

CORRECTION: FRMO Corp. Announces Results for Fiscal 2013

Extends invitation to attend Annual Meeting in NYC August 27

Elmsford, N.Y. August 8, 2013. FRMO Corp. (FRMO-OTC-PINK) has issued its audited Annual Report for its fiscal year ended May 31, 2013.

Correction: *In the Condensed Balance Sheets, cash and cash equivalents for May 31, 2013 has been corrected to \$26,525 (instead of \$6,525).*

Financial Highlights

FRMO's net income was \$10.3 million (26 cents per share pre and post full dilution) for the fiscal year ended May 31, 2013. This amount represents a 215% increase over the 2012 net income figure of \$3.27 million that is largely attributable to the realized gain described below on the exchange of its product-specific revenue interests in certain products managed by Horizon Kinetics LLC ("Horizon Kinetics").

For the years ended May 31, 2013 and 2012, revenues from the product-specific revenue interests were approximately \$2,418,000 and \$2,211,000, respectively. As of May 31, 2013, FRMO will receive a single revenue interest (the "Revenue Interest") equal to 4.199% of the gross revenues of Horizon Kinetics. On May 31, 2013, the 4.199% Revenue Interest had a fair value of \$10.2 million. As a result of this transaction, the Company realized a gain of approximately \$10.1 million, which is equal to the fair value of the 4.199% Revenue Interest at the close of business on May 31, 2013 over the cost basis of the revenue interests in the Horizon Kinetics related products transferred to Horizon Kinetics on that date.

Tangible book value advanced for the thirteenth consecutive year (since inception) to a record \$83.37 million (\$1.93 per share) in 2013 vs. \$54.26 million (\$1.39 per share) in 2012. Current assets, comprised primarily of cash and equivalents and investments available for sale, amounted to \$74.84 million. Total liabilities amounted to \$12.65 million, the majority being current and non-current deferred taxes. The increase in total liabilities from the 2012 level of \$5.05 million is mainly due to the increase in current and non-current deferred tax on the approximately \$10.057 million gain from the Revenue Interest transaction

Further detail is available in the audited report of the Company's Consolidated Financial Statements for the Year Ended May 31, 2013, and for contextual content in particular, the 2013 Letter to Shareholders from Murray Stahl, Chairman and Chief Executive Officer. These, as well as the Proxy Statement for the Annual Meeting of Shareholders, have been filed on the OTC Markets Group's Disclosure and News Services (DNS), which may be accessed at www.otcmarkets.com/stock/FRMO/filings. These documents, as well as research referred to in the Shareholder Letter, are also available on the FRMO web site, www.frmocorp.com.

Other Matters – Annual Meeting Invitation

The Chairman, President, and Board of Directors of FRMO Corp. cordially invite you to attend its Annual Meeting at which they will review the Fiscal 2013 financial results and the outlook for the future. They will be available to answer questions and look forward to meeting you. The Annual Meeting will be held on:

Tuesday, August 27, 2013 at 3PM
The Harvard Club
35 West 44th Street
New York, NY

Condensed Consolidated Balance Sheets
(in thousands)

	May 31, 2013	May 31, 2012
Assets		
Current Assets:		
Cash and cash equivalents	\$ 26,525	\$ 19,405
Investments, available for sale, at fair value	47,306	38,174
Other	<u>1,012</u>	<u>1,312</u>
Total Current Assets	74,843	58,891
Investment in unconsolidated limited liability company	10,974	202
Participation in Horizon Kinetics revenue stream	10,200	-
Other Assets	-	<u>217</u>
Total Assets	<u>\$ 96,017</u>	<u>\$ 59,310</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Deferred Tax Liability - non-current	\$ 5,852	\$ 246
Redeemable preferred stock	50	50
Other current liabilities	<u>2,510</u>	<u>1,845</u>
Total Current Liabilities	8,412	2,141
Deferred Tax Liability - non-current	<u>4,238</u>	<u>2,909</u>
Total Liabilities	12,650	5,050
Stockholders' Equity	<u>83,367</u>	<u>54,260</u>
Total Liabilities and Stockholders' Equity	<u>\$ 96,017</u>	<u>\$ 59,310</u>

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

	Year Ended	
	May 31, 2013	May 31, 2012
Revenue:		
Consultancy and advisory fees	\$ 2,418	\$ 2,325
Income from investment partnerships and limited liability companies	2,741	1,322
Gain on exchange of product specific revenue interests	10,057	-

Gain on transfer of revenue interest	511	-
Other	1,940	1,838
Total Revenue	17,667	5,485
Total Expenses	867	885
Income from Operations	16,800	4,600
Provision for Income Taxes	6,480	1,332
Net Income	\$ 10,320	\$ 3,268
Basic and Diluted Earnings per Common Share	\$ 0.26	\$ 0.08
Weighted Average Common Shares Outstanding		
Basic	39,280,354	39,138,105
Diluted	39,422,065	39,188,105

About FRMO Corp.

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

FRMO has 43,255,972 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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