

Gabelli Asset Management Inc. ("GAMI")

Reports Record Second Quarter Revenues and Earnings

FOR IMMEDIATE RELEASE
Rye, NY
July 28, 1999

For information contact:
Robert S. Zuccaro
Chief Financial Officer
(914) 921-5146
Fax: (914) 921-5392

Gabelli Asset Management Inc. (NYSE:GBL) today reported record revenues and earnings for the second quarter ended June 30, 1999.

For the quarter, total revenues rose 18% to \$42.6 million versus \$36.0 million in the second quarter of 1998. Paced by the revenue increase as well as a favorable pretax swing of \$8.5 million in the other income account, net income jumped 66% to \$11.7 million versus \$7.0 million in the year earlier period. Earnings were \$0.39 per share for the second quarter of 1999 compared to \$0.23 per share, on a pro forma basis, and \$0.27 per share on an adjusted historical basis.

Driven by strong gains in the stock market, average assets under management rose 17% to \$18.0 billion during the second quarter of 1999 versus \$15.4 billion during the second quarter of 1998. Assets under management at June 30, 1999 were a record \$18.8 billion versus \$15.8 billion at June 30, 1998.

We also note that during the quarter the company moved to lay the foundation for future growth as the professional staff was enlarged, a relationship center was opened in Palm Beach, Florida and a business combination was entered into with Mathers and Company, Inc.

Other Observations

In examining our quarterly results we note that even allowing for nearly \$1.5 million of incremental operating expenses related to investment income, operating income was up a solid 8% to \$16.8 million from last year's \$15.6 million. As a result of these added costs our margin declined to 39% from 43%. This slippage, which we expect to reverse in the second half of the year, is traceable to several factors including a \$600,000 increase in bonuses over and above those accrued for the level of operating earnings and contributions of \$848,000. Both of these items stem from significant gains in our proprietary portfolio where we harvested several venture capital investments which added approximately \$3.1 million pretax to our "other income" account or approximately \$0.06 per share after tax.

Finally, we note that during the quarter, we purchased 129,800 shares at an aggregate cost of \$15.69 per share as part of our announced \$3 million buy-back program.

Organization and Public Offering

Gabelli Asset Management Inc. was formed in connection with a reorganization of Gabelli Funds, Inc. (renamed Gabelli Group Capital Partners, Inc.) through which GAMI acquired most of the net operating assets of the institutional and retail asset management, mutual fund advisory, underwriting and brokerage business (the "Formation Transactions") in exchange for 24 million shares of Class B Common Stock.

On February 17, 1999, GAMI received proceeds of approximately \$96 million, after fees and expenses, from the sale of 6 million shares of its Class A Common Stock, through underwriters led by Merrill Lynch & Co., Salomon Smith Barney and Gabelli & Company, Inc. at \$17.50 per share.

Assets Under Management – Driver of Growth

On an historical basis, the Company reported the following:

Table: I	Assets Under Management (in millions)				
	June 30,		% Increase (Decrease)	March 31,	% Increase Decrease
	1998	1999	6/30 vs. 6/30	1999	6/30 vs. 3/31
Institutional & Separate Accounts:					
Equities	\$ 7,260	\$ 8,475	16.7	\$ 7,573	11.9
Fixed Income	\$ 577	\$ 594	2.9	\$ 618	(3.9)
Total Institutional & Separate Accounts	\$ 7,837	\$ 9,069	15.7	\$ 8,191	10.7

Mutual Funds					
Open end	\$ 5,139	\$ 6,735	26.6	\$ 5,903	14.1
Closed end	\$ 1,711	\$ 1,809	5.7	\$ 1,676	7.9
Fixed income	\$ 765	\$ 1,025	34.0	\$ 1,061	(3.4)
Total Mutual Funds	\$ 7,795	\$ 9,569	22.8	\$ 8,640	10.8
Partnerships	\$ 143	\$ 165	15.4	\$ 151	9.3
Total Assets Under Management	\$15,775	\$18,803	19.2	\$16,982	10.7

At June 30, 1999, approximately 94% of total assets under management in open-end Mutual Funds were in funds with overall rankings of "four stars" or better from Morningstar, Inc. and 37% were in funds ranked "five stars". Both the Gabelli Global Growth Fund (our Global Growth Fund) and the Gabelli Growth Fund (Domestic Growth) received the coveted five star rating from Morningstar, Inc. Nine of GAMI's fourteen open end mutual funds rated by Morningstar received overall rankings of "four stars" or better.

Table II:	Fund Flows – 2 nd Quarter 1999 (in millions)			
	Balance March 31, 1999	Net Cash Flows	Market Appreciation	Balance June 30, 1999
Mutual Funds				
Equities	\$ 7,579	\$ 290	\$ 675	\$ 8,544
Fixed Income	\$ 1,061	\$ (56)	\$ 20	\$ 1,025
Total Mutual Funds	\$ 8,640	\$ 234	\$ 695	\$ 9,569
Institutional & Separate Accounts				
Equities	\$ 7,573	\$ 9	\$ 893	\$ 8,475
Fixed Income	\$ 618	\$ (32)	\$ 8	\$ 594
Total Institutional and Separate Accounts	\$ 8,191	\$ (23)	\$ 901	\$ 9,069
Partnerships	\$ 151	---	\$ 14	\$ 165
Total Assets Under Management	\$16,982	\$211	\$1,610	\$18,803

