BURNHAM HOLDINGS, INC. ANNOUNCES YEAR 2011 FINANCIAL RESULTS AND ANNOUNCES A DIVIDEND INCREASE

Lancaster, PA February 23, 2012

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, 2011.

We are pleased to report a year of sound financial performance and accomplishments, despite challenging economic conditions and the ongoing recession in our industry. Sales and margins were up over 2010. The balance sheet ended the year strong with low debt and high liquidity. We paid common stock dividends of $0.68 per share during 2011. This rate has remained constant since 2007, in spite the recessionary economy. 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 16, 2012.

Net sales for 2011 were $198.8 million, up 4.8% from $189.7 million in 2010. Both portions of the business, residential and commercial, contributed to this increase for 2011. The residential portion of the business experienced its second straight year of improvement after the market low in 2009. This residential decline was the result of the economic cycle that not only has impacted Burnham Holdings but also the entire industry. The downturn was a result of a number of factors, including the sharp decline in the real estate market and its impact on home construction, consumer confidence and spending behaviors, the deep recession in the general economy, and reduced credit availability. We feel our recent growth in the residential business has been accomplished through our focus on satisfying the needs of the consumer through the continual introduction of new equipment and controls. The commercial portion of our business provides heating applications for large commercial, institutional and industrial facilities such as hospitals, factories, hotels, and schools. The commercial revenue improvement in 2011 is encouraging and may indicate that the commercial cycle has bottomed out. The Burnham Holdings strategies of product diversification, independent markets served, and continuous new product introductions have served us well during the recession, resulting in what we believe was a less dramatic impact in our sales trend over the last three years than the industry as a whole. Although current business conditions remain difficult, we remain optimistic about the longer-term prospects for the business. Existing boilers will continue to be replaced over time due to age or operating costs. Our powerful lineup of high-efficiency residential and commercial products sold by the subsidiary companies positions us well in the market. These are top-quality, high-value products for virtually any application.

Operating income for 2011 was $8.8 million, up 35.4% from $6.5 million reported in 2010. Net income for 2011 was $5.1 million, or $1.13 per share. This is compared to 2010 results of $6.2 million, or $1.39 per share, which included several significant, non-operating items. In 2010 we sold two investment properties resulting in net pre-tax gains of $162 thousand and of $4.7 million for 2011 and 2010, respectively, which is disclosed as a separate line item on the Statements of Income. Partially offsetting these favorable item, are increases in 2011 and 2010 to "Selling, administrative and general expenses" on the Statements of Income to support litigation defense costs for ongoing matters. Excluding these non-operating items mentioned above and stating our Cost of Goods Sold on a FIFO basis (replacement cost), the pre-tax income for 2011 has improved by 25% from 2010 and 48% from 2009. Actions taken at Burnham Holdings and its subsidiaries over the last several years have lowered our cost structure and thereby increasing our competitiveness.

The balance sheet is sound with appropriate levels of working capital and a conservative ratio of debt to equity. Cash flow from operations 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 23, 2012, the Burnham Holdings, Inc. Board of Directors declared a regular quarterly common stock dividend of $0.18 per share payable March 13, 2012 with a record date of March 6, 2012. This is an annual dividend rate of $0.72 per share, a 5.9% increase over the $0.68 per share that has been paid for the past five years. This increase reflects the financial strength and improved profitability of the Company (described above). This year, 2012, marks the seventy-second consecutive year the Company has paid a dividend on common stock. The dividend rate for preferred stock is $3.00 per share.

The Company's directors have scheduled the 2012 Annual Meeting for Monday, April 23rd. The meeting will be held at the Eden Resort and Suites in Lancaster beginning at 11:30 a.m.

