MANSFIELD PLUMBING PRODUCTS, LLC
Perrysville, Ohio

FINANCIAL STATEMENTS
December 31, 2014 and 2013

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CONTENTS

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT

Member
Mansfield Plumbing Products, LLC
Perrysville, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of Mansfield Plumbing Products, LLC, which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of operations, comprehensive income, changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mansfield Plumbing Products, LLC as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CROWE HORWATH LLP

Crowe Horwath LLP

Columbus, Ohio
February 6, 2015

MANSFIELD PLUMBING PRODUCTS, LLC
BALANCE SHEETS
December 31, 2014 and 2013
(Dollars in Thousands)

	2014	2013
ASSETS		
Current assets		
Cash	$ 360	$ 491
Receivables, net of allowance for doubtful accounts of $139 and $110 in 2014 and 2013, respectively	9,174	7,850
Inventories, net	12,939	12,894
Other current assets	223	170
Total current assets	22,696	21,405
Property, plant and equipment, net	15,111	15,000
Other assets		
Goodwill	33,328	33,328
Intangible asset	8,500	8,500
Deferred financing fees	89	138
	41,917	41,966
	$ 79,724	$ 78,371
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Revolving credit loan	$ 1,649	$ 4,470
Current portion of long-term debt	400	400
Accounts payable	7,355	5,560
Accrued liabilities	6,628	6,798
Total current liabilities	16,032	17,228
Long-term debt, net of current portion	600	4,000
Accrued employee benefit obligations	5,402	1,624
Total liabilities	22,034	22,852
Member's equity		
Member's investment	57,263	57,263
Accumulated other comprehensive loss	(11,853)	(8,024)
Retained earnings	12,280	6,280
Total member's equity	57,690	55,519
	$ 79,724	$ 78,371

See accompanying notes to financial statements.

MANSFIELD PLUMBING PRODUCTS, LLC
STATEMENTS OF OPERATIONS
Years ended December 31, 2014 and 2013
(Dollars in Thousands)

	2014	2013
Net sales	$ 100,520	$ 101,775
Cost of sales	80,568	83,268
Gross profit	19,952	18,507
Selling, general and administrative expenses	12,826	12,266
Pension settlement costs	782	-
Income before other expense	6,344	6,241
Other expense		
Interest expense	285	296
Other expense	59	82
	344	378
Net income	$ 6,000	$ 5,863

See accompanying notes to financial statements.

MANSFIELD PLUMBING PRODUCTS, LLC
STATEMENTS OF COMPREHENSIVE INCOME
Years ended December 31, 2014 and 2013
(Dollars in Thousands)

	2014	2013
Net income	$ 6,000	$ 5,863
Other comprehensive income (loss):		
Change in pension liability	(4,611)	6,838
Pension settlement costs	782	-
Comprehensive income	$ 2,171	$ 12,701

See accompanying notes to financial statements.

MANSFIELD PLUMBING PRODUCTS, LLC
STATEMENTS OF CHANGES IN MEMBER'S EQUITY
Years ended December 31, 2014 and 2013
(Dollars in Thousands)

	Member's Investment	Accumulated Other Comprehensive Loss	Retained Earnings	Total Member's Equity
Balance at January 1, 2013	$ 57,305	$ (14,862)	$ 417	$ 42,860
Net income	-	-	5,863	5,863
Change in pension liability	-	6,838	-	6,838
Member contributions	128	-	-	128
Member distributions	(170)	-	-	(170)
Balance at December 31, 2013	57,263	(8,024)	6,280	55,519
Net income	-	-	6,000	6,000
Change in pension liability	-	(4,611)	-	(4,611)
Pension settlement costs	-	782	-	782
Balance at December 31, 2014	$ 57,263	$ (11,853)	$ 12,280	$ 57,690

See accompanying notes to financial statements.

