SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-KSB

|X| Annual Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934 (Fee required) For the fiscal year ended: December 31, 1996
___ Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934 (No fee required) For the transition period from ___________to___________

Commission file number: 1-10932
INDIVIDUAL INVESTOR GROUP, INC.
(Name of Small Business Issuer in its Charter)

Delaware	13-3487784
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1633 Broadway, 38th Floor, New York, NY 10019
(Address of Principal Executive Offices) (Zip Code)
Issuer's Telephone Number, Including Area Code: (212) 843-2777

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act: Common Stock

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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__

Check if there is no disclosure of delinquent filers pursuant to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [x]

State issuer's revenues for its most recent fiscal year : $13,044,111.

As of March 7, 1997, the aggregate market value of the Registrant's Common Stock (based on the average bid and asked quotations of the Common Stock on that date on NASDAQ) held by non-affiliates of the Registrant, was approximately $27,578,383.

As of March 7, 1997, 6,161,869 shares of the Common Stock of the Registrant were outstanding.

Transitional Small Business Disclosure Format Yes__ No X

DOCUMENTS INCORPORATED BY REFERENCE

The information required in Part III by items 9, 10, 11 and 12 is incorporated by reference to the Registrant's Proxy Statement in connection with the Annual Meeting of Stockholders to be held June 18, 1997, which will be filed by the Registrant within 120 days after the close of its fiscal year.

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PART I

ITEM 1. BUSINESS

Individual Investor Group, Inc. and subsidiaries (the "Company") are primarily engaged in the financial information services business. Through Individual Investor Holdings, Inc., a wholly-owned subsidiary, the Company produces and markets publications which focus on market and financial information, including Individual Investor magazine, Ticker magazine, and Individual Investor's Special Situations Report newsletter.

The Company is also substantially involved in the business of providing investment management services. The Company's wholly-owned subsidiary, WisdomTree Capital Management, Inc., is the General Partner of WisdomTree Associates, L.P., a domestic private limited partnership, and the Investment Manager of WisdomTree Offshore, Ltd., an offshore private investment company. Another of the Company's wholly-owned subsidiaries, I.I. Strategic Consultants, Inc., is a portfolio consultant to a unit investment trust sponsor.

FINANCIAL INFORMATION SERVICES

Individual Investor Magazine

The Company's lead publication is Individual Investor, a monthly personal finance magazine printed in a magazine format and distributed primarily by second class mail to subscribers and, to a lesser extent, through newsstand sales. Individual Investor's primary editorial focus is highlighting specific investment opportunities in public companies, with an emphasis in the small-cap U.S. market, and mutual funds.

Individual Investor has been published on a regular basis since November 1981. The magazine was substantially redesigned in 1995 and is printed on a glossy, coated paper stock, and has a basic annual subscription rate of $22.95. Individual Investor had total circulation of over 425,000 in March 1997, comprised of paid subscribers and newsstand distribution, as compared to total circulation of over 300,000 in March 1996. Individual Investor's revenues from advertising, circulation, and list rental aggregated $10,507,606, which is 81% of the Company's total revenues for the year ended December 31, 1996.

Ticker Magazine

In October 1996, the Company launched a new publication, Ticker magazine, which is currently distributed without charge to a controlled circulation of 75,000 brokers, financial advisors and financial industry managers. Ticker specializes in providing investment professionals with information to help increase their business, assist in their management, and provide improved results for their clients. Ticker provides articles on stocks, bonds, and mutual funds, and features selected analysts and research specialists.

Ticker was launched as a bi-monthly publication, with its first two issues mailed in October and December 1996. In February 1997 Ticker commenced publication on a monthly basis. Ticker's revenues from advertising totaled $340,373 for the year ended December 31, 1996.

Individual Investor's Special Situations Report Newsletter

Individual Investor's Special Situations Report is a monthly, twelve-page newsletter that is mailed first class to subscribers. Each issue of Special Situations Report supplies the subscriber with one new stock investment recommendation. This focused research report discusses details of the featured company's operating history, future plans, management, and specific financial

projections. In addition, each issue of Special Situations Report covers recent developments of previously recommended companies, and gives updated buy, hold and sell recommendations on the stock of such companies.

Special Situations Report was developed by the Company and launched in December 1989. Special Situations Report had approximately 12,000 paid subscribers in March 1997, as compared to 18,200 in March 1996. The basic annual subscription rate is $165. Circulation revenues for Special Situations Report for 1996 were $1,340,502 as compared to $837,875 in 1995.

Circulation and Marketing

Circulation revenues for all publications accounted for approximately 43% of the revenues of the Company for the year ended December 31, 1996. Circulation revenues for 1996 were $5,611,099 as compared to $3,874,987 in 1995.

The Company obtains subscriptions for Individual Investor through the use of leading subscription agencies, such as American Family Publishers and CAP Systems (airline frequent flyer promotions), as well as smaller agencies. Subscription agencies solicit on behalf of a limited number of publications, which compete against each other to be chosen to participate in the solicitation drive of the subscription agency. To a lesser degree the Company solicits subscriptions for Individual Investor through direct mail marketing promotions, and promotional campaigns on nationwide cable television (primarily on CNBC) and on radio.

Individual Investor is distributed for sale on newsstands ("single copy sales") throughout the United States by Curtis Circulation, a leading distributor. Single copy sales of Individual Investor accounted for approximately 5% of the revenues of the Company for the year ended December 31, 1996. The Company is continuing to expand Individual Investor's newsstand presence and nationwide sales distribution. As of March 1997, monthly paid single copy sales were approximately 50,000 copies, as compared to approximately 30,000 in March 1996.

Special Situations Report is sold only by subscription. The Company uses targeted direct mail solicitation to promote Special Situations Report and cross-markets this higher priced publication to the Individual Investor subscriber base.

The Company plans to increase circulation of its publications through continued promotional campaigns involving subscription agencies, increased newsstand distribution, and other direct marketing strategies.

Advertising

Advertising revenues from Individual Investor and Ticker accounted for 42% of the Company's total revenues for the year ended December 31, 1996. Individual Investor's advertising pages increased 13% in 1996. Total advertising revenues were $5,488,157 for 1996 as compared to $2,440,462 in 1995.

Advertising sales efforts are performed by the Company's employees and by independent sales representatives located strategically around the United States. Advertising revenues are derived primarily from three different types of advertisers: (1) financial service companies, including brokerage firms, mutual funds, and companies providing investment-oriented and insurance products; (2) consumer advertisers, including marketers of luxury products, automobiles, computer-related products, and travel, and; (3) public companies interested in attracting the publications' readers as investors.

The Company believes that the primary factors for advertising revenue and total advertising page increases are: (1) the increased visibility of Individual Investor due to its 1995 redesign and the substantial increase in circulation as described above, (2) intensified marketing and sales efforts, and (3) intensified sales of corporate communications. Audited research illustrates that the Individual Investor readership has the following desirable demographic characteristics: (1) financially sophisticated individuals with a substantial net worth, (2) several years' investing experience, and (3) a significant investment portfolio.

List Rental Revenue

The Company earned 9% of its revenues from list rentals for the year ended December 31, 1996. The Company uses the services of an independent list management agent that actively promotes the rental of the Company's subscriber lists. If the Company continues to increase its subscriber base, it expects that list rental revenue will continue to increase.

Competition

Individual Investor competes against other publications for both subscribers and national advertisers in the financial and consumer categories. The circulation of the Company's publications and its revenues from circulation are smaller than the circulation and revenues of most of its major competitors. Some of the publications that compete in the category of retail investing are Money, Changing Times, Smart Money, FW, Worth, Barron's, and Value Line Investment Survey. In addition to these publications, Individual Investor competes with publications with a broader editorial focus within the spectrum of market and financial information, such as The Wall Street Journal, Forbes, Business Week, and Fortune. In addition, the Company competes with research reports, newsletters, and other publications issued by financial investment houses and independent publishers.

Production and Operations

Substantially all research and analysis is done by in-house research and editorial staff. After the editorial content of the Company's publications is determined, the articles are assigned to either in-house writers and researchers or freelance writers. The financial tables included in the Company's publications are provided by various vendors. The Company selects independent printers based on their production quality and competitive costs and services for printing, paper and binding.

The Company uses an outside fulfillment service to manage its subscriber files. The service includes receiving subscription orders and payments, sending renewal and invoice notices to subscribers, and generating subscriber labels and monthly circulation reports. List management and newsstand distribution services are provided by outside agents and distributors.

INVESTMENT MANAGEMENT SERVICES

Investment management services revenues were $937,406 for the year ended December 31, 1996, as compared to $4,467,142 in 1995.

WisdomTree Capital Management, Inc.

The Company's wholly-owned subsidiary, WisdomTree Capital Management, Inc. ("WTCM"), is the General Partner of a domestic private limited partnership known as WisdomTree Associates, L.P. ("WTA"), and is the Investment Manager of an offshore private investment fund known as WisdomTree Offshore, Ltd. ("WTOL"), which commenced operations in January 1996. The funds specialize in investing in securities of relatively small U.S. public companies, the securities of which tend to trade with high levels of volatility.

WTCM is entitled to receive a special profit allocation equal to 20% of the net income, if any, of the funds (not including income earned on its own investment), subject to certain limitations, calculated at year end, which is December 31st for WTA and June 30th for WTOL. The total special profit allocations received from WTA and WTOL for 1996 were $225,405, as compared to

$4,235,624 in 1995.

WTCM is also entitled to receive management fees equal to 1/4 of 1% of the net asset value of WTA, calculated as of the last business day of each quarter, and equal to 1/8 of 1% of the net asset value of WTOL, calculated monthly. Total management fees for the year ended December 31, 1996 totaled $668,001, as compared to $231,518 in 1995. In the fourth quarter of 1996, the Company formed another wholly-owned subsidiary, WisdomTree Administration, Inc., to provide administrative services relating to the services provided by WTCM, which commenced receiving the management fees described above effective October 1, 1996.

I.I. Strategic Consultants, Inc.

Another wholly-owned subsidiary of the Company, I.I. Strategic Consultants, Inc., provides portfolio consultant services to a sponsor and distributor of unit investment trusts respecting three of that sponsor's trusts, two of which are marketed under the Company's proprietary America's Fastest Growing Companies service mark.

BUSINESS DEVELOPMENT

II Online

The Company is in the process of developing a web site for Internet users, II Online, designed to provide investing information and analysis for individual investors. Drawing on the editorial strength of the Company's publications and taking advantage of the growth of the Internet, II Online is expected to provide expansive, timely, user-friendly financial information and enable interaction between the Company's community of readers, analysts, writers, and profiled companies.

Other Plans

The Company's business strategy is to continue to increase the subscriber base of Individual Investor and Special Situations Report, and to increase the controlled circulation of Ticker. The increased circulation is expected to contribute to growth in most of the Company's primary revenue sources. The

Company may also develop or acquire other publications and services with a complementary focus to its current publications. In addition, the Company continually evaluates its business segments and will consider a wide range of transactions, business combinations, restructurings and/or other means of achieving increased shareholder value.

Discontinued Operations

In January 1996, the Company discontinued the operations of its California based wholly-owned subsidiary, Advanced Marketing Ventures, Inc. This subsidiary had been engaged in telemarketing. The Company now conducts telemarketing activities from the Company's offices in New York.

EMPLOYEES

On March 7, 1997, the Company employed 70 persons on a full-time basis: 3 executive officers, 14 salespersons for advertising, 18 researchers/ writers and editors, 7 art/ production employees, 3 employees who oversee circulation, 4 employees in the investment management business, 3 employees in online services and 18 administrative, accounting, legal and support personnel. In addition, the Company utilizes varying numbers of freelance writers and interns. The Company also uses the services of outside advertising sales representatives and a newsstand distribution consultant. None of the Company's employees are represented by a labor union. The Company believes that its employee relations, as well as its relations with consultants and independent contractors, are good.

INTELLECTUAL PROPERTY

The Company is somewhat dependent on the use of service marks in its operations, particularly the names of its two magazines: "Individual Investor" and "Ticker". In 1992, the Company obtained a perpetual license from the American Association of Individual Investors, which owns the service mark "The Individual Investor," to use the name "Individual Investor". The Company has a pending application in the United States Patent and Trademark Office to register "Ticker" as a service mark.

In 1989 the Company acquired a service mark for "America's Fastest Growing Companies", which has now become incontestable. This mark is used by the Company for various purposes including, but not limited to, as a mark licensed to an investment trust sponsor which currently markets two trusts under this service mark.

ITEM 2. PROPERTIES

The Company's primary offices are located in 28,000 square feet of leased office space at 1633 Broadway in New York, New York. The lease term expires

March 30, 1999 and provides for an aggregate annual rent of $544,000 plus real estate tax escalation costs. The Company also leases 800 square feet of office space in San Francisco for advertising sales personnel. This lease expires on July 31, 1997. The Company believes its present offices are adequate for their purpose and will be for the foreseeable future. If the lease in San Francisco is not extended beyond July 1997, the Company believes that alternative space will be readily available.

The Company is also party to a lease of 10,000 square feet for the Company's former primary office space, which expires March 1, 2005, and provides for an aggregate annual rent over the term ranging from $155,000 to $210,000 plus real estate tax escalation costs. This space was sublet effective February 1996 on terms which are co-terminus with the prime lease and pursuant to which sublease the Company recovers substantially all of the payments due under the prime lease.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

On December 9, 1996 the Company's Common Stock commenced trading on The Nasdaq National Market under the symbol INDI. Until that time, the Company's Common Stock had been quoted on the Nasdaq SmallCap Market and the Boston Stock Exchange since the Company's initial public offering on December 4, 1991, with the Nasdaq SmallCap Market being the principal trading market for the Company's securities.

The table below sets forth for the periods indicated the high and low bid quotation for the Company's Common Stock on the Nasdaq SmallCap Market and The Nasdaq National Market.

1995	Low	High
First Quarter	$ 3-3/4	$ 5-9/16
Second Quarter	4-7/16	5-5/16
Third Quarter	5-5/16	6-1/8
Fourth Quarter	4-1/8	6-5/8

1996		
First Quarter	$ 5-3/8	$ 7
Second Quarter	5-7/8	13-1/2
Third Quarter	6-3/4	10-1/4
Fourth Quarter	6-3/4	8-1/2

These amounts represent quotations between dealers in securities, do not include retail markups, markdowns or commissions and may not necessarily represent actual transactions. On March 7, 1997, the last sale price for the Common Stock as reported by Nasdaq was $7.00.

Holders

On March 7, 1997, there were 70 holders of record of the Company's Common Stock. The Company believes that there are in excess of 1,400 beneficial owners of the Company's Common Stock.

Dividends

To date, the Company has not paid any dividends on its Common Stock. The payment of dividends, if any, in the future is within the discretion of the Board of Directors and will depend upon the Company's earnings, its capital requirements and financial condition, and other relevant factors. The Company does not intend to declare any dividends in the forseeable future, but instead intends to retain all earnings for use in the Company's business.

Unregistered Securities Sales

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>
Date of sale	Title of security	Number Sold	Consideration received and description of underwriting or other discounts to market price afforded to purchasers	Exemption from registration claimed	If option, warrant or convertible security, terms of exercise or conversion
1/96-12/96	option to purchase common stock granted to employees, directors and consultants	772,100	options granted - no consideration received by Company until exercise	Section 4(2)	vesting over a period of three to five years from date of grant, subject to certain conditions of continued service; exercisable for a period lasting ten years from date of grant at exercise prices ranging from $4.38 to $11.88

</TABLE>

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward Looking Statements

When used in this Form 10-KSB and in future filings by the Company with the Securities and Exchange Commission, the words or phrases "will likely result," "management expects," or "the Company expects," "will continue," "is anticipated," "estimated" or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on any such forward-looking statements, each of which speak only as of the date made. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. The Company has no obligation to publicly release the result of any revisions which may be made to any forward-looking statements to reflect anticipated events or circumstances occurring after the date of such statements.

Year Ended December 31, 1996 as Compared to the Year Ended December 31, 1995

Total revenues decreased 2%, to $13,044,111 for the year ended December 31, 1996, as compared to $13,254,857 for the year ended December 31, 1995.

Circulation revenues increased 45%, to $5,611,099 for the year ended December 31, 1996, as compared to $3,874,987 in 1995. Subscription revenues for the Company's flagship magazine, Individual Investor, increased 28%, while newsstand revenues for the magazine increased by 169%. At the same time, subscription revenues for the Company's newsletter, Special Situations Report, increased 60%. Management attributes the increases in circulation of Individual Investor to the redesign of the magazine in the second quarter of 1995, as well as to promotional efforts, including direct mail, television campaigns, newsstand sales and agency sources. Subscription revenues for Special Situations Report have increased in part from add-on sales from Individual Investor television campaign promotions. It is anticipated that subscription revenues for Individual Investor and Special Situations Report will decline in the near term as direct mail and television campaigns have been reduced in favor of other sources for subscribers that will provide for continuing numbers of new subscribers with lower marketing expenses but less subscription revenue. As of March 1997, Special Situations Report had approximately 12,000 paid subscribers as compared to 18,200 in March 1996. This decrease is a direct result of the reduction of television campaign promotions. However, the decrease is not expected to have a material effect on the Company's results since many of these non-renewing subscribers were those sold trial offers for six months at a discounted rate.

Advertising revenues increased 125%, to $5,488,157 for the year ended December 31, 1996, as compared to $2,440,462 in 1995. This is a result of both a greater number of advertising pages sold and increased advertising rates per page. As a result of the recent increase in paid circulation of Individual Investor, effective June 1996 the Company increased its advertising rates for Individual Investor by approximately 43%, and introduced an additional rate increase of approximately 40% in November 1996. Management anticipates further near term advertising revenue growth from realizing the full effect of rate increases implemented in 1996, and as the number of advertising pages sold are expected to continue to increase and as management expects to continue to attract higher margin consumer advertisers. The Company also launched a new publication, Ticker, in October 1996. Ticker, with a controlled circulation of 75,000 brokers and financial advisers, has already sold advertising space to a number of leading advertisers, resulting in revenues of $340,373 in 1996.

Management expects advertising revenues from Ticker to increase as a result of publishing 11 issues in 1997 as compared to two in 1996.

Investment management services revenues were $937,406 for the year ended December 31, 1996, as compared to $4,467,142 in 1995. Revenues from investment management services are a combination of management fees, being 1 to 1-1/2 percent of assets under management, and a special profit allocation, being 20% of defined performance (with $44,000 additional revenues being contributed as a result of the Company's portfolio consulting activities). Because total equity managed by the Company was approximately $66 million as of December 31, 1996 as compared to $42 million as of December 31, 1995 (due in part to the addition of the offshore fund in January 1996 and in part to the funds' particularly strong performance in 1995), management fees earned by the Company increased to $668,001 in 1996 as compared to $231,518 in 1995. Nevertheless, disappointing results for the managed funds in 1996 as compared with particularly strong 1995 results for the managed funds, resulted in the Company receiving a special profit allocation of $225,405 in 1996 as compared to $4,235,624 in 1995. As a result of the declining fund performance in 1996, subsequent to December 31, 1996 investors in the funds managed by the Company made net withdrawals in excess of contributions of approximately $18.4 million. This decrease in assets under management in 1997 will mean lower management fees in 1997 as compared to 1996 and will negatively impact the Company's potential revenues from special profit allocation revenues. The Company also recognizes that volatility in the performance of the Company's investment management services business segment is to be anticipated, as the managed funds are invested primarily in the relatively volatile small-cap market. Subsequent to December 31, 1996, the managed funds have experienced significant negative performance. If the negative performance trend continues, the Company's special profit allocation will again be adversely affected, and additional withdrawals can be anticipated, which would in turn further impact the Company's management fees and potential special profit allocation income. There can be no assurance as to funds' performance for 1997 or that each of the managed fund's asset bases will be maintained at current levels by the investors participating in such funds.

Equity in net loss of affiliate totaled $430,337 for the year ended 1996 as compared to net income of $1,302,225 in 1995. Equity in net (loss) income of affiliate directly relates to the realized and unrealized earnings of the amount invested by the Company in the domestic fund's portfolio which, because of the nature of the investments as described above, will vary significantly from period to period and may result in losses as well as income. No assurance can be given that the Company will record income from its investments in future periods.

List rental and other revenues increased 23%, to $1,437,786 for the year ended December 31, 1996 as compared to $1,170,041 in 1995. For 1996, list rental revenue increased 82%, to $1,235,980, as compared to $679,789 in 1995. The increase in list rental revenue is attributable to the increase in the number of subscribers to Individual Investor, as well as the greater number of subscribers on the lists. If the Company's efforts to promote circulation growth for its publications are successful, management anticipates accompanying growth in list rental revenues. Other revenues earned during the year ended December 31, 1995 also include $321,984 from the Company's telemarketing subsidiary, Advanced Marketing Ventures ("AMV"). Late in 1995 the Company ceased operations of this subsidiary. Therefore, there are no telemarketing revenues in 1996.

Total operating expenses increased 44%, to $16,410,801 for the year ended December 31, 1996 as compared to $11,421,574 in 1995.

Editorial, production and distribution expenses increased 53%, to $6,683,047 in 1996 from $4,374,073 in 1995. Approximately $1,204,412 of the increase relates to additional production and distribution expenses for Individual Investor, due to additional copies printed for newsstand sales (up 169% over 1995), additional advertising pages, and a larger subscriber base. These increases in circulation to a large extent resulted from the redesign of Individual Investor in May 1995, when it commenced printing on glossy high quality paper stock. In addition, costs totaling $350,204 were incurred for the production, printing, editing, fulfillment and distribution of the Company's new publication, Ticker, which mailed two issues in the fourth quarter of 1996. Expenses for Ticker will increase in 1997 as the Company expects to publish eleven issues, which will be funded through anticipated corresponding increases in advertising revenues and, to a lesser extent, list rental revenues. The Company has also incurred expenses totaling $356,839 for the year ended 1996 related to the establishment of an online service. Management anticipates ongoing expenses relating to online services as development continues. While additional investment is necessary to complete its development and launch, management intends to incur these expenses in a controlled manner to help achieve the Company's ultimate goal of profitability. In addition, editorial, production and distribution salaries have increased related to the addition of personnel. Staffing levels have been increased to aid growth in the Company's current publications as well as to support the October 1996 launch of Ticker.

Promotion and selling expenses increased 46%, to $5,643,447 for the year ended 1996 from $3,862,166 in 1995. Advertising salaries and commissions have increased 172% as a result of higher revenues and new sales personnel added in

1996 in an attempt to further increase advertising revenues, and to develop advertising for Ticker. Additionally, there have been corresponding increases in sales related travel, promotion, research and sales aids.

General and administrative expenses increased 26%, to $3,885,348 for the year ended 1996 as compared to $3,092,185 in 1995. The Company relocated to new offices within New York City in January 1996, resulting in an increase in its rent expense totaling $306,290. Secondly, general and administrative salaries, payroll taxes, employee benefits, temporary agency and recruiting fees increased $205,027 for the year ended December 31, 1996 as compared to 1995. These increases related to the addition of personnel to support the Company's growth, as well as increases in compensation. Also, as a result of hiring additional personnel, postage, office supplies and related office expenses have increased. Finally, public relations, legal, accounting and other professional service fees have also increased for the year ended December 31, 1996 as compared to 1995.

Depreciation and amortization expense increased 114%, to $198,959 in 1996 from $93,150 in 1995. The increase in 1996 is primarily attributable to amortization of leasehold improvements incurred to prepare the Company's new offices for occupancy and depreciation of office furniture and computer equipment purchased for additional personnel.

Interest and other income decreased to $177,238 in 1996 from $1,059,525 in 1995. This decrease is primarily due to a gain of $995,019 realized in 1995 on the sale of the Company's interest in a marketable security.

The Company reported a net loss in 1996 of $3,189,452 as compared to net income of $2,892,808 in 1995. No income taxes were provided in 1996 due to the net loss. Due to the availability of net operating loss carryforwards no tax was provided on the 1995 earnings. The loss per common and equivalent share for 1996 was $.51 as compared to earnings of $.49 (fully diluted) in 1995.

Liquidity and Capital Resources

As of December 31, 1996, the Company had working capital of $1,767,811 and cash and cash equivalents totaling $1,544,451. This represents a decrease in working capital of $3,697,381 and a decrease in cash and cash equivalents of $4,732,536 since December 31, 1995. In February 1996, the Company redeemed $1,200,000 from its investment in an affiliate. In the second quarter of 1996, however, the Company repurchased, retired and canceled 250,000 shares of Common Stock, at a total cost of $2,453,346. Additionally, the Company purchased property and equipment at a total cost of $513,619 during 1996.

As of December 31, 1996, the total value of the Company's investment in the domestic private investment fund was $4,947,500. This investment is available, subject to market fluctuations and liquidity, to provide working capital to fund the Company's operations. No assurance can be given that the Company's investment will increase in value, and it may decline in value.

The Company will incur ongoing expenses in the development of its online services, which are expected to be funded by the Company's working capital. Nevertheless, the Company believes that its cash, working capital and investments will be sufficient to fund its operations and capital requirements for the foreseeable future.

As a result of the current levels of expenses, the operating losses incurred by the publishing operations, and the fluctuations in performance of the private investment funds, the Company anticipates that it will incur losses in its quarterly results in the near-term.

ITEM 7. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Individual Investor Group, Inc.

We have audited the accompanying consolidated balance sheet of Individual Investor Group, Inc. and subsidiaries (the "Company") as of December 31, 1996, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the two years in the period then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the 1995 and 1996 financial statements of WisdomTree Associates, L.P. (the "Partnership"), the Company's investment in which is accounted for by use of the equity method. The Company's equity of $4,947,500 in the Partnership's net assets at December 31, 1996, and its special profit allocation of $75,108 and $4,235,624 and equity in net (loss) income of the Partnership of ($430,337) and $1,302,225 for the years ended December 31, 1996 and 1995, respectively are included in the accompanying financial statements. The financial statements of the Partnership were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Partnership, is based solely on the reports of such other auditors.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, such consolidated financial statements present fairly, in all material respects, the financial position of Individual Investor Group, Inc. and subsidiaries as of December 31, 1996, and the results of their operations and their cash flows for each of the two years in the period then ended in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP
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DELOITTE & TOUCHE LLP

New York, New York
March 18, 1997

Report of Independent Auditors

The Partners of
WisdomTree Associates, L.P.

We have audited the statement of financial condition, including the condensed schedule of investments, of WisdomTree Associates, L.P. (a Limited Partnership) (the "Partnership"), as of December 31, 1996 and the related statements of operations, changes in partners' capital and cash flows for the year then ended (not presented separately herein). These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WisdomTree Associates, L.P. at December 31, 1996 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

New York, New York
March 7, 1997

Report of Independent Auditors

The Partners of
WisdomTree Associates, L.P.

We have audited the statement of financial condition, including the condensed schedule of investments, of WisdomTree Associates, L.P.(a Limited Partnership), as of December 31, 1995 and the related statements of income, changes in partners' capital and cash flows for the year then ended (not presented separately herein). These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WisdomTree Associates, L.P. at December 31, 1995 and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/ Ernst & Young LLP

New York, New York
March 6, 1996

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

December 31, 1996

<TABLE>
<CAPTION>
ASSETS
<S> <C>
Current assets:

Cash and cash equivalents	$1,544,451
Accounts receivable (net of allowances of $561,594)	2,581,272
Prepaid expenses and other current assets	379,979
Total current assets	4,505,702
Deferred subscription expense	957,414
Investment in affiliate (note 3)	4,947,500
Property and equipment - net (note 4)	714,452
Other assets	178,667
Total assets	$11,303,735
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Accounts payable	$2,067,295
Accrued expenses (note 5)	670,596
Total current liabilities	2,737,891
Deferred subscription revenue	3,328,737
Total liabilities	6,066,628
Commitments and contingencies (note 6)	
Stockholders' equity (notes 2, 8 and 9):	
Preferred stock, $.01 par value, authorized 2,000,000 shares	--
Common stock, $.01 par value; authorized 10,000,000 shares; issued and outstanding 6,142,119	61,421
Additional paid-in capital	13,523,643
Deficit	(8,370,390)
Unrealized gain on marketable securities	22,433
Total stockholders' equity	5,237,107
Total liabilities and stockholders' equity	$11,303,735

</TABLE>

See Notes to Consolidated Financial Statements

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	Year Ended December 31,	
	1996	1995
<S>	<C>	<C>
Revenues:		
Circulation	$5,611,099	$3,874,987
Advertising	5,488,157	2,440,462
Investment management services (note 3)	937,406	4,467,142
Equity in net (loss) income of affiliate (note 3)	(430,337)	1,302,225
List rental and other	1,437,786	1,170,041
Total revenues	13,044,111	13,254,857
Operating expenses:		
Editorial, production and distribution	6,683,047	4,374,073

Promotion and selling	5,643,447	3,862,166
General and administrative	3,885,348	3,092,185
Depreciation and amortization	198,959	93,150
Total operating expenses	16,410,801	11,421,574
Operating (loss) income	(3,366,690)	1,833,283
Interest and other income	177,238	64,506
Gain on sale of marketable security	--	995,019
Net (loss) income before income taxes	(3,189,452)	2,892,808
Income taxes (note 7)	--	--
Net (loss) income	($3,189,452)	$2,892,808
Dividends paid	--	--
(Loss) earnings per common and equivalent share:		
Primary	($0.51)	$0.51
Fully diluted	($0.51)	$0.49
Weighted average number of common and equivalent shares outstanding during the year:		
Primary	6,198,260	6,076,682
Fully diluted	6,198,260	6,872,167

See Notes to Consolidated Financial Statements

</TABLE>

<TABLE>
<CAPTION>

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity
(Notes 2, 8 and 9)

	Common Stock		Additional		Treasury Stock		Unrealized Gain (loss) on	
	Shares Issued	Par Value	Paid-in Capital	Deficit	Shares	Amount	Marketable Securities	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, January 1, 1995	4,697,394	$46,975	$9,737,633	($8,073,746)	31,822	--	($36,209)	1,674,653
Exercise of warrants and options - net	1,637,787	16,378	5,848,682	--	--	--	--	5,865,060
Marketable security sold	--	--	--	--	--	--	36,209	36,209
Net income	--	--	--	2,892,808	--	--	--	2,892,808

Balance, December 31, 1995	6,335,181	63,353	15,586,315	(5,180,938)	31,822	--	--	10,468,730
Exercise of options - net	88,760	887	388,174	--	--	--	--	389,061
Repurchase and retirement of common stock	(250,000)	(2,500)	(2,450,846)	--	--	--	--	(2,453,346)
Retirement of treasury stock	(31,822)	(319)	--	--	(31,822)	--	--	(319)
Net unrealized gain on marketable securities	--	--	--	--	--	--	22,433	22,433
Net loss	--	--	--	(3,189,452)	--	--	--	(3,189,452)
Balance, December 31, 1996	6,142,119	$61,421	$13,523,643	($8,370,390)	--	--	$22,433	$5,237,107

</TABLE>

See Notes to Consolidated Financial Statements

<TABLE>
<CAPTION>

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	1996	1995
<S>	<C>	<C>
Cash flows from operating activities:		
Net (loss) income	($3,189,452)	$2,892,808
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Depreciation and amortization	198,959	93,150
Writeoff of leasehold costs relating to office move	--	88,530
Gain on sale of marketable security	--	(995,019)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	(1,091,637)	(652,206)
Prepaid expenses and other current assets	(135,840)	(50,783)
Deferred subscription expense	339,192	(668,880)
Increase (decrease) in:		
Accounts payable and accrued expenses	214,436	1,240,700
Deferred subscription revenue	(45,519)	1,676,733
Net cash (used in) provided by operating activities	(3,709,861)	3,625,033
Cash flows from investing activities:		
Purchase of property and equipment	(513,619)	(247,112)
Proceeds from sale of marketable security	--	1,393,178
Decrease (increase) in investment in affiliate	1,555,229	(5,965,849)
Increase in other assets	--	(70,820)
Net cash provided by (used in) investing activities	1,041,610	(4,890,603)

Cash flows from financing activities:		
Proceeds from exercise of warrants and options-net	389,061	5,865,060
Repurchase of Common Stock (note 9)	(2,453,346)	--
Net cash (used in) provided by financing activities	(2,064,285)	5,865,060
Net (decrease) increase in cash and cash equivalents	(4,732,536)	4,599,490
Cash and cash equivalents, beginning of year	6,276,987	1,677,497
Cash and cash equivalents, end of year	$1,544,451	$6,276,987

</TABLE>

See Notes to Consolidated Financial Statements

INDIVIDUAL INVESTOR GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Individual Investor Group, Inc. and subsidiaries (the "Company") is a leading financial information services company that publishes and markets Individual Investor, a personal finance and investment magazine, Ticker, a magazine for investment professionals, and Individual Investor's Special Situations Report, a financial investment newsletter. The Company contracts with unaffiliated suppliers for paper, printing, binding, subscription fulfillment, newsstand distribution and list management. In addition, the Company provides investment management services to two private investment funds (one of which is an offshore fund for non-US residents that commenced operations in January 1996) and is a portfolio consultant to a sponsor of unit investment trusts available to all investors.

Principles of Consolidation - The consolidated financial statements include the accounts of Individual Investor Group, Inc. and its subsidiaries: Individual Investor Holdings, Inc., Advanced Marketing Ventures, Inc. (whose operations ceased at the end of 1995), WisdomTree Capital Management, Inc., WisdomTree Administration, Inc., WisdomTree Capital Advisors, LLC, and I.I. Strategic Consultants, Inc. Investment in affiliate (note 3) is accounted for under the equity method since the Company exercises significant influence over the operating and financial affairs of the affiliate. The Company's share of the net (loss) income from affiliate is included in the consolidated statements of operations caption "equity in net (loss) income of affiliate". All significant intercompany transactions and balances have been eliminated in consolidation.

Revenue Recognition - Circulation and advertising revenues are recognized and net of agency commissions, estimated returns and allowances, when publications are issued. Deferred subscription revenue, net of agency commissions, is recorded when subscription orders are received. Investment management services income is recognized as earned. List rental income is recognized, net of commission, when a list is ordered and invoiced.

Deferred Subscription Expense - The Company defers direct response advertising costs incurred to elicit subscription sales from customers who could be shown to have responded specifically to the advertising and that resulted in probable future economic benefits. Such deferred costs, which consist primarily of television and direct mail campaign costs, are amortized over the estimated period of future benefit.

Property and Equipment - Property and equipment are recorded at cost. Depreciation of property and equipment is calculated on the straight-line method over the estimated useful lives of the respective assets, ranging from three to seven years. Leasehold improvements are amortized over the lesser of the useful life of the asset or the term of the lease.

Income Taxes - Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences, and operating loss carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets may not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Financial Instruments - For financial instruments including cash, accounts receivable and payable and accruals, the carrying amount approximated fair value because of their short maturity. As of December 31, 1996 cash equivalents consist of investments in a government fund that invests in securities issued or guaranteed by the US Government, its agencies or instrumentalities, which have average maturities of 30 days.

(Loss) Earnings Per Common and Equivalent Share - The loss per common share for 1996 is computed based on the weighted average number of common shares outstanding. The exercise of stock options and warrants were not assumed in the computation of loss per common share, as the effect would have been antidilutive.

Earnings per common and equivalent share for 1995 was computed by dividing net income, as adjusted, by the weighted average number of common shares outstanding during 1995 and the assumed exercise of dilutive stock options and warrants, less the number of treasury shares assumed to be purchased from the assumed proceeds using the average market price of the Company's common stock. The calculation of fully diluted earnings per share utilized the market price of the Company's common stock on December 31, 1995 to determine the effect of dilutive options and warrants.

Impairment of Long Lived-Assets - In March 1995 the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." This statement was adopted by the Company in 1996. Since adoption, no impairment losses have been recognized.

Stock-Based Compensation - In October 1995 the FASB issued SFAS No. 123, "Accounting for Stock-Based Compensation." This statement defines a fair value method of accounting for the issuance of stock options and other equity instruments. Pursuant to SFAS No. 123, companies are encouraged, but not required, to adopt the fair value method of accounting for employee stock-based transactions. The Company has determined that it will continue to apply the measurement and recognition provisions of Accounting Principal Board Opinion No. 25 and related interpretations in accounting for issuance of employee stock options. The 1996 impact of adopting this statement for non-employee stock-based transactions has not had a material impact on the Company's results of operations or financial position.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. Significant accounting estimates used include estimates for sales returns and allowances, segment information and proforma disclosures regarding the fair value of stock options granted in 1995 and 1996. Actual results could differ from those estimates.

Reclassifications - Equity in net loss of affiliate for the year ended 1996 has been recorded in operating revenues to reflect such earnings and losses as part of the Company's core operations. The equity in income of affiliate for the year ended 1995 has been reclassified to conform with the current period presentation.

2. GAIN ON SALE OF MARKETABLE SECURITY

A marketable equity security acquired during 1994 was categorized as available for sale pursuant to SFAS No. 115, "Accounting for Certain Instruments in Debt and Equity Securities." As a result, the unrealized loss at December 31, 1994 of $36,209 was included as a component of stockholders' equity. In 1995 the security was sold, resulting in a reversal of the unrealized loss in stockholders' equity, and the recognition of a gain of $995,019.

3. INVESTMENT MANAGEMENT SERVICES

The Company, through a wholly-owned subsidiary, WisdomTree Capital Management, Inc. ("WTCM"), serves as General Partner of (and investor in) a private investment fund for accredited investors, whereby it provides investment management services and makes investment decisions for the fund. The value of the Company's investment in the fund decreased from $6,502,729 at December 31, 1995 to $4,947,500 at December 31, 1996. This decrease resulted from net losses on the Company's investment in the fund and from a withdrawal of $1,200,000 by the Company in February 1996.

The fund's investments are valued at market at each reporting date, with unrealized gains and losses reported in net (loss) income. Accordingly, the Company's investment in the fund (and equity in net (loss) income of affiliate) is subject to fluctuations in value due to fund performance and prevailing stock market conditions. In 1996 the Company recorded equity in net loss of affiliate of $430,337 and in 1995 recorded equity in net income of affiliate of $1,302,225. Selected financial information for the fund at December 31, 1996 and 1995 and for the years then ended is as follows:

	1996	1995
Assets (at fair value)	$72,169,447	$69,252,131
Liabilities	13,131,639	27,045,219
Partners' capital	59,037,808	42,206,912
Net (loss) income	($3,562,507)	$22,480,346

The Company, through WTCM and another wholly-owned subsidiary, WisdomTree Administration, Inc., provides investment management services to the domestic fund referred to above, and to an offshore private investment fund for accredited investors, which commenced operations in January 1996. The Company has no investment in the offshore fund. The Company is entitled to receive a management fee equal to 1/4 of 1% of the net asset value of the domestic fund, calculated as of the last business day of each quarter, and a management fee equal to 1/8 of 1% of the net asset value of the offshore fund, calculated monthly. Total management fees for the year ended December 31, 1996 and 1995 totaled $668,001 and $231,518, respectively.

WTCM is also entitled to receive a special allocation equal to 20% of the excess of the net income, if any, allocated to each investor (not including income earned on its own investment) in the funds for the fiscal year, over any loss carryforwards with respect to the investor. The special allocations are calculated at year end, which is December 31st for the domestic fund and June 30th for the offshore fund. The special allocations for 1996 and 1995 were

$225,405 and $4,235,624, respectively. Such amounts have been reflected as investment management services revenues and are included in the investment in affiliate balance at December 31, 1996 in the accompanying balance sheet.

Total equity under management by the Company as of December 31, 1996 and 1995 for both the domestic and offshore funds totaled approximately $66 million and $42 million, respectively.

4. PROPERTY AND EQUIPMENT

Leasehold improvements	$164,119
Furniture and fixtures	192,074
Equipment	677,111
	1,033,304
Less: accumulated depreciation and amortization	318,852
	$714,452

5. ACCRUED EXPENSES

Accrued commissions	$318,748
Other	351,848
	$670,596

6. COMMITMENTS AND CONTINGENCIES

Lease Agreements - The Company leases office space in New York City under an operating lease which expires March 30, 1999. The Company also subleases its former office space in New York City under an operating lease which expires March 1, 2005. Rent expense for the years ended December 31, 1996 and 1995 was $544,915 and $276,093, respectively. The leases and sublease provide for escalation of lease payments as well as real estate tax increases.

Future minimum lease payments and related sublease rentals receivable with respect to non-cancelable operating leases are as follows:

Year	Future Minimum Rental Payments	Rents Receivable Under Sublease
1997	681,030	155,000
1998	738,454	160,000
1999	332,084	165,000
2000	188,208	177,500
2001	192,708	190,000
Thereafter	669,617	621,667
Total	$2,802,101	$1,469,167

Employment Agreements - The Company has employment agreements with an officer and an employee, the terms of which expire at various dates through March 15, 1998. Such agreements provide for minimum salary levels, adjusted

annually as determined by the Board of Directors. These agreements provide for an aggregate commitment for future salaries of approximately $358,000.

Profit Sharing Plan - The Company has a profit sharing plan (the "Plan"), subject to Section 401(k) of the Internal Revenue Code. All employees who complete at least three months of service and have attained the age of 21 are eligible to participate. The Company can make discretionary contributions to the Plan, however, the Company did not make any contributions to the Plan during 1996 or 1995.

7. INCOME TAXES

The Company has available net operating loss carryforwards ("NOL's") totaling approximately $9,500,000 for income tax purposes and $8,400,000 for financial reporting purposes, which expire in the years 2003 to 2011. Utilization of the NOL's arising prior to 1992, in the amount of $2,100,000, will be subject to certain annual limitations. These limitations are pursuant to Internal Revenue Code Section 382, which affects the amount and timing of when the NOL's can be offset against taxable income.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 1996 and 1995 are presented below:

<TABLE>
<CAPTION>

	1996	1995
<S>	<C>	<C>
Deferred tax assets:		
Net operating loss carryforwards	$4,470,000	$4,008,000
Other	171,000	121,000
Total	4,641,000	4,129,000
Deferred tax liabilities:		
Book in excess of tax basis of investment in affiliate	(1,598,000)	(2,585,000)
	3,043,000	1,544,000
Less: valuation allowance	3,043,000	1,544,000
Net deferred tax asset	$ --	$ --

</TABLE>

The provision for income taxes for the years ended December 31, 1996 and 1995 is different than the amount computed using the applicable statutory Federal income tax rate with the difference summarized below:

<TABLE>
<CAPTION>

	1996	1995
<S>	<C>	<C>
Hypothetical income tax provision (benefit) at the US Federal statutory rate	($1,116,300)	$1,012,500
State and local income taxes provision (benefit), less US Federal income tax benefit	(382,700)	347,100
Generation (utilization) of net operating loss carryforwards	1,499,000	(1,359,600)
	$ --	$ --

</TABLE>

8. STOCK OPTIONS

The Company has three Stock Option Plans - 1991, 1993 and 1996. Also, in November 1996, the Board of Directors adopted, subject to shareholder approval, the 1996 Management Incentive Plan under which 500,000 stock options are available for future grants. Under these plans, the Company can issue a maximum of 2,200,000 stock options and other stock based awards, most of which vest ratably over a three to five-year period commencing one year from the date of grant. The options are exercisable for a period of up to 10 years from the date of grant at an exercise price which is not less than the fair market value at the date of grant.

<TABLE>
<CAPTION>

	1996		1995	
		Weighted Average		Weighted Average

	Options	Exercise Price	Options	Exercise Price
<C>	<S>	<C>	<C>	<C>
Options Outstanding at January 1	634,700	$4.36	317,500	$3.61
Granted	642,100	$7.49	325,000	$5.11
Exercised	(44,260)	$4.28	(1,800)	$3.00
Canceled	(97,939)	$5.17	(6,000)	$4.07
Balance, December 31	1,134,601	$6.06	634,700	$4.36
Range of exercise prices December 31	$3.00-$11.88			
Options available for grant at December 31	1,015,839		60,000	
Total common shares reserved for future issuances	2,150,440		694,700	
Options exercisable at December 31	316,808	$3.87	234,083	$3.33

</TABLE>

In addition, the Company had options outstanding that were granted outside of the aforementioned plans. All options were granted at fair market value at the date of grant and expire at various dates through December 18, 2006.

<TABLE>
<CAPTION>

	1996		1995	
	Options	Weighted Average Excersice Price	Options	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>
Options Outstanding atJanuary 1	1,730,663	$5.23	1,282,756	$5.13
Granted	130,000	$5.63	450,000	$5.47
Exercised	(44,500)	$4.29	(2,093)	$0.24
Canceled	(40,000)	$4.44	--	
Balance, December 31	1,776,163	$5.30	1,730,663	$5.23
Range of exercise prices at December 31	$0.41-$7.50			
Options exercisable at December 31	835,080	$4.61	344,756	$4.43

</TABLE>

<TABLE>
<CAPTION>

The following table summarizes information about stock options outstanding at December 31, 1996:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at 12/31/96	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable at 12/31/96	Weighted-Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>
$0.41-3.00	223,663	5 years	$ 2.41	223,663	$ 2.41
$3.75-6.00	1,818,501	8.5	$ 5.13	920,225	$ 4.87
$6.06-9.00	821,600	9.5	$ 7.20	8,000	$ 6.50
$9.13-11.88	47,000	10	$10.72	--	--
$0.41-11.88	2,910,764		$ 5.60	1,151,888	$ 4.41

</TABLE>

Pro forma information regarding net income and earnings per share is required by SFAS No. 123, and has been determined as if the Company had accounted for its employee stock options granted under the fair value method SFAS No. 123. The fair value for these options was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions for 1996 and 1995, respectively: risk-free interest rates of 6.3%; volatility factors of the expected market price of the Company's Common Stock of 51%; weighted-average fair value of options granted $3.89 and $2.66, and a weighted-average expected life of the options of 5 years.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The Company's pro forma information follows:
<TABLE>
<CAPTION>

	1996		1995	
	As Reported	Proforma	As Reported	Proforma
<S>	<C>	<C>	<C>	<C>
Net (loss) income	$(3,189,452)	$(4,053,894)	$2,892,808	$2,479,866
(Loss) earnings per common and equivalent share:				
Primary	$(0.51)	$(0.65)	$0.51	$0.45
Fully Diluted	$(0.51)	$(0.65)	$0.49	$0.44

</TABLE>
The effects of applying SFAS No. 123 in this proforma disclosure are not indicative of future amounts. SFAS No. 123 does not apply to awards granted prior to 1995. Additional awards in future years are anticipated.

9. STOCKHOLDERS' EQUITY

Repurchase of Common Stock - The Company repurchased 250,000 shares of Common Stock on the open market, at a total cost of $2,453,346, in the second quarter of 1996. The Company has retired and canceled these shares and 31,822 shares of Common Stock previously held as treasury shares. The cost of repurchased shares in excess of the par value of the Common Stock ($.01 per share) has been charged to additional paid-in capital.

Class A and B Warrants - In December 1991, the Company consummated an initial public offering of 465,750 units and sold an additional 111,111 units to a company controlled by a related party. Each unit consisted of the following: three shares of the Company's Common Stock, two Class A Warrants, each of which entitles the holder to purchase one share of Common Stock at $3.50 per share, and one Class B Warrant, which entitles the holder to purchase one share of Common Stock at $4.00 per share. Both the Class A Warrants and Class B Warrants became exercisable on December 4, 1992 and those not yet exercised expired on December 4, 1995.

The following is a summary of the warrants:

	1995	
	Class A Warrants	Class B Warrants
Balance, January 1	1,081,324	552,262
Issued	6,256	3,128
Exercised	(1,081,490)	(543,020)
Expired	(6,090)	(12,370)
Balance, December 31	--	--

10. SEGMENT INFORMATION

The Company operates principally in two areas: business information publishing and investment management services. Publishing operations involve the monthly publication of Individual Investor magazine, Ticker magazine and Individual Investor's Special Situations Report newsletter. Revenues from magazine publishing are derived from advertising, circulation and list rental. Revenues from the newsletter are primarily from circulation. Investment management services revenues are derived from management of a private domestic investment fund and an offshore investment fund whereby the Company receives a management fee and a special profit allocation (note 3). The Company also derives investment management revenues from consulting services provided to the sponsor of three unit investment trusts. Equity in net (loss) income of affiliate is recorded in operating revenues to reflect such earnings and losses as part of the Company's core operations and accordingly is included in the investment management segment information.

Operating (loss) income represents the difference between operating revenues less operating expenses, including corporate expenses, which are allocated to operations of the segments. For purposes of this presentation, operating expenses were allocated to segments based on management's estimates of usage determined by personnel costs and activities.

Identifiable assets by segment are those assets used in the Company's operations in each business segment. Corporate assets are considered to be cash and cash equivalents.

	1996	1995
Revenues:		
Publishing	$12,537,042	$7,485,490
Investment Management	507,069	5,769,367
	$13,044,111	$13,254,857
Operating (loss) income:		
Publishing	($2,865,507)	($2,586,878)
Investment Management	(501,183)	4,420,161
	($3,366,690)	$1,833,283
Identifiable assets:		
Publishing	$4,443,920	$3,442,360
Investment Management	5,315,364	6,647,094
Corporate	1,544,451	6,276,987
	$11,303,735	$16,366,441

11. FOURTH QUARTER TRANSACTIONS

In the fourth quarter of 1996 and 1995, the Company recorded investment management service revenues from the domestic fund of $75,108 and $4,235,624, respectively, related to a special profit allocation of the net income from the fund, which is calculated at year end (see note 3). Also, in 1996 and 1995 the Company recorded bonuses of approximately $38,000 and $625,000, respectively, relating to the investment management service revenues, and additional expenses of approximately $175,000 relating to the move to new offices at the end of 1995.

ITEM 8. DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.
None.

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this Item 9 as to directors is incorporated by reference to the information captioned "Election of Directors" included in the Company's definitive proxy statement in connection with the meeting of shareholders to be held on June 18, 1997.

ITEM 10. EXECUTIVE COMPENSATION

The information required by this Item 10 is incorporated by reference to the information captioned "Election of Directors - Executive Compensation" included in the Company's definitive proxy statement in connection with the meeting of shareholders to be held on June 18, 1997.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item 11 is incorporated by reference to the information captioned "Voting Securities" included in the Company's definitive proxy statement in connection with the meeting of shareholders to be held on June 18, 1997.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item 12 is incorporated by reference to the information captioned "Election of Directors - Related Transactions" included in the Company's definitive proxy statement in connection with the meeting of the shareholders to be held on June 18, 1997.

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ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit No.	Description	Method of Filing
<S>	<C>	<C>
3.1	Amended and Restated Certificate of Incorporation of Registrant	Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-18 (File No. 33-43551-NY) (the "Form S-18")
3.2	Bylaws of Registrant	Incorporated by reference to Exhibit 3.2 to the Form S-18
4.1	Specimen Certificate for Common Stock of Registrant	Incorporated by reference to Exhibit 4.1 to the Form S-18
10.1	Indemnification Agreement, dated August 19, 1991, between Registrant and Scot A. Rosenblum	Incorporated by reference to Exhibit 10.1 to the Form S-18
10.2	Indemnification Agreement, dated August 19, 1991, between Registrant and Bruce L. Sokoloff	Incorporated by reference to Exhibit 10.2 to the Form S-18
10.3	Indemnification Agreement, dated August 19, 1991, between Registrant and Jonathan L. Steinberg	Incorporated by reference to Exhibit 10.3 to the Form S-18
10.4	Indemnification Agreement, dated August 19, 1991, between Registrant and Jonathan M. Tisch	Incorporated by reference to Exhibit 10.4 to the Form S-18
10.5	Employment Agreement, dated August 20, 1991, between Registrant and Jonathan L. Steinberg	Incorporated by reference to Exhibit 10.7 to the Form S-18
10.6	Stock Option Agreement, dated October 3, 1990, between Registrant and Scot A. Rosenblum	Incorporated by reference to Exhibit 10.10 to the Form S-18
10.7	Form of Stock Option Agreement between Registrant and Scot A. Rosenblum	Incorporated by reference to Exhibit 10.11 to the Form S-18
10.8	Stockholder Agreement, dated January 1, 1989, between Registrant and Certain Holders of Common Stock of the Registrant, as amended	Incorporated by reference to Exhibit 10.12 to the Form S-18
10.9	Form of 1991 Stock Option Plan of Registrant	Incorporated by reference to Exhibit 10.13 to the Form S-18

</TABLE>

<TABLE>
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<S>	<C>	<C>
10.11	Stock Purchase Agreement, dated August 7, 1991, among Registrant, Jonathan M. Tisch, and Jonathan L. Steinberg	Incorporated by reference to Exhibit 10.29 to the Form S-18
10.12	Stock Option Agreement, dated October 31, 1988, between Registrant and Scot A. Rosenblum	Incorporated by reference to Exhibit 10.30 to the Form S-18
10.13	Units Purchase Agreement between Registrant and Reliance Insurance Company	Incorporated by reference to Exhibit 10.32 to the Form S-18
10.21	Trademark License Agreement dated June 19, 1992 between Registrant and the American Association of Individual Investors, Inc.	Incorporated by reference to Exhibit 10.25 to the Form 10-KSB for the year ended December 31, 1992 ("1992 Form 10-KSB")
10.22	Office Lease, Dated January 10, 1994, between 333 7th Ave. Realty Co. and the Registrant	Incorporated by reference to Exhibit 10.22 to the Form 10-KSB for the year ended December 31, 1993 ("1993 Form 10-KSB")
10.23	Stock purchase agreement, dated December 1, 1993, between Bernard Schwartz and the Registrant	Incorporated by reference to Exhibit 10.23 to the 1993 Form 10-KSB
10.25	Office lease, dated December 21, 1993, between HV Rocklin Development, Inc. and the Registrant	Incorporated by reference to Exhibit 10.25 to the 1993 Form 10-KSB
10.26	Consulting agreement, dated September 24, 1993, between Robert M. Cohen and Company and the Registrant with form of Stock Option Agreement	Incorporated by reference to Exhibit 10.26 to the 1993 Form 10-KSB
10.27	Stock Option Agreement, dated April 7, 1994,	Incorporated by reference to Exhibit 10.27 to

	between Registrant and Jonathan L. Steinberg	the Form 10-QSB for the quarter ended June 30, 1994 ("1994 Form 10-QSB")
10.28	Employment Agreement, dated July 27, 1994, between Registrant and Robert H. Schmidt	Incorporated by reference to Exhibit 10.28 to the 1994 Form 10-QSB
10.29	Stock Option Agreement, dated July 27, 1994, between Registrant and Robert H. Schmidt	Incorporated by reference to Exhibit 10.29 to the 1994 Form 10-QSB

