

FOR IMMEDIATE RELEASE

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Lynch Corporation Reports Net Income of \$1,210,000 for 2005
Compared With a Net Loss of \$3,326,000 for 2004

GREENWICH, Conn., March 28, 2006 — Lynch Corporation (ASE: LGL) today announced that consolidated revenues for the year ended December 31, 2005 were \$46,183,000, an increase of 36% from \$33,834,000 for the year 2004. For the year ended December 31, 2005, the company reported net income of \$1,210,000, or \$0.73 per share, compared to a net loss of \$3,326,000, or \$2.18 per share, for the year 2004. Average shares outstanding were 1,647,577 for the year ended December 31, 2005 and 1,524,863 for the year 2004.

John C. Ferrara, President and CEO stated “In 2005, we significantly improved the company’s balance sheet and operating performance. In terms of our balance sheet, we increased our net working capital by \$7,883,000 to \$11,925,000, successfully completed a fully subscribed rights offering, raising \$3,655,000 net of expenses and reduced our total outstanding debt by \$3,477,000. We also entered into new credit facilities with two additional banks. On the operations side, both MtronPTI and Lynch Systems contributed to the company’s overall improved performance.”

For the year ended December 31, 2005, consolidated revenues increased \$12,349,000 or 36%, to \$46,183,000 from the year 2004. The increase in revenues came from both MtronPTI and Lynch Systems. For the year ending December 31, 2005, revenues at MtronPTI increased by \$11,638,000, or 50%, to \$35,051,000 primarily due to the PTI acquisition, improvements in the telecommunications market and modest market share gains. MtronPTI designs and manufactures components that control the frequency of electronic signals in communications systems.

For the year ended December 31, 2005, revenues at Lynch Systems increased by \$711,000, or 7% to \$11,132,000 primarily due to a large order for CRT machines. Lynch Systems, Inc. produces advanced manufacturing systems for the electronic display and consumer glass industries.

The operating profit for the year ended December 31, 2005 was \$1,178,000, compared to an operating loss of \$2,888,000 for the prior year. For the year ended December 31, 2005, MtronPTI had an operating profit of \$2,306,000, an improvement of \$1,294,000 compared to the prior year, primarily due to a 50% revenue increase and higher gross margins in 2005. For the year ended December 31, 2005, Lynch Systems had an operating profit of \$684,000, compared to an operating loss of \$1,340,000 in the prior year, primarily due to sales of higher margin CRT machines in 2005. For the year ended December 31, 2005, corporate expenses were \$1,812,000, a decrease of \$748,000 compared to the prior year primarily due to a litigation provision of \$150,000 in 2005 compared to \$775,000 in 2004.

Investment income for the year ended December 31, 2005 was \$608,000, an increase of \$593,000 compared to the prior year due to a \$567,000 realized gain on sale of marketable securities. Interest expense for the year ended December 31, 2005 was \$847,000, an increase of \$487,000 compared to the prior year primarily due to interest on new loans relating to the acquisition of PTI, higher interest rates and other additional borrowings. For the year ended December 31, 2005, other income was \$62,000, compared to other income of \$7,000 for the prior year primarily due to a gain on the sale of fixed assets.

The net income for the year ended December 31, 2005 was \$1,210,000, compared to a net loss of \$3,326,000 for the year ended December 31, 2004.

EBITDA from operations improved \$3,673,000 to \$4,493,000 for the year ended December 31, 2005, compared to EBITDA from operations of \$820,000 for the year ended December 31, 2004. EBITDA at MtronPTI improved \$1,781,000 to \$3,548,000 for the year ended December 31, 2005, compared to \$1,767,000 for the year ended December 31, 2004. EBITDA at Lynch Systems improved \$1,892,000 to \$945,000 for the year ended December 31, 2005, compared to an EBITDA loss of \$947,000 for the year ended December 31, 2004.

