



**2Q2012 Earnings Presentation**

# Notes & Disclaimers

## Discussion of Forward-Looking Statements by BGC Partners

Information in this document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward looking statements include statements about the outlook and prospects for the Company and for its industry as well as statements about its future financial and operating performance. Such statements are based upon current expectations that involve risks and uncertainties. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied because of a number of risks and uncertainties that include, but are not limited to, the risks and uncertainties identified in BGC Partners' filings with the U.S. Securities and Exchange Commission. The Company believes that all forward-looking statements are based upon reasonable assumptions when made. However, BGC Partners cautions that it is impossible to predict actual results or outcomes or the effects of risks, uncertainties or other factors on anticipated results or outcomes and that accordingly you should not place undue reliance on these statements. Forward-looking statements speak only as of the date when made, and the Company undertakes no obligation to update these statements in light of subsequent events or developments. Please refer to the complete disclaimer with respect to forward-looking statements and the risk factors set forth in BGC Partners' most recent public filings on Form 8-K and/or 10-Q, which are incorporated into this document by reference.

## Note Regarding Financial Tables and Metrics

Excel files with the Company's quarterly financial results and metrics from full year 2008 through 2Q2012 are accessible in the various financial results press releases at the "Investor Relations" section of <http://www.bgcpartners.com>. They are also available directly at <http://www.bgcpartners.com/ir-news>.

## Distributable Earnings

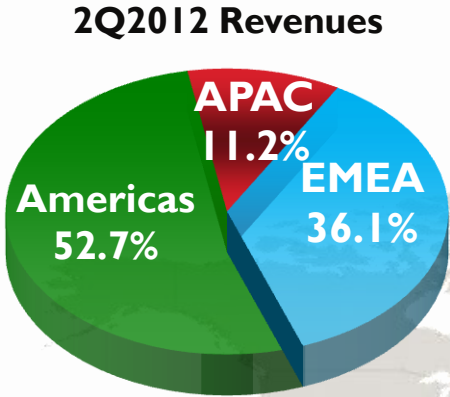
This presentation should be read in conjunction with BGC's most recent financial results press release. Unless otherwise stated, throughout this presentation we refer to our results only on a distributable earnings basis. For a complete description of this term and how, when and why management uses it, see the final page of this presentation. For both this description and a reconciliation to GAAP, see the sections of BGC's most recent financial results press release entitled "Distributable Earnings," "Distributable Earnings Results Compared with GAAP Results", and "Reconciliation of GAAP Income to Distributable Earnings", which are incorporated by reference, and available in the "Investor Relations" section of our website at <http://www.bgcpartners.com>.

## Select 2Q2012 Results Compared to 2Q2011

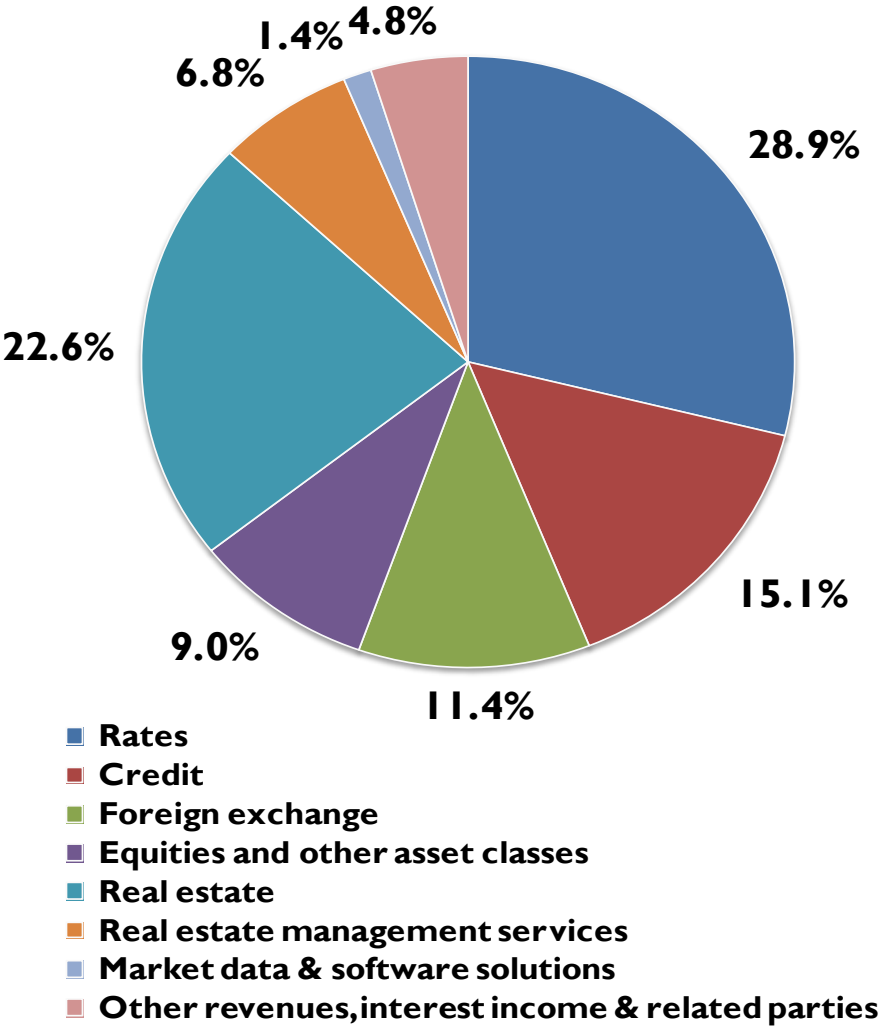
- Revenues were up 27.5% to \$465.1 million versus \$364.8 million in 2Q11
- Revenues would have been  $\approx$  \$9MM higher in 2Q2012 but for the impact of the dollar strengthening versus the Euro year-on-year
- Pre-tax earnings were 10.3% to \$55.9 million versus \$62.4 million
- Pre-tax earnings per fully diluted share were \$0.20 compared with \$0.25
- Effective tax rate was 14.5% versus 15.0% in 2Q11
- Post-tax earnings were \$46.5 million versus \$52.0 million
- Post-tax earnings per fully diluted share were \$0.17 compared with \$0.21
- The pre-tax earnings margin was 12.0% of revenues compared with 17.1% while the post-tax earnings margin was 10.0% compared with 14.3%
- BGC Partners' Board of Directors declared a quarterly cash dividend of \$0.17 per share payable on August 23, 2012 to Class A and Class B common stockholders of record as of August 9, 2012.

