SECURITIES & EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2002

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OF 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to

Commission File No. 1-106

GABELLI ASSET MANAGEMENT INC.
(Exact name of Registrant as specified in its charter)

New York	13-4007862
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Corporate Center, Rye, New York	10580
(Address of principal executive offices)	(Zip Code)

(914)921-3700
Registrant's telephone number, including area code

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the Registrant's classes of Common Stock, as of the latest practical date.

Class	Outstanding at July 31, 2002
Class A Common Stock, .001 par value	6,694,243
Class B Common Stock, .001 par value	23,450,000

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GABELLI ASSET MANAGEMENT INC. AND SUBSIDIARIES

GABELLI ASSET MANAGEMENT INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED
(In thousands, except per share data)

	Three Months Ended June 30,	
	2001	**2002**
Revenues		
Investment advisory and incentive fees.	$ 47,718	$ 48,356
Commission revenue.	3,580	3,682
Distribution fees and other income.	5,719	5,364
Total revenues	57,017	57,402
Expenses		
Compensation and related costs.	22,619	22,291
Management fee.	2,961	2,483
Other operating expenses.	9,483	8,242
Total expenses	35,063	33,016
Operating income.	21,954	24,386
Other income (expense)		
Net gain (loss) from investments.	2,808	(636)
Interest and dividend income.	2,840	1,780
Interest expense.	(956)	(3,186)
Total other income (expense), net	4,692	(2,042)
Income before income taxes and minority interest.	26,646	22,344
Income tax provision.	10,285	8,401
Minority interest.	520	2
Net income	$ 15,841	$ 13,941
Net income per share:		
Basic	$ 0.54	$ 0.46
Diluted	$ 0.53	$ 0.46
Weighted average shares outstanding:		
Basic	29,527	30,222
Diluted	29,932	32,327

See accompanying notes.

GABELLI ASSET MANAGEMENT INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED
(In thousands, except per share data)

	Six Months Ended June 30,	
	2001	**2002**
Revenues		
Investment advisory and incentive fees	$ 95,905	$ 97,216
Commission revenue	7,967	7,613
Distribution fees and other income	11,489	10,605
Total revenues	115,361	115,434
Expenses		
Compensation and related costs	45,732	44,721
Management fee	5,754	5,231
Other operating expenses	17,920	15,727
Total expenses	69,406	65,679
Operating income	45,955	49,755
Other income (expense)		
Net gain from investments	3,242	78
Interest and dividend income	4,473	3,159
Interest expense	(1,887)	(5,914)
Total other income (expense), net	5,828	(2,677)
Income before income taxes and minority interest	51,783	47,078
Income tax provision	19,988	17,701
Minority interest	1,058	47
Net income	$ 30,737	$ 29,330
Net income per share:		
Basic	$ 1.04	$ 0.97
Diluted	$ 1.03	$ 0.97
Weighted average shares outstanding:		
Basic	29,517	30,083
Diluted	29,887	32,246

See accompanying notes.

GABELLI ASSET MANAGEMENT INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(In thousands)

	December 31, 2001	June 30, 2002 (Unaudited)
ASSETS		
Cash and cash equivalents	$ 305,447	$ 395,928
Investments in securities	56,293	53,803
Investments in partnerships and affiliates	65,838	60,093
Receivable from brokers	36	101
Investment advisory fees receivable	14,651	15,294
Income tax receivable	-	3,252
Deferred income taxes, net	18,661	-
Other assets	25,468	28,170
Total assets	$ 486,394	$ 556,641
LIABILITIES AND STOCKHOLDERS' EQUITY		
Note payable	$ 50,000	$ -
Income taxes payable	4,733	335
Capital lease obligation	3,492	3,464
Payable to brokers	8,554	5,331
Compensation payable	21,183	29,026
Accrued expenses and other liabilities	15,524	16,126
Total liabilities	103,486	54,282
Convertible note	100,000	100,000
Mandatory convertible securities	-	87,513
Minority interest	7,611	7,385
Stockholders' equity	275,297	307,461
Total liabilities and stockholders' equity	$ 486,394	$ 556,641

See accompanying notes.

