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

Lancaster, PA October 21, 2015

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 27, 2015.

Highlights of our third quarter and year-to-date (YTD) operations include the following:

- Net sales in the third quarter and YTD were $53.8 million and $128.7 million, respectively, compared to $56.3 million and $130.1 million in the same periods last year.
- Gross profit as a % of sales was 21.8% on a year-to-date (YTD) basis in 2015 compared to 23.3% on a YTD basis in 2014.
- Net income was $2.26 million in the first nine months of 2015 compared to $3.25 million in the first nine months of 2014.
- The new product development lab at our U.S. Boiler subsidiary was completed ahead of schedule. The facility, which became operational in early October, will greatly enhance our ability to develop new, energy efficient residential and light commercial boiler products to meet the changing needs of our customers.

Third quarter sales in 2015 declined by $2.5 million compared to the same period last year. On a YTD basis in 2015, overall sales were lower by $1.4 million, or 1.1% compared to 2014 results. Sales of residential products were basically flat in the third quarter of 2015 compared to last year, as the overall decline in sales was concentrated in our commercial products businesses. Net income declined by $949 thousand in the third quarter of 2015 compared to last year and through nine months in 2015 has declined by $990 thousand compared to 2014. Excluding from 2014 results the favorable impact of a $289 thousand after tax gain resulting from a non-recurring pension item (see Note 3 of the attached financial statements), the decline in net income through nine months of 2015 was $701 thousand compared to last year.

Cost of goods sold ("COGS") as a percentage of sales for the third quarter and YTD in 2015 was 77.9% and 78.2%, respectively, compared to 74.8% and 76.7% for the same periods in 2014. Factory operating costs during the third quarter of 2015 were negatively impacted by lower production levels in our manufacturing operations which were adjusted to keep our mix of inventory in line with current customer demand and to adjust for lower sales. Selling, general and administrative expenses were lower in the third quarter and YTD 2015 compared to 2014, both in terms of dollars and as a percentage of net sales. Other expenses through nine months were flat compared to last year after excluding the impact of the favorable $451 thousand pre-tax pension gain (see Note 3 of the attached financial statements) that was included in 2014 totals.

The Company's balance sheet has appropriate levels of working capital to adequately support our current level of business activity. Long-term debt is lower this year by $1.2 million compared to last year ($31.4 million vs. $32.6 million), and represents a very manageable percentage of total capital. We were able to lower overall debt this year even though our capital expenditures in 2015 were $2.7 million higher than in 2014.

Consolidated Statements of Operations

(In thousands, except per share data)
(Data is unaudited (see Notes))

	Three Months Ended		Nine Months Ended	
	Sep 27, 2015	Sep 28, 2014	Sep 27, 2015	Sep 28, 2014
Net sales	$ 53,760	$ 56,299	$ 128,715	$ 130,061
Cost of goods sold	41,871	42,110	100,629	99,783
Gross profit	11,889	14,189	28,086	30,278
Selling, general and administrative expenses	8,113 15.1	8,905 15.9	23,706 18.4	24,782 19.1
Operating income	3,776	5,284	4,380	5,496
Other income (expense):				
Gain on sale of property (3)	-	-	-	-
Non-recurring expense (4)	-	-	-	451
Mark-to-market (5)	-	-	-	-
Interest income	12	15	37	43
Interest expense	(313)	(340)	(880)	(905)
Other income (expense)	(301)	(325)	(843)	(411)
Income (loss) before income taxes	3,475	4,959	3,537	5,085
Income tax expense (benefit)	1,251	1,786	1,273	1,831
NET INCOME (LOSS)	$ 2,224	$ 3,173	$ 2,264	$ 3,254
BASIC & DILUTED INCOME (LOSS) PER SHARE	$ 0.49	$ 0.70	$ 0.50	$ 0.72
DIVIDENDS PAID	$ 0.22	$ 0.21	$ 0.66	$ 0.63

Consolidated Balance Sheets

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

ASSETS	Sep 27, 2015	Sep 28, 2014
CURRENT ASSETS		
Cash and cash equivalents	$ 5,670	$ 5,395
Trade accounts receivable, less allowances	25,091	28,133
Inventories	54,573	52,972
Prepaid expenses and other current assets	2,319	4,567
TOTAL CURRENT ASSETS	87,653	91,067
PROPERTY, PLANT AND EQUIPMENT, net	47,736	46,872
DEFERRED INCOME TAXES (6)	104	-
OTHER ASSETS, net	22,324	22,264
TOTAL ASSETS	$ 157,817	$ 160,203

