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The LGL Group, Inc. Reports Third Quarter Earnings

GREENWICH, Conn., Nov. 13, 2006--The LGL Group, Inc. (ASE:LGL), formerly Lynch Corporation, today announced that consolidated revenues for the three months ended September 30, 2006 were \$13.0 million compared to \$10.7 million for the three months ended September 30, 2005. The net increase in revenues came from improved foreign sales at Mtron/PTI.

For the three months ended September 30, 2006, the company reported net income of \$903,000 or \$0.42 per fully diluted share, compared to net income of \$696,000 or \$0.43 per fully diluted share, for the three months ended September 30, 2005. Weighted average basic shares outstanding were 2,154,702 for the three months ended September 30, 2006 and 1,617,934 for the three months ended September 30, 2005. Fully diluted weighted average shares outstanding were 2,159,702 for the three months ended September 30, 2006 and 1,617,934 for the three months ended September 30, 2005.

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

Mtron/PTI designs and manufactures components that control the frequency of electronic signals in communications systems.

Lynch Systems produces advanced manufacturing systems for the electronic display and consumer glass industries.

For the third quarter 2006, revenues at Mtron/PTI increased by \$2.0 million, or 22.2%, to \$11.0 million, from \$9.0 million in the same quarter prior year, primarily due to the improved sales of filters and resonators. For the third quarter 2006, revenues at Lynch Systems increased 17.7% from \$1.8 million to \$2.0 million. Historically, Lynch Systems has been subject to market cyclicity.

The Company's operating loss for the third quarter 2006 was \$29,000 compared to a \$516,000 loss for the third quarter 2005. Mtron/PTI had an operating profit of \$686,000, an improvement of \$146,000 compared to the third quarter of 2005, primarily due to increased sales. Lynch Systems had an operating loss of \$311,000 compared to an operating loss of \$518,000 in the third quarter 2005. The reduction amounted to \$207,000 and was partly due to lower overhead expenses and a \$100,000 provision taken in 2005 for bad debts. For the third quarter 2006, corporate expenses were \$404,000, a decrease of \$135,000 compared to the third quarter 2005, primarily due to a non-recurring reserve of \$200,000 for a lawsuit settlement in September 2005.

Investment income for the third quarter 2006 was \$711,000, an increase of \$128,000 compared to \$583,000 for the third quarter 2005, due to realized gains on the sale of marketable securities. Interest expense for the third quarter 2006 was \$151,000, versus \$217,000 for the same quarter

prior year, a decrease of \$66,000, primarily due to lower debt outstanding, partially offset by higher interest rates.

The income tax benefit of \$389,000 in the third quarter of 2006 included a \$504,000 non-recurring reduction to the income tax reserve, which offset the \$115,000 provision for income taxes.

EBITDA FROM OPERATIONS improved \$348,000 to \$695,000, from \$347,000 for the third quarter 2006 compared to the same quarter in 2005. EBITDA at Mtron/PTI improved \$110,000 to \$966,000 in the third quarter, from \$856,000 in the same quarter in 2005. EBITDA at Lynch Systems improved \$238,000 from a \$509,000 loss to a \$271,000 loss compared to the same quarter in 2005.

Total backlog orders of manufactured products at September 30, 2006 were \$13.7 million, a \$152,000 decrease compared to the total backlog at December 31, 2005 and an increase of \$638,000 compared to September 30, 2005. The backlog at September 30, 2006 at Lynch Systems was \$4.8 million, compared to \$4.9 million at December 31, 2005 and at September 30, 2005. The backlog at September 30, 2006 at Mtron/PTI was \$8.9 million, unchanged from December 31, 2005, an \$800,000 increase from the September 30, 2005 balance of \$8.2 million.

At September 30, 2006, the cash and cash equivalents were \$4.0 million compared to \$5.5 million at December 31, 2005. The total assets and total debt at September 30, 2006 were \$33.7 million and \$8.7 million, respectively, compared to \$32.7 million and \$9.1 million at December 31, 2005.

