Annual Meeting
(AMEX: LGL)

August 9, 2012
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. These risks and uncertainties are described in more detail in The LGL Group’s filings with the Securities and Exchange Commission.

In addition, non-GAAP financial measures may be presented. Management believes the non-GAAP financial information provided is useful to investors’ understanding and assessment of our ongoing core operations and prospects for the future. The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP. Management uses both GAAP and non-GAAP information in evaluating and operating the business internally and as such has determined that it is important to provide this information to investors.
Agenda

Introduction and Overview

Timing Market Basics

Software Defined Radio

Financial Highlights
Introductions and Overview
About MtronPTI: the primary brand

~50 years experience  providing precision filter and timing solutions
Blue chip clients  long product cycles, preferred vendor relationships
Diverse markets  communications, mil/aero, instrumentation
World-class team  unparalleled experience
Worldwide manufacturing  high precision, quality certified
Industry leader  technology, reliability, convenience, and support
"It's very important to understand the need for responsiveness. Don't know why our other suppliers don't see it as much as you do. Most of [our] market losses are time-to-market errors.

You folks make us feel like you have no other priorities!"

$35B wireless infrastructure client

“The responsiveness of MtronPTI is absolutely outstanding. I can always count on you and your team to answer any question I might have almost instantaneously, regardless of where you have to go to get it.

...from the customer’s viewpoint, I do not think MtronPTI could possibly get any better..."

Fortune 500 aerospace client

“We’ve a long relationship with MtronPTI. We count on you for a broad product line, product reliability, but most important: service. Whenever we have a problem, sometimes even when it is not your device but instead the circuits surrounding, your experts jump right in. The quality of response and depth of knowledge are outstanding.

We wish our other vendors acted this way.”

$2B data, voice, video communications client
LGL’s MtronPTI brand serves high end essential applications in diverse markets including Internet Communications Technology (ICT), Mil / Aero, and Instrumentation

**Balanced Demand**
- High growth, ICT infrastructure driven by video, smart phones and tablet internet access
- Long production life Mil / Aero and Instrumentation applications driven by macro economics, not consumers

**High Value IP**
- History of crystal technology firsts – the foundation of precision timing technology
- Extensive high frequency filter design experience – RF and Microwave

**Enabling Efficiencies**
- Multiple US sites share common practices, proof engineering processes and pilot production runs
- India manufacturing provides low cost, even for high performance product

**Strong Margins**
- Margin protection – high performance / high value / high rel / harsh environment application targets
- Experienced / proven supplier management and internal processes drive lower cost structure

**Growth Opportunities**
- Long standing relationships with industry leaders (across all markets)
- Well positioned to gain share from shifts to high precision packet-based timing and tunable filters
Enabling high performance in diverse markets

Platform Technology

Quartz timing used in all digital electronics
Reliability leader in precision quartz oscillators
Wide product range / performance / price

High frequency filters essential to wireless comm
~50 years of RF, VHF, UHF, µwave filter leadership

Custom / semi-custom approach supports client cost down efforts

Technology experience enhances client product performance and reliability

Balance & synergy
- 55% ICT
- 45% Mil / Aero, Instrumentation

High Performance Markets

ICT

Military

Aerospace

Instrumentation
...with critical components for real-time tasks

ICT
Optical switch and router
Point-to-point microwave backhaul
Wireless base station radio
Internet data switch

