

**FOR IMMEDIATE RELEASE**

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**Lynch Corporation Reports Net Income of \$696,000 For Third Quarter 2005,  
Compared With A Net Loss of \$566,000 For Third Quarter 2004**

GREENWICH, Conn., November 9, 2005 — Lynch Corporation (ASE: LGL) today announced that consolidated revenues for the three months ended September 30, 2005 were \$10,745,000, an increase of 30% from \$8,257,000 for the three months ended September 30, 2004. For the three months ended September 30, 2005, the company reported net income of \$696,000, or \$0.43 per share, compared to a net loss of \$566,000, or \$0.38 per share, for the three months ended September 30, 2004. Average shares outstanding were 1,617,934 for the three months ended September 30, 2005 and 1,495,500 for the three months ended September 30, 2004.

The increase in the third quarter 2005 revenues at MtronPTI was partially offset by a decrease in revenues at Lynch Systems. For the three months ended September 30, 2005, revenues at MtronPTI increased by \$3,947,000, or 78%, to \$8,993,000, primarily due to the contribution of the PTI acquisition, which occurred effective September 30, 2004. For the three months ended September 30, 2005, revenues at Lynch Systems decreased by \$1,459,000 to \$1,752,000. The decrease in revenues was primarily due to lower revenues for glass press machines, which was partially offset by higher revenues for CRT machines.

The operating loss for the three months ended September 30, 2005 was \$516,000, equal to the operating loss for the comparable period in 2004. For the three months ended September 30, 2005, MtronPTI had an operating profit of \$540,000, an improvement of \$426,000 compared to the prior year, primarily due to a 78% revenue increase and improvement in gross margin. For the three months ended September 30, 2005, Lynch Systems had an operating loss of \$518,000, compared to operating income of \$17,000 for the three months ended September 30, 2004. Corporate expenses for the three months ended September 30, 2005, were \$538,000, compared to \$647,000 for the three months ended September 30, 2004. The decline was due to lower compensation expense which was partially offset by a lawsuit settlement provision of \$200,000 recorded in the third quarter 2005 compared to a lawsuit settlement provision of \$100,000 recorded in the third quarter of 2004.

Investment income for the three months ended September 30, 2005 was \$583,000, an increase of \$577,000 compared to the corresponding period in 2004 primarily due to a \$567,000 gain on sale of marketable securities. Interest expense for the three months ended September 30, 2005 was \$217,000, an increase of \$154,000 compared to the corresponding period in 2004 primarily due to interest on new loans relating to the acquisition of PTI and other additional borrowings. For the three months ended September 30, 2005, other expense was \$12,000, compared to other income of \$23,000 for the three months ended September 30, 2004.

As a result of the above described changes, the net income for the three months ended September 30, 2005 was \$696,000, compared to a net loss of \$566,000 for the three months ended September 30, 2004.

EBITDA from operations improved \$41,000 to \$347,000 for the three months ended September 30, 2005, compared to an EBITDA from operations of \$306,000 for the comparable period in 2004. EBITDA at MtronPTI improved \$604,000 to \$856,000 for the three months ended September 30, 2005, compared to \$252,000 for the comparable period in 2004. EBITDA at Lynch Systems declined \$563,000 to an EBITDA loss of \$509,000 for the three months ended September 30, 2005, compared to EBITDA of \$54,000 for the comparable period in 2004.

Total backlog of manufactured products at September 30, 2005 was \$13,100,000, a \$200,000 increase compared to the backlog at June 30, 2005 and a \$4,500,000 decrease compared to the backlog at December 31, 2004. The backlog at September 30, 2005 at M-tronPTI was \$8,200,000, a \$600,000 increase from June 30, 2005 and a \$500,000 increase from December 31, 2004. The backlog at September 30, 2005 at Lynch Systems was \$4,900,000 a \$400,000 decrease from June 30, 2005 and a \$5,000,000 decrease from December 31, 2004, primarily due to the sales of large CRT machines in the second and third quarters of 2005.

At September 30, 2005, the cash and cash equivalents were \$2,824,000, compared to \$2,580,000 at December 31, 2004. The total assets and total debt at September 30, 2005 were \$30,187,000 and \$9,511,000, respectively, compared to \$33,883,000 and \$12,561,000 at December 31, 2004.

Lynch is a holding company for two manufacturing subsidiaries:

- MtronPTI which designs and manufactures components that control the frequency of electronic signals in communications systems.
- Lynch Systems, Inc., which produces advanced manufacturing systems for the electronic display and consumer glass industries.

For more information on the company and its products and services, contact Gene Hynes, Vice President, Lynch Corporation, 140 Greenwich Avenue, 4<sup>th</sup> Floor, Greenwich, Connecticut 06830, (203) 622-1150, or visit the company's Web site: [www.lynchcorp.com](http://www.lynchcorp.com).

