominee
Clay Kiefaber	Director Nominee
Rajiv Vinnakota	Director Nominee

(1) Steven M. Rales has submitted his resignation as a director effective immediately prior to the effective time of the registration statement.

Auditors

Our auditors are Ernst & Young LLP, an independent registered public accounting firm, One James Center, Suite 1000, 901 E. Cary Street, Richmond, VA, 23219, United States of America.

Share Capital

Upon the completion of this offering, our authorized capital stock will consist of 200,000,000 shares of common stock, $ 0.001 par value per share and 10,000,000 shares of preferred stock, $ 0.001 par value per share. Immediately after the completion of the offering, 41,229,588 shares of common stock and no shares of preferred stock will be outstanding.

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Related Party Transactions

Upon completion of this offering, we intend to adopt a related person transactions policy pursuant to which our executive officers, directors and principal stockholders, including their immediate family members, will not be permitted to enter into a related person transaction with us without the consent of our audit committee, another independent committee of our board of directors or the full board.

We pay a quarterly management fee of $250,000 to Colfax Towers, Inc., an entity that is wholly owned by Mitchell Rales and Steven Rales. Joseph Bunting, currently a Vice President and a director nominee, serves as an officer of Colfax Towers. Payment of this management fee is to be discontinued following this offering. In April 2005, in connection with the sale of our power transmission business, we redeemed shares of our Series A Convertible Preferred Stock from each of Mitchell Rales and Steven Rales for an aggregate price of $82,000,000. We have entered into a registration rights agreement, dated May 30, 2003 with two of our directors and principal stockholders Mitchell Rales and Steven Rales, pursuant to which they are entitled to rights with respect to the registration of certain of their shares following this offering under the Securities Act. We have entered into an amended and restated stockholders agreement with a number of our stockholders, which terminates by its terms upon the completion of this offering. We have agreed to reimburse the selling stockholders, Mitchell and Steven Rales and certain entities wholly owned by them, for the underwriting discount on the shares sold by them. We have further agreed to pay to our selling stockholders certain declared but unpaid dividends out of the proceeds of this offering. We intend to enter into indemnification agreements with our directors and executive officers.

Trademarks

We have rights to a variety of trade names, service marks and trademarks for use in our business, including Colfax, Allweiler, Fairmount, Houttuin, Imo, LSC, Portland Valve, Tushaco, Warren and Zenith in the U.S. and, where appropriate, in other countries. This prospectus also includes product names and other trade names and service marks owned by us and other companies. The trade names and service marks of other companies are the property of those other companies.

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The Offering

Common stock offered by us	7,825,947 shares[(1)]
Common stock offered by the selling stockholders	10,924,053 shares[(1)]
	The offering consists of a public offering of the shares in the United States, Germany and Sweden, and an international private placement elsewhere. The public offering in Germany and Sweden covered by this prospectus consists solely of an offering of our common stock to our employees as well as to certain distributors, customers, business associates and related persons in a process called Reserved Share Offering.
Common stock outstanding after the offering	41,229,588 shares
Initial public offering price; price range	The initial public offering price will be determined following the expiration of the bookbuilding period and is expected to take place on or about May 7, 2008. The price range within which institutional investors may submit purchase orders in the bookbuilding process is intended to be \$15.00 to \$17.00.
	For purposes of the Reserved Share Offering, the initial public offering price is expected to be published in the *Frankfurter Allgemeine Zeitung*, a newspaper of record in Frankfurt am Main, as soon as practicable after the pricing date, in compliance with the German Securities Prospectus Act.
Use of proceeds	We estimate that our net proceeds from this offering will be approximately \$111.3 million based on the midpoint of the price range set forth on the cover page of this prospectus. We intend to use these net proceeds to repay \$38.2 million of indebtedness outstanding under our credit facility, to pay dividends to existing preferred stockholders that have been declared but unpaid in the amount of \$35.1 million, to pay special bonuses of approximately \$22.5 million to certain of our executives under previously adopted executive compensation plans and approximately \$11.8 million to reimburse the selling stockholders for the underwriting discount incurred on the shares sold by them in this offering. We also intend to declare a dividend payable from the proceeds of this offering to preferred stockholders of record immediately prior to the consummation of this offering. This dividend will accrue from January 1, 2008 through the consummation of this offering at a rate equal to LIBOR plus 2.5% of the original purchase price of our issued and outstanding preferred stock. Assuming a closing date of May 12, 2008 for this offering, the amount of this dividend would be \$3.7 million. We intend to use the balance, if any, of the proceeds for working capital and other general corporate purposes.

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We will not receive any of the proceeds from the sale of shares by the selling stockholders.

Affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated, which we refer to as Merrill Lynch, UBS Securities LLC and Banc of America Securities LLC, underwriters in this offering, are parties to our credit facility. The affiliates of Merrill Lynch and Banc of America Securities LLC will receive approximately $3.6 million and $1.5 million, respectively, of the proceeds used to pay a portion of the indebtedness outstanding under our credit facility.

Reserved Share Offering	At our request, the underwriters have reserved for sale, at the initial public offering price, up to 937,500 shares offered by this prospectus for sale to some of our directors, officers, employees, distributors, customers, business associates and related persons. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not confirmed for purchase by 9:00 am New York time on the day following the day of the pricing of this offering will be offered by the underwriters to the general public on the same terms as the other shares.
	In order to participate in the Reserved Share Offering, you must have been indicated by us to the underwriters as being an eligible participant. All full time employees, to the extent permitted by applicable law, and certain other persons have been named by us as participants to the underwriters.
	The offer period for participants under the Reserved Share Offering is expected to be from the day after the publication date of this prospectus until May 7, 2008. If you have received notice from us that you are an eligible participant, you must submit your indication of interest on or before May 2, 2008 in accordance with the instructions contained therein, at which time the underwriters will open a brokerage account in your name.
	If shares have been allocated to you for purchase when we determine the initial public offering price, and you confirm your interest to purchase the shares, you will be responsible for payment no later than the closing date (expected to be May 12, 2008).

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Delivery and Settlement	Delivery of the allotted shares against payment of the initial public offering price and the customary securities commission is expected to take place on or about May 12, 2008.
Listing	We intend to list our common stock on the NYSE under the trading symbol CFX.

The number of shares outstanding after the offering includes 593,659 vested restricted stock units that will be granted upon consummation of this offering and excludes up to 5,906,341 remaining shares reserved for issuance under our 2008 omnibus incentive plan. Unless we indicate otherwise, the information in this prospectus:

- reflects a 13,436.22841 - for -1 split of our outstanding common stock that occurred on April 21, 2008;
- assumes the conversion of all of our outstanding preferred stock into common stock upon completion of this offering;
- assumes the application of the net proceeds of this offering,
- assumes the filing of our restated certificate of incorporation and the adoption of our amended and restated bylaws immediately before the completion of this offering;
- assumes that the initial public offering price of the common stock will be $16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus; and
- assumes that the underwriters do not exercise their overallotment option to purchase up to an additional 2,812,500 shares from us.

(1) The total number of shares being offered by us and the selling stockholders is 18,750,000, assuming no exercise of the underwriters overallotment option. While the total number of shares being offered will not change, the number of shares shown as being offered by the us (7,825,947) and the selling stockholders (10,924,053) is an estimate and may change based on the initial per share offering price. The estimated number of shares of common stock shown as being offered by us and the selling stockholders is based upon an assumed offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus. The number of shares offered by the selling stockholders is calculated by dividing $174.8 million (the original issue price of the preferred stock) by the initial per share offering price. The number of shares being offered by us is calculated by subtracting the number of shares offered by the selling stockholders from 18,750,000, the total number of shares being offered.

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Summary Consolidated Financial and Other Information

The following table sets forth our summary consolidated financial and other information as of the dates for the periods indicated. The financial data for each of the three years in the period ended December 31, 2007 are derived from our consolidated financial statements, which have been audited by Ernst & Young LLP.

You should read this information in conjunction with the consolidated financial statements and the notes to those consolidated financial statements and Management s Discussion and Analysis of Financial Condition and Results of Operations appearing elsewhere in this prospectus.

	Year ended December 31,		
Dollars in thousands, except per share amounts	**2007**	**2006**	**2005**
Statement of Operations Data:			
Net sales	$ 506,305	$ 393,604	$ 345,478
Cost of sales	330,714	256,806	222,353
Gross profit	175,591	136,798	123,125
Selling, general and administrative expenses	98,500	80,103	74,594
Research and development expenses	4,162	3,336	2,855
Legacy asbestos (income) expense	(50,346)	33,816	18,112
Operating income	123,275	19,543	27,564
Interest expense	19,246	14,186	9,026
Provision for income taxes	39,147	3,866	6,907
Income from continuing operations	64,882	1,491	11,631
Net income	64,882	94	12,247
Earnings (loss) per share from continuing operations basic and diluted[1]	$ 1.79	$ 0.07	$ (0.09)

	As of December 31, 2007	
Dollars in thousands	**Actual**	**As Adjusted[2]**
Balance Sheet Data:		
Cash and cash equivalents	$ 48,093	48,093
Goodwill and intangibles, net	185,353	185,353
Asbestos insurance asset, including current portion	305,228	305,228
Total assets	896,540	896,540
Total current liabilities	148,374	148,374
Asbestos liability, including current portion	376,233	376,233
Total debt, including current portion	206,493	168,367

	Year ended December 31,		
Dollars in thousands	**2007**	**2006**	**2005**
Other Data:			
EBITDA[3][4]	$ 138,514	$ 29,627	$ 39,610

(1) Computed based on income from continuing operations available to holders of common stock.

(2) As adjusted to give effect to our sale of common stock in this offering at an assumed offering price of $16.00 per share, which is the midpoint of the price range, and the receipt and application of the net proceeds thereof as described above in this prospectus summary under The Offering Use of Proceeds.

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(3) EBITDA includes legacy asbestos (income) expense of $(50,346), $33,816 and $18,112 for the years ended December 31, 2007, 2006 and 2005, respectively, and discontinued operations expense (income) of $1,397 and $(616) for the years ended December 31, 2006 and 2005, respectively.

(4) We are presenting EBITDA because we believe that it provides useful information to investors about us, our business and our financial condition. We define EBITDA as net income before the effects of interest expense, taxes, depreciation and amortization. We believe EBITDA is useful to investors because it is one of the measures used by our board of directors and management to evaluate our business, including in our internal management reporting, budgeting and forecasting processes, in comparing our operating results across our business as well as to those of our competitors and other companies in our industry, as an internal profitability measure, as a component in evaluating our ability and the desirability of making capital expenditures and significant acquisitions and as an element in determining executive compensation. Further, EBITDA and similar measures are widely used by investors, rating agencies and securities analysts as a key measure to compare companies in our industry and debt-service capabilities.

EBITDA is not a measurement of financial performance or liquidity under GAAP and should not be considered as an alternative to net income or any other indicator of operating performance or as an alternative to cash flow from operating activities or any other measure of liquidity derived in accordance with GAAP. Because EBITDA is calculated before recurring cash charges including interest expense and taxes, and is not adjusted for capital expenditures or other recurring cash requirements of the business, it should not be considered as a measure of discretionary cash available to invest in the growth of the business. There are a number of material limitations to the use of EBITDA as an analytical tool, including the following:

- EBITDA does not reflect our interest expense;
- EBITDA does not reflect our tax expense or the cash requirements to pay our taxes; and
- although depreciation and amortization are non-cash expenses in the period recorded, the assets being depreciated and amortized may have to be replaced in the future, and EBITDA does not reflect the cash requirements for such replacement.

We compensate for these limitations by relying primarily on our GAAP financial measures and by using EBITDA only supplementally. We believe that consideration of EBITDA, together with a careful review of our GAAP financial measures, is the most informed method of analyzing our company.

The following table reconciles net income to EBITDA:

	Year ended December 31,		
Dollars in thousands	**2007**	**2006**	**2005**
Net income	$ 64,882	$ 94	$ 12,247
Interest expense	19,246	14,186	9,026
Provision for income taxes	39,147	3,866	6,907
Depreciation and amortization	15,239	11,481	11,430
EBITDA	$ 138,514	$ 29,627	$ 39,610

Recent Developments

We estimate that our net sales for the three months ended March 28, 2008 were between $130.0 million and $131.0 million. We estimate that operating income[1] for the three months ended March 28, 2008 was between $14.6 million and $15.0 million. We estimate that orders for the three months ended March 28, 2008 were approximately $180.3 million and that our order backlog as of March 28, 2008 was approximately $353.6 million. Our estimates of the foregoing are based upon our preliminary analysis of anticipated results and actual results may be significantly different.

(1) We estimate operating income includes approximately $3.4 million in legacy asbestos expense, which is comprised of $3.1 million in legal cost related to litigation against our asbestos insurers and $0.3 million in liability and defense cost related to asbestos claims.

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Summary of Risk Factors

We are exposed to several risks, one or more of which could severely impair the financial condition of Colfax. In summary, these are:

- The majority of our sales are derived from international operations. We are subject to specific risks associated with international operations.

- Significant movements in foreign currency exchange rates may harm our financial results.

- We are dependent on the availability of raw materials, as well as parts and components used in our products.

- The markets we serve are highly competitive and some of our competitors may have resources superior to ours. Responding to this competition could reduce our operating margins.

- Acquisitions have formed a significant part of our growth strategy in the past and are expected to continue to do so. If we are unable to identify suitable acquisition candidates or integrate the businesses we acquire or realize the intended benefits, our growth strategy may not succeed. Acquisitions involve numerous risks, including risks related to integration and undisclosed or underestimated liabilities.

- We may require additional capital to finance our growth. If the terms on which the additional capital is available are unsatisfactory or if the additional capital is not available at all, we may not be able to pursue our growth strategy.

- A material disruption at any of our manufacturing facilities could adversely affect our ability to generate sales and meet customer demand.

- Changes in the general economy and the cyclical nature of our markets could harm our operations and financial performance.