# 2Q2012 Global Revenue Breakdown

- Europe, Middle East & Africa Revenue down 16.5% y-o-y
- Americas Revenue up 138.4% y-o-y
- Asia Pacific Revenue down 14.3% y-o-y



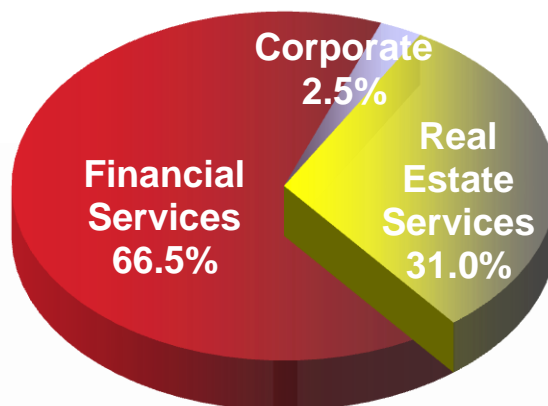
# 2Q2012 Product Diversity



\* This includes fees captured in both the "total brokerage revenues" and "fees from related party" line items related to fully electronic trading.  
Note: percentages may not sum to 100% due to rounding.

# 2Q2012 Segment Data

2Q2012 Revenues

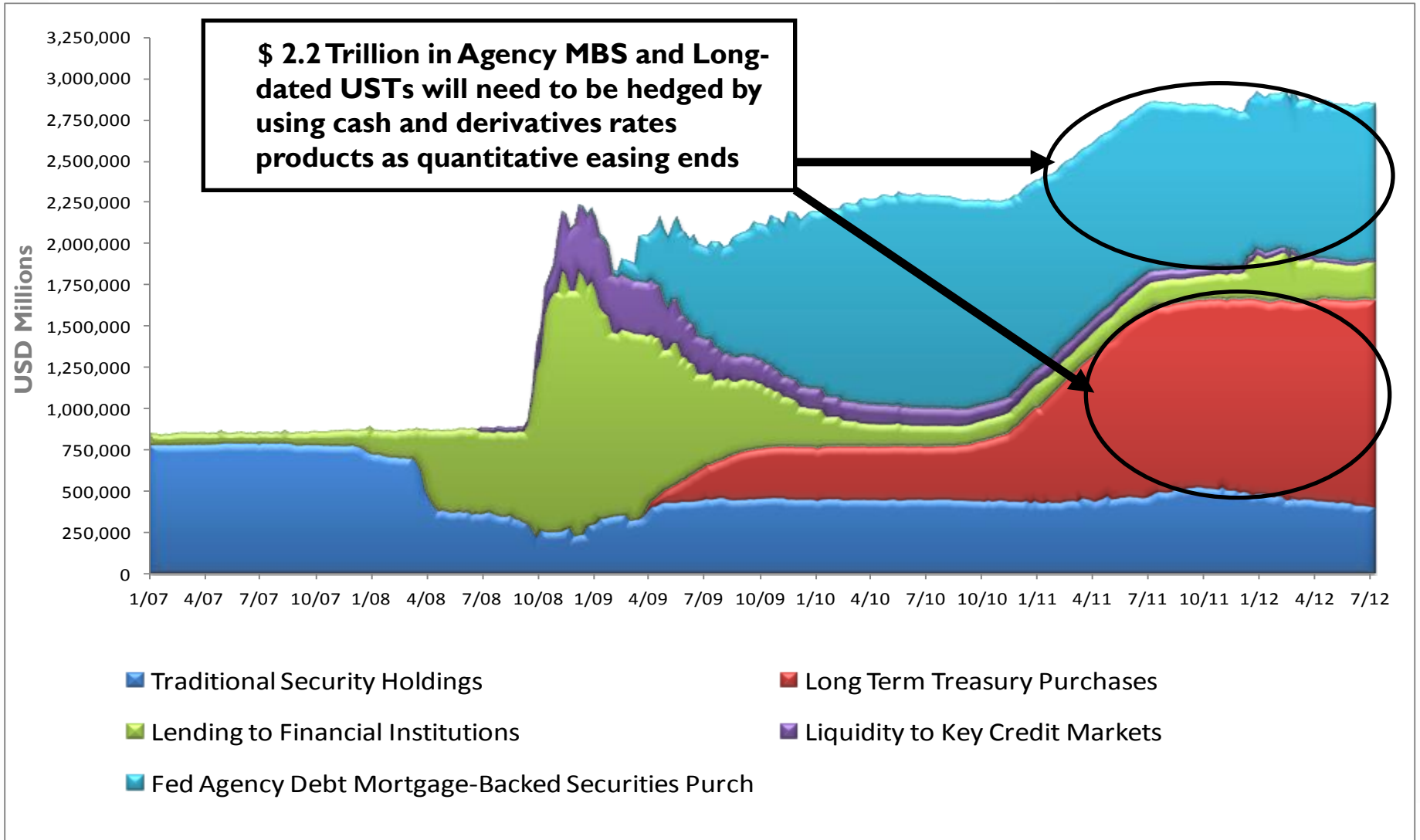


2012 Q2 (in thousands)	Financial Services	Real Estate Services	Corporate Items	Distributable Earnings
Total revenues	309,243	144,094	11,750	465,087
Total expenses	250,767	130,131	28,260	409,158
Income from operations before taxes	58,476	13,963	(16,510)	55,929
Pre-tax margin	18.9%	9.7%	NMF	12.0%
2011 Q2 (in thousands)	Financial Services	Real Estate Services	Corporate Items	Distributable Earnings
Total revenues	352,537	-	12,275	364,812
Total expenses	280,676	-	21,765	302,441
Income from operations before taxes	71,861	-	(9,490)	62,371
Pre-tax margin	20.4%	0.0%	NMF	17.1%