MANSFIELD PLUMBING PRODUCTS, LLC
STATEMENTS OF CASH FLOWS
Years ended December 31, 2014 and 2013
(Dollars in Thousands)

	2014	2013
Cash flows from operating activities		
Net income	$ 6,000	$ 5,863
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation	1,694	1,851
Amortization of deferred financing fees	49	50
Gain on disposal of assets	-	(19)
Changes in operating assets and liabilities		
Receivables	(1,324)	630
Inventories	(45)	28
Other assets	(53)	284
Accounts payable	1,795	(2,212)
Accrued liabilities and accrued employee benefit obligations	(221)	(1,817)
Net cash provided by operating activities	7,895	4,658
Cash flows from investing activities		
Capital expenditures	(1,805)	(5,548)
Net cash used in investing activities	(1,805)	(5,548)
Cash flows from financing activities		
Proceeds from revolving credit loans	95,848	107,292
Payments on revolving credit loans	(98,669)	(103,861)
Payments on long-term debt	(3,400)	(2,400)
Member contributions	-	128
Member distributions	-	(170)
Net cash provided by (used in) financing activities	(6,221)	989
Net change in cash	(131)	99
Cash at beginning of year	491	392
Cash at end of year	$ 360	$ 491
Supplemental disclosures of cash flow information		
Cash paid for interest	$ 276	$ 290

See accompanying notes to financial statements.

NOTE 1 - BASIS OF PRESENTATION

Mansfield Plumbing Products, LLC (the "Company") is a manufacturer of high quality vitreous china toilets, lavatories and urinals, plastic plumbing fittings, acrylic whirlpool tubs and shower bases. The Company's products are sold throughout North America. The Company is a limited liability company organized under the laws of Delaware, incorporated on April 20, 2000, by five investing partners. On December 1, 2000, the Company acquired the assets and assumed the liabilities of Mansfield Plumbing Products, Inc. and SWC Industries, Inc.

On February 9, 2004, 100% of the Company's membership interests were acquired by Ceramicorp, Inc. ("Ceramicorp"). The purchase price of the membership interests was $62,500, subject to certain adjustments, and consisted of cash of $42,481 and debt of $20,019. The transaction was accounted for as a purchase. Under the purchase method of accounting for business acquisitions, which was pushed down to the Company, the purchase price paid by Ceramicorp was allocated to the assets acquired and liabilities assumed based upon fair values.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates relate to the valuation of goodwill and intangible asset, accrued employee benefit obligations, obsolete and slow-moving reserve for inventories, allowance for doubtful accounts and product liability reserves. Actual results could differ from these estimates.

Cash: The Company maintains deposit accounts in financial institutions. Each institution provides FDIC coverage of $250 per depositor. The Company considers short-term cash investments with a maturity of 90 days or less to be cash equivalents. The Company had no restricted cash representing compensating balances as of December 31, 2014 and 2013.

Revenue Recognition: Sales are recorded when products are shipped and title and other risks and rewards of ownership have passed to the customer. Sales are recorded net of returns, price concessions and other discounts. Shipping terms are generally F.O.B. shipping point, although in some instances, shipping terms are F.O.B. destination point.

Significant Concentrations: Sales to the Company's largest customer amounted to $18,233 and $23,779 and comprised approximately 18% and 23% of net sales for the years ended December 31, 2014 and 2013, respectively. Accounts receivable from the same customer was approximately 24% and 26% of net receivables at December 31, 2014 and 2013, respectively.

Accounts Receivable: The Company accounts for trade receivables based on amounts billed to customers. Past due receivables are determined based on contractual terms. The Company does not accrue interest on any of its trade receivables. The majority of the Company's accounts receivable are due from companies in the construction and distribution industries. Credit is extended based on evaluation of a customers' financial condition, and generally, collateral is not required. Accounts receivable are generally due within 45 days and are stated at amounts due from customers net of an allowance for doubtful accounts.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Doubtful Accounts: The allowance for doubtful accounts is determined by management based on the Company's historical losses, specific customer circumstances and general economic conditions. Periodically, management reviews accounts receivable and records an allowance for specific customers based on current circumstances and charges off the receivable against the allowance when all attempts to collect the receivable have failed.

Inventories: Inventories are stated at the lower of cost or market. Cost includes raw materials, labor and manufacturing overhead. The Company uses the first-in, first-out method of accounting for inventory. Management establishes a reserve for obsolete and slow-moving inventories based on past sales, usage and current customer demand.

Impairment of Long-Lived Assets: The Company continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision. In evaluating whether these long-lived assets are recoverable, the Company estimates the sum of the expected future cash flows, undiscounted and without interest charges derived from such assets over their remaining useful life. The Company has determined that no impairment of long-lived assets exists at December 31, 2014 and 2013.

Property, Plant and Equipment: Property, plant and equipment are stated at cost, less accumulated depreciation. The Company provides for depreciation of property, plant and equipment principally by straight-line methods over the expected useful lives of the assets, 10 to 20 years for buildings and 4 to 15 years for machinery and equipment.