- The loss of key management could have a material adverse effect on our ability to run our business.

- Available insurance coverage, the number of future asbestos-related claims and the average settlement value of current and future asbestos-related claims of two of our subsidiaries could be different than we have estimated, which could materially and adversely affect our financial condition, results of operation and cash flow.

- Our international operations are subject to the laws and regulations of the United States and many foreign countries. Failure to comply with these laws may affect our ability to conduct business in certain countries and may affect our financial performance.

- Our foreign subsidiaries have done and may continue to do business in countries subject to U.S. sanctions and embargoes, including Iran and Syria, and we have limited managerial oversight over those activities. Failure to comply with these sanctions and embargoes may result in enforcement or other regulatory actions.

If we fail to comply with export control regulations, we could be subject to substantial fines or other sanctions.

Approximately 44% of our employees are represented by foreign trade unions. If the representation committees responsible for negotiating with these unions on our behalf are unsuccessful at negotiating new and acceptable agreements when the existing agreements with our employees covered by the unions expire, we could experience business disruptions or increased costs.

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Our manufacturing business is subject to the possibility of product liability lawsuits, which could harm our business.

As a manufacturer, we are subject to a variety of environmental and health and safety laws for which compliance could be costly. In addition, if we fail to comply with such laws, we could incur liability that could result in penalties and costs to correct any non-compliance.

As the present or former owner or operator of real property, or generator of waste, we could become subject to liability for environmental contamination, regardless of whether we caused such contamination.

Failure to maintain and protect our trademarks, trade names and technology may affect our operations and financial performance.

If we are unable to complete our assessment as to the adequacy of our internal controls over financial reporting as of December 31, 2009 as required by Section 404 of the Sarbanes-Oxley Act of 2002, or if material weaknesses are identified and reported, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of your investment and make it more difficult for us to raise capital in the future.

Some of our stockholders may exert significant influence over us.

We intend to use a large portion of the net proceeds of this offering to repay indebtedness outstanding under our existing credit facility, pay previously declared and unpaid dividends, pay a dividend expected to be declared prior to consummation of the offering, reimburse the selling stockholders for the underwriting discount incurred on the shares sold by them and pay bonuses to certain executives.

Future sales of our shares after this offering, or the perception that such sales could occur, could negatively affect the market price of our stock.

We have no intention of paying cash dividends on our common stock in the foreseeable future.

Investors in this offering will experience immediate dilution in net tangible book value per share.

Our common stock has no prior public market, and our stock price could be volatile and could decline after this offering.

Provisions in our charter documents and Delaware law may delay or prevent an acquisition of our company, which could decrease the value of your shares.

There may be limitations on our ability to fully utilize our net operating loss and minimum tax credit carryforwards in future periods.

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GERMAN TRANSLATION OF THE PROSPECTUS SUMMARY

ZUSAMMENFASSUNG DES PROSPEKTS

Die folgende Zusammenfassung ist als Einführung zu diesem Prospekt zu verstehen. Sie wird in ihrer Gesamtheit von den ausführlicheren Informationen und den Konzernabschlüssen sowie den dazugehörigen Anhängen, die sich an anderer Stelle in diesem Prospekt befinden, bestimmt. Diese Zusammenfassung enthält möglicherweise nicht alle Informationen, die Sie vor einer Anlage in die Aktien der Colfax-Gruppe erwägen sollten. Bevor Sie eine Anlageentscheidung treffen, sollten Sie den gesamten Prospekt, insbesondere den Abschnitt Risk Factors , die Konzernabschlüsse der Colfax-Gruppe sowie die dazugehörigen Anhänge, sorgfältig lesen. Die Colfax Corporation übernimmt die Verantwortung für den Inhalt der Zusammenfassung dieses Prospekts. Die Colfax Corporation kann für den Inhalt der Zusammenfassung jedoch nur haftbar gemacht werden, falls die Zusammenfassung,wenn sie im Zusammenhang mit den anderen Teilen dieses Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, ist der als Kläger auftretende Anleger nach den Rechtsvorschriften des jeweiligen Mitgliedsstaates des Europäischen Wirtschaftsraums möglicherweise verpflichtet, die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen.

Geschäftstätigkeit der Colfax-Gruppe

Die Colfax-Gruppe ist ein weltweiter Anbieter eines breiten Spektrums von Produkten zum Transport von Flüssigkeit (Fluidtechnik Produkten), darunter Pumpen, Fluidtechnik-Systeme und Spezialventile. Nach Ansicht der Colfax-Gruppe ist sie ein führender Hersteller von Rotationsverdrängerpumpen, wozu auch Schraubenspindelpumpen, Zahnradpumpen und Exzenterschneckenpumpen gehören. Die Colfax-Gruppe verfolgt eine globale Fertigungsstrategie und verfügt über Produktionsstätten in Europa, Nordamerika und Asien sowie über weltweite Absatz- und Vertriebskanäle. Die Produkte der Colfax-Gruppe kommen in einer Vielzahl von Anwendungen auf fünf strategischen Märkten zum Einsatz: Handelsschifffahrt, Öl- und Gasindustrie, Energieerzeugung, Kriegsmarine und Allgemeine Industrie. Die Colfax-Gruppe entwickelt und fertigt ihre Produkte nach hohen Qualitäts- und Zuverlässigkeitsstandards für den Einsatz in kritischen Fluidtechnik -Anwendungen, bei denen es auf höchste Leistungsfähigkeit ankommt. Aufbauend auf ihrem umfassenden technischen Verständnis der Anwendungen, in denen ihre Produkte zum Einsatz kommen, bietet die Colfax-Gruppe darüber hinaus maßgeschneiderte Flüssigkeitshandling-Lösungen an, um die besonderen Bedürfnisse der Kunden erfüllen zu können. Die Produkte der Colfax-Gruppe werden überwiegend unter den Markennamen Allweiler, Fairmount, Houttuin, Imo, LSC, Portland Valve, Tushaco, Warren und Zenith vermarktet. Die Colfax-Gruppe ist der Ansicht, dass ihre Marken weithin bekannt und in ihrer Branche hervorragend positioniert sind. Allweiler, Houttuin, Imo und Warren zählen zu den ältesten und bekanntesten Marken in den Märkten, in denen die Colfax-Gruppe vertreten ist; Allweiler wurde bereits im Jahre 1860 gegründet.

Die Colfax-Gruppe bedient über eine Kombination aus Direktvertrieb, Vertriebsmitarbeitern und Vertriebskanälen von Drittunternehmen eine weltweite Kundenbasis über eine Vielzahl von Märkten hinweg. Die Kundenbasis der Colfax-Gruppe ist sehr stark diversifiziert und umfasst Kunden aus den Bereichen Handel, Industrie und Seefahrt sowie der öffentliche Hand. Zu ihren Kunden gehören unter anderen Alfa Laval, Cummins, General Dynamics, Hyundai Heavy Industries, Siemens, Solar Turbines, Thyssenkrupp, die Kriegsmarine der Vereinigten Staaten von Amerika und die Kriegsmarine verschiedener Staaten weltweit. Die Colfax-Gruppe kann auf eine breit angelegte Basis zurückgreifen, was, zusammen mit der anspruchsvollen Art der Anwendungsbereiche, in denen ihre Produkte zum Einsatz kommen, dazu führt, dass ihre Kunden dazu neigen ihre Produkte durch gleiche Produkte zu ersetzen. Diese Tendenz führt zu einer erheblichen Nachfrage auf dem Sekundärmarkt sowohl nach Austauschprodukten als auch nach Ersatzteilen und Wartungsdienstleistungen.

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Die Colfax-Gruppe setzt ein umfassendes Set aus Einrichtungen und Verfahren ein, das unter der Bezeichnung Colfax Business System oder CBS bekannt ist. CBS ist eine disziplinierte strategische Planungs- und Ausführungsmethodik, die zum Ziel hat, durch Fokussierung auf Kundenbedürfnisse und ständige Verbesserung von Qualität, Lieferung und Kosten, in allen Geschäftsfeldern der Colfax-Gruppe ausgezeichnete Ergebnisse und eine Finanz- und Ertragslage auf Weltklasseniveau zu erreichen.

Die Colfax-Gruppe kann auf ein erfahrenes Führungsteam zählen, das ein klar ausgerichtetes Industriefertigungsgeschäft mit starken Marktpositionen innerhalb der Flüssigkeitshandling-Branche aufgebaut hat. Die Colfax-Gruppe ist der Auffassung, dass sie für ein fortgesetztes Wachstum durch eine Verbesserung ihres Produktangebots und einen Ausbau ihrer Kundenbasis auf allen ihren strategischen Märkten gut aufgestellt ist. Sie hat darüber hinaus in der Vergangenheit mehrere Übernahmen durchgeführt und erfolgreich eingegliedert. Die Colfax-Gruppe geht davon aus, auch weiterhin ergänzende Geschäftsbereiche zu erwerben, durch die ihre Produktpalette ausgebaut, ihre geografische Präsenz erweitert und ihre Position auf ihren strategischen Märkten gestärkt wird.

Marktchance

Die weltweite Flüssigkeitshandling-Industrie ist hochgradig fragmentiert. Über 10.000 Unternehmen stehen über zahlreiche Märkte und Branchen hinweg untereinander im Wettbewerb. Da Flüssigkeitshandling-Produkte häufig in kritischen Anwendungen zum Einsatz kommen, sind nach Auffassung der Colfax-Gruppe diejenigen Branchenteilnehmer am erfolgreichsten, die über das technische Know-how zur Erfüllung der Kundenvorgaben verfügen, Produkte anbieten, die den Ruf haben, qualitativ hochwertig und zuverlässig zu sein, pünktlich liefern können und einen leistungsstarken Kundendienst auf dem Sekundärmarkt bieten können.

Die Colfax-Gruppe ist der Auffassung, dass es ein erhebliches Wachstumspotenzial für ihre Produkte und Dienstleistungen auf ihren weltweiten strategischen Märkten gibt, auf denen eine Nachfrage nach hoch entwickelten Flüssigkeitshandling-Lösungen für kritische Anwendungen besteht. Die Colfax-Gruppe ist der Ansicht, dass sie dank ihrer weltweiten Präsenz in der Lage ist, sich erfolgreich im Wettbewerb auf allen ihren Märkten weltweit behaupten zu können.

Wettbewerbsstärken

Die Colfax-Gruppe ist der Auffassung, dass die folgenden Wettbewerbsstärken sie als Premium-Anbieter von Flüssigkeitshandling-Produkten positioniert und zu ihrem künftigen Wachstum beitragen werden:

Starke Marktstellung, breite Produktpalette und führende Marken. Die Colfax-Gruppe ist der Auffassung, dass sie ein führender Hersteller von Rotationsverdrängerpumpen ist, wozu unter anderen Schraubenspindelpumpen, Zahnradpumpen und Exzenterschneckenpumpen zählen. Die Colfax-Gruppe bietet ein breites Spektrum an Flüssigkeitshandling-Produkten an, die anspruchsvolle Anforderungen von Kunden aus zahlreichen Branchen erfüllen. Die Marken der Colfax-Gruppe zählen in den Märkten, in denen sie tätig ist, zu den ältesten und bekanntesten.

Umfassende Anwendungsexpertise. Die Colfax-Gruppe ist der Auffassung, dass sie durch ihren Ruf als Qualitätsanbieter mit technischem Fachwissen als Premium-Anbieter von Flüssigkeitshandling-Produkten positioniert ist. Mit über 140-jähriger Erfahrung verfügt die Colfax-Gruppe über ein umfassendes Fachwissen in der Entwicklung und Herstellung von Flüssigkeitshandling-Produkten, die in kritischen Anwendungen zum Einsatz kommen, wie etwa bei der Schmierung von Turbinen zur Stromerzeugung, dem Transport von Rohöl über Pipelines und bei dem Transport von Schweröl in Handelsschiffen.

Umfassendes weltweites Verkaufs-, Vertriebs- und Fertigungsnetz. Die Colfax-Gruppe verkauft ihre Produkte durch mehr als 300 Direktverkaufs- und Vertriebsmitarbeiter und über 450 autorisierte

Vertriebshändler in 79 Ländern. Die Colfax-Gruppe ist der Auffassung, dass ihre weltweite Präsenz innerhalb der hochgradig fragmentierten weltweiten Flüssigkeitshandling-Industrie es ihr ermöglicht, ihre Kunden besser zu bedienen. Die Fertigungskapazitäten der Colfax-Gruppe in Europa, Nordamerika und Asien ermöglichen ihr eine Optimierung der Kosten für Materialbeschaffung, Transport und Herstellung sowie eine Verminderung des Wechselkursrisikos.

Die Colfax-Gruppe setzt CBS zur ständigen Optimierung ihres Geschäfts ein. CBS, das Geschäftssystem der Colfax-Gruppe, wurde zur Förderung einer Kultur der ständigen Optimierung aller Aspekte ihrer Betriebsabläufe und ihrer strategischen Planung entwickelt. Aufbauend auf dem Danaher Business System liegt der Schwerpunkt von CBS in der Ursachenanalyse, der Entwicklung von Prozessverbesserungen und der Einführung nachhaltiger Systeme. Dieser Ansatz erfasst dabei alle Geschäftsbereiche, nicht nur den Fertigungsbetrieb.

Umfangreiche installierte Basis, die Verkäufe und Dienstleistungen auf dem Sekundärmarkt generiert. Dank ihrer bis in das Jahr 1860 zurückreichenden Produktgeschichte verfügt die Colfax-Gruppe über eine umfassende installierte Basis über zahlreiche Branchen hinweg. Aufgrund der kritischen Anwendungsbereiche, bei denen ihre Produkte zum Einsatz kommen, gepaart mit der hohen Qualität und Zuverlässigkeit ihrer Produkte, ist die Colfax-Gruppe der Auffassung, dass ihre Kunden dazu neigen ihre Produkte durch gleiche Produkte zu ersetzen. Diese Tendenz führt zu einer erheblichen Nachfrage auf dem Sekundärmarkt sowohl nach Austauschprodukten als auch nach Ersatzteilen und Reparatur- sowie Wartungsdienstleistungen. In dem Geschäftsjahr, das am 31. Dezember 2007 endete, wurden nach Schätzung der Colfax-Gruppe circa 25 % ihrer Einnahmen durch Verkäufe und Dienstleistungen auf dem Aftermarket erzielt.

