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REGISTERED NUMBER 05529314

ESAB HUNGARY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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ESAB HUNGARY LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2011

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ESAB HUNGARY LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTORS:

**D Gibson
G Donald**

REGISTERED OFFICE:

**6th Floor, 322 High Holborn
London
WC 1V 7PB**

REGISTERED NUMBER:

05529314 (England and Wales)

ESAB HUNGARY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2011

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

Business review and principal activities

The results for the year are shown in the profit and loss account on page 7. The company carried out its business as a general commercial company during the year and no change is planned in its activities for the year to 31 December 2012.

Principal risks and uncertainties

The company's ultimate parent company is Charter International plc as at 31 December 2011. From the perspective of the company, the principal risks and uncertainties are integrated with those of the Charter International plc group and are not managed separately. Accordingly, the principal risks and uncertainties of the Charter International plc group, which include those of the company, are discussed in the operating and financial review contained in the group's annual report for the year ended 31 December 2011, which does not form part of this report.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the company's 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 the Charter International plc group, are discussed in the operating and financial review contained in the group's annual report for the year ended 31 December 2011, which does not form part of this report.

Results and dividends

The profit for the year was £18,000, (2010 profit of £56,000). The directors paid no interim dividend in the year (2010 £456,000).

Directors

The directors who held office during the year are given below:

David Gibson

Gerard Donald - appointed 12 July 2011

Richard Beadle – resigned 12 July 2011

Neither of the directors of the company had any other interest in the shares of the company, the ultimate parent or any other group company as at 31 December 2011 (2010: none). None of the directors had a material interest in any significant contract to which the company, the ultimate parent or any other group company was a party during the year (2010: none).

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

ESAB HUNGARY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

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 UK 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 of 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 himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Gerard Donald
Director

Registered Office
6th Floor, 322 High Holborn
London, WC1V 7PB

27 April 2012

ESAB HUNGARY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESAB HUNGARY LIMITED

We have audited the financial statements of ESAB Hungary Limited for the year ended 31 December 2011, which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Total Equity Shareholders' funds 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 Directors' Responsibilities Statement 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 annual report 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

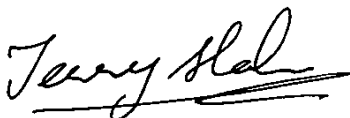
Matters on which we are required to report by exception

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.

ESAB HUNGARY LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESAB HUNGARY LIMITED
(CONTINUED)**



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

1 MAY 2012

ESAB HUNGARY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

		2011 £ 000	2010 £ 000
	Notes		
CONTINUING OPERATIONS			
Interest receivable and similar income	3	<u>25</u>	<u>77</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		25	77
Tax charge on profit on ordinary activities	4	<u>(7)</u>	<u>(21)</u>
PROFIT FOR THE FINANCIAL YEAR	8	<u>18</u>	<u>56</u>

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 or previous year

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalents

The notes on pages 10 to 13 form part of these financial statements

ESAB HUNGARY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 £ 000	2010 £ 000
CURRENT ASSETS			
Debtors Amounts falling due within one year	5	125	995
CURRENT LIABILITIES			
Creditors Amounts falling due within one year	6	<u>(48)</u>	<u>(936)</u>
NET ASSETS		<u>77</u>	<u>59</u>
CAPITAL AND RESERVES			
Called up share capital	7	-	-
Profit and loss account	8	<u>77</u>	<u>59</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>77</u>	<u>59</u>

The financial statements on pages 7 to 13 were approved by the Board on *27 April* 2012 and were signed on its behalf by



Gerard Donald
Director
ESAB Hungary Limited

Registered number 05529314

ESAB HUNGARY LIMITED

**RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS FOR THE YEAR ENDED
31 DECEMBER 2011**

	Notes	2011 £ 000	2010 £ 000
Profit for the financial year		18	56
Interim dividend	9	-	(456)
Opening equity shareholders' funds		<u>59</u>	<u>459</u>
CLOSING EQUITY SHAREHOLDERS' FUNDS		<u>77</u>	<u>59</u>

ESAB HUNGARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 Principal accounting policies

The financial statements are prepared on the going concern basis in accordance with the Companies Act 2006 and in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Related party transactions

The company is a wholly owned subsidiary undertaking of Charter International plc and accordingly has taken advantage of the exemption available under paragraph 3c) from the provisions of FRS 8 "Related party disclosures" not to disclose related party transactions which are eliminated on consolidation in the Charter International plc consolidated financial statements.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All translation differences are taken to the profit and loss account.

Cash flow statement

The ultimate parent company is Charter International plc as at 31 December 2011 and the cash flows of the company are included in the consolidated group cash flow statement of Charter International plc. Consequently the company is exempt under the terms of FRS 1 "Cash flow statements" (revised 1996) from publishing a cash flow statement.

Deferred taxation

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 as recoverable and therefore 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.

Interest payable or receivable

Interest payable or receivable on amounts due to or from fellow group undertakings is calculated using the effective interest method.

ESAB HUNGARY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

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 has no employees.

Auditors' Remuneration

Auditors' remuneration is borne by a fellow group company and has not been recharged to ESAB Russia Limited.

3. Interest receivable and similar income

	2011 £ 000	2010 £ 000
Interest receivable from fellow group undertakings	<u>25</u>	<u>77</u>

4. Tax charge on Profit on ordinary activities

	2011 £ 000	2010 £ 000
Current tax		
UK corporation tax on profits of the year	(7)	(22)
Adjustment in respect of prior years	-	1
Tax on profit on ordinary activities	<u>(7)</u>	<u>(21)</u>

The tax assessed for the period is the same (2010: lower) than the standard rate of corporation tax in the UK of 26.5% (2010: 28%). The differences are explained below.

There are no provided or unprovided deferred tax assets or liabilities (2010: £ nil).

ESAB HUNGARY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011
(CONTINUED)**

	2011 £ 000	2010 £ 000
Profit on ordinary activities before tax	<u>25</u>	<u>77</u>
Profit on ordinary activities multiplied by UK corporation tax rate of 26.5% (2010: 28%)	(7)	(22)
Effects of Adjustments to tax in respect of prior years	-	1
Current tax charge for the year	<u>(7)</u>	<u>(21)</u>

5. Debtors: amounts falling due within one year

	2011 £ 000	2010 £ 000
Amount owed by fellow group undertakings	<u>125</u>	<u>995</u>

The amounts owed by the fellow group undertakings are unsecured and repayable on demand. Interest is charged at 1% over the 3 month LIBOR rate set quarterly in advance.

6 Creditors: amounts falling due within one year

	2011 £ 000	2010 £ 000
Tax – Group Relief	<u>48</u>	<u>936</u>

7. Called up share capital

	2011 £	2010 £
Authorised, allotted and fully paid 100 ordinary shares of £ 0.004 each	<u>0.40</u>	<u>0.40</u>

ESAB HUNGARY LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011
(CONTINUED)****8. Reserves**

	Profit and loss Account £ 000
At 1 January 2011	59
Retained Profit for the year	<u>18</u>
At 31 December 2011	<u>77</u>

9. Dividends**Equity - Ordinary**

	2011 £ 000	2010 £ 000
Nil Interim dividend (2010 £ 4,560 per share (paid))	-	456

10. Ultimate parent company and controlling party

The company's shares are held by ESAB Holdings Limited, its immediate parent company and controlling party at 31 December 2011. The company regards Charter International plc as its ultimate parent company and its ultimate controlling party until 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. 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.

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