Table III

Gabelli Asset Management INC. UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF INCOME (in thousands, except per share data)				
For the Three Months Ended June 30,				
	Adjusted Historical	Pro forma		% Increase (Decrease)
	1998 (a)	1998 (b)	1999	from Pro forma
Revenues.	\$ 36,031	\$ 36,031	\$ 42,623	18.3 %
Expenses.	\$ 20,477	\$ 20,477	\$ 25,801	26.0 %
Operating income.	\$ 15,554	\$ 15,554	\$ 16,822 (c)	8.2 %
Other income (expense), net	\$ (1,429)	\$ (2,179)	\$ 6,355	
Income before management fee, income taxes and minority interest	\$ 14,125	\$ 13,375	\$ 23,177	73.3 %
Management fee.	\$ 2,824	\$ 1,337	\$ 2,318	
Income before income taxes and minority interest	\$ 11,301	\$ 12,038	\$ 20,859	73.3 %
Income taxes.	\$ 4,479	\$ 4,771	\$ 8,260	
Minority interest	\$ 247	\$ 247	\$ 944	
Net income.	\$ 6,575	\$ 7,020	\$ 11,655	66.0 %
Net income per share:				
Basic and diluted	\$.27	\$.23	\$.39	69.6 %
Weighted average shares outstanding:				

Basic and diluted	\$ 24,000	\$ 30,000	\$ 29,949
---------------------------	-----------	-----------	-----------

a. Adjusted historical financial information reflects the historical results of operations acquired as part of the Formation Transactions as if GAMI had existed as a separate enterprise during such periods and was treated as a "C" Corporation for Federal and state income tax purposes and as if the exchange of shares, as part of the Formation Transactions, had taken place.

b. Pro forma financial information reflects the results of operations as if all of the following were in effect at January 1, 1998: the Formation Transactions; the \$50 million note payable; the reduction in management fee from 20% to 10% and the conversion from a Subchapter S Corporation to a "C" Corporation.

c. After \$1.45 million of incremental costs principally associated with the swing in other income and included in operating expenses.

Table IV

Gabelli Asset Management INC.				
UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF INCOME				
(in thousands, except per share data)				
For the Three Months Ended June 30,				
	Adjusted Historical	Pro forma (b)		% Increase (Decrease)
	1998 (a)	1998	1999	from Pro forma
Revenues.	\$ 67,959	\$ 67,959	\$ 82,314	21.1 %
Expenses.	\$ 38,907	\$ 38,907	\$ 48,738	25.3 %
Operating income.	\$ 29,052	\$ 29,052	\$ 33,576	15.6 %
Other income (expense), net	\$ 46	\$ (1,454)	\$ 8,452	
Income before management fee, income taxes and minority interest	\$ 29,098	\$ 27,598	\$ 42,028	52.3 %
Management fee.	\$ 5,819	\$ 2,759	\$ 4,203	
Income before income taxes and minority interest	\$ 23,279	\$ 24,839	\$ 37,825	52.3 %
Income taxes.	\$ 9,232	\$ 9,846	\$15,233	
Minority interest	\$ 639	\$ 639	\$ 1,658	
Net income.	\$ 13,408	\$ 14,354	\$ 20,934	45.8 %
Net income per share:				
Basic and diluted	\$.56	\$.48	\$.70	45.8 %
Weighted average shares outstanding:				
Basic and diluted	\$ 24,000	\$ 30,000	\$ 29,974	

a. Adjusted historical financial information reflects the historical results of operations acquired as part of the Formation Transactions as if GAMI had existed as a separate enterprise during such periods and was treated as a "C" Corporation for Federal and state income tax purposes and as if the exchange of shares, as part of the Formation Transactions, had taken place.

b. Pro forma financial information reflects the results of operations as if all of the following were in effect at January 1, 1998: the Formation Transactions; the \$50 million note payable; the reduction in management fee from 20% to 10% and the conversion from a Subchapter S Corporation to a "C" Corporation.

c. Excludes a nonrecurring charge of \$50 million (\$30.9 million after-tax or \$1.03 per share) related to the note payable and charged in the first quarter of 1999. After giving effect to this charge the Company had a net loss of \$0.33 per share

Table V

UNAUDITED CONSOLIDATED CONDENSED PRO FORMA STATEMENT OF INCOME
For the Three Months Ended June 30, 1998

(in thousands, except per share data)

	Actual	Pro Forma Adjustments	Pro Forma Consolidated
Revenues	\$ 36,031		\$ 36,031
Expenses	\$ 20,217	260 (a)	\$ 20,477
Operating Income	\$ 15,814	(260)	\$ 15,554
Other income (loss), net	\$ 14,784	\$ (16,963) (b)	\$ (2,179)
Income before management fee, income taxes and minority interest	\$ 30,598	\$ (17,223)	\$ 13,375
Management fee.	\$ 2,624	\$ (1,287) (c)	\$ 1,337
Income before income taxes and minority interest	\$ 27,974	\$ (15,936)	\$ 12,038
Income taxes.	\$ 970	\$ 3,801 (d)	\$ 4,771
Minority interest	\$ 247		\$ 247
Net income.	\$ 26,757	\$ (19,737)	\$ 7,020
Pro forma net income per share:			
Basic and diluted			\$.23
Pro forma weighted average shares outstanding:			
Basic and diluted			\$ 30,000

Notes to Pro Forma Adjustments:

- a. To reflect reallocation of expenses to new parent company.
- b. To reflect effect on income and expenses of distribution of assets and liabilities and reflect interest on \$50 million note payable.
- c. To reflect change in management fee from 20% to 10%.
- d. "C" Corporation for Federal and state income tax purposes and tax effects of pro forma adjustments.