Breite und diversifizierte Kundenbasis. Die Kundenbasis der Colfax-Gruppe erstreckt sich über zahlreiche Branchen und ist geografisch diversifiziert. Im Jahr 2007 wurden circa 66 % ihrer Verkäufe durch Transaktionen außerhalb der USA erzielt. Darüber hinaus machte kein einzelner Kunde mehr als 3 % der Verkäufe in diesem Zeitraum aus.

Führungsteam mit umfassender Branchenkenntnis und Fokus auf strategische Entwicklung. Die Geschäftsleitung der Colfax-Gruppe besteht aus einem Führungsteam mit durchschnittlich über 20 Jahren Erfahrung in der industriellen Fertigung. John A. Young, President und Chief Executive Officer der Colfax-Gruppe und einer ihrer Gründer, spielte eine Schlüsselrolle bei der Erarbeitung der Akquisitionsstrategie, die zum Aufbau der Colfax-Gruppe führte. Als Bestandteil dieser Strategie hat die Colfax-Gruppe seit 1995 zwölf Unternehmen übernommen und Geschäftsbereiche abgestoßen, die nicht zu ihrer langfristigen Wachstumsstrategie passen.

Wachstumsstrategie

Die Colfax-Gruppe beabsichtigt, mithilfe der folgenden Strategien auch künftig eine Erhöhung ihres Umsatzes, die Ausweitung ihrer geografischen Reichweite, die Erweiterung ihres Produktangebots und die Steigerung ihrer Rentabilität zu erreichen:

Anwendung von CBS für ein ertragreiches Umsatzwachstum und zur Steigerung des Shareholder Value. CBS ist das Kernelement der Managementphilosophie der Colfax-Gruppe und wird in allen ihren Geschäftsbereichen eingesetzt. CBS ist eine strategische Planungs- und Ausführungsmethodik, die entwickelt wurde um in allen Bereichen des Geschäfts der Colfax-Gruppe ausgezeichnete Ergebnisse auf Weltniveau zu erzielen. CBS richtet die Colfax-Gruppe auf die ständige Optimierung und auf Leistungsziele aus, indem es ihren Mitarbeitern ermöglicht, innovative Strategien zur Erfüllung von Kundenbedürfnissen zu entwickeln. CBS ist kein statisches Verfahren, sondern wird vielmehr ständig weiterentwickelt, während sich die Colfax-Gruppe mit Unternehmen vergleicht, die zu den besten ihrer Klasse zählen.

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Umsetzung marktorientierter Strategien. Die Colfax-Gruppe ist der Auffassung, dass es sich bei ihren fünf strategischen Märkten dank ihres andauernden Investitionsbedarfs, ihrer Wachstumsraten und ihrer weltweiten Ausdehnung um attraktive Märkte handelt.

Handelsschifffahrt Das Ziel der Colfax-Gruppe ist es, auch weiterhin ihre bestehende Produktbasis zu erweitern und ihre Erlöse aus Verkäufen und Dienstleistungen auf dem Sekundärmarkt zu steigern. Ferner beabsichtigt die Colfax-Gruppe die Erweiterung ihrer Kapazitäten im Asien-Pazifik-Raum, indem sie ihre Einrichtungen in China und Indien nutzt, um vor Ort gefertigte Produkte anzubieten, Produktionskosten zu senken und lokalen Kundendienst und -betreuung anzubieten.

Öl- und Gasindustrie Die Colfax-Gruppe beabsichtigt eine Fortführung ihrer bisherigen Strategie, die darin besteht, Öl- und Gaskunden höhere Effizienz und niedrigere Gesamtbetriebskosten durch Tausch von derzeit im Betrieb befindlichen Altprodukten durch ihre effizienteren Produkte zu bieten. Ferner plant die Colfax-Gruppe, die wachsende Nachfrage nach schlüsselfertigen Systemen zu nutzen, indem sie Lösungen entwickelt, die die schwierige gleichzeitige Handhabung verschiedener Mischungen aus Schweröl, Erdgas und Wasser ermöglichen. Die Colfax-Gruppe beabsichtigt, weiterhin die schnell wachsenden Öl- und Gasmärkte weltweit, auch Asien und die Entwicklungsländer, als Zielgruppe zu nehmen.

Energieerzeugung Die Colfax-Gruppe beabsichtigt die Nutzung ihrer umfassenden Expertise für Energieerzeugungsanwendungen zur Fortsetzung ihres Wachstums als Anbieter von schlüsselfertigen Systemen auf diesem Markt. Des Weiteren beabsichtigt die Colfax-Gruppe, ihre weltweite Präsenz für eine Stärkung ihrer Geschäftsbeziehungen zu großen Originalausrüstungsherstellern (*Original Equipment Manufacturers*) zu nutzen.

Kriegsmarine Die Colfax-Gruppe beabsichtigt, auch weiterhin hochwertige Flüssigkeitshandling-Systeme zu konzipieren, zu entwickeln und zu fertigen, um den entstehenden Anforderungen der Kriegsmarinen weltweit zu entsprechen. Derzeit arbeitet die Colfax-Gruppe beispielsweise mit der Kriegsmarine der Vereinigten Staaten von Amerika (*United States Navy*) zusammen, um hochentwickelte Elektronik und Bedienelemente in ihre Produkte zu integrieren. Ferner setzt die Colfax-Gruppe einen Schwerpunkt auf die Ausweitung ihrer Reparatur- und Servicekapazitäten für Marinekunden.

Allgemeine Industrie Die Colfax-Gruppe beabsichtigt, auch künftig ihre Anwendungsexpertise zu nutzen, um ihren Kunden aus verschiedenen Branchen, wie etwa der Chemieindustrie, Zellstoff- und Papierverarbeitung und Bauindustrie, eine Palette von Produkten anbieten zu können, die ihre anspruchsvollsten Anforderungen in Sachen Flüssigkeitshandling erfüllen. Die Colfax-Gruppe beabsichtigt ferner eine Ausweitung ihrer Präsenz auf dem allgemeinen Industriemarkt, indem sie neue Anwendungsmöglichkeiten für ihre bestehenden Produkte erschließt, regional ausgerichtete Strategien einsetzt und ihre weltweite Präsenz sowie Vertriebskanäle nutzt, um ihre Lösungen weltweit zu vertreiben.

Ausrichtung auf schnell wachsende Regionen durch wirksamen Einsatz des weltweiten Fertigungs-, Verkaufs- und Vertriebsnetzes. Die Colfax-Gruppe beabsichtigt, auch weiterhin ihre starke globale Präsenz und ihr weltweites Netz von Vertriebshändlern zu nutzen, um durch den weltweiten Verkauf von regional entwickelten und vermarkteten Produkten und Lösungen Wachstumschancen wahrzunehmen. Da die Kunden der Colfax-Gruppe zunehmend global aufgestellt sind, hat sie ihre globale Reichweite erweitert, um ihre Kunden durch örtliche Vertretungen in zahlreichen Märkten und durch Investitionen in Vertriebs- und Marketingkapazitäten weltweit bedienen zu können. Beispielsweise hat die Colfax-Gruppe in jüngster Zeit durch die Errichtung eines Werkes in China und durch die Übernahme eines indischen Herstellers von Flüssigkeitshandling-Produkten ihre Fertigungskapazitäten ausgebaut.

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Entwicklung von neuen Produkten, Anwendungen und Technologien. Die Colfax-Gruppe wird die Entwicklung ihrer Schlüsselprodukte fortsetzen, um die Bedürfnisse neuer und bestehender Kunden zu erfüllen, sowie um ihr bestehendes Produktangebot zu verbessern und so ihre Marktposition zu stärken. Die Colfax-Gruppe beabsichtigt eine kundenorientierte Technologie, oder SMART - Lösungen zu entwickeln, die hoch entwickelte Elektronik, Sensoren und Bedienelemente enthalten um dadurch spezielle Kundenbedürfnisse zu erfüllen. Die Colfax-Gruppe ist der Ansicht, dass ihre SMART-Lösungen künftig die Gesamtbetriebskosten ihrer Kunden senken werden, indem sie Echtzeitdiagnosefunktionen zur Verfügung stellen, mit denen Ausfallzeiten minimiert, die Betriebseffizienz erhöht und unnötige Kosten vermieden werden.

Steigerung des Angebots an Systemen und Lösungen. Die Colfax-Gruppe wird auch künftig hochwertige Flüssigkeitshandling-Lösungen anbieten, indem sie ihre Ingenieurs- und Anwendungsexpertise sowie ihre Markenbekanntheit und ihre Vertriebskanäle nutzt, um so zusätzliche Umsätze zu generieren. Die Colfax-Gruppe beabsichtigt den Aufbau regionaler Systemfertigungskapazitäten, um dem Wunsch ihrer Kunden nach schlüsselfertigen Modulen und ihrer Präferenz für ein Outsourcing der Montage zu entsprechen. Ein Teil der Strategie besteht darin, durch Lieferung von Komplettsystemen und -lösungen einen höheren Anteil am Gesamtwert von Projekten zu erzielen, insbesondere in Fällen, in denen die Colfax-Gruppe über den Projektaufbau entscheidet.

Fortsetzung strategischer Zukäufe, die die Plattform der Colfax-Gruppe ergänzen. Die Colfax-Gruppe ist der Auffassung, dass die Fragmentierung der Flüssigkeitshandling-Industrie erhebliche Konsolidierungs- und Wachstumsmöglichkeiten für Unternehmen bietet, die über Zugang zu Kapital verfügen und deren Geschäftsleitung die fachliche Kompetenz besitzt, ein diszipliniertes Übernahme- und Eingliederungsprogramm umzusetzen. Die Colfax-Gruppe ist der Ansicht, dass sie in der Lage sein wird, in Zukunft eine Reihe attraktiver Übernahmekandidaten genau zu bestimmen und dass sie sich durch ein Wachstum im Wege von strategischen Übernahmen durch eine höhere Kaufkraft, ein größeres weltweites Verkaufs- und Vertriebsnetz und eine breitere Produkt- und Dienstleistungspalette einen Wettbewerbsvorteil gegenüber kleineren Wettbewerbern verschaffen wird.

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Sonstige Angaben

Angaben zur Gesellschaft

Die Colfax-Gruppe wurde 1998 als Gesellschaft nach dem Recht des US-Bundesstaates Delaware gegründet. Ihre Hauptgeschäftsstelle befindet sich in 8730 Stony Point Parkway, Suite 150, Richmond, Virginia 23235, Vereinigte Staaten von Amerika. Die zentrale Telefonnummer unter dieser Anschrift lautet +1 (804) 560-4070. Die Webseite des Unternehmens ist www.colfaxcorp.com. **Der Inhalt dieser Website ist nicht Bestandteil dieses Prospekts.**

Geschäftsleitung

Bei Abschluss dieses Angebots wird die Colfax-Gruppe über ein vertretungsberechtigtes Board of Directors (Leitungs- und Aufsichtsorgan) mit acht Mitgliedern verfügen, von denen die Mehrzahl unabhängig sein wird.

In der nachstehenden Übersicht sind die gegenwärtigen Mitglieder der Geschäftsleitung (*Executive Officers*), Mitglieder des Board of Directors (*Directors*) und Mitarbeiter in Schlüsselpositionen der Colfax-Gruppe sowie diejenigen Personen aufgeführt, die bei Abschluss des Angebots Executive Officers und Directors sein werden.

Name	Position
John A. Young	President, Chief Executive Officer und Director
G. Scott Faison	Senior Vice President, Finance und Chief Financial Officer
Thomas M. O Brien	Senior Vice President, General Counsel und Secretary
Michael K. Dwyer	Senior Vice President, General Manager - Asia Pacific
Steven W. Weidenmuller	Senior Vice President, Human Resources
Joseph B. Niemann	Senior Vice President, Marketing and Strategic Planning
William E. Roller	Senior Vice President, General Manager - Americas
Mario E. DiDomenico	Senior Vice President, General Manager - Engineered Products
Dr. Michael Matros	Senior Vice President, General Manager - Allweiler
Mitchell P. Rales	Director
Steven M. Rales(1)	Director
Patrick W. Allender	Director Nominee
C. Scott Brannan	Director Nominee
Joseph O. Bunting III	Director Nominee und Vice President
Thomas S. Gayner	Director Nominee
Clay Kiefaber	Director Nominee
Rajiv Vinnakota	Director Nominee

(1) Steven M. Rales hat seinen Rücktritt als Director mit Wirkung zum Zeitpunkt der Wirksamkeit der Registrierungserklärung erklärt.

Abschlussprüfer

Abschlussprüfer der Colfax-Gruppe ist Ernst & Young LLP, eine unabhängige, eingetragene Wirtschaftsprüfungsgesellschaft, One James Center, Suite 1000, 901 E. Cary Street, Richmond, VA, 23219, Vereinigte Staaten von Amerika.

Grundkapital

Nach Abschluss dieses Angebots wird sich das genehmigte Grundkapital der Colfax-Gruppe aus 200.000.000 Stammaktien *(common stock)* mit einem Nennwert von USD 0,001 je Aktie und 10.000.000 Vorzugsaktien *(preferred stock)* mit einem Nennwert von USD 0,001 je Aktie zusammensetzen. Unmittelbar nach Abschluss des Angebots werden 41.229.588 Stammaktien und keine Vorzugsaktien ausgegeben sein.

