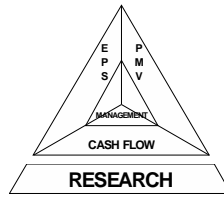


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3rd Quarter 2010 Fully Diluted Earnings of \$0.73 Per Share versus \$0.53 Per Share for 3rd Quarter 2009

AUM at September 30, 2010 were \$29.5 billion up over 20% from a year ago and 13% above June 30, 2010

Operating Income before management fee for the Third Quarter up 18%

Rye, New York, November 8, 2010 – GAMCO Investors, Inc. (GAMCO) (NYSE: GBL) announced third quarter 2010 earnings of \$0.73 per fully diluted share versus \$0.53 per fully diluted share in the third quarter 2009. Net income was \$20.1 million in the third quarter of 2010 compared to \$14.7 million in the third quarter of 2009. Assets Under Management (AUM) were \$29.5 billion as of September 30, 2010, 20.6% higher than September 30, 2009 AUM of \$24.5 billion and 13.2% above the June 30, 2010 AUM of \$26.1 billion.

For the nine months ended September 30, 2010, earnings were \$1.53 per fully diluted share versus \$1.32 per fully diluted share for the comparable period in 2009. Net income was \$41.9 million for the nine months ended September 30, 2010 compared to \$36.2 million in the prior year's period.

Revenues increased 21.1% to \$62.4 million in the third quarter of 2010 from \$51.6 million a year ago. Operating income before management fee was \$23.0 million in the 2010 third quarter, up 18.2% from \$19.5 million in the 2009 third quarter.

The Company had adjusted cash and investments of \$461.6 million or \$16.93 per share (net of \$159 million of debt as well as noncontrolling interests and mandatorily redeemable interests) at September 30, 2010. Book value was \$441.1 million or \$16.18 per share at September 30, 2010 excluding noncontrolling interests of \$3.4 million.

The third quarter 2010 was highlighted by positive net AUM flows of \$544 million, including inflows of \$281 million in open-end equity funds.

Assets Under Management – Up 20.6% from September 30, 2009 and 13.2% above June 30, 2010

Assets Under Management (AUM) were \$29.5 billion as of September 30, 2010, 20.6% greater than September 30, 2009 AUM of \$24.5 billion and 13.2% above the June 30, 2010 AUM of \$26.1 billion. Equity AUM were \$27.9 billion on September 30, 2010, 22.0% above the \$22.8 billion on September 30, 2009 and 13.8% above the June 30, 2010 equity AUM of \$24.5 billion. Highlights are as follows:

- Our open-end equity funds AUM were \$10.0 billion on September 30, 2010, 26.0% higher than the \$7.9 billion on September 30, 2009 and 14.7% above the \$8.7 billion on June 30, 2010. During the third quarter of 2010, we experienced net inflows of \$281 million.
- Our institutional and private wealth management business ended the quarter with \$12.4 billion in separately managed accounts, up 20.4% from the \$10.3 billion on September 30, 2009 and 13.8% higher than the June 30, 2010 level of \$10.9 billion.
- Our closed-end funds had AUM of \$5.0 billion on September 30, 2010, climbing 15.2% from the \$4.4 billion on September 30, 2009 and increasing 12.6% from the \$4.5 billion on June 30, 2010. During the third quarter of 2010, we added \$111 million through the “at the market” issuances.
- Our investment partnerships AUM were \$466 million on September 30, 2010 versus \$291 million on September 30, 2009 and \$406 million on June 30, 2010. During the third quarter of 2010, we had net inflows of \$40 million.
- AUM in The Gabelli U.S. Treasury Money Market Fund, our 100% U.S. Treasury money market fund, ranked #2 by Lipper based on total return among 69 U.S. Treasury Money Market Funds for the twelve month period ended September 30, 2010, was essentially flat at \$1.6 billion at September 30, 2010 compared with \$1.6 billion at both June 30, 2010 and September 30, 2009.
- We earn base fees and incentive fees for certain institutional client assets, assets attributable to preferred issues for our closed-end funds, our Gabelli Global Deal Fund (NYSE: GDL) and investment partnership assets. As of September 30, 2010, assets with incentive based fees were \$3.0 billion, 11.1% higher than the \$2.7 billion on September 30, 2009 and 7.1% above the \$2.8 billion on June 30, 2010. In general most of these relationships have year-end measurement periods, therefore our incentive fees are booked in the fourth quarter when the uncertainty is removed at the end of the annual measurement period. Incentive fees recorded in the fourth quarter of 2009 and 2008 contributed \$0.26 per share and \$0.01 per share, respectively, after estimated direct costs and taxes. Unearned performance fees relating solely to the first

nine months of 2010 are estimated at \$0.18 per share after estimated costs and taxes and, if earned, would be recorded in the fourth quarter.

The Gabelli U.S. Treasury Money Market Fund ranked #5 out of 69 funds for the first nine months of 2010, #2 out of 69 funds for the one-year period, #2 out of 63 funds for the five-year period and #2 out of 45 funds for the ten-year period. The rankings are based on total return over the length of the period. *Past performance is not indicative of future results. Investment returns and yield will fluctuate. Income will be subject to federal income tax. An investment in the Fund is not guaranteed nor insured by the Federal Deposit Insurance Corporation or any government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund. During the respective periods, the Adviser has waived certain fees and reimbursed expenses. Without such reimbursements or waivers, return and rankings would have been lower.*

Investors should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. The prospectus, which contains more complete information about this and other matters, should be read carefully before investing. You can obtain a prospectus by calling Gabelli & Company, Inc. at 1-800-GABELLI (1-800-422-3554), or by visiting <http://www.gabelli.com>. Distributed by Gabelli & Company, Inc. One Corporate Center, Rye, NY 10580

Revenues

For the Quarter

Investment advisory and incentive fees for the third quarter 2010 were \$50.2 million, an increase of 22.7% from the \$41.0 million in the 2009 third quarter:

- Open-end fund revenues were \$23.9 million versus \$19.1 million in third quarter 2009, an increase of 25.1% primarily due to higher average AUM.
- Our closed-end fund revenues rose 22.4% to \$9.3 million in the third quarter 2010 from \$7.6 million in 2009.
- Institutional and private wealth management account revenues, which are based primarily upon beginning of quarter AUM, increased 19.0% to \$16.3 million from \$13.7 million in third quarter 2009.
- Investment partnership revenues were \$0.7 million, an increase of 40% from the \$0.5 million in 2009.

