

FRMO Corp. Announces Third Quarter 2014 Financial Results and Conference Call

ELMSFORD, N.Y. —April 14, 2014

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today reported its financial results for its 2014 third quarter, which ended February 28, 2014 (May Fiscal Year).

Financial Highlights

FRMO’s 2014 income from operations for the three months ended February 28, 2014 was \$1,731,675, down from \$1,839,525 for the same period in the prior year. The difference is primarily attributable to realized losses on securities. Comprehensive income for the same periods, and which includes unrealized gains, was \$3,151,009, up from \$2,510,418, including net income of \$304,103 (\$0.01 per share basic and diluted) for the third quarter of fiscal 2014, as compared to \$858,803 (\$0.02 per share basic and diluted) for the same period in the prior year. Income from operations for the nine months ended February 28, 2014 was \$5,355,635, up from \$4,743,261 for the same period in the prior year. For the nine months ended February 28, 2014, comprehensive income was \$7,671,193, up from \$6,428,629 in the first nine months of fiscal 2013, including net income of \$2,758,091 (\$0.06 per share, basic and diluted) for the first nine months of fiscal 2014 compared to \$2,751,336 (\$0.07 per share, basic and diluted) for the same period in the prior year

Shareholders’ Equity increased by \$7.8 million to \$91.19million (\$2.10 per share) at February 28, 2014, from \$83.37 million (\$1.93 per share) at May 31, 2013. Current assets, comprised primarily of cash and equivalents and investments available for sale, amounted to \$86.56 million as of February 28, 2014 and \$74.84 million as of May 31, 2013. Total liabilities were \$16.73 million as of February 28, 2014, compared to \$12.65 million at the end of fiscal 2013, the majority of each being deferred taxes.

Further details are available in the Quarterly Report of the Company’s Consolidated Financial Statements for the quarter ended February 28, 2014. These statements have been filed on the OTC Markets Group Disclosure and News Services (DNS), which may be accessed at www.otcmarkets.com/stock/FRMO/filings. These documents are also available on the FRMO web site at www.frmocorp.com.

Conference Call

Murray Stahl, Chairman and CEO, and Steven Bregman, President and CFO, will host a conference call on Thursday, April 17, 2014 at 4:15 p.m. ET. The call can be accessed by dialing 1- 888-428-9490 (domestic toll free) or 719-325-2393 (international toll) and entering the following conference ID: 5161850. A replay will be available from 6:15 p.m. on the day of the teleconference until May 17, 2014. To listen to the archived call, dial 1-888-203-1112 (domestic toll free) or 719-457-0820 (international toll), and enter conference ID number 5161850.

Condensed Consolidated Balance Sheets*(in thousands)*

	February 28, 2014	May 31, 2013
	(Unaudited)	
Assets		
Current Assets:		
Cash and cash equivalents	\$ 26,701	\$ 26,525
Investments, available for sale, at fair value	58,113	47,306
Other	1,752	1,012
Total Current Assets	<u>86,566</u>	<u>74,843</u>
Investment in unconsolidated limited liability company	11,152	10,974
Participation in Horizon Kinetics revenue stream	10,200	10,200
Total Assets	<u><u>\$ 107,918</u></u>	<u><u>\$ 96,017</u></u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Deferred Tax Liability	\$ 8,565	\$ 5,852
Redeemable preferred stock	-	50
Other current liabilities	3,925	2,510
Total Current Liabilities	<u>12,490</u>	<u>8,412</u>
Deferred Tax Liability - non-current	4,237	4,238
Total Liabilities	<u>16,727</u>	<u>12,650</u>
Stockholders' Equity	<u>91,191</u>	<u>83,367</u>
Total Liabilities and Stockholders' Equity	<u><u>\$ 107,918</u></u>	<u><u>\$ 96,017</u></u>

Condensed Consolidated Statements of Income

(amounts in thousands, except share data)

	Three Months Ended		Nine Months Ended	
	February 28, 2014	February 28, 2013	February 28, 2014	February 28, 2013
	(Unaudited)		(Unaudited)	
Revenue:				
Consultancy and advisory fees	\$ 2,339	\$ 774	\$ 3,946	\$ 1,824
Income (loss) from investment partnerships and limited liability companies	(931)	651	544	1,605
Other	495	681	1,401	2,022
Total Revenue	1,903	2,106	5,891	5,451
Total Expenses	171	266	536	708
Income from Operations	1,732	1,840	5,355	4,743
Provision for Income Taxes	1,428	981	2,597	1,992
Net Income	\$ 304	\$ 859	\$ 2,758	\$ 2,751
Comprehensive Income	\$ 3,151	\$ 2,510	\$ 7,671	\$ 6,429
Basic and Diluted Earnings per Common Share	\$ 0.01	\$ 0.02	\$ 0.06	\$ 0.07
Weighted Average Common Shares Outstanding				
Basic	43,311,972	39,138,154	43,280,177	39,138,154
Diluted	43,732,355	39,259,083	43,681,566	39,197,326

About FRMO Corp.

FRMO Corp. invests in and receives revenues based upon consulting and advisory fee interests in the asset management sector.

FRMO has 43,311,972 shares of common stock outstanding.

For more information, visit our Web site at www.frmocorp.com.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995 – With the exception of historical information, the matters discussed in this press release are forward-looking statements that involve a number of risks and uncertainties. Words like “believe,” “expect” and “anticipate” mean that these are our best estimates as of this writing, but that there can be no assurances that expected or anticipated results or events will actually take place, so our actual future results could differ significantly from those statements. Factors that could cause or contribute to such differences include, but are not limited to: our ability to maintain our competitive advantages, the general economics of the financial industry, our ability to finance growth, our ability to identify and close acquisitions on terms favorable to the Company, and a sustainable market.

Further information on our risk factors is contained in our quarterly and annual reports as filed on our website www.frmocorp.com and on www.otcmartets.com/stock/FRMO/filings.

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