

The Hallwood Group Incorporated

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NEWS FOR IMMEDIATE RELEASE

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THE HALLWOOD GROUP INCORPORATED ANNOUNCES COMMON STOCK DIVIDEND

Dallas, Texas, October 28, 1999 - The Hallwood Group Incorporated (**NYSE:HWG**) announced today that its board of directors has authorized a stock dividend of one share of common stock of the Company for each two issued shares of common stock. The stock dividend will have a record date of October 28, 1999 and will be payable November 5, 1999.

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