GABELLI ASSET MANAGEMENT INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2002	2001	2002
Operating activities				
Net income.	$ 15,841	$ 13,941	$ 30,737	$ 29,330
Adjustments to reconcile net income to net cash provided by operating activities:				
Equity in earnings of partnerships and affiliates .	(1,024)	(79)	(1,987)	(345)
Depreciation and amortization	187	216	372	428
Deferred income tax asset	78	-	(198)	18,661
Tax benefit from exercise of stock options.	-	269	-	4,082
Minority interest in net income of consolidated subsidiaries	519	2	1,058	47
Market value of donated securities.		412		412
Realized losses on available for sale securities. .	-	(58)	-	(40)
(Increase) decrease in operating assets:				
Investments in securities.	6,827	2,048	15,503	1,887
Investment advisory fees receivable.	34	3,257	1,268	(643)
Receivables from affiliates.	(966)	(613)	632	766
Other receivables.	(318)	738	(184)	258
Receivable from brokers.	3,686	1,922	2,761	(65)
Income tax receivable	-	7,627	-	(3,252)
Other assets	(115)	(388)	(129)	(4,153)
Increase (decrease) in operating liabilities:				
Payable to brokers	-	2,631	-	(3,223)
Income taxes payable	(7,702)	(536)	(2,682)	(4,377)
Compensation payable	5,275	2,612	5,778	7,858
Accrued expenses and other liabilities	(645)	(77)	455	(1,782)
Total adjustments	5,836	19,983	22,647	16,519
Net cash(used in)provided by operating activities .	21,677	33,924	53,384	45,849
Investing activities				
Purchases of available for sale securities.	-	(456)	-	(558)
Proceeds from sales of available for sale securities	-	500	-	602
Distributions from partnerships and affiliates. . .	121	1,487	7,135	12,458
Investments in partnerships and affiliates.	(1,084)	(128)	(2,484)	(6,368)
Net cash (used in)provided by investing activities	(963)	1,403	4,651	6,134
Financing activities				
Purchase of minority stockholders' interest	(67)	-	(106)	(273)
Proceeds from issuance of Mandatory convertible securities	-	-	-	87,952
Repayment of note payable	-	-	-	(50,000)
Proceeds from exercise of stock options	-	1,166	-	9,063
Purchase of mandatory convertible securities. . . .	-	(2,422)	-	(2,422)
Issuance (purchase) of treasury stock	3	(2,228)	(852)	(5,822)
Net cash(used in)provided by financing activities .	(64)	(3,484)	(958)	38,498
Net increase in cash and cash equivalents	20,650	31,843	57,077	90,481
Cash and cash equivalents at beginning of period. .	105,698	364,085	69,271	305,447
Cash and cash equivalents at end of period.	$126,348	$395,928	$126,348	$395,928

Supplemental disclosure of non-cash financing activity

Treasury stock exchanged for subsidiary stock held by minority shareholders	$ 3,368	$ -	$ 3,368	$ -
Net present value of forward purchase contract. . .	$ -	$ 2,353	$ -	$ 2,353

See accompanying notes.

GABELLI ASSET MANAGEMENT INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2002
(Unaudited)

A. Basis of Presentation

The unaudited interim condensed consolidated financial statements of Gabelli Asset Management Inc. ("the Company") included herein have been prepared in conformity with accounting principles generally accepted in the United States for interim financial information and Rule 10-01 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the unaudited interim condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair presentation of financial position, results of operations and cash flows of the Company for the interim periods presented and are not necessarily indicative of a full year's results.

In preparing the unaudited interim condensed consolidated financial statements, management is required to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates.

These financial statements should be read in conjunction with the Company's audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001, from which the accompanying Statement of Financial Condition was derived.