Major renewals and betterments are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and a resulting gain or loss is recorded.

Goodwill and Intangible Asset: Goodwill represents the excess purchase price over the fair value of assets acquired through acquisition. Goodwill is assessed at least annually for impairment and any such impairment will be recognized in the period identified. Based on this assessment, management has determined there is no impairment of goodwill at December 31, 2014 and 2013.

The Company's intangible asset consists of a business trademark acquired through acquisition. Management performs an annual impairment review of its indefinite lived business trademark. Based upon this review, management has determined that no impairment of its business trademark exists at December 31, 2014 and 2013.

Collective Bargaining Agreement: At December 31, 2014 and 2013, the Company had a total of 611 and 571 employees, respectively. At December 31, 2014 and 2013, approximately 75% and 76%, respectively, of the Company's employees were represented by a union. The existing union agreement expires on June 30, 2017.

Environmental Remediation: The Company records liabilities when environmental assessments indicate that remedial efforts are probable and that costs can be reasonably estimated. Costs of future expenditures do not reflect any claims for recoveries. At December 31, 2014 and 2013, the Company had no recorded liability for environmental assessments.

(Continued)

(Dollars in Thousands, Except Share Amounts)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During 2003, the Company signed a Findings and Orders Agreement with the Ohio Environmental Protection Agency requiring the Company to establish and fund a trust to be used for future environmental remediation of an existing Company landfill, and to monitor this landfill for a period of 30 years subsequent to closure. Such trust, in the form of an escrow account, was fully funded by the Company in accordance with the agreement. At December 31, 2014 and 2013, the escrow account had a balance of $943 and $970, respectively. The above mentioned escrow account is not reflected in the balance sheets of the Company.

Product Liability/Warranty: Product liability claims for damages associated to product failure are generally recognized upon receipt if such claims are appropriate. An accrual is established based on historical experience of similar claims. The Company periodically assesses the adequacy of the accrual. When an identifiable cause issue establishes a basis for estimate of probable future exposure, a separate accrual is established to monitor these claims incorporating an accrual for future claims. The Company's accrued product liability costs are as follows (also see Note 8):

	2014	2013
Liability at beginning of year	$ 1,782	$ 2,232
Provision	1,145	1,534
Claims paid	(1,011)	(1,984)
Liability at end of year	$ 1,916	$ 1,782

In addition to this liability, the Company expenses a portion of sales to the majority of its wholesale customers as a defective allowance in lieu of a warranty. For those wholesale and retail customer sales not subject to a defective allowance, the Company accrues a warranty liability for estimated costs in satisfaction of warranty obligations. The Company's estimate of costs to service warranty obligations is based upon historical experience and expectations of future conditions. The Company's accrued warranty liability was $185 and $232 at December 31, 2014 and 2013, respectively.

Income Taxes: The Company is a limited liability company formed under state statutes and is taxed for federal and state purposes as a partnership. Therefore, the Company's member reports the Company's taxable income (loss) on its respective income tax return. Accordingly, no income tax expense has been recognized in the statements of operations.

The Company recognizes interest and penalties related to unrecognized tax benefits as income tax expense which is included in other expense. Due to its pass-through status, the Company is not subject to U.S. federal income tax or state income tax, but is subject to Canadian income tax, which is reflected as other expense. The Company is no longer subject to income tax examinations by Canadian tax authorities for years ended December 31, 2009 and prior due to the expiration of the statute of limitations. The Company does not expect the total amount of unrecognized tax benefits, of which there were none at December 31, 2014 and 2013, to significantly change in the next 12 months.

A tax position is recognized as a benefit only if it is more-likely-than-not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit is recorded.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Financing Fees: Deferred financing fees are amortized over the term of the related debt, or applicable period of such debt term. Gross deferred financing fees were $631 at December 31, 2014 and 2013, less accumulated amortization of $542 and $493 at December 31, 2014 and 2013, respectively.

Advertising Costs: The Company expenses the cost of advertising when incurred. Advertising expense was $1,834 and $1,685 during the years ended December 31, 2014 and 2013, respectively. Additionally, during the years ended December 31, 2014 and 2013, the Company recognized $59 and $42 of slotting fees to retail customers, respectively. Slotting fees are included in net sales on the accompanying statements of operations.