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*Caution Concerning Forward Looking Statements*

This document includes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations due to changes in global political, economic, business, competitive, market and regulatory factors. More detailed information about those factors is contained in Lynch Corporation’s filings with the Securities and Exchange Commission.

**LYNCH CORPORATION**  
**STATEMENTS OF OPERATIONS**  
(Dollars In Thousands, Except Per Share Data)

**PRESS RELEASE**

	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	2005	2004	2005	2004
<b>SALES</b>				
MtronPTI	\$ 8,993	\$ 5,046	\$ 23,226	\$ 15,144
Lynch Systems	1,752	3,211	10,027	6,661
Consolidated Total	10,745	8,257	33,253	21,805
<b>OPERATING EXPENSES</b>				
MtronPTI	8,453	4,932	21,469	14,561
Lynch Systems	2,270	3,194	8,697	7,166
Operating Profit (Loss)	10,723	8,126	30,166	21,727
Corporate expenses – unallocated	(538)	(647)	(1,375)	(1,824)
Consolidated Total	10,185	7,479	28,791	19,903
<b>OPERATING PROFIT (LOSS)</b>				
MtronPTI	540	114	1,757	583
Lynch Systems	(518)	17	1,330	(505)
Operating Profit (Loss)	22	131	3,087	78
Corporate expenses – unallocated	(538)	(647)	(1,375)	(1,824)
Consolidated Total	(516)	(516)	1,712	(1,746)
<b>OTHER INCOME(EXPENSE)</b>				
Investment income	583	6	600	14
Interest expense	(217)	(63)	(610)	(176)
Other income (expense)	(12)	23	68	45
Consolidated Total	354	(34)	58	(117)
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>				
(PROVISION FOR) BENEFIT FROM INCOME TAXES	(162)	(550)	1,770	(1,863)
	858	(16)	327	(71)
<b>NET INCOME (LOSS)</b>				
	\$ 696	\$ (566)	\$ 2,097	\$ (1,934)
<b>WEIGHTED AVERAGE SHARES OUTSTANDING</b>				
	1,617,934	1,495,483	1,626,801	1,496,040
<b>BASIC &amp; DILUTED INCOME (LOSS) PER SHARE:</b>				
	\$ 0.43	\$ (0.38)	\$ 1.29	\$ (1.29)
<b>EARNINGS (LOSS) BEFORE INTEREST, TAXES, DEPRECIATION &amp; AMORTIZATION (EBITDA)</b>				
MtronPTI	856	252	2,493	979
Lynch Systems	(509)	54	1,350	(352)
EBITDA from Operations	347	306	3,843	627
Corporate expenses – net	(412)	(559)	(996)	(1,559)
Consolidated Total	\$ (65)	\$ (253)	\$ 2,847	\$ (932)

**LYNCH CORPORATION**  
**RECONCILIATION OF NON-GAAP RESULTS**  
(Dollars in Thousands, Except Per Share Data)

	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	2005	2004	2005	2004
<b>RECONCILIATION OF NON-GAAP EBITDA</b>				
Operating (loss) profit as reported	\$ (516)	\$ (516)	\$ 1,712	\$ (1,746)
Depreciation and amortization	451	263	1,135	814
Non-GAAP EBITDA	<u>\$ (65)</u>	<u>\$ (253)</u>	<u>\$ 2,847</u>	<u>\$ (932)</u>

Year-to-date comparisons must take into account non-recurring expenses and gains in both years.

EBITDA is presented because it is a widely accepted financial indicator of value and ability to incur and service debt. EBITDA is not a substitute for operating income or cash flow from operating activities.

**LYNCH CORPORATION**  
**SELECTED BALANCE SHEET DATA**  
(Dollars in Thousands, Except Share Data)

**PRESS RELEASE**

SELECTED BALANCE SHEET DATA	Sep 30, 2005	Dec. 31, 2004
CASH AND CASH EQUIVALENTS	\$ 2,824	\$ 2,580
RESTRICTED CASH	650	1,125
MARKETABLE SECURITIES, NET OF MARGIN LIABILITY	2,794	2,043
PROPERTY PLANT AND EQUIPMENT – COST	21,144	21,125
TOTAL ASSETS	30,187	33,883
TOTAL DEBT	9,511	12,561
TOTAL LIABILITIES	17,998	23,890
SHAREHOLDERS' EQUITY	12,189	9,993
BACKLOG -		
MTRON/PTI	8,200	7,700
LYNCH SYSTEMS	4,900	9,900
TOTAL BACKLOG	<u>13,100</u>	<u>17,600</u>
SHARES OUTSTANDING AT DATE	1,616,026	1,632,126