Certain items previously reported have been reclassified to conform to the current year's financial statement presentation.

B. Investment in Securities

Management determines the appropriate classification of debt and equity securities at the time of purchase and reevaluates such designation as of each balance sheet date. A substantial portion of investments in securities are held for resale in anticipation of short-term market movements and classified as trading securities. Available for sale investments are stated at fair value, with any unrealized gains or losses, net of deferred taxes, reported as a component of stockholders' equity.

At June 30, 2002 the market value of investments available for sale was $6.1 million. The change in market value, net of taxes, of $321,000 has been included in stockholders' equity.

Proceeds from sales of investments available for sale were approximately $0.6 million for the period ended June 30, 2002. Gross gains on the sale of investments available for sale amounted to $58,000; gross losses on the sale of investments available for sale amounted to $19,000.

C. Earnings Per Share

The computations of basic and diluted net income per share are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except per share amounts)	2001	2002	2001	2002
Basic:				
Net income	$ 15,841	$ 13,941	$ 30,737	$ 29,330
Average shares outstanding	29,527	30,222	29,517	30,083
Basic net income per share	$ 0.54	$ 0.46	$ 1.04	$ 0.97
Diluted:				
Net income	$ 15,841	$ 13,941	$ 30,737	$ 29,330
Add interest expense on convertible note, net of management fee and taxes	-	913	-	1,825
Total	$ 15,841	$ 14,854	$ 30,737	$ 31,155
Average shares outstanding	29,527	30,222	29,517	30,083
Dilutive stock options	405	218	370	276
Assumed conversion of convertible note	-	1,887	-	1,887
Total	29,932	32,327	29,887	32,246
Diluted net income per share	$ 0.53	$ 0.46	$ 1.03	$ 0.97

D. Mandatory Convertible Securities (" Feline PRIDES ")

On February 6, 2002 the Company completed its public offering of 3.6 million mandatory convertible debt securities ("Feline PRIDES"). The securities are listed on the New York Stock Exchange under the symbol "GBL.I". Each Feline PRIDE initially consists of a unit referred to as an Income PRIDE that includes (a) a purchase contract under which the holder will purchase shares of the Company's Class A Common Stock on February 17, 2005 and (b) senior notes due February 17, 2007 with a principal amount of $25 per share. The notes pay interest quarterly at a rate of 6% per year, which rate is expected to be reset on or about November 17, 2004. Each purchase contract obligates its holder to purchase, on February 17, 2005, newly issued shares of the Company's Class A Common Stock. The total number of shares to be issued will be between 1.9 million and 2.3 million, subject to adjustment in certain circumstances with the number of shares to be determined based upon the average trading price of Common Stock over a period preceding that date. In connection with the offering the

Company received $90 million before underwriting and other expenses of approximately $3.1 rillion. For accounting purposes the net present value of the purchase contract adjustments and their related offering costs have been recorded as a reduction to additional paid in capital. Costs incurred in connection with the issuance of the senior notes are capitalized as deferred financing costs and amortized as an adjustment to interest expense over the term of the notes.

On April 29, 2002 the Board of Directors approved the repurchase of up to 100,000 shares of the mandatory convertible securities from time to time in the open market. During the quarter ended June 30, 2002 the Company repurchased 99,500 shares at an average cost of $23.92 per share. A gain of approximately $112,000 attributable to the debt component of each Feline PRIDE repurchased has been included in other income.

On June 26, 2002 the Board of Directors authorized the repurchase of an additional 100,000 shares.

E. Stockholders' Equity

Stock Repurchase Program

In March 1999 the Board of Directors established the Stock Repurchase Program through which the Company is authorized to repurchase shares of its Class A Common Stock from time to time in the open market. During the second quarter of 2002, the Company repurchased 59,648 shares at an average cost of $37.34 per share bringing the total shares repurchased under the program in 2002 to 152,805 at an average cost of $38.08 per share. Since the inception of the program in March 1999 we have repurchased 725,705 shares at an average cost of $23.28 per share.

