



For Immediate Release:

Contact: Douglas R. Jamieson
President
and Chief Operating Officer
(914) 921-5020

For further information please visit
www.gabelli.com

GAMCO Investors, Inc. Reports Third Quarter Results

- **Third Quarter Earnings of \$0.59 per diluted share**
- **Average AUM at \$42.7 billion**

Rye, New York, November 4, 2015 – GAMCO Investors, Inc. (“GAMCO”) (NYSE: GBL) today reported its 2015 third quarter results including revenues of \$96.5 million, net income of \$15.0 million and earnings of \$0.59 per diluted share. On a comparable basis, revenues were \$110.9 million, net income was \$23.7 million, and earnings were \$0.93 per diluted share in the third quarter of 2014.

Average Assets Under Management (“AUM”) were \$42.7 billion for the third quarter of 2015 versus \$46.4 billion for the second quarter of 2015 and \$48.4 billion for the third quarter of 2014.

| Financial Highlights (\$'s in 000's except AUM and per share data) | Q3 2015 | Q3 2014 | % Δ | YTD 2015 | YTD 2014 | % Δ |
|--|--------------------|--------------------|------------|---------------------|---------------------|------------|
| AUM - end of period (in millions) | \$ 39,576 | \$ 46,947 | (15.7%) | \$ 39,576 | \$ 46,947 | (15.7%) |
| AUM - average (in millions) | 42,661 | 48,399 | (11.9) | 45,286 | 47,840 | (5.3) |
| Revenues | 96,546 | 110,858 | (12.9) | 303,095 | 323,631 | (6.3) |
| Operating income before management fee (a) | 38,878 | 47,342 (b) | (17.9) | 116,450 (c) | 131,250 | (11.3) |
| Operating margin before management fee | 40.3% | 42.7% | | 38.4% | 40.6% | |
| Operating income | 36,196 | 43,586 (b) | (17.0) | 105,090 (c) | 117,622 | (10.7) |
| Operating margin | 37.5% | 39.3% | | 34.7% | 36.3% | |
| Other income/(expense), net | (12,500) | (9,989) | | (3,286) | 5,025 | |
| Income before income taxes | 23,696 | 33,597 | (29.5) | 101,804 | 122,647 | (17.0) |
| Effective tax rate | 39.0% | 38.8% | | 37.9% | 36.5% | |
| Net income | 14,969 | 23,665 | (36.7) | 63,846 | 80,569 | (20.8) |
| Net income per share | \$ 0.59 | \$ 0.93 | (36.6%) | \$ 2.52 | \$ 3.15 | (20.0%) |
| Shares outstanding at September 30 | 25,538 (d) | 25,879 | | 25,538 | 25,879 | |

(a) See GAAP to non-GAAP reconciliation on page 10.

(b) Third quarter 2015 included \$0.5 million of incremental RSA expense as compared to third quarter 2014.

(c) Year to date 2015 included \$4.1 million of incremental costs as compared to year to date 2014:

\$1.0 million for the launch of a new closed-end fund; \$1.5 million for potential firm restructuring; and \$1.6 million in RSA expense.

(d) Shares outstanding consist of 24,849 non-RSA shares and 689 RSA shares. 556 RSAs are outstanding at October 31, 2015.

Assets Under Management

| | September 30, 2015 | June 30, 2015 | September 30, 2014 | % Change From | |
|--------------------------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|
| | | | | June 30, 2015 | September 30, 2014 |
| Equities: | | | | | |
| Open-end Funds | \$ 14,075 | \$ 15,984 | \$ 17,458 | (11.9%) | (19.4%) |
| Closed-end Funds | 6,205 | 6,981 | 6,963 | (11.1) | (10.9) |
| Institutional & PWM - direct | 13,190 | 16,011 | 16,223 | (17.6) | (18.7) |
| Institutional & PWM - sub-advisory | 3,302 | 3,703 | 3,525 | (10.8) | (6.3) |
| Investment Partnerships | 947 | 937 | 899 | 1.1 | 5.3 |
| SICAV (a) | 174 | 152 | 121 | 14.5 | 43.8 |
| Total Equities | 37,893 | 43,768 | 45,189 | (13.4) | (16.1) |
| Fixed Income: | | | | | |
| Money-Market Fund | 1,637 | 1,600 | 1,698 | 2.3 | (3.6) |
| Institutional & PWM | 45 | 46 | 60 | (2.2) | (25.0) |
| Total Fixed Income | 1,682 | 1,646 | 1,758 | 2.2 | (4.3) |
| Total Assets Under Management | \$ 39,575 | \$ 45,414 | \$ 46,947 | (12.9) | (15.7) |

(a) Includes \$42 million, \$45 million and \$70 million of seed capital at September 30, 2015, June 30, 2015 and September 30, 2014, respectively.

