

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
SALES				
M-tron	\$ 2,957	\$ 5,762	\$ 5,645	\$ 15,804
Lynch Systems	6,734	6,748	11,049	12,294
Total – Company Owned and Operated (O/O)	9,691	12,510	16,694	28,098
Spinnaker (42% owned)	--	32,843	--	70,803
Consolidated Total	9,691	45,353	16,694	98,901
EARNINGS (LOSS) BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION (EBITDA)				
M-tron	(535)	(640)	(1,170)	333
Lynch Systems	949	1,793	1,770	2,900
Total - O/O	414	1,153	600	3,233
Spinnaker	--	(3,904)	--	(4,594)
EBITDA from Operations	414	(2,751)	600	(1,361)
Corporate expenses – net	(297)	(174)	(574)	(485)
Restructuring charge – Spinnaker	--	(878)	--	(1,309)
Consolidated Total	117	(3,803)	26	(3,155)
OPERATING PROFIT (LOSS)				
M-tron	(700)	(832)	(1,499)	(40)
Lynch Systems	854	1,688	1,580	2,691
Total - O/O	154	856	81	2,651
Spinnaker	--	(1,424)	--	(3,440)
Operating Profit (Loss)	154	(568)	81	(789)
Corporate expenses – unallocated	(347)	(251)	(674)	(639)
Asset impairment and restructuring charge – Spinnaker	--	(5,051)	--	(41,535)
Consolidated Total	(193)	(5,870)	(593)	(42,963)
OTHER INCOME(EXPENSE)				
Investment income	24	138	63	317
Interest expense	(52)	(2,533)	(92)	(5,237)
INCOME (LOSS) FROM OPERATIONS BEFORE INCOME TAXES & MINORITY INTEREST	(221)	(8,265)	(622)	(47,883)
(PROVISION) BENEFIT FROM INCOME TAXES	113	(298)	222	(868)
MINORITY INTERESTS	--	(110)	--	4,008
NET INCOME (LOSS)	<u>\$ (108)</u>	<u>\$ (8,673)</u>	<u>\$ (400)</u>	<u>\$ (44,743)</u>
WEIGHTED AVERAGE SHARES OUTSTANDING	1,497,900	1,510,200	1,497,900	1,510,200
BASIC & DILUTED EARNINGS (LOSS) PER SHARE:	<u>(\$0.07)</u>	<u>(\$5.74)</u>	<u>(\$0.27)</u>	<u>(\$29.63)</u>
NET INCOME (LOSS) OWNED AND OPERATED SUBSIDIARIES	<u>\$ (108)</u>	<u>\$ 194</u>	<u>\$ (400)</u>	<u>\$ 931</u>
WEIGHTED AVERAGE SHARES OUTSTANDING	1,497,900	1,510,200	1,497,900	1,510,200
BASIC & DILUTED EARNINGS (LOSS) PER SHARE - (O/O)	<u>(\$0.07)</u>	<u>\$0.13</u>	<u>(\$0.27)</u>	<u>\$0.62</u>

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

PRESS RELEASE

SELECTED BALANCE SHEET DATA	June 30, 2002	December 31, 2001	June 30, 2001	
	<u>O/O</u>	<u>O/O*</u>	<u>O/O*</u>	<u>Spinnaker</u>
CASH, AND SHORT TERM INVESTMENTS	\$ 9,153	\$ 4,247	\$5,153	\$7,322
RESTRICTED CASH	--	4,703	--	--
WORKING CAPITAL	9,599	9,551	9,423	7,421
PROPERTY PLANT AND EQUIPMENT – COST	16,540	16,398	13,873	37,033
TOTAL ASSETS	30,891	31,845	37,511	64,150
TOTAL DEBT	3,007	3,285	4,315	86,216
DEFERRED GAIN ON DECONSOLIDATION	19,420	19,420	-	-
SHAREHOLDERS' EQUITY (DEFICIT)	(7,615)	(7,451)	13,055	(42,382)
BACKLOG - M-TRON	2,100	1,400	2,500	
LYNCH SYSTEMS	4,100	12,000	15,600	
SHARES OUTSTANDING AT DATE	1,497,883	1,497,883	1,510,183	

* Note: O/O = Company Owned and Operated