Our institutional research services generated revenues of \$4.0 million in the third quarter 2010, decreasing 12.7% from \$4.6 million in the third quarter 2009.

Open-end fund distribution fees and other income were \$8.2 million for the third quarter 2010, an increase of \$2.2 million or 35.6% from the prior year quarter of \$6.0

million traceable to higher quarterly average assets in our open-end equity funds that generate such fees and an increased level of sales of load shares of mutual funds.

For the Nine months

Investment advisory and incentive fees for the nine months ended September 30, 2010 were \$149.9 million, an increase of 33.6% from \$112.1 million in the 2009 period:

- Open-end fund revenues were \$69.2 million for the nine months ended September 30, 2010 versus \$51.7 million for the nine months ended September 30, 2009, an increase of 33.8% primarily due to higher average AUM.
- Our closed-end fund revenues rose 35.0% to \$27.0 million for the nine months ended September 30, 2010 from \$20.0 million in 2009 on higher average AUM.
- Institutional and private wealth management account revenues, which are based primarily upon prior quarter-end AUM, increased 32.1% to \$51.4 million for the nine months ended September 30, 2010 from \$38.9 million for the nine months ended September 30, 2009.
- Investment partnership revenues were \$2.2 million, an increase of \$0.7 million or 46.7% from \$1.5 million in 2009.

Institutional research services revenues were \$12.0 million for the nine months ended September 30, 2010, decreasing 1.9% from the nine months ended September 30, 2009 amount of \$12.2.

Open-end fund distribution fees and other income were \$23.1 million for the nine months ended September 30, 2010, an increase of \$7.3 million or 46.5% from the prior year nine month period of \$15.8 million. The main driver of this increase was higher average assets in our open-end equity funds that generate distribution fees and an increased level of sales of load shares of mutual funds.

Operating Income and Margin

Operating income before management fee was \$23.0 million in the third quarter 2010, increasing \$3.5 million from the third quarter 2009 amount of \$19.5 million, or 18.2%. For the third quarter 2010, the operating margin before management fee decreased to 36.9%, versus 37.8% in the third quarter of 2009.

Operating income before management fee was \$68.8 million for the nine months ended September 30, 2010, increasing \$21.5 million from the 2009 amount of \$47.3 million, or 45.5%. For the nine months ended September 30, 2010, the operating margin before management fee increased to 37.2%, versus 33.8% in the 2009 period due to the substantial increase in revenues while certain costs are fixed.

Other Income / (Expense)

Other income/(expense) (net of interest expense) was \$12.6 million in the third quarter 2010 versus \$7.0 million in the prior year's third quarter.

Other income/(expense) (net of interest expense) was \$5.3 million in the first nine months of 2010 versus \$15.7 million in the prior year's period.

Income Taxes

The effective tax rate for the third quarter 2010 was 36.4%, compared to the 2009 third quarter's effective rate of 37.4%.

The effective tax rate for the nine months ended September 30, 2010 was 36.5%, compared to the prior year's effective rate of 35.3%. The prior period's rate included a reduction to prior period income tax reserves.

Investment Highlights

- Mutual fund performance continued to be solid during the third quarter as highlighted in J.P.Morgan's August 16th report on publicly traded U.S. Asset Managers that listed GAMCO Investors, Inc. with the highest percentage of 4 & 5 star funds rated by Morningstar in terms of weighted average AUM at 87.4%

Business Highlights

- GAMCO Strategic Value Fund, a Luxembourg SICAV was launched in accordance with the UCITS III regime. This launch allows us to reach both institutional and retail investors throughout the world.
- On July 1, 2010, the Gabelli Green Long/Short Fund, L.P., that is managed by John Segrich, CFA, was launched. The fund is focused on investing in companies whose products or services address the issue of sustainability.
- Robert D. Leininger, CFA joined GAMCO as Portfolio Manager of the Gabelli Dividend and Income Trust Inc. This is GAMCO's largest closed-end fund with \$1.8 billion in assets. Mr. Leininger is a magna cum laude graduate of Amherst College with a degree in Economics and holds an MBA from the Wharton School at the University of Pennsylvania. He was on the research team at GAMCO from 1993 to 1997.
- Howard Ward, team leader of the GAMCO Growth strategy and the portfolio manager of The GAMCO Growth Fund (GABGX) since 1994, has made numerous on-air appearances and has been quoted in several articles, including CNBC, FOX Business, The Wall Street Journal, Reuters and Bloomberg.com.

- Zahid Siddique was added as Associate Portfolio Manager of the Gabelli Equity Trust Inc., GAMCO's first closed-end fund, launched on August 21, 1986. Mr. Siddique received a B.A. in Mathematics from Hamilton College and a B.S. in Industrial Engineering from Columbia University, where he was recognized by the National Industrial Engineering Honor Society. He holds an MBA from Columbia University Graduate School of Business.
- In September, Gabelli & Company, Inc., our Institutional Research services subsidiary, held its 16th Annual Aircraft Supplier Conference featuring management presentations from several leading aerospace and defense companies, with an emphasis on industry dynamics, new technologies, and company fundamentals.
- In August, the Gabelli Healthcare & Wellness^{Rx} Trust (NYSE: GRX) completed an offering of 5.76% Series A Cumulative Preferred Shares valued at \$30 million. The 5.76% Series A Cumulative Preferred Shares are rated "AAA" by Standard & Poor's Ratings Services, are perpetual, non-callable for five years and were issued at \$25 per share.
- During the fourth quarter, Gabelli & Company, Inc. has several conferences scheduled, including our 34th annual Automotive Aftermarket Symposium, 4th annual Water Investment Summit and our 3rd annual Best Ideas Conference.
- As an update to the spin-off of Teton Advisors that we completed last March, Teton as of September 30, 2010 had AUM of \$667 million, and the class A common stock, which trades under the symbol, TETAA, closed at \$9.00.
- We are starting up a new broker-dealer, to be headed by Agnes Mullady, which will distribute the Company's open-end funds.
- During the quarter, we completed the integration of the Florida-based NMF Asset Management LLC accounts, run by Nola Falcone, the former President of Evergreen Asset Management and former portfolio manager of a 5-star-rated Small Cap Fund.

