Condensed Financial Statements
Teton Advisors, Inc.
Quarterly Report for the Period Ended March 31, 2010

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Contents

Teton Advisors, Inc.

Condensed Statements of Operations

(Unaudited)

	Three months ended March 31, 2010	2009
Revenues		
Investment advisory fees	**$ 1,284,846**	$ 946,974
Other income	**136**	1,013
Total revenues	**1,284,982**	947,987
Expenses		
Compensation	**399,795**	193,206
Marketing and administrative fees	**271,004**	173,847
Sub-advisory fees	**153,887**	149,049
Distribution costs and expense reimbursements	**74,546**	167,065
Other operating expenses	**97,247**	381,886
Total expenses	**996,479**	1,065,053
Income (loss) before income taxes	**288,503**	(117,066)
Income taxes	**99,900**	(40,200)
Net income (loss)	**$ 188,603**	$ (76,866)
Net income (loss) per share:		
Basic	**$ 0.18**	**$ (0.07)**
Diluted	**$ 0.16**	**$ (0.07)**
Weighted average shares outstanding:		
Basic	**1,043,394**	**1,043,394**
Diluted	**1,197,868**	**1,043,555**

See accompanying notes.

Teton Advisors, Inc.

Condensed Statements of Financial Condition

	March 31, 2010 (Unaudited)	December 31, 2009 (Audited)
Assets		
Cash and cash equivalents	**$ 720,580**	$ 436,412
Investment advisory fees receivable	**429,194**	395,968
Deferred tax asset	**-**	-
Income tax receivable	**32,361**	47,166
Receivables from affiliates	**11,508**	6,580
Other assets (net of accumulated depreciation of $3,781 and $3,169, respectively)	**98,182**	90,591
Total assets	**$ 1,291,825**	$ 976,717
Liabilities and stockholders' equity		
Payables to affiliates	**$ 253,947**	$ 235,172
Deferred tax payable	**242,568**	154,678
Compensation payable	**-**	10,000
Distribution costs payable	**50,424**	44,090
Professional fees payable	**29,414**	33,259
Accrued expenses and other liabilities	**2,506**	16,750
Total liabilities	**578,859**	493,949
Stockholders' equity:		
Class A Common stock, $.001 par value; 1,200,000 shares authorized: 955,364 and 945,776 shares issued and outstanding, respectively	**695**	685
Class B Common stock, $.001 par value; 800,000 shares authorized; 348,878 and 358,466 issued and outstanding, respectively	**356**	366
Additional paid in capital – Class A	**187,401**	145,806
Treasury stock, class B, at cost (8,000 shares)	**(8,120)**	(8,120)
Retained earnings	**532,634**	344,031
Total stockholders' equity	**712,966**	482,768
Total liabilities and stockholders' equity	**$ 1,291,825**	$ 976,717

See accompanying notes.

Teton Advisors, Inc.

Condensed Statements of Stockholders' Equity

(Unaudited)

For the Three Months Ended March 31, 2010

	Common Stock Class A	Common Stock Class B	Additional Paid in Capital - Class A	Treasury Stock	Retained Earnings	Total
Balance at December 31, 2009	$ 685	$ 366	$ 145,806	($ 8,120)	$ 344,031	$ 482,768
Stock based compensation	**–**	**–**	**41,595**	**–**	**–**	**41,595**
Conversion from Class B to Class A	**10**	**(10)**	**–**	**–**	**–**	**–**
Net income	**–**	**–**	**–**	**–**	**188,603**	**188,603**
Balance at March 31, 2010	**$ 695**	**$ 356**	**$ 187,401**	**($ 8,120)**	**$ 532,634**	**$ 712,966**

See accompanying notes.

Teton Advisors, Inc.

