



Gabelli Asset Management

For Immediate Release:

Contact: Robert S. Zuccaro
Chief Financial Officer
(914) 921-5146

For further information visit our
Website at: www.gabelli.com

Gabelli Reports Record Revenues and Earnings For The First Quarter of 2001

Fully diluted earnings rose to \$0.50 per share in First Quarter 2001 versus \$0.47 per share in prior year

Rye, New York, April 24, 2001 – Gabelli Asset Management Inc. (NYSE: “GBL”) today reported record results for the first quarter ended March 31, 2001.

Total revenues rose to a record \$58.3 million versus \$57.8 million in the first quarter of 2000. Operating income increased 6% to \$26.8 million from \$25.4 million in the prior year as GBL’s operating margins improved to 46% in the first quarter of 2001 versus 44% in the first quarter of 2000. Fully diluted earnings rose 6.4% to a record \$0.50 per share for the first quarter of 2001 versus \$0.47 per share in 2000.

Growth Drivers

Revenue and earnings growth were largely driven by the growth in assets under management. During the first quarter of 2001, assets under management averaged \$24.2 billion versus \$22.2 billion in the first quarter of 2000. Average assets in our open-end equity mutual funds were \$9.0 billion for the first quarter of 2001 versus \$8.8 billion in the comparable 2000 quarter. At March 31, 2001, total assets under management were \$23.7 billion.

Mario J. Gabelli, Chairman and Chief Executive Officer, said: “Our well balanced, actively-managed and diversified equity product offerings continued to provide mutual fund, institutional and high net worth investors with superior relative performance during a quarter marked by sharp declines and excessive volatility among virtually all equity sectors. Our growth in managed assets during this uncertain period is a reminder of the benefits of actively-managed portfolios as more investors sought advisors with superior long-term risk-adjusted performance in value, growth and global products.”

GBL’s improved operating margins are the result of our company wide efforts to aggressively reduce costs and thereby lower the overall operating cost structure of the firm. These benefits from cost reductions are expected to help fund strategic infrastructure building and expand our Alternative Investments Group, an opportunity we believe presents significant growth potential.

While stock market volatility may continue to influence short-term results, we believe the long-term prospects for our industry and our company remain solidly positive.

Highlights for the Quarter

- Assets under management in our twenty-eight open-end and four closed-end mutual funds totaled \$11.7 billion on March 31, 2001 versus \$12.4 billion on March 31, 2000, and \$12.1 billion at year end 2000. Net fund inflows into Gabelli mutual funds during the first quarter 2001 were \$623 million, 19% higher than fund inflows in the first quarter 2000. The sharp decline in the equity market during the March 2001 quarter resulted in a small decline in total mutual fund assets. Despite unfavorable stock market conditions, Gabelli mutual funds continue to be recognized for their relative performance.
- In the January 29 issue seven Gabelli mutual funds were included on Business Week's "A" list for delivering the best risk-adjusted total returns over the last five years.
- Six Gabelli funds, representing nearly 50% of total rated fund assets, received Morningstar Inc.'s coveted "Five Star" rating. Combined, more than 97% of assets in rated funds were either "Four" or "Five" star rated.
- The Gabelli Blue Chip Value Fund, managed by Barbara Marcin, CFA, was ranked the #1 fund in its category for the one-year period through March 15th by Lipper, Inc. She was profiled in an interview in the April 23rd issue of Barron's titled "Blue Light Specialist."
- Net cash inflows into our institutional and high net worth GAMCO (Gabelli Asset Management Company) accounts were a record \$862 million in the first quarter 2001. Assets managed by GAMCO were \$11.5 billion on March 31, 2001 versus \$10.3 billion at March 31, 2000, and \$11.0 billion at year-end 2000.
- Our Alternative Investment Group is benefiting from strong marketing efforts, led by Marc Gabelli, in response to demand from the firm's traditional high net worth individual client base, and growing demand from both U.S. and international institutions.

Operating Results

Operating margins improved by consistently holding general cost increases below revenue growth. Other income was \$1.1 million in the March 2001 quarter, \$1.0 million lower than the first quarter of 2000, as investment income from our proprietary portfolios was crimped by the adverse equity market. The effective tax rate in 2001 declined to 38.6% from 39.6% in the prior year.

The company continued its share repurchase program during the first quarter 2001 by acquiring 30,000 shares of GBL Class A common stock for approximately \$0.9 million. This brings the total number of shares repurchased to 510,900. On March 2, 2001 the company announced that its Board of Directors had authorized the repurchase of an additional \$3.0 million of GBL shares.

Gabelli Asset Management continues to maintain a strong and liquid balance sheet. March 31, 2001 assets include cash and investments of \$283 million compared to \$260 million at December 31, 2000 and \$223 million on March 31 a year ago. GBL's outstanding debt of \$50 million, payable in January 2002, will be tax deductible when repaid at maturity reducing the overall cash outlay to \$30.9 million. Recently, GBL obtained an investment grade credit rating from Standard & Poor's, which will provide us with flexibility in pursuing business opportunities.