Financial Highlights

Redemption of Convertible Notes

In September, we redeemed all of the 6% convertible notes due August 2011. Also, on September 30, 2010, Cascade, the holder, exercised the put option on the \$60 million 6.5% convertible note with respect to the entire \$60 million. Subsequently, on October 13, 2010, the Company paid \$60.1 million of principal and accrued but unpaid interest to Cascade. As a result, our only outstanding debt after October 13, 2010 is \$99 million of the 5.5% senior notes due May 2013.

Statement of Financial Condition – Liquidity and Flexibility

We ended the quarter with approximately \$641 million in cash and investments versus \$646 million at June 30, 2010. This included approximately \$131.8 million invested in our new SICAV, The Gabelli Dividend & Income Trust, The Gabelli Global Deal Fund and Westwood Holdings Group, as well as other investments of \$12.1 million, all classified as available for sale securities. After adjusting for the redemption of all convertible notes on October 13, 2010, our cash and investments was \$581 million.

We had adjusted cash and investments in securities, net of debt, noncontrolling interests and mandatorily redeemable shares, of \$16.93 per share on September 30, 2010 compared with \$16.62 per share on June 30, 2010. We caution that this metric, while correct from an accounting point of view, is not always the same as investors would view cash-on-hand.

Our liquid balance sheet provides access to financial markets and the flexibility to opportunistically add operating resources to our firm, repurchase our stock and consider strategic initiatives, including acquisitions and lift-outs. We have a BBB rating from Standard & Poor's and a Baa3 rating from Moody's.

The Company's shelf registration provides GAMCO with the flexibility of issuing any combination of senior and subordinate debt securities, convertible debt securities and common and preferred securities up to a total amount of \$400 million.

Book value was \$441.1 million or \$16.18 per share on September 30, 2010 compared to \$442.1 million or \$16.21 per share on June 30, 2010.

Shareholder Compensation

Dividends

On August 3, 2010, our Board of Directors declared a special dividend of \$0.90 per share to all of its Class A and Class B shareholders, payable on September 14, 2010 to shareholders of record on August 31, 2010 and a quarterly dividend of \$0.03 per share to all of its Class A and Class B shareholders, payable on September 28, 2010 to shareholders of record on September 14, 2010. We returned \$25.3 million and \$0.8 million in dividends during the third quarter of 2010 and 2009, respectively. For the nine months ended September 30, we returned \$27.0 million and \$2.8 million in 2010 and 2009, respectively.

GAMCO announced that on November 5, 2010 its Board of Directors approved a special dividend of \$0.80 per share in cash and \$3.20 of principal per share in the form of a debenture. The debenture is expected to be a five-year, zero coupon bond. This special dividend will be declared and paid in 2010. Further details will be announced in the future.

The Board also declared a quarterly dividend of \$0.03 per share to all of its Class A and Class B shareholders, payable on December 28, 2010 to shareholders of record on December 14, 2010.

During 2010, the Company began its second decade as a public company. While we generally like to look forward, we wanted to provide some current information with comparative information from 10 years ago.

GAMCO INVESTORS, INC.

| | Last 10 Years | |
|---------------------------|--------------------------|----------------------------|
| | <u>9/30/2000</u> | <u>9/30/2010</u> |
| Dow Jones | 10,651 | 10,788 |
| S&P 500 | 1,437 | 1,141 |
| NASDAQ | 3,673 | 2,369 |
| Russell 2000 | 521 | 676 |
| MSCI EAFE | 1,539 | 1,561 |
| <u>GAMCO (GBL)</u> | | |
| Stock Price w/o DIV | \$ 25.13 | \$ 38.53 |
| Stock Price w/ DIV | 25.13 | 47.17 |
| AUM (in millions) | \$ 23,808 | \$ 29,521 |
| # of Offices | 3 | 10 |
| # of Teammates | 162 | 206 |
| Analysts | 17 | 35 |
| PMs | 10 | 17 |
| Returned to Owners: | | |
| - Dividends per share | \$ - | \$ 8.24 |
| - Stock repurchase | \$ 7,897,682 | \$ 265,634,075 (since IPO) |
| - Teton Spin-off/share | \$ - | \$ 0.40 |

Share Repurchase and Stockholders' Equity

From July 1, 2010 to November 5, 2010, the Company repurchased 13,500 of the Company's shares at an average investment of \$36.01 per share.

Since our IPO of six million shares at a price of \$17.50 per share in 1999, we have repurchased 6,633,283 shares at an average price of \$40.05 per share for an investment of \$266 million and paid cumulative dividends of \$231.2 million or \$8.24 per share.

Shares outstanding on September 30, 2010 were 27.3 million, unchanged from June 30, 2010 and 1.1% below the 27.6 million shares outstanding on September 30, 2009. The decline in the outstanding shares from September 2009 to September 2010 primarily reflects open market repurchases. Fully diluted shares outstanding for the third quarter of 2010 were 27.3 million, 0.7% lower than the third quarter 2009's level of 27.5 million and 0.4% higher than the second quarter 2010's level of 27.2 million.

At September 30, 2010, the Company had 439,900 shares of restricted stock (RSAs) outstanding. Of these, approximately 95,000 will vest in the fourth quarter of this year.

