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### **Teton Advisors, Inc. Reports Fourth Quarter and Full Year Results**

- **Fourth Quarter Average AUM of \$1.4 Billion**
- **Fourth Quarter Earnings Per Share \$0.53**
- **Full Year Earnings Per Share \$2.39**
- **Keeley Transaction expected to close February 28<sup>th</sup>**

Rye, New York, February 16, 2017 – Teton Advisors, Inc. (OTC PINK: TETAA) announced fourth quarter 2016 earnings of \$0.6 million, or \$0.53 per fully diluted share, versus \$0.9 million, or \$0.85 per fully diluted share in the fourth quarter 2015. For the year ended December 31, 2016, earnings were \$2.6 million, or \$2.39 per fully diluted share, versus \$4.0 million, or \$3.65 per fully diluted share in 2015. Teton Advisors also declared a regular quarterly dividend of \$0.05 per share on its Class A and Class B Common Stock payable on March 28, 2017 to its Class A and Class B shareholders of record on March 14, 2017.

Teton's reduced earnings, compared with 2015, is attributable to lower average assets under management, along with non-recurring expenses associated with the Keeley transaction. In November 2016, Teton signed a definitive agreement to acquire certain assets of Keeley Asset Management Corp. ("Keeley"), a pioneer in small and mid cap value investing founded by John L. Keeley, Jr. in 1982, scheduled to close on February 28<sup>th</sup>, 2017. At closing, we expect assets under management to be approximately \$3.7 billion, a significant increase over the 2016 year-end Teton AUM of \$1.4 billion, and the \$374 million AUM in March 2009 when Teton was spun-off from GAMCO Investors Inc. (NYSE: GBL). We expect the Keeley acquisition, in 2017, to be accretive to earnings before interest, taxes, depreciation and amortization (EBITDA).

**Table I**

**TETON ADVISORS, INC.**  
**UNAUDITED CONDENSED STATEMENTS OF INCOME**

	<b>For the Three Months Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
Revenues		
Investment advisory fees-mutual funds	\$ 3,101,015	\$ 3,190,967
Investment advisory fees-separate accounts	287,936	611,252
Distribution fees and other income	48,303	67,651
Total revenues	<u>3,437,254</u>	<u>3,869,870</u>
Expenses		
Compensation	1,138,349	1,319,324
Marketing and administrative fees	443,217	451,251
Distribution costs and expense reimbursements	332,776	269,168
Advanced commissions	38,658	60,324
Sub-advisory fees	75,155	78,506
Other operating expenses	501,651	216,129
Total expenses	<u>2,529,806</u>	<u>2,394,702</u>
Income before income taxes	907,448	1,475,168
Income taxes	327,081	542,463
Net income	<u>\$ 580,367</u>	<u>\$ 932,705</u>
Net income per share:		
Basic	<u>\$ 0.53</u>	<u>\$ 0.85</u>
Diluted	<u>\$ 0.53</u>	<u>\$ 0.85</u>
Weighted average shares outstanding:		
Basic	<u>1,096,151</u>	<u>1,097,171</u>
Diluted	<u>1,100,850</u>	<u>1,098,296</u>

Table II

**TETON ADVISORS, INC.**  
**UNAUDITED CONDENSED STATEMENTS OF INCOME**

	<b>For the Years Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
Revenues		
Investment advisory fees-mutual funds	\$ 11,744,005	\$ 14,058,534
Investment advisory fees-separate accounts	1,464,224	2,776,094
Distribution fees and other income	216,818	363,993
Total revenues	<u>13,425,047</u>	<u>17,198,621</u>
Expenses		
Compensation	4,796,860	6,290,861
Marketing and administrative fees	1,701,098	1,934,852
Distribution costs and expense reimbursements	1,066,585	1,074,271
Advanced commissions	151,105	330,450
Sub-advisory fees	303,013	327,040
Other operating expenses	1,255,192	880,632
Total expenses	<u>9,273,853</u>	<u>10,838,106</u>
Income before income taxes	4,151,194	6,360,515
Income taxes	1,527,267	2,350,042
Net income	<u>\$ 2,623,927</u>	<u>\$ 4,010,474</u>
Net income per share:		
Basic	<u>\$ 2.39</u>	<u>\$ 3.65</u>
Diluted	<u>\$ 2.39</u>	<u>\$ 3.65</u>
Weighted average shares outstanding:		
Basic	<u>1,095,994</u>	<u>1,097,550</u>
Diluted	<u>1,099,264</u>	<u>1,099,052</u>

**Table III**

**TETON ADVISORS, INC.**  
**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL CONDITION**

	<b>December 31, 2016</b>	<b>December 31, 2015</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 13,270,301	\$ 10,255,698
Investment advisory fees receivable	1,313,412	1,573,398
Investment in securities	110,146	102,928
Deferred tax asset	-	63,999
Income tax receivable	139,399	52,808
Receivable from affiliates	17,072	19,809
Contingent deferred sales commission	79,878	94,615
Other assets	124,925	129,000
Total assets	\$ 15,055,133	\$ 12,292,255
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Payable to affiliates	\$ 502,239	\$ 618,208
Compensation payable	306,801	182,177
Deferred tax liability	16,327	46,452
Distribution costs payable	159,186	177,339
Accrued expenses and other liabilities	1,049,735	589,640
Total liabilities	2,034,288	1,613,816
<b>Stockholders' equity</b>		
Class A Common Stock, \$0.001 par value; 1,200,000 shares authorized; 975,403 and 980,152 shares issued, respectively; 766,928 and 771,898 shares outstanding, respectively	974	973
Class B Common Stock, \$0.001 par value; 800,000 shares authorized; 792,000 shares issued; 331,339 and 331,590 shares outstanding, respectively	339	340
Additional paid-in capital	644,628	698,452
Treasury stock, at cost	(2,308,830)	(2,299,567)
Retained earnings	14,683,734	12,278,241
Total stockholders' equity	13,020,845	10,678,439
Total liabilities and stockholders' equity	\$ 15,055,133	\$ 12,292,255

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**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. Such statements are subject to contingencies and uncertainties, some or all of which may be material. We direct your attention to the cautionary statements regarding forward-looking information set forth in documents on Teton's website. 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.