BURNHAM HOLDINGS, INC. ANNOUNCES YEAR 2012 FINANCIAL RESULTS AND ANNOUNCES A DIVIDEND INCREASE

Lancaster, PA February 20, 2013

Burnham Holdings, Inc., (Pink Sheets: BURCA), the parent company of fourteen subsidiaries that are leading domestic manufacturers of boilers, and related HVAC products and accessories for residential, commercial and industrial applications, today reported its financial results for the year ended December 31, 2012.

We are pleased to report a year of strong financial performance. Earnings for 2012 were $1.83 per share, our highest earnings since the height of the housing boom and a 61.9% increase from 2011. Sales and margins were up for the third straight year. The balance sheet ended the year with almost no debt and high liquidity. We paid common stock dividends of $0.72 per share during 2012, a 5.9% increase over the 2011 rate, which had remained constant at $0.68 per share since 2007. Details of results mentioned in this release are discussed fully in the Company's audited Annual Report, which will be available on or about March 15, 2013.

Net sales for 2012 were $204.8 million, up 3.0% from $198.8 million in 2011. The residential portion of the business experienced the third straight year of improvement after the market low in 2009. The decline in the 2009 market was the result of an economic cycle that not only impacted Burnham Holdings but also the entire industry. We feel our growth in the residential business over the last three years has been accomplished through our focus on satisfying the needs of the consumer through the continual introduction of new equipment and controls (including highly efficient, energy saving products), commitment to our long-term distribution channels, and the aggressive pursuit of new opportunities. The commercial portion of our business provides heating applications for large commercial, institutional, and industrial facilities such as hospitals, factories, hotels, and schools. Commercial revenue experienced a modest improvement in 2011 and the trend in business activity through the first half of 2012, while still below past levels, was encouraging for this portion of our business. Activity slowed down in the third quarter however, as we believe the United States political elections, fiscal cliff implications, and economic uncertainty abroad led to a lowering of consumer confidence, which tends to delay replacements or upgrades to equipment for both commercial and residential customers. Demand for residential boiler products significantly increased in the fourth quarter as a result of Super Storm Sandy, which devastated coastal areas of the metro-New York City area, a core geographic area for hydronic heating equipment. Our subsidiaries reacted immediately by providing increased volumes of replacement equipment to the impacted regions, while still providing high levels of service to other market areas.

Operating income for 2012 was $13.8 million, up 56.8% from the $8.8 million reported in 2011. Recent efforts by our subsidiaries to consolidate and streamline operations have enabled them to improve quality and productivity, reduce material handling, and control inventory levels while providing a very high level of customer service. Actual cost of goods sold as a percentage of sales was 75.9% in 2012 versus 77.3% in 2011, the lowest in over five years. Selling, administrative and general expenses, in addition to interest expense, have declined in both dollars and as a percentage of sales compared to 2011. Actions taken at Burnham Holdings and its subsidiaries over the last several years have lowered our cost structure and thereby increased our competiveness. Net income for 2012 was $8.2 million, or $1.83 per share compared to 2011 results of $5.1 million, or $1.13 per share

The balance sheet is sound, with appropriate levels of working capital and our lowest debt level in over fifteen years. Cash flow from operations, 2012 was the second highest amount in the last ten years, provides the ability to fund operating expenses while also providing the funds to develop new products, make necessary investments in capital assets, make principal repayments, and pay dividends to our stockholders.

At its meeting on February 20, 2013, the Burnham Holdings, Inc. Board of Directors declared a regular quarterly common stock dividend of $0.20 per share payable March 12, 2013 with a record date of March 5, 2013. This would be an annual dividend rate of $0.80 per share, a 11.1% increase over 2012 and the second straight year of increased dividends. These increases reflect the financial strength and improved profitability of the Company. The annual dividend rate for preferred stock is $3.00 per share.

The Company's directors have scheduled the 2013 Annual Meeting for Monday, April 22nd. The meeting will be held at the Eden Resort and Suites in Lancaster beginning at 11:30 a.m.

Consolidated Balance Sheets

(in thousands and data is unaudited (see Notes))	December 31, 2012	2011
ASSETS	**2012**	2011
CURRENT ASSETS		
Cash and cash equivalents	**$ 4,740**	$ 4,489
Trade accounts receivable, less allowances	**25,966**	21,837
Inventories	**40,697**	41,385
Prepaid expenses and other current assets	**3,358**	3,340
TOTAL CURRENT ASSETS	**74,761**	71,051
PROPERTY, PLANT AND EQUIPMENT, net	**47,785**	50,122
DEFERRED INCOME TAXES	**3,663**	3,273
OTHER ASSETS, net	**22,865**	22,394
TOTAL ASSETS	**$ 149,074**	$ 146,840
LIABILITIES AND STOCKHOLDERS' EQUITY	**2012**	2011
CURRENT LIABILITIES		
Accounts and taxes payable & accrued expenses	**$ 33,741**	$ 27,141
Current portion of long-term liabilities	**279**	355
TOTAL CURRENT LIABILITIES	**34,020**	27,496
LONG-TERM DEBT	**7,680**	16,204
OTHER POSTRETIREMENT LIABILITIES (6)	**38,483**	38,748
STOCKHOLDERS' EQUITY		
Preferred Stock	**530**	530
Class A Common Stock	**3,423**	3,403
Class B Convertible Common Stock	**1,521**	1,523
Additional paid-in capital	**14,727**	14,508
Retained earnings	**101,286**	96,303
Accumulated other comprehensive income (loss) (5)(6)	**(34,634)**	(33,917)
Treasury stock, at cost	**(17,962)**	(17,958)
TOTAL STOCKHOLDERS' EQUITY	**68,891**	64,392
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 149,074**	$ 146,840