NOTES ON NON-GAAP FINANCIAL MEASURES

A.

(in millions, except per share data)

| | <u>9/30/10</u> | <u>12/31/09</u> | <u>9/30/09</u> |
|--|-----------------|-----------------|-----------------|
| Cash and cash equivalents | \$ 244.1 | \$ 400.5 | \$ 463.4 |
| Investments (trading) | 195.2 | 113.8 | 135.3 |
| Total cash and investments (trading) | 439.3 | 514.3 | 598.7 |
| Net amounts receivable from/(payable to) brokers | 58.1 | 29.7 | 12.0 |
| Adjusted cash and investments (trading) | 497.4 | 544.0 | 610.7 |
| Investments (available for sale) | 143.9 | 96.7 | 91.5 |
| Gross adjusted cash and investments | 641.3 | 640.7 | 702.2 |
| Less: Debt, noncontrolling interests and mandatorily redeemable shares | 179.7 | 206.0 | 205.8 |
| Total adjusted cash and investments | <u>\$ 461.6</u> | <u>\$ 434.7</u> | <u>\$ 496.4</u> |
| Shares outstanding | 27.3 | 27.6 | 27.6 |
| Total adjusted cash and investments per share | <u>\$ 16.93</u> | <u>\$ 15.75</u> | <u>\$ 17.97</u> |

We believe adjusted cash and investments is a 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 VII.

C. Incentive fees per share

| (in thousands, except per share data) | Third Quarter 2010 (unearned) | Third Quarter 2009 | Fourth Quarter 2009 | Fourth Quarter 2008 |
|---------------------------------------|--|-------------------------------|--------------------------------|--------------------------------|
| Performance fee revenue | \$ 15,250 | \$ - | \$ 20,989 | \$ 743 |
| Related expenses and taxes | 10,242 | - | 13,410 | 488 |
| Net income | <u>\$ 5,008</u> | <u>\$ -</u> | <u>\$ 7,579</u> | <u>\$ 255</u> |
| EPS | <u>\$ 0.18</u> | <u>\$ -</u> | <u>\$ 0.26</u> | <u>\$ 0.01</u> |

- D. Operating income before management fee expense per share and other income, net per share is used by management for purposes of evaluating its business operations. We believe this measure is useful in comparing the operating and non-operating results of the Company for the purposes of understanding the composition of net income per fully diluted share. The reconciliation of operating income before management fee expense per share and other income, net per share to net income per fully diluted share is provided below.

| | 3rd Quarter | | YTD September | |
|--|-------------|-----------|---------------|-----------|
| | 2010 | 2009 | 2010 | 2009 |
| Operating income before management fee | \$ 23,049 | \$ 19,498 | \$ 68,827 | \$ 47,314 |
| Management fee expense | (2,305) | (1,942) | (6,870) | (4,722) |
| Tax expense | (7,542) | (6,569) | (22,628) | (15,045) |
| Noncontrolling interest (expense)/income | 114 | (16) | 157 | 54 |
| Operating income (after management fee and taxes) | 13,316 | 10,971 | 39,486 | 27,601 |
| per fully diluted share | \$ 0.47 | \$ 0.40 | \$ 1.42 | \$ 1.01 |
| Other income, net | \$ 12,633 | \$ 6,961 | \$ 5,274 | \$ 15,693 |
| Management fee expense | (1,235) | (696) | (498) | (1,569) |
| Tax expense | (4,144) | (2,344) | (1,753) | (4,989) |
| Noncontrolling interest expense | (464) | (241) | (628) | (557) |
| Other income, net (after management fee and taxes) | \$ 6,790 | \$ 3,680 | \$ 2,395 | \$ 8,578 |
| Add back interest on convertible notes | \$ 1,275 | \$ - | \$ 1,400 | \$ - |
| Management fee expense | (128) | - | (140) | - |
| Tax expense | (427) | - | (469) | - |
| Net income attributable to interest add back | 720 | - | 791 | - |
| per fully diluted share | \$ 0.26 | \$ 0.13 | \$ 0.11 | \$ 0.31 |
| Net income per fully diluted share | \$ 0.73 | \$ 0.53 | \$ 1.53 | \$ 1.32 |

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

Our disclosure and analysis in this press release contain some forward-looking statements. Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements because they do not relate strictly to historical or current facts. They use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” and other words and terms of similar meaning. They also appear in any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance of our products, expenses, the outcome of any legal proceedings, and financial results. Although we believe that we are basing our expectations and beliefs on reasonable assumptions within the bounds of what we currently know about our business and operations, there can be no assurance that our actual results will not differ materially from what we expect or believe. Some of the factors that could cause our actual results to differ from our expectations or beliefs include, without limitation: the adverse effect from a decline in the securities markets; a decline in the performance of our products; a general downturn in the economy; changes in government policy or regulation; changes in our ability to attract or retain key employees; and unforeseen costs and other effects related to legal proceedings or investigations of governmental and self-regulatory organizations. We also direct your attention to any more specific discussions of risk contained in our Form 10-K and other public filings. We are providing these statements as permitted by the Private Litigation Reform Act of 1995. We do not undertake to update publicly any forward-looking statements if we subsequently learn that we are unlikely to achieve our expectations or if we receive any additional information relating to the subject matters of our forward-looking statements.

