



November 3, 2016

Dear Watts Associates:

We are very pleased to announce that effective November 2, 2016, Watts has acquired PVI Industries, a leading manufacturer of engineer-specified plumbing and heating equipment for new construction and building retrofits.

PVI, which is located in Fort Worth, Texas, brings to Watts a leading market position in commercial water heaters, exceptional brand recognition, and industry standing as the only ASME Code water heater manufacturer using duplex stainless steel (AquaPLEX®).

The PVI and AERCO product portfolios complement each other and strengthen our ability to provide a total solution for our customers. AERCO is a recognized leader in delivering high-efficiency, cost-effective commercial heat and hot water solutions. Like AERCO, PVI is focused on differentiated product design for project specific customer applications. PVI now brings to our Company a leading market position in commercial water heaters, which complements AERCO's leading position in high efficiency boilers.

Acquiring PVI supports our growth strategy in the commercial HVAC market. PVI will report to Jim Dagley, who will now serve as President of our newly-created Heating and Hot Water Solutions Platform, while also continuing to lead AERCO. Over the next several months, Jim will be working with the PVI leadership team to identify immediate opportunities where AERCO and PVI can work together.

Again, we are excited to welcome PVI to Watts and to offer our customers an expanded portfolio of products and solutions.

Sincerely,

Bob Pagano
CEO & President