Research and Development: The Company expenses the cost of research and development activities when incurred. Research and development expense was approximately $614 and $573 during the years ended December 31, 2014 and 2013, respectively.

Fair Value of Financial Instruments: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are to be considered from the perspective of a market participant that holds the asset or owed the liability. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs may be used to measure fair value:

Level 1: Quoted prices in active markets for identical or similar assets and liabilities.

Level 2: Quoted prices for identical or similar assets and liabilities in markets that are not active or observable inputs other than quoted prices in active markets for identical or similar assets and liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

Comprehensive Income: Comprehensive income consists of net income and other comprehensive income (loss), which includes changes in pension liability and pension settlement costs. Other comprehensive income (loss) is accumulated as a separate component of member's equity.

Subsequent Events: The Company has evaluated events and transactions occurring subsequent to the balance sheet date of December 31, 2014, for items that should be recognized or disclosed in these financial statements. This evaluation was conducted through February 6, 2015, the date these financial statements were available to be issued.

(Continued)

(Dollars in Thousands, Except Share Amounts)

NOTE 3 - DEBT

Debt consists of the following at December 31, 2014 and 2013:

	2014	2013
Bank of Bogota Term Loan	$ -	$ 3,000
Revolving credit loans	1,649	4,470
PNC Term Loan	1,000	1,400
Total outstanding borrowings	2,649	8,870
Revolving credit loans classified as current	1,649	4,470
Current portion of long-term debt	400	400
Long-term debt, net of current portion	$ 600	$ 4,000

On October 22, 2010, the Company entered into a $21,000 promissory note with Banco de Bogota, which was guaranteed by ColCeramica S.A. ("ColCeramica"), an affiliated entity, and required no principal payments until maturity on October 22, 2013. This agreement provided for interest at the variable rate of 3.00% above the six month floating LIBOR rate and interest was first payable on April 22, 2011 and each 180 days thereafter.

On June 22, 2012, the Company entered into a $15,000 Promissory Note with Banco de Bogota (the "Bank of Bogota Term Loan") in replacement of the $21,000 promissory note agreement. The Bank of Bogota Term Loan was guaranteed by ColCeramica and required no principal payments until maturity on October 22, 2016. This agreement provided for interest at the variable rate of 3.00% above the six month floating LIBOR rate from June 22, 2012 to April 22, 2013 and at the variable rate of 3.25% above the six month floating LIBOR rate from April 23, 2013 to October 22, 2016. Interest on the Bank of Bogota Term Loan was first payable on October 22, 2012 and each 180 days thereafter.

The Company repaid the remaining principal outstanding of $3,000 to Bank of Bogota on November 5, 2014. There was no prepayment penalty. The final interest payment of $4 was paid to Bank of Bogota on November 5, 2014.

The Company and PNC Bank, National Association are party to a Revolving Credit, Term Loan and Security Agreement, as most recently amended on October 8, 2014 (the "Agreement"). The Agreement provides for $15,000 of revolving credit loans (the "Revolver") and a term loan in the amount of $2,000 ("PNC Term Loan"), with a maturity date of the Agreement of April 22, 2016.

The Revolver allows for the Company to borrow up to $15,000, less $2,000 in excess availability required by the Agreement, subject to certain restrictions based upon the level of secured assets, as defined in the Agreement, less any outstanding letters of credit not to exceed $1,000. At December 31, 2014, the Company had $9,347 of available borrowings under the Revolver; $11,437 based upon the level of secured assets as defined in the Agreement less $90 in outstanding letters of credit and the $2,000 excess availability requirement.

The Agreement contains both a subjective acceleration clause and a requirement that the Company maintain a lockbox arrangement whereby collections are forwarded to the lender for repayment of revolving credit loans. Accordingly, at December 31, 2014 and 2013, borrowings outstanding on the Revolver are classified as current in the accompanying balance sheets.

(Continued)

(Dollars in Thousands, Except Share Amounts)

NOTE 3 – DEBT (Continued)

The PNC Term Loan requires monthly principal payments of approximately $33, with the then unpaid principal balance due upon maturity on April 22, 2016.