The Company reported Assets Under Management as follows (in millions):

Table I: Fund Flows - 3rd Quarter 2010

| | Closed-end Fund | | | | September 30, 2010 |
|------------------------------------|------------------|---|-----------------------|---|-----------------------|
| | June 30, 2010 | distributions, net of reinvestments | Net cash flows (a) | Market appreciation/ (depreciation) | |
| Equities: | | | | | |
| Open-end Funds | \$ 8,684 | \$ - | \$ 281 | \$ 997 | \$ 9,962 |
| Closed-end Funds | 4,470 | (83) | 111 | 535 | 5,033 |
| Institutional & PWM - direct | 8,988 | - | 10 | 1,174 | 10,172 |
| Institutional & PWM - sub-advisory | 1,935 | - | 37 | 246 | 2,218 |
| Investment Partnerships | 406 | - | 40 | 20 | 466 |
| Total Equities | <u>24,483</u> | <u>(83)</u> | <u>479</u> | <u>2,972</u> | <u>27,851</u> |
| Fixed Income: | | | | | |
| Money-Market Fund | 1,579 | - | 65 | - | 1,644 |
| Institutional & PWM | 26 | - | - | - | 26 |
| Total Fixed Income | <u>1,605</u> | <u>-</u> | <u>65</u> | <u>-</u> | <u>1,670</u> |
| Total Assets Under Management | <u>\$ 26,088</u> | <u>\$ (83)</u> | <u>\$ 544</u> | <u>\$ 2,972</u> | <u>\$ 29,521</u> |

(a) Includes \$111 million of shares issued for closed-end funds.

The Company reported Assets Under Management as follows (in millions):

Table II: Fund Flows - Nine months ended September 30, 2010

| | Closed-end Fund | | | | September 30, 2010 |
|------------------------------------|----------------------|---|-----------------------|---|-----------------------|
| | December 31, 2009 | distributions, net of reinvestments | Net cash flows (a) | Market appreciation/ (depreciation) | |
| Equities: | | | | | |
| Open-end Funds | \$ 8,476 | \$ - | \$ 742 | \$ 744 | \$ 9,962 |
| Closed-end Funds | 4,609 | (232) | 302 | 354 | 5,033 |
| Institutional & PWM - direct | 9,312 | - | (152) | 1,012 | 10,172 |
| Institutional & PWM - sub-advisory | 1,897 | - | 120 | 201 | 2,218 |
| Investment Partnerships | 305 | - | 134 (b) | 27 | 466 |
| Total Equities | <u>24,599</u> | <u>(232)</u> | <u>1,146</u> | <u>2,338</u> | <u>27,851</u> |
| Fixed Income: | | | | | |
| Money-Market Fund | 1,721 | - | (78) | 1 | 1,644 |
| Institutional & PWM | 26 | - | - | - | 26 |
| Total Fixed Income | <u>1,747</u> | <u>-</u> | <u>(78)</u> | <u>1</u> | <u>1,670</u> |
| Total Assets Under Management | <u>\$ 26,346</u> | <u>\$ (232)</u> | <u>\$ 1,068</u> | <u>\$ 2,339</u> | <u>\$ 29,521</u> |

(a) Includes \$302 million of shares issued for closed-end funds.

(b) Includes \$50 million invested by the Company in a new merger arbitrage fund.

Table III: Assets Under Management

| | September 30, 2009 | September 30, 2010 | % |
|------------------------------------|-----------------------|-----------------------|------------|
| | | | Inc.(Dec.) |
| Equities: | | | |
| Open-end Funds | \$ 7,906 | \$ 9,962 | 26.0% |
| Closed-end Funds | 4,369 | 5,033 | 15.2 |
| Institutional & PWM - direct | 8,491 | 10,172 | 19.8 |
| Institutional & PWM - sub-advisory | 1,777 | 2,218 | 24.8 |
| Investment Partnerships | 291 | 466 | 60.1 |
| Total Equities | <u>22,834</u> | <u>27,851</u> | 22.0 |
| Fixed Income: | | | |
| Money-Market Fund | 1,616 | 1,644 | 1.7 |
| Institutional & PWM | 26 | 26 | - |
| Total Fixed Income | <u>1,642</u> | <u>1,670</u> | 1.7 |
| Total Assets Under Management | <u>\$ 24,476</u> | <u>\$ 29,521</u> | 20.6% |

Table IV: Assets Under Management by Quarter

| | 9/09 | 12/09 | 3/10 | 6/10 | 9/10 | % Increase/ (decrease) from | |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|--------------------------------|-------|
| | | | | | | 9/09 | 6/10 |
| Equities: | | | | | | | |
| Open-end Funds | \$ 7,906 | \$ 8,476 | \$ 9,153 | \$ 8,684 | \$ 9,962 | 26.0% | 14.7% |
| Closed-end Funds | 4,369 | 4,609 | 4,766 | 4,470 | 5,033 | 15.2 | 12.6 |
| Institutional & PWM - direct | 8,491 | 9,312 | 9,904 | 8,988 | 10,172 | 19.8 | 13.2 |
| Institutional & PWM - sub-advisory | 1,777 | 1,897 | 2,059 | 1,935 | 2,218 | 24.8 | 14.6 |
| Investment Partnerships | 291 | 305 | 341 | 406 | 466 | 60.1 | 14.8 |
| Total Equities | <u>22,834</u> | <u>24,599</u> | <u>26,223</u> | <u>24,483</u> | <u>27,851</u> | 22.0 | 13.8 |
| Fixed Income: | | | | | | | |
| Money-Market Fund | 1,616 | 1,721 | 1,727 | 1,579 | 1,644 | 1.7 | 4.1 |
| Institutional & PWM | 26 | 26 | 26 | 26 | 26 | - | - |
| Total Fixed Income | <u>1,642</u> | <u>1,747</u> | <u>1,753</u> | <u>1,605</u> | <u>1,670</u> | 1.7 | 4.0 |
| Total Assets Under Management | <u>\$ 24,476</u> | <u>\$ 26,346</u> | <u>\$ 27,976</u> | <u>\$ 26,088</u> | <u>\$ 29,521</u> | 20.6% | 13.2% |