Military / Aerospace, Instrumentation
Commercial jet airframe control
Civilian aircraft position reporting
Precision lab instruments
Multi-standard public service radio
Man-pack, vehicle, UAV radios
Orbital space communications
Laboratory and product test gear
<table>
<thead>
<tr>
<th>Name</th>
<th>Years of Industry Experience</th>
<th>Professional Background</th>
</tr>
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<tbody>
<tr>
<td>Greg Anderson</td>
<td>20+</td>
<td>Mr. Anderson has experience in high-tech manufacturing businesses, which includes both low volume/high mix OEM custom products coupled with experience gained in high volume/low cost consumer products. He held positions with 3M Corporation prior to joining MtronPTI, such as Operations Managers and Business Development Manager.</td>
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<td>LaDuane Clifton, CPA</td>
<td>15+</td>
<td>Mr. Clifton has experience in the financial, accounting, and insurance industries. He served as Chief Financial Officer of a21, Inc., and was also a senior auditor at KPMG LLP, with experience in many industries. He also held several accounting and finance positions with Aetna, Inc.</td>
</tr>
<tr>
<td>Dick Thompson</td>
<td>20+</td>
<td>Mr. Thompson has 16 years sales and marketing experience in the FCD/Filter markets. He previously held various engineering and management positions in the connector industry with Vishay-Dale, among others.</td>
</tr>
<tr>
<td>Paul Dechen</td>
<td>26+</td>
<td>Mr. Dechen has experience in Mil/Aero sales and began his career in 1984 with Piezo Technology, an LGL legacy business as the VP of Business Development. He has held several sales roles within LGL.</td>
</tr>
<tr>
<td>Joe Doyle</td>
<td>30+</td>
<td>Mr. Doyle has experience in RF and integrated circuit design, semiconductor physics, and modeling. He held staff engineering positions at Motorola, and Executive Engineering, Quality, and Operations positions at Champion Technologies prior to LGL.</td>
</tr>
<tr>
<td>Mike Howard</td>
<td>40+</td>
<td>Mr. Howard has vast experience in filter engineering and began his career in 1970 as an engineer with Salford Electrical Instruments. He has lead LGL’s filter engineering group since joining the Company in 1977. He is a senior member of the IEEE since 2005.</td>
</tr>
</tbody>
</table>
Over 400 people

10 sales and technical support sites

>30 representative firms

155,000 ft²

US and India manufacturing

Multiple contract factories
Timing Market Basics
~$4 billion crystal oscillator market
6% CAGR through 2017

Fragmented / competitive
Large Japanese players target consumer devices
Precision players typically small divisions of large industrials or specialty engineering firms
M&A activity increasing

$1.3 B Precision market driven by ICT requirements
4G/LTE driving ICT market spending

End users driving the shift

**Most new phones are now smart phones**

Tablet tsunami – shift away from TV / desktop
Carrier competition: lower cost, faster data

⇒ *Primary internet connection is wireless*

ICT spending stalled in 2011 but LTE accelerating with >200 4G / LTE phones on the market
Apple’s iPhone5 / iPad and competition will continue the 4G / LTE push

<table>
<thead>
<tr>
<th>4G / LTE</th>
<th>$13 B\textsubscript{2015}</th>
<th>$2.1 B\textsubscript{2011}</th>
<th>$0.6 B\textsubscript{2010}</th>
<th>CAGR &gt;45%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2G/3G/4G</td>
<td>$51 B\textsubscript{2015}</td>
<td>$46 B\textsubscript{2010}</td>
<td>CAGR 5%</td>
<td></td>
</tr>
</tbody>
</table>

North American leads today, spend is shifting to Asia Pacific (68% of total by 2015)

*Source: Nielson Mobile metrics*

*Mindcommerce – Jan 2012*
**Strong relationships** at major infrastructure makers
Provide full range of oscillator products to most = **broad need visibility**
Focus on high performance / high reliability = **wide client base**
60% of shipments to five clients, 80% – 24 clients
**One–on–one technical relationships** = fast response, expert help

ICT clients include:

- ADVA
- Alcatel-Lucent
- Ciena
- Cisco
- Ericsson
Incoming engineering requests focused on high stability OCXO

Near term oscillator bookings
4G / LTE support: Sync E, IEEE1588

$98M TAM_{2012}$, growing at 18% CAGR to $162M_{2015}$

Source: company projection; Heavy Reading’s Ethernet Backhaul Quarterly Tracker Service, October 2011
Timing market growth strategy

Grow revenue at strategic clients

Closer / focused support to align to market evolution
More discovery allows wider product opportunity, driving volume up
\[ \Rightarrow \] shift from qualified to preferred vendor

Continue to increase high performance revenue

Qualify low phase noise oscillators for more ICT programs
Discover new clients for precision timing applications

Up integration

Pursue module / subsystem opportunities – extending client engineering resources

Continue new market expansion

Expand business into companion filter clients: avionics, aerospace, military
Software Defined Radio
Current RF filter market: $1.1 B

Half cell handset, half high performance applications

Cell handset RF components $3.6B_{2011}$
5.6% CAGR to $4.7B_{2016}$
Filters $1.1B_{2012}$ with 10.5% CAGR to $1.7B_{2016}$

