SECURITIES & EXCHANGE COMMISSION EDGAR FILING

LGL Group, Inc.

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES AND EXCHANGE ACT OF 1934

Date of report (Date of Earliest Event Reported) November 11, 2003

LYNCH CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Indiana	**1-106**	**38-1799862**
(State or other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification)

50 Kennedy Plaza, Suite 1250, Providence, RI (Address of Principal Executive Offices)	**02903** (Zip Code)
Registrant's Telephone Number, Including Area Code:	401-453-2007

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Item 12. Results of Operation and Financial Condition.

(a) Registrant filed a press release announcing its results of operations for the fourth quarter and year-ending December 31, 2003 on April 14, 2004.

Signatures

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Lynch Corporation

By: /s/ RAYMOND H. KELLER

RAYMOND H. KELLER
Chief Financial Officer

Date: April 14, 2004

Exhibit 99.1

FOR IMMEDIATE RELEASE
April 14, 2004

CONTACTS

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Lynch Corporation Reports a Profitable Fourth Quarter and Full Year in 2003

Telecomm subsidiary increases sales by one-third

PROVIDENCE, R.I., April 14 – Lynch Corporation (American Stock Exchange – LGL) today announced that net income increased for the fourth quarter of 2003 to $238,000, or $0.16 per share, compared to a net loss of $904,000, or a negative $0.60 per share, for the fourth quarter of 2002.

Sales for the fourth quarter of 2003 increased 89 percent to $8,795,000 from $4,652,000 for the corresponding period of 2002. Operating income in the fourth quarter of 2003 was $418,000, compared to a $1,435,000 operating loss in the fourth quarter of 2002.

“We believe that these results prove we are making progress on our plan to restore the company to profitable growth,” said Ralph R. Papitto, chairman and chief executive officer, “although we have not yet fully achieved our business objectives.”

Sales increased to $27,969,000 in 2003 from $26,386,000 in 2002, a six percent improvement. Net income for 2003 was $110,000, or $0.07 per share, versus $17,963,000, or $11.99 per share, for 2002.

Year-over-year comparison must take into account non-recurring gains in both years, said Raymond Keller, vice president and chief financial officer, Lynch Corporation. Fiscal 2003 net income includes $771,000, or $0.51 per share, derived

from gains on the sale of marketable securities, as well as gains realized upon the settlement of a customer order.

Net income in fiscal 2002 included a non-cash gain of $19,420,000, and a cash tax benefit of $860,400, totaling $13.54 per share, for the company's disposal of its remaining interest in Spinnaker Industries, Inc., on September 23, 2002.

Therefore, in 2003, net loss per share excluding the non-recurring gains described above was $0.44 per share, versus a loss of $1.55 per share for the corresponding period in 2002, excluding non-recurring gains on deconsolidation last year.

"Comparing operating profits of the two subsidiaries in 2003 to 2002, the company registered a positive $652,000 last year versus a loss of $1,638,000 in the previous year," Papitto said. "We are especially pleased with the performance of M-tron, which capitalized on the recovering telecomm market to reduce its operating loss from $2,574,000 in 2002 to a loss of $170,000 in 2003."

Common shares of stock outstanding were 1,497,900 for the fourth quarters and full years of 2003 and 2002. In the first quarter of 2004, the Board of Directors authorized the repurchase of up to 50,000 shares of the company's outstanding common stock, and to date, the company has repurchased 2,400 shares. Papitto said the buy-back plan was approved because the Board and management believed the stock was undervalued, and therefore constituted an attractive investment.

OPERATIONS HIGHLIGHTS

The markets served by subsidiary M-tron Industries, Inc., Yankton, S.D., recovered somewhat in 2003, compared to the downward spiral of 2002 and 2001, after the Internet bubble burst, said Richard E. McGrail, Lynch Corporation president. Capitalizing on the investments in its business during the previous two

years, including the October 2002 purchase of an industry competitor, M-tron took advantage of the market recovery, increasing revenue by 33 percent, he said.

M-tron signed preferred-supplier agreements in 2003 with one of the world's leading manufacturers of telecommunications and networking systems and one of the country's two largest distributors of electronic components.

M-tron designs and manufactures customized electronic components used primarily to control the frequency or timing of electronic signals in communications equipment. Its devices – commonly called frequency control devices, crystals or oscillators – are used in fixed and mobile wireless, copper wire, coaxial cable, wide area networks, local area networks and fiber optic systems.

One of the investments that contributed to a successful 2003 was the previous year's acquisition of production assets, technology, and sales backlog of Champion Technologies, Inc., McGrail said. That purchase broadened the M-tron product line with crystals, clock oscillators, specialized crystal oscillators, and timing products, and also added companies to M-tron's customer roster.

"We continue to look for potential acquisitions whose products are complementary to, and whose markets are the same as, M-tron's," Papitto said.

M-tron plans continued investment in technical resources, including design and engineering personnel to enable it to provide a higher level of support to its customers and potential customers, McGrail said. M-tron management believes that technical participation with its OEM (original equipment manufacturer) customers in the early stages of their design process will lead to the company's devices being designed into their products with greater regularity.

LYNCH SYSTEMS MODERNIZES INSTALLED GLASS PRESSES

Lynch Systems, the Corporation's subsidiary in Bainbridge, Ga., created, introduced, and began selling a modernization and upgrade package for the worldwide base of installed glass presses, both those made by Lynch and by its competitors. These presses form glass for face panels and funnels for CRT (cathode ray tube) computer monitors and HDTV (high definition television) sets, and for tableware, glassware, and commercial optical glass.

The new upgrade package incorporates servo-technology and the most advanced industrial controls to enhance customer productivity and cut costs of manufacturing with glass presses. Servo index drive systems and electronic controls speed production to one index per second with extremely high precision, McGrail said.

