REGISTERED NUMBER: 6718321 (England and Wales)

REPORT OF THE DIRECTORS AND

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

FOR

CHARTER CONSOLIDATED HOLDINGS LIMITED

FRIDAY
L1DK283S
LD2 20/07/2012 #42
COMPANIES HOUSE

CHARTER CONSOLIDATED HOLDINGS LIMITED (REGISTERED NUMBER 6718321)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7

CHARTER CONSOLIDATED HOLDINGS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTORS:	J L Avery C S Brannan A L Puckett D A Pryor W Flexon M P Lehman A J Stockwell
REGISTERED OFFICE:	7th Floor, 322 High Holborn London WC1V 7PB
REGISTERED NUMBER:	6718321 (England and Wales)
AUDITORS:	PricewaterhouseCoopers LLP London Chartered Accountants and Statutory Auditors

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the audited financial statements of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITIES
The principal activities of the company in the year under review were those of acting as an investment holding company and no change is planned in its activities in the year to 31 December 2012

REVIEW OF BUSINESS
The profit for the year, after taxation, was £96,237,000 (2010 £90,756,000)

The financial position at the year end was considered satisfactory

The company's intermediate parent has confirmed that it will ensure that amounts due to group undertakings do not fall due unless sufficient funds are available from amounts due from group undertakings or other sources so that the company can continue to meet its obligations Accordingly these financial statements have been prepared on the going concern basis

DIVIDENDS
No dividends were paid or proposed during the financial period (2010 £Nil)

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements

DIRECTORS
The directors who held office during the year and up to the date of signing the financial statements were as follows

J L Avery
M G Foster (resigned 27 June 2011)

Subsequent to 31 December 2011, but prior to the date of this report, C S Brannan, A L Puckett, D A Pryor, W Flexon, M P Lehman and A J Stockwell were appointed as directors and R A Careless and J R Deeley resigned as directors

PRINCIPAL RISKS AND UNCERTAINTIES AND FINANCIAL RISK MANAGEMENT
The company is a wholly owned subsidiary of Charter International Limited (formerly Charter International plc see note 13) From the perspective of the company, the principal risks and uncertainties and financial risk management are aligned with the principal risks and uncertainties and financial risk management of Charter International Limited and its subsidiaries The principal risks and uncertainties and financial risk management of Charter International Limited and its subsidiaries, which include those of the company, are discussed in the business and financial review contained in the annual report of Charter International Limited and its subsidiaries, which does not form part of this report

KEY PERFORMANCE INDICATORS (KPIS)
Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or financial position of the business The development, performance and financial position of Charter International Limited and its subsidiaries, which includes the company, are discussed in the divisional and financial review contained in the annual report of Charter International Limited which does not form part of this report

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISION

A L Puckett, C S Brannan, D A Pryor, M P Lehman and W Flexon have been granted a qualifying third party indemnity, as defined in the Companies Act 2006, by the ultimate parent company, Colfax Corporation, to the extent permitted by law in respect of certain liabilities incurred as a result of their office in associated companies They are indemnified against liability to third parties, excluding criminal liability and regulatory penalties and certain other liabilities In addition, Colfax Corporation may pay the directors' legal costs as they are incurred, subject to reimbursement if the director is convicted, or if judgement is given against the director in an action brought against the company Such indemnities survive the resignation of each director

R A Careless, J R Deeley and M G Foster were granted a qualifying third party indemnity, as defined in the Companies Act 2006, by Charter International Limited, to the extent permitted by law in respect of certain liabilities incurred as a result of their office in associated companies They were indemnified against liability to third parties, excluding criminal liability and regulatory penalties and certain other liabilities In addition, Charter International Limited may pay the directors' legal costs as they are incurred, subject to reimbursement if the director is convicted, or if judgement is given against the director in an action brought against the company Such indemnities survive the resignation of each director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

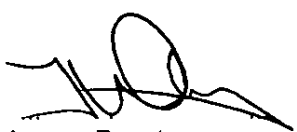
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are each aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and each director has taken all the steps they ought to have taken as a director, in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

ON BEHALF OF THE BOARD.



J L Avery - Director

Date 29 June 2012

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF CHARTER CONSOLIDATED HOLDINGS LIMITED

We have audited the financial statements of Charter Consolidated Holdings Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements
- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Terry Shah (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP London
Chartered Accountants and Statutory Auditors

Date 29 June 2012.