F. Subsequent Events

Convertible Note

On August 9, 2002 the Board of Directors authorized the Company to establish a collateral account, consisting of cash or securities totaling $103.0 million, to secure a letter of credit issued in favor of Cascade Investment LLC, the holder of the $100 million convertible note that was issued in a private placement on August 14, 2001. When this note was first issued to Cascade an affiliated entity put up the collateral and absorbed the cost of the letter of credit which was approximately 0.375% per annum. The Company will pay a fee of approximately $206,000 for the letter of credit, which expires on August 14, 2003.

Stock Repurchase Program

On July 18, 2002 the Board of Directors raised the amount authorized to repurchase shares of the Company's Class A Common Stock by $5,000,000. On August 9, 2002 the Board further increased the amount authorized to repurchase shares by an additional $3,000,000.

On August 9, 2002 the Board of Directors increased the number of shares of the Company's mandatory convertible securities which may be repurchased by an additional 200,000 shares.

Stock Option Accounting

On July 26, 2002 the Company announced that it will expense the cost of stock options issued beginning January 1, 2003 using the expense recognition guidance provided by SFAS No. 123, "Accounting for Stock-

Based Compensation". The Company had previously accounted for stock options under the intrinsic value method in which compensation expense is recognized only if the exercise price of the stock option is less than the market price of the underlying stock on the date of grant. If the Company had initially elected to expense stock options under the fair value method of SFAS No. 123 the Company's diluted net income per share would have been reduced by $0.03 and $0.01 for the six months ended June 30, 2001 and 2002, respectively. For the three years ended December 31, 1999, 2000 and 2001 diluted net income per share would have been reduced by $0.04, $0.04 and $0.06, respectively.

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Gabelli Asset Management Inc. (the "Company") is a widely recognized provider of investment advisory and brokerage services to mutual fund, institutional and high net worth investors in the United States and internationally. We generally manage assets on a discretionary basis and invest in a wide variety of U.S. and international securities through various investment styles.

The Company's revenues are largely based on the level of assets under management in its business as well as the level of fees associated with its various investment products. Growth in revenues generally depends on good investment performance and the ability to attract additional investors while maintaining current fee levels. The Company's largest source of revenues is investment advisory fees which are based on the amount of assets under management in its Mutual Funds and Separate Accounts business. Revenues derived from the equity oriented portfolios generally have higher management fee rates than fixed income portfolios.

The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements and the notes thereto included in Item 1 to this report.

RESULTS OF OPERATIONS

Three Months Ended June 30, 2002 As Compared To Three Months Ended June 30, 2001

Consolidated Results – Three Months Ended June 30:

	(unaudited; in thousands, except per share data)		
	2001	**2002**	**% Change**
Revenues	$ 57,017	$ 57,402	0.7
Expenses	35,063	33,016	(5.8)
Operating income	21,954	24,386	11.1
Net investment income	5,648	1,144	
Interest expense	(956)	(3,186)	
Total other income (expense), net	4,692	(2,042)	
Income before taxes and minority interest	26,646	22,344	(16.1)
Income tax provision	10,285	8,401	
Minority interest	520	2	
Net income	$ 15,841	$ 13,941	(12.0)
Net income per share:			
Basic	$ 0.54	$ 0.46	(14.8)
Diluted	$ 0.53	$ 0.46	(13.2)
Included in income before taxes and minority interest:			
Depreciation and amortization	$ 187	$ 216	
Adjusted EBITDA(a)	$ 27,789	$ 25,746	

(a) Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization and minority interest.

Total revenues were $57.4 million in the second quarter of 2002 versus $57.0 million in the second quarter of 2001.

