

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

THE HALLWOOD GROUP INCORPORATED ANNOUNCES RESULTS OF ITS RECENTLY COMPLETED, SELF-TENDER BOND OFFER

Dallas, Texas, June 24, 1997 – The Hallwood Group Incorporated (NYSE-HWG) announced today that its self-tender offer for up to \$20,000,000 of its 13.5% Subordinated Debentures has expired. Preliminary results indicate it has purchased an aggregate of approximately \$12,870,000 principal amount of such Debentures (\$8,481,000 of the 1989 Series, \$1,207,000 of the 1991 Series, \$1,217,000 of the 1992 Series and \$1,965,000 of the 1996 series) that have been properly tendered. As a result, the Company has reduced the outstanding principal amount of the Debentures from \$25,672,000 to \$12,802,000. The Debentures were purchased at a price of \$105 per \$100 of principal amount, but without the payment of accrued and outstanding interest, for a total purchase price of \$13,513,000.

~ END ~