BURNHAM HOLDINGS, INC. ANNOUNCES THIRD QUARTER AND NINE MONTHS RESULTS

Lancaster, PA October 23, 2014

Burnham Holdings, Inc., (Pink Sheets: BURCA), the parent company of multiple 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, today reported its financial results for the period ended September 28, 2014.

Third quarter and YTD sales were $56.3 million and $130.1 million, respectively; as compared to 2013 third quarter and YTD sales of $48.3 million and $125.6 million, respectively. Third quarter earnings were $3.2 million, or $0.70 per share; compared to 2013 third quarter earnings of $2.7 million, or $0.60 per share. Earnings YTD were $3.3 million, or $0.72 per share; compared to a 2013 YTD loss of ($451) thousand, or ($0.10) per share. These reported results include i) a pre-tax gain of $451 thousand pre-tax adjustment in 2014, and a pre-tax charge of $5 million in 2013, related to a multi-employer pension plan withdrawal liability (See Note 4); and ii) a 2013 third quarter pre-tax real estate gain of $1.3 million (See Note 3). Excluding the impacts of these one-time, non-operational items from both years, 2014 YTD earnings would be $3.0 million, or $0.66 per share; compared to 2013 YTD earnings of $1.9 million, or $0.43 per share. On a YTD basis, gross profit margin in 2014 increased to 23.3% of sales, an improvement of 0.9% from last year's 22.4%. This increase in profit margin reflects the results of our continuing efforts to improve our operations, as well as alignment of product pricing and costs, while remaining competitive in the markets we serve. YTD selling, administrative and general expenses, while higher in dollars, were lower as a percentage of sales from the prior year. Interest expenses for the two periods were consistent.

Our residential businesses have performed well in the second and third quarters of 2014, after a slower than normal start to the year due to the extremely harsh winter experienced in our key Northeast markets. Our commercial businesses have also performed well, with increased backlog and new order input compared to last year as non-residential construction activity, a key driver of commercial boiler sales, continues a steady recovery from the depressed levels of the past several years. We are also beginning to experience the results of our increased investment in new product development as our businesses have introduced a number of new residential and commercial boiler and furnace products in 2014. These new products add to the already strong line-up of high quality, high efficiency products that we produce to satisfy virtually every application.

The Company's balance sheet remains strong with adequate levels of working capital as we enter the heating season. Total long term debt was $32.6 million, compared to $28.0 million in 2013, as cash used in operating activities increased this year by $4.0 million compared to 2013. This increase was mainly the result of the $4.5 million multiemployer pension payment explained in Note 4.

Consistent with prior years, the Board of Directors will evaluate the Company's financial performance at its regularly scheduled December 4th meeting for consideration of December dividends.

Consolidated Statements of Operations

(In thousands, except per share data) (Data is unaudited (see Notes))	Three Months Ended Sep 28, 2014	Three Months Ended Sep 30, 2013	Nine Months Ended Sep 28, 2014	Nine Months Ended Sep 30, 2013
Net sales	$ 56,299	$ 48,347	$ 130,061	$ 125,567
Cost of goods sold	42,110	36,739	99,783	97,488
Gross profit	14,189	11,608	30,278	28,079
Selling, administrative and general expenses	8,905	8,383	24,782	24,264
Operating income	5,284	3,225	5,496	3,815
Other income (expense):				
Gain on sale of property (3)	-	1,274	-	1,274
Non-recurring expense (4)	-	-	451	(5,000)
Mark-to-market (5)	-	12	-	50
Interest income	15	12	43	74
Interest expense	(340)	(338)	(905)	(917)
Other income (expense)	(325)	960	(411)	(4,519)
Income (loss) before income taxes	4,959	4,185	5,085	(704)
Income tax expense (benefit)	1,786	1,507	1,831	(253)
NET INCOME (LOSS)	$ 3,173	$ 2,678	$ 3,254	$ (451)
BASIC & DILUTED INCOME (LOSS) PER SHARE	$ 0.70	$ 0.60	$ 0.72	$ (0.10)
DIVIDENDS PAID	$ 0.21	$ 0.20	$ 0.63	$ 0.60

Consolidated Balance Sheets

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

ASSETS	Sep 28, 2014	Sep 30, 2013
CURRENT ASSETS		
Cash and cash equivalents	$ 5,395	$ 5,148
Trade accounts receivable, less allowances	28,133	24,957
Inventories	52,972	51,384
Prepaid expenses and other current assets	4,567	4,008
TOTAL CURRENT ASSETS	91,067	85,497
PROPERTY, PLANT AND EQUIPMENT, net	46,872	47,707
DEFERRED INCOME TAXES (6)	-	3,486
OTHER ASSETS, net	22,264	21,659
TOTAL ASSETS	$ 160,203	$ 158,349
LIABILITIES AND STOCKHOLDERS' EQUITY	2014	2013
CURRENT LIABILITIES		
Accounts and taxes payable & accrued expenses	$ 25,359	$ 30,638
Current portion of long-term liabilities	255	275
TOTAL CURRENT LIABILITIES	25,614	30,913
LONG-TERM DEBT	32,553	28,025
OTHER POSTRETIREMENT LIABILITIES (6)(7)	16,125	33,033
DEFERRED INCOME TAXES	3,606	-
STOCKHOLDERS' EQUITY		
Preferred Stock	530	530
Class A Common Stock	3,463	3,451
Class B Convertible Common Stock	1,481	1,493
Additional paid-in capital	15,137	15,046
Retained earnings	103,376	98,127
Accumulated other comprehensive income (loss) (6)	(23,744)	(34,326)
Treasury stock, at cost	(17,938)	(17,943)
TOTAL STOCKHOLDERS' EQUITY	82,305	66,378
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 160,203	$ 158,349

