The Gabelli Value 25 Fund Inc.

Shareholder Commentary
March 31, 2015

(Y)our Portfolio Management Team

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To Our Shareholders,

For the quarter ended March 31, 2015, the net asset value ("NAV") per Class A Share of The Gabelli Value 25 Fund Inc. increased 0.6% compared with increases of 1.0% and 0.3% for the Standard & Poor's ("S&P") 500 Index and the Dow Jones Industrial Average, respectively. See page 2 for additional performance information.

Commentary

In a somewhat volatile quarter, with both macro and company specific headlines affecting stock prices, the market rose marginally. In January, the Swiss National Bank discontinued its minimum exchange rate peg of CHF 1.20 per euro, and later that month the European Central Bank announced that it was expanding its asset purchase program to include bonds issued by euro-area central governments, agencies, and European institutions. The combined effect of these two events led the U.S. dollar to substantially strengthen against the euro, going from $1.21 at the end of 2014 to $1.08 at the end of March. This dynamic will create a meaningful currency headwind for U.S. based multinationals with exposure to the eurozone and with currencies that have fallen against the dollar, such as Great Britain, Russia, and Latin American currencies. At the same time, the U.S. economy continued to strengthen, with GDP growth of 2.4% in 2014 and unemployment declining to 5.5%. Many large U.S. employers, including McDonald's and Walmart, announced wage increases, boding well for consumer purchasing power but at the same time raising concerns about eventual inflation.

Several holdings in the Fund made progress with financial engineering transactions that we believe will benefit shareholders. Madison Square Garden (3.3% of net assets as of March 31, 2015) provided further details on the planned spin-off of its Sports and Entertainment businesses from Media Networks, which we believe will help to surface value in both entities. Additionally, Energizer Holdings (1.6%) attended the Consumer Analyst Group of New York conference, with management teams presenting from its Energizer battery business as well as its newly named Edgewell Personal Care business, with brands including Schick razors, Edge shaving products, Hawaiian Tropic, Banana Boat sun care products, and Playtex feminine and baby care products.

Comparative Results

Average Annual Returns through March 31, 2015 (a)

	Quarter	1 Year	5 Year	10 Year	Since Inception (9/29/89)
Class A (GABVX)	0.60%	3.71%	13.49%	7.63%	10.87%
With sales charge (b)	(5.18)	(2.25)	12.16	6.99	10.61
S&P 500 Index	0.95	12.73	14.47	8.01	9.55
Dow Jones Industrial Average	0.33	10.50	13.16	8.13	10.37
Nasdaq Composite Index	3.85	18.24	16.82	10.58	9.60
Class AAA (GVCAX)	0.55	3.68	13.49	7.63	10.87
Class C (GVCCX)	0.39	2.90	12.65	6.82	10.39
With contingent deferred sales charge (c)	(0.61)	1.90	12.65	6.82	10.39
Class I (GVCIX)	0.60	3.93	13.79	7.83	10.95

In the current prospectuses dated April 30, 2014, the expense ratios for Class AAA, A, C, and I Shares are 1.39%, 1.39%, 2.14%, and 1.14%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A Shares and Class C Shares is 5.75% and 1.00%, respectively.

(a) *Returns represent past performance and do not guarantee future results. Total returns and average annual returns reflect changes in share price, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Performance returns for periods of less than one year are not annualized. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectuses contain information about these and other matters and should be read carefully before investing. To obtain a prospectus, please visit our website at www.gabelli.com.* The Class A Share NAVs are used to calculate performance for the periods prior to the issuance of Class AAA Shares on April 30, 2010, Class C Shares on March 15, 2000, and the Class I Shares on January 11, 2008. The actual performance of the Class C Shares would have been lower due to the additional fees and expenses associated with these classes of shares. The actual performance of the Class AAA Shares and Class I Shares would have been higher due to lower expenses related to this class of shares. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Dow Jones Industrial Average and the Nasdaq Composite Index are unmanaged indicators of stock market performance. Dividends are considered reinvested, except for the Nasdaq Composite Index. You cannot invest directly in an index.

(b) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.

(c) Assuming payment of the 1% maximum contingent deferred sales charge imposed on redemptions made within one year of purchase.