Investment advisory and incentive fees, which comprise 84% of total revenues, were $48.4 million in the second quarter of 2002, $0.6 million or 1.3% higher than the $47.7 million reported in the second quarter of 2001. The increase in investment advisory and incentive fees was the result of increased revenues from our GAMCO institutional and high net worth business. GAMCO fees, which are generally billed based on asset levels at the beginning of a quarter, rose $3.0 million or 16.1% in the 2002 quarter as compared to the second quarter of 2001. This increase was largely offset by a 7.6% or $1.7 million decline in revenues from open-end equity mutual funds. Average assets under management in open-end equity funds during the second quarter of 2002 were $8.2 billion, 8.6% below the prior year's second quarter average of $8.9 billion. At June 30, 2002 assets in open-end equity funds were $7.4 billion, 18.0% lower than the prior year quarter end balance of $9.0 billion.

Commissions were $3.7 million in the second quarter of 2002, up 2.8% from $3.6 million in the same period a year earlier largely due to an increase in overall trading volume.

Distribution fees and other income were $5.4 million in the second quarter of 2002 versus $5.7 million in the second quarter of 2001. The decrease in distribution fees results from the decline in average assets managed in open-end equity mutual funds, which generate distribution fees under 12b-1 compensation plans.

Total expenses were $33.0 million in the second quarter of 2002, a 5.8% decrease from total expenses of $35.1 million reported in the second quarter of 2001. Total expenses declined as a percentage of total revenues to 57.5% in 2002 from 61.5% in the prior year quarter. Compensation and related costs, which are largely variable in nature, was $22.3 million, 1.5% lower than the same period a year earlier. The decrease in compensation was principally due to lower incentive compensation accruals and costs associated with benefit programs. Management fee expense, which is totally variable and based on pretax income, was 16.1% lower at $2.5 million in the second quarter of 2002 versus $3.0 million in the second quarter of 2001. Other operating expenses were $8.2 million in the second quarter of 2002, a 13.1% reduction from the $9.5 million reported in the second quarter of 2001. Lower mutual fund administration and distribution costs and marketing costs comprised the largest components of expense reductions.

Interest expense increased $2.2 million to $3.2 million in the second quarter of 2002 from $1.0 million in the second quarter of 2001. The increase reflects the issuance of two convertible securities, in August 2001 and February 2002, with proceeds totaling $190 million and is offset by the repayment of a $50 million note in the beginning of the 2002 quarter. Earnings from the firm's cash and investments were $1.1 million in the second quarter of 2002, lower by $4.5 million, or 79.7% than the second quarter of 2001 as higher average balances in the firm's investment accounts in 2002 were offset by lower interest rates.

The estimated effective tax rate for the second quarter of 2002 was 37.6%, down from 38.6% in calendar 2001 as we benefit from lower state tax rates. In 2002, the New York State corporate tax rate was lowered to 9.0% from 9.5%. Minority interest was lower as a result of the share exchange program, completed in August 2001, through which we increased our ownership in Gabelli Securities, Inc. to 92% from 77%.

Six Months Ended June 30, 2002 As Compared To Six Months Ended June 30, 2001

Consolidated Results – Six Months Ended June 30:

	(unaudited; in thousands, except per share data)		
	2001	**2002**	**% Change**
Revenues	$ 115,361	$ 115,434	0.1
Expenses	69,406	65,679	(5.4)
Operating income	45,955	49,755	8.3
Net investment income	7,715	3,237	
Interest expense	(1,887)	(5,914)	
Total other income (expense), net	5,828	(2,677)	
Income before taxes and minority interest	51,783	47,078	(9.1)
Income tax provision	19,988	17,701	
Minority interest	1,058	47	
Net income	$ 30,737	$ 29,330	(4.6)
Net income per share:			
Basic	$ 1.04	$ 0.97	(6.7)
Diluted	$ 1.03	$ 0.97	(5.8)
Included in income before taxes and minority interest:			
Depreciation and amortization	$ 372	$ 428	
Adjusted EBITDA(a)	$ 54,042	$ 53,420	

(a) Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization and minority interest.

