

FRMO Corp. Announces Third Quarter 2013 Financial Results, Conference Call, and Private Placement

Business Wire

PLEASANTVILLE, N.Y. — April 15, 2013

FRMO Corp. (FRMO-OTC-PINK) (“FRMO” or “Company”) today reported its financial results for the third quarter ended February 28, 2013 (May Fiscal Year).

Financial Highlights

FRMO’s net income for the third quarter ending February 28, 2013 was \$858,803 (\$0.02 per share basic and diluted) and for the nine months ending February 28, 2013 net income was \$2,751,336 (\$0.07 per share basic and diluted). Comparable figures for the same periods in fiscal 2012 were \$1,059,991 (\$0.03 per share basic and diluted) for the three months and \$2,780,787 (\$0.07 per share basic and diluted) for the nine months. The third quarter of 2013 includes tax adjustments from prior years.

Tangible book value advanced to a record (since inception) \$61 million (\$1.55 per share) vs. \$54 million (\$1.38 per share) at fiscal 2012 year end. Current assets, comprised primarily of cash and equivalents and investments available for sale, amounted to \$68.3 million. Total liabilities amounted to \$7.6 million, the majority being deferred taxes.

Further details are available in the Quarterly Report of the Company’s Consolidated Financial Statements for the quarter ended February 28, 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 Tuesday, April 23, 2013 at 4:00 p.m. ET. The call can be accessed by dialing **1-888-437-9445** and entering the following conference ID: **2800744**. A replay will be available from 6:15 p.m. the day of the teleconference until May 23, 2013. To listen to the archived call, dial 1-888-203-1112, and enter conference ID number 2800744.

Private Placement

On April 15, 2013, the company received a commitment from accredited investors pursuant to a Private Placement Memorandum (the “PPM”) to purchase 1,730,103 shares of the Company’s common stock at \$2.89 per share. The Company is expecting to receive proceeds of approximately \$5 million during the quarter ended May 31, 2013. There are no closing costs in connection with the PPM. The transaction is exempt from registration pursuant to Regulation D and Section 505 of the Securities Act of 1933.

Condensed Consolidated Balance Sheets*(in thousands)*

	February 28, 2013	May 31, 2012
	(Unaudited)	
Assets		
Current Assets:		
Cash and cash equivalents	\$ 21,171	\$ 19,405
Investments, available for sale, at fair value	45,946	38,376
Other	1,146	1,312
Total Current Assets	68,263	59,093
Other Assets	161	217
Total Assets	\$ 68,424	\$ 59,310
Liabilities and Stockholders' Equity		
Current Liabilities:		
Redeemable preferred stock	\$ 50	\$ 50
Other current liabilities	7,508	2,091
Total Current Liabilities	7,558	2,141
Deferred Tax Liability - non-current	-	2,909
Total Liabilities	7,558	5,050
Stockholders' Equity	60,866	54,260
Total Liabilities and Stockholders' Equity	\$ 68,424	\$ 59,310

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

	Three Months Ended		Nine Months Ended	
	February 28, 2013	February 29, 2012	February 28, 2013	February 29, 2012
	(Unaudited)		(Unaudited)	
Revenue:				
Consultancy and advisory fees	\$ 774	\$ 571	\$ 1,824	\$ 1,761
Income from investment partnerships and limited liability companies	651	496	1,605	940
Other	681	537	2,022	1,812
Total Revenue	2,106	1,604	5,451	4,513
Total Expenses	266	263	708	714
Income from Operations	1,840	1,341	4,743	3,799
Provision for Income Taxes	981	281	1,992	1,019
Net Income	\$ 859	\$ 1,060	\$ 2,751	\$ 2,780
Basic and Diluted Earnings per Common Share	\$ 0.02	\$ 0.03	\$ 0.07	\$ 0.07
Weighted Average Common Shares Outstanding				
Basic	39,138,154	39,138,154	39,138,154	39,138,088
Diluted	39,259,083	39,188,154	39,197,326	39,188,088

About FRMO Corp.

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

FRMO has 39,138,154 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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