Table V

| GAMCO INVESTORS, INC. | | | |
|--|---|------------------|--------------------------|
| UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME | | | |
| (Dollars in thousands, except per share data) | | | |
| | For the Three Months Ended September 30, | | |
| | 2010 | 2009 | % Inc. (Dec.) |
| Investment advisory and incentive fees | \$ 50,249 | \$ 40,957 | 22.7% |
| Insitutional research services | 4,005 | 4,588 | (12.7) |
| Distribution fees and other income | <u>8,189</u> | <u>6,037</u> | 35.6 |
| Total revenues | 62,443 | 51,582 | 21.1 |
| Compensation costs | 26,661 | 21,590 | 23.5 |
| Distribution costs | 7,710 | 6,089 | 26.6 |
| Other operating expenses | <u>5,023</u> | <u>4,405</u> | 14.0 |
| Total expenses | 39,394 | 32,084 | 22.8 |
| Operating income before management fee | 23,049 | 19,498 | 18.2 |
| Investment income | 15,928 | 10,257 | 55.3 |
| Interest expense | <u>(3,295)</u> | <u>(3,296)</u> | (0.0) |
| Other income/(expense), net | <u>12,633</u> | <u>6,961</u> | 81.5 |
| Income before management fee and income taxes | 35,682 | 26,459 | 34.9 |
| Management fee expense | <u>3,540</u> | <u>2,638</u> | 34.2 |
| Income before income taxes | 32,142 | 23,821 | 34.9 |
| Income taxes expense | <u>11,686</u> | <u>8,913</u> | 31.1 |
| Net income | 20,456 | 14,908 | 37.2 |
| Net income attributable to the noncontrolling interests | 350 | 257 | 36.2 |
| Net income attributable to GAMCO Investors, Inc. | <u>\$ 20,106</u> | <u>\$ 14,651</u> | 37.2 |
| Net income attributable to GAMCO Investors, Inc. per share: | | | |
| Basic | <u>\$ 0.75</u> | <u>\$ 0.54</u> | 38.9 |
| Diluted | <u>\$ 0.73</u> | <u>\$ 0.53</u> | 37.7 |
| Weighted average shares outstanding: | | | |
| Basic | <u>26,828</u> (a) | <u>27,366</u> | (2.0) |
| Diluted | <u>28,364</u> | <u>27,505</u> | 3.1% |

Notes:

(a) Shares outstanding at September 30, 2010 were 27,262,114, including 439,900 RSAs.

See GAAP to non-GAAP reconciliation on page 16.

Table VI

| GAMCO INVESTORS, INC. | | | |
|--|--|------------------|--------------------------|
| UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME | | | |
| (Dollars in thousands, except per share data) | | | |
| | For the Nine Months Ended September 30, | | |
| | 2010 | 2009 | % Inc. (Dec.) |
| Investment advisory and incentive fees | \$ 149,862 | \$ 112,145 | 33.6% |
| Insitutional research services | 11,953 | 12,187 | (1.9) |
| Distribution fees and other income | <u>23,125</u> | <u>15,780</u> | 46.5 |
| Total revenues | 184,940 | 140,112 | 32.0 |
| Compensation costs | 78,745 | 62,056 | 26.9 |
| Distribution costs | 21,840 | 17,094 | 27.8 |
| Other operating expenses | <u>15,528</u> | <u>13,648</u> | 13.8 |
| Total expenses | 116,113 | 92,798 | 25.1 |
| Operating income before management fee | 68,827 | 47,314 | 45.5 |
| Investment income | 15,267 | 25,658 | (40.5) |
| Interest expense | <u>(9,993)</u> | <u>(9,965)</u> | 0.3 |
| Other income/(expense), net | <u>5,274</u> | <u>15,693</u> | (66.4) |
| Income before management fee and income taxes | 74,101 | 63,007 | 17.6 |
| Management fee expense | <u>7,368</u> | <u>6,291</u> | 17.1 |
| Income before income taxes | 66,733 | 56,716 | 17.7 |
| Income taxes expense | <u>24,381</u> | <u>20,034</u> | 21.7 |
| Net income | 42,352 | 36,682 | 15.5 |
| Net income attributable to the noncontrolling interests | 471 | 503 | (6.4) |
| Net income attributable to GAMCO Investors, Inc. | <u>\$ 41,881</u> | <u>\$ 36,179</u> | 15.8 |
| Net income attributable to GAMCO Investors, Inc. per share: | | | |
| Basic | <u>\$ 1.55</u> | <u>\$ 1.32</u> | 17.4 |
| Diluted | <u>\$ 1.53</u> | <u>\$ 1.32</u> | 15.9 |
| Weighted average shares outstanding: | | | |
| Basic | <u>26,996 (a)</u> | <u>27,376</u> | (1.4) |
| Diluted | <u>27,818</u> | <u>27,464</u> | 1.3% |

Notes:

(a) Shares outstanding at September 30, 2010 were 27,262,114, including 439,900 RSAs.

See GAAP to non-GAAP reconciliation on page 16.

Table VII

GAMCO INVESTORS, INC.
UNAUDITED QUARTERLY CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands, except per share data)