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Geschäfte und Rechtsbeziehungen mit nahe stehenden Personen

Die Colfax-Gruppe beabsichtigt, nach Abschluss dieses Angebots Grundsätze für Geschäfte und Rechtsbeziehungen mit nahe stehenden Personen einzuführen, nach denen es ihren Executive Officers, Directors und ihren Hauptaktionären sowie deren unmittelbaren Familienangehörigen untersagt ist, ohne Zustimmung des Prüfungsausschusses, eines weiteren unabhängigen Ausschusses des Board of Directors oder des gesamten Board of Directors mit der Colfax-Gruppe Geschäfte abzuschließen.

Die Colfax-Gruppe zahlt vierteljährlich eine Verwaltungsvergütung in Höhe von USD 250.000 an die Colfax Towers, Inc. Diese Gesellschaft befindet sich vollständig im Eigentum von Mitchell Rales und Steven Rales. Joseph Bunting, derzeit Vice President und Director Nominee, ist als leitender Angestellter bei Colfax Towers, Inc. beschäftigt. Die Zahlung dieser Verwaltungsvergütung wird nach Abschluss dieses Angebots eingestellt. Im April 2005 kaufte die Colfax-Gruppe im Zusammenhang mit der Veräußerung ihres Geschäftsbereichs Stromübertragung Wandelvorzugsaktien ihrer Serie A (*Series A Convertible Preferred Stock*) mit einem Gesamtpreis von USD 82.000.000 von Mitchell Rales und Steven Rales zurück. Am 30. Mai 2003 schloss sie darüber hinaus eine Vereinbarung über Registrierungsrechte mit ihren zwei Directors und Hauptanteilseignern Mitchell Rales und Steven Rales ab, wonach sie Ansprüche haben auf Rechte im Bezug auf die Registrierung bestimmter ihrer Aktien nach Abschluss dieses Angebots gemäß dem U. S. Securities Act (Wertpapiergesetz der Vereinigten Staaten von Amerika). Die Colfax-Gruppe hat mit einer Reihe ihrer Aktionäre eine ergänzte und neu gefasste Aktionärsvereinbarung geschlossen, die gemäß den in dieser Vereinbarung vorgesehenen Bestimmungen mit dem Abschluss dieses Angebots endet. Die Colfax-Gruppe hat sich bereit erklärt, die veräußernden Aktionäre, Mitchell und Steven Rales sowie bestimmte, ihnen vollständig gehörende Gesellschaften für den Zeichnungsabschlag auf die von ihnen verkauften Aktien zu entschädigen. Des Weiteren hat die Colfax-Gruppe zugestimmt, ihren veräußernden Aktionären bestimmte beschlossene, aber bisher nicht ausgeschüttete Dividenden zu zahlen. Die Colfax-Gruppe beabsichtigt, Freistellungsvereinbarungen mit ihren Directors und Executive Officers abzuschließen.

Marken

Die Colfax-Gruppe ist Eigentümerin einer Reihe von Handelsbezeichnungen, Dienstleistungsmarken und Handelsmarken zur Verwendung für ihr Geschäft in den Vereinigten Staaten und gegebenenfalls in anderen Ländern; hierzu zählen unter anderen Colfax, Allweiler, Fairmount, Houttuin, Imo, LSC, Portland Valve, Tushaco, Warren und Zenith. Dieser Prospekt enthält darüber hinaus Produktbezeichnungen und sonstige Handelsbezeichnungen und Dienstleistungsmarken, die sich im Eigentum der Colfax-Gruppe oder im Eigentum anderer Unternehmen befinden. Die Handelsbezeichnungen und Dienstleistungsmarken anderer Unternehmen sind Eigentum dieser anderen Unternehmen.

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Das Angebot

Angebotene Stammaktien	7.825.947 Aktien[(1)]
Von den veräußernden Aktionären angebotene Stammaktien	10.924.053 Aktien[(1)]

Das Angebot besteht aus einem öffentlichen Angebot der Aktien in den Vereinigten Staaten von Amerika, der Bundesrepublik Deutschland und dem Königreich Schweden und einer internationalen Privatplatzierung in anderen Ländern. Das von diesem Prospekt abgedeckte öffentliche Angebot in der Bundesrepublik Deutschland und Schweden besteht allein in einem Angebot der Stammaktien der Colfax-Gruppe an ihre Mitarbeiter und bestimmte Vertriebshändler, Kunden, Geschäftspartner und nahe stehenden Personen im Rahmen eines als Bevorrechtigte Zuteilung (*Reserved Share Offering*) bezeichneten Verfahrens.

Nach dem Angebot ausstehende Stammaktien	41.229.588 Aktien
Platzierungspreis; Preisspanne	Der Platzierungspreis wird nach Ablauf des Bookbuilding-Zeitraums festgelegt; diese Festlegung wird voraussichtlich am oder um den 7. Mai 2008 erfolgen. Die Preisspanne, innerhalb derer während des Bookbuilding-Verfahrens Kaufangebote von institutionellen Anlegern abgegeben werden können, soll USD 15,00 bis USD 17,00 betragen.

Der Platzierungspreis wird für die Zwecke der Bevorrechtigten Zuteilung gemäß dem Wertpapierprospektgesetz durch Bekanntmachung in einem Börsenpflichtblatt, voraussichtlich in der *Frankfurter Allgemeinen Zeitung,* veröffentlicht, sobald dies nach dem Preisfestlegungstag möglich ist.

Verwendung des Emissionserlöses	Nach Schätzung der Colfax-Gruppe wird sich der Nettoemissionserlös aus dem Angebot basierend auf dem Mittelwert der auf dem Deckblatt des Prospekts genannten Preisspanne auf ca. USD 111,3 Mio. belaufen. Die Colfax-Gruppe beabsichtigt, den Nettoemissionserlös für folgende Zwecke zu verwenden: Tilgung von im Rahmen ihrer Kreditlinie ausstehenden Schulden in Höhe von USD 38,2 Mio., Zahlung von beschlossenen aber noch nicht gezahlten Dividenden in Höhe von USD 35,1 Mio. an bestehende Inhaber von Vorzugsaktien, Zahlung von Sonderboni in Höhe von ungefähr USD 22,5 Mio. an ihre Führungskräfte im Rahmen von bereits zuvor eingeführten Vergütungsplänen für Führungskräfte und Zahlungen in Höhe von ungefähr USD 11,8 Mio. zur Entschädigung der veräußernden Aktionäre für den Zeichnungsabschlag auf die von ihnen in diesem Angebot verkauften Aktien. Die Colfax-Gruppe beabsichtigt zudem, eine Dividende zu beschließen, die aus den Emissionserlösen an die registrierten Vorzugsaktionäre unmittelbar vor der Abwicklung dieses Angebots bezahlt wird. Diese Dividende wird vom 1. Januar 2008 bis zum Ende dieses Angebots mit einer Rate von LIBOR plus 2,5% des ursprünglichen Kaufpreises für die ausgegebenen und umlaufenden Vorzugsaktien verzinst. Nimmt man an, dass der

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Schlusstag dieses Angebots am 12. Mai 2008 ist, würde der Gesamtbetrag dieser Dividende USD 3,7 Mio. betragen. Die Colfax-Gruppe beabsichtigt, einen etwaigen Restbetrag des Emissionserlöses für Betriebskapital und sonstige allgemeine Unternehmenszwecke zu verwenden.

Die Colfax-Gruppe wird keine Emissionserlöse vom Verkauf der Aktien der veräußernden Aktionäre erhalten.

Verbundene Unternehmen von Merrill Lynch, Pierce, Fenner & Smith Incorporated, die nachfolgend als Merrill Lynch bezeichnet werden, UBS Securities LLC und Banc of America Securities LLC, welche alle Emissionsbanken im Rahmen dieses Angebots sind, sind Parteien der Kreditlinie der Colfax-Gruppe. Die verbundenen Unternehmen von Merrill Lynch und Banc of America Securities LLC werden zur Tilgung eines Teils der unter der Kreditlinie ausstehenden Schulden der Colfax-Gruppe ungefähr USD 3,6 Mio. bzw. USD 1,5 Mio. vom Emissionserlös erhalten.

Bevorrechtigte Zuteilung	Auf das Ersuchen der Colfax-Gruppe hin haben die Emissionsbanken bis zu 937.500 der im Rahmen dieses Prospekts angebotenen Aktien für den Verkauf zum Platzierungspreis an einige ihrer Directors, leitenden Angestellten, Mitarbeiter, Vertriebshändler, Kunden, Geschäftspartner und nahe stehenden Personen reserviert. Falls diese Personen die für sie reservierten Aktien kaufen, verringert dies die Anzahl der Aktien, die für einen Verkauf an die Öffentlichkeit zu Verfügung stehen. Reservierte Aktien, deren geplanter Kauf nicht bis 09:00 New Yorker Uhrzeit am Tag, der dem Tag der Festlegung des Preises folgt, bestätigt wird, werden von den Emissionsbanken der Öffentlichkeit zu denselben Bedingungen wie die übrigen Aktien zum Erwerb angeboten.

Damit Sie an der bevorrechtigten Zuteilung teilnehmen können, müssen Sie den Emissionsbanken durch die Colfax-Gruppe als berechtigter Teilnehmer benannt worden sein. Es wurden sämtliche Vollzeitbeschäftigten, soweit nach anwendbarem Recht zulässig, und bestimmte andere Personen von der Colfax-Gruppe gegenüber den Emissionsbanken als Teilnehmer angegeben.

Der Angebotszeitraum für Teilnehmer der bevorrechtigten Zuteilung wird voraussichtlich einen Tag nach dem Tag der Veröffentlichung dieses Prospekts beginnen und bis zum 7. Mai 2008 andauern. Falls Sie von der Colfax-Gruppe eine Mitteilung darüber erhalten haben, dass Sie ein berechtigter Teilnehmer sind, müssen Sie Ihre Erklärung des

Zeichnungsinteresses (*indication of interest*) gemäß den darin enthaltenen Anweisungen bis spätestens zum 2. Mai 2008 eingereicht haben; zu diesem Zeitpunkt werden dann die Emissionsbanken ein Broker-Konto auf Ihren Namen eröffnen.

Falls Ihnen zum Zeitpunkt der Festlegung des Platzierungspreises durch die Colfax-Gruppe Aktien zum Kauf zugeteilt worden sind und Sie Ihr Interesse am Kauf der Aktien bestätigen, sind Sie zur Zahlung bis spätestens zum Stichtag (voraussichtlich am 12. Mai 2008) verpflichtet.

Lieferung und Zahlung	Die Lieferung der zugeteilten Aktien gegen Zahlung des Platzierungspreises und der üblichen Wertpapierprovision erfolgt voraussichtlich am oder um den 12. Mai 2008.
Börsennotierung	Die Colfax-Gruppe beabsichtigt die Notierung ihrer Stammaktien an der New York Stock Exchange (NYSE) unter dem Börsenkürzel CFX .

In der Anzahl der nach dem Angebot auszugebenden Aktien sind 593.659 unwiderrufbare Restricted Stock Units enthalten, die mit Beendigung dieses Angebots zugeteilt werden, und bis zu 5.906.341 übrige Aktien nicht enthalten, die für die Ausgabe im Rahmen des Omnibus Incentive Plans für 2008 der Colfax-Gruppe reserviert sind. Sofern nicht anderweitig angegeben, wird bei den Angaben in diesem Prospekt:

- ein 13.436,22841-zu-1-Aktiensplit der ausstehenden Stammaktien der Colfax-Gruppe berücksichtigt, der am 21. April 2008 erfolgte;
- davon ausgegangen, dass eine Umwandlung aller ausgegebenen Vorzugsaktien der Colfax-Gruppe in Stammaktien nach Abschluss dieses Angebots erfolgt;
- die planmäßige Verwendung des Nettoemissionserlöses aus diesem Emissionsangebot zugrunde gelegt;
- die Einreichung der neu gefassten Gründungsurkunde der Colfax-Gruppe und die positive Beschlussfassung über die ergänzte und neu gefasste Satzung unmittelbar vor Abschluss dieses Angebots zugrunde gelegt;
- ein Platzierungspreis der Stammaktien von USD 16,00 je Aktie, d. h. der Mittelwert der auf dem Deckblatt des Prospekts genannten Preisspanne zugrunde gelegt; und
- davon ausgegangen, dass die Emissionsbanken ihre Mehrzuteilungsoption auf den Kauf von bis zu 2.812.500 zusätzlichen Aktien von der Colfax-Gruppe nicht ausüben.

(1) Die Gesamtzahl der von der Colfax-Gruppe und den veräußernden Aktionären angebotenen Aktien ist 18.750.000, soweit keine der Emissionsbanken ihre Überzuteilungs-Option ausüben wird. Während die Gesamtzahl der angebotenen Aktien sich nicht verändern wird, sind die Zahlen betreffend der Aktien, die von der Colfax-Gruppe (7.825.947) und den veräußernden Aktionären (10.924.053) als angeboten ausgewiesen sind, nur geschätzt und können sich, basierend auf dem Angebotspreis pro Aktie, verändern. Die geschätzten Zahlen der Stammaktien, die von der Colfax-Gruppe und den veräußernden Aktionären als angeboten ausgewiesen sind, basieren auf einem angenommenen Angebotspreis von USD 16,00 pro Aktie, d. h. dem Mittelwert der auf dem Deckblatt des Prospekts genannten Preisspanne. Die Anzahl der von den veräußernden Aktionären angebotenen Aktien wird durch Division von USD 174,8 Mio. (dem ursprünglichen Ausgabepreis der Vorzugsaktien) durch den Angebotspreis pro Aktie bestimmt. Die Anzahl der von der Colfax-Gruppe angebotenen Aktien berechnet sich durch Subtraktion der Anzahl der von den veräußernden Aktionären angebotenen Aktien von der Gesamtzahl der angebotenen Aktien von 18.750.000.