CHARTER CONSOLIDATED HOLDINGS LIMITED (REGISTERED NUMBER: 6718321)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £'000	2010 £'000
TURNOVER		-	-
OPERATING PROFIT	2	-	-
Income from shares in group undertakings	3	103,016	94,358
		103,016	94,358
Interest payable and similar charges	4	(7,305)	(5,003)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		95,711	89,355
Tax on profit on ordinary activities	5	526	1,401
PROFIT FOR THE FINANCIAL YEAR		96,237	90,756

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

CHARTER CONSOLIDATED HOLDINGS LIMITED (REGISTERED NUMBER: 6718321)

BALANCE SHEET
31 DECEMBER 2011

	Notes	2011 £'000	2010 £'000
FIXED ASSETS			
Investments	6	924,914	849,914
CURRENT ASSETS			
Debtors	7	3,000	2,474
CREDITORS			
Amounts falling due within one year	8	(655,115)	(675,826)
NET CURRENT LIABILITIES		(652,115)	(673,352)
TOTAL ASSETS LESS CURRENT LIABILITIES		272,799	176,562
CAPITAL AND RESERVES			
Called up share capital	9	-	-
Profit and loss account	10	272,799	176,562
SHAREHOLDERS' FUNDS	12	272,799	176,562

The financial statements were approved by the Board of Directors on 29 JUNE 2012 and were signed on its behalf by

J L Avery - Director

The notes form part of these financial statements

1 ACCOUNTING POLICIES

Accounting convention
The financial statements are prepared under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom The company's intermediate parent has confirmed that it will ensure that amounts due to group undertakings do not fall due unless sufficient funds are available from amounts due from group undertakings or other sources so that the company can continue to meet its obligations Accordingly these financial statements have been prepared on the going concern basis A summary of the more important accounting policies, which have been applied consistently, is set out below

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year included in the profit and loss account and their historical cost equivalents

Cash flow statement
The company is a wholly owned subsidiary of Charter International Limited, and the cash flows of the company are included in the consolidated group cash flow statement Consequently the company is exempt under the terms of FRS 1 (revised 1996) 'Cash flow statements' from publishing a cash flow statement

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on an undiscounted basis

Related party transactions
The company is a wholly owned subsidiary of Charter International Limited and accordingly has taken advantage of the exemption available in FRS 8 'Related party disclosures' not to disclose related party transactions which are eliminated on consolidation in the Charter International Limited consolidated financial statements

Fixed asset investments
Fixed asset investments are included at cost less provision for any impairment in value The amount of any provision for impairment in value is determined by reference to the recoverable amount Any provision for impairment in value will be released if the fixed asset investment demonstrates a sustained increase in the recoverable amount Impairment reviews are performed by the directors annually

Interest and dividends
Interest payable or receivable on amounts due to or from group companies is calculated using the effective interest method

Dividend distributions to the company's shareholders are recognised in the accounts in the period when paid Dividends receivable are recognised when the company's right to receive payment has been established and is unconditional

2 OPERATING PROFIT

Directors' emoluments
The company's directors are employed and remunerated by a fellow subsidiary undertaking in respect of their services as a director of a number of group companies No recharge is made to the company and it is not possible to make an accurate apportionment of their emoluments in respect of each of the group companies Directors' emoluments are disclosed in the employing company's financial statements

Employees
The company had no employees in the current or prior year

Auditors' remuneration
Auditors' remuneration was borne by a fellow subsidiary undertaking in the current and prior year

3 INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2011 £'000	2010 £'000
Dividends received - group undertakings	103,016	94,358

Dividends of £69,296,275 and £33,720,054 were received from the subsidiary undertaking on 6 May 2011 and 2 September 2011 respectively

Dividends of £62,304,111 and £32,053,608 were received from the subsidiary undertaking on 4 May 2010 and 7 September 2010 respectively

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £'000	2010 £'000
Interest payable - group undertakings	7,305	5,003

5 TAXATION

Analysis of the tax credit
The tax credit on the profit on ordinary activities for the year was as follows

	2011 £'000	2010 £'000
Current tax		
UK corporation tax	(1,936)	(1,401)
Adjustment in respect of previous years	1,410	-
Tax on profit on ordinary activities	(526)	(1,401)