Consolidated Statements of Income

(In thousands, except per share data) (Data is unaudited (see Notes))	Years Ended December 31, 2011	2010
Net sales	$198,842	$189,707
Cost of goods sold	153,751	146,894
Gross profit	45,091	42,813
Selling, administrative and general expenses	36,282	36,337
Operating income	8,809	6,476
Other income (expense)		
Gain on sale of property (5)	162	4,685
Mark-to-market (6)	207	199
Interest and investment income	70	188
Interest expense	(1,592)	(1,815)
Other income (expense)	(1,153)	3,257
Income before taxes	7,656	9,733
Income tax expense	2,573	3,524
Net income	$ 5,083	$ 6,209
Basic & Diluted earnings per share	$ 1.13	$ 1.39
Other Financial Highlights:		
Preferred dividends per share	$ 3.00	$ 3.00
Common stock dividends per share	$ 0.68	$ 0.68
Book value per common share	$ 14.34	$ 16.52
Book value per share (excluding AOCI, see Note 8)	$ 21.93	$ 21.50

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, 2011, which will be available on or about March 16, 2012. 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 as of December 31, 2011 includes 2,944,945 of Class A shares and 1,522,965 of Class B shares.
4) In 2011 and 2010, the Company made pre-tax contributions of $2.5 million and $2.8 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) In 2010, two investment properties in Lancaster were sold for total net proceeds of $11.8 million, resulting in a net book gain on these properties in 2011 and 2010 of $162 thousand and of $4.7 million, respectively. These proceeds, along with additional cash, were reinvested into the Centerville, Lancaster, PA properties at a net acquisition price of $12.7 million. These actions were handled as a 1031 Like Kind Exchange transaction for Federal and State tax matters, which enables the gains to be tax deferred into the future. In addition to these transactions, and as previously announced in last year's Annual Report, on February 22, 2010, assets of Wendland Manufacturing Corp. in Texas were sold for net proceeds of $871 thousand. The sale was recorded in the 2009 financial statements, while the transfer of cash occurred on the date of sale.
6) 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.
7) 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 2011, the pension non-cash 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 Accumulated Other Comprehensive Income (Loss)("AOCI"), a non-cash sub-section of Stockholders' Equity. For 2010, the pension impact was an increase in Other Postretirement Liability of $1.0 million (projected benefit obligations exceeded plan assets by more than the previous year) and an increase of $2.2 million to AOCI.
8) Book value per common share is presented excluding AOCI, a non-cash subsection of Stockholders' Equity, which has been dramatically impacted in both years by the pension and postretirement benefit adjustments described in Note 7.

Consolidated Balance Sheets

(In thousands and data is unaudited (see Notes))

	December 31, 2011	2010
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4,489	$ 3,965
Trade and other accounts receivable, net	21,837	23,666
Inventories	41,385	36,593
Prepayments and other current assets	3,340	3,716
Total current assets	71,051	67,940
Property, plant and equipment, net (5)	50,122	50,001
Deferred income taxes	3,273	---
Other assets, net	22,394	22,156
Total Assets	$ 146,840	$ 140,097
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts and taxes payable & accrued expenses	$ 27,141	$ 27,064
Current portion of long-term liabilities	355	361
Total current liabilities	27,496	27,425
Long-term debt	16,204	14,016
Other postretirement liabilities (7)	38,748	22,892
Deferred income taxes	---	1,824
Stockholders' equity		
Preferred stock	530	530
Class A common stock	3,403	3,323
Class B convertible common stock	1,523	1,591
Additional paid-in capital	14,508	14,350
Retained earnings	96,303	94,275
Accumulated other comprehensive income (loss) (6)(7)	(33,917)	(22,171)
Treasury stock, at cost	(17,958)	(17,958)
Total stockholders' equity	64,392	73,940
Total Liabilities and Stockholders' Equity	$ 146,840	$ 140,097

Consolidated Statements of Cash Flows

(In thousands and data is unaudited)

	Years Ended December 31, 2011	2010
Net income	$ 5,083	$ 6,209
Gain on sale of property	(162)	(4,685)
Depreciation and amortization	4,355	4,389
Other net adjustments	1,550	4,311
Pension and postretirement liabilities expense	1,233	515
Pension contribution (4)	(2,500)	(2,800)
Changes in operating assets and liabilities	(3,061)	4,449
Net cash provided by operating activities	6,498	12,388
Net cash used in the purchase of assets (5)	(4,420)	(15,674)
Proceeds from sale of assets and property, net (5)	---	12,718
Proceeds from borrowings	1,387	---
Principal payments on debt and lease obligations	(56)	(6,293)
Stock option exercise and (purchase) of Treasury stock	170	46
Dividends paid	(3,055)	(3,047)
Cash and cash equivalents - increase for year	524	138
Beginning of year	3,965	3,827
End of year	$ 4,489	$ 3,965