Condensed Statements of Cash Flows

(Unaudited)

	Three Months Ended March 31, 2010	2009
Cash flows from operating activities		
Net income (loss)	**$ 188,603**	$ (76,866)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	**612**	535
Deferred tax expense (benefit)	**-**	(7,733)
Stock based compensation	**41,595**	5,367
Amortization of identifiable intangible asset	**-**	146,400
(Increase) decrease in operating assets:		
Investment advisory fees receivable	**(33,226)**	38,335
Income taxes receivable	**14,805**	(229,824)
Receivables from affiliates	**(4,928)**	4,592
Other assets	**(8,203)**	15,094
(Decrease) increase in operating liabilities:		
Payables to affiliates	**18,775**	(1,673)
Compensation payable	**(10,000)**	-
Deferred income taxes payable	**87,890**	197,357
Distribution costs payable	**6,334**	1,703
Professional fees payable	**(3,845)**	34,255
Accrued expenses and other liabilities	**(14,244)**	3,871
Total adjustments	**95,565**	208,279
Net cash provided by operating activities	**284,168**	131,413
Net increase in cash and cash equivalents	**284,168**	131,413
Cash and cash equivalents at beginning of year	**436,412**	760,350
Cash and cash equivalents at end of year	**$ 720,580**	$ 891,763
Supplemental disclosure of cash flow information		
Cash paid for income taxes	**$ 3,500**	$ -

See accompanying notes.

Teton Advisors, Inc.

Notes to Condensed Financial Statements

March 31, 2010

A. Significant Accounting Policies

Basis of Presentation

Teton Advisors, Inc. ("Teton" or the "Company") was formed in Texas as Teton Advisers LLC in December 1994. On March 2, 1998, Teton Advisers LLC was renamed Gabelli Advisors LLC and, on the same date, merged into Gabelli Advisers, Inc., a Delaware corporation. On January 25, 2008, Gabelli Advisers, Inc. was renamed Teton Advisors, Inc. Prior to the March 20, 2009 spin-off, the Company was a 42%-owned subsidiary of GAMCO Investors, Inc. ("GAMCO"). The Company serves as the investment adviser for the GAMCO Westwood Funds ("Funds", individually "Fund"). The Company's capital structure consists of 1,200,000 shares authorized of Class A common stock with one vote per share and 800,000 shares authorized of Class B common stock with ten votes per share. At the date of incorporation, 200,000 shares of the Class A shares were issued to Westwood Management Corporation ("WMC") and 800,000 shares of Class B shares were issued to GAMCO and its affiliates. In addition, certain shareholders exercised warrants to purchase 59,394 shares of the Class A common stock for $5 per share on December 31, 2001.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Nature of Operations

Teton is a registered investment adviser under the Investment Advisers Act of 1940. Teton's principal market is in the United States.

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they are not audited and do not include all of the information and notes required for complete financial statements. These condensed financial statements and notes should be read in conjunction with Teton's audited financial statements and notes thereto included in Teton's Annual Report for the year ended December 31, 2009. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 2010 are not necessarily indicative of the results that may

A. Significant Accounting Policies (continued)

be expected for the year ending December 31, 2010.

B. Related Party Transactions

Teton has invested all of its cash equivalents in a money market mutual fund managed by Gabelli Funds, LLC, an affiliate. At March 31, 2010 and December 31, 2009, Teton had $720,580 and $436,412, respectively, in this money market fund and earned $136 and $1,013 for the three month periods ended March 31, 2010 and 2009, respectively, which comprises other income.

Gabelli & Company, Inc. ("Gabelli & Co."), an affiliate of the Company, serves as the principal distributor for the Funds. As distributor, Gabelli & Co. incurs certain promotional and distribution costs, which are expensed as incurred, related to the sale of Fund shares. Gabelli & Co. receives reimbursements from the Company in connection with these distribution activities to the extent such costs exceed distribution fees received from the mutual funds managed by the Company. Such amounts will be repaid to the Company if distribution fees are in excess of distribution expenses of the Funds. In connection with its role as principal distributor, the Company received from Gabelli & Co. $28,108 and paid to Gabelli & Co. $7,081 for the three months ended March 31, 2010 and 2009, respectively, of previously paid reimbursed distribution expenses which is included in distribution costs and expense reimbursements in the condensed statements of operations. As of March 31, 2010 and December 31, 2009, there was $187,726 and $215,833, respectively, contingently receivable by Teton from Gabelli & Co.