# Volatility Muted YTD



# Quantitative Easing = Current Headwind and Future Tailwind





# Business Overview: Rates

## Example of Products

- Interest rate derivatives
- US Treasuries
- Global Government Bonds
- Agencies
- Futures
- Dollar derivatives
- Repurchase agreements
- Non-deliverable swaps
- Interest rate swaps & options

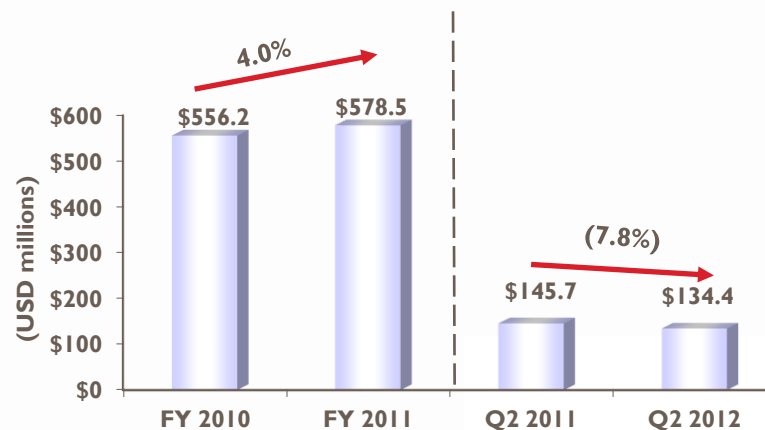
## Drivers

- Ongoing global sovereign debt issues cause long term tailwinds in our Rates business
- Near-terms headwinds due to quantitative easing

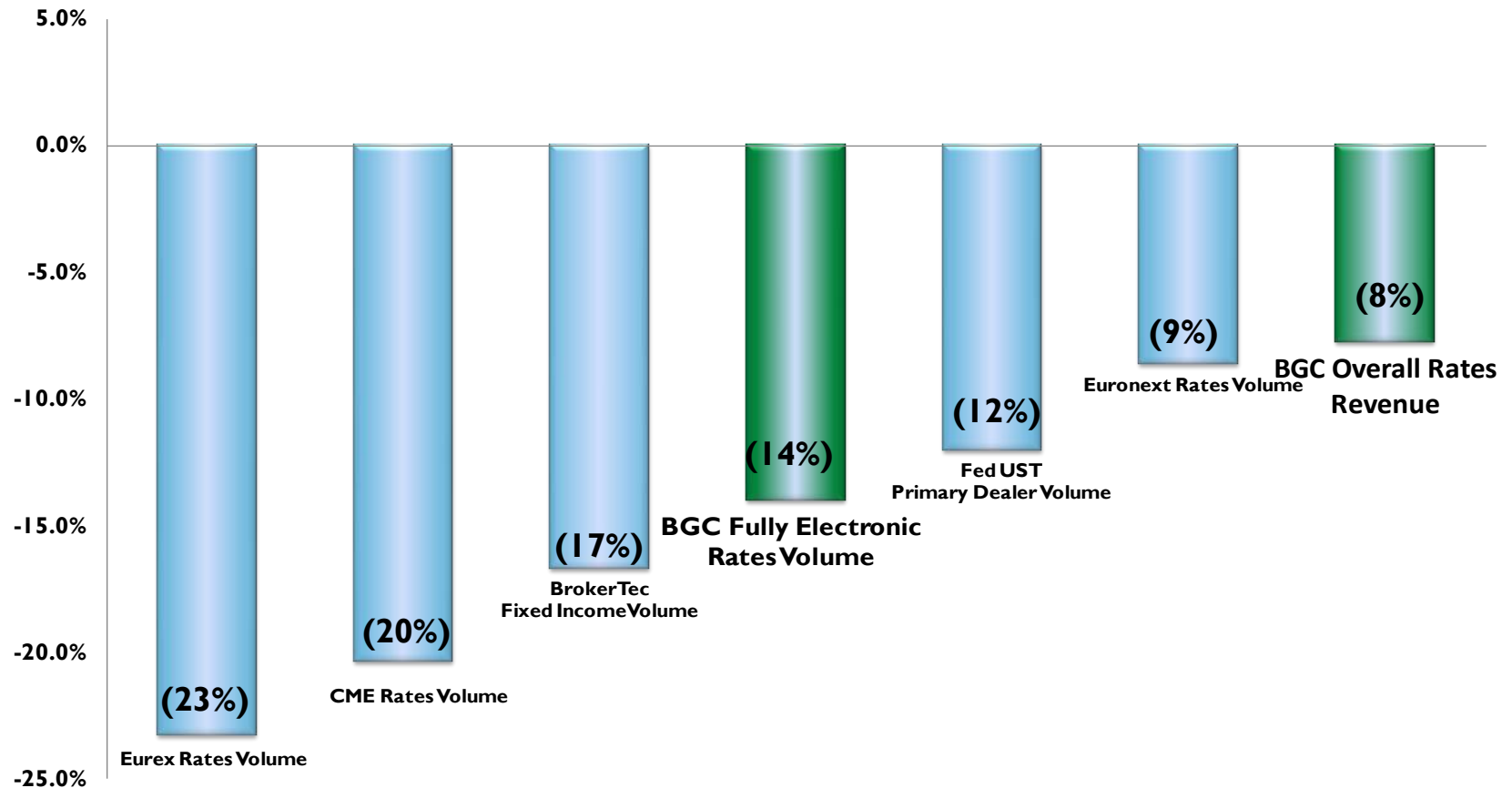
## % of 2Q2012 Total Distributable Earnings Revenue



## Rates Revenue Growth



# BGC Rates Desks Outperformed the Market



Source: CME/Eurex - Futures Industry Association - Monthly Volume Report - ([www.cme.com](http://www.cme.com), [www.eurexchange.com](http://www.eurexchange.com)),  
 Fed US-T Volume ([www.newyorkfed.org/markets/statrel.html](http://www.newyorkfed.org/markets/statrel.html) - Federal Reserve Bank ).