Interest for both the Revolver and the PNC Term Loan is the prime rate plus 0.50%. The Company has the option to obtain an interest rate on outstanding borrowings under the Revolver based upon a LIBOR rate plus 2.25%. At December 31, 2014 and 2013, the Company's effective interest rate for outstanding borrowings under the Revolver was 2.53% and 3.45%, respectively. At December 31, 2014 and 2013, the Company's effective interest rate for amounts due under the PNC Term Loan was 2.50% and 2.48%, respectively. Interest on the Revolver and PNC Term Loan is payable in arrears on the first day of each month.

The Agreement requires the Company to comply with various financial, affirmative and restrictive covenants, including limitations on capital expenditures, a minimum fixed charge coverage ratio, a maximum leverage ratio and a minimum of $2,000 in excess availability at all times. As of December 31, 2014, the Company was in compliance with these covenants.

Approximate aggregate maturities of debt are as follows:

2015	$ 400
2016	2,249

NOTE 4 - EMPLOYEE RETIREMENT BENEFIT PLANS

The Mansfield Plumbing Products, LLC Cash Balance Pension Plan ("Cash Balance Pension Plan") covers eligible salaried employees and eligible non-bargaining hourly employees of the Company. Benefits for this plan are provided based on defined contributions, a stated amount for each year of service. Effective July 31, 2007, the Company elected to freeze the Mansfield Plumbing Products, LLC Cash Balance Pension Plan.

The Mansfield Plumbing Products, LLC Retirement Plan for Hourly Employees ("Hourly Pension Plan") covers eligible hourly employees of the Company. Benefits for this plan are provided based on a stated amount for each year of service. Effective July 31, 2008, the Company elected to freeze the Mansfield Plumbing Products, LLC Retirement Plan for Hourly Employees.

The Company's funding policy for its plans is to make no less than the minimum annual contributions required by applicable governmental regulations.

Other benefits consist of post-retirement life and health-care benefits provided by the Company to certain of its former employees. The Company has two plans that provide these benefits to retirees. Benefits are determined on varying formulas based on age at retirement and years of active service. Health care benefits are contributory and the life insurance plans are noncontributory. The Company has not funded any of the post-retirement health care benefit liabilities. Contributions to the post-retirement health care plans are made by the Company as claims are incurred.

(Continued)

(Dollars in Thousands, Except Share Amounts)

NOTE 4 - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)

The Company recognizes the overfunded or underfunded status of its defined benefit post-retirement plans as an asset or liability in its balance sheet and recognizes changes in the funded status in the year in which the changes occur as other comprehensive income (loss). The Company is required to measure defined benefit plan assets and obligations as of December 31, the date of the Company's fiscal year-end.

Hourly Pension Plan Partial Settlement: In June 2014, the Company announced a special election window to offer voluntary lump sum payments to terminated vested participants of the Hourly Pension Plan who were not currently receiving benefits. The special election window was from August 1, 2014 to October 31, 2014 and provided participants with a one-time election within this period to receive a lump sum settlement of their pension benefits or not make the election and continue to be entitled to their pension benefits upon retirement. Participants with an aggregate pension benefit obligation of $2,151 elected to receive a lump sum settlement and payments of this amount were made from existing plan assets during the fourth quarter of 2014.

As a result of the partial settlement, the Company recorded a $626 gain to other comprehensive income and a charge to earnings of $782. The impact of the settlement is included in the change in benefit obligation, change in plan assets, net periodic pension costs and change in other comprehensive income tables that follow.

Obligations and Funded Status:

	2014		2013	
	Pension Benefits	Other Benefits	Pension Benefits	Other Benefits
Change in benefit obligation				
Benefit obligation at beginning of year	$ 30,445	$ 177	$ 34,347	$ 192
Interest cost	1,363	6	1,242	4
Settlement gain	(626)	-	-	-
Participant contributions	-	1	-	2
Actuarial (gain) loss	5,314	43	(3,833)	30
Settlement payments	(2,151)	-	-	-
Benefits paid	(1,351)	(14)	(1,311)	(51)
Benefit obligation at end of year	32,994	213	30,445	177
Change in plan assets				
Fair value of plan assets at beginning of year	28,974	-	25,252	-
Actual gain on plan assets	1,609	-	3,803	-
Company contribution	698	13	1,230	49
Participant contributions	-	1	-	2
Settlement payments	(2,151)	-	-	-
Benefits paid	(1,351)	(14)	(1,311)	(51)
Fair value of plan assets at end of year	27,779	-	28,974	-
Funded status at end of year	$ (5,215)	$ (213)	$ (1,471)	$ (177)

(Continued)