Teton paid GAMCO administration fees based on the average net assets of the Funds, amounting to $271,004 and $173,847 for the three month periods ended March 31, 2010 and 2009, respectively. Teton also paid GAMCO reimbursement for compensation, which amounted to $122,025 and $50,740 for the three month periods ended March 31, 2010 and 2009, respectively.

Teton pays Westwood Management Corp a sub-advisory fee of 35% of net revenues of funds for which Westwood acts as the sub-advisor. The percentage of net revenues is defined as advisory fees less 20 basis points for administrative fees, after certain expenses are paid by Teton to the Westwood Funds. The fees amounted to $153,887 and $149,049 for the three month periods ended March 31, 2010 and 2009, respectively. Westwood Management Corporation is owned 100% by Westwood Holdings Group as of March 31, 2010.

B. Related Party Transactions (continued)

The Company serves as the investment adviser for the Funds and earns advisory fees based on predetermined percentages of the net average assets of the Funds. Advisory fees earned from the Funds were $1,244,453 and $946,974 for the three month periods ended March 31, 2010 and 2009, respectively. Advisory fees receivable from the Funds were $429,194 and $395,968 at March 31, 2010 and December 31, 2009, respectively.

The Company has receivables from the Funds of $54,505 and $45,823, which are included in other assets in the condensed statements of financial condition, at March 31, 2010 and December 31, 2009, respectively, relating to reimbursement of shareholder servicing costs associated with No Transaction Fee ("NTF") programs.

Teton's receivables and payables to affiliates at March 31, 2010 and December 31, 2009 are non-interest bearing and are receivable and payable on demand. At March 31, 2010 and December 31, 2009, the amount payable to GAMCO was $149,093 and $138,279, respectively, and the amount payable to Westwood Management Corporation was $53,311 and $55,169, respectively. At March 31, 2010 and December 31, 2009, the amount receivable from Gabelli & Company was $11,508 and $6,580, respectively.

C. Indemnifications

In the ordinary course of business, the Company may enter into contracts or agreements that contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Company. Based on its history and experience, the Company believes that the likelihood of any such event is remote.

MANAGEMENT'S DISCUSSION OF OPERATIONS

The following discussion should be read in conjunction with the condensed consolidated financial statements and the notes thereto.

Operating Results for the Quarter Ended March 31, 2010 as Compared to the Quarter Ended March 31, 2009

Revenues
Total revenues were $1,284,982 in the first quarter of 2010, $336,995 or 35.5% higher than the total revenues of $947,987 in the first quarter of 2009. The change in total revenues by revenue component was as follows:

	For the Three Months ended March 31,		Increase (decrease)	
(unaudited)	2010	2009	$	%
Investment advisory fees	$ 1,284,846	$ 946,974	$ 337,872	35.7%
Other income	136	1,013	(877)	(86.6)
Total revenues	$ 1,284,982	$ 947,987	$ 336,995	35.5%

Investment Advisory Fees: Investment advisory fees are directly influenced by the level and mix of assets under management ("AUM"). Teton earns advisory fees based on the average AUM in the Funds.

Investment advisory fees were $1,284,846 for the period ended March 31, 2010 compared to $946,974 for the period ended March 31, 2009, an increase of $337,872, or 35.7%.

AUM increased to $609.3 million at March 31, 2010 from $560.5 million at December 31, 2009. This increase was primarily due to market appreciation of $35.9 million and inflows of $51.2 million, offset partially by outflows of $38.3 million.