McGrail said that one customer is generating an additional $2.1 million per year in sales via a 33% increase in output-per-shift, paying off the investment in less than 60 days. Other customers in Europe have recovered the cost of servo-ram and servo-table-index conversion in less than six months, he said.

Lynch Systems has made a blanket offer to convert presses, on customers' premises, to servo control with no up-front payment. Customers can pay for the upgrades as they earn greater profits from the presses through increased productivity. The only charge at the outset is for shipping and handling to deliver the hardware to a customer's plant.

For more information, contact Raymond Keller, Vice President and Chief Financial Officer, Lynch Corporation, 50 Kennedy Plaza, Providence, RI 02903. (401) 453-2007. Fax (401) 453-2009. ray.keller@lynch-mail.com. www.lynchcorp.com.

Forward Looking Statement

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.

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PRESS RELEASE

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

	Three Months Ended December 31,		Year Ended December 31,	
	2003	2002	2003	2002
SALES				
M-tron	$ 4,308	$ 2,953	$ 15,183	$ 11,412
Lynch Systems	4,487	1,699	12,786	14,974
Consolidated Total	8,795	4,652	27,969	26,386
EARNINGS (LOSS) BEFORE INTEREST,TAXES, DEPRECIATION & AMORTIZATION (EBITDA)				
M-tron	181	(382)	622	(1,909)
Lynch Systems	857	(242)	1,092	1,321
EBITDA from Operations	1,038	(624)	1,714	(588)
Corporate expenses — net	(312)	(493)	(1,307)	(1,414)
Gain on deconsolidation of Spinnaker	—	—	—	19,420
Consolidated Total	$ 726	$ (1,117)	$ 407	$ 17,418
OPERATING PROFIT (LOSS)				
M-tron	$ 2	$ (551)	$ (170)	$ (2,574)
Lynch Systems	792	(341)	822	936
Operating Profit (Loss)	794	(892)	652	(1,638)
Corporate expenses — unallocated	(376)	(543)	(1,484)	(1,614)
Gain on deconsolidation of Spinnaker	—	—	—	19,420
Consolidated Total	418	(1,435)	(832)	16,168
OTHER INCOME(EXPENSE)				
Investment income	6	26	534	121
Interest expense	(57)	(61)	(282)	(201)
Other income (expense)	—	(29)	763	(92)
Consolidated Total	(51)	(64)	1,015	(172)
INCOME (LOSS) BEFORE INCOME TAXES	367	(1,499)	183	15,996
BENEFIT FROM (PROVISION FOR) INCOME TAXES	(129)	595	(73)	1,967
NET INCOME (LOSS)	$ 238	$ (904)	$ 110	$ 17,963
WEIGHTED AVERAGE SHARES OUTSTANDING	1,497,900	1,497,900	1,497,900	1,497,900
BASIC & DILUTED INCOME (LOSS) PER SHARE:	$ 0.16	$ (0.60)	$ 0.07	$ 11.99

LYNCH CORPORATION
RECONCILIATION OF NON-GAAP RESULTS
(Dollars in Thousands, Except Per Share Data)

	Three Months Ended December 31		Twelve Months Ended December 31	
	2003	2002	2003	2002
RECONCILIATION OF NON-GAPP OPERATING PROFIT (LOSS)				
Consolidated total operating profit (loss) as reported	$ 418	$ (1,440)	$ (832)	$ 16,168
Gain on deconsolidation of Spinnaker	—	—	—	(19,420)
Non-GAAP consolidated operating profit (loss)	418	(1,440)	(832)	(3,252)
RECONCILIATION OF NON-GAAP NET INCOME (LOSS)				
Net income (loss), as reported	238	(904)	110	17,963
Gain on sale of marketable securities	—	—	(483)	—
Gain on release of customer contingency	—	—	(728)	—
Gain on deconsolidation of Spinnaker	—	—	—	(19,420)
Provision for (benefit from) income taxes	—	—	440	(860)
Non-GAAP net income (loss)	$ 238	$ (904)	$ (661)	$ (2,317)
Weighted average shares outstanding	1,497,900	1,497,900	1,497,900	1,497,900
Non-GAAP basic and diluted income (loss) per share	$ 0.16	$ (0.60)	$ (0.44)	$ (1.55)
RECONCILIATION OF EBITDA				
Net income (loss), as reported	$ 238	$ (904)	$ 110	$ 17,963
Provision for (benefit from) income taxes	129	(595)	73	(1,967)
Interest expense	57	61	282	201
Other expense (income)	—	29	(763)	92
Investment income	(6)	(26)	(534)	(121)
Operating profit (loss) EBIT	418	(1,435)	(832)	16,168
Depreciation and amortization	308	318	1,239	1,250
EBITDA	$ 726	$ (1,117)	$ 407	$ 17,418

Quarterly and year-to-date comparisons must take into account non-recurring 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

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

SELECTED BALANCE SHEET DATA	December 31, 2003	December 31, 2002
CASH, AND SHORT TERM INVESTMENTS	$ 3,981	$ 5,986
RESTRICTED CASH	1,125	1,125
MARKETABLE SECURITIES, NET OF MARGIN LIABILITY	1,278	610
WORKING CAPITAL	7,485*	8,029
PROPERTY PLANT AND EQUIPMENT — COST	15,866	16,330
TOTAL ASSETS	23,019	23,430
TOTAL DEBT	3,807	4,149
SHAREHOLDERS' EQUITY	11,033	10,934
BACKLOG — M-TRON	2,800	2,300
LYNCH SYSTEMS	2,800	3,900
SHARES OUTSTANDING AT DATE	1,497,883	1,497,883

* December 31, 2003 working capital includes current liabilities of $676 for obligations now maturing in one year that were previously in long term liabilities.