(Dollars in Thousands, Except Share Amounts)

NOTE 4 - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)

Amounts recognized in the balance sheets consist of:

	2014 Pension Benefits	2014 Other Benefits	2013 Pension Benefits	2013 Other Benefits
Current liabilities	$ -	$ 26	$ -	$ 24
Noncurrent liabilities	5,215	187	1,471	153
	$ 5,215	$ 213	$ 1,471	$ 177

Components of net periodic benefit cost for the years ended December 31, 2014 and 2013 are as follows:

	2014 Pension Benefits	2014 Other Benefits	2013 Pension Benefits	2013 Other Benefits
Interest cost	$ 1,363	$ 6	$ 1,242	$ 4
Expected return on plan assets	(1,925)	-	(1,765)	-
Recognized loss	424	12	988	9
Pension settlement costs	782	-	-	-
Net periodic benefit cost	$ 644	$ 18	$ 465	$ 13

Amounts that have not yet been recognized as components of net periodic pension expense and are included in accumulated other comprehensive loss at December 31, 2014 and 2013 consist of:

	2014	2013
Net actuarial loss	$ (11,853)	$ (8,024)

The estimated amounts expected to be amortized from accumulated other comprehensive loss over the next fiscal year includes a net loss of $778.

Assumptions: The weighted-average assumptions used at December 31 are as follows:

	2014 Pension Benefits	2014 Other Benefits	2013 Pension Benefits	2013 Other Benefits
Discount rate	3.45% and 3.80%	2.85%	4.20% and 4.65%	3.20%
Expected return on plan assets	4.00% and 7.00%	-	7.00%	-
Health care cost trend rate	-	*	-	**

* 7.5% for 2014, decreasing to 5.0% for 2019
** 8.0% for 2013, decreasing to 5.0% for 2019

As of December 31, 2014 and 2013, the accumulated benefit obligation for the Company's pension plans was $32,994 and $30,445, respectively. As of December 31, 2014 and 2013, both of the Company's pension plans had accumulated benefit obligations in excess of plan assets. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for these pension plans were $32,994, $32,994, and $27,779, respectively, as of December 31, 2014.

(Continued)

(Dollars in Thousands, Except Share Amounts)

NOTE 4 - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for these pension plans were $30,445, $30,445, and $28,974, respectively, as of December 31, 2013. A one-percentage-point change in the assumed health care cost trend rate would have the following effects.

	2014		2013	
	Increase	Decrease	Increase	Decrease
Effect on total of service and interest cost components	$ -	$ -	$ -	$ -
Effect on post-retirement benefit obligation	13	(12)	10	(9)

Plan Assets: The fair value of the Company's pension plan assets at December 31 by asset category are as follows:

Quoted Prices in Active Markets for Identical Assets Level 1	2014	2013
Domestic Equity Large Value	$ 1,190	$ 1,370
Domestic Equity Small / Mid Growth	1,117	1,176
Domestic Equity Small / Mid Value	1,150	1,139
Mutual Funds		
Money Market	704	69
Domestic Equity Large Growth	1,404	1,462
Domestic Equity Large Blend		-
Domestic Equity Large Value	30	31
Domestic Equity Small / Mid Growth	30	31
Domestic Equity Small / Mid Value	30	32
Domestic Fixed Income	1,467	1,497
International Value	-	692
International Blend	-	-
International Growth	671	656
International Fixed Income	361	380
Blended Mid Growth	727	516
Long / Short	52	826
Tactical Allocation	119	1,119
Exchange Traded Funds		
Domestic Equity Fund Large Core	2,471	2,479
International Equity Core	1,402	1,354
Emerging Markets	1,831	2,038
Significant Other Observable Inputs Level 2		
Fixed Income		
Corporate	7,197	5,723
Governmental	1,004	1,530
International	257	398
Hedge Funds of Funds	4,445	3,723
Cash	120	733
Total	$ 27,779	$ 28,974

(Continued)

(Dollars in Thousands, Except Share Amounts)

NOTE 4 - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)

Level 1 assets consist of the plans' investments in common equity, mutual funds, and exchange traded funds. Fair values for these securities are based on unadjusted, quoted prices for identical assets in an active market.

Level 2 assets consist of the plans' investments in fixed income securities and hedge funds of funds. Fair value of corporate, governmental, and international fixed income securities is based on most recent bid prices in the principal market in which such securities are traded, or are valued based on information provided by a pricing service. Fair value of shares of hedge funds of funds is based on the net asset values of the shares as reported by the fund managers at year end.