Total backlog of manufactured products at December 31, 2005 was \$13,860,000, a \$790,000 increase compared to the backlog at September 30, 2005 and a \$3,714,000 decrease compared to the backlog at December 31, 2004. The backlog at December 31, 2005 at M-tronPTI was \$8,906,000, a \$688,000 increase from September 30, 2005 and a \$1,259,000 increase from December 31, 2004. The backlog at December 31, 2005 at Lynch Systems was \$4,954,000, a \$102,000 increase from September 30, 2005 and a \$4,973,000 decrease from December 31, 2004, primarily due to the sales of large CRT machines in the second and third quarters of 2005.

At December 31, 2005, the cash and cash equivalents were \$5,512,000, compared to \$2,580,000 at December 31, 2004. The total assets and total debt at December 31, 2005 were \$32,664,000 and \$9,084,000, 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, 4th Floor, Greenwich, Connecticut 06830, (203) 622-1150, or visit the company's Web site: 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

	Year	
	Ended December 31,	
	<u>2005</u>	<u>2004</u>
SALES		
MtronPTI	\$ 35,051	\$ 23,413
Lynch Systems	11,132	10,421
Consolidated Total	<u>46,183</u>	<u>33,834</u>
OPERATING EXPENSES		
MtronPTI	32,745	22,401
Lynch Systems	10,448	11,761
Operating Expense	<u>43,193</u>	<u>34,162</u>
Corporate expenses – unallocated	1,812	2,560
Consolidated Total	<u>45,005</u>	<u>36,722</u>
OPERATING PROFIT (LOSS)		
MtronPTI	2,306	1,012
Lynch Systems	684	(1,340)
Operating Profit (Loss)	<u>2,990</u>	<u>(328)</u>
Corporate expenses – unallocated	(1,812)	(2,560)
Consolidated Total	<u>1,178</u>	<u>(2,888)</u>
OTHER INCOME(EXPENSE)		
Investment income	608	15
Interest expense	(847)	(360)
Other income (expense)	62	7
Consolidated Total	<u>(177)</u>	<u>(338)</u>
INCOME (LOSS) BEFORE INCOME TAXES	1,001	(3,226)
(PROVISION FOR) BENEFIT FROM INCOME TAXES	<u>209</u>	<u>(100)</u>
NET INCOME (LOSS)	<u>\$ 1,210</u>	<u>\$ (3,326)</u>
WEIGHTED AVERAGE SHARES OUTSTANDING	1,647,577	1,524,863
BASIC & DILUTED INCOME (LOSS) PER SHARE:	<u>\$ 0.73</u>	<u>\$ (2.18)</u>
EARNINGS (LOSS) BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION (EBITDA)		
MtronPTI	3,548	1,767
Lynch Systems	945	(947)
EBITDA from Operations	<u>4,493</u>	<u>820</u>
Corporate expenses – net	(1,806)	(2,541)
Consolidated Total	<u>\$ 2,687</u>	<u>\$ (1,721)</u>

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

	Year Months	
	Ended December 31,	
	2005	2004
RECONCILIATION OF NON-GAAP EBITDA		
Operating (loss) profit as reported	\$ 1,178	\$ (2,888)
Depreciation and amortization	1,509	1,167
Non-GAAP EBITDA	\$ 2,687	\$ (1,721)

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	Dec. 31, 2005	Dec. 31, 2004
CASH AND CASH EQUIVALENTS	\$ 5,512	\$ 2,580
RESTRICTED CASH	650	1,125
MARKETABLE SECURITIES, NET OF MARGIN LIABILITY	2,408	2,043
PROPERTY PLANT AND EQUIPMENT – COST	21,228	21,125
TOTAL ASSETS	32,664	33,883
TOTAL DEBT	9,084	12,561
TOTAL LIABILITIES	17,976	23,890
SHAREHOLDERS' EQUITY	14,688	9,993
BACKLOG -		
MTRON/PTI	8,906	7,647
LYNCH SYSTEMS	4,954	9,927
TOTAL BACKLOG	<u>13,860</u>	<u>17,574</u>
SHARES OUTSTANDING	2,154,702	1,632,126