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Zusammenfassung der Konzern-Finanzdaten und sonstigen Angaben

In der nachfolgenden Tabelle sind die Konzern-Finanzdaten und sonstigen Angaben der Colfax-Gruppe für die dort angegebenen Zeiträume zusammenfassend dargestellt. Die Finanzdaten für jedes der drei Geschäftsjahre in der Zeit bis zum 31. Dezember 2007 sind den von Ernst & Young LLP geprüften Konzernabschlüssen der Colfax-Gruppe entnommen.

Diese Angaben sollten zusammen mit den Konzernabschlüssen einschließlich der dazugehörigen Anhänge sowie mit der Management s Discussion and Analysis of Financial Condition and Results of Operations gelesen werden, die sich an anderer Stelle in diesem Prospekt befinden.

in Tausend Dollar, außer Angaben je Aktie	Geschäftsjahr zum 31. Dezember 2007	2006	2005
Daten der Gewinn- und Verlustrechnung:			
Umsatzerlöse	USD 506.305	USD 393.604	USD 345.478
Umsatzkosten	330.714	256.806	222.353
Bruttoergebnis vom Umsatz	175.591	136.798	123.125
Vertriebskosten, Allgemeine Verwaltungskosten	98.500	80.103	74.594
Forschungs und Entwicklungskosten	4.162	3.336	2.855
Aufwendungen für Asbest Altlasten (Ertrag)	(50.346)	33.816	18.112
Betriebsergebnis	123.275	19.543	27.564
Zinsaufwendungen	19.246	14.186	9.026
Rückstellungen für Körperschaftssteuern	39.147	3.866	6.907
Ertrag der fortgeführten Geschäftstätigkeiten	64.882	1.491	11.631
Nettogewinn	64.882	94	12.247
Gewinn (Verlust) je Aktie aus fortgeführten Geschäftstätigkeiten unverwässert und verwässert(1)	USD 1,79	USD 0,07	USD (0,09)

in Tausend Dollar	Zum 31. Dezember 2007 Tatsächlich	Angepasst(2)
Daten der Bilanz:		
Barmittel and Barmitteläquivalente	USD 48.093	USD 48.093
Geschäfts oder Firmenwert und immaterielle Vermögenswerte, netto	185.353	185.353
Asbestbezogene Versicherungsvermögenswerte, inkl. Gegenwärtiger Anteil	305.228	305.228
Bilanzsumme	896.540	896.540
Gesamte derzeitige Verbindlichkeiten	148.374	148.374
Asbestbezogene Verbindlichkeiten, inkl. Gegenwärtiger Anteil	376.233	376.233
Gesamtverschuldung, inkl. Gegenwärtiger Anteil	206.493	168.367

in Tausend Dollar	Geschäftsjahr zum 31. Dezember 2007	2006	2005
Sonstige Daten:			
EBITDA(3)(4)	USD 138.514	USD 29.627	USD 39.610

(1) Berechnet auf Grundlage des den Inhabern von Stammaktien zur Verfügung stehenden Ergebnisses aus laufenden Geschäften.

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(2) Angepasst unter Berücksichtigung des Verkaufs von Stammaktien im Rahmen dieses Angebots zu einem angenommenen Angebotspreis von USD 16,00 je Aktie, d. h. des Mittelwerts der Preisspanne, und der Einnahme sowie der Verwendung des Nettoemissionserlöses gemäß der Darstellung unter Das Angebot-Verwendung des Emissionserlöses in dieser Zusammenfassung des Prospekts.

(3) EBITDA beinhaltet Aufwendungen für Asbest-Altlasten (Ertrag) in Höhe von USD (50.346), USD 33.816 und USD 18.112 in den Jahren, die am 31. Dezember 2007, 2006 bzw. 2005 endeten, und Aufwendungen für eingestellte Operationen (Ertrag) in Höhe von USD 1.397 und USD (616) in den Jahren, die am 31. Dezember 2006 bzw. 2005 endeten.

(4) Die Colfax-Gruppe veröffentlicht das EBITDA, da sie der Ansicht ist, dass es den Investoren nützliche Informationen über die Colfax-Gruppe, ihr Geschäft und ihre finanzielle Verfassung bringt. Die Colfax-Gruppe definiert das EBITDA als Jahresüberschuss vor Zinskosten, Steuern und Abschreibungen. Die Colfax-Gruppe ist der Ansicht, dass das EBITDA nützlich ist für Investoren, da es einer der Maßstäbe ist, die ihr Board of Directors und ihr Management verwenden, um das Geschäft der Colfax-Gruppe zu beurteilen, und da das EBITDA sowohl bei der internen Berichterstattung durch das Management, bei Budgetierungs- und Prognose-Prozessen, beim Vergleich ihrer operativen Ergebnisse im eigenen Unternehmen sowie mit Wettbewerbern und anderen Unternehmen in ihrer Branche, als Maß der internen Profitabilität, als Bestandteil der Beurteilung ihrer Möglichkeiten Investitionen und signifikante Akquisitionen zu machen sowie deren Attraktivität als auch als Bestandteil bei der Festlegung der Vergütung von Führungskräften eingesetzt wird. Darüber hinaus werden das EBITDA und vergleichbare Messgrößen häufig von Anlegern, Ratingagenturen und Wertpapieranalysten als Hauptmessgröße zum Vergleich von Unternehmen in der Branche der Colfax-Gruppe und für die Fähigkeit Schulden bedienen zu können herangezogen.

Bei dem EBITDA handelt es sich um keine Kennzahl der Finanz- und Ertragslage oder für die Liquidität, die nach den in den USA allgemein anerkannten Rechnungslegungsgrundsätzen (US-GAAP) berechnet wurde. Folglich sollte das EBITDA weder als Alternative zum Nettogewinn oder sonst einem Indikator für operative Leistung, noch als Alternative zum Cashflow aus Geschäftstätigkeit oder sonst einer nach US-GAAP ermittelten Messgröße für Liquidität betrachtet werden. Da die Berechnung des EBITDA vor periodisch wiederkehrenden Zahlungen, einschließlich Zinsaufwendungen und Steuern erfolgt, und keine Anpassungen im Hinblick auf Investitionsaufwendungen oder sonstige periodisch wiederkehrende Barmittelerfordernisse im Rahmen des Geschäftsbetriebs vorgenommen werden, sollte es nicht als Kennzahl für die zur Investition in das Wachstum des Geschäfts verfügbaren Barmittel betrachtet werden.

Es gibt eine Anzahl von Einschränkungen durch die Benutzung von Adjusted EBITDA als ein analytisches Werkzeug, einschließlich der Folgenden:

- EBITDA gibt nicht die Belastungen der Colfax-Gruppe mit Zinsausgaben wieder;
- EBITDA gibt nicht die Steuerausgaben oder den hierfür notwendigen Geldbedarf der Colfax-Gruppe wieder; und
- obwohl Abschreibungen als Ausgaben nicht in Geld im Abrechnungszeitraum erfasst werden, kann es sein, dass der Anlagegegenstand, der abgeschrieben wird, in der Zukunft ersetzt werden muss und EBITDA spiegelt den Geldbedarf für eine Ersatzanschaffung nicht wieder.

Die Colfax-Gruppe kompensiert diese Beschränkungen, indem sie sich primär auf ihre US-GAAP Maß- und Verhältniszahlen verlässt und indem sie EBITDA nur ergänzend heranzieht. Die Colfax-Gruppe ist der Auffassung, dass eine Betrachtung des EBITDA zusammen mit einer sorgfältigen Untersuchung ihrer US-GAAP Maß- und Verhältniszahlen das aufschlussreichste Verfahren zur Analyse des Unternehmens darstellt.

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Die nachstehende Tabelle enthält eine Überleitung des gemäß US-GAAP ermittelten Nettogewinns auf das EBITDA:

	Geschäftsjahr zum 31. Dezember		
in Tausend Dollar	**2007**	**2006**	**2005**
Nettogewinn	USD 64.882	USD 94	USD 12.247
Zinsaufwendungen	19.246	14.186	9.026
Rückstellung für Körperschaftssteuern	39.147	3.866	6.907
Abschreibungen	15.239	11.481	11.430
EBITDA	USD 138.514	USD 29.627	USD 39.160

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Jüngste Entwicklung

Die Colfax-Gruppe schätzt, dass ihr Nettoumsatz in den am 28. März 2008 geendeten drei Monaten zwischen USD 130,0 Mio. und USD 131,0 Mio. lag. Die Colfax-Gruppe schätzt, dass das Betriebsergebnis[1] in den am 28. März 2008 geendeten drei Monaten zwischen USD 14,6 Mio. und USD 15,0 Mio. lag. Die Colfax-Gruppe schätzt, dass Bestellungen in den am 28. März 2008 geendeten drei Monaten von ungefähr USD 180,3 Mio. eingingen und dass ihr unerledigter Auftragsbestand zum 28. März 2008 bei ungefähr USD 353,6 Mio. lag. Die vorstehenden Schätzungen basieren auf einer vorläufigen Analyse der antizipierten Ergebnisse durch die Colfax-Gruppe und die tatsächlichen Ergebnisse können signifikant abweichen.

(1) Die Colfax-Gruppe schätzt, dass ihr Betriebsergebnis ungefähr USD 3,4 Mio. an Aufwendungen für Asbest-Altlasten beinhaltet, die sich aus USD 3,1 Mio. Rechtsverfolgungskosten gegen die Asbest-Versicherer der Colfax-Gruppe und aus USD 0,3 Mio. Kosten für Asbest-Haftung und Verteidigung gegen Asbest-Klagen zusammensetzen.

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Zusammenfassung der Risikofaktoren

Die Colfax-Gruppe ist einer Reihe von Risiken ausgesetzt, die einzeln oder zusammen wesentlich nachteilige Auswirkungen auf die Finanzlage der Colfax-Gruppe haben könnten. Zusammengefasst sind dies:

Der überwiegende Teil des Umsatzes der Colfax-Gruppe entfällt auf grenzüberschreitende Geschäftstätigkeiten. Die grenzüberschreitenden Geschäftstätigkeit birgt bestimmte Risiken für die Colfax-Gruppe.

Erhebliche Veränderungen der Fremdwährungswechselkurse können nachteilige Auswirkungen auf die finanziellen Ergebnisse der Colfax-Gruppe haben.

Die Colfax-Gruppe ist von der Verfügbarkeit von Rohstoffen abhängig, sowie von Teilen und Komponenten, die sie in ihren Produkten verwendet.

Die von der Colfax-Gruppe bedienten Märkte sind von starkem Wettbewerb geprägt. Einige Wettbewerber der Colfax-Gruppe könnten über Mittel verfügen, die denen der Colfax-Gruppe überlegen sind. Die Teilnahme an diesem Wettbewerb könnte die operative Marge der Colfax-Gruppe verringern.

Übernahmen waren in der Vergangenheit ein wichtiger Bestandteil der Wachstumsstrategie der Colfax-Gruppe und werden dies voraussichtlich auch künftig sein. Falls es der Colfax-Gruppe nicht gelingt, geeignete Übernahmekandidaten zu finden oder die erworbenen Unternehmen einzugliedern oder die mit der Übernahme angestrebten Nutzen zu erzielen, könnte ihre Wachstumsstrategie möglicherweise nicht erfolgreich sein. Übernahmen sind mit zahlreichen Risiken verbunden, unter anderen mit Risiken im Zusammenhang mit der Eingliederung und mit nicht offen gelegten oder unterbewerteten Verbindlichkeiten.

Die Colfax-Gruppe könnte zur Finanzierung ihres Wachstums zusätzliches Kapital benötigen. Falls die Bedingungen, zu denen dieses zusätzliche Kapital verfügbar ist, unbefriedigend sind oder dieses überhaupt nicht verfügbar ist, so ist die Colfax-Gruppe möglicherweise nicht in der Lage, ihre Wachstumsstrategie weiterzuverfolgen.

Ein erheblicher Störfall in einer der Fertigungseinrichtungen der Colfax-Gruppe könnte sich nachteilig auf ihre Fähigkeit zur Generierung von Umsätzen und zur Erfüllung von Kundenanforderungen auswirken.

Die allgemeine Wirtschaftslage und die Zyklizität der Märkte, auf denen die Colfax-Gruppe tätig ist, könnten ihren Geschäftsbetrieb und ihre Finanz- und Ertragslage beeinträchtigen.

Der Verlust von Führungskräften in Schlüsselpositionen könnte sich wesentlich nachteilig auf die Fähigkeit der Colfax-Gruppe zur Führung des Geschäfts auswirken.

Der verfügbare Versicherungsschutz, die Anzahl künftiger asbestbezogener Klagen sowie die durchschnittlichen Vergleichsabfindungen von laufenden und zukünftigen asbestbezogener Klagen zweier Tochtergesellschaften der Colfax-Gruppe könnten von den Schätzungen der Colfax-Gruppe abweichen, was sich erheblich nachteilig auf ihre Finanzlage, das Betriebsergebnis und den Kapitalfluss (Cashflow) auswirken könnte.

Die grenzüberschreitenden Geschäftstätigkeiten der Colfax-Gruppe unterliegen den Gesetzen und Vorschriften der Vereinigten Staaten von Amerika sowie zahlreicher anderer Länder. Eine Nichteinhaltung dieser Gesetze könnte ihre Fähigkeit zur Durchführung von Geschäften in bestimmten Ländern sowie ihre Finanz- und Ertragslage beeinträchtigen.

Die ausländischen Tochtergesellschaften der Colfax-Gruppe betrieben in der Vergangenheit Geschäfte in Ländern, für die Sanktionen und Embargos der Vereinigten Staaten von Amerika gelten -einschließlich Iran und Syrien- und werden dies möglicherweise auch künftig tun. Die Colfax-Gruppe hat nur bedingt Kontrolle über diese Tätigkeiten. Das Versäumnis, diese Sanktionen und Embargos zu befolgen, kann zu Zwangsmaßnahmen oder anderen behördlichen Maßnahmen führen.