# Business Overview: Credit

## Example of Products

- Credit derivatives
- Asset-backed securities
- Convertibles
- Corporate bonds
- High yield bonds
- Emerging market bonds

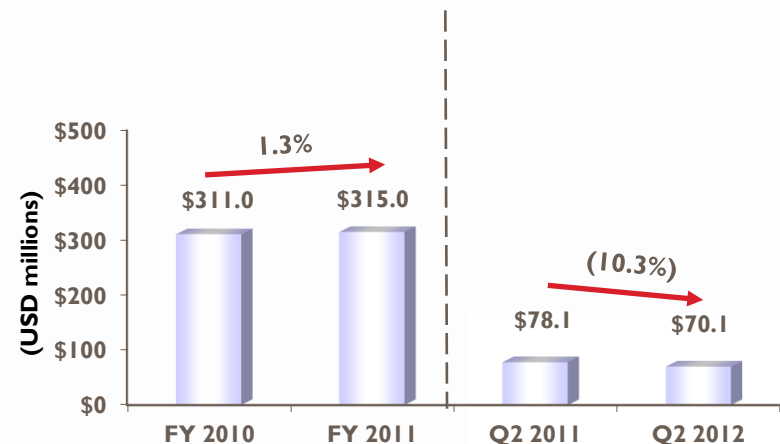
## Drivers

- Flat to down industry volumes
- BGC Credit desks outperformed peers
- Credit e-brokerage continues to outperform overall market

## % of 2Q2012 Total Distributable Earnings Revenue

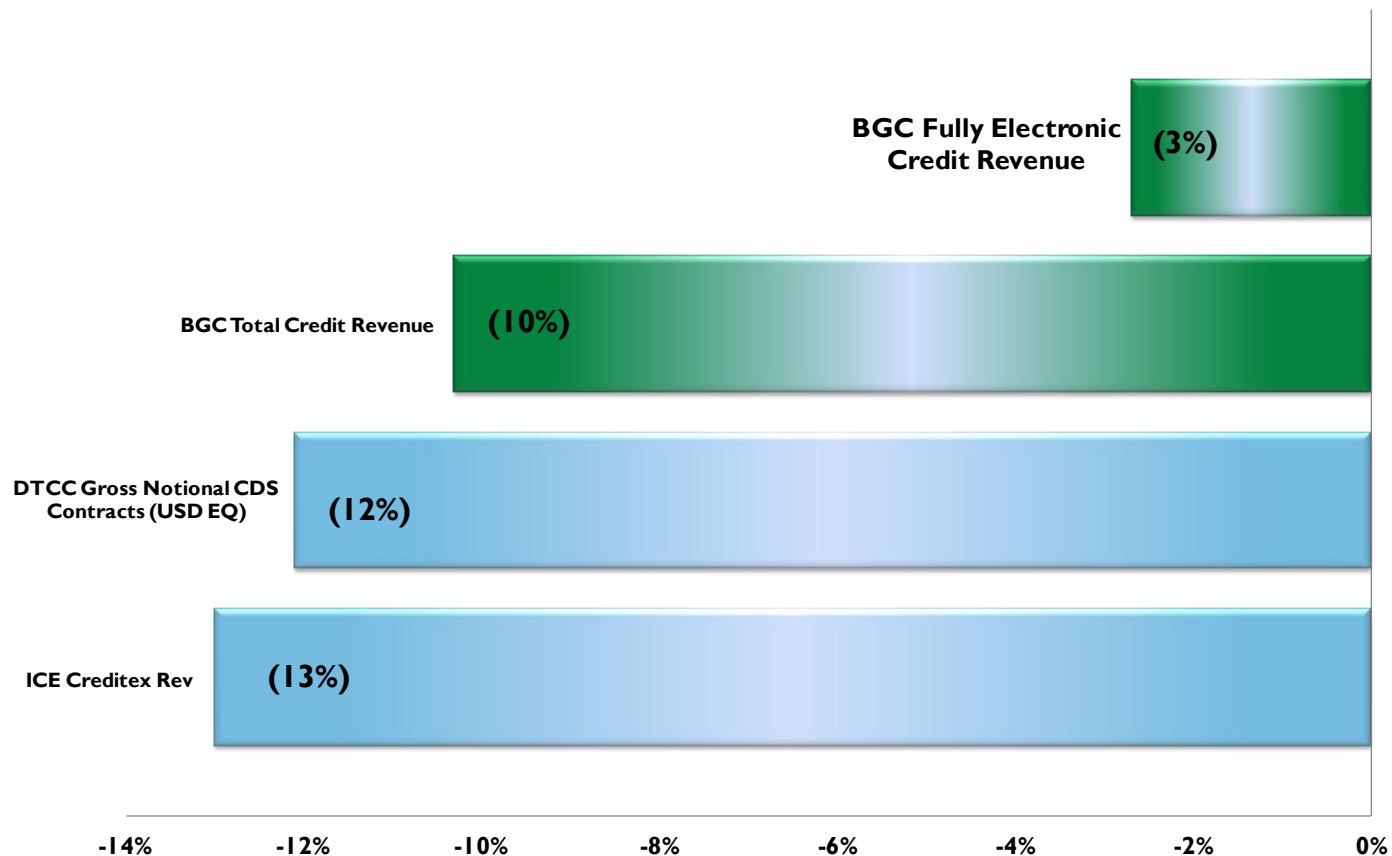


## Credit Revenue Growth



# BGC's E-brokered Credit Desks Performed Relatively Well

## 2Q 2012 Y-O-Y Growth



Sources: The Depository Trust and Clearing Corporation, "DTCC" data as of Dec month end 2011 vs. Dec month end 2010, Dealogic, Credit Suisse, Company websites, "TRACE" (Trade Reporting and Compliance Engine). Creditex is ICE's OTC credit execution business.

