

# LGL Hires Caymus Partners to Review Value Enhancing Initiatives

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GREENWICH, Conn., March 21, 2007 (PRIME NEWSWIRE) -- The LGL Group, Inc. (AMEX:[LGL - News](#)), a multi-industry engineering company that manufactures a broad range of capital equipment and custom-designed electronic components, announced it has been approached by an investment group interested in purchasing Lynch Systems, Inc., one of its subsidiary companies, which produces advanced manufacturing systems for the tableware industry.

"We have been in the glass industry since 1914, and it is now evolving more rapidly to meet global demands, especially in high growth economies. It makes sense that as part of this evolution, the fragmented glass industry will begin to consolidate. We must now have a process in place to determine the best option for building long-term shareholder value," said Jeremiah Healy, LGL Group's President.

The firm has retained Caymus Partners LLC, a middle-market investment bank, to investigate the offer and other value-enhancing opportunities. "While the offer to purchase Lynch Systems is interesting, the board has asked Caymus Partners to represent the company to assess LGL Group's overall value-creating efforts," said LGL Chairman Marc Gabelli.

"We feel the company has been undervalued by the market for some time," according to Mr. Healy. "We will strive to correct that image as we continue the process of improving our financial position and cash flow competitiveness," he said. "This board initiative in hiring Caymus Partners continues the process of growing the business from a position of strength started over two years ago with the selection of new management, the acquisition of PTI, and restructuring the company's financial position. It helps underscore the board's commitment to value creation."

Lynch Systems is one of the world's leading manufacturers of glass forming machinery. The company produces and installs equipment that cuts and forms tableware such as glass tumblers, plates, cups, saucers and pitchers; as well as glass block, industrial lighting, commercial optical glass and automobile lenses.

"We have been concentrating efforts on developing and marketing products that appeal to customers in all segments of the consumer glass sector, both here and abroad. China, for example, is a target market with exceptional potential and we feel we have an inside track to that region," said Mr. Healy.

This approach to acquire the original LGL Group business puts in motion a process to surface values. "We are a publicly traded micro-cap original equipment manufacturer with a long history of competing globally. We must be in a position to grow with our partners in the capital markets, and our stock price is essential in that context," said Mr. Healy.

In addition to the glass industry, LGL Group's MtronPTI division manufactures and markets custom-designed electronic components used to control the frequency of signals in electronic circuits. The products are used extensively in infrastructure equipment for the telecommunications and network equipment industries. They are also used in electronic systems for military applications, avionics, medical devices and global positioning systems. "This business is highly specialized yet very fragmented, with opportunities for margin improvements through scale synergies. We believe we can be effective in consolidating the market, and have asked Caymus Partners to assist with this program as well," said Mr. Healy. We will continue to aggressively explore any and all options that contribute to our goal of increasing shareholder value," said LGL Chairman Marc Gabelli. "This will include the growth of existing businesses, selective divestitures and acquisitions, and furthering the company's ongoing restructuring," Mr. Gabelli said. "It will also involve securing the best management teams in our industry sectors and working with them to implement these objectives."

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Source: LGL Group