Falls die Colfax-Gruppe gegen Ausfuhrkontrollvorschriften verstoßen sollte, könnten gegen sie erhebliche Geldstrafen oder andere Strafmaßnahmen verhängt werden.

Circa 44 % der Mitarbeiter der Colfax-Gruppe werden von ausländischen Gewerkschaften vertreten. Falls es den Vertretungsorganen, die dafür verantwortlich sind, im Namen der Colfax-Gruppe mit diesen Gewerkschaften zu verhandeln, nicht gelingen sollte, beim Auslaufen bestehender Vereinbarungen mit den von den Gewerkschaften vertretenen Mitarbeitern der Colfax-Gruppe neue annehmbare Vereinbarungen auszuhandeln, könnte es zu Unterbrechungen des Geschäftsbetriebs oder zu erhöhten Kosten kommen.

Das Fertigungsgeschäfts der Colfax-Gruppe könnte sich möglicherweise Produkthaftungsklagen ausgesetzt sehen, was zur Beeinträchtigung des Unternehmens führen könnte.

Als Hersteller gelten für die Colfax-Gruppe eine Reihe von Umwelt-, Gesundheits- und Sicherheitsgesetzen, deren Erfüllung möglicherweise kostenintensiv ist. Darüber hinaus könnte die Colfax-Gruppe im Falle einer Nichteinhaltung solcher Gesetze haftbar gemacht und einer Geldstrafe sowie etwaigen Kosten für die Beseitigung ausgesetzt werden.

Die Colfax-Gruppe könnte als gegenwärtige oder ehemalige Eigentümerin oder Betreiberin von Immobilien oder als Erzeugerin von Abfällen für Umweltverschmutzung haften, gleich ob sie die betreffende Verschmutzung verursacht hat oder nicht.

Falls es der Colfax-Gruppe nicht gelingen sollte, ihre Handelsmarken, Handelsbezeichnungen und Technologien aufrechtzuerhalten und zu schützen, könnte dies ihre Geschäftstätigkeit und ihre Finanz- und Ertragslage beeinträchtigen.

Falls es der Colfax-Gruppe nicht gelingen sollte, ihre Beurteilung der Angemessenheit des rechnungslegungsbezogenen internen Kontrollsystems zum 31. Dezember 2009 abzuschließen, wie dies Section 404 des *Sarbanes-Oxley Act* von 2002 vorschreibt, oder falls wesentliche Mängel festgestellt und berichtet werden, könnten Anleger das Vertrauen in die Zuverlässigkeit ihrer Abschlüsse verlieren, was zu einem Sinken des Werts Ihrer Anlage führen könnte und der Colfax-Gruppe die künftige Kapitalbeschaffung erschweren könnte.

Einige Aktionäre der Colfax-Gruppe könnten erheblichen Einfluss auf die Colfax-Gruppe ausüben.

Die Colfax-Gruppe beabsichtigt, einen großen Teil des Nettoemissionserlöses aus diesem Angebot für die Tilgung von im Rahmen ihrer bestehenden Kreditlinie ausstehenden Verbindlichkeiten, für Begleichung von bisher beschlossenen, aber noch nicht gezahlten Dividenden, zur Zahlung einer Dividende deren Beschluss vor Beendigung des Angebots erwartet wird, zur Entschädigung veräußernder Aktionäre für den Zeichnungsabschlag auf die von ihnen verkauften Aktien sowie für Bezahlung von Geldprämien an bestimmte Führungskräfte zu verwenden.

Verkäufe von Aktien der Colfax-Gruppe nach Abschluss dieses Angebots oder der bloße Eindruck, dass es zu solchen Verkäufen kommen könnte, könnten sich nachteilig auf den Marktkurs der Aktien der Colfax-Gruppe auswirken.

Die Colfax-Gruppe beabsichtigt nicht, in absehbarer Zeit Bardividenden auf ihre Stammaktien zu zahlen.

Für Anleger, die sich an diesem Angebot beteiligen, wird es zu einer unmittelbaren Verwässerung des Nettobuchwerts je Aktie kommen.

Für die Stammaktien der Colfax-Gruppe besteht kein vorheriger öffentlicher Markt. Der Kurs ihrer Aktien könnte stark schwanken und nach diesem Angebot sinken.

Bestimmungen der Gründungsurkunde der Colfax-Gruppe oder das Recht des US-Bundesstaates Delaware könnten eine Übernahme der Colfax Corporation verzögern oder verhindern, was zu einem Sinken des Werts Ihrer Aktien führen könnte.

Es könnten sich Beschränkungen der Möglichkeiten der Colfax-Gruppe ergeben, ihre Netto-Verluste und Verlustvorträge in zukünftigen Veranlagungszeiträumen voll nutzbar zu machen.

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RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, together with the other information in this prospectus, before making an investment decision. If any of the following risks actually occur, our business, financial condition or operating results could suffer. As a result, the trading price of our common stock could decline and you could lose all or part of your investment in our common stock.

Risks Related to Our Business

The majority of our sales are derived from international operations. We are subject to specific risks associated with international operations.

In the year ended December 31, 2007, we derived approximately 66% of our sales from operations outside of the U.S. with manufacturing facilities in seven countries. Sales from international operations, export sales and the use of manufacturing facilities outside of the U.S. are subject to risks inherent in doing business outside the U.S. These risks include:

- economic instability;
- partial or total expropriation of our international assets;
- trade protection measures, including tariffs or import-export restrictions;
- currency exchange rate fluctuations and restrictions on currency repatriation;
- significant adverse changes in taxation policies or other laws or regulations; and
- the disruption of operations from political disturbances, terrorist activities, insurrection or war.

Significant movements in foreign currency exchange rates may harm our financial results.

We are exposed to fluctuations in currency exchange rates. In the year ended December 31, 2007, approximately 66% of our sales were denominated in currencies other than the U.S. dollar. We do not engage to a material extent in hedging activities intended to offset the risk of exchange rate fluctuations. Any significant change in the value of the currencies of the countries in which we do business against the U.S. dollar could affect our ability to sell products competitively and control our cost structure, which, in turn, could adversely affect our results of operations and financial condition.

A significant portion of our revenues and income are denominated in Euros and Swedish Kronor. Consequently, depreciation of the Euro or Krona against the U.S. dollar has a negative impact on the income from operations of our European operations. Large fluctuations in the rate of exchange between the Euro, the Krona and the U.S. dollar could have a material adverse effect on our results of operations and financial condition.

We are dependent on the availability of raw materials, as well as parts and components used in our products.

While we manufacture many of the parts and components used in our products, we require substantial amounts of raw materials and purchase some parts and components from suppliers. The availability and prices for raw materials, parts and components may be subject to curtailment or change due to, among other things, suppliers allocations to other purchasers, interruptions in production by suppliers, changes in exchange rates and prevailing price levels. Any change in the supply of, or price for, these raw materials or parts and components could materially affect our business, financial condition, results of operations and cash flow. In addition, delays in delivery of components or raw materials by our suppliers could cause delays in our delivery of products to our customers.

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The markets we serve are highly competitive and some of our competitors may have resources superior to ours. Responding to this competition could reduce our operating margins.

We sell most of our products in highly fragmented and competitive markets. We believe that the principal elements of competition in our markets are:

- the ability to meet customer specifications;
- application expertise and design and engineering capabilities;
- product quality and brand name;
- timeliness of delivery;
- price; and
- quality of aftermarket sales and support.

In order to maintain and enhance our competitive position, we intend to continue our investment in manufacturing quality, marketing, customer service and support and distribution networks. We may not have sufficient resources to continue to make these investments and we may not be able to maintain our competitive position. Our competitors may develop products that are superior to our products, develop methods of more efficiently and effectively providing products and services or adapt more quickly than we do to new technologies or evolving customer requirements. Some of our competitors may have greater financial, marketing and research and development resources than we have. As a result, those competitors may be better able to withstand the effects of periodic economic downturns. In addition, pricing pressures could cause us to lower the prices of some of our products to stay competitive. We may not be able to compete successfully with our existing competitors or with new competitors. If we fail to compete successfully, the failure would have a material adverse effect on our business and results of operations.

Acquisitions have formed a significant part of our growth strategy in the past and are expected to continue to do so. If we are unable to identify suitable acquisition candidates or integrate the businesses we acquire or realize the intended benefits, our growth strategy may not succeed. Acquisitions involve numerous risks, including risks related to integration and undisclosed or underestimated liabilities.

Historically, our business strategy has relied on acquisitions. We expect to derive a significant portion of our growth by acquiring businesses and integrating those businesses into our existing operations. We intend to seek acquisition opportunities both to expand into new markets and to enhance our position in our existing markets. However, our ability to do so will depend on a number of steps, including our ability to:

- identify suitable acquisition candidates;
- negotiate appropriate acquisition terms;
- obtain financing that we may need to complete proposed acquisitions;
- complete the proposed acquisitions; and

- integrate the acquired business into our existing operations.

If we fail to achieve any of these steps, our growth strategy may not be successful.

In addition, acquisitions involve numerous risks, including difficulties in the assimilation of the operations, technologies, services and products of the acquired company, the potential loss of key employees of the acquired company and the diversion of our management s attention from other business concerns. This is the case particularly in the fiscal quarters immediately following the completion of an acquisition because the operations of the acquired business are integrated into the acquiring businesses operations during this period. We cannot be sure that we will accurately anticipate all of the changing demands that any future acquisition may impose on our management, our operational and management information systems and our financial systems.

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Once integrated, acquired operations may not achieve levels of revenue, profitability or productivity comparable with those that our existing operations achieve, or may otherwise not perform as we expected.

We may underestimate or fail to discover liabilities relating to a future acquisition during the due diligence investigation and we, as the successor owner, might be responsible for those liabilities. For example, two of our acquired subsidiaries are each one of many defendants in a large number of lawsuits that claim personal injury as a result of exposure to asbestos from products manufactured with components that are alleged to have contained asbestos. Although our due diligence investigations in connection with these acquisitions uncovered the existence of potential asbestos-related liabilities, the scope of such liabilities were greater than we had originally estimated. Although we seek to minimize the impact of underestimated or potential undiscovered liabilities by structuring acquisitions to minimize liabilities and obtaining indemnities and warranties from the selling party, these methods may not fully protect us from the impact of undiscovered liabilities. Indemnities or warranties are often limited in scope, amount or duration, and may not fully cover the liabilities for which they were intended. The liabilities that are not covered by the limited indemnities or warranties could have a material adverse effect on our business and financial condition.

We may require additional capital to finance our growth. If the terms on which the additional capital is available are unsatisfactory or if the additional capital is not available at all, we may not be able to pursue our growth strategy.

Our growth strategy will require additional capital investment to complete acquisitions, integrate the completed acquisitions into our existing operations and to expand into new markets.

We intend to pay for future acquisitions using a combination of cash, capital stock, notes and assumption of indebtedness. To the extent that we do not generate sufficient cash internally to provide the capital we require to fund our growth strategy and future operations, we will require additional debt or equity financing. We cannot be sure that this additional financing will be available or, if available, will be on terms acceptable to us. If we fail to obtain sufficient additional capital in the future, that failure will limit our ability to implement our business strategy. In addition, even if future debt financing is available, it may result in (1) increased interest expense, (2) increased term loan payments, (3) increased leverage, and (4) decreased income available to fund further acquisitions and expansion. It may also limit our ability to withstand competitive pressures and make us more vulnerable to economic downturns. If future equity financing is available, it may dilute the equity interests of our existing stockholders.

A material disruption at any of our manufacturing facilities could adversely affect our ability to generate sales and meet customer demand.

If operations at our manufacturing facilities were to be disrupted as a result of significant equipment failures, natural disasters, power outages, fires, explosions, terrorism, adverse weather conditions or other reasons, our financial performance could be adversely affected as a result of our inability to meet customer demand for our products. Interruptions in production could increase our costs and reduce our sales. Any interruption in production capability could require us to make substantial capital expenditures to remedy the situation, which could negatively affect our profitability and financial condition. We maintain property damage insurance which we believe to be adequate to provide for reconstruction of facilities and equipment, as well as business interruption insurance to mitigate losses resulting from any production interruption or shutdown caused by an insured loss. However, any recovery under our insurance policies may not offset the lost sales or increased costs that may be experienced during the disruption of operations, which could adversely affect our financial performance.

Changes in the general economy and the cyclical nature of our markets could harm our operations and financial performance.

Our financial performance depends, in large part, on conditions in the markets we serve and on the general condition of the global economy. Any sustained weakness in demand, downturn or uncertainty in the global economy could reduce our sales and profitability and affect our financial performance. In addition, our products are sold in many industries, some of which are cyclical and may experience periodic downturns. Cyclical weakness in the industries we serve could lead to reduced demand for our products and affect our profitability and financial performance.

The loss of key management could have a material adverse effect on our ability to run our business.

Because our senior management has been key to our growth and success, we may be adversely affected if we lose any member of our senior management. We are highly dependent on our senior management team, including John Young, our President and Chief Executive Officer, as a result of their extensive experience. The loss of key management or the inability to attract, retain and motivate sufficient numbers of qualified management personnel could have a material adverse effect on us and our business.

Available insurance coverage, the number of future asbestos-related claims and the average settlement value of current and future asbestos-related claims of two of our subsidiaries could be different than we have estimated, which could materially and adversely affect our financial condition, results of operation and cash flow.

Two of our subsidiaries are each one of many defendants in a large number of lawsuits that claim personal injury as a result of exposure to asbestos from products manufactured with components that are alleged to have contained asbestos. Such components were acquired from third-party suppliers and were not manufactured by any of our subsidiaries nor were the subsidiaries producers or direct suppliers of asbestos. For purposes of our financial statements, we have estimated the future claims exposure and the amount of insurance available based upon certain assumptions with respect to future claims and liability costs. We estimate the liability costs to be incurred in resolving pending and forecasted claims for the next 15 year period.

