

FIRST QUARTER REPORT
TO SHAREHOLDERS

For the quarter ended
March 31, 2015

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Fellow Shareholders,

Business activity in our industries continues to gradually improve while competition remains intense. Substantial physical excess capacity is still a fact of life for most HVAC and machinery manufacturers, although hiring talented people is becoming quite challenging. New and improved products are necessary to grow sales and earnings in today's "new normal" slow growth North American economy. Additionally, Mestek continues to shoot at moving targets as our competitors, foreign and domestic, introduce new products as well.

Mestek distributes its products and solutions through an extensive network of independent manufacturers' representatives and machinery dealers. The capabilities and competitive position of these firms are key to Mestek's success; we are partners with important responsibilities to each other. These relationships are built on trust, performance, and most importantly on the financial rewards available to these independent sales organizations earned by representing Mestek. Furthermore, Mestek is competing with other manufacturers for their most precious resource, time, time devoted to selling these representatives' full lines of products, in most cases many other products not directly competitive to Mestek. In effect, your company must offer a double value proposition, first to the independent representative firm or machinery dealer, and second to the customer. Mutually profitable partnerships are enduring, measured in multiple decades. Building and nourishing these partnerships is a primary responsibility of Mestek management. The leading representative and machinery dealer firms often have their "pick of the litter", i.e. they can choose to represent the leading manufacturer in each industry segment.

First quarter net sales increased by 8.8% to $82.7 million. HVAC and architectural revenues were up 4%, while machinery revenues improved by 34% fully recovering from a very poor first quarter of 2014, the result of expiration of bonus tax depreciation for our machinery customers at year-end 2013. Operating profits increased by 27% to $6.5 million, entirely due to normalized machinery earnings replacing a loss in Q1 2014. HVAC operating profits were flat. Net income of $.54 per share is a satisfactory but far from stellar performance by management.

Our new manufacturing facility in Laceyville, PA is now fully operational, allowing us to consolidate most commercial damper and louver production under proven on-site general management. This will result in high quality, faster shipments, and more cost efficient production. The new Hebei, China machinery plant is now in full production, adding greatly to our capacity to serve worldwide markets. This initiative includes specialized tunnel damper engineering and manufacturing for Asian markets where demand is robust. We have upgraded our Dallas, Texas facility to accommodate increased orders for mission critical HVAC equipment. In addition, we have purchased precision machinery at several other locations, including Boyertown Foundry and Linel, to streamline manufacturing and add capacity, and to ensure that our products meet the highest quality standards.

These projects have not strained the balance sheet or cash flow. We are better positioned than ever, financially and otherwise, to increase R&D and new product development initiatives, add talented people to the organization, and purchase quality businesses in the industries we serve. We continue to believe that Mestek is the best home for business owners who care about their people, cultures, and continuity, owners who are ready to retire, enjoy more leisure time, or simply want to diversify their assets. Acquisitions continue to be an important avenue for growth and opportunity for your company, and especially for our employees.

Mestek shareholders are special to me, my patient partners in this lifelong venture. I greatly appreciate the trust and confidence you have placed in Mestek, and therefore feel especially obligated to you. We will not disappoint you by failing to work diligently on your behalf.

With kind regards,

Stewart B. Reed
CEO

MESTEK, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

	(Dollars in Thousands) March 31, 2015	December 31, 2014
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 50,125	$ 54,408
Accounts Receivable - less allowances of $4,713 and $4,785, respectively	47,048	49,229
Inventories – net	49,960	46,767
Deferred Tax Assets	3,119	4,051
Other Current Assets	8,629	8,628
Total Current Assets	158,881	163,083
Property and Equipment - net	44,417	43,004
Property Held for Sale	2,327	2,327
Deferred Tax Assets	49	722
Other Assets - net	3,887	3,920
Goodwill	24,921	25,054
Total Assets	$ 234,482	$ 238,110
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current Portion of Long Term Debt	$ 175	$ 175
Accounts Payable	12,056	12,776
Accrued Payroll and Related Expenses	12,189	17,171
Customer Deposits	14,932	14,796
Current Portion of Environmental Reserves	488	488
Warranty Reserve	3,434	3,458
Other Accrued Liabilities	14,223	15,546
Total Current Liabilities	57,497	64,410
Environmental Reserves - long term	7,239	7,308
Long-Term Debt	10,163	10,163
Other Liabilities	1,821	1,821
Total Liabilities	76,720	83,702
SHAREHOLDERS' EQUITY		
Controlling Interest:		
Common Stock, no par, stated value $0.05 per share, 20,000,000 shares authorized; 8,368,726 shares issued	417	417
Paid in Capital	5,054	5,054
Retained Earnings	162,706	158,629
Treasury Shares, at cost (878,010 common shares)	(11,293)	(11,293)
Accumulated Other Comprehensive Income	(857)	(138)
Total Mestek, Inc. Shareholders' Equity	156,027	152,669
Non-controlling Interest	1,735	1,739
Total Shareholders' Equity	157,762	154,408
Total Liabilities and Shareholders' Equity	$234,482	$238,110

MESTEK, INC.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	(Dollars in Thousands) Three Months Ended March 31, 2015	2014
Net Sales	$ 82,722	$ 76,045
Cost of Goods Sold	55,800	53,218
Gross Profit	26,922	22,827
Selling Expense	11,321	9,512
General and Administrative Expense	5,755	5,306
Engineering Expense	3,309	2,837
(Gain) Loss on Sale of Property and Equipment	(2)	27
Plant Shutdown and Other Restructuring Charges	15	-
Operating Profit	6,524	5,145
Interest Expense - net	(1)	(52)
Other Income - net	102	(129)
Income Before Income Taxes	6,625	4,964
Provision for Income Tax	2,552	1,999
Net Income	4,073	2,965
Less: Net Income - Non-controlling Interests	4	(5)
Net Income attributable to Mestek, Inc.	$ 4,077	$ 2,960
Basic and Diluted Earnings Per Common Share	$ 0.54	$ 0.40
Basic and Diluted Weighted Average Shares Outstanding	7,491	7,491