

GABELLI LAUNCHES NEW OPEN-END UTILITIES FUND MANAGED BY TIMOTHY O'BRIEN, CFA - Former Eaton Vance fund manager

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Gabelli Funds LLC, a subsidiary of Gabelli Asset Management Inc.(NYSE:GBL), today launched a new open-end fund, The Gabelli Utilities Fund, managed by Timothy P. O'Brien. Mr. O'Brien had managed a similar fund at Eaton Vance Management, Boston, prior to joining Gabelli in May of this year.

The new fund will look for both growth and income through investments in U.S. and international utility companies. Mr. O'Brien's focus will be on those companies he considers likely to be involved in mergers, acquisitions or restructurings, as well as those that provide a steady stream of dividend income or are generating growth through productivity improvements.

"The legacy monopoly positions enjoyed by utilities are being eroded by a combination of pricing pressures from major industrial customers and growing competition on the supply side of gas and electricity. One way of cutting costs to meet those challenges is to get bigger by buying smaller utilities to reduce overhead," Mr. O'Brien said.

He added that in recent transactions, shareholders of acquired companies have enjoyed premiums in the 15-25 percent range. "Our strategy is to own shares of fundamentally sound and reasonably valued small and mid-cap utilities with the expectation that they will be acquired sooner rather than later," Mr. O'Brien said.

Prior to joining Gabelli, in May, 1999, Mr. O'Brien was portfolio manager of the Eaton Vance Utilities Fund and an analyst specializing in utilities, power generation and telecoms. He is a Chartered Financial Analyst (CFA) and past 'winner' of the Institutional Investor Magazine "Best of the Buy Side" award.

Mr. O'Brien received an MBA in finance from the Wharton School at the University of Pennsylvania and a BBA from the University of Massachusetts at Amherst.

Gabelli Asset Management Inc. was founded in 1977 as a broker-dealer and now has more than \$18 billion in assets under management in mutual funds, separate accounts and partnerships.

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