BURNHAM HOLDINGS, INC. ANNOUNCES UNION AGREEMENT AND RESULTING ONE-TIME CHARGE TO CURRENT EARNINGS

Lancaster, PA June 19, 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 (including furnaces, radiators, and air conditioning systems) for residential, commercial and industrial applications, announced today a one-time charge to second quarter 2013 earnings as a result of a new union agreement at its Bryan Steam, LLC ("Bryan") subsidiary located in Peru, Indiana.

On Tuesday, June 19th, Bryan reached a new three-year binding agreement with the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers Union ("Union"), representing Bryan's collective bargaining employees. This new agreement provides for the withdrawal of Bryan from the Boilermaker-Blacksmith National Pension Trust (a multiemployer-defined pension plan ("Multi Plan")) maintained by the Union. Moving forward, Bryan's employees will participate in a standard 401(K) defined savings plan. Bryan and its employees had been a part of this Multi Plan prior to Burnham Holdings acquiring this subsidiary in 1998 and is a very minor participant in this very large plan. Under the Pension Protection Act of 2006, this Multi Plan has been considered "Endangered" and has been operating under a Funding Improvement Plan since 2010, which has significantly increased Bryan's contribution costs (see Note 10 of the Burnham Holdings 2012 Annual Report).

A withdrawal from an under-funded multiemployer-defined pension plan results in what's called a "withdrawal liability expense", which basically is meant to cover unfunded past service obligations. Current accounting rules require this charge to be recognized in a company's current year earnings, regardless of benefit period covered or period over which the liability is actually paid. Bryan's actual withdrawal liability will be calculated through a funding formula documented within the Multi Plan. Although the final withdrawal liability will not be known until later this year due to calculation and actuarial complexity, based on our best estimate of this exposure, Bryan will record in the current quarter a pretax expense of five million dollars, or approximately $0.71 per common share for this liability.

This non-operational charge, while material to the current year results, is not material to the balance sheet. This charge will eliminate all future contributions to the Multi Plan and should position Bryan to be more cost competitive in the aggressive commercial market, while also lowering future risk to the Burnham Holdings shareholders through the elimination of this unknown, uncontrollable liability.