

FOR IMMEDIATE RELEASE

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**The LGL Group Reports Net Income of \$865,000 for 2006
Compared With a Net Income of \$1,210,000 for 2005**

GREENWICH, CT, March 30, 2007 — LGL Group, Inc. (AMEX: LGL) today announced that net income for the year ended December 31, 2006 was \$865,000 or \$.40 per share on consolidated revenues of \$49,300,000, compared to net income of \$1,210,000, or \$0.73 per share on revenues of \$46,183,000 for year ended December 31, 2005. Average shares outstanding were 2,154,702 at December 31, 2006 compared with 1,647,577 at December 31, 2005.

LGL Group, Inc. is a holding company for two manufacturing subsidiaries:

- MtronPTI manufactures and markets custom designed electronic components that are used primarily to control the frequency or timing of signals in electronic circuits. Its frequency control devices are used extensively in infrastructure equipment for the telecommunications and network equipment industries, electronic systems for military applications, avionics, medical devices, instrumentation, industrial devices and global positioning systems.
- Lynch Systems, Inc., one of the world's leading manufacturers of glass forming machinery. The company produces and installs equipment that cuts and forms tableware and glassware as well as commercial optical glass and automobile lenses.

MtronPTI Revenues Increase 18.5 Percent to \$41.549 Million

In the year ended December 31, 2006, consolidated revenues increased by \$3,117,000, 6.7%, to \$49,300,000 from \$46,183,000 in 2005, due to increased sales at MtronPTI. Revenues at MtronPTI increased in 2006 by \$6,498,000, 18.5%, to \$41,549,000 from \$35,051,000 in 2005. The increase was primarily due to improvements in the telecommunications market and the addition of several new customers. Filters, oscillators, and resonators were most responsible for the volume improvements. Revenues at Lynch Systems decreased in 2006 by \$3,381,000, 30.4% to \$7,751,000 from \$11,132,000 in 2005. This decrease was primarily due to a \$5,138,000 decrease in sales of CRT machines somewhat offset by an increase in sales of glassware manufacturing machines .

Consolidated gross margin decreased \$1,182,000 for the year ended December 31, 2006 to \$13,553,000 from \$14,735,000. Over the same period, the consolidated gross margin as a percentage of revenues decreased to 27.5% from 31.9% due primarily to declining gross margins at Lynch Systems. MtronPTI's gross margin as a percentage of sales for the year ended December 31, 2006 decreased slightly to 29.5% from 30.2% in 2005, due to a slight decrease in

manufacturing yields which increased the cost of goods sold. Lynch Systems' gross margin as a percentage of sales for the year ended December 31, 2006 decreased to 16.9% from 37.3% in 2005. The decrease was primarily due to the loss of sales of large CRT machines which carry higher gross margins. Lynch Systems has undergone a shift in its business away from high margin CRT machines to lower margin tableware products and repair parts business.

The consolidated operating loss for the year ended December 31, 2006 was \$548,000 compared to a \$1,178,000 profit for 2005. This decrease of \$1,726,000 is primarily due to decreased sales at Lynch Systems. For 2006, MtronPTI had operating profit of \$3,072,000, an improvement of \$766,000 over the operating profit of \$2,306,000 in 2005. The operating profit improvement was primarily due to increased sales of filters, oscillators, and resonators. For 2006, Lynch Systems had an operating loss of \$1,898,000 compared with its operating profit of \$684,000 in 2005. The \$2,582,000 decline in Lynch Systems operating profit resulted primarily from the 30.4% decline in sales and 20.4% decline in margin discussed above. Lynch also increased their allowance for bad debts (a charge to administrative expense) by \$375,000 to cover its remaining receivable exposure with an Indonesian customer.

Unallocated corporate expenses were \$1,722,000 during the year ended December 31, 2006, a reduction of \$60,000 from \$1,662,000 incurred in 2005.

Investment income for the year ended December 31, 2006 was \$ 1,750,000 compared to \$608,000 for year ended December 31, 2005. The increase of \$1,142,000 was due to the realization of more gains on more sales of marketable securities.

Net interest expense declined by \$277,000 to \$570,000 for year ended December 31, 2006, compared with \$847,000 for the year ended December 31, 2005, primarily due to a reduction in the level of debt outstanding during the year.

MtronPTI had backlog orders of \$8,065,000 at December 31, 2006 compared with \$8,906,000 at December 31, 2005. Lynch Systems had backlog orders of \$1,853,000 at December 31, 2006 as compared with \$4,954,000 at December 31, 2005 primarily due to orders for five large CRT machines in the 2nd and 3rd quarters of 2005. The Company defines backlog as those orders that are subject to written contract or written purchase orders.

At December 31, 2006, the Company's net working capital was \$12,463,000 compared to \$11,925,000 at December 31, 2005. At December 31, 2006, the Company had current assets of \$23,613,000 and current liabilities of \$11,150,000. The ratio of current assets to current liabilities was 2.12 to 1.0. At December 31, 2005, the Company had current assets of \$24,870,000 and current liabilities of \$12,945,000, and a current ratio of 1.92 to 1.00.