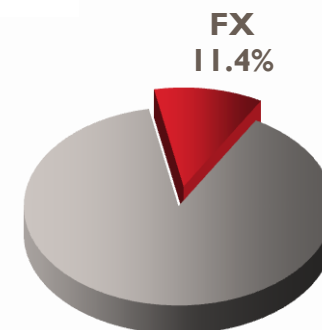
# Business Overview: Foreign Exchange

## Example of Products

In virtually all currency pairs

- Options
- Exotics
- Spot
- Forwards
- Non-deliverable forwards

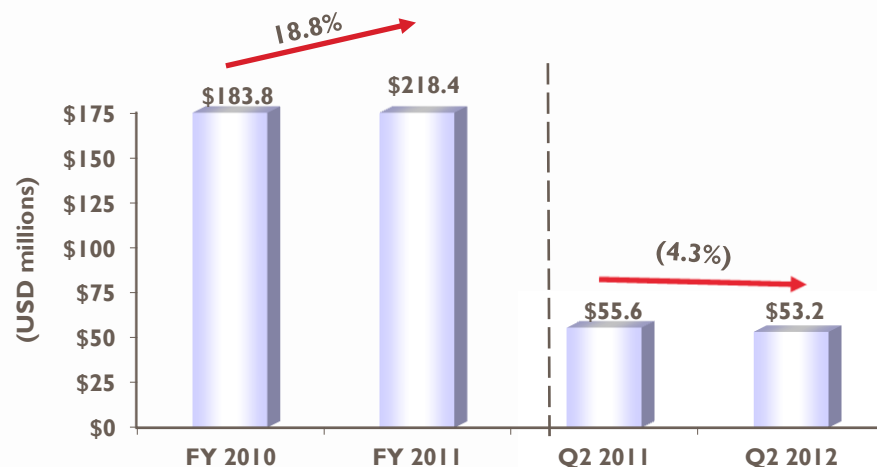
## % of 2Q2012 Total Distributable Earnings Revenue



## Drivers

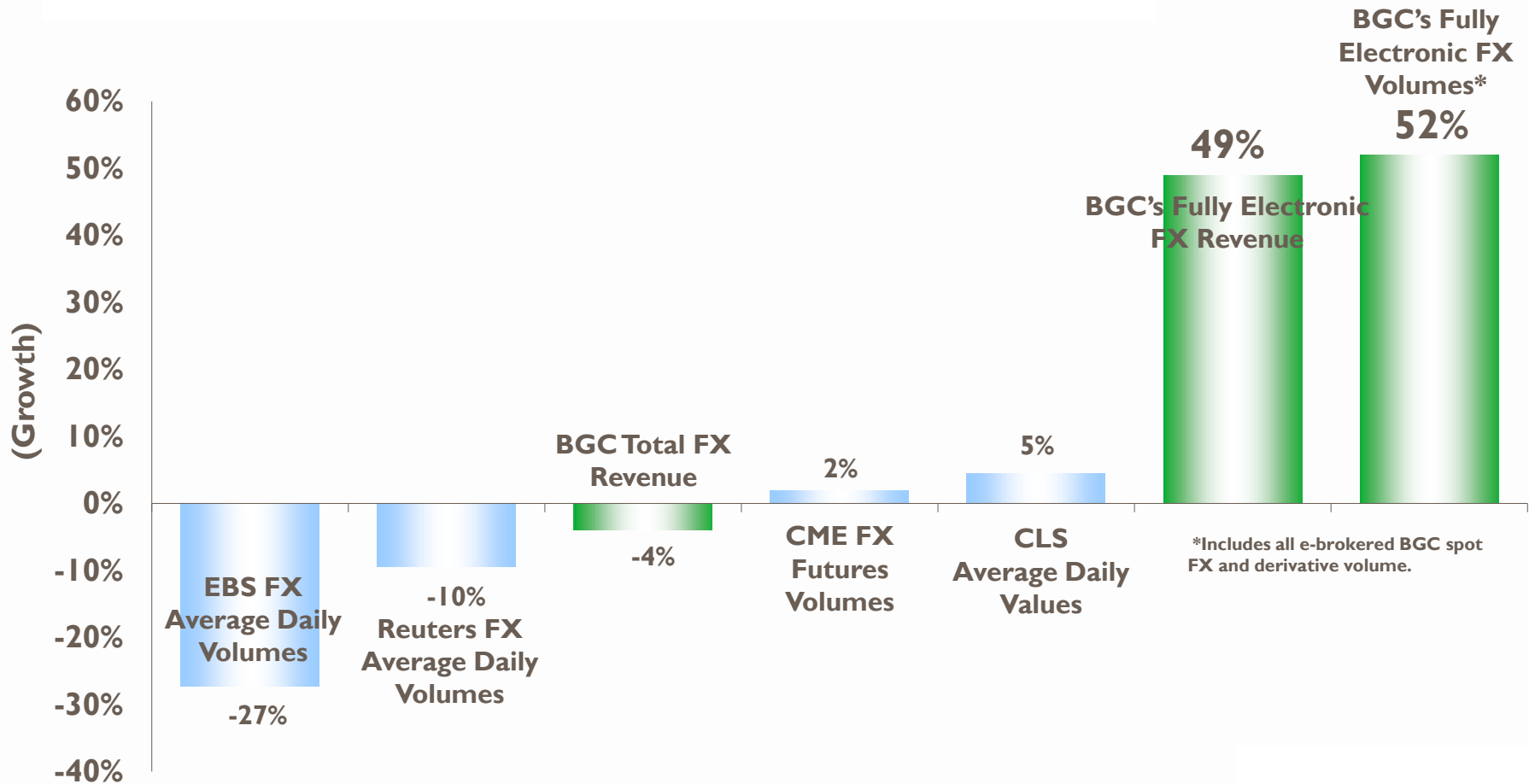
- Particular strength in emerging markets
- BGC's fully electronic FX revenues have grown faster than overall FX revenues, for the past three years, driven by both derivatives and spot

