

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.**

MODINE MANUFACTURING COMPANY  
CONSOLIDATED STATEMENTS OF OPERATIONS  
For the years ended March 31, 2015, 2014 and 2013  
(In millions, except per share amounts)

	2015	2014	2013
Net sales	\$ 1,496.4	\$ 1,477.6	\$ 1,376.0
Cost of sales	1,249.9	1,239.4	1,167.4
Gross profit	246.5	238.2	208.6
Selling, general and administrative expenses	184.5	181.7	166.3
Restructuring expenses	4.7	16.1	17.0
Impairment charges	7.8	3.2	25.9
Gain on sale of wind tunnel	(3.2)	-	-
Operating income (loss)	52.7	37.2	(0.6)
Interest expense	(11.7)	(12.4)	(12.6)
Other income (expense) – net	0.2	(0.8)	0.2
Earnings (loss) from continuing operations before income taxes	41.2	24.0	(13.0)
(Provision) benefit for income taxes	(19.0)	107.9	(9.8)
Earnings (loss) from continuing operations	22.2	131.9	(22.8)
Earnings from discontinued operations, net of income taxes	0.6	-	-
Net earnings (loss)	22.8	131.9	(22.8)
Net earnings attributable to noncontrolling interest	(1.0)	(1.5)	(1.4)
Net earnings (loss) attributable to Modine	\$ 21.8	\$ 130.4	\$ (24.2)
Earnings (loss) per share from continuing operations attributable to Modine shareholders:			
Basic	\$ 0.45	\$ 2.75	\$ (0.52)
Diluted	\$ 0.44	\$ 2.72	\$ (0.52)
Net earnings (loss) per share attributable to Modine shareholders:			
Basic	\$ 0.46	\$ 2.75	\$ (0.52)
Diluted	\$ 0.45	\$ 2.72	\$ (0.52)
Weighted average shares outstanding:			
Basic	47.2	46.9	46.6
Diluted	47.8	47.6	46.6

The notes to consolidated financial statements are an integral part of these statements.

MODINE MANUFACTURING COMPANY  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the years ended March 31, 2015, 2014 and 2013  
(In millions)

	<b>2015</b>	<b>2014</b>	<b>2013</b>
Net earnings (loss)	\$ 22.8	\$ 131.9	\$ (22.8)
Other comprehensive income (loss):			
Foreign currency translation	(68.2)	9.7	(17.1)
Defined benefit plans, net of income taxes of (\$13.2), \$9.8 and \$0 million	(26.7)	13.9	(23.6)
Cash flow hedges, net of income taxes of \$0, \$0.6 and \$0 million	-	1.1	2.6
Total other comprehensive income (loss)	(94.9)	24.7	(38.1)
Comprehensive income (loss)	(72.1)	156.6	(60.9)
Comprehensive income attributable to noncontrolling interest	(0.8)	(1.7)	(1.4)
Comprehensive income (loss) attributable to Modine	<u>\$ (72.9)</u>	<u>\$ 154.9</u>	<u>\$ (62.3)</u>

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MODINE MANUFACTURING COMPANY  
CONSOLIDATED BALANCE SHEETS  
March 31, 2015 and 2014  
(In millions, except per share amounts)

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 70.5	\$ 87.2
Trade accounts receivable – net	192.9	221.1
Inventories	107.7	116.8
Deferred income taxes	13.4	13.0
Other current assets	79.7	60.7
Total current assets	<u>464.2</u>	<u>498.8</u>
Property, plant and equipment – net	322.1	359.6
Intangible assets – net	9.9	12.4
Goodwill	16.2	28.7
Deferred income taxes	102.7	98.6
Other noncurrent assets	16.5	34.2
Total assets	<u>\$ 931.6</u>	<u>\$ 1,032.3</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Short-term debt	\$ 18.6	\$ 32.4
Long-term debt – current portion	0.5	0.8
Accounts payable	152.0	171.1
Accrued compensation and employee benefits	56.7	70.8
Other current liabilities	83.4	82.1
Total current liabilities	<u>311.2</u>	<u>357.2</u>
Long-term debt	129.6	131.2
Deferred income taxes	3.4	7.3
Pensions	110.4	81.0
Other noncurrent liabilities	16.4	27.0
Total liabilities	<u>571.0</u>	<u>603.7</u>
Commitments and contingencies (see Note 19)		
Shareholders' equity:		
Preferred stock, \$0.025 par value, authorized 16.0 million shares, issued - none	-	-
Common stock, \$0.625 par value, authorized 80.0 million shares, issued 48.6 million and 48.3 million shares	30.4	30.2
Additional paid-in capital	180.6	175.7
Retained earnings	359.8	338.0
Accumulated other comprehensive loss	(198.6)	(103.9)
Treasury stock, at cost, 0.7 million shares	(16.2)	(15.2)
Total Modine shareholders' equity	<u>356.0</u>	<u>424.8</u>
Noncontrolling interest	4.6	3.8
Total equity	<u>360.6</u>	<u>428.6</u>
Total liabilities and equity	<u>\$ 931.6</u>	<u>\$ 1,032.3</u>

