February 8, 2010

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--(BUSINESS WIRE)-- WisdomTree (Pink Sheets: WSDT), 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.

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. For those unable to join the conference call at the scheduled time, an audio replay will be available on www.wisdomtree.com/ir.

About WisdomTree

WisdomTree(R) 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. 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,	September 30,	December 31,	December 31,	December 31,
	2009	2009	2008	2009	2008
					(Audited)
Revenues					
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
Expenses:					
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
Net loss	$ (5,032)	$ (4,988)	$ (4,961)	$ (21,228)	$ (27,045)
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,	September 30,	December 31,	December 31,	December 31,
	2009	2009	2008	2009	2008
Revenues					
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
Operating expenses:					
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
Operating loss	(1,520)	(2,440)	(2,981)	(11,266)	(18,699)
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	$ (5,032)	$ (4,988)	$ (4,961)	$ (21,228)	$ (27,045)

WISDOMTREE INVESTMENTS, INC.

CONSOLIDATED BALANCE SHEET

(in thousands, except per share amounts)

	December 31, 2009 (Unaudited)	December 31, 2008
ASSETS		
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
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
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
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)

	For the Twelve Months Ended	
	December 31,	December 31,

	2009	2008
		(Audited)
Cash flows from operating activities		
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)
Net cash used in operating activities	(15,028)	(15,615)
Cash flows from investing activities		
Purchase of fixed assets	(295)	(703)
Purchase of investments	(7,290)	(16,809)
Proceeds from the redemption of investments	15,825	31,260
Net cash provided by investing activities	8,240	13,748
Cash flows from financing activities		
Net proceeds from sale of common stock	4,989	--
Proceeds from exercise of stock options and warrants	--	4
Net cash provided by financing activities	4,989	4
Net decrease in cash and cash equivalents	(1,799)	(1,863)
Cash and cash equivalents - beginning of period	13,275	15,138
Cash and cash equivalents - end of period	$ 11,476	$ 13,275
Supplemental disclosure of cash flow information		

Cash paid for income taxes	$ 3	$ 5

WisdomTree Investments, Inc.

Key Operating Statistics (Unaudited)

	For the Three Months Ended			For the Twelve Months Ended	
	December 31, 2009	September 30, 2009	December 31, 2008	December 31, 2009	December 31, 2008
Total assets under management (in thousands)					
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	6,667,708	5,469,382	3,642,646	6,667,708	3,642,646
Total ETFs (in thousands)					
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	5,978,605	4,901,755	3,180,133	5,978,605	3,180,133
Average assets during the period	5,438,756	4,181,938	3,176,375	3,963,943	4,327,160
International ETFs (in thousands)					
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	3,384,328	2,912,661	1,723,244	3,384,328	1,723,244
Average assets during the period	3,193,815	2,397,470	1,763,032	2,264,042	2,552,438
Sector ETFs (in thousands)					
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	358,187	322,145	246,501	358,187	246,501
Average assets during the period	338,336	268,661	262,956	257,344	453,033
US ETFs (in thousands)					
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	1,329,597	1,271,172	986,568	1,329,597	986,568
Average assets during the period	1,272,642	1,163,833	844,368	1,083,545	984,204
Currency/Fixed Income ETFs (in thousands)					
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/	(534)	14,437	(16,141)	36,400	(35,972)

(depreciation)										
End of period assets	906,493		395,777		223,820		906,493		223,820	
Average assets during the period	633,963		351,974		306,019		359,012		337,485	
Average ETF assets during the period										
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	%
Average ETF advisory fee during the period										
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	0.54	%	0.53	%	0.51	%	0.52	%	0.52	%
Number of ETFs										
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	52		51		50		52		50	

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,	September 30,	December 31,	December 31,	December 31,
	2009	2009	2008	2009	2008
GAAP expenses as reported	$ 12,763	$ 10,809	$ 9,427	$ 43,323	$ 50,656
Less Stock-Based Compensation included in:					
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)
Proforma operating expenses	$ 9,156	$ 8,156	$ 7,202	$ 32,754	$ 40,773
GAAP net loss, as reported	$ (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)
Proforma net loss	$ (1,520)	$ (2,440)	$ (2,981)	$ (11,266)	$ (18,699)

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.

Source: WisdomTree