## Foreign Exchange Revenue Growth



# BGC's Fully Electronic FX Business Outperforms Market

## 2Q 2012 Y-O-Y Growth



# Business Overview: Equities & Other Asset Classes

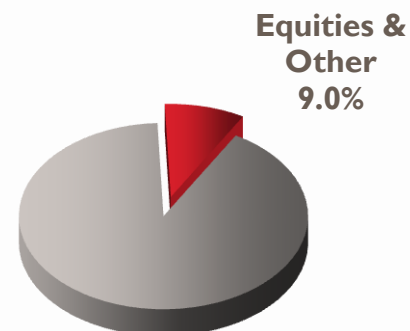
## Example of Products

- Equity derivatives
- Cash Equities
- Index futures
- Commodities
- Energy derivatives
- Other derivatives and futures

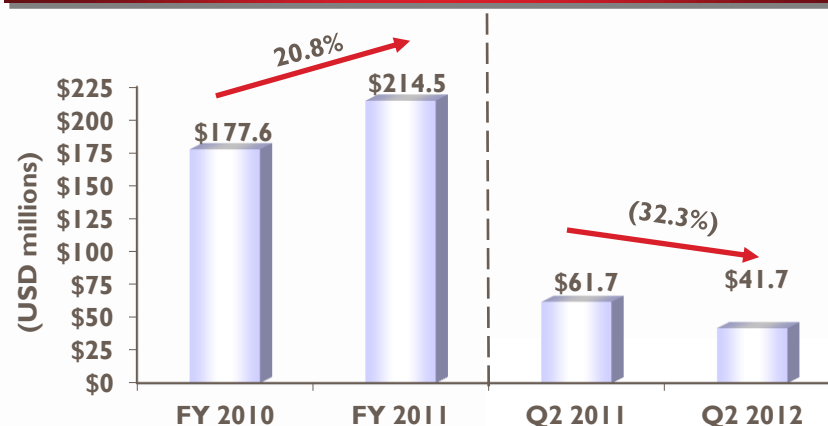
## Drivers

- Lower global equity cash & derivatives volumes industry-wide
- Lower stock prices in Europe also contribute to lower commissions in equities & equity derivatives

## % of 2Q2012 Total Distributable Earnings Revenue

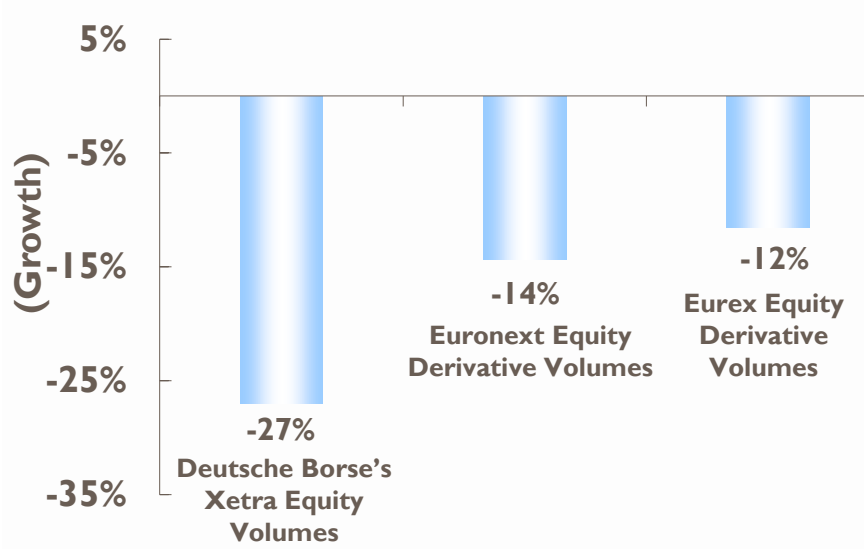


## Equities & Other Asset Classes Revenue Growth



# “Equities and Other”: Lower Stock Prices and Volumes in Europe = Lower Equities Revenues...

## 2Q 2012 Y-O-Y Growth



July 1, 2011 = 100

Note: Cash equities growth percentages based on average daily shares traded for US exchanges. Equity derivatives based on equity option average daily volume from Eurex, and Euronext. For Euronext, growth is based on total European equity derivative product volume. Sources: erdesk.com for US equities volumes, Credit Suisse research for Euronext and Eurex volumes, Bloomberg for European Equity Index's (showing Euro Stoxx 50 Priced in Euro, Deutsche Borse AG German Stock Index and FTSE 100 Index historical prices)



# Business Overview: Real Estate Services

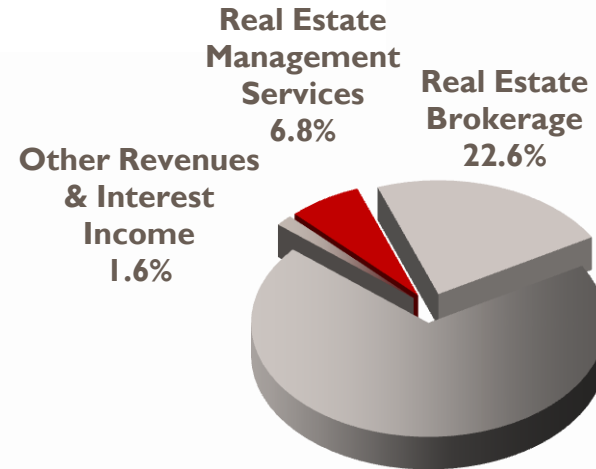
## Example of Products

- Leasing Advisory
- Global Corporate Services
- Investment Sales & Financial Services
- Retail Services
- Property & Facilities Management
- Consulting
- Program and Project Management
- Industrial Services
- Valuation

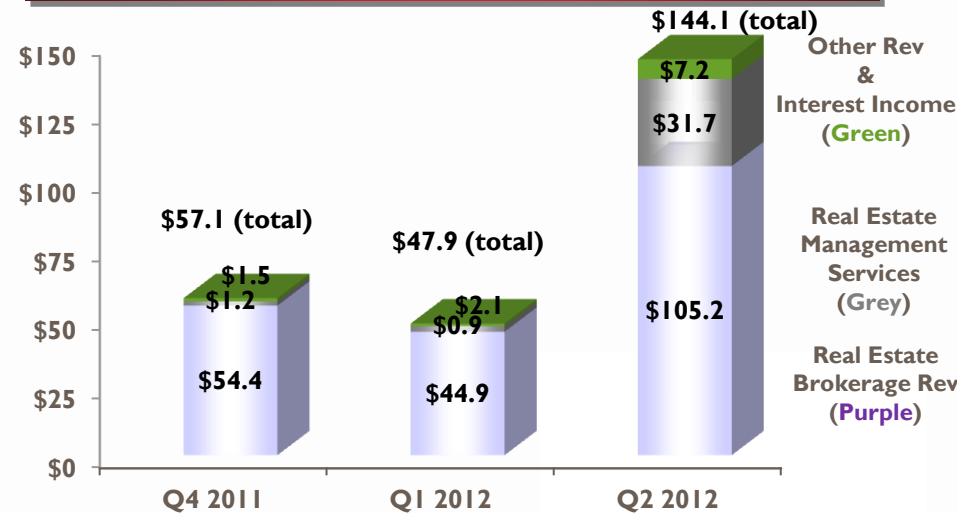
## Drivers

- Commercial Real Estate is seasonally weakest 1Q and strongest 4Q
- US Commercial Real Estate prices up a weighted avg of 13.8% YoY per CoStar

## % of 2Q2012 Total Distributable Earnings Revenue



## Real Estate Services Revenue



# Commercial Real Estate Market Improving Nationally

## US Office & Industrial Market Asking Rent & Vacancy

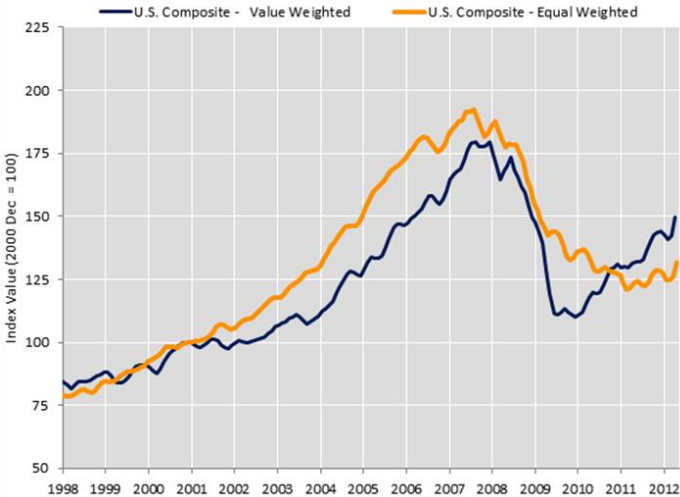
Figure 1  
Average Asking Rent & Vacancy (Office)



Figure 1  
Average Asking Rent & Vacancy (Industrial)



## CoStar US Composite Indices: Up YoY, Down From Peak



**Value Weighted Composite up 13.8% YoY**

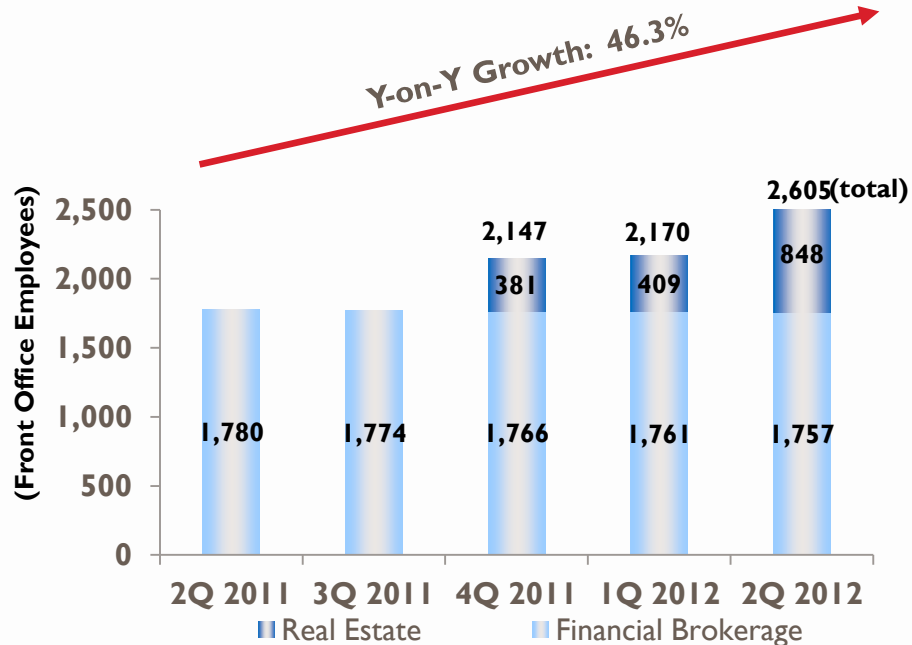
**Equal Weighted Composite up 6.6% YoY**



Notes and sources: The top two charts show data for 30 key U.S. office markets, the bottom chart shows Equal and Value Weighted Transactions Sources: Newmark Grubb Knight Frank, Real Capital Analytics, and CoStar.

