

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

ELMSFORD, N.Y. —January 14, 2014

FRMO Corp. (the “Company” or “FRMO”) (OTC Pink: FRMO) today reported its financial results for its 2014 second quarter, which ended November 30, 2013 (May Fiscal Year).

Financial Highlights

FRMO’s 2014 net income for the three months ending November 30, 2013 increased 25% over the same period in the prior year to \$1,050,758 from \$838,373 (\$0.02 per share in each period, basic and diluted). For the six months ended November 30, 2013, constituting the first half of the current fiscal year ending May 31, 2014, net income was up 30% to \$2,453,988 (\$0.06 per share, basic and diluted) from \$1,892,533 (\$0.05 per share, basic and diluted) for the same period in the prior year

Shareholders’ Equity increased by \$4.65 million to \$88.01 million (\$2.03 per share) at November 30, 2013 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 \$80.8 million as of November 30, 2013 and \$74.8 million as of May 31, 2013. Total liabilities were \$14.2 million as of November 30, 2013 compared to \$12.7 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 November 30, 2013. 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, of FRMO Corp. will host a conference call on Thursday, February 6, 2014 at 4:15 p.m. ET. The call can be accessed by dialing 1-888-576-4387 (domestic toll free) or 719-325-2354 (international toll) and entering the following conference ID: 7380319. A replay will be available from 6:15 p.m. on the day of the teleconference until March 7, 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 7380319.

Condensed Consolidated Balance Sheets*(in thousands)*

	November 30, 2013	May 31, 2013
Assets		
Current Assets:		
Cash and cash equivalents	\$ 26,058	\$ 26,525
Investments, available for sale, at fair value	53,216	47,306
Other	1,509	1,012
Total Current Assets	80,783	74,843
Investment in unconsolidated limited liability company	11,192	10,974
Participation in Horizon Kinetics revenue stream	10,200	10,200
Total Assets	\$ 102,175	\$ 96,017
Liabilities and Stockholders' Equity		
Current Liabilities:		
Deferred Tax Liability	\$ 7,802	\$ 5,852
Redeemable preferred stock	-	50
Other current liabilities	2,122	2,510
Total Current Liabilities	9,924	8,412
Deferred Tax Liability - non-current	4,237	4,238
Total Liabilities	14,161	12,650
Stockholders' Equity	88,014	83,367
Total Liabilities and Stockholders' Equity	\$ 102,175	\$ 96,017

Condensed Consolidated Statements of Income
(amounts in thousands, except share data)

	Three Months Ended		Six Months Ended	
	November 30, 2013	November 30, 2012	November 30, 2013	November 30, 2012
	(Unaudited)			
Revenue:				
Consultancy and advisory fees	\$ 928	\$ 508	\$ 1,607	\$ 1,050
Income from investment partnerships and limited liability companies	218	505	1,475	955
Other	460	436	906	1,341
Total Revenue	<u>1,606</u>	<u>1,449</u>	<u>3,988</u>	<u>3,346</u>
Total Expenses	<u>151</u>	<u>197</u>	<u>364</u>	<u>442</u>
Income from Operations	1,455	1,252	3,624	2,904
Provision for Income Taxes	<u>404</u>	<u>414</u>	<u>1,170</u>	<u>1,011</u>
Net Income	<u>\$ 1,051</u>	<u>\$ 838</u>	<u>\$ 2,454</u>	<u>\$ 1,893</u>
Basic and Diluted Earnings per Common Share	\$ 0.02	\$ 0.02	\$ 0.06	\$ 0.05
Weighted Average Common Shares Outstanding				
Basic	43,272,412	39,138,154	43,264,540	39,138,154
Diluted	43,693,129	39,188,154	43,658,657	39,188,154

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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