| | 2010 | | | | 2009 | | | | | |
|---|----------------|----------------|----------------|-------------|----------------|----------------|----------------|-------------|----------------|------------|
| | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD 2010 | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD 2009 | 4th Quarter | Full-Year |
| Income Statement Data: | | | | | | | | | | |
| Revenues | \$ 59,998 | \$ 62,499 | \$ 62,443 | \$ 184,940 | \$ 43,359 | \$ 45,171 | \$ 51,582 | \$ 140,112 | \$ 78,002 | \$ 218,114 |
| Expenses | 38,180 | 38,539 | 39,394 | 116,113 | 30,508 | 30,206 | 32,084 | 92,798 | 43,348 | 136,146 |
| Operating income before management fee | 21,818 | 23,960 | 23,049 | 68,827 | 12,851 | 14,965 | 19,498 | 47,314 | 34,654 | 81,968 |
| Investment income/(loss) | 6,047 | (6,708) | 15,928 | 15,267 | 3,870 | 11,531 | 10,257 | 25,658 | 3,325 | 28,983 |
| Interest expense | (3,292) | (3,406) | (3,295) | (9,993) | (3,234) | (3,435) | (3,296) | (9,965) | (3,325) | (13,290) |
| Other income/(expense), net | 2,755 | (10,114) | 12,633 | 5,274 | 636 | 8,096 | 6,961 | 15,693 | - | 15,693 |
| Income before management fee and income taxes | 24,573 | 13,846 | 35,682 | 74,101 | 13,487 | 23,061 | 26,459 | 63,007 | 34,654 | 97,661 |
| Management fee expense | 2,448 | 1,380 | 3,540 | 7,368 | 1,349 | 2,304 | 2,638 | 6,291 | 3,467 | 9,758 |
| Income before income taxes | 22,125 | 12,466 | 32,142 | 66,733 | 12,138 | 20,757 | 23,821 | 56,716 | 31,187 | 87,903 |
| Income tax expense | 8,294 | 4,401 | 11,686 | 24,381 | 3,988 | 7,133 | 8,913 | 20,034 | 11,727 | 31,761 |
| Net income | 13,831 | 8,065 | 20,456 | 42,352 | 8,150 | 13,624 | 14,908 | 36,682 | 19,460 | 56,142 |
| Net income/(loss) attributable to the noncontrolling interests | 105 | 16 | 350 | 471 | (62) | 308 | 257 | 503 | 106 | 609 |
| Net income attributable to GAMCO Investors, Inc. | \$ 13,726 | \$ 8,049 | \$ 20,106 | \$ 41,881 | \$ 8,212 | \$ 13,316 | \$ 14,651 | \$ 36,179 | \$ 19,354 | \$ 55,533 |
| Net income attributable to GAMCO Investors, Inc. per share: | | | | | | | | | | |
| Basic | \$ 0.50 | \$ 0.30 | \$ 0.75 | \$ 1.55 | \$ 0.30 | \$ 0.49 | \$ 0.54 | \$ 1.32 | \$ 0.71 | \$ 2.03 |
| Diluted | \$ 0.50 | \$ 0.30 | \$ 0.73 | \$ 1.53 | \$ 0.30 | \$ 0.48 | \$ 0.53 | \$ 1.32 | \$ 0.70 | \$ 2.02 |
| Weighted average shares outstanding: | | | | | | | | | | |
| Basic | 27,184 | 26,979 | 26,828 | 26,996 | 27,379 | 27,384 | 27,366 | 27,376 | 27,256 | 27,345 |
| Diluted | 28,148 | 27,219 | 28,364 | 27,818 | 27,386 | 27,508 | 27,505 | 27,464 | 29,085 | 28,214 |
| Reconciliation of non-GAAP financial measures to GAAP: | | | | | | | | | | |
| Operating income before management fee | \$ 21,818 | \$ 23,960 | \$ 23,049 | \$ 68,827 | \$ 12,851 | \$ 14,965 | \$ 19,498 | \$ 47,314 | \$ 34,654 | \$ 81,968 |
| Deduct: management fee expense | 2,448 | 1,380 | 3,540 | 7,368 | 1,349 | 2,304 | 2,638 | 6,291 | 3,467 | 9,758 |
| Operating income | \$ 19,370 | \$ 22,580 | \$ 19,509 | \$ 61,459 | \$ 11,502 | \$ 12,661 | \$ 16,860 | \$ 41,023 | \$ 31,187 | \$ 72,210 |
| Operating margin before management fee | 36.4% | 38.3% | 36.9% | 37.2% | 29.6% | 33.1% | 37.8% | 33.8% | 44.4% | 37.6% |
| Operating margin after management fee | 32.3% | 36.1% | 31.2% | 33.2% | 26.5% | 28.0% | 32.7% | 29.3% | 40.0% | 33.1% |

Table VIII

| GAMCO INVESTORS, INC. | | | |
|---|--------------------------|--------------------------|--------------------------|
| UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION | | | |
| (Dollars in thousands, except per share data) | | | |
| | September 30, | December 31, | September 30, |
| | 2010 | 2009 | 2009 |
| ASSETS | | | |
| Cash and cash equivalents (a) | \$ 294,271 (b) | \$ 400,528 | \$ 463,361 |
| Investments | 307,454 | 220,057 | 236,567 |
| Receivable from brokers | 62,209 | 30,072 | 21,991 |
| Other receivables | 22,861 | 41,915 | 17,985 |
| Income tax receivable and deferred tax assets | - | - | 4,536 |
| Other assets | <u>15,424</u> | <u>15,237</u> | <u>14,220</u> |
| Total assets | <u>\$ 702,219</u> | <u>\$ 707,809</u> | <u>\$ 758,660</u> |
| LIABILITIES AND EQUITY | | | |
| Payable to brokers | \$ 4,151 | \$ 395 | \$ 10,006 |
| Income taxes payable | 4,533 | 8,523 | - |
| Compensation payable | 23,575 | 13,302 | 20,974 |
| Securities sold short, not yet purchased | 18,446 | 9,569 | 9,738 |
| Accrued expenses and other liabilities | <u>32,000</u> | <u>32,044</u> | <u>31,743</u> |
| Sub-total | 82,705 | 63,833 | 72,461 |
| 5.5% Senior notes (due May 15, 2013) | 99,000 | 99,000 | 99,000 |
| 6% Convertible note (due August 14, 2011) | - | 39,851 | 39,829 |
| 6.5% Convertible note (due October 2, 2018) | 60,000 (b) | 60,000 | 60,000 |
| Total debt | <u>159,000</u> | <u>198,851</u> | <u>198,829</u> |
| Total liabilities | 241,705 | 262,684 | 271,290 |
| Redeemable noncontrolling interests | 15,994 | 1,464 | 1,424 |
| GAMCO Investors, Inc.'s stockholders' equity | 441,140 | 439,618 | 481,998 |
| Noncontrolling interests | <u>3,380</u> | <u>4,043</u> | <u>3,948</u> |
| Total equity | <u>444,520</u> | <u>443,661</u> | <u>485,946</u> |
| Total liabilities and equity | <u>\$ 702,219</u> | <u>\$ 707,809</u> | <u>\$ 758,660</u> |

(a) At September 30, 2010, December 31, 2009 and September 30, 2009, \$62.3 million, \$62.3 million and \$62.2 million, respectively, are held in escrow for the Cascade Note and classified as cash and cash equivalents.