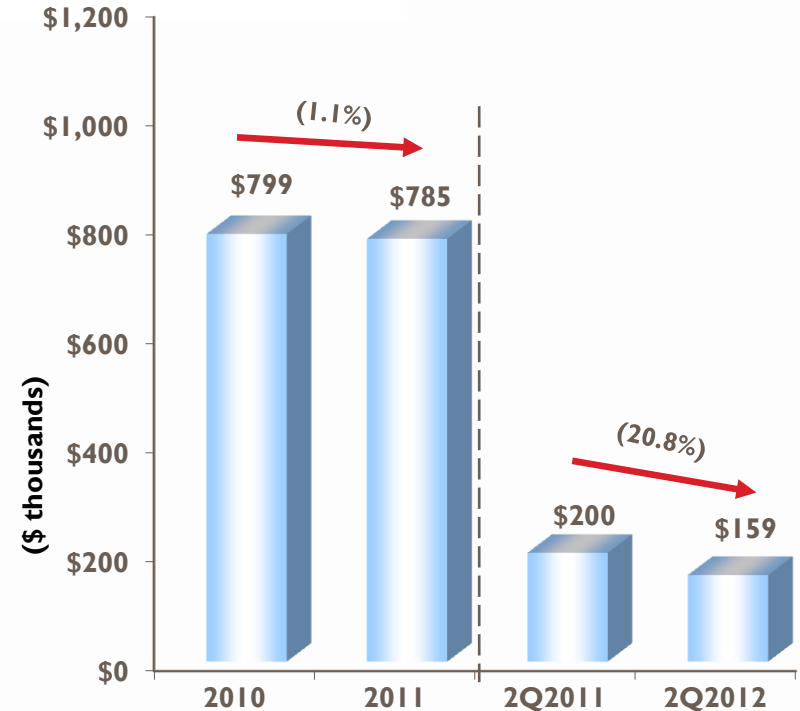
# BGC's Front Office Employee Growth

## Front Office Headcount



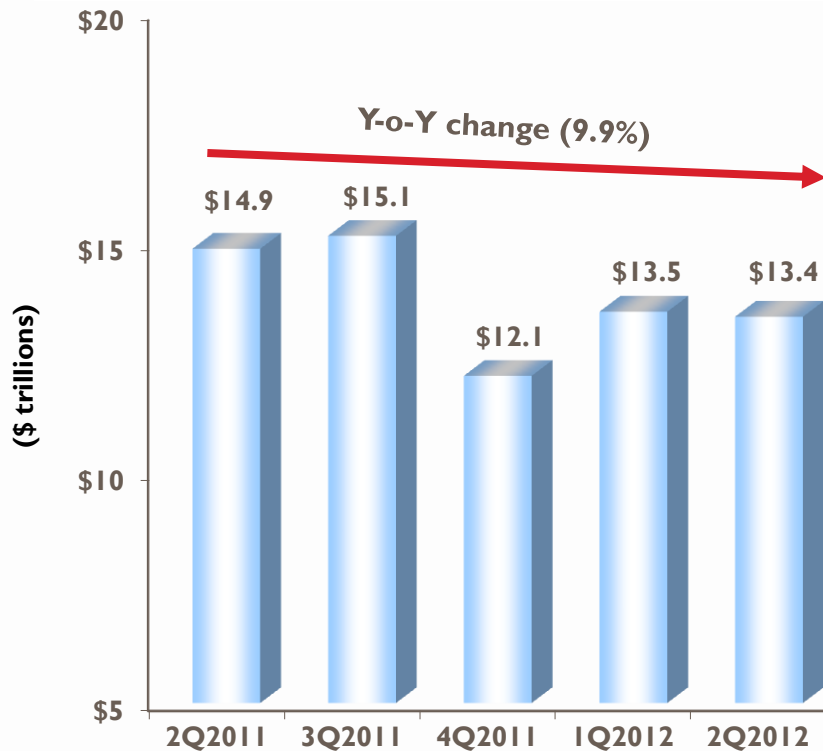
- For 2Q 2012 Financial Services average revenue per front office employee was \$177k, while Real Estate Services front office average revenue per front office employee was \$123k.
- Lower overall industry volumes across Financial Services

## Front Office Productivity (in thousands)

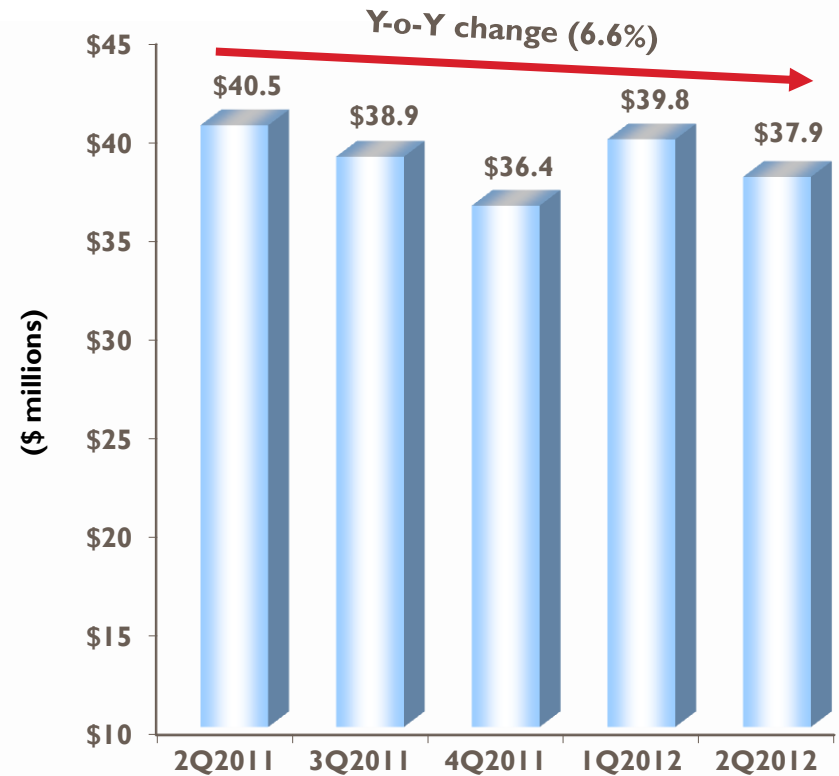


# BGC's Fully Electronic Metrics

## Fully Electronic Notional Volumes (in trillions)



## Fully Electronic Revenues (in millions)\*