Precision filters $330M_{2012}$, 10% CAGR to $480M_{2016}$

Radio architectures are changing

*Multi-band need causing changes / confusion*

Source: Lauren Robin, Activity Leader, Yole Development
“RF filters, PAs, Antenna Switches & Tunability for Cellular Handsets”, April 2012; Company estimates

Source: company estimates
**Strong relationships** with major OEMs

Provide mix of filter / oscillator products to all = **broad need visibility**

Focus on high performance / high reliability = **wide client base**

60% of shipments to eight clients, 80% – 24 clients

**Long term support / sales relationships** = trust, preference, sole source opportunities

Mil / Aero clients include:

- Garmin
- Honeywell
- Hamilton Sundstrand (A United Technologies Company)
- Raytheon
- Harris
- Rockwell Collins
Software Defined Radio now mainstream

The switch to multi-band radios

All new public safety radios
93% of mobile infrastructure
Virtually all military tactical radios
Satellite ‘modems’

⇒ Proven cost effective approach
⇒ Enabling technology for future smart radios

Source: http://www.wirelessinnovation.org/
SDR Rate of Adoption - 2011 study results
$30M \text{TAM}_{2012}$, growing at 10% \text{CAGR} to $44M_{2016}$

Source: company projection;

2012: tunable projects start

Near term filter bookings

tunable growing rapidly

Source: company projection;
Grow revenue at strategic clients
   Continue focused support to insure roadmap alignment
   Seek second source opportunities; differentiate on performance and reliability

Continue to increase tunable revenue
   Deliver solid performance / reliability to initial client applications
   Discover and gain share in new clients developing software defined radio platforms

Up integration
   Seek opportunities to integrate toward the antenna – extending client engineering resources

Continue new market expansion
   Expand visibility into companion oscillator clients in ICT market
Financial Review
Strong operating leverage, strong balance sheet

Note: Revenues for 2006 through a portion of 2007 are adjusted to exclude Lynch Systems, whose operating assets were sold in 2007.
Financial highlights

($000's, except per share amounts and percentages)

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>TTM Q2 2012</th>
</tr>
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<tbody>
<tr>
<td>Revenue</td>
<td>41,549</td>
<td>39,536</td>
<td>40,179</td>
<td>31,301</td>
<td>46,656</td>
<td>35,682</td>
<td>31,772</td>
</tr>
<tr>
<td>Gross margin</td>
<td>12,250</td>
<td>10,173</td>
<td>10,399</td>
<td>7,425</td>
<td>16,350</td>
<td>10,764</td>
<td>8,363</td>
</tr>
<tr>
<td>% of revenue</td>
<td>29.5%</td>
<td>25.7%</td>
<td>25.9%</td>
<td>23.7%</td>
<td>35.0%</td>
<td>30.2%</td>
<td>26.3%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2,591</td>
<td>(1,100)</td>
<td>235</td>
<td>(1,160)</td>
<td>7,539</td>
<td>1,460</td>
<td>(636)</td>
</tr>
<tr>
<td>% of revenue</td>
<td>6.2%</td>
<td>-2.8%</td>
<td>0.6%</td>
<td>-3.7%</td>
<td>16.2%</td>
<td>4.1%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Earnings/(loss) before taxes</td>
<td>732</td>
<td>(2,511)</td>
<td>(1,155)</td>
<td>(2,503)</td>
<td>6,478</td>
<td>567</td>
<td>(1,538)</td>
</tr>
<tr>
<td>Net income/(loss)</td>
<td>957</td>
<td>(2,646)</td>
<td>(1,282)</td>
<td>(2,522)</td>
<td>9,423</td>
<td>382</td>
<td>(1,013)</td>
</tr>
<tr>
<td>% of revenue</td>
<td>2.3%</td>
<td>-6.7%</td>
<td>-3.2%</td>
<td>-8.1%</td>
<td>20.2%</td>
<td>1.1%</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Diluted earnings/(loss) per share</td>
<td>0.44</td>
<td>(1.23)</td>
<td>(0.59)</td>
<td>(1.15)</td>
<td>4.19</td>
<td>0.15</td>
<td>(0.39)</td>
</tr>
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Capital Position as of June 30, 2012