Total revenues were $115.4 million in both the first half of 2002 and 2001.

Investment advisory and incentive fees, which comprise 84% of total revenues, were $97.2 million in the first half of 2002, $1.3 million or 1.4% higher than the $95.9 million reported in the first half of 2001. The increase in investment advisory and incentive fees was the result of increased revenues from our GAMCO institutional and high net worth business. GAMCO fees, which are generally billed based on asset levels at the beginning of a quarter, rose $5.7 million or 15.3% in the 2002 quarter as compared to the first half of 2001. This increase was largely offset by a 7.2%, or $3.3 million, decline in revenues from open-end equity mutual funds. Average assets under management in open-end equity funds during the first half of 2002 was $8.2 billion, 8.3% below the prior year's first half average of $9.0 billion.

Commissions were $7.6 million in the first half of 2002, a decrease of 4.4% from $8.0 million in the same period a year earlier largely due to lower overall trading volume.

Distribution fees and other income were $10.6 million in the first half of 2002 versus $11.5 million in the first half of 2001. A 7.7% decrease in distribution fees resulted from the 8.3% decline in average assets managed in open-end equity mutual funds.

Total expenses were $65.7 million in the first half of 2002, a 5.4% decrease from total expenses of $69.4 million reported in the first half of 2001. Total expenses declined as a percentage of total revenues to 56.9% in 2002 from 60.2% in the prior year quarter. Compensation and related costs, which are largely variable in nature, were $44.7 million, 2.2% lower than the same period a year earlier. The decrease in compensation was principally due to lower incentive compensation accruals and costs associated with benefit programs. Management fee expense, which is totally variable and based on pretax income, was 9.1% lower at $5.2 million in the first half of 2002 versus $5.8 million in the first half of 2001. Other operating expenses were $15.7 million in the first half of 2002 a 12.2% reduction from the $17.9 million reported in the first half of 2001. Lower mutual fund administration and distribution costs and marketing costs comprised the largest components of expense reductions.

Interest expense increased $4.0 million to $5.9 million in the first half of 2002 from $1.9 million in the first half of 2001. The increase reflects the issuance of two convertible securities, in August 2001 and February 2002, with proceeds totaling $190 million and is offset by the repayment of a $50 million note in the beginning of the 2002 quarter. Earnings from the firm's cash and investments were $3.2 million in the first half of 2002, lower by $4.5 million, or 58.0% than the first half of 2001 as higher average balances in the firm's investment accounts in 2002 were offset by lower interest rates.

The estimated effective tax rate for the first half of 2002 was 37.6%, down from 38.6% in calendar 2001. Minority interest was lower as a result of the share exchange program, completed in August 2001, through which we increased our ownership in Gabelli Securities, Inc. to 92% from 77%.

LIQUIDITY AND CAPITAL RESOURCES

The Company's assets are primarily liquid, consisting mainly of cash, short term investments, securities held for investment purposes and investments in partnerships in which the Company is a general or limited partner. Investments in partnerships are generally illiquid, however, the underlying investments in such partnerships are generally liquid and the valuations of the investment partnerships reflect this underlying liquidity.

Summary cash flow data is as follows:

	Six Months Ended June 30,	
	2001	2002
Cash flows provided by (used in):	(in thousands)	
Operating activities	$ 53,384	$ 45,849
Investing activities	4,651	6,134
Financing activities	(958)	38,498
Increase	57,077	90,481
Cash and cash equivalents at beginning of period	69,271	305,447
Cash and cash equivalents at end of period	$ 126,348	$ 395,928

Cash requirements and liquidity needs have historically been met through cash generated by operating activities and through the Company's borrowing capacity. During the first quarter of 2002 Moody's Investors Services issued an investment grade rating to the Company. Together with a prior rating from Standard & Poors Rating Services, the Company possesses investment grade ratings from two large, well respected ratings agencies. The addition of investment grade ratings serves to expand our ability to attract both public and private capital. In February 2002, the Company completed a $90 million offering of 3.6 million mandatory convertible debt securities. Total debt at June 30, 2002 was $187.5 million, consisting of a $100 million convertible note and $87.5 million in mandatory convertible debt securities. At June 30, 2002, the Company had total cash and investments of $509.8 million, an increase of $82.2 million from December 31, 2001. On August 14, 2002 the Company established a collateral account, consisting of cash or securities totaling $103.0 million, to secure a letter of credit issued in favor of Cascade Investment LLC, the holder of the $100.0 million convertible note. The letter of credit expires on August 14, 2003.