UK corporation tax has been charged at 26 50%

5 TAXATION - continued

Factors affecting the tax credit
The tax assessed for the year is lower than the standard rate of corporation tax in the UK The difference is explained below

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	95,711	89,355
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26 500% (2010 - 28%)	25,363	25,019
Effects of		
Fixed asset investment income not taxable	(27,299)	(26,420)
Adjustment in respect of previous years	1,410	-
Current tax credit	(526)	(1,401)

The tax assessed for the prior period was lower than the standard rate of corporation tax in the UK The difference is explained above

There are no recognised or unrecognised deferred tax assets or liabilities that are required to be disclosed in these financial statements

A number of changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012 Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Bill 2012 A further reduction in the main rate of 1% to 22% from 1 April 2014 is proposed None of these expected rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

6 FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 January 2011	849,914
Additions	75,000
At 31 December 2011	924,914
NET BOOK VALUE	
At 31 December 2011	924,914
At 31 December 2010	849,914

6 FIXED ASSET INVESTMENTS - continued

Interests in principal subsidiary undertakings

On 30 June 2011 the company made a capital contribution to its subsidiary undertaking Charter Limited of £75,000,000

On the 21 July 2010 and 25 November 2010 the company made capital contributions to its subsidiary undertaking Charter Limited of £75,000,000 and £50,000,000 respectively

In accordance with Section 401 of the Companies Act 2006, consolidated financial statements have not been prepared as the company is a wholly owned subsidiary of Charter International Limited, a company incorporated in Jersey

7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Corporation tax - group relief	3,000	2,474

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Interest bearing amount due to fellow subsidiary undertaking	405,087	379,156
Interest free amount due to parent undertaking	250,028	296,670
	655,115	675,826

The interest bearing amount due to fellow subsidiary undertaking is unsecured, has no fixed repayment date, is repayable on demand and interest is charged at LIBOR plus 1%

The interest free amount due to parent undertaking is unsecured, has no fixed repayment date and is repayable on demand

9 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2011 £	2010 £
100	Ordinary shares	£1	100	100

10 RESERVES

	Profit and loss account £'000
At 1 January 2011	176,562
Profit for the year	96,237
At 31 December 2011	272,799

11 POST BALANCE SHEET EVENTS

On 25 April 2012 in connection with the security and guarantees required by the Deutsche Bank Credit Agreement (including $2,100,000,000 of multicurrency term and revolving facilities) entered into by Colfax for the financing of its acquisition of Charter International plc, the Company entered into a guarantee, a debenture granting security over its assets, an intercreditor joinder agreement, an intercompany subordination joinder agreement and certain other agreements that guarantee and or secure certain of the obligations under this Credit Agreement

Subsequent to Colfax Corporation becoming the company's ultimate parent company and controlling party on 13 January 2012, the company participated in an internal group restructuring that was carried out with a view to achieving operational and other efficiencies This restructuring included internal transfers of

(i) certain inter- company receivables at carrying value,

(ii) share capital of certain subsidiaries at, or above, the carrying value in the company's financial statements as at 31 December 2011, and

(iii) share capital of certain fellow subsidiaries at, or above, the carrying value in the transferor's financial statements as at 31 December 2011

The consideration for the transfer of share capital was satisfied by the allotment of share capital in the transferee company

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £'000	2010 £'000
Profit for the financial year	96,237	90,756
Net addition to shareholders' funds	96,237	90,756
Opening shareholders' funds	176,562	85,806
Closing shareholders' funds	272,799	176,562

13 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's shares are held by Charter International Limited, its ultimate and immediate parent company and controlling party at 31 December 2011 The company regarded Charter International plc as its ultimate parent company and its ultimate controlling party until 13 January 2012 Colfax Corporation, which is listed on the New York Stock Exchange, became the Company's ultimate parent company and controlling party from 13 January 2012 On 13 January 2012 Charter International plc was re-registered as a private limited company and renamed Charter International Limited, a wholly owned subsidiary of Colfax UK Holdings Limited

The parent undertaking of the largest and smallest group of undertakings for which group financial statements for the year ended 31 December 2011 are prepared and of which the company is a member is Charter International Limited, a company incorporated in Jersey Copies of its group financial statements are available from its head office at 322 High Holborn, London, WC1V 7PB, United Kingdom