LIABILITIES AND STOCKHOLDERS' EQUITY	2015	2014
CURRENT LIABILITIES		
Accounts and taxes payable & accrued expenses	$ 22,756	$ 25,359
Current portion of long-term liabilities	232	255
TOTAL CURRENT LIABILITIES	22,988	25,614
LONG-TERM DEBT	31,361	32,553
OTHER POSTRETIREMENT LIABILITIES (6)(7)	25,865	16,125
DEFERRED INCOME TAXES	-	3,606
STOCKHOLDERS' EQUITY		
Preferred Stock	530	530
Class A Common Stock	3,466	3,463
Class B Convertible Common Stock	1,478	1,481
Additional paid-in capital	15,552	15,137
Retained earnings	106,993	103,376
Accumulated other comprehensive income (loss) (6)	(32,411)	(23,744)
Treasury stock, at cost	(18,005)	(17,938)
TOTAL STOCKHOLDERS' EQUITY	77,603	82,305
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 157,817	$ 160,203

Consolidated Statements of Cash Flows

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

	Nine Months ended September 2015	2014
Net income (loss)	$ 2,264	$ 3,254
Gain on sale of property (3)	-	-
Non-recurring income (4)	-	(451)
Depreciation and amortization	3,244	3,228
Pension and postretirement liabilities expense	135	496
Contributions to pension trust (7)	(3,900)	(2,114)
Payment of multiemployer withdrawal liability (4)	-	(4,549)
Other net adjustments	(591)	(681)
Changes in operating assets and liabilities	(13,367)	(19,347)
NET CASH USED IN OPERATING ACTIVITIES	(12,215)	(20,164)
Net cash used in the purchase of assets	(5,291)	(2,559)
Proceeds from sale of property, net (3)	-	-
Proceeds from borrowings	21,000	26,000
Proceeds from stock option exercise and Treasury activity, net	300	90
Principal payments on debt and lease obligations	-	-
Dividends paid	(3,009)	(2,858)
INCREASE IN CASH AND CASH EQUIVALENTS	785	509
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,885	4,886
CASH AND CASH EQUIVALENTS AT END OF QUARTER	$ 5,670	$ 5,395

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 27, 2015 includes 3,062,099 of Class A shares and 1,466,157 of Class B shares.

(3) On June 18, 2013 the Company incurred a non-recurring expense of $5 million as a result of a new union agreement at its subsidiary, Bryan Steam LLC in Peru, Indiana. This one-time, non-manufacturing charge is 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 is 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 of the withdrawal liability expense recognized in 2013 was lower than estimated, resulting in a return to income of $451 thousand.

(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. For December 31, 2014 and 2013, 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 2014 Annual Report for more details).

(6) In the first nine months of 2015 and 2014, the Company made voluntary pre-tax contributions of $3.90 million and $2.11 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 Statements of Income.

(7) 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 statements should be read in conjunction with the Annual Report for the period ended December 31, 2014. 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.

Certain Significant Estimates and Risks. Certain estimates are determined using historical information along with assumptions about future events. Changes in assumptions for items such as warranties, pensions, 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 in order to provide regular knowledge of relevant matters. Estimates and related reserves are more fully explained in the 2014 Annual Report.

(Note 7 continued on following page)

Note (7) 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 discussed in Note 3). 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 and December 12, 2014, New York City State Court juries found numerous defendant companies, including a subsidiary of the Company, responsible for asbestos-related damages. The subsidiary, whose share of the verdicts amounted to $42 million and $6 million, respectively, before offsets, has filed and will continue to file post-trial motions and appeals seeking to reduce and/or overturn the verdicts, and the granting of new trials. On February 9, 2015, the trial court significantly reduced the 2013 verdicts, reducing the subsidiary's liability from $42 million to less than $7 million. Additionally, on May 15, 2015, the trial court reduced the subsidiary's liability in the 2014 verdict to less than $2 million. The subsidiary will continue its appeals of both verdicts under the New York State Appellate Court System. 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: Charges in the first nine months of 2015 for all uninsured litigation of every kind, were $99 thousand. Expenses for legal counsel, consultants, etc., in defending these various actions and claims for the same period were approximately $106 thousand. Prior year's settlements and expenses, including amounts for self-insured asbestos cases, are disclosed in the 2014 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 2014 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.