

The Hallwood Group Incorporated

3710 Rawlins, Suite 1500 • Dallas, Texas 75219 • 214/528-5588 • Fax: 214/522-9271

FOR IMMEDIATE RELEASE

Contact: Mary Doyle
Vice President
Investor Relations
(800)225-0135
(214)528-5588

HALLWOOD GROUP INCREASES PRICE TO \$105 PER \$100 IN PRINCIPAL AMOUNT AND EXTENDS SELF-TENDER BOND OFFER TO JUNE 24TH

Dallas, Texas, June 9, 1997 - The Hallwood Group Incorporated (NYSE-HWG) today announced that it has increased the commission-free, self-tender bond offer cash purchase price to \$105 per \$100 in principal amount for all Series of its 13.5% Subordinated Debentures due July 31, 2009, and extended the expiration of the Offer from its original date of June 16 to June 24, 1997. No payment will be made for accrued interest on any of the bonds tendered pursuant to the offer. This increase will also be paid to bondholders who have already properly tendered their bond certificate(s) and letter of transmittal. The maximum amount of funds to be expended by the Company in the tender offer remains at \$20,000,000.

The bonds closed as follows per \$100 in principal amount on the New York Stock Exchange on June 6, 1997: the Original 1989 Series at \$95.31, the 1991 Series at \$90.00 and the 1992 Series at \$90.00. The 1996 Series is not listed and not actively traded.

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