Assets Under Management – Driver of Growth

The Company reported Assets Under Management as follows:

Table I:

	March 31,		%
	2000	2001	
	(in millions)		
Mutual Funds			
Open end	\$ 9,282	\$ 8,321	(10.4%)
Closed end	1,955	1,746	(10.7)
Fixed income	<u>1,188</u>	<u>1,614</u>	35.9
Total Mutual Funds	<u>12,425</u>	<u>11,681</u>	(6.0)
Institutional & Separate Accounts			
Equities	9,479	10,651	12.4
Fixed income	<u>815</u>	<u>864</u>	6.0
Total Institutional & Separate Accounts	<u>10,294</u>	<u>11,515</u>	11.9
Partnerships	<u>278</u>	<u>473</u>	70.1
Total Assets Under Management	<u>\$ 22,997</u>	<u>\$ 23,669</u>	2.9%

At March 31, 2001, approximately 97% of rated open-end mutual funds' assets under management were in funds with Morningstar Inc.'s overall rankings of "Four stars" or better. The Gabelli Asset Fund, the Gabelli Global Growth Fund, the Gabelli Global Telecommunications Fund, the Gabelli Value Fund and the Gabelli Westwood Equity Fund all received the coveted "Five star" rating from Morningstar, Inc. In addition, the Gabelli Global Multimedia Trust, a closed end fund, also received a "Five star" rating from Morningstar, Inc.

Table II:

Fund Flows – 1st Quarter 2001 (in millions)

	December 312000	Net Cash Flows	Market Appreciation / (Depreciation)	March 31, 2001
Mutual Funds:				
Equities	\$ 10,680	\$ 455	\$ (1,068)	\$ 10,067
Fixed Income	<u>1,433</u>	<u>168</u>	<u>13</u>	<u>1,614</u>
Total Mutual Funds	<u>12,113</u>	<u>623</u>	<u>(1,055)</u>	<u>11,681</u>
Institutional and Separate Accounts				
Equities	10,142	867	(358)	10,651
Fixed Income	<u>859</u>	<u>(5)</u>	<u>10</u>	<u>864</u>
Total Institutional and Separate Accounts	<u>11,001</u>	<u>862</u>	<u>(348)</u>	<u>11,515</u>
Partnerships	<u>437</u>	<u>35</u>	<u>1</u>	<u>473</u>
Total Assets Under Management	<u>\$ 23,551</u>	<u>\$ 1,520</u>	<u>\$ (1,402)</u>	<u>\$ 23,669</u>

Table III:

Assets Under Management (in millions)

	3/00	6/00	9/00	12/00	3/01	% Increase/(decrease)	
						12/00	3/00
Mutual Funds							
Open end	\$ 9,282	\$ 9,517	\$ 9,685	\$ 8,971	\$ 8,321	(7.2%)	(10.4%)
Closed end	1,955	1,863	1,860	1,709	1,746	2.2	(10.7)
Fixed income	<u>1,188</u>	<u>1,225</u>	<u>1,307</u>	<u>1,433</u>	<u>1,614</u>	12.6	35.9
Total Mutual Funds	<u>12,425</u>	<u>12,605</u>	<u>12,852</u>	<u>12,113</u>	<u>11,681</u>	(3.6)	(6.0)
Institutional & Separate Accounts:							
Equities	9,479	9,630	9,788	10,142	10,651	5.0	12.4
Fixed Income	<u>815</u>	<u>688</u>	<u>752</u>	<u>859</u>	<u>864</u>	0.6	6.0
Total Institutional & Separate Accounts	<u>10,294</u>	<u>10,318</u>	<u>10,540</u>	<u>11,001</u>	<u>11,515</u>	4.7	11.9
Partnerships	<u>278</u>	<u>344</u>	<u>416</u>	<u>437</u>	<u>473</u>	8.2	70.1
Total Assets Under Management	<u>\$ 22,997</u>	<u>\$ 23,267</u>	<u>\$ 23,808</u>	<u>\$ 23,551</u>	<u>\$ 23,669</u>	0.5%	2.9%

Table IV

GABELLI ASSET MANAGEMENT INC.
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

	For the Three Months Ended March 31,		
	<u>2000</u>	<u>2001</u>	<u>% Inc. (dec.)</u>
Revenues.....	\$ 57,773	\$ 58,344	1.0
Expenses.....	<u>32,391</u>	<u>31,550</u>	(2.6)
Operating income.....	25,382	26,794	5.6
Other income, net	<u>2,111</u>	<u>1,136</u>	(46.2)
Income before management fee, income taxes and minority interest.....	27,493	27,930	1.6
Management fee.....	<u>2,749</u>	<u>2,793</u>	
Income before income taxes and minority interest	24,744	25,137	1.6
Income tax provision.....	9,799	9,703	
Minority interest.....	<u>949</u>	<u>538</u>	
Net income.....	\$ <u>13,996</u>	\$ <u>14,896</u>	6.4
Net income per share:			
Basic.....	\$ <u>.47</u>	\$ <u>.50</u>	
Diluted.....	\$ <u>.47</u>	\$ <u>.50</u>	6.4
Weighted average shares outstanding:			
Basic	<u>29,643</u>	<u>29,507</u>	
Diluted.....	<u>29,643</u>	<u>30,041</u>	