Our third quarter 2015 decline in AUM was due to market depreciation of \$3.8 billion, net outflows of \$1.9 billion and open- and closed-end fund net distributions of \$122 million.

Revenues

- Total revenues for the third quarter of 2015 were \$96.5 million, down 12.9% from \$110.9 million in the prior year, reflecting lesser fees earned in investment advisory services on lower assets, in distribution and other income and in institutional research services.
- Investment advisory fees, excluding incentive fees, were lower at \$82.2 million in the third quarter of 2015 from \$92.6 million in the comparable 2014 quarter. Revenues in our open-end and closed-end funds and Institutional and Private Wealth Management decreased due to a decline of average AUM in the open-end and closed-end funds and lower billable assets in our Institutional and Private Wealth Management accounts which were partially offset by revenue increases in investment partnerships on higher levels of average AUM.
- Incentive fees earned were \$0.1 million during both the 2015 and 2014 third quarters.
- Distribution fees from our open-end equity funds and other income were \$12.3 million for the third quarter 2015, a reduction of \$3.4 million, or 21.7%, from \$15.7 million in the prior year quarter. Driving this decrease is a 16.3% decline in quarter over quarter average AUM and a shift from share classes with a distribution fees to Class I shares for which we do not collect a distribution fee.
- Our institutional research services revenues were \$2.1 million in the third quarter 2015, compared to \$2.5 million in the prior year period.

Operating Income – Third Quarter

Operating income, which is net of management fee expense decreased 17.0%, or \$7.4 million, to \$36.2 million in the third quarter of 2015 versus \$43.6 million in the prior year period. Management fee expense, which is entirely variable, is based on pre-tax income. The third quarter of 2015 was impacted by lower revenues and \$0.5 million of incremental non-cash expenses related to RSAs issued subsequent to the third quarter of 2014. The third quarter of 2014 was positively impacted by a reimbursement of \$0.9 million relating to previously incurred expenses. Excluding those incremental costs and reimbursements identified above, adjusted operating income was \$36.7 million in the third quarter of 2015, a decline of \$6.0 million, from the \$42.7 million in the third quarter of 2014.

Operating income before management fee was \$38.9 million in the third quarter 2015 versus \$47.3 million in the third quarter 2014. Operating margin before management fee was 40.3% versus 42.7% in the third quarter of 2014. Excluding those incremental costs identified above, adjusted operating income before management fee was \$39.4 million in the third quarter of 2015 as compared to \$46.5 million in the third quarter of 2014. Operating margins, before management fee and adjusted for those items identified above, was 40.8% in the 2015 quarter as compared to 41.9% in the 2014 quarter. Management believes evaluating operating income before management fee is an important measure in analyzing the Company's operating results. Further information regarding Non-GAAP measures is included in Notes on Non-GAAP Financial Measures and Table V included elsewhere herein.

Other income (expense)

We recognized net other expense of \$12.5 million in the 2015 quarter versus an expense of \$10.0 million in the third quarter of 2014. Investment losses were \$11.5 million in the 2015 quarter versus \$9.1 million in the 2014 quarter. Dividend and interest income were \$0.9 million in the 2015 quarter versus \$1.1 million in the 2014 quarter. Interest expense was \$1.9 million in the 2015 quarter versus \$2.0 million in the 2014 quarter.

Income Taxes

The firm's effective tax rate ("ETR") for the quarter ended September 30, 2015 was 39.0% versus 38.8% for the quarter ended September 30, 2014.

Business and Investment Highlights

- On October 19, 2015, shareholders of the Bancroft Fund and the Ellsworth Growth and Income Fund approved the change in advisor to Gabelli Funds. Gabelli will form the Dinsmore Group. Tom Dinsmore, Jane O'Keefe, and James Dinsmore will continue to manage the Bancroft and Ellsworth Growth and Income closed-end funds.
- In September 2015, Gabelli & Company hosted its 20th Annual Aircraft Supplier Conference featuring presentations by senior management of several leading aerospace and defense companies.
- On October 13, 2015, GAMCO announced that its Board of Directors had again adopted a \$0.25 per share contribution under its existing Shareholder Designated Charitable Contribution Program

for all registered shareholders. In 2013, GAMCO donated \$5.3 million to 85 different charities and in 2014 donated \$5.5 million to 80 different charities on behalf of its shareholders.

