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

Lancaster, PA October 11, 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 (including furnaces, radiators, and air conditioning systems) for residential, commercial and industrial applications, today reported its financial results for the period ended September 30, 2012.

Third quarter and year-to-date ("YTD") sales were $49.8 million and $127.8 million, respectively; as compared to 2011 third quarter and YTD sales of $51.1 million and $127.4 million, respectively. The residential portion of the business (on a yearly basis about 70% of the sales revenue) recorded increased sales for the quarter and YTD versus the prior year. The commercial portion of the business provides heating applications for large commercial, institutional and industrial facilities such as hospitals, factories, hotels, and schools. Year over year growth was experienced in commercial through the first half of this year. During the most recent quarter, however, the commercial businesses have slowed in line with general economic conditions. The Burnham Holdings strategy of industry diversification through independent subsidiaries with different products and markets has served us well as individual product demand changes with energy costs and the varying economic cycle. However, existing boilers will continue to be replaced over time due to age or operating costs, and the powerful lineup of high-efficiency residential and commercial products sold through our subsidiary companies, position them well in the market. These products are top-quality, high-value equipment for virtually any application.

We are reporting income for the third quarter and YTD of $1.9 million or $0.42 per share, and $1.1 million or $0.25, respectively. These results compare favorably to 2011 quarter and YTD income of $1.8 million or $0.41 per share, and $794 thousand or $0.18 per share, respectively. The 2012 YTD gross profit percentage of sales was 21.5%, better than last year's nine months of 21.3% (the percentages for the third quarters were identical at 23.3%). The improvement in our gross profit margin reflects our efforts to continually and systematically adjust our product pricing to recover inflationary costs, while being cognizant of our competitive position in the market. Further improving our operating income was that selling, administrative, and general expenses were lower than the prior year for the quarter and YTD, in both dollars and as a percentage of sales. Our interest expense for the quarter and YTD was also slightly lower than the prior year for both periods. All of these results have been achieved despite the soft industry and economic environment.

The Company's balance sheet has appropriate levels of working capital consistent with the current business activity. A review of our Statement of Cash Flows attached, and specifically our cash usage related to operating activities (2012 usage of $10.5 million compared to $18.7 million last year), reflects our spending directives and the overall strength of the balance sheet. This improvement in our cash flow has enabled us to reduce our debt position by $9 million to $31.1 million, the lowest debt level for a third quarter in ten years.

As a reminder, the Board of Directors will evaluate the Company's financial performance at its regular scheduled November 29th meeting for consideration of December dividends.

Consolidated Balance Sheets

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

	September 30, 2012	September 25, 2011
ASSETS		
Current Assets		
Cash, cash equivalents, and marketable securities	$ 5,124	$ 4,973
Trade and other accounts receivable, net	23,134	27,065
Inventories	52,673	55,310
Prepayments and other current assets	3,631	3,604
Total current assets	84,562	90,952
Property, plant and equipment, net	48,307	50,032
Deferred income taxes (5)	3,307	---
Other assets, net	22,335	22,064
Total Assets	$ 158,511	$ 163,048
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts and taxes payable & accrued expenses	$ 27,350	$ 28,326
Current portion of long-term liabilities	351	288
Total current liabilities	27,701	28,614
Long-term debt	31,138	39,934
Other postretirement liabilities (5)(6)	36,392	21,094
Deferred income taxes (5)	---	1,447
Stockholders' equity		
Preferred stock	530	530
Class A common stock	3,419	3,341
Class B convertible common stock	1,523	1,585
Additional paid-in capital	14,747	14,519
Retained earnings	95,007	92,783
Accumulated other comprehensive income (loss) (5)	(33,988)	(22,841)
Treasury stock, at cost	(17,958)	(17,958)
Total stockholders' equity	63,280	71,959
Total Liabilities and Stockholders' Equity	$ 158,511	$ 163,048

Consolidated Statements of Cash Flows

(In thousands and data is unaudited)

	September 30, 2012	September 25, 2011
Net income	$ 1,132	$ 794
Depreciation and amortization	3,450	3,151
Other net adjustments	(1,117)	(1,121)
Pension and postretirement liabilities expense	1,026	740
Contributions to pension trust (6)	(3,350)	(2,500)
Changes in operating assets and liabilities	(11,643)	(19,778)
Net cash used in operating activities	(10,502)	(18,714)
Net cash used in the purchase of assets	(1,604)	(3,143)
Proceeds from borrowings	15,000	25,000
Principal payments on debt and lease obligations	(86)	(30)
Proceeds from exercise of stock options	255	181
Dividends paid	(2,428)	(2,286)
Cash, cash equivalents, and marketable securities:		
Increase for period	635	1,008
Beginning of year	4,489	3,965
End of period	$ 5,124	$ 4,973

Consolidated Statements of Operations

(In thousands, except per share data) (Data is unaudited (see Notes))	Three months ended September 30, 2012	Three months ended September 25, 2011	Nine months ended September 30, 2012	Nine months ended September 25, 2011
Net sales	$ **49,828**	$ 51,050	$ **127,811**	$ 127,374
Cost of goods sold	**38,226**	39,168	**100,365**	100,187
Gross profit	**11,602**	11,882	**27,446**	27,187
Selling, administrative and general expense	**8,293**	8,689	**24,685**	24,945
Operating income	**3,309**	3,193	**2,761**	2,242
Other income (expense)				
Mark-to-market gain (4)	**55**	47	**118**	157
Interest income	**8**	5	**30**	7
Interest expense	**(407)**	(419)	**(1,140)**	(1,165)
Other income (expense)	**(344)**	(367)	**(992)**	(1,001)
Income before taxes	**2,965**	2,826	**1,769**	1,241
Income tax expense	**1,067**	1,017	**637**	447
Net income	$ **1,898**	$ 1,809	$ **1,132**	$ 794
Per Share Data:				
Basic & Diluted income	$ **0.42**	$ 0.41	$ **0.25**	$ 0.18
Dividends paid	$ **0.18**	$ 0.17	$ **0.54**	$ 0.51

Notes:
1) The accompanying unaudited financial statements contain adjustments that are necessary for a fair presentation of the interim results, and these adjustments are applied consistently for the periods presented. The results for any interim period are not necessarily indicative of results for the full year. These consolidated financial statements should be read in conjunction with the Annual Report for the period ended December 31, 2011. 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. We undertake no duty to update or revise these forward-looking statements.
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 September 30, 2012 includes 2,961,350 of Class A shares and 1,522,959 of Class B shares.
4) 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.
5) 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 of the Company. For December 31, 2011 and 2010, 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 2011 Annual Report for more details).
6) In the first nine months of 2012 and 2011, the Company made voluntary pre-tax contributions of $3.4 million and $2.5 million, respectively, to its defined pension plan. These payments increased the trust assets available for benefit payments (reducing "Other postretirement liabilities") and did not impact the Statement of Operations.

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