(b) Redeemed our 6.5% Convertible note due October 2, 2018 at par on October 13, 2010.

GABELLI/GAMCO FUNDS
Gabelli Funds Lipper Rankings as of September 30, 2010

| Fund Name | Lipper Category | 1 Yr - 09/30/09-09/30/10 | | 3 Yrs - 09/30/07-09/30/10 | | 5 Yrs - 09/30/05-09/30/10 | | 10 Yrs - 09/30/00-09/30/10 | |
|----------------------------|---------------------------------------|--------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|----------------------------|--------------------|
| | | Percentile | Rank / Total Funds | Percentile | Rank / Total Funds | Percentile | Rank / Total Funds | Percentile | Rank / Total Funds |
| Gabelli Asset; AAA | Multi-Cap Core Funds | 6 | 46/875 | 18 | 135/761 | 7 | 39/610 | 16 | 41/265 |
| Gabelli Value Fund; A | Multi-Cap Core Funds | 1 | 3/875 | 27 | 204/761 | 20 | 119/610 | 27 | 70/265 |
| Gabelli SRI; AAA | Multi-Cap Growth Funds | 90 | 383/429 | 2 | 6/388 | - | - | - | - |
| Gabelli Eq:Eq Inc; AAA | Equity Income Funds | 50 | 138/276 | 22 | 52/237 | 22 | 43/195 | 13 | 13/106 |
| GAMCO Growth; AAA | Large-Cap Growth Funds | 97 | 824/856 | 74 | 543/737 | 70 | 429/619 | 73 | 255/350 |
| Gabelli Eq:SC Gro; AAA | Small-Cap Core Funds | 18 | 134/778 | 12 | 77/684 | 9 | 50/561 | 19 | 54/296 |
| Gabelli Eq:Wd SCV; AAA | Small-Cap Core Funds | 57 | 439/778 | 40 | 268/684 | 50 | 280/561 | - | - |
| GAMCO GI:Oppty; AAA | Global Large-Cap Growth | 22 | 27/123 | 26 | 22/86 | 20 | 14/72 | 19 | 8/43 |
| GAMCO GI:Growth; AAA | Global Large-Cap Growth | 73 | 91/123 | 29 | 25/86 | 47 | 34/72 | 74 | 34/43 |
| GAMCO Gold; AAA | Precious Metal Funds | 44 | 36/82 | 46 | 31/67 | 38 | 20/52 | 31 | 10/32 |
| GAMCO Intl Gro; AAA | International Large-Cap Growth | 8 | 15/202 | 30 | 50/167 | 59 | 74/126 | 52 | 44/84 |
| Gabelli BI Chp Val; AAA | Large-Cap Core Funds | 42 | 401/976 | 22 | 180/828 | 28 | 193/699 | 32 | 136/426 |
| Gabelli Inv:ABC; AAA | Specialty Diversified Equity Funds | 63 | 25/39 | 14 | 5/35 | 22 | 5/22 | 30 | 3/9 |
| GAMCO Mathers; AAA | Specialty Diversified Equity Funds | 75 | 30/39 | 62 | 22/35 | 61 | 14/22 | 70 | 7/9 |
| Comstock Cap Val; A | Specialty Diversified Equity Funds | 93 | 37/39 | 48 | 17/35 | 83 | 19/22 | 60 | 6/9 |
| GAMCO GI:Telecom; AAA | Telecommunications Funds | 71 | 31/43 | 26 | 9/34 | 32 | 9/28 | 10 | 2/21 |
| GAMCO GI:Convert; AAA | Convertible Securities Funds | 26 | 17/66 | 95 | 52/54 | 92 | 46/49 | 84 | 36/42 |
| Gabelli Utilities; AAA | Utility Funds | 38 | 31/82 | 2 | 1/75 | 18 | 11/63 | 25 | 12/48 |
| 787:Gabelli Merg&Acq; A | Mid-Cap Core Funds | 95 | 355/374 | 25 | 74/345 | 33 | 83/254 | - | - |
| Gabelli Capital Asset Fund | Distributed through Insurance Channel | 5 | 15/338 | 33 | 101/315 | 9 | 20/237 | 9 | 8/95 |
| % of funds in top half | | 55.0% | | 85.0% | | 73.7% | | 64.7% | |

Data presented reflects past performance, which is no guarantee of future results. Strong rankings are not indicative of positive fund performance. Absolute performance for some funds was negative for certain periods. Other share classes are available which may have different performance characteristics.

Lipper, a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments including mutual funds, retirement funds, hedge funds, fund fees and expenses to the asset management and media communities. Lipper ranks the performance of mutual funds within a classification of funds that have similar investment objectives. Rankings are historical with capital gains and dividends reinvested and do not include the effect of loads. If an expense waiver was in effect, it may have had a material effect on the total return or yield for the period.

Relative long-term investment performance remained strong with approximately 55%, 85%, 74% and 65% of firmwide mutual funds in the top half of their Lipper categories on a one-, three-, five-, and ten-year total-return basis, respectively, as of September 30, 2010.

Investors should consider carefully the investment objective, risks, charges and expenses of a fund before investing. The Prospectus which contains more information about this and other matters, should be read carefully before investing. You can obtain a prospectus by calling 1-800 GABELLI. Distributed by Gabelli & Company. Other share classes are available that have different performance characteristics.

The inception date for the Gabelli SRI Green Fund was June 1, 2007. The inception date for the Gabelli Woodland Small Cap Value Fund was December 31, 2002. The inception date for the Gabelli Enterprise Mergers & Acquisitions Fund was February 28, 2001.