On March 21, the company announced it had been approached by an investment group interested in purchasing its Lynch Systems, Inc. subsidiary. The company also announced it had retained Caymus Partners LLC, an investment bank, to assess the offer and other value-enhancing efforts.

For more information on the company and its products and services, contact Jeremiah M. Healy, President, The LGL Group, Inc., 140 Greenwich Avenue, 4th Floor, Greenwich, Connecticut 06830, (203) 622-1150, or visit the company's Web site: www.lglgroup.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.

THE LGL GROUP, INC.
STATEMENTS OF OPERATIONS
(Dollars In Thousands, Except Per Share Data)

**PRESS
RELEASE**

| | Year | |
|----------------------------------|--------------------|-----------|
| | Ended December 31, | |
| | 2006 | 2005 |
| SALES | | |
| MtronPTI | \$ 41,549 | \$ 35,051 |
| Lynch Systems | 7,751 | 11,132 |
| Consolidated Total | 49,300 | 46,183 |
| OPERATING EXPENSES | | |
| MtronPTI | 38,477 | 32,745 |
| Lynch Systems | 9,648 | 10,448 |
| Operating Expense | 48,126 | 43,193 |
| Corporate expenses – unallocated | 1,722 | 1,812 |
| Consolidated Total | 49,848 | 45,005 |
| OPERATING PROFIT (LOSS) | | |
| MtronPTI | 3,072 | 2,306 |
| Lynch Systems | (1,898) | 684 |
| Operating Profit (Loss) | 1,174 | 2,990 |
| Corporate expenses – unallocated | (1,722) | (1,812) |
| Consolidated Total | (548) | 1,178 |
| OTHER INCOME(EXPENSE) | | |
| Investment income | 1,750 | 608 |

| | | |
|---|----------------|-----------------|
| Interest expense | (570) | (847) |
| Other income (expense) | <u>7</u> | <u>62</u> |
| Consolidated Total | 1,187 | (177) |
| INCOME (LOSS) BEFORE INCOME TAXES | 639 | 1,001 |
| (PROVISION FOR) BENEFIT FROM INCOME TAXES | <u>226</u> | <u>209</u> |
| NET INCOME (LOSS) | <u>\$ 865</u> | <u>\$ 1,210</u> |
| WEIGHTED AVERAGE SHARES OUTSTANDING | 2,154,702 | 1,647,577 |
| BASIC & DILUTED INCOME (LOSS) PER SHARE: | <u>\$ 0.40</u> | <u>\$ 0.73</u> |
| EARNINGS (LOSS) BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION (EBITDA) | | |
| MtronPTI | 4,129 | 3,548 |
| Lynch Systems | <u>(1,736)</u> | <u>945</u> |
| EBITDA from Operations | 2,393 | 4,493 |
| Corporate expenses – net | <u>(1,716)</u> | <u>(1,806)</u> |
| Consolidated Total | <u>\$ 677</u> | <u>\$ 2,687</u> |

THE LGL GROUP, INC.**RECONCILIATION OF NON-GAAP RESULTS****(Dollars in Thousands, Except Per Share Data)**

| | Year Months Ended December 31, | |
|---|-----------------------------------|-----------------|
| | <u>2006</u> | <u>2005</u> |
| RECONCILIATION OF NON-GAAP EBITDA | | |
| Net income (loss) as reported | \$ 865 | \$ 1,210 |
| Provision for (benefit from) income taxes | (226) | (209) |
| Interest expense | 570 | 847 |
| Investment income | (1,750) | (608) |
| Other income (expense) | <u>(7)</u> | <u>(62)</u> |
| Operating (loss) profit as reported | \$ (548) | \$ 1,178 |
| Depreciation and amortization | <u>1,225</u> | <u>1,509</u> |
| Non-GAAP EBITDA | <u>\$ 677</u> | <u>\$ 2,687</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.

| | PRESS RELEASE | |
|---|--------------------------|------------------|
| THE LGL GROUP, INC. | | |
| SELECTED BALANCE SHEET DATA | | |
| (Dollars in Thousands, Except Share Data) | | |
| | Dec. 31, 2006 | Dec. 31, 2005 |
| SELECTED BALANCE SHEET DATA | | |
| CASH AND CASH EQUIVALENTS | \$ 4,429 | \$ 5,512 |
| RESTRICTED CASH | 96 | 650 |
| MARKETABLE SECURITIES, NET OF MARGIN LIABILITY | 2,610 | 2,408 |
| PROPERTY PLANT AND EQUIPMENT – COST | 21,983 | 21,228 |
| TOTAL ASSETS | 30,957 | 32,664 |
| TOTAL DEBT | 7,383 | 9,084 |
| TOTAL LIABILITIES | 14,250 | 17,976 |
| SHAREHOLDERS' EQUITY | 16,707 | 14,688 |
| BACKLOG - | | |
| MTRON/PTI | 8,065 | 8,906 |
| LYNCH SYSTEMS | 1,853 | 4,954 |
| TOTAL BACKLOG | <u>\$ 9,918</u> | <u>\$ 13,860</u> |
| SHARES OUTSTANDING | 2,154,702 | 2,154,702 |

