

**NEWS FOR IMMEDIATE RELEASE**

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**THE HALLWOOD GROUP INCORPORATED  
ANNOUNCES REDEMPTION OF ITS 13.5% SUBORDINATED DEBENTURES**

**Dallas, Texas, November 18, 1997**—The Hallwood Group Incorporated (NYSE-HWG) announced today that it is redeeming all of its outstanding 13.5% Subordinated Debentures due July 31, 2009 ("Bonds"). The redemption price for the Bonds is 100% of the principal amount plus accrued interest through the redemption date of December 19, 1997. The Bonds have been issued in five series: the Original 1989 Series, the 1991 Series, the 1992 Series, the 1996 Series and the 1997 Series.

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