Our decision to use a 15 year period is based on our belief that this is the extent of our ability to forecast liability costs. We also estimate the amount of insurance proceeds available for such claims based on the current financial strength of the various insurers, our estimate of the likelihood of payment and applicable current law. We reevaluate these estimates regularly. Although we believe our current estimates are reasonable, a change in the time period used for forecasting our liability costs, the actual number of future claims brought against us, the cost of resolving these claims, the likelihood of payment by, and the solvency of, insurers and the amount of remaining insurance available could be substantially different than our estimates, and future revaluation of our liabilities and insurance recoverables could result in material adjustments to these estimates, any of which could materially and adversely affect our financial condition, results of operations and cash flow. In addition, the company incurs defense costs related to those claims, a portion of which has historically been reimbursed by our insurers. We also incur litigation costs in connection with actions against certain of the subsidiaries insurers relating to insurance coverage. While these costs may be significant, we are unable to predict the amount or duration of such costs. Additionally, we may experience delays in receiving reimbursement from insurers, during which time we may be required to pay cash for settlement or legal defense costs. Any increase in the actual number of future claims brought against us, the defense costs of resolving these claims, the cost of pursuing claims against our insurers, the likelihood and timing of payment by, and the solvency of, insurers and the amount of remaining insurance available, could materially and adversely affect our financial condition, results of operations and cash flow.

Our international operations are subject to the laws and regulations of the United States and many foreign countries. Failure to comply with these laws may affect our ability to conduct business in certain countries and may affect our financial performance.

We are subject to a variety of laws regarding our international operations, including the Foreign Corrupt Practices Act and regulations issued by U.S. Customs and Border Protection, the Bureau of Industry and Security and the regulations of various foreign governmental agencies. We cannot predict the nature, scope or effect of future regulatory requirements to which our international sales and manufacturing operations might be subject or the manner in which existing laws might be administered or interpreted. Future regulations could limit the countries in which some of our products may be manufactured or sold, or could restrict our access to, and increase the cost of obtaining, products from foreign sources. In addition, actual or alleged violations of these laws could result in enforcement actions and financial penalties that could result in substantial costs.

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Our foreign subsidiaries have done and may continue to do business in countries subject to U.S. sanctions and embargoes, including Iran and Syria, and we have limited managerial oversight over those activities. Failure to comply with these sanctions and embargoes may result in enforcement or other regulatory actions.

From time to time, certain of our foreign subsidiaries sell products to companies and entities located in, or controlled by the governments of, certain countries that are or have previously been subject to sanctions and embargoes imposed by the U.S. government and/or the United Nations, such as Iran and Syria. With the exception of the U.S. sanctions against Cuba, the applicable sanctions and embargoes generally do not prohibit our foreign subsidiaries from selling non-U.S.-origin products and services in those countries. However, Colfax Corporation, its U.S. personnel and its domestic subsidiaries, as well as employees of our foreign subsidiaries who are U.S. citizens, are prohibited from participating in, approving or otherwise facilitating any aspect of the business activities in those countries. These constraints may negatively affect the financial or operating performance of such business activities. We cannot be certain that our attempts to comply with U.S. sanction laws and embargoes will be effective, and as a consequence we may face enforcement or other actions if our compliance efforts are not effective. Actual or alleged violations of these laws could result in substantial fines or other sanctions which could result in substantial costs. In addition, Iran and Syria currently are identified by the State Department as state sponsors of terrorism and may be subject to increasingly restrictive sanctions. Because certain of our foreign subsidiaries have contact with and transact business in such countries, including sales to enterprises controlled by agencies of the governments of such countries, our reputation may suffer due to our association with these countries, which may have a material adverse effect on the price of our common stock. Further, certain U.S. states and municipalities have recently enacted legislation regarding investments by pension funds and other retirement systems in companies that have business activities or contacts with countries that have been identified as state sponsors of terrorism and similar legislation may be pending in other states. As a result, pension funds and other retirement systems may be subject to reporting requirements with respect to investments in companies such as ours or may be subject to limits or prohibitions with respect to those investments that may have a material adverse effect on the price of our shares.

In addition, we have recently discovered that one of our foreign subsidiaries made a small number of sales of approximately $60,000 in the aggregate to two customers in Cuba which may have been made in violation of regulations of the U.S. Treasury Department s Office of Foreign Assets Control, or OFAC. Cuba is also identified by the U.S. State Department as a state sponsor of terrorism. We have submitted an initial notice of voluntarily disclosure to OFAC regarding these transactions. Our inquiry into these transactions is continuing and we will submit a full disclosure report to OFAC as soon as possible. As a result of these sales, we may be subject to fines or other sanctions.

If we fail to comply with export control regulations, we could be subject to substantial fines or other sanctions.

Some of our products manufactured or assembled in the United States are subject to the U.S. Export Administration Regulations, administered by the U.S. Department of Commerce, Bureau of Industry and Security, which require that we obtain an export license before we can export such products to specified countries. Additionally, some of our products are subject to the International Traffic in Arms Regulations, which restrict the export of certain military or intelligence-related items, technologies and services to non-U.S. persons. Failure to comply with these laws could harm our business by subjecting us to sanctions by the U.S. government, including substantial monetary penalties, denial of export privileges and debarment from U.S. government contracts.

Approximately 44% of our employees are represented by foreign trade unions. If the representation committees responsible for negotiating with these unions on our behalf are unsuccessful at negotiating new and acceptable agreements when the existing agreements with our employees covered by the unions expire, we could experience business disruptions or increased costs.

As of January 31, 2008, we had approximately 2,059 employees worldwide. In certain countries, labor and employment laws are more restrictive than in the U.S. and, in many cases, grant significant job protection to employees, including rights on termination of employment. In Germany, Sweden and the Netherlands, by law, some of our employees are represented by trade unions in these jurisdictions, which subjects us to employment arrangements very similar to collective bargaining agreements. If our employees represented by foreign trade unions were to engage in a strike, work stoppage or other slowdown in the future, we could experience a significant disruption of our operations. Such disruption could interfere with our business operations and could lead to decreased productivity, increased labor costs and lost revenue.

Although we have not experienced any recent strikes or work stoppages, we cannot offer any assurance that the representation committees that negotiate with the foreign trade unions on our behalf will be successful in negotiating new collective bargaining agreements or other employment arrangements when the current ones expire. Furthermore, future labor negotiations could result in significant increases in our labor costs.

Our manufacturing business is subject to the possibility of product liability lawsuits, which could harm our business.

In addition to the asbestos-related liability claims described above, as the manufacturer of equipment for use in industrial markets, we face an inherent risk of exposure to other product liability claims. Although we maintain strict quality controls and procedures, we cannot be sure that our products will be free from defects. In addition, some of our products contain components manufactured by third-parties, which may also have defects. We maintain insurance coverage for product liability claims. Our insurance policies have limits, however, that may not be sufficient to cover claims made against us. In addition, this insurance may not continue to be available to us at a reasonable cost. With respect to components manufactured by third-party suppliers, the contractual indemnification that we seek from our third-party suppliers may be limited and thus insufficient to cover claims made against us. If our insurance coverage or contractual indemnification is insufficient to satisfy product liability claims made against us, the claims could have an adverse effect on our business and financial condition. Even claims without merit could harm our reputation, reduce demand for our products, cause us to incur substantial legal costs and distract the attention of our management.

As a manufacturer, we are subject to a variety of environmental and health and safety laws for which compliance could be costly. In addition, if we fail to comply with such laws, we could incur liability that could result in penalties and costs to correct any non-compliance.

Our business is subject to international, federal, state and local environmental and safety laws and regulations, including laws and regulations governing emissions of: regulated air pollutants; discharges of wastewater and storm water; storage and handling of raw materials; generation, storage, transportation and disposal of regulated wastes; and worker safety. These requirements impose on our business certain responsibilities, including the obligation to obtain and maintain various environmental permits. If we were to fail to comply with these requirements or fail to obtain or maintain a required permit, we could be subject to penalties and be required to undertake corrective action measures to achieve compliance. In addition, if our non-compliance with such regulations were to result in a release of hazardous materials to the environment, such as soil or groundwater, we could be required to remediate such contamination, which could be costly. Moreover, noncompliance could subject us to private claims for property damage or personal injury based on exposure to hazardous materials or unsafe working conditions. Changes in applicable requirements or stricter interpretation of existing requirements may result in costly compliance requirements or otherwise subject us to future liabilities.

As the present or former owner or operator of real property, or generator of waste, we could become subject to liability for environmental contamination, regardless of whether we caused such contamination.

Under various federal, state and local laws, regulations and ordinances, and, in some instances, international laws, relating to the protection of the environment, a current or former owner or operator of real property may be liable for the cost to remove or remediate contamination on, under, or released from such

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property and for any damage to natural resources resulting from such contamination. Similarly, a generator of waste can be held responsible for contamination resulting from the treatment or disposal of such waste at any off-site location (such as a landfill), regardless of whether the generator arranged for the treatment or disposal of the waste in compliance with applicable laws. Costs associated with liability for removal or remediation of contamination or damage to natural resources could be substantial and liability under these laws may attach without regard to whether the responsible party knew of, or was responsible for, the presence of the contaminants. In addition, the liability may be joint and several. Moreover, the presence of contamination or the failure to remediate contamination at our properties, or properties for which we are deemed responsible, may expose us to liability for property damage or personal injury, or materially adversely affect our ability to sell our real property interests or to borrow using the real property as collateral. We cannot be sure that we will not be subject to environmental liabilities in the future as a result of historic or current operations that have resulted or will result in contamination.

Failure to maintain and protect our trademarks, trade names and technology may affect our operations and financial performance.

The market for many of our products is, in part, dependent upon the goodwill engendered by our trademarks and trade names. Trademark protection is therefore material to a portion of our business. The failure to protect our trademarks and trade names may have a material adverse effect on our business, financial condition and operating results. Litigation may be required to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of proprietary rights of others. Any action we take to protect our intellectual property rights could be costly and could absorb significant management time and attention. As a result of any such litigation, we could lose any proprietary rights we have. In addition, it is possible that others will independently develop technology that will compete with our patented or unpatented technology. The development of new technologies by competitors that may compete with our technologies could reduce demand for our products and affect our financial performance.

If we are unable to complete our assessment as to the adequacy of our internal controls over financial reporting as of December 31, 2009 as required by Section 404 of the Sarbanes-Oxley Act of 2002, or if material weaknesses are identified and reported, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of your investment and make it more difficult for us to raise capital in the future.

As directed by Section 404 of the Sarbanes-Oxley Act of 2002, the SEC adopted rules requiring public companies to include in their annual reports on Form 10-K a report of management on the company s internal controls over financial reporting, including management s assessment of the effectiveness of the company s internal controls over financial reporting as of the company s fiscal year end. In addition, the independent registered public accounting firm auditing a public company s financial statements must also attest to, and report on, the operating effectiveness of the company s internal controls. While we will expend significant resources in developing the necessary documentation and testing procedures, 2009 will be the first year for which we must complete the assessment and undergo the attestation process required by Section 404 and there is a risk that we may not be able to comply with all of its requirements. If we do not timely complete our assessment or if our internal controls are not designed or operating effectively as required by Section 404, our independent registered public accounting firm may issue a qualified opinion on the effectiveness of our internal controls. It is also possible that material weaknesses in our internal controls could be found. If we are unable to remediate any material weaknesses by December 31, 2009, our independent registered public accounting firm would be required to issue an adverse opinion on our internal controls. If our independent registered public accounting firm renders an adverse opinion due to material weaknesses in our internal controls, then investors may lose confidence in the reliability of our financial statements, which could cause the market price of our common stock to decline and make it more difficult for us to raise capital in the future.

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Risks Related to This Offering

Some of our stockholders may exert significant influence over us.

Currently, two of our directors and principal stockholders, Mitchell P. Rales and Steven M. Rales, together, and through certain entities wholly owned by them, own all of our outstanding preferred stock and a majority of our outstanding common stock, which, on an as-converted basis, represents an aggregate of approximately 89% of our outstanding common stock. This approximate percentage is calculated using an assumed offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus. The actual number of shares into which the preferred stock will be converted is equal to $174.8 million (the original issue price of the preferred stock) divided by the initial per share offering price. All shares of our preferred stock are expected to be converted into common stock and sold in this offering. Therefore, the combined beneficial ownership of Mitchell Rales and Steven Rales after this offering is anticipated to be reduced to approximately 44% of our outstanding shares. Even after this offering, however, the level of ownership of these stockholders, and the service of Mitchell Rales on our board of directors, will enable them to continue to exert significant influence over all matters involving us, including matters presented to our stockholders for approval, such as election and removal of our directors and change of control transactions. This concentration of ownership and voting power may also have the effect of delaying or preventing a change in control of our company and could prevent stockholders from receiving a premium over the market price if a change in control is proposed. The interests of these persons may not coincide with the interests of the other holders of our common stock with respect to our operations or strategy.

We intend to use a large portion of the net proceeds of this offering to repay indebtedness outstanding under our existing credit facility, pay previously declared and unpaid dividends, pay a dividend expected to be declared prior to consummation of the offering, reimburse the selling stockholders for the underwriting discount on the shares sold by them and pay bonuses to certain executives.

We have broad discretion to determine how to use the net proceeds of this offering, and have elected to apply $38.2 million of the proceeds to repay indebtedness outstanding under our credit facility, $35.1 million of the proceeds to pay previously declared and unpaid dividends to existing preferred stockholders, approximately $3.7 million of the proceeds to pay a dividend expected to be declared payable to preferred stockholders, approximately $11.8 million of the proceeds to reimburse the selling stockholders for the underwriting discount on the shares sold by them and approximately $22.5 million of the proceeds to pay special bonuses to certain of our executives under previously adopted executive compensation plans.

Using a large portion of the net proceeds of this offering in the manner described above means that we will only have available a small portion of the proceeds of the offering for use for other corporate purposes. As a result, we may need to seek additional debt or equity financing to fund operations and future growth. If we are not able to incur additional debt or sell additional equity on favorable terms, we may be unable to fund operations or expand our business, which could adversely affect our financial condition.