Table V

Gabelli Asset Management Inc.
Unaudited Quarterly Consolidated Condensed Statements of Income
(in thousands, except per share data)

	2000				Total	2001
	1st	2nd	3rd	4th		1st
	Quarter	Quarter	Quarter	Quarter		Quarter
Income Statement Data:						
Revenues	\$ 57,773	\$ 57,120	\$ 59,164	\$ 59,861	\$ 233,918	\$ 58,344
Expenses	<u>32,391</u>	<u>32,195</u>	<u>34,709</u>	<u>34,413</u>	<u>133,708</u>	<u>31,550</u>
Operating income	25,382	24,925	24,455	25,448	100,210	26,794
Other income, net	<u>2,111</u>	<u>2,898</u>	<u>3,987</u>	<u>3,751</u>	<u>12,747</u>	<u>1,136</u>
Income before management fee, income taxes and minority interest	27,493	27,823	28,442	29,199	112,957	27,930
Management fee	<u>2,749</u>	<u>2,783</u>	<u>2,844</u>	<u>2,920</u>	<u>11,296</u>	<u>2,793</u>
Income before income taxes and minority interest	24,744	25,040	25,598	26,279	101,661	25,137
Income taxes	9,799	9,916	10,137	10,405	40,257	9,703
Minority interest	<u>949</u>	<u>870</u>	<u>971</u>	<u>619</u>	<u>3,409</u>	<u>538</u>
Net income	<u>\$ 13,996</u>	<u>\$ 14,254</u>	<u>\$ 14,490</u>	<u>\$ 15,255</u>	<u>\$ 57,995</u>	<u>\$ 14,896</u>
Net income per share:						
Basic	<u>\$ 0.47</u>	<u>\$ 0.48</u>	<u>\$ 0.49</u>	<u>\$ 0.52</u>	<u>\$ 1.96</u>	<u>\$ 0.50</u>
Diluted	<u>\$ 0.47</u>	<u>\$ 0.48</u>	<u>\$ 0.48</u>	<u>\$ 0.51</u>	<u>\$ 1.94</u>	<u>\$ 0.50</u>
Weighted average shares outstanding:						
Basic	<u>29,643</u>	<u>29,589</u>	<u>29,547</u>	<u>29,522</u>	<u>29,575</u>	<u>29,507</u>
Diluted	<u>29,643</u>	<u>29,877</u>	<u>29,969</u>	<u>30,043</u>	<u>29,914</u>	<u>30,041</u>

Table VI

GABELLI ASSET MANAGEMENT INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(In thousands)

	December 31,	March 31,	
	<u>2000</u>	<u>2000</u>	<u>2001</u>
ASSETS	(unaudited)		
Cash and cash equivalents.....	\$ 146,475	\$ 121,095	\$ 105,698
Investments.....	113,159	101,635	177,739
Receivables.....	32,490	23,942	29,746
Deferred income taxes, net.....	19,382	16,887	19,382
Other assets.....	<u>6,298</u>	<u>6,032</u>	<u>6,127</u>
Total assets.....	<u>\$ 317,804</u>	<u>\$ 269,591</u>	<u>\$ 338,692</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Debt(a).....	\$ 50,000	\$ 50,000	\$ 50,000
Accrued expenses and other liabilities.....	<u>47,756</u>	<u>44,032</u>	<u>54,102</u>
Total liabilities.....	97,756	94,032	104,102
Minority interest.....	17,851	15,749	18,351
Stockholders' equity.....	<u>202,197</u>	<u>159,810</u>	<u>216,239</u>
Total liabilities and stockholders' equity.....	<u>\$ 317,804</u>	<u>\$ 269,591</u>	<u>\$ 338,692</u>

(a) This debt, arising from the Formation Transactions, is due January 2, 2002, and will result in a tax benefit of \$19,830 (included in deferred income taxes, net).

Gabelli Asset Management Inc. through its subsidiaries manages \$23.7 billion in assets in mutual funds, closed end funds, partnerships and private investment advisory accounts.

Forward Looking Information

This release may contain forward-looking statements about future operations, results and performance, which involve risks and uncertainties that may cause the actual operations, results or performance to differ materially from those expressed in or implied by the forward-looking statements. These risks and uncertainties include the performance of the securities markets and the Company's investment products, future economic conditions, changes in business strategy and other factors. Consequently, no assurance can be given as to future operations, results or performance, and neither the Company nor any other person assumes liability for the accuracy and completeness of the forward-looking statements in this press release.