Consolidated Statements of Cash Flows

(in thousands and data is unaudited (see Notes))	Years Ended December 31, 2012	2011
Net income	**$ 8,227**	$ 5,083
Gain on sale of property	**(170)**	(162)
Depreciation and amortization	**4,659**	4,355
Pension and postretirement liabilities expense	**1,545**	1,233
Contributions to pension trust (4)	**(3,350)**	(2,500)
Other net adjustments	**(283)**	1,550
Changes in operating assets and liabilities	**3,371**	(3,061)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**13,999**	6,498
Net cash used in the purchase of assets	**(2,289)**	(4,420)
Proceeds from borrowings	**-**	1,387
Proceeds from stock option exercise and (purchase) of Treasury stock	**233**	170
Principal payments on debt and lease obligations	**(8,448)**	(56)
Dividends paid	**(3,244)**	(3,055)
INCREASE IN CASH AND CASH EQUIVALENTS	**251**	524
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**4,489**	3,965
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 4,740**	$ 4,489

Consolidated Statements of Income

(In thousands, except per share data) (Data is unaudited (see Notes))	Years Ended December 31, 2012	2011
Net sales	**$ 204,762**	$ 198,842
Cost of goods sold	**155,510**	153,751
Gross profit	**49,252**	45,091
Selling, administrative and general expenses	**35,478**	36,282
Operating income	**13,774**	8,809
Other income (expense):		
Gain on sale of property	**170**	162
Mark-to-market (5)	**143**	207
Interest and investment income	**278**	70
Interest expense	**(1,569)**	(1,592)
Other income (expense)	**(978)**	(1,153)
Income before income taxes	**12,796**	7,656
Income tax expense	**4,569**	2,573
NET INCOME	**$ 8,227**	$ 5,083
BASIC & DILUTED EARNINGS PER SHARE	**$ 1.83**	$ 1.13

Other Financial Highlights:

Preferred dividends per share	$ 3.00	$ 3.00
Common stock dividends per share	$ 0.72	$ 0.68
Book value per common share	$ 15.29	$ 14.34
ProForma book value per share (see note 7)	$ 23.01	$ 21.93

Notes:

(1) The accompanying unaudited financial statements contain all adjustments that are necessary for a fair presentation of results for such periods and are consistent with policies and procedures employed in the audited year-end financial statements. These consolidated financial statements should be read in conjunction with the Annual Report for the period December 31, 2012, which will be available on or about March 15, 2013. Statements other than historical facts included or referenced in this Report are forward-looking statements subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those projected.

(2) Basic earnings per share are based upon weighted average shares outstanding for the period. Diluted earnings per share assume the conversion of outstanding rights into common stock.

(3) Common stock outstanding at December 31, 2012 includes 2,964,508 of Class A shares and 1,521,311 of Class B shares.

(4) In 2012 and 2011, the Company made voluntary pre-tax contributions of $3.4 million and $2.5 million, respectively, to its defined benefit pension plan. These payments increased the plan assets available for benefit payments and did not impact the Statement of Income.

(5) Mark-to-Market adjustments are a result of changes (non-cash) in the fair value of interest rate agreements. These agreements are used to exchange the interest rate stream on variable rate debt for payments indexed to a fixed interest rate. These non-operational, non-cash charges reverse themselves over the term of the agreements.

(6) Accounting rules require that the funded status of pension and other postretirement benefits be recognized as a non-cash asset or liability, as the case may be, on the balance sheet. For 2012, the pension non-cash impact was a decrease in Other Postretirement Liability of $600 thousand (projected benefit obligations exceeded plan assets by less than the previous year) and an increase in of $1.1 million to Accumulated Other Comprehensive Income (Loss)("AOCI"), a non-cash sub-section of Stockholders' Equity. For 2011, the pension impact was an increase in Other Postretirement Liability of $15.2 million (projected benefit obligations exceeded plan assets by more than the previous year) and an increase of $11.0 million to AOCI.

(7) ProForma book value per share excludes AOCI, a non-cash subsection of Stockholders' Equity, which has been dramatically impacted by pension and postretirement benefit adjustments described in Note 6 above and in more detail in the Annual Report.