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MODINE MANUFACTURING COMPANY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended March 31, 2015, 2014 and 2013  
(In millions)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Cash flows from operating activities:</b>			
Net earnings (loss)	\$ 22.8	\$ 131.9	\$ (22.8)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Depreciation and amortization	51.6	58.1	55.8
Insurance proceeds from Airedale fire	12.9	16.9	-
Pension and postretirement expense	2.3	3.2	1.9
Gain on sale of wind tunnel	(3.2)	-	-
Impairment charges	7.8	3.2	25.9
Loss from disposition of property, plant and equipment	1.1	2.6	2.5
Deferred income taxes	5.9	(116.1)	0.6
Stock-based compensation expense	4.0	3.6	3.1
Other – net	(0.7)	(0.5)	4.1
Changes in operating assets and liabilities, excluding acquisitions:			
Trade accounts receivable	(0.1)	(18.2)	15.1
Inventories	(4.2)	(0.1)	(0.8)
Accounts payable	(2.4)	15.2	(3.2)
Accrued compensation and employee benefits	(5.3)	17.5	1.9
Other assets	(24.5)	2.1	(6.6)
Other liabilities	(4.5)	(14.9)	(28.7)
Net cash provided by operating activities	<u>63.5</u>	<u>104.5</u>	<u>48.8</u>
<b>Cash flows from investing activities:</b>			
Expenditures for property, plant and equipment	(58.3)	(53.1)	(49.8)
Insurance proceeds from Airedale fire	12.2	20.7	-
Costs to replace building and equipment damaged in Airedale fire	(16.7)	(4.2)	-
Proceeds from dispositions of assets	7.6	2.9	0.4
Purchases of short-term investments	(5.2)	-	-
Proceeds from maturities of short-term investments	2.4	-	-
Acquisitions – net of cash acquired	-	(7.8)	(4.9)
Other – net	0.8	-	(1.6)
Net cash used for investing activities	<u>(57.2)</u>	<u>(41.5)</u>	<u>(55.9)</u>
<b>Cash flows from financing activities:</b>			
Borrowings of debt	36.4	152.6	166.7
Repayments of debt	(50.9)	(152.4)	(167.1)
Financing fees paid	(0.1)	(0.9)	-
Dividend paid to noncontrolling interest	-	(0.5)	-
Other – net	-	(0.3)	0.7
Net cash (used for) provided by financing activities	<u>(14.6)</u>	<u>(1.5)</u>	<u>0.3</u>
Effect of exchange rate changes on cash	(8.4)	1.9	(0.8)
Net (decrease) increase in cash and cash equivalents	(16.7)	63.4	(7.6)
Cash and cash equivalents - beginning of year	87.2	23.8	31.4
Cash and cash equivalents - end of year	<u>\$ 70.5</u>	<u>\$ 87.2</u>	<u>\$ 23.8</u>

The notes to consolidated financial statements are an integral part of these statements.

MODINE MANUFACTURING COMPANY  
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY  
For the years ended March 31, 2015, 2014 and 2013  
(In millions)

	Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock, at cost	Non-controlling interest	Total
	Shares	Amount						
Balance, March 31, 2012	47.4	\$ 29.6	\$ 168.3	\$ 231.8	\$ (90.3)	\$ (14.5)	\$ 1.2	\$ 326.1
Net loss attributable to Modine	-	-	-	(24.2)	-	-	-	(24.2)
Other comprehensive loss	-	-	-	-	(38.1)	-	-	(38.1)
Stock options and awards including related tax benefits	0.4	0.3	(0.2)	-	-	-	-	0.1
Purchase of treasury stock	-	-	-	-	-	(0.1)	-	(0.1)
Stock-based compensation expense	-	-	3.1	-	-	-	-	3.1
Net earnings attributable to noncontrolling interest	-	-	-	-	-	-	1.4	1.4
Balance, March 31, 2013	47.8	29.9	171.2	207.6	(128.4)	(14.6)	2.6	268.3
Net earnings attributable to Modine	-	-	-	130.4	-	-	-	130.4
Other comprehensive income	-	-	-	-	24.5	-	0.2	24.7
Stock options and awards including related tax benefits	0.5	0.3	0.9	-	-	-	-	1.2
Purchase of treasury stock	-	-	-	-	-	(0.6)	-	(0.6)
Stock-based compensation expense	-	-	3.6	-	-	-	-	3.6
Dividend paid to noncontrolling interest	-	-	-	-	-	-	(0.5)	(0.5)
Net earnings attributable to noncontrolling interest	-	-	-	-	-	-	1.5	1.5
Balance, March 31, 2014	48.3	30.2	175.7	338.0	(103.9)	(15.2)	3.8	428.6
Net earnings attributable to Modine	-	-	-	21.8	-	-	-	21.8
Other comprehensive loss	-	-	-	-	(94.7)	-	(0.2)	(94.9)
Stock options and awards including related tax benefits	0.3	0.2	0.9	-	-	-	-	1.1
Purchase of treasury stock	-	-	-	-	-	(1.0)	-	(1.0)
Stock-based compensation expense	-	-	4.0	-	-	-	-	4.0
Net earnings attributable to noncontrolling interest	-	-	-	-	-	-	1.0	1.0
Balance, March 31, 2015	48.6	\$ 30.4	\$ 180.6	\$ 359.8	\$ (198.6)	\$ (16.2)	\$ 4.6	\$ 360.6

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