Future sales of our shares after this offering, or the perception that such sales could occur, could negatively affect the market price of our stock.

Future sales of a substantial amount of our common stock in the public market following this offering, or the perception that such sales could occur, could adversely affect the market price of our common stock. Upon completion of this offering, we expect to have 41,229,588 outstanding shares of our common stock (or 44,042,088 shares if the underwriters exercise their option to purchase additional shares in full), which numbers are based upon the midpoint of the price range set forth on the cover page of this prospectus. Beginning approximately 180 days after completion of this offering, except for any shares acquired by our affiliates, as that term is defined in Rule 144 under the Securities Act, any of these shares may be resold immediately in the public market. We cannot predict the effect that future sales made under Rule 144, Rule 701 or otherwise will have on the market price of our common stock.

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We have no intention of paying cash dividends on our common stock in the foreseeable future.

We currently expect to retain future earnings, if any, to finance operations and our acquisition strategy, and do not anticipate paying any cash dividends for the foreseeable future. Therefore, you may not receive any return on an investment in our common stock unless you sell your common stock for a price greater that the price that you paid for it.

Investors in this offering will experience immediate dilution in net tangible book value per share.

The initial public offering price per share will significantly exceed the net tangible book value per share of our common stock. As a result, investors in this offering will experience immediate dilution of $16.38 in net tangible book value per share based on an initial public offering price of $16.00, which is the midpoint of the price range set forth on the cover page of this prospectus. This dilution occurs in large part because our earlier investors paid substantially less than the initial public offering price when they purchased their shares. Investors in this offering may also experience additional dilution as a result of shares of common stock that may be issued in connection with a future acquisition.

Our common stock has no prior public market, and our stock price could be volatile and could decline after this offering.

Before this offering, our common stock had no public market. We will negotiate the initial public offering price per share with the representatives of the underwriters and, therefore, that price may not be indicative of the market price of our common stock after the offering. We cannot assure you that an active public market for our common stock will develop after this offering, or that if it does develop, it will be sustained. In the absence of a public trading market, you may not be able to liquidate your investment in our common stock. In addition, the market price of our common stock could be subject to significant fluctuations after this offering. Among the factors that could affect our stock price are:

- quarterly variations in our operating results;
- changes in sales or earnings estimates or publication of research reports by analysts;
- speculation in the press or investment community;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- actions by institutional stockholders or other large stockholders;
- product liability, including asbestos, lawsuits against us;
- changes in accounting principles;
- general market conditions; and
- domestic and international, political and economic factors unrelated to our performance that affect our production facilities or our markets.

In particular, we cannot assure you that you will be able to resell your shares at or above the initial public offering price. The stock markets have experienced extreme volatility in recent years that has been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock. In the past, following periods of volatility in the market price of a company s securities, class action litigation has often been instituted against the company. Any litigation of this type brought against us could result in substantial costs and a diversion of our management s attention and resources, which would harm our business, operating results and financial condition.

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Provisions in our charter documents and Delaware law may delay or prevent an acquisition of our company, which could decrease the value of your shares.

Our certificate of incorporation and bylaws and Delaware law contain provisions that may make it difficult for a third-party to acquire us without the consent of our board of directors. These provisions include prohibiting stockholders from taking action by written consent, prohibiting special meetings of stockholders called by stockholders and prohibiting stockholder nominations and approvals without complying with specific advance notice requirements. In addition, our board of directors has the right to issue preferred stock without stockholder approval, which our board of directors could use to effect a rights plan or poison pill that could dilute the stock ownership of a potential hostile acquirer and may have the effect of delaying, discouraging or preventing an acquisition of our company. Delaware law also imposes some restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding voting stock. Although Mitchell Rales and Steven Rales, both individually and in the aggregate, hold more than 15% of our outstanding voting stock, this provision of Delaware law does not apply to them.

There may be limitations on our ability to fully utilize our net operating loss and minimum tax credit carryforwards in future periods.

As of December 31, 2007, we had net operating loss (NOLs) and minimum tax credit (MTCs) carry forwards of approximately $38.7 million and $4.2 million, respectively. The NOLs, if not utilized to offset tax income in future periods, will expire at various dates beginning in 2021 while the MTCs do not expire. If we experience an ownership change within the meaning of Section 382 of the Internal Revenue Code of 1986, as amended, as a result of the offering or future changes in ownership, our ability to use our NOLs existing at the time of any such ownership change to offset our taxable income, if any, generated in taxable periods after the ownership change would be subject to an annual limitation summarized below. In the event of an ownership change, the amount of NOLs which we may utilize on an annual basis under Section 382 would generally be equal to the product of the value of our outstanding stock immediately prior to the ownership change (less certain capital contributions during the preceding two years) and the long term tax exempt rate (determined monthly and, for ownership changes occurring in the month of April 2008, 4.55%).

Similarly, the amount of any MTCs that may be carried forward to a post ownership change tax year is limited to the amount of tax liability attributed to taxable income that does not exceed the aforementioned Section 382 limitation computation.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled Prospectus Summary, Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations (including, in particular, the sections therein labeled Outlook and Asbestos-Related Litigation) and Business, contains forward-looking statements. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include:

- risks associated with our international operations;
- significant movements in foreign currency exchange rates;
- the competitive environment in our industry;
- our ability to identify and successfully integrate attractive acquisition targets;
- the amount of and our ability to estimate our asbestos-related liabilities;
- the solvency of our insurers and the likelihood of payment for asbestos-related claims;
- our ability to manage and grow our business and execution of our business and growth strategies;
- the level of capital investment and expenditures by our customers in our strategic markets;
- our ability to expand our business in our targeted markets;
- our ability to cross-sell our product portfolio to existing customers;
- our financial performance; and
- others risks and factors listed under Risk Factors and elsewhere in this prospectus.

In some cases, you can identify forward-looking statements by terminology such as may, will, should, expects, intends, plans, anticipate believes, estimates, predicts, potential, continue or the negative of these terms or other comparable terminology. Although we believe that th expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We undertake no obligation, except as required by law, to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this prospectus.

INDUSTRY AND MARKET DATA

Industry and market data used in this prospectus are based on independent industry publications from sources such as The Freedonia Group, Elsevier, European Industrial Forecasting, the Hydraulic Institute and other publicly available information.

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USE OF PROCEEDS

We estimate that we will receive $111.3 million in net proceeds from our sale of the 7,825,947 shares of common stock sold by us in the offering (or approximately $153.3 million if the underwriters exercise their overallotment option in full). Our estimated net proceeds from the offering represent the amount we expect to receive after the underwriting discount and our payment of the other expenses of the offering payable by us. We estimate that the selling stockholders will receive $174.8 million in proceeds from their sale of 10,924,053 shares of common stock in the offering. We will not receive any proceeds from the sale of shares by the selling stockholders. For purposes of estimating our net proceeds, we have assumed that the initial public offering price of the common stock will be $16.00, which is the midpoint of the price range set forth on the cover page of this prospectus. The total number of shares being offered by us and the selling stockholders is 18,750,000, assuming no exercise of the underwriters overallotment option. While the total number of shares being offered will not change, the number of shares shown as being offered by the us (7,825,947) and the selling stockholders (10,924,053) is an estimate and may change based on the initial per share offering price. The estimated number of shares of common stock shown as being offered by us and the selling stockholders is based upon an assumed offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus. The number of shares offered by the selling stockholders is calculated by dividing $174.8 million (the original issue price of the preferred stock) by the initial per share offering price. The number of shares being offered by us is calculated by subtracting the number of shares offered by the selling stockholders from 18,750,000, the total number of shares being offered.

We intend to use $38.2 million of the proceeds we receive from this offering to pay indebtedness outstanding under our credit facility. As of December 31, 2007, we had approximately $205.3 million principal amount, along with accrued interest, outstanding under our credit facility. The weighted average interest rate at December 31, 2007 of our indebtedness under the credit facility was 7.4%. Within our credit facility, the revolving line of credit expires on May 30, 2010 and the term loan matures on December 19, 2011. We also intend to use $35.1 million of the proceeds of this offering to pay to existing preferred stockholders dividends that have been declared but unpaid due to the restrictions on payment of dividends contained in our credit facility. We also intend to declare a dividend payable from the proceeds of this offering to preferred stockholders of record immediately prior to the consummation of this offering. This dividend will accrue from January 1, 2008 through the consummation of this offering at a rate equal to LIBOR plus 2.5% of the original purchase price of our issued and outstanding preferred stock. Assuming a closing date of May 12, 2008 for this offering, the amount of this dividend would be $3.7 million. Mitchell Rales and Steven Rales, and certain entities controlled entirely by them, currently own all of our outstanding preferred stock. We will also use approximately $22.5 million of the proceeds of this offering to pay amounts due, as a result of this offering, to participants in our 2001 Employee Appreciation Rights Plan and our 2006 Executive Stock Rights Plan, which are bonus plans for certain executive officers. See Management Compensation Discussion and Analysis for additional information concerning these plans. In addition, we intend to use approximately $11.8 million of our net proceeds from this offering to reimburse the selling stockholders for the underwriting discount on the shares sold by them in this offering, which will be recognized as an expense in the quarter in which it is paid. We intend to use the balance of the net proceeds, if any, for working capital and other general corporate purposes, which may include funding for possible acquisitions. We have no agreement with respect to any future acquisition, although we assess opportunities on an ongoing basis and from time to time hold discussions with other companies regarding potential transactions.

Affiliates of Merrill Lynch, UBS Securities LLC and Banc of America Securities LLC, underwriters in this offering, are parties to our credit facility. The affiliates of Merrill Lynch and Banc of America Securities LLC will receive approximately $3.6 million and $1.5 million, respectively, of the proceeds used to pay a portion of the indebtedness outstanding under the Term B loan under our credit facility. See Underwriting Other Relationships.

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DIVIDEND POLICY

We intend to retain our earnings for use in the operation and expansion of our business and we do not anticipate paying any dividends on the common stock in the foreseeable future. Payment of future dividends, if any, will be determined in the sole discretion of our board of directors and will depend upon, among other things, the future earnings, operations, capital requirements and general financial condition and prevailing business and economic conditions, as well as statutory restrictions on our ability to pay dividends.

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CAPITALIZATION

The following table shows, as of December 31, 2007 our capitalization:

- on an actual basis;
- on a pro forma basis to reflect the automatic conversion of all of our outstanding preferred stock into shares of common stock upon completion of this offering based upon an assumed public offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus; and
- on a pro forma as adjusted basis to reflect (i) the sale of 7,825,947 common stock by us in this offering at an assumed public offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, after the deduction of the estimated underwriting discount and offering expenses payable by us and (ii) the application of the net proceeds of this offering in the manner described under Use of Proceeds.

The share data in the table below are based on shares outstanding as of December 31, 2007. The number of outstanding shares as of that date excludes up to 6,500,000 shares of common stock reserved for future issuance under our 2008 omnibus incentive plan.

You should read this table in conjunction with our consolidated financial statements and the related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations appearing elsewhere in this prospectus.

	December 31, 2007		
(in thousands, except per share data)	**Actual**	**Pro Forma**	**Pro Forma, As Adjusted**
Total debt, including current portion	$ 206,493	$ 206,493	$ 168,367
Shareholders equity (deficit):			
Preferred stock, undesignated, $0.001 par value per share; 256,785 shares authorized; 174,784.828 shares issued and outstanding actual, 0 shares issued and outstanding pro forma and pro forma as adjusted	1		
Common stock, $0.001 par value per share; 200,000,000 shares authorized actual, shares authorized pro forma and pro forma as adjusted; 21,885,929 shares issued and outstanding actual, 32,809,982 shares issued and outstanding pro forma and 40,635,929 shares issued and outstanding pro forma as adjusted	22	33	41
Additional paid-in capital	201,660	201,650	312,905
Retained earnings (deficit)	(109,238)	(109,238)	(141,640)
Accumulated other comprehensive loss	(39,394)	(39,394)	(39,394)
Total shareholders equity (deficit)	53,051	53,051	131,912
Total capitalization	$ 259,544	$ 259,544	$ 300,279

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DILUTION

Purchasers of the common stock in the offering will suffer an immediate and substantial dilution in net tangible book value per share. Dilution is the amount by which the initial public offering price paid by purchasers of shares of our common stock exceeds the net tangible book value per share of our common stock after the offering. Net tangible book value represents the amount of our total tangible assets reduced by our total liabilities. Tangible assets equal our total assets less goodwill and intangible assets. Net tangible book value per share represents our net tangible book value divided by the number of shares of common stock outstanding. As of December 31, 2007, our net tangible book value was ($132.3) million and our net tangible book value per share was ($6.05).

After giving effect to the sale of 7,825,947 shares of common stock in the offering by us at an initial public offering price of $16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, the assumed conversion of all shares of preferred stock based upon the same assumed initial public offering price and the application of the estimated net proceeds of this offering to us assuming a closing date of this offering of May 12, 2008, our adjusted net tangible book value as of December 31, 2007 would have been ($15.5) million, or ($0.38) per share. This represents an immediate accretion in net tangible book value of $3.66 per share to existing stockholders and an immediate dilution of $16.38 per share to new investors purchasing shares in the offering. The following table illustrates this per share dilution:

		Per Share
Assumed initial public offering price per share		$16.00
Net tangible book value per share as of December 31, 2007	$ (6.05)	
Pro forma net tangible book value per share as of December 31, 2007	$ (4.03)	
Increase in net tangible book value per share attributable to new investors	$ 3.66	
Adjusted net tangible book value per share after this offering		$ (0.38)
Dilution per share to new investors		$ 16.38

A $1.00 increase (decrease) in the assumed initial public offering price of $16.00 per share would increase (decrease) our adjusted net tangible book value after the offering by approximately $17.5 million and dilution per share to new investors by approximately $0.58, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions.