

## **WisdomTree Announces Fourth Quarter And Year-End 2009 Results**

*Total Assets under management increase 22% from Q3 to record \$6.7 billion;  
up 83% for 2009*

*\$911 million net inflows for the quarter, \$1.8 billion total net inflows for 2009*

*26 out of 42 equity funds outperformed benchmarks since inception through 2009*

New York, NY – (BUSINESS WIRE) – February 8, 2010 – WisdomTree (Pink Sheets: [WSDT - News](#)), an innovative exchange-traded fund (“ETF”) sponsor and asset manager, today reported a GAAP net loss of \$5.0 million in the fourth quarter of 2009, flat with the third quarter. Proforma operating net loss, which excludes stock-based compensation, depreciation and amortization, and interest and investment income, was \$1.5 million in the fourth quarter, a 37.7% improvement from a proforma operating net loss of \$2.4 million in the third quarter. For the full year, net loss was \$21.2 million compared to \$27.0 million in 2008. Proforma operating net loss for the full year was \$11.3 million, a 39.8% improvement from proforma operating net loss of \$18.7 million in 2008.

WisdomTree CEO Jonathan Steinberg commented, “WisdomTree achieved our best fourth quarter in Company history. We are encouraged to see the market responding to our innovations in the emerging markets – namely the industry’s first India, and emerging markets small cap ETFs, as well as the first “1940 Act” family of currency ETFs which collectively were responsible for the majority of the \$911 million net inflows in the fourth quarter.”

Mr. Steinberg continued, “Our agility proved to be an asset during a challenging year; we pared down operating costs without impeding our ability to grow existing funds and continued to develop innovative products. In fact, we are closer than ever to becoming cash flow positive at a time when the ETF industry, as a whole, is poised for mainstream acceptance.”

### **Assets Under Management and Performance**

As of December 31, 2009, assets under management (“AUM”) managed by WisdomTree or against WisdomTree Indexes by third parties under license from WisdomTree was \$6.7 billion and ETF AUM was \$6.0 billion, both up 22% from September 30, 2009. Net inflows into WisdomTree ETFs were \$911 million in the fourth quarter primarily in Emerging Market Currency and Emerging Market Equity ETFs. For the full year, ETF AUM increased 88% and net inflows were \$1.8 billion.

WisdomTree's fundamentally weighted ETFs experienced relatively strong investment performance through the fourth quarter. Approximately 76% of the \$5.1 billion invested in WisdomTree's 42 equity ETFs on December 31, 2009 were in funds that, since their respective inceptions, have outperformed their benchmarks through that date. 26 of WisdomTree's 42 equity ETFs outperformed their comparable benchmarks since inception and through the fourth quarter of 2009. For more information about WisdomTree ETFs, please [click here](#) or visit [www.wisdomtree.com](http://www.wisdomtree.com).

### ***Recent Business Activity***

- On January 29, 2010, the Company announced the closure of 10 funds that collectively represented approximately 3% of ETF AUM as of that date, to liquidate by the end of the first quarter 2010.
- On January 22, the Company announced that effective after the close of business on March 31, 2010, the WisdomTree Japan Total Dividend Fund (DXJ) will be renamed the WisdomTree Japan Hedged Equity Fund and will begin to hedge Japanese yen exposure.
- On December 31, 2009, the Company launched the WisdomTree International Hedged Equity Fund (HEDJ).
- On December 30, 2009, the Company filed for the WisdomTree Rising Dollar Fund and the WisdomTree Commodity Currency Fund.

### **Fourth Quarter Financial Highlights**

#### ***Comparison to the third quarter of 2009***

##### ***Revenues***

Total revenues for the fourth quarter increased 33.6% to a record \$7.6 million as compared to \$5.7 million in the third quarter. Average ETF assets under management increased 30% in the fourth quarter as compared to the third quarter primarily due to \$911 million of net inflows as well as \$166 million of market appreciation. The average advisory fee earned during the fourth quarter was 0.54%, up from 0.53% in the third quarter primarily due to higher inflows into the Company's Emerging Market ETFs.

##### ***Expenses***

Total expenses increased 18.1% to \$12.8 million from \$10.8 million in the third quarter primarily due to higher marketing related expenses and stock-based compensation expenses. Excluding stock-based compensation, depreciation and amortization charges, proforma operating expenses increased 12.3% to \$9.2 million from \$8.2 million in the third quarter.

- Compensation and benefits expenses decreased 7.3% to \$4.8 million from \$5.2 million in the third quarter primarily due to lower stock-based compensation. Excluding stock-based compensation, compensation and benefits expense decreased 2.4% to \$2.8 million in the fourth quarter from \$2.9 million due to lower annual incentive compensation than anticipated in the third quarter.
- Fund management and administration expenses increased 10.8% to \$3.7 million from \$3.3 million in the third quarter due to higher average asset balances.
- Marketing and business development expenses increased 88.8% to \$2.1 from \$1.1 million in the third quarter primarily due to increased television advertising during the quarter to support the Emerging Market and Currency ETF sales campaigns.
- Professional fees increased 46.1% to \$0.6 million in the fourth quarter as compared \$0.4 million in third quarter. Excluding stock based compensation, professional fees decreased 31.9% to \$0.1 million from \$0.2 million primarily due to lower corporate consulting expenses.
- Occupancy, communications and equipment expenses decreased 12.0% to \$0.2 million in the fourth quarter from \$0.3 million in the third quarter due to lower overhead costs.
- Other expenses increased \$0.8 million to \$1.2 million in the fourth quarter from \$0.4 million in the third quarter, primarily as a result of the Company's final issuance of common stock to Treasury Equity LLC for satisfaction of certain conditions related to the Company's Currency ETFs. Other expenses also increased due to one-time charges to terminate certain contracts with vendors.

### ***Full-Year Results***

Total revenues decreased 2.7% to \$21.5 million during the year ended December 31, 2009 from \$22.1 million in the comparable period in 2008 primarily due to lower average assets levels experienced in the first quarter of 2009, which is partly offset by the significant increases in AUM experienced in the fourth quarter of the year.

Total expenses decreased 14.5% to \$43.3 million during the year ended December 31, 2009 from \$50.7 million in the same period of last year. Excluding stock-based compensation and depreciation and amortization charges, proforma operating expenses decreased 19.7% to \$32.8 million from \$40.8 million over the comparable period. This was primarily due to lower discretionary advertising spending as a result of negative market conditions during the year. Also decreasing were fund-related costs as a result of

lower average assets under management during the first quarter of 2009 as compared to the same period in 2008.

### ***Balance Sheet***

As of December 31, 2009, WisdomTree had total assets of \$25.7 million, which consisted primarily of cash and cash equivalents of \$11.5 million and investments of \$9.3 million. WisdomTree has no debt. There were approximately 114.5 million shares issued as of December 31, 2009. Fully diluted shares issued and outstanding were approximately 135.9 million as of December 31, 2009.

### **Fourth Quarter 2009 Earnings Call Information**

WisdomTree will discuss its results and operational highlights during a conference call on Tuesday, February 9 at 9:00 a.m. ET. The call-in number will be (888) 679-8034 passcode 44922793. Anyone outside the U.S. or Canada should call (617) 213-4847, passcode 44922793. The slides used during the presentation will be available at [www.wisdomtree.com/ir](http://www.wisdomtree.com/ir). For those unable to join the conference call at the scheduled time, an audio replay will be available on [www.wisdomtree.com/ir](http://www.wisdomtree.com/ir).

### **About WisdomTree**

**WisdomTree®** is an innovative exchange-traded fund (“ETF”) sponsor and asset manager using its own fundamentally weighted index methodology. WisdomTree also licenses its indexes to third parties for proprietary products and offers a platform to promote the use of WisdomTree ETFs in 401(k) plans. Approximately \$6.6 billion in assets currently are managed by WisdomTree or are managed against WisdomTree Indexes by third parties under license from WisdomTree. For more information, please visit [www.wisdomtree.com](http://www.wisdomtree.com). WisdomTree is the marketing name for WisdomTree Investments, Inc. and its wholly owned subsidiaries WisdomTree Asset Management, Inc. and WisdomTree Retirement Services, Inc.

WisdomTree Asset Management, Inc. is a registered investment advisor and is the investment advisor to the WisdomTree Trust and the WisdomTree ETFs. The WisdomTree Trust is a registered open-end investment company. Each WisdomTree ETF is a series of the WisdomTree Trust. WisdomTree Retirement Services, Inc. supports the use of the WisdomTree ETFs in retirement plans by financial professionals.

**WISDOMTREE INVESTMENTS, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share amounts)  
(Unaudited)

|  | For the Three Months Ended |                       |                      | For the Twelve Months Ended |                                   |
|--|----------------------------|-----------------------|----------------------|-----------------------------|-----------------------------------|
|  | December 31,<br>2009       | September 30,<br>2009 | December 31,<br>2008 | December 31,<br>2009        | December 31,<br>2008<br>(Audited) |
| <b>Revenues</b>                                    |                            |                       |                      |                             |                                   |
| Advisory fees                                      | \$ 7,428                   | \$ 5,536              | \$ 4,056             | \$ 20,812                   | \$ 21,643                         |
| Other income                                       | 208                        | 180                   | 165                  | 676                         | 431                               |
| Total revenues                                     | 7,636                      | 5,716                 | 4,221                | 21,488                      | 22,074                            |
| <b>Expenses:</b>                                   |                            |                       |                      |                             |                                   |
| Compensation and benefits                          | 4,775                      | 5,153                 | 2,750                | 18,943                      | 20,338                            |
| Fund management and administration                 | 3,674                      | 3,317                 | 3,910                | 13,387                      | 15,167                            |
| Marketing and business development                 | 2,101                      | 1,113                 | 989                  | 5,257                       | 9,122                             |
| Professional fees                                  | 631                        | 432                   | 295                  | 1,780                       | 1,871                             |
| Occupancy, communication and equipment             | 249                        | 283                   | 363                  | 1,087                       | 1,564                             |
| Depreciation and amortization                      | 88                         | 88                    | 90                   | 360                         | 337                               |
| Other  | 1,245                      | 423                   | 1,030                | 2,509                       | 2,257                             |
| Total expenses                                     | 12,763                     | 10,809                | 9,427                | 43,323                      | 50,656                            |
| Operating loss                                     | (5,127)                    | (5,093)               | (5,206)              | (21,835)                    | (28,582)                          |
| Interest and investment income                     | 95                         | 105                   | 245                  | 607                         | 1,537                             |
| <b>Net loss</b>                                    | <b>\$ (5,032)</b>          | <b>\$ (4,988)</b>     | <b>\$ (4,961)</b>    | <b>\$ (21,228)</b>          | <b>\$ (27,045)</b>                |
| Net loss per share - basic and diluted             | \$ (0.05)                  | \$ (0.05)             | \$ (0.05)            | \$ (0.21)                   | \$ (0.27)                         |
| Weighted average common shares - basic and diluted | 108,374                    | 101,857               | 100,955              | 103,397                     | 100,236                           |

**WISDOMTREE INVESTMENTS, INC**  
**NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands)  
(Unaudited)

|  | For the Three Months Ended |                       |                      | For the Twelve Months Ended |                      |
|--|----------------------------|-----------------------|----------------------|-----------------------------|----------------------|
|  | December 31,<br>2009       | September 30,<br>2009 | December 31,<br>2008 | December 31,<br>2009        | December 31,<br>2008 |
| <b>Revenues</b>                        |                            |                       |                      |                             |                      |
| Advisory fees                          | \$ 7,428                   | \$ 5,536              | \$ 4,056             | \$ 20,812                   | \$ 21,643            |
| Other income                           | 208                        | 180                   | 165                  | 676                         | 431                  |
| Total revenues                         | 7,636                      | 5,716                 | 4,221                | 21,488                      | 22,074               |
| <b>Operating expenses:</b>             |                            |                       |                      |                             |                      |
| Compensation and benefits              | 2,807                      | 2,877                 | 1,030                | 11,026                      | 12,392               |
| Fund management and administration     | 3,674                      | 3,317                 | 3,910                | 13,387                      | 15,167               |
| Marketing and business development     | 2,101                      | 1,113                 | 989                  | 5,257                       | 9,122                |
| Professional fees                      | 130                        | 191                   | 420                  | 688                         | 1,478                |
| Occupancy, communication and equipment | 249                        | 283                   | 363                  | 1,087                       | 1,564                |
| Other                                  | 195                        | 375                   | 490                  | 1,309                       | 1,050                |
| Total operating expenses               | 9,156                      | 8,156                 | 7,202                | 32,754                      | 40,773               |
| <b>Operating loss</b>                  | <b>(1,520)</b>             | <b>(2,440)</b>        | <b>(2,981)</b>       | <b>(11,266)</b>             | <b>(18,699)</b>      |
| Stock-based compensation               | 3,519                      | 2,565                 | 2,135                | 10,209                      | 9,546                |
| Depreciation and amortization          | 88                         | 88                    | 90                   | 360                         | 337                  |
| Interest and investment income         | (95)                       | (105)                 | (245)                | (607)                       | (1,537)              |
| Net loss                               | <u>\$ (5,032)</u>          | <u>\$ (4,988)</u>     | <u>\$ (4,961)</u>    | <u>\$ (21,228)</u>          | <u>\$ (27,045)</u>   |

**WISDOMTREE INVESTMENTS, INC.**  
**CONSOLIDATED BALANCE SHEET**  
(in thousands, except per share amounts)

|  | <u>December 31,</u><br><b>2009</b> | <u>December 31,</u><br><b>2008</b> |
|--|------------------------------------|------------------------------------|
|  | <b>(Unaudited)</b>                 |                                    |
| <b>ASSETS</b>  |                                    |                                    |
| Current assets:  |                                    |                                    |
| Cash and cash equivalents                                      | \$ 11,476                          | \$ 13,275                          |
| Investments  | 2,627                              | 4,593                              |
| Accounts receivable  | 2,884                              | 1,530                              |
| Other current assets   | 961                                | 875                                |
| Total current assets   | 17,948                             | 20,273                             |
| Fixed assets, net  | 977                                | 1,266                              |
| Investments  | 6,693                              | 13,191                             |
| Other long-term assets   | 85                                 | 126                                |
| Total assets   | \$ 25,703                          | \$ 34,856                          |
| <br><b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                |                                    |                                    |
| <b>LIABILITIES</b>   |                                    |                                    |
| Current liabilities:   |                                    |                                    |
| Fund management and administration payable                     | \$ 5,055                           | \$ 8,966                           |
| Compensation and benefits payable                              | 2,587                              | 2,012                              |
| Accounts payable and other liabilities                         | 1,603                              | 1,207                              |
| Total current liabilities                                      | 9,245                              | 12,185                             |
| Other liabilities  | 430                                | 615                                |
| Total liabilities  | 9,675                              | 12,800                             |
| <br>Stockholders' equity                                       |                                    |                                    |
| Common stock, par value \$0.01; 250,000,000 shares authorized: |                                    |                                    |
| issued: 114,535,630 and 105,244,385                            | 1,145                              | 1,052                              |
| outstanding: 110,105,507 and 101,339,143                       |                                    |                                    |
| Additional paid-in capital                                     | 149,487                            | 134,383                            |
| Accumulated other comprehensive income                         |                                    | (3)                                |
| Accumulated deficit  | (134,604)                          | (113,376)                          |
| Total stockholders' equity                                     | 16,028                             | 22,056                             |
| Total liabilities and stockholders' equity                     | \$ 25,703                          | \$ 34,856                          |

**WISDOMTREE INVESTMENTS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

|   | <b>For the Twelve Months Ended</b> |                     |
|---|------------------------------------|---------------------|
|   | <b>December 31,</b>                | <b>December 31,</b> |
|   | <b>2009</b>                        | <b>2008</b>         |
|   |                                    | <b>(Audited)</b>    |
| <b>Cash flows from operating activities</b>                                 |                                    |                     |
| Net loss  | \$ (21,228)                        | \$ (27,045)         |
| Adjustments to reconcile net loss to net cash used in operating activities: |                                    |                     |
| Depreciation, amortization and other  | 583                                | 675                 |
| Stock-based compensation  | 10,209                             | 9,546               |
| Loss on sub-lease   | --                                 | 139                 |
| Deferred rent   | (185)                              | (36)                |
| Accretion to interest income  | (68)                               | 111                 |
| Net change in operating assets and liabilities:                             |                                    |                     |
| Accounts receivable   | (1,354)                            | 468                 |
| Other assets  | (45)                               | 579                 |
| Fund management and administration payable                                  | (3,911)                            | 2,600               |
| Compensation and benefits payable   | 575                                | (1,531)             |
| Other accounts payable and other liabilities                                | 396                                | (1,121)             |
|   | <b>(15,028)</b>                    | <b>(15,615)</b>     |
| <b>Cash flows from investing activities</b>                                 |                                    |                     |
| Purchase of fixed assets  | (295)                              | (703)               |
| Purchase of investments   | (7,290)                            | (16,809)            |
| Proceeds from the redemption of investments                                 | 15,825                             | 31,260              |
|   | <b>8,240</b>                       | <b>13,748</b>       |
| <b>Cash flows from financing activities</b>                                 |                                    |                     |
| Net proceeds from sale of common stock                                      | 4,989                              | --                  |
| Proceeds from exercise of stock options and warrants                        | --                                 | 4                   |
|   | <b>4,989</b>                       | <b>4</b>            |
| Net decrease in cash and cash equivalents                                   | (1,799)                            | (1,863)             |
| Cash and cash equivalents - beginning of period                             | 13,275                             | 15,138              |
| <b>Cash and cash equivalents - end of period</b>                            | <b>\$ 11,476</b>                   | <b>\$ 13,275</b>    |
| <b>Supplemental disclosure of cash flow information</b>                     |                                    |                     |
| Cash paid for income taxes  | <b>\$ 3</b>                        | <b>\$ 5</b>         |

**WisdomTree Investments, Inc.**  
**Key Operating Statistics (Unaudited)**

|   | For the Three Months Ended |                       |                      | For the Twelve Months Ended |                      |
|---|----------------------------|-----------------------|----------------------|-----------------------------|----------------------|
|   | December 31,<br>2009       | September 30,<br>2009 | December 31,<br>2008 | December 31,<br>2009        | December 31,<br>2008 |
| <b>Total assets under management (in thousands)</b> |                            |                       |                      |                             |                      |
| ETFs  | 5,978,605                  | 4,901,755             | 3,180,133            | 5,978,605                   | 3,180,133            |
| Non-ETFs  | 689,103                    | 567,627               | 462,513              | 689,103                     | 462,513              |
| End of period assets                                | <u>6,667,708</u>           | <u>5,469,382</u>      | <u>3,642,646</u>     | <u>6,667,708</u>            | <u>3,642,646</u>     |
| <b>Total ETFs (in thousands)</b>                    |                            |                       |                      |                             |                      |
| Beginning of period assets                          | 4,901,755                  | 3,663,004             | 4,074,954            | 3,180,133                   | 4,558,796            |
| Inflows/(Outflows)                                  | 910,989                    | 558,437               | 29,955               | 1,772,764                   | 906,847              |
| Market appreciation/(depreciation)                  | 165,861                    | 680,314               | (924,776)            | 1,025,708                   | (2,285,510)          |
| End of period assets                                | <u>5,978,605</u>           | <u>4,901,755</u>      | <u>3,180,133</u>     | <u>5,978,605</u>            | <u>3,180,133</u>     |
| Average assets during the period                    | 5,438,756                  | 4,181,938             | 3,176,375            | 3,963,943                   | 4,327,160            |
| <b>International ETFs (in thousands)</b>            |                            |                       |                      |                             |                      |
| Beginning of period assets                          | 2,912,661                  | 2,082,340             | 2,301,003            | 1,723,244                   | 2,985,606            |
| Inflows/(Outflows)                                  | 368,099                    | 400,985               | 10,011               | 931,129                     | 284,914              |
| Market appreciation/(depreciation)                  | 103,568                    | 429,336               | (587,770)            | 729,955                     | (1,547,276)          |
| End of period assets                                | <u>3,384,328</u>           | <u>2,912,661</u>      | <u>1,723,244</u>     | <u>3,384,328</u>            | <u>1,723,244</u>     |
| Average assets during the period                    | 3,193,815                  | 2,397,470             | 1,763,032            | 2,264,042                   | 2,552,438            |
| <b>Sector ETFs (in thousands)</b>                   |                            |                       |                      |                             |                      |
| Beginning of period assets                          | 322,145                    | 222,085               | 361,435              | 246,501                     | 546,565              |
| Inflows/(Outflows)                                  | 34,154                     | 52,241                | (32,180)             | 58,413                      | (47,184)             |
| Market appreciation/(depreciation)                  | 1,888                      | 47,819                | (82,754)             | 53,273                      | (252,880)            |
| End of period assets                                | <u>358,187</u>             | <u>322,145</u>        | <u>246,501</u>       | <u>358,187</u>              | <u>246,501</u>       |
| Average assets during the period                    | 338,336                    | 268,661               | 262,956              | 257,344                     | 453,033              |
| <b>US ETFs (in thousands)</b>                       |                            |                       |                      |                             |                      |
| Beginning of period assets                          | 1,271,172                  | 1,039,480             | 983,435              | 986,568                     | 1,026,625            |
| Inflows/(Outflows)                                  | (2,514)                    | 42,970                | 241,244              | 136,949                     | 409,325              |
| Market appreciation/(depreciation)                  | 60,939                     | 188,722               | (238,111)            | 206,080                     | (449,382)            |
| End of period assets                                | <u>1,329,597</u>           | <u>1,271,172</u>      | <u>986,568</u>       | <u>1,329,597</u>            | <u>986,568</u>       |
| Average assets during the period                    | 1,272,642                  | 1,163,833             | 844,368              | 1,083,545                   | 984,204              |
| <b>Currency/Fixed Income ETFs (in thousands)</b>    |                            |                       |                      |                             |                      |
| Beginning of period assets                          | 395,777                    | 319,099               | 429,081              | 223,820                     | -                    |
| Inflows/(Outflows)                                  | 511,250                    | 62,241                | (189,120)            | 646,273                     | 259,792              |
| Market appreciation/(depreciation)                  | (534)                      | 14,437                | (16,141)             | 36,400                      | (35,972)             |
| End of period assets                                | <u>906,493</u>             | <u>395,777</u>        | <u>223,820</u>       | <u>906,493</u>              | <u>223,820</u>       |
| Average assets during the period                    | 633,963                    | 351,974               | 306,019              | 359,012                     | 337,485              |
| <b>Average ETF assets during the period</b>         |                            |                       |                      |                             |                      |
| International ETFs                                  | 59%                        | 58%                   | 55%                  | 57%                         | 59%                  |
| Sector ETFs   | 6%                         | 6%                    | 8%                   | 7%                          | 10%                  |
| US ETFs   | 23%                        | 28%                   | 27%                  | 27%                         | 23%                  |
| Currency/Fixed Income ETFs                          | 12%                        | 8%                    | 10%                  | 9%                          | 8%                   |
| <b>Average ETF advisory fee during the period</b>   |                            |                       |                      |                             |                      |
| International ETFs                                  | 0.63%                      | 0.62%                 | 0.59%                | 0.62%                       | 0.58%                |
| Sector ETFs   | 0.58%                      | 0.58%                 | 0.58%                | 0.58%                       | 0.58%                |
| US ETFs   | 0.34%                      | 0.33%                 | 0.34%                | 0.33%                       | 0.34%                |
| Currency/Fixed Income ETFs                          | 0.46%                      | 0.44%                 | 0.42%                | 0.44%                       | 0.43%                |
| Blended Total                                       | <u>0.54%</u>               | <u>0.53%</u>          | <u>0.51%</u>         | <u>0.52%</u>                | <u>0.52%</u>         |
| <b>Number of ETFs</b>                               |                            |                       |                      |                             |                      |
| International ETFs                                  | 19                         | 18                    | 18                   | 19                          | 18                   |
| Sector ETFs   | 11                         | 11                    | 11                   | 11                          | 11                   |
| US ETFs   | 13                         | 13                    | 13                   | 13                          | 13                   |
| Currency/Fixed Income ETFs                          | 9                          | 9                     | 8                    | 9                           | 8                    |
| Total   | <u>52</u>                  | <u>51</u>             | <u>50</u>            | <u>52</u>                   | <u>50</u>            |

Note: Previously issued statistics may be restated due to trade adjustments

## **GAAP to Non-GAAP Reconciliation**

In an effort to provide additional information regarding our results as determined by GAAP, we also disclose certain non-GAAP information which we believe provides useful and meaningful information. Our management reviews this non-GAAP financial measurement when evaluating our financial performance and results of operations; therefore, we believe it is useful to provide information with respect to these non-GAAP measurements so as to share this perspective of management. Non-GAAP measurements do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. These non-GAAP financial measures should be considered in the context with our GAAP results.

We have disclosed our results excluding certain non-operating items. We consider stock-based compensation, depreciation and amortization and interest and investment income as non-operating items. Management excludes these costs when measuring our financial performance as they are non-cash charges or not directly related to our business of being an index developer and ETF sponsor. As the company is currently incurring net losses, management focuses on its cash related expenses of being an index developer and ETF sponsor in measuring the financial health of its business and making related decisions. However, stock-based compensation has been and will continue to be for the foreseeable future, a significant recurring expense in our business and stock-based compensation is an important part of our employees' compensation and impacts their performance.

**WISDOMTREE INVESTMENTS, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**GAAP to NON-GAAP RECONCILIATION**  
(in thousands)  
(Unaudited)

|   | For the Three Months Ended |                       |                      | For the Twelve Months Ended |                      |
|---|----------------------------|-----------------------|----------------------|-----------------------------|----------------------|
|   | December 31,<br>2009       | September 30,<br>2009 | December 31,<br>2008 | December 31,<br>2009        | December 31,<br>2008 |
| <b>GAAP expenses as reported</b>                  | \$ 12,763                  | \$ 10,809             | \$ 9,427             | \$ 43,323                   | \$ 50,656            |
| <b>Less Stock-Based Compensation included in:</b> |                            |                       |                      |                             |                      |
| Compensation and benefits                         | (1,968)                    | (2,276)               | (1,720)              | (7,917)                     | (7,946)              |
| Professional fees                                 | (501)                      | (241)                 | 125                  | (1,092)                     | (393)                |
| Other   | (1,050)                    | (48)                  | (540)                | (1,200)                     | (1,207)              |
| Total stock-based compensation expenses           | (3,519)                    | (2,565)               | (2,135)              | (10,209)                    | (9,546)              |
| Less depreciation and amortization                | (88)                       | (88)                  | (90)                 | (360)                       | (337)                |
| <b>Proforma operating expenses</b>                | <u>\$ 9,156</u>            | <u>\$ 8,156</u>       | <u>\$ 7,202</u>      | <u>\$ 32,754</u>            | <u>\$ 40,773</u>     |
| <br>  |                            |                       |                      |                             |                      |
| <b>GAAP net loss, as reported</b>                 | \$ (5,032)                 | \$ (4,988)            | \$ (4,961)           | \$ (21,228)                 | \$ (27,045)          |
| Add back stock-based compensation                 | 3,519                      | 2,565                 | 2,135                | 10,209                      | 9,546                |
| Add back depreciation and amortization            | 88                         | 88                    | 90                   | 360                         | 337                  |
| Less interest and investment income               | (95)                       | (105)                 | (245)                | (607)                       | (1,537)              |
| <b>Proforma net loss</b>                          | <u>\$ (1,520)</u>          | <u>\$ (2,440)</u>     | <u>\$ (2,981)</u>    | <u>\$ (11,266)</u>          | <u>\$ (18,699)</u>   |

## Forward Looking Statements

Statements in this Press Release regarding WisdomTree Investments, Inc. that are not historical facts are “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 speaks only as of the date made. We have no obligation to publicly release the result of any revisions which may be made to any forward-looking statements to reflect unanticipated events or circumstances occurring after the date of such statements. Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors, some of which are listed below, that could cause actual results or outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements. In assessing the forward-looking statements contained herein, readers are urged to carefully read the following risks and considerations:

- We have a limited operating history in our investment management business upon which you may evaluate us and we have experienced significant losses to date.
- Our ability to become profitable is dependent upon our ability to increase our assets under management and to control our expenses.
- Changes in the equity markets have a direct impact on our assets under management. A downturn in the equity markets can result in a significant reduction in assets under management, which, in turn, directly reduces our revenues.
- The mix of our assets under management could be subject to significant fluctuations and could adversely affect our revenues.
- Poor investment performance of our ETFs is likely to lead to a reduction in our assets under management and a reduction in our revenues.
- If our reputation is harmed we could suffer losses in revenue.
- The asset management industry is highly competitive and most of our competitors are larger companies with greater resources.
- We rely very heavily on third-party vendors, such as BNY Mellon, Standard & Poor's, and Bloomberg, to provide us with services that are very important to our business. If any of those vendors decided to terminate their relationship with us, we might experience a disruption in our ability to do business while we retain an alternative vendor.
- A failure in our operational systems or infrastructure, or those of the third-party vendors, could disrupt our operations, damage our reputation, and reduce our revenues.
- Our business is subject to extensive regulation, and compliance failures and changes in regulation could adversely affect us.
- We depend on key personnel and the loss of such personnel could disrupt our ability to develop new product and conduct our business.
- Our principal stockholders, including our directors and officers, control a large percentage of our shares of common stock and can control our corporate actions.

*Past performance is no indication of future results.*

*Media Contact:*

Stuart Bell

WisdomTree Investments, Inc.

(917) 267-3702

[sbell@wisdomtree.com](mailto:sbell@wisdomtree.com)

*WisdomTree Investor Relations Contacts:*

KCSA Strategic Communications

Jeffrey Goldberger / Todd Fromer

+1 212.896.1249 / +1 212.896.1215

[jgoldberger@kcsa.com](mailto:jgoldberger@kcsa.com) / [tfromer@kcsa.com](mailto:tfromer@kcsa.com)