

NOTES ON NON-GAAP FINANCIAL MEASURES

A.

	<u>9/30/09</u>	<u>12/31/08</u>	<u>9/30/08</u>
Cash and cash equivalents	463.4	\$ 338.3	\$ 165.1
Investments (trading)	135.3	209.5	328.8
Total cash and investments (trading)	598.7	547.8	493.9
Net amounts receivable from/(payable to) brokers	12.0	14.6	35.4
Adjusted cash and investments (trading)	610.7	562.4	529.3
Investments (available for sale)	91.5	76.1	116.9
Total adjusted cash and investments	<u>\$ 702.2</u>	<u>\$ 638.5</u>	<u>\$ 646.2</u>

We believe adjusted cash and investments is a more useful measure of the company's liquidity for analytical purposes.

Net amounts receivable from/(payable to) brokers reflect cash and cash equivalents held with brokers and cash payable for securities purchased and recorded on a trade date basis for which settlement occurs subsequent to period-end.

- B. Operating income before management fee expense is used by management for purposes of evaluating its business operations. We believe this measure is useful in illustrating the operating results of GAMCO Investors, Inc. (the "Company") as management fee expense is based on pre-tax income before management fee expense, which includes non-operating items including investment gains and losses from the Company's proprietary investment portfolio and interest expense. The reconciliation of operating income before management fee expense to operating income is provided in Table VI.