- On November 2, 2015, the Company announced the spin-off of Associated Capital Group, Inc. (“AC”) to GBL shareholders of one share of AC for each share of GBL owned on the record date.

Balance Sheet

We ended the quarter with cash and investments, excluding noncontrolling interests, of \$768.6 million, debt of \$106.8 million (\$106.9 million face value) and equity attributable to GAMCO shareholders of \$562.6 million. We have \$500 million available on our universal shelf registration. Together with earnings from operations, the shelf provides us with flexibility to do acquisitions, lift-outs, seed new investment strategies, and co-invest, as well as to fund shareholder compensation, including share repurchases and dividends.

Shareholder Compensation

During the quarter ended September 30, 2015, we returned \$12.3 million of our earnings to shareholders through dividends and stock repurchases. We repurchased 172,007 shares at an average price of \$61.11 per share, for a total investment of \$10.5 million and distributed \$1.8 million in dividends. Since our IPO, in February 1999, we have returned \$906 million in total to shareholders of which \$484 million was in the form of dividends and \$422 million was through stock buybacks of 9,447,513 shares at an average investment of \$44.70 per share.

On November 4, 2015, GAMCO’s Board of Directors declared a regular quarterly dividend of \$0.07 per share payable on December 29, 2015 to its Class A and Class B shareholders of record on December 15, 2015.

About GAMCO Investors, Inc.

GAMCO Investors, Inc., through its subsidiaries, manages private advisory accounts (GAMCO Asset Management Inc.), open-end funds and closed-end funds (Gabelli Funds, LLC), and partnerships and offshore funds (Gabelli Securities, Inc.).

NOTES ON NON-GAAP FINANCIAL MEASURES

- A. Operating income before management fee expense is used by management to evaluate 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 V.
- B. Operating income before management fee expense per share and other income/(expense), net per share are used by management for purposes of evaluating its business operations. We believe these measures are 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 negative swings in other income/(expense), net of \$0.15 and \$0.27 per fully diluted share for the quarter and year to date, respectively, are derived by making certain necessary adjustments, as shown in the table below, to arrive at a net impact for each period and then calculating the difference. The reconciliation of operating income before management fee expense per share and other income/(expense), net per share to net income per fully diluted share, is provided below.

| | 3rd Quarter | | YTD September | |
|--|-------------|------------|---------------|------------|
| | 2015 | 2014 | 2015 | 2014 |
| Operating income before management fee | \$ 38,878 | \$ 47,342 | \$ 116,450 | \$ 131,250 |
| Management fee expense | (3,932) | (4,755) | (11,689) | (13,125) |
| Tax expense | (13,634) | (16,536) | (39,668) | (43,144) |
| Noncontrolling interest expense | 78 | 66 | 276 | 236 |
| Operating income (after management fee and taxes) | 21,390 | 26,117 | 65,369 | 75,217 |
| Per fully diluted share | \$ 0.84 | \$ 1.03 | \$ 2.58 | \$ 2.94 |
| Other income/(expense), net | \$ (12,500) | \$ (9,989) | \$ (3,286) | \$ 5,025 |
| Management fee (expense)/benefit | 1,250 | 999 | 329 | (503) |
| Tax (expense)/benefit | 4,389 | 3,491 | 1,121 | (1,652) |
| Noncontrolling interest (expense)/benefit | 440 | 3,047 | 313 | 2,482 |
| Other income, net (after management fee and taxes) | \$ (6,421) | \$ (2,452) | \$ (1,523) | \$ 5,352 |
| Per fully diluted share | \$ (0.25) | \$ (0.10) | \$ (0.06) | \$ 0.21 |
| Net income per fully diluted share | \$ 0.59 | \$ 0.93 | \$ 2.52 | \$ 3.15 |
| Diluted weighted average shares outstanding | 25,241 | 25,517 | 25,337 | 25,595 |
| Actual shares outstanding | 25,538 | 25,879 | 25,538 | 25,879 |
| RSA shares outstanding (included in actual shares outstanding) | 689 | 640 | 689 | 640 |