AUM decreased to $385.7 million at March 31, 2009 from $449.8 million at December 31, 2008. This decrease was primarily due to outflows of $55.5 million and market depreciation of $50.4 million, offset slightly by inflows of $41.8 million.

Other income: Other income includes interest income earned from cash equivalents that were invested in a money market mutual fund managed by Gabelli Funds, LLC, a subsidiary of GAMCO. Other income for the first quarter of 2010 was $136, down from the $1,013 for 2009 due to lower average cash equivalent balances held in 2010 and lower interest rates in 2010 versus 2009.

Expenses

Sub-advisory Fees: Teton has currently retained a sub-adviser for three of the six Westwood funds. Sub-advisory fees, which are 35% of the net investment advisory revenues of the sub-advised funds and are recognized as expenses as the related services are performed, were $153,887 for the first quarter of 2010, increasing from $149,049 in the prior year period. This increase was primarily due to the increase of investment advisory revenue from the three funds of 3.4%.

Administrative Fees: Administrative expenses, which are charges from GAMCO and paid by Teton for administration of the mutual fund activities performed by GAMCO on behalf of Teton, were $271,004 for the three months ended March 31, 2010, a 55.9% increase from $173,847 in the prior year period.

Compensation: Compensation costs, which include stock based compensation, direct employees of Teton and portfolio manager compensation, was $399,795 for the first quarter of 2010, a 106.9% increase from $193,206 in the year ago period. Stock based compensation was $41,595 in the first quarter of 2010, increasing from $5,367 in the first quarter of 2009. Fixed compensation costs increased to approximately $189,357 for the first quarter of 2010 from $137,098 in the prior year period. The remainder of the compensation expenses represents variable portfolio manager compensation that fluctuates with net investment advisory revenues, which is defined as advisory fees less certain expenses. For the 2010 period, portfolio manager compensation was $168,842, an increase of $118,102 from the $50,740 in the prior year period. The primary driver of this increase was an increase in average AUM, which generates investment advisory fees, for the funds in which portfolio manager compensation is based.

Distribution costs and expense reimbursements: Distribution costs, which are principally related to the sale of shares of open-end mutual funds, and expense reimbursements were $74,546 for the first quarter of 2010, decreasing $92,519 from $167,065 in the prior year period.

Distribution costs are broken down into two categories, payments made to third party distributors for Funds sold through them, including their no transaction fee programs, and expenses either paid to or reimbursed from Gabelli & Company for distribution of the Funds. Expenses paid to third parties were $47,179 during the 2010 period, an increase of $14,662 from the prior year amount of $32,518. The arrangement between Teton and Gabelli & Company is that Teton will reimburse Gabelli & Company for any distribution costs in excess of Gabelli & Company's distribution revenues. Conversely, if the distribution revenues of Gabelli & Company exceed the costs, such excess is reimbursed to Teton. For the three months ended March 31, 2010 and 2009, Gabelli & Company reimbursed Teton $28,108 and Teton paid Gabelli & Company $7,081, respectively, a decrease of $35,189. This decrease to Teton was due to higher income earned by Gabelli & Company during the 2010 period as compared to the 2009 period.

Expense reimbursements to the Funds were $55,475 for the first quarter of 2010, a decrease of $71,992 from the prior year period amount of $127,467.

Other: General and administrative expenses, including those charged by GAMCO and incurred directly, were $97,247 for the first quarter of 2010, a decrease of $284,639 from the year ago amount of $381,886. The decrease primarily related to non recurring charges incurred in the first quarter of 2009 for the acquisition of the B.B. Micro Cap Growth Fund contract and the spin-off of $283,412.

Income Taxes

The effective tax rate was 34.6% for the quarter ended March 31, 2010, versus 34.3% for the quarter ended March 31, 2009.

Net Income

Net income for the first quarter of 2010 was $188,603 or $0.16 per fully diluted share versus a loss of $76,866 or $0.07 per fully diluted share for the 2009 period.