Consolidated Statements of Cash Flows

(in thousands and data is unaudited (see Notes))	Nine Months ended September 2014	2013
Net income (loss)	$ 3,254	$ (451)
Gain on sale of property (3)	-	(1,274)
Non-recurring income (4)	(451)	5,000
Depreciation and amortization	3,228	3,448
Pension and postretirement liabilities expense	496	1,243
Contributions to pension trust (7)	(2,114)	(5,511)
Payment of multiemployer withdrawal liability (4)	(4,549)	-
Other net adjustments	(681)	119
Changes in operating assets and liabilities	(19,347)	(18,713)
NET CASH USED IN OPERATING ACTIVITIES	(20,164)	(16,139)
Net cash used in the purchase of assets	(2,559)	(3,373)
Proceeds from sale of property, net (3)	-	1,302
Proceeds from borrowings	26,000	21,000
Proceeds from stock option exercise and Treasury activity, net	90	338
Principal payments on debt and lease obligations	-	(12)
Dividends paid	(2,858)	(2,708)
INCREASE IN CASH AND CASH EQUIVALENTS	509	408
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,886	4,740
CASH AND CASH EQUIVALENTS AT END OF QUARTER	$ 5,395	$ 5,148

Notes To Financial Statements:

(1) 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.

(2) Common stock outstanding at September 28, 2014 includes 3,030,943 of Class A shares and 1,480,751 of Class B shares.

(3) On July 23, 2013, a Company subsidiary sold property located in Lancaster, PA. to the Lancaster County Solid Waste Authority for $1.35 million. The book value plus expenses of sale was $76 thousand, resulting in a book gain of $1.274 million. Some, or all, of the gain will be tax deferred as a 1033 Exchange transaction for Federal and State tax matters.

(4) On June 18, 2013 the Company recorded a non-recurring expense of $5 million as a result of a new collective bargaining agreement at its subsidiary, Bryan Steam LLC in Peru, Indiana. This non-manufacturing charge was a result of an agreement to withdraw from a multi-employer pension plan which had provided a defined benefit for these union employees. This decision resulted in what's called a "withdrawal liability expense" that accounting rules require to be expensed immediately regardless of benefit period covered or period over which the liability is actually paid. In 2014, the final lump-sum payment to the Boilermakers Trust was lower than estimated resulting in a return to income of $451 thousand.

(5) The 2013 Mark-to-Market adjustments were 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 reversed 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 December 31, 2013 and 2012, projected benefit obligations exceeded plan assets. The resulting non-cash presentation on the balance sheet is reflected in "Deferred income taxes, "Other postretirement liabilities", and "Accumulated other comprehensive income (loss)", a non-cash sub-section of "Stockholders' Equity" (See Note 10 of the 2013 Annual Report for more details).

(7) In the nine months of 2014 and 2013, the Company made voluntary pre-tax contributions of $2.1 million and $5.5 million, respectively, to its defined benefit pension plan. These payments increased the trust assets available for benefit payments reducing "Other postretirement liabilities", and did not impact the Statement of Operations.

(8) Unaudited results, forward looking statements, and certain significant estimates and risks. This note has been expanded to include items discussed in detail within the Annual Report.

Unaudited Results and Forward Looking Statements. 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 statement should be read in conjunction with the Annual Report for the period ended December 31, 2013. Statements other than historical 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. We undertake no duty to update or revise these forward-looking statements.

Certain Significant Estimates and Risks. Certain estimates are determined using historical information along with assumptions about future events. Changes in assumptions for such items as warranties, pension assumptions, medical cost trends, employment demographics and legal actions, as well as changes in actual experience, could cause these estimates to change. Specific risks, such as those included below, are discussed in the Company's Quarterly and Annual Reports to provide regular knowledge of relevant matters. Estimates and related reserves are more fully explained in the 2013 Annual Report.

(Note 8 continued on following page)

Note (8) Certain Significant Estimates and Risks (continued from previous page)

Retirement Plans: The Company maintains a non-contributory defined benefit pension plan, covering both union and non-union employees, that has been closed to new hires for a number of years. Benefit accrual ceased in 2009, or earlier depending on the employee group, with the exception of a limited, closed group of union production employees. While not 100% frozen, these actions were taken to protect benefits for retirees and eligible employees, and have materially reduced the growth of the pension liability. Lancaster Metal Manufacturing, a Company subsidiary, also contributes to a separate union-sponsored multiemployer-defined benefit pension plan that covers its collective bargaining employees (Bryan Steam, LLC had a similar plan but has withdrawn from the plan as noted in Note (4). Variables such as future market conditions, investment returns, and employee experience could affect results.