The investment objectives of the hedge funds of funds include capital appreciation through the use of leverage and short positions, as well broad diversification with positions in global currency, financial and commodity markets. A portion of the plans' investment in hedge funds of funds allow for quarterly redemptions, with 65 days advance notice. Otherwise, there are no restrictions on redemptions or advance notice requirements.

The Company, or its agents, exercise reasonable skill and caution in making investment decisions. A number of factors are evaluated in determining if an investment strategy will be employed by the Company's master pension trusts. These factors include, but are not limited to, investment style, investment risk, investment manager performance and costs.

The primary investment objective of the Company's master pension trust for the Hourly Pension Plan is to maximize the value of plan assets focusing on capital preservation, current income and long-term growth of capital and income. The plans' assets are typically invested in a broad range of equities, debt, hedge funds and cash instruments. The Company's investment strategies for the Hourly Pension Plan resulted in a targeted investment allocation of 1% short term investments, 30% debt securities, 50% equity securities, and 19% non-traditional investments, principally hedge funds.

The primary investment objective of the Company's investment strategies for the Cash Balance Pension Plan is capital preservation. The Company's investment strategies for the Cash Balance Pension Plan resulted in a targeted investment allocation of 5% short term investments, 65% debt securities, 10% equity securities, and 20% non-traditional investments, principally hedge funds.

<u>Contributions</u>: The Company expects to contribute $26 to its other post-retirement benefit plans in 2015. No contributions are expected to its pension plans in 2015.

<u>Estimated Future Benefit Payments</u>: The following benefit payments are expected to be paid:

	Pension Benefits	Other Benefits
2015	$ 1,478	$ 26
2016	1,508	25
2017	1,639	24
2018	1,591	23
2019	1,664	21
Years 2020-2024	8,852	78

(Continued)

NOTE 4 - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)

Other: The Company also has two defined contribution plans for eligible employees, the Mansfield Plumbing Products LLC Employee Savings Plan for Ohio Hourly Employees and the Ceramicorp, Inc. Employee Savings Plan. Contributions to these plans by the Company are determined based on a percentage of the contributions made by the employee. Company contributions to these plans were $223 and $214 for the years ended December 31, 2014 and 2013, respectively.

NOTE 5 – DEFERRED COMPENSATION

On November 28, 2012, the Company entered into deferred compensation arrangements with certain key employees. Employees have the opportunity to earn phantom shares for each of the years ended December 31, 2013 through 2017, contingent upon the Company achieving share price goals as defined in the agreements. Earned phantom shares vest over five years, with 33% vested after three years, 67% vested after four years and 100% vested after five years. Vested phantom shares are exercisable each year at the share price as defined in the agreements and are paid in cash.

For the years ended December 31, 2014 and 2013, phantom shares earned totaled 6,174 and 7,542, respectively, and none were exercised, expired or forfeited. All phantom shares earned were unvested as of December 31, 2014 and 2013.

A participant in the plan transferred services to an affiliated entity on January 1, 2015. In accordance with the plan agreement the participant's earned shares as of December 31, 2014 became immediately vested as of January 1, 2015. Provision for the payment of the value of these earned shares in the amount of $111 is included in 2014 expense and the corresponding liability as of December 31, 2014.

The Company recognized expense of $304 and $77 in 2014 and 2013, respectively, based on the phantom shares earned, the applicable vesting period for the earned shares for continuing participants, the provision for the transferring employee and the December 31, 2014 and 2013 share prices as defined. Corresponding liabilities of $381 and $77 at December 31, 2014 and 2013, respectively, are included in accrued expenses on the balance sheets. Unrecognized expense is recorded over the remaining years of the phantom share program in accordance with the defined vesting period of the earned phantom shares. Total unrecognized expense related to all phantom shares earned and valued at the December 31, 2014 and 2013 share prices are approximately $330 and $218, respectively.