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

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)

| | Three Months Ended Sept 30, | | Nine Months Ended Sept 30, | |
|--|--------------------------------|-----------|-------------------------------|-----------|
| | 2006 | 2005 | 2006 | 2005 |
| SALES | | | | |
| Mtron/PTI | \$11,042 | \$8,993 | \$31,364 | \$26,226 |
| Lynch Systems | \$1,996 | 1,752 | 6,911 | 10,027 |
| Consolidated Total | 13,038 | 10,745 | 38,275 | 36,253 |
| OPERATING EXPENSES | | | | |
| Mtron/PTI | 10,356 | 8,453 | 28,576 | 24,469 |
| Lynch Systems | 2,308 | 2,270 | 7,833 | 8,697 |
| Operating Expense | 12,664 | 10,723 | 36,409 | 33,166 |
| Corporate expenses - Unallocated | 404 | 538 | 1,051 | 1,375 |
| Consolidated Total | 13,068 | 11,261 | 37,460 | 34,541 |
| OPERATING PROFIT (LOSS) | | | | |
| Mtron/PTI | 686 | 540 | 2,788 | 1,757 |
| Lynch Systems | (311) | (518) | (922) | 1,330 |
| Operating Profit | 375 | 22 | 1,866 | 3,087 |
| Corporate expenses - Unallocated | 404 | 538 | 1,051 | 1,375 |
| Consolidated Total | (30) | (516) | 815 | 1,712 |
| OTHER INCOME (EXPENSE) | | | | |
| Investment income | 711 | 583 | 1,229 | 600 |
| Interest expense | (151) | (217) | (493) | (610) |
| Other income (Expense) | (17) | (12) | (25) | 68 |
| Consolidated Total | 544 | 354 | 711 | 58 |
| INCOME BEFORE INCOME TAXES | 514 | (162) | 1,526 | 1,770 |
| INCOME TAX BENEFIT | (389) | (858) | (242) | (327) |
| NET INCOME | \$903 | \$ 696 | \$1,768 | \$2,097 |
| BASIC WEIGHTED AVERAGE SHARES OUTSTANDING | | | | |
| | 2,154,702 | 1,617,934 | 2,154,702 | 1,626,801 |
| BASIC INCOME PER SHARE: | | | | |
| | \$0.42 | \$0.43 | \$0.82 | \$1.29 |
| FULLY DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING | | | | |
| | 2,159,702 | 1,617,934 | 2,156,702 | 1,626,801 |
| FULLY DILUTED INCOME PER SHARE: | | | | |
| | \$0.42 | \$0.43 | \$0.82 | \$1.29 |

EARNINGS (LOSS) BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION
(EBITDA)

| | | | | |
|--------------------------|-------|---------|---------|---------|
| Mtron/PTI | 966 | 856 | 3,585 | 2,493 |
| Lynch Systems | (271) | (509) | (758) | 1,350 |
| ----- | | | | |
| EBITDA from Operations | 695 | 347 | 2,827 | 3,843 |
| Corporate expenses (net) | | | | |
| Unallocated | 402 | 412 | 1,046 | 996 |
| ----- | | | | |
| Consolidated Total | \$293 | \$ (65) | \$1,781 | \$2,847 |
| ===== | | | | |

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

| | Three Months | | Nine Months | |
|-----------------------------------|----------------|---------|----------------|---------|
| | Ended Sept 30, | | Ended Sept 30, | |
| | 2006 | 2005 | 2006 | 2005 |
| | ===== | ===== | ===== | ===== |
| RECONCILIATION OF NON-GAAP EBITDA | | | | |
| Operating profit as reported | (\$29) | (\$516) | \$815 | \$1,712 |
| Depreciation and amortization | 322 | 451 | 966 | 1,135 |
| ----- | | | | |
| Non-GAAP EBITDA | \$293 | (\$ 65) | \$1,781 | \$2,847 |
| ===== | | | | |

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.

THE LGL GROUP, INC.
 SELECTED BALANCE SHEET DATA
 (Dollars in Thousands, Except Share Data)

| SELECTED BALANCE SHEET DATA | Sept 30, 2006 | Dec. 31, 2005 |
|-------------------------------------|------------------|------------------|
| | ----- | ----- |
| CASH AND CASH EQUIVALENTS | \$3,989 | \$5,512 |
| RESTRICTED CASH | 650 | 650 |
| MARKETABLE SECURITIES | 2,548 | 2,738 |
| PROPERTY PLANT AND EQUIPMENT - COST | 21,740 | 21,228 |
| TOTAL ASSETS | 33,744 | 32,664 |
| TOTAL DEBT | 8,704 | 9,084 |
| TOTAL LIABILITIES | 16,519 | 17,976 |
| SHAREHOLDERS' EQUITY | 17,224 | 14,688 |
| BACKLOG - | | |
| MTRON/PTI | 8,906 | 8,906 |
| LYNCH SYSTEMS | 4,802 | 4,954 |
| | ----- | ----- |
| TOTAL BACKLOG | 13,708 | 13,860 |
| SHARES OUTSTANDING | 2,154,702 | 2,154,702 |