Medical Health Coverage: The Company and its subsidiaries are self-insured for most of the medical health insurance provided for its employees, limiting maximum exposure per occurrence by purchasing third-party stop-loss coverage.

Retiree Health Benefits: The Company pays a fixed annual amount that assists a specific group of retirees in purchasing medical and/or prescription drug coverage from providers. Additionally, certain employees electing early retirement have the option of receiving access to an insured defined benefit plan at a yearly stipulated cost or receiving a fixed dollar amount to assist them in covering medical costs.

Insurance: The Company and its subsidiaries maintain insurance to cover product liability, general liability, workers' compensation, and property damage. Well-known and reputable insurance carriers provide current coverage. All policies and corresponding deductible levels are reviewed on an annual basis. Third-party administrators, approved by the Company and the insurance carriers, handle claims and attempt to resolve them to the benefit of both the Company and its insurance carriers. The Company reviews claims periodically in conjunction with administrators and adjusts recorded reserves as required.

General Litigation, including Asbestos: In the normal course of business, certain subsidiaries of the Company have been named, and may in the future be named, as defendants in various legal actions including claims related to property damage and/or personal injury allegedly arising from products of the Company's subsidiaries or their predecessors. A number of these claims allege personal injury arising from exposure to asbestos-containing material allegedly contained in certain boilers manufactured many years ago, or through the installation of heating systems. The Company's subsidiaries, directly or through insurance providers, are vigorously defending all open asbestos cases, many of which involve multiple claimants and many defendants, which may not be resolved for several years. Asbestos litigation is a national issue with thousands of companies defending claims. While the large majority of claims have historically been resolved prior to the completion of trial, from time to time some claims may be expected to proceed to a potentially substantial verdict against subsidiaries of the Company. Any such verdict would be subject to appeal, any set-off rights and/or issues involving allocation of liability among various defendants. For example, on July 23, 2013, a New York City State Court jury found numerous defendant companies, including a subsidiary of the Company, responsible for asbestos-related damages in cases involving multiple plaintiffs. The subsidiary, whose share of the verdict amounted to $42 million before offsets, has filed post-trial motions seeking to overturn the verdict, granting of a new trial, and /or reduction of the verdict. The Company believes, based upon its understanding of its available insurance policies and discussions with legal counsel, that all pending legal actions and claims, including asbestos, should ultimately be resolved (whether through settlements or verdicts) within existing insurance limits and reserves, or for amounts not material to the Company's financial position or results of operations. However, the resolution of litigation generally entails significant uncertainties, and no assurance can be given as to the ultimate outcome of litigation or its impact on the Company and its subsidiaries. Furthermore, the Company cannot predict the extent to which new claims will be filed in the future, although the Company currently believes that the great preponderance of future asbestos claims will be covered by existing insurance. There can be no assurance that insurers will be financially able to satisfy all pending and future claims in accordance with the applicable insurance policies, or that any disputes regarding policy provisions will be resolved in favor of the Company.

Litigation Expense, Settlements, and Defense: The 2014 nine-month charges for all uninsured litigation of every kind, was $263 thousand. That amount included two asbestos claims, while it is rare for an asbestos suit to not be covered by insurance, a few such claims exist, depending on the alleged time period of asbestos exposure. Expenses for legal counsel, consultants, etc., in defending these various actions and claims for the nine-months were approximately $113 thousand. Prior year's settlements and expenses, including amounts for self-insured asbestos cases, are disclosed in the 2013 Annual Report.

Permitting Activities (excluding environmental): The Company's subsidiaries are engaged in various matters with respect to obtaining, amending or renewing permits required under various laws and associated regulations in order to operate each of its manufacturing facilities. Based on the information presently available, management believes it has all necessary permits and expects that all permit applications currently pending will be routinely handled and approved.

Environmental Matters: The operations of the Company's subsidiaries are subject to a variety of Federal, State, and local environmental laws. Among other things, these laws require the Company's subsidiaries to obtain and comply with the terms of a number of Federal, State and local environmental regulations and permits, including permits governing air emissions, wastewater discharges, and waste disposal. The Company's subsidiaries periodically need to apply for new permits or to renew or amend existing permits in connection with ongoing or modified operations. In addition, the Company generally tracks and tries to anticipate any changes in environmental laws that might relate to its ongoing operations. The Company believes its subsidiaries are in material compliance with all environmental laws and permits.

As with all manufacturing operations in the United States, the Company's subsidiaries can potentially be responsible for response actions at disposal areas containing waste materials from their operations. In the past five years, the Company has not received any notice that it or its subsidiaries might be responsible for remedial clean-up actions under government supervision. However, two pre-2008 issues covered by insurance policies remain open as of this date and are fully disclosed in the year-end 2013 Annual Report. While it is not possible to be certain whether or how any new or old matters will proceed, the Company does not presently have reason to anticipate incurring material costs in connection with any matters.