(Continued)

(Dollars in Thousands, Except Share Amounts)

NOTE 6 - BALANCE SHEET DETAIL

	2014	2013
Inventories		
Raw materials and supplies	$ 2,553	$ 2,080
Work in process	929	673
Finished goods	9,903	10,820
	13,385	13,573
Reserve for obsolete and slow-moving inventories	(446)	(679)
	$ 12,939	$ 12,894
Property, plant and equipment		
Land	$ 314	$ 314
Buildings, machinery and equipment	31,628	28,792
Construction in process	2,015	3,046
	33,957	32,152
Accumulated depreciation	(18,846)	(17,152)
	$ 15,111	$ 15,000
Accrued liabilities		
Product liability reserves	$ 1,916	$ 1,782
Accrued compensation and benefits	2,780	2,789
Other accrued liabilities	1,932	2,227
	$ 6,628	$ 6,798

NOTE 7 - RELATED PARTY TRANSACTIONS

The Company purchased approximately $4,904 and $9,503 of finished goods from ColCeramica, a 54.6% owner of Ceramicorp, during the years ended December 31, 2014 and 2013, respectively. At December 31, 2014 and 2013, the Company had accounts payable to ColCeramica related to these purchases of $1,369 and $1,178, respectively, which is included in accounts payable on the accompanying balance sheets. Additionally, at December 31, 2014 and 2013, the Company had in-transit purchases from ColCeramica of $188 and $200, respectively, which is also included in accounts payable on the accompanying balance sheets.

In July of 2013, the Company sold an idle piece of equipment to ColCeramica for $64. The proceeds were received by the Company as of December 31, 2013.

In November of 2014, the Company purchased a bowl casting machine from ColCeramica for $463.

The Company is party to an Intercorporate Service Agreement with Ceramicorp (the “Management Agreement”). The Management Agreement calls for the Company to pay Ceramicorp a $50 monthly fee for executive, management, financial, tax, legal, risk management, technical, consulting, administrative and other services described in the Management Agreement. Effective January 1, 2009, Ceramicorp ceased charging the Company the $50 monthly fee, although the Company continues to receive these services. Accordingly, the Company did not recognize any management fee expense during the years ended December 31, 2014 and 2013.

(Continued)

(Dollars in Thousands, Except Share Amounts)

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Leases: The Company is obligated under operating leases for certain warehouse space, manufacturing equipment, computers and office equipment. Future minimum lease obligations under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) at December 31, 2014 are as follows:

2015	$ 560
2016	483
2017	202
2018	7
2019	3
	$ 1,255

Lease expense amounted to approximately $699 and $869 during the years ended December 31, 2014 and 2013, respectively.

Litigation: The Company is involved in several lawsuits arising in the ordinary course of business, however, it is the opinion of the Company's management that these lawsuits are either without merit, are covered by insurance or are adequately reserved for in the accompanying balance sheets, and the ultimate disposition of pending litigation will not be material in relation to the Company's financial position or results of operations.

Self-Insurance: The Company is self-insured for workers' compensation in Ohio and was self-insured for workers' compensation at its Kilgore, Texas facility. A liability of $166 and $292 was recorded at December 31, 2014 and 2013, respectively, to estimate payment of claims pending on those dates.

The Company is also self-insured for employee health benefits. Self-insured losses are based on management's estimates of the aggregate liability for uninsured claims based on the Company's historical claims experience. The self-insured plan includes $175 specific stop loss insurance per individual per year with an aggregate limit of $1,000. A liability of $485 and $383 was recorded at December 31, 2014 and 2013, respectively, to estimate payment of claims pending on those dates.

Indemnification and Hold Harmless Agreement: The Company is party to an indemnification and hold harmless agreement with an insurer for one of the Company's insurance programs. In exchange for the return of $424 in escrow monies held by the insurer in excess of required loss reserves, the Company has agreed to indemnify the insurer for any costs incurred should a claim be made for the monies by a third party. The Company warrants that it is the only insured entitled to the return of the funds. At December 31, 2014, no amount has been accrued for any estimated cost under the obligation as it is the opinion of the Company's management that such claims would be unlikely to occur and would be without merit.

Product Liability: The Company has a deductible of $150 per occurrence under its product liability insurance, which covers product liability claims up to $1,000 per occurrence. The Company also has excess insurance to cover product liability losses beyond the $150 deductible and the $1,000 coverage per occurrence.

(Continued)

NOTE 8 - COMMITMENTS AND CONTINGENCIES (Continued)

Management's reserve for product liability claims is based on past and current claims, the timing and amounts of related payments, the status of ongoing litigation and the potential impact of defense and settlement initiatives. There are inherent uncertainties involved in estimating the value of claims, settlement costs and the effectiveness of the Company's defense and settlement initiative.