Cash provided by operating activities was $45.8 million in the first half of 2002 principally resulting from $29.3 million in net income and offset by changes in other assets and liabilities. Cash provided by operating activities was $53.4 million in the first half of 2001 principally resulting from $30.7 million in net income and decreases in investments in securities and various receivables of $15.5 million and $4.5 million, respectively.

Cash provided by investing activities, related to investments in and distributions from partnerships and affiliates, was $6.1 million and $4.7 million in the first half of 2002 and 2001, respectively.

Cash provided by financing activities in the first half of 2002 was $38.5 million. The increase in cash results from the issuance of $90 million of mandatory convertible debt securities before offering expenses and $9.1 million from the exercise of stock options less the repayment of a $50 million note payable and $5.8 million used to repurchase 152,805 shares of our Class A Common Stock under the Company's Stock Repurchase Program. The exercise of non-qualified stock options and the repayment of the note payable during the first half of 2002 will generate cash tax savings of $4.1 million and $19.8 million, respectively, which has been included in income tax receivable. Cash used in financing activities in the first half of 2001 was $1.0 million, primarily from the purchase of treasury stock.

Based upon the Company's current level of operations and its anticipated growth, the Company expects that its current cash balances plus cash flows from operating activities and its borrowing capacity will be sufficient to finance its working capital needs for the foreseeable future. The Company has no material commitments for capital expenditures.

Gabelli & Company is registered with the Securities and Exchange Commission as a broker-dealer and is a member of the National Association of Securities Dealers. As such, it is subject to the minimum net capital requirements promulgated by the Commission. Gabelli & Company's net capital has historically exceeded these minimum requirements. Gabelli & Company computes its net capital under the alternative method permitted by the Commission, which requires minimum net capital of $250,000. At June 30, 2002, Gabelli & Company had net capital, as defined, of approximately $12.5 million, exceeding the regulatory requirement by approximately $12.2 million. Regulatory net capital requirements increase when Gabelli & Company is involved in underwriting activities.

Market Risk

The Company is subject to potential losses from certain market risks as a result of absolute and relative price movements in financial instruments due to changes in interest rates, equity prices and other factors. The Company's exposure to market risk is directly related to its role as financial intermediary and advisor for assets under management in its mutual funds, institutional and separate accounts business and its proprietary trading activities. At June 30, 2002, the Company's primary market risk exposure was for changes in equity prices and interest rates. Included in investments in securities of $53.8 million at June 30, 2002 were investments in Treasury Bills and Notes of $1.6 million, in mutual funds, largely invested in equity products, of $38.4 million, a diverse selection of common stocks totaling $10.9 million and other investments of approximately $2.9 million. Investments in mutual funds generally lower market risk through the diversification of financial instruments within their portfolio. In addition, the Company may alter its investment holdings from time to time in response to changes in market risks and other factors considered appropriate by management. Approximately $5.4 million of the $10.9 million invested in common stocks at June 30, 2002, represents the Company's participation in risk arbitrage opportunities in connection with mergers, consolidations, acquisitions, tender offers or other similar transactions. These transactions involve announced deals with agreed upon terms and conditions, including pricing, which generally involve less market risk than common stocks held in a trading portfolio. The principal risk associated with risk arbitrage transactions is the inability of the companies involved to complete the transaction.

