

## FRMO CORP. Approves Reverse/Forward Stock Split

Pleasantville, N. Y. January 12, 2012 – FRMO Corp (OTCPINK: FRMO) announced today the approval of the following proposal:

To amend the Company's Certificate of Incorporation to effect a 1-for-100 reverse stock split of the Company's outstanding Common Stock. Stockholders owning fewer than 100 shares of Common Stock on the record date of January 17, 2012 will have their shares cancelled and converted into the right to receive \$3.00 for each share of Common Stock held prior to the reverse stock split. The reverse split will be immediately followed by a 100-for-1 forward stock split. The effective date of the Reverse/Forward Stock Split is January 17, 2012.

The effect of the amendment will be to reduce the number of shareholders of record to fewer than 300 and thus terminate the Company's obligation to file reports with the Securities and Exchange Commission. FRMO's common stock will continue to be traded on the Pink Sheets where it currently is traded. The Company will continue to provide shareholders with annual financial statements and quarterly financial information on its website, FRMOCorp.com.

After the reverse/forward stock split, the Company plans to file on the OTC Discovery and News Service its balance sheet as of May 31, 2011 as well as financial statements for the first two quarters of its 12 months ending May 31, 2012. Net income for the first three months ended August 31, 2011 was \$1,036,574 or \$0.03 of basic and diluted earnings per share. The unaudited financial statement for the six months ended November 30, 2011 is expected to be filed after the date that the stock split becomes effective.

The condensed Consolidated Balance Sheet of the Company at August 31, 2011 was:

<u>Current Assets:</u>	<u>August 31, 2011</u>
Cash and cash equivalents	\$ 14,652,943
Investments, available for sale, at fair value	34,916,907
Other current assets	<u>2,435,688</u>
Total Current Assets	52,005,538
Other assets	<u>6,738,951</u>
<b>Total Assets</b>	<b>\$ <u>58,744,489</u></b>
<u>Liabilities and Stockholders' Equity:</u>	
Current Liabilities	\$ 1,815,915
Deferred Tax Liability – non-current	<u>4,724,201</u>
<b>Total Liabilities</b>	<b>\$ 6,540,116</b>
<b>Total Stockholders' Equity – 39,158,140 shares outstanding</b>	<b>\$ <u>52,204,373</u></b>
<b>Total Liabilities and Stockholders Equity</b>	<b>\$ <u>58,744,489</u></b>

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