We have separated the portfolio managers' commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio managers' commentary is unrestricted. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

Deals, Deals and More Deals

Along with financial engineering, the "Fifth Wave" of mergers and acquisitions (M&A) activity continued to build during the quarter. In the first quarter, worldwide M&A increased 25% year over year to $854.2 billion, making it the strongest first quarter for M&A since 2007. In the U.S., deal activity totaled $415.9 billion, an increase of 33% compared to Q1 2014, and the best Q1 for deal making in fifteen years. This M&A wave continues to be global in nature, with cross border M&A totaling $267 billion in the quarter, a 10% increase over Q1 2014 and comprising 31% of total M&A.

In February, Exelis Inc. (0.5%) announced it agreed to be acquired by Harris Corp. for $23.75 per share in cash and stock. Exelis shareholders will receive $16.625 in cash and 0.1025 of a share of Harris common stock. Upon closing, Harris shareholders will own approximately 85 percent of the combined company, and Exelis shareholders will own approximately 15 percent. On a pro forma basis, the combined company will generate more than $8 billion in revenue.

Let's Talk Stocks

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. For the following holdings, the share prices are listed first in United States dollars (USD) and second in the local currency, where applicable, and are presented as of March 31, 2015.

CBS Corp. (4.8% of net assets as of March 31, 2015) (CBS/A – $61.63 – NYSE) operates the CBS television network and the premium cable network Showtime, and it owns twenty-nine local television stations and 130 radio stations. We believe that CBS has a number of opportunities to generate incremental non-advertising revenue from the sale of existing content to online video distributors and the retransmission of content agreements with traditional distributors. In addition, we expect a continued recovery in advertising to contribute to earnings growth. Finally, we believe that financial engineering, including the announced $3 billion share buyback, could act as a catalyst for shares.

DISH Network Corp. (1.4%) (DISH – $70.06 – NASDAQ) is the third largest pay television provider in the U.S., with approximately 14 million subscribers. As a satellite operator unburdened by local franchising requirements and wired plants, DISH can market and deliver video extremely efficiently across the entire country. As founder of the company, Charlie Ergen owns approximately 53% of the company's shares and lends his strategic vision to its benefit. DISH has accumulated a significant spectrum position at attractive prices, and unsuccessfully attempted to enter the mobility market via the acquisition of Sprint. DISH could monetize its spectrum through a sale of the spectrum or the whole company, or (more likely) a partnership with an existing wireless operator.

Grupo Televisa SAB (1.3%) (TV – $33.01 – NYSE) is the dominant company in the Mexican broadcast television industry. Televisa has parlayed its vertical integration and strong broadcasting cash flow into a significant position in Mexican satellite and cable television. In an important recent trend, Televisa solidified its position as a key program supplier to Los Angeles based Univision, the dominant Hispanic television provider in the U.S. With the results of the 2010 census now well distributed, the growth of the U.S. Hispanic population virtually assures higher cash flow from this partnership to Televisa and makes it likely that investors may accord this business a higher multiple, as advertisers value eyeballs greatly. Televisa has an opportunity to monetize this investment, as Univision is likely to get sold or to conduct an initial public offering in late 2015.

Honeywell International Inc. (3.1%) (HON – $104.31 – NYSE) operates as a diversified technology company with highly engineered products, including turbine propulsion engines, auxiliary power units, turbochargers, brake pads, environmental and combustion controls, sensors, security and life safety products, resins and chemicals, nuclear services, and process technology for the petrochemical and refining industries. One of the key drivers of HON's growth is that the company is constantly developing new products and services for the marketplace. One new product the company has developed is Solstice. Solstice is a fluorocarbon with zero depleting ozone qualities and negligible impact on global warming. The product will be used in various aerosol applications and in the air conditioning systems of vehicles. Driven by consumer demand and European Union regulation, demand for Solstice is expected to increase significantly. A new service the company is providing is connectivity in airplanes, and in residential, commercial, and industrial buildings. In the airplanes, HON has products across the entire connectivity chain, from hardware to apps and data services, which will provide high speed Internet service. In buildings, the company has a large installed base of devices, including security and fire systems, room controls, and smoke detectors that can be connected with smart devices to increase productivity, efficiency, and safety. These products and services should continue to drive HON's future earnings higher.

The Madison Square Garden Co. (3.3%) (MSG – $84.65 – NASDAQ) is an integrated sports and media company that owns the MSG networks (MSG/MSG+), the New York Knicks, the New York Rangers, the Radio City Christmas Spectacular, and the iconic New York venue, Madison Square Garden. These evergreen content assets benefit from sustainable barriers to entry and long term secular growth. We believe the now complete Transformation project and the rising value of sports programming, as demonstrated by the NBA's recent contract renewal with TWX & DIS, should dramatically increase MSG's earnings power through 2018. We also expect the announced separation of Media and Sports to act as a catalyst for shares.

