MESTEK, INC.

THIRD QUARTER REPORT
TO SHAREHOLDERS

For the quarter ended
September 30, 2015

MESTEK, INC.
260 North Elm Street, Westfield, MA 01085 (413) 568-568-9571 www.mestek.com

Fellow Shareholders,

Third quarter results reflect the seasonal nature of Mestek's sales and earnings, up strongly from the second quarter, yet slightly below last year's numbers. Some Mestek businesses and product lines achieved notable improvement, while others took a step back. Overall, 2015 revenues of $90.2 million declined by 2.6% and after-tax earnings declined to $.68 per share compared to $.71 per share last year. Year to date sales were flat at $252.7 million; and earnings declined to $1.55 per share from $1.68 last year. Gross Profit improved by $1.7 million; however increased new product development and sales & marketing costs, and my hedging and speculative commodity losses were responsible for the earnings setback. Variable cost margins remain fully satisfactory, an important measure of the health of your company.

The total backlog remains steady, while there are substantial variations within the aggregate number. One notable fact is fewer very large orders this year, the type of on top orders that "make your year". There is no reason to believe that this represents an established trend; more likely it is random. Business remains steady overall, with no important signs of advance or decline. Newly developed products will have a greater impact in 2016 compared to 2015 due to the normal timing variations of product launches. In HVAC especially, it is always a footrace between new product introductions and the gradual decline of mature product offerings. I remain moderately constructive about Mestek's ability to increase market share, although this result entails increased costs, a keen sense of priorities, and dedication in order to achieve equal or improved variable margins concurrently.

Revenues and adjusted pretax operating earnings were flat for 2015 YTD overall; not a result to "write home about", yet far from a disaster. Mestek management intends to vigorously develop new and improved products for our mature industries, and invest in engineering, sales & marketing, and industrial engineering talent and initiatives. Our belief is team building; we will hire talented industry professionals, software and controls developers, and high potential people whenever and wherever we find them within reason. Building the right team for the future remains our number one priority. People, strategy, and operations are the key business imperatives, with people being the most important.

We currently have several interesting prospective acquisition opportunities which we are pursuing; each would strengthen our market position in the three industries we serve, HVAC, machinery, and architectural products. We are endeavoring to purchase these businesses at equitable prices. Our balance sheet is very strong, allowing us to fund worthwhile R&D, new product development, and hire high potential people in excess of necessary staffing, while concurrently acquiring synergistic businesses. We are committed to being the best home in our industries for compatible companies, combining operational freedom and cultural respect with a resourceful corporate staff available to help as needed.

Management appreciates your loyalty to Mestek, and to the management team personally. Please know this, we wake up each morning trying to advance our business, not preoccupied by personal advantage. Our culture is strong; and our executives, business leaders, and managers are talented, seasoned, and genuinely care about your company's well-being and continuing progress.

With kind regards,

Stewart B. Reed

Stewart B. Reed
Chairman & CEO

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

	(Dollars in Thousands)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net Sales	$ 90,201	$ 92,594	$ 252,746	$ 252,130
Cost of Goods Sold	60,136	62,184	170,593	171,637
Gross Profit	30,065	30,410	82,153	80,493
Selling Expense	11,655	11,551	32,803	31,510
General and Administrative Expense	6,731	7,062	18,065	19,483
Engineering Expense	3,443	3,241	10,270	9,050
(Gain)/Loss on Sale of Property and Equipment	1	(13)	-	39
Plant Shutdown Expense and Other Items	443	(280)	2,615	(353)
Operating Profit	7,792	8,849	18,400	20,764
Interest Income (Expense) - net	(22)	(13)	(16)	(100)
Other Income (Expense) - net	(29)	(60)	(8)	9
Income Before Income Taxes	7,741	8,776	18,376	20,673
Provision for Income Tax	2,633	3,474	6,718	8,057
Net Income from Continuing Operations	5,108	5,302	11,658	12,616
Less: Net Income - Non-controlling Interests	(44)	33	(25)	(35)
Net Income Attributable to Mestek, Inc.	$ 5,064	$ 5,335	$ 11,633	$ 12,581
Basic and Diluted Earnings Per Common Share	$ 0.68	$ 0.71	$ 1.55	$ 1.68
Basic and Diluted Weighted Average Shares Outstandin	7,491	7,491	7,491	7,491

MESTEK, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	(Dollars in Thousands)	
	September 30, 2015	December 31, 2014
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 56,570	$ 54,408
Accounts Receivable - less allowances of $4,656 and $4,785, respective	55,352	49,229
Inventories - net	51,519	46,767
Deferred Tax Assets	1,892	4,051
Other Current Assets	8,002	8,628
Total Current Assets	173,335	163,083
Property and Equipment - net	42,703	43,004
Property Held for Sale	2,327	2,327
Deferred Tax Assets	-	722
Other Assets - net	3,808	3,920
Goodwill	24,795	25,054
Total Assets	$ 246,968	$ 238,110
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current Portion of Long Term Debt	$ 175	$ 175
Accounts Payable	12,551	12,776
Accrued Payroll and Related Expenses	18,199	17,171
Customer Deposits	17,464	14,796
Current Portion of Environmental Reserves	420	488
Warranty Reserve	3,261	3,458
Other Accrued Liabilities	12,211	15,546
Total Current Liabilities	64,281	64,410
Environmental Reserves - long term	6,962	7,308
Long-Term Debt	9,988	10,163
Other Liabilities	1,276	1,821
Total Liabilities	82,507	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	170,261	158,629
Treasury Shares, at cost (878,010 common shares)	(11,294)	(11,293)
Accumulated Other Comprehensive Income	(1,743)	(138)
Total Mestek, Inc. Shareholders' Equity	162,695	152,669
Non-controlling Interest	1,766	1,739
Total Shareholders' Equity	164,461	154,408
Total Liabilities and Shareholders' Equity	$ 246,968	$ 238,110