C. Adjusted operating income and adjusted operating income before management fee expense is used by management to evaluate its ongoing business operations. We believe this measure is useful in evaluating the ongoing operating results of the Company absent any of these adjustments.

| | 3rd Quarter | | YTD September | |
|---|---------------|---------------|----------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| Operating income before management fee | \$ 38,878 | \$ 47,342 | \$ 116,450 | \$ 131,250 |
| Adjustments: | | | | |
| Add back: Incremental RSA expense | 489 | - | 1,636 | - |
| Costs to launch Closed-end fund | - | - | 1,000 | - |
| Costs related to potential firm restructuring | - | - | 1,475 | - |
| Deduct: Reimbursement of prior year expense | - | (848) | - | (1,286) |
| Adjusted operating income before management fee | <u>39,367</u> | <u>46,494</u> | <u>120,561</u> | <u>129,964</u> |
| Adjusted operating margin before management fee | <u>40.8%</u> | <u>41.9%</u> | <u>39.8%</u> | <u>40.2%</u> |

| | 3rd Quarter | | YTD September | |
|---|---------------|---------------|----------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| Operating income | \$ 36,196 | \$ 43,586 | \$ 105,090 | \$ 117,622 |
| Adjustments: | | | | |
| Add back: Incremental RSA expense | 489 | - | 1,636 | - |
| Costs to launch Closed-end fund | - | - | 1,000 | - |
| Costs related to potential firm restructuring | - | - | 1,475 | - |
| Deduct: Reimbursement of prior year expense | - | (848) | - | (1,286) |
| Adjusted operating income | <u>36,685</u> | <u>42,738</u> | <u>109,201</u> | <u>116,336</u> |
| Adjusted operating margin | <u>38.0%</u> | <u>38.6%</u> | <u>36.0%</u> | <u>35.9%</u> |

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

Table I: Fund Flows - 3rd Quarter 2015

| | Market | | | Fund distributions, | |
|--------------------------------------|------------------|-------------------|-------------------|---------------------|------------------|
| | June 30, | appreciation/ | Net cash | net of | September 30, |
| | 2015 | (depreciation) | flows | reinvestments | 2015 |
| Equities: | | | | | |
| Open-end Funds | \$ 15,984 | \$ (1,289) | \$ (606) | \$ (14) | \$ 14,075 |
| Closed-end Funds | 6,981 | (663) | (5) | (108) | 6,205 |
| Institutional & PWM - direct | 16,011 | (1,497) | (1,324) | - | 13,190 |
| Institutional & PWM - sub-advisory | 3,703 | (345) | (56) | - | 3,302 |
| Investment Partnerships | 937 | (31) | 41 | - | 947 |
| SICAV (a) | 152 | (5) | 27 | - | 174 |
| Total Equities | 43,768 | (3,830) | (1,923) | (122) | 37,893 |
| Fixed Income: | | | | | |
| Money-Market Fund | 1,600 | - | 37 | - | 1,637 |
| Institutional & PWM | 46 | - | (1) | - | 45 |
| Total Fixed Income | 1,646 | - | 36 | - | 1,682 |
| Total Assets Under Management | \$ 45,414 | \$ (3,830) | \$ (1,887) | \$ (122) | \$ 39,575 |

(a) Includes \$45 million and \$42 million of seed capital at June 30, 2015 and September 30, 2015, respectively.

Table II: Fund Flows - Year to date September 2015

| | Market | | | Fund distributions, | |
|--------------------------------------|------------------|-------------------|-------------------|---------------------|------------------|
| | December 31, | appreciation/ | Net cash | net of | September 30, |
| | 2014 | (depreciation) | flows | reinvestments | 2015 |
| Equities: | | | | | |
| Open-end Funds | \$ 17,684 | \$ (1,210) | \$ (2,343) | \$ (56) | \$ 14,075 |
| Closed-end Funds | 6,949 | (541) | 138 | (341) | 6,205 |
| Institutional & PWM - direct | 16,597 | (1,372) | (2,035) | - | 13,190 |
| Institutional & PWM - sub-advisory | 3,704 | (202) | (200) | - | 3,302 |
| Investment Partnerships | 905 | (4) | 46 | - | 947 |
| SICAV (a) | 135 | (8) | 47 | - | 174 |
| Total Equities | 45,974 | (3,337) | (4,347) | (397) | 37,893 |
| Fixed Income: | | | | | |
| Money-Market Fund | 1,455 | - | 182 | - | 1,637 |
| Institutional & PWM | 58 | - | (13) | - | 45 |
| Total Fixed Income | 1,513 | - | 169 | - | 1,682 |
| Total Assets Under Management | \$ 47,487 | \$ (3,337) | \$ (4,178) | \$ (397) | \$ 39,575 |

(a) Includes \$71 million and \$42 million of seed capital at December 31, 2014 and September 30, 2015, respectively.