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<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Total Assets</td>
<td>$ 31.3M</td>
</tr>
<tr>
<td>Net Working Capital</td>
<td>16.9M</td>
</tr>
<tr>
<td>Cash Adjusted Working Capital</td>
<td>8.1M</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>11.9M</td>
</tr>
<tr>
<td>Total Debt</td>
<td>2.7M</td>
</tr>
<tr>
<td>Shareholder’s Equity</td>
<td>24.9M</td>
</tr>
</tbody>
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2012 Investor Presentation
Overall weak macroeconomic climate
  major clients and prospects are on the sidelines
  delaying microelectronics expense

Newer technologies (ex. 4G) taking longer to coalesce
  further delaying orders

Key competitors impacted as well
  believe we’ve held share; gained in Ericsson and others

Analysts suggest semiconductor recovery second half of 2012
Positioned well to benefit from this anticipated pick-up
Strong operating leverage

PC Mag.com, April 30, 2012
MORE GROWTH FORECAST for 2012

““The current semiconductor cycle, which started mid-2011, will bottom out in the second quarter of 2012 and fab utilization rates will pick up and accelerate in the second half of this year,” IDC analyst Mali Venkatesan said. “Overall, IDC expects 2012 semiconductor revenue growth to be in the 6 to 7 percent range.”
Well positioned for growth

Capital position strong
moving forward to execute on both organic and JV/M&A strategies

Retained all major clients
despite decline in their overall orders

Key components in major clients’ systems
very “sticky” with high switching costs

Added new major clients
great promise in 4G worldwide market
The Company uses non-GAAP additional measures of operating results, net earnings and earnings per share adjusted to exclude certain costs, expenses, gains and losses we believe appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of the underlying operational results and trends and our marketplace performance. For example, the non-GAAP results are an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside of our core business segment operational results. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net earnings or diluted earnings per share prepared in accordance with generally accepted accounting principles in the United States.

Reconciliation of earnings before taxes (GAAP) to EBITDA (non-GAAP)

<table>
<thead>
<tr>
<th>(000's)</th>
<th>2006</th>
<th>2007</th>
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<th>TTM Q2 2012</th>
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</thead>
<tbody>
<tr>
<td>Earnings (loss) before taxes (GAAP)</td>
<td>$ 732</td>
<td>$(2,511)</td>
<td>$(1,155)</td>
<td>$(2,503)</td>
<td>$ 6,478</td>
<td>$ 567</td>
<td>$(1,538)</td>
</tr>
<tr>
<td>Add:  interest expense (income)</td>
<td></td>
<td>698</td>
<td>306</td>
<td>296</td>
<td>405</td>
<td>304</td>
<td>109</td>
</tr>
<tr>
<td>Add:  depreciation and amortization</td>
<td>1,161</td>
<td>1,105</td>
<td>1,094</td>
<td>938</td>
<td>757</td>
<td>784</td>
<td>780</td>
</tr>
<tr>
<td>EBITDA (Non-GAAP)</td>
<td>$ 2,591</td>
<td>$(1,100)</td>
<td>$ 235</td>
<td>$(1,160)</td>
<td>$ 7,539</td>
<td>$ 1,460</td>
<td>$(636)</td>
</tr>
</tbody>
</table>

Computation of adjusted working capital

<table>
<thead>
<tr>
<th>(000's)</th>
<th>6/30/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable, net</td>
<td>$ 4,390</td>
</tr>
<tr>
<td>Inventory, net</td>
<td>5,900</td>
</tr>
<tr>
<td>Less: accounts payable</td>
<td>(2,182)</td>
</tr>
<tr>
<td>Adjusted working capital</td>
<td>$ 8,108</td>
</tr>
</tbody>
</table>

The Company uses non-GAAP additional measures of operating results, net earnings and earnings per share adjusted to exclude certain costs, expenses, gains and losses we believe appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of the underlying operational results and trends and our marketplace performance. For example, the non-GAAP results are an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside of our core business segment operational results. The presentation of this additional information is not meant to be considered in isolation or as a substitute for net earnings or diluted earnings per share prepared in accordance with generally accepted accounting principles in the United States.
LGL’s competitive advantages

- Strong capital position
- Experienced management team
- JV/M&A opportunities

~50 years experience
- Blue chip clients
- Diverse markets
- World–class team

Quality certified, low cost worldwide manufacturing

*Industry leading technology, reliability, convenience, support*
Question and Answer

Visit: lglgroup.com
mtronpti.com

Email: Greg Anderson, President and CEO ganderson@lglgroup.com
LaDuane Clifton, CAO lclifton@lglgroup.com

Call: (407) 298-2000