The Company's exposure to interest rate risk results, principally, from its investment of excess cash in government obligations. These investments are primarily short term in nature and the fair value of these investments generally approximates market value. The Company's revenues are largely driven by the market value of its assets under management and are therefore exposed to fluctuations in market prices. Investment advisory fees for mutual funds are based on average daily asset values. Management fees earned on institutional and high-net-worth separate accounts, for any given quarter, are determined based on asset values on the last day of the preceding quarter. Any significant increases or decreases in market value of institutional and high-net-worth separate accounts assets managed which occur on the last day of the quarter will result in a relative increase or decrease in revenues for the following quarter.

Recent Accounting Developments

On July 26, 2002 the Company announced it will expense the cost of stock options issued beginning January 1, 2003 using the expense recognition guidance provided by SFAS No. 123, "Accounting for Stock-Based Compensation". The Company had previously elected to account for stock options using the intrinsic value method in which compensation expense is only recognized if the exercise price of the option is less than the market price of the underlying stock on the date of grant. The company does not expect the change to the fair value method of expensing options to have a material impact on its financial position or its results of operations.

In July 2001, the FASB issued SFAS No. 141, "Business Combinations" and SFAS No. 142 "Goodwill and Other Intangible Assets." SFAS 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method. Under SFAS 142, intangible assets with indefinite lives and goodwill will no longer be required to be amortized. Instead, these assets will be evaluated annually for impairment. The Company adopted the provisions of SFAS 142 at the beginning of 2002 and the adoption did not have a material impact to the Company's financial position or its results of operations.

Forward-Looking Information

Our disclosure and analysis in this report contain some forward-looking statements. Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements because they do not relate strictly to historical or current facts. They use words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," and other words and terms of similar meaning. They also appear in any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance of our products, expenses, the outcome of any legal proceedings, and financial results. Although we believe that we are basing our expectations and beliefs on reasonable assumptions within the bounds of what we currently know about our business and operations, there can be no assurance that our actual results will not differ materially from what we expect or believe. Some of the factors that could cause our actual results to differ from our expectations or beliefs include, without limitation: the adverse effect from a decline in the securities markets; a decline in the performance of our products; a general downturn in the economy; changes in government policy or regulation; changes in our ability to attract or retain key employees; and unforeseen costs and other effects related to legal proceedings or investigations of governmental and self-regulatory organizations. We also direct your attention to any more specific discussions of risk contained in our Form 10-K and other public filings. We are providing these statements as permitted by the Private Litigation Reform Act of 1995. We do not undertake to update publicly any forward-looking statements if we subsequently learn that we are unlikely to achieve our expectations or if we receive any additional information relating to the subject matters of our forward-looking statements.

Part II: Other Information

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of Stockholders of Gabelli Asset Management Inc. was held in Greenwich, Connecticut on May 21, 2002. At that meeting, the stockholders considered and acted upon the following proposals:

A. THE ELECTION OF DIRECTORS. The stockholders elected the following individuals to serve as directors until the 2003 annual meeting of stockholders and until their respective successors are duly elected and qualified. All the directors were elected with more than 99.7% of the total votes cast.

Raymond C. Avansino, Jr.
John C. Ferrara
Mario J. Gabelli
Paul B. Guenther
Eamon M. Kelly
Karl Otto Pöhl

B. APPROVAL OF THE 2002 STOCK AWARD AND INCENTIVE PLAN (the "Plan"). The stockholders approved the Plan which authorizes grants of stock options, stock appreciation rights, stock awards, performance shares and stock units. The Plan was approved with more than 99.8% of the total votes cast.

Item 6. (a) Exhibits

Exhibits 99.1. Certification of CEO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Exhibits 99.2 Certification of CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K.

The Company did not file any reports on Form 8-K during the three months ended June 30, 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GABELLI ASSET MANAGEMENT INC.
(Registrant)

August 14, 2002
Date

/s/ Robert S. Zuccaro
Robert S. Zuccaro
Vice President and Chief Financial Officer