Table III

| GAMCO INVESTORS, INC. | | | |
|--|--|------------------|--------------------------|
| UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME | | | |
| (Dollars in thousands, except per share data) | | | |
| | For the Quarter Ended September 30, | | |
| | 2015 | 2014 | % Inc. (Dec.) |
| Investment advisory and incentive fees | \$ 82,182 | \$ 92,591 | (11.2%) |
| Distribution fees and other income | 12,301 | 15,727 | (21.8) |
| Institutional research services | 2,063 | 2,540 | (18.8) |
| Total revenues | <u>96,546</u> | <u>110,858</u> | (12.9) |
| Compensation costs | 39,731 | 43,316 | (8.3) |
| Distribution costs | 12,344 | 15,101 | (18.3) |
| Other operating expenses | 5,593 | 5,099 | 9.7 |
| Total expenses | <u>57,668</u> | <u>63,516</u> | (9.2) |
| Operating income before management fee | 38,878 | 47,342 | (17.9) |
| Investment loss | (10,583) | (8,002) | |
| Interest expense | (1,917) | (1,987) | |
| Other income/(expense), net | <u>(12,500)</u> | <u>(9,989)</u> | |
| Income before management fee and income taxes | 26,378 | 37,353 | (29.4) |
| Management fee expense | 2,682 | 3,756 | |
| Income before income taxes | <u>23,696</u> | <u>33,597</u> | (29.5) |
| Income tax expense | 9,245 | 13,045 | |
| Net income | 14,451 | 20,552 | (29.7) |
| Net loss attributable to noncontrolling interests | (518) | (3,113) | |
| Net income attributable to GAMCO Investors, Inc. | <u>\$ 14,969</u> | <u>\$ 23,665</u> | (36.7) |
| Net income per share attributable to GAMCO Investors, Inc.: | | | |
| Basic | <u>\$ 0.60</u> | <u>\$ 0.94</u> | (36.2) |
| Diluted | <u>\$ 0.59</u> | <u>\$ 0.93</u> | (36.6) |
| Weighted average shares outstanding: | | | |
| Basic | <u>24,947</u> | <u>25,296</u> | (1.4) |
| Diluted | <u>25,241</u> | <u>25,517</u> | (1.1) |
| Actual shares outstanding (a) | <u>25,538</u> | <u>25,879</u> | (1.3) |

Notes:

(a) Includes 688,550 and 639,750 of RSAs, respectively.

See GAAP to non-GAAP reconciliation on page 10.

Table IV

| GAMCO INVESTORS, INC. | | | |
|--|--|------------------|--------------------------|
| UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME | | | |
| (Dollars in thousands, except per share data) | | | |
| | For the Nine Months Ended September 30, | | |
| | 2015 | 2014 | % Inc. (Dec.) |
| Investment advisory and incentive fees | \$ 257,563 | \$ 270,544 | (4.8%) |
| Distribution fees and other income | 39,402 | 46,367 | (15.0) |
| Institutional research services | 6,130 | 6,720 | (8.8) |
| Total revenues | <u>303,095</u> | <u>323,631</u> | (6.3) |
| Compensation costs | 127,627 | 131,258 | (2.8) |
| Distribution costs | 39,747 | 44,087 | (9.8) |
| Other operating expenses | 19,271 | 17,036 | 13.1 |
| Total expenses | <u>186,645</u> | <u>192,381</u> | (3.0) |
| Operating income before management fee | 116,450 | 131,250 | (11.3) |
| Investment loss | 2,613 | 11,025 | |
| Interest expense | (5,899) | (6,000) | |
| Other income/(expense), net | <u>(3,286)</u> | <u>5,025</u> | |
| Income before management fee and income taxes | 113,164 | 136,275 | (17.0) |
| Management fee expense | 11,360 | 13,628 | |
| Income before income taxes | <u>101,804</u> | <u>122,647</u> | (17.0) |
| Income tax expense | 38,547 | 44,796 | |
| Net income | <u>63,257</u> | <u>77,851</u> | (18.7) |
| Net loss attributable to noncontrolling interests | (589) | (2,718) | |
| Net income attributable to GAMCO Investors, Inc. | <u>\$ 63,846</u> | <u>\$ 80,569</u> | (20.8) |
| Net income per share attributable to GAMCO Investors, Inc.: | | | |
| Basic | <u>\$ 2.55</u> | <u>\$ 3.17</u> | (19.6) |
| Diluted | <u>\$ 2.52</u> | <u>\$ 3.15</u> | (20.0) |
| Weighted average shares outstanding: | | | |
| Basic | <u>25,047</u> | <u>25,385</u> | (1.3) |
| Diluted | <u>25,337</u> | <u>25,595</u> | (1.0) |
| Actual shares outstanding (a) | <u>25,538</u> | <u>25,879</u> | (1.3) |