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<S>	<C>	<C>
10.30	Indemnification Agreement, dated July 27, 1994, between Registrant and Robert H. Schmidt	Incorporated by reference to Exhibit 10.30 to the 1994 Form 10-QSB
10.31	Stock Option Agreement, dated August 31, 1994, between Registrant and Scot A. Rosenblum	Incorporated by reference to Exhibit 10.31 to the 1994 Form 10-KSB
10.32	Consulting Agreement, dated February 3, 1995, between Robert M. Cohen and Company and the Registrant with form of stock option agreement	Incorporated by reference to Exhibit 10.32 to the 1994 Form 10-KSB
10.33	Stock Option Agreement, dated June 21, 1995, between Registrant and Bruce Sokoloff	Incorporated by reference to Exhibit 10.33 to the 1994 Form 10-KSB
10.34	Stock Option Agreement, dated June 23, 1995, between Registrant and Robert H. Schmidt	Incorporated by reference to Exhibit 10.34 to the 1994 Form 10-KSB
10.35	Stock Option Agreement, dated June 23, 1995, between Registrant and Jonathan L. Steinberg	Incorporated by reference to Exhibit 10.35 to the 1994 Form 10-KSB
10.36	Stock Option Agreement, dated June 23, 1995, between Registrant and Scot A. Rosenblum	Incorporated by reference to Exhibit 10.36 to the 1994 Form 10-KSB
10.37	Form of Partnership Agreement for WisdomTree Associates, L.P.	Incorporated by reference to Exhibit 10.37 to the 1994 Form 10-KSB
10.38	WisdomTree Capital Advisors, LLC Operating Agreement dated November 1, 1995	Incorporated by reference to Exhibit 10.38 to the 1994 Form 10-KSB
10.39	Agreement between WisdomTree Offshore L.T.D, and WisdomTree Capital Management, Inc. and WisdomTree Capital Advisors, LLC dated December 1, 1995	Incorporated by reference to Exhibit 10.39 to the 1994 Form 10-KSB
10.41	Office sublease, dated December 8, 1995, between Porter Novelli, Inc. and the Registrant	Incorporated by reference to Exhibit 10.41 to the 1995 Form 10-KSB

</TABLE>

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<S>	<C>	<C>
10.42	Office sublease, dated January 96 between VCH Publishers, Inc. and the Registrant	Incorporated by reference to Exhibit 10.42 to the 1995 Form 10-KSB
10.43	Form of 1996 Performance Equity Plan	Incorporated by reference to Exhibit 10.43 to the 1995 Form 10-KSB
10.44	Employment & Option Agreement dated March 15, 1996 between Jay Burzon and Registrant	Incorporated by reference to Exhibit 10.44 to the 1995 Form 10-KSB
10.45	Form of 1996 Management Incentive Plan	Incorporated by reference to Exhibit 4.10 to the Registrant's Registration Statement on Form S-8 (File No. 333-17697)
10.46	Form of 1993 Stock Option Plan of Registrant	Incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-8 (File No. 33-72266)
11	Computation of Earnings (Loss) Per Common and Equivalent Share	Filed herewith, sequentially numbered page 36
21.1	Subsidiaries of the Registrant	Filed herewith, sequentially numbered page 37
23.1	Consent of Independent Auditors-Deloitte & Touche LLP	Filed herewith, sequentially numbered page 38
23.2	Consent of Independent Auditors-Ernst & Young LLP	Filed herewith, sequentially numbered page 39

</TABLE>

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act of 1934, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INDIVIDUAL INVESTOR GROUP, INC.

Date: March 25, 1997

By: /s/ Jonathan L. Steinberg
Jonathan L. Steinberg
Chief Executive Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Jonathan L. Steinberg Jonathan L. Steinberg	Chief Executive Officer and Director	March 25, 1997
/s/ Robert H. Schmidt Robert H. Schmidt	President and Director	March 25, 1997
/s/ Scot A. Rosenblum Scot A. Rosenblum	Chief Financial Officer,Vice President and Director	March 25, 1997
/s/ Henry G. Clark Henry G. Clark	Controller (Principal Accounting Officer)	March 25, 1997
/s/ Bruce L. Sokoloff Bruce L. Sokoloff	Director	March 25, 1997
/s/ Peter M. Ziemba Peter M. Ziemba	Director	March 25, 1997

EXHIBIT 11

Computation of Earnings (Loss)
Per Common and Equivalent Shares

<TABLE>
<CAPTION>

Year Ended December 31, 1996	Primary	Fully Diluted
<S>	<C>	<C>
Net loss	$(3,189,452)	$(3,189,452)
Weighted average common shares outstanding	6,198,260	6,198,260
Loss per common share	$ (0.51)	$ (0.51)

Year Ended December 31, 1995	Primary	Fully Diluted
Net income	$ 2,892,808	$ 2,892,808
Plus: Interest income assumed to be earned on proceeds from assumed exercise of options and warrants in excess of 20% limitation	190,696	471,459
Adjusted Net Income	$ 3,083,504	$ 3,364,267
Weighted average common shares outstanding	4,805,427	4,805,427
Plus: Incremental shares issued on assumed exercise of options and warrants	1,271,255	2,066,740
Weighted average common shares outstanding	6,076,682	6,872,167
Income per common and equivalent share	$ 0.51	$ 0.49

</TABLE>

EXHIBIT 21.1

SUBSIDIARIES
OF
INDIVIDUAL INVESTOR GROUP, INC.

Subsidiary	State of Organization
Individual Investor Holdings, Inc.	Delaware
Advanced Marketing Ventures, Inc.	Delaware
WisdomTree Capital Management, Inc.	New York
I.I. Strategic Consultants, Inc.	Delaware
WisdomTree Capital Advisors, LLC	New York
I.I. Interactive, Inc.	Delaware
WisdomTree Administration, Inc.	Delaware

Exhibit 23.1

INDEPENDENT AUDITORS' CONSENT

To the Board of Directors and Stockholders
of Individual Investor Group, Inc.

We consent to the incorporation by reference in Registration Statement No. 33-74846 on Form S-3 and Registration Statements Nos. 33-72266, 33-85910 and 333-17697 on Form S-8 of Individual Investor Group, Inc. and subsidiaries of our report dated March 18, 1997, appearing in the Annual Report on Form 10-KSB of Individual Investor Group, Inc. and subsidiaries for the year ended December 31, 1996.

/s/ Deloitte & Touche LLP
- -------------------------
DELOITTE & TOUCHE LLP

New York, New York
March 25, 1997

Exhibit 23.2

Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statements (Form S-3 No. 33-74846 and Forms S-8 No. 33-72266, No. 33-85910 and No. 333-17697) pertaining to Individual Investor Group, Inc. of our reports dated March 7, 1997 and March 6, 1996, with respect to the financial statements of WisdomTree Associates, L.P. included in the Annual Report (Form 10-KSB) of Individual Investor Group, Inc. for the year ended December 31, 1996.

/s/ Ernst & Young LLP

New York, New York
March 20, 1997

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