Republic Services, Inc. (2.3%) (RSG – $40.65 – NYSE), based in Phoenix, Arizona, became the second largest solid waste company in North America after its acquisition of Allied Waste Industries in December 2008. Republic provides nonhazardous solid waste collection services for commercial, industrial, municipal, and residential customers in thirty-nine states and Puerto Rico. Republic serves more than 2,800 municipalities and operates 189 landfills, 198 transfer stations, 340 collection operations, and 60 recycling facilities. Republic is the largest pure play nonhazardous solid waste service provider in North America, with $6.7 billion, or 77%, of its revenue from collection operations. Since the Allied merger, Republic has benefited from synergies driven by route density, beneficial use of acquired assets, and reduction in redundant corporate overhead. Republic is committed to its core solid waste business. While other providers have strayed into alternative waste resource technologies and strategies, we view Republic's plan to remain steadfast in the traditional solid waste business positively. We expect continued solid waste growth acquisitions, earnings improvement, and incremental route density and internalization growth in already established markets to generate real value in the near to medium term, highlighting the company's potential.

Rogers Communications Inc. (1.1%) (RCI – $33.48 – NYSE) is one of the few companies in North America to offer consumers the "Quadruple Play" of video, high speed data, and fixed and wireless telephony through a wholly owned plant. The company, founded by late telecom pioneer Ted Rogers, is Canada's largest cable and wireless company. As the largest spectrum owner in North America, Rogers is aggressively deploying the next generation of wireless services. Rogers also has a substantial media business that operates radio stations, television networks (including The Shopping Channel), magazines, trade publications, the Toronto Blue Jays baseball team, and interests in the Toronto Maple Leafs (NHL) and Raptors (NBA). In late 2013, Rogers hired a new CEO named Guy Laurence from Vodafone. While Mr. Laurence has yet to formally unveil his vision, we expect it to include a focus on improving the customer experience through continued investment in plant, balanced by regular capital returns to shareholders.

Sony Corp. (2.0%) (SNE – $26.78 – NYSE) (SNE – ¥3212.53 – Tokyo Stock Exchange) is a diversified electronics and entertainment company based in Tokyo, Japan. The company manufactures televisions, PlayStation game consoles, mobile phone handsets, and cameras, and it operates the Columbia film studio and Sony Music entertainment group. We expect the new PlayStation launch and operational improvements in consumer electronics and entertainment to generate EBITDA growth through 2015. We also think the spinoff of the entertainment assets will be a potential catalyst.

Swedish Match AB (2.3%) (SWMA – $29.45/254.07 SEK – Stockholm Stock Exchange) produces tobacco products that include snus and snuff, chewing tobacco, cigars, and lights. The company has been benefiting from the growth of the smokeless tobacco market in both Scandinavia and the U.S., as public smoking bans and health concerns are driving consumers to seek alternative tobacco products to cigarettes. In February 2009, Swedish Match created a joint venture with Philip Morris International to sell Swedish snus in markets around the world, taking advantage of Swedish Match's brands and production capabilities and Philip Morris International's distribution network. In October 2010, Swedish Match combined its European and premium cigar portfolios with Scandinavian cigar and pipe tobacco company STG, creating a new company that will benefit from enhanced scale and synergies. The company's standstill with STG expired in October 2014, so Swedish Match now has the flexibility to opportunistically monetize this asset. As a more focused company, we expect Swedish Match to grow sales and earnings over time as the smokeless tobacco category continues to develop.

Viacom Inc. (6.6%) (VIA – $68.69 – NASDAQ) is a pure-play content company that owns a global stable of cable networks, including MTV, Nickelodeon, VH1, BET, and the Paramount movie studio. Viacom's cable networks generate revenue from advertising sales, fixed monthly subscriber fees, and ancillary revenue from toy licensing, etc. The company benefited from a cyclical rebound in advertising and a shift in audience from broadcast networks to cable. Paramount has posted a series of box office successes, with franchises such as Star Trek, Iron Man, and Transformers. Supported by its strong results and outlook, the company expects to repurchase $6.5 billion of stock over the next two years.

Investment Scorecard

Sony Corp. (2.0% of net assets as of March 31, 2015) (+31%) was the top contributor to performance in Q1 as the company continues its remarkable refashioning by CEO Kazuo Hirai; the company should see continued growth in its game network and imaging sensors business. AMC Networks (2.1%) (+20%) benefitted from continued strong ratings from The Walking Dead, the number one show on television. The Madison Square Garden Co. (3.3%) (+12%), itself a spin-off of Cablevision (2.0%), formally announced the separation of its Sports & Entertainment segments from its Media Networks. Finally, two holdings were the subject of takeovers in the quarter: Exelis (0.5%) (+40%) agreed to be acquired by Harriss Corp. and Hospira (+43%) agreed to be acquired by Pfizer.

Detractors from performance included media companies Viacom (6.6%) (-9%) and Twenty-First Century Fox (2.3%) (-12%), which were challenged by lower ratings and currency headwinds. American Express (2.6%) (-16%) declined after it failed to renew its cobranding relationship with Costco in the U.S. Finally, Rogers Communications (1.1%) (-13%) faced uncertainty over new à la carte cable programming legislation and an increasingly competitive environment in Canada.

Conclusion

Strong recent M&A activity reinforces our view that we are in a building "Fifth Wave" of takeover activity. In an increasingly volatile market, we continue to stick to our long term investment philosophy and hope to use any opportunity that "Mr. Market" provides to us. We seek high quality companies trading at a discount to Private Market Value—the price an informed industrialist would pay to own an entire business. We also look for catalysts to surface value, such as a takeover of the company, financial engineering, new management, regulatory changes, or a change in cash flow allocation.

April 14, 2015

Top Ten Holdings **(Percent of Net Assets)**
March 31, 2015

Viacom Inc.	6.6%	American Express Co.	2.6%
CBS Corp.	4.8%	DIRECTV	2.4%
The Madison Square Garden Co.	3.3%	Liberty Global plc	2.4%
Honeywell International Inc.	3.1%	Republic Services Inc.	2.3%
Diageo plc	2.7%	Swedish Match AB	2.3%

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Managers only through the end of the period stated in this Shareholder Commentary. The Portfolio Managers' views are subject to change at any time based on market and other conditions. The information in this Portfolio Managers' Shareholder Commentary represents the opinions of the individual Portfolio Managers and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Managers and may differ from those of other portfolio managers or of the Firm as a whole. This Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed.

Minimum Initial Investment – $1,000

The Fund's minimum initial investment for regular accounts is $1,000. There are no subsequent investment minimums. No initial minimum is required for those establishing an Automatic Investment Plan. Additionally, the Fund and other Gabelli/GAMCO Funds are available through the no-transaction fee programs at many major brokerage firms. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. See the prospectuses for more details.

www.gabelli.com

Please visit us on the Internet. Our homepage at www.gabelli.com contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Mutual Funds, IRAs, 401(k)s, current and historical quarterly reports, closing prices, and other current news. We welcome your comments and questions via e-mail at info@gabelli.com.

You may sign up for our e-mail alerts at www.gabelli.com and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance.

The Fund's daily net asset value is available in the financial press and each evening after 7:00 PM (Eastern Time) by calling 800-GABELLI (800-422-3554). The Fund's Nasdaq symbol is GABVX for Class A Shares. Please call us during the business day, between 8:00 AM – 7:00 PM (Eastern Time), for further information.

e-delivery

We are pleased to offer electronic delivery of Gabelli fund documents. Direct shareholders of our mutual funds can elect to receive their Annual and Semiannual Reports, Manager Commentaries, and Prospectus via e-delivery. For more information or to sign up for e-delivery, please visit our website at www.gabelli.com.

Multi-Class Shares

The Gabelli Value 25 Fund began offering additional classes of Fund shares on March 15, 2000. Class AAA are no-load shares available directly through selected broker/dealers. Class A and C Shares are offered to investors who seek advice through financial consultants. Class I Shares are available directly through the Fund's distributor or brokers that have entered into selling agreements specifically with respect to Class I Shares. The Board of Directors determined that expanding the types of Fund shares available through various distribution options will enhance the ability of the Fund to attract additional investors.

Portfolio Management Team Biographies

Mario J. Gabelli, CFA, is Chairman and Chief Executive Officer of GAMCO Investors, Inc. that he founded in 1977 and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School and Honorary Doctorates from Fordham University and Roger Williams University.

Christopher J. Marangi joined Gabelli in 2003 as a research analyst. He currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Marangi graduated magna cum laude and Phi Beta Kappa with a BA in Political Economy from Williams College and holds an MBA with honors from Columbia Business School.

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