Notes:

(a) Includes 688,550 and 639,750 of RSAs, respectively.
See GAAP to non-GAAP reconciliation on page 10.

Table V

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

| | 2015 | | | | 2014 | | | | |
|---|----------------|----------------|----------------|-----------|----------------|----------------|----------------|----------------|-----------|
| | 1st Quarter | 2nd Quarter | 3rd Quarter | YTD | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | Full Year |
| Income Statement Data: | | | | | | | | | |
| Revenues | \$103,845 | \$102,704 | \$ 96,546 | \$303,095 | \$104,477 | \$108,296 | \$110,858 | \$116,751 | \$440,382 |
| Expenses | 65,463 | 63,514 | 57,668 | 186,645 | 63,250 | 65,615 | 63,516 | 69,848 | 262,229 |
| Operating income before management fee | 38,382 | 39,190 | 38,878 | 116,450 | 41,227 | 42,681 | 47,342 | 46,903 | 178,153 |
| Investment income/(loss) | 8,012 | 5,184 | (10,583) | 2,613 | 8,085 | 11,076 | (8,002) | 5,119 | 16,278 |
| Interest expense | (2,019) | (1,963) | (1,917) | (5,899) | (1,992) | (2,021) | (1,987) | (2,049) | (8,049) |
| Shareholder-designated contribution | - | - | - | - | - | (134) | - | - | (134) |
| Other income/(expense), net | 5,993 | 3,221 | (12,500) | (3,286) | 6,093 | 8,921 | (9,989) | 3,070 | 8,095 |
| Income before management fee and income taxes | 44,375 | 42,411 | 26,378 | 113,164 | 47,320 | 51,602 | 37,353 | 49,973 | 186,248 |
| Management fee expense | 4,437 | 4,241 | 2,682 | 11,360 | 4,728 | 5,144 | 3,756 | 4,999 | 18,627 |
| Income before income taxes | 39,938 | 38,170 | 23,696 | 101,804 | 42,592 | 46,458 | 33,597 | 44,974 | 167,621 |
| Income tax expense | 15,179 | 14,123 | 9,245 | 38,547 | 14,616 | 17,135 | 13,045 | 17,709 | 62,505 |
| Net income | 24,759 | 24,047 | 14,451 | 63,257 | 27,976 | 29,323 | 20,552 | 27,265 | 105,116 |
| Net income/(loss) attributable to noncontrolling interests | (17) | (54) | (518) | (589) | 22 | 373 | (3,113) | (1,556) | (4,274) |
| Net income attributable to GAMCO Investors, Inc. | \$ 24,776 | \$ 24,101 | \$ 14,969 | \$ 63,846 | \$ 27,954 | \$ 28,950 | \$ 23,665 | \$ 28,821 | \$109,390 |
| Net income per share attributable to GAMCO Investors, Inc.: | | | | | | | | | |
| Basic | \$ 0.99 | \$ 0.96 | \$ 0.60 | \$ 2.55 | \$ 1.10 | \$ 1.14 | \$ 0.94 | \$ 1.14 | \$ 4.32 |
| Diluted | \$ 0.97 | \$ 0.95 | \$ 0.59 | \$ 2.52 | \$ 1.09 | \$ 1.13 | \$ 0.93 | \$ 1.13 | \$ 4.28 |
| Weighted average shares outstanding: | | | | | | | | | |
| Basic | 25,132 | 25,065 | 24,947 | 25,047 | 25,481 | 25,381 | 25,296 | 25,184 | 25,335 |
| Diluted | 25,414 | 25,358 | 25,241 | 25,337 | 25,684 | 25,586 | 25,517 | 25,449 | 25,558 |
| Reconciliation of non-GAAP financial measures to GAAP: | | | | | | | | | |
| Operating income before management fee | 38,382 | 39,190 | 38,878 | 116,450 | 41,227 | 42,681 | 47,342 | 46,903 | 178,153 |
| Deduct: management fee expense | 4,437 | 4,241 | 2,682 | 11,360 | 4,728 | 5,144 | 3,756 | 4,999 | 18,627 |
| Operating income | \$ 33,945 | \$ 34,949 | \$ 36,196 | \$105,090 | \$ 36,499 | \$ 37,537 | \$ 43,586 | \$ 41,904 | \$159,526 |
| Operating margin before management fee | 37.0% | 38.2% | 40.3% | 38.4% | 39.5% | 39.4% | 42.7% | 40.2% | 40.5% |
| Operating margin after management fee | 32.7% | 34.0% | 37.5% | 34.7% | 34.9% | 34.7% | 39.3% | 35.9% | 36.2% |

Table VI

| GAMCO INVESTORS, INC. | | | |
|---|----------------------|---------------------|----------------------|
| UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION | | | |
| (Dollars in thousands, except per share data) | | | |
| | September 30, | December 31, | September 30, |
| | 2015 | 2014 | 2014 |
| ASSETS | | | |
| Cash and cash equivalents | \$ 425,616 | \$ 298,224 | \$ 358,421 |
| Investments (a) | 342,988 | 406,711 | 401,584 |
| Receivable from brokers | 52,918 | 76,079 | 79,885 |
| Other receivables | 34,767 | 67,228 | 40,569 |
| Income tax receivable | 2,409 | 2,477 | 2,433 |
| Other assets | 13,971 | 15,711 | 15,868 |
| Total assets | \$ 872,669 | \$ 866,430 | \$ 898,760 |
| LIABILITIES AND EQUITY | | | |
| Payable to brokers | \$ 49,074 | \$ 43,409 | \$ 46,790 |
| Income taxes payable and deferred tax liabilities | 10,529 | 27,939 | 27,412 |
| Compensation payable | 88,747 | 39,983 | 93,535 |
| Securities sold short, not yet purchased | 5,577 | 10,595 | 14,180 |
| Accrued expenses and other liabilities | 40,694 | 36,212 | 37,583 |
| Sub-total | 194,621 | 158,138 | 219,500 |
| 5.875% Senior notes (due June 1, 2021) | 100,000 | 100,000 | 100,000 |
| 0% Subordinated Debentures (due December 31, 2015) (b) | 6,750 | 12,163 | 11,941 |
| Total debt | 106,750 | 112,163 | 111,941 |
| Total liabilities | 301,371 | 270,301 | 331,441 |
| Redeemable noncontrolling interests | 6,018 | 68,334 | 56,086 |
| GAMCO Investors, Inc.'s stockholders' equity | 562,645 | 525,061 | 508,494 |
| Noncontrolling interests | 2,635 | 2,734 | 2,739 |
| Total equity | 565,280 | 527,795 | 511,233 |
| Total liabilities and equity | \$ 872,669 | \$ 866,430 | \$ 898,760 |

(a) Includes investments in sponsored registered investment companies of \$115.0 million, \$39.5 million and \$39.5 million, respectively.

(b) The 0% Subordinated Debentures due December 31, 2015 have a face value of \$6.9 million, \$13.1 million and \$13.1 million, respectively

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

The financial results set forth in this press release are preliminary. Our disclosure and analysis in this press release, which do not present historical information, contain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements convey 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, the economy and other conditions, there can be no assurance that our actual results will not differ materially from what we expect or believe. Therefore, you should proceed with caution in relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance.

Forward-looking statements involve a number of known and unknown risks, uncertainties and other important factors, some of which are listed below, that are difficult to predict and could cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements. Some of the factors that could cause our actual results to differ from our expectations or beliefs include a decline in the securities markets that adversely affect our assets under management, negative performance of our products, the failure to perform as required under our investment management agreements, a general downturn in the economy that negatively impacts our operations. We also direct your attention to the more specific discussions of these and other risks, uncertainties and other important factors contained in our Form 10-K and other public filings. Other factors that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We do not undertake to update publicly any forward-looking statements if we subsequently learn that we are unlikely to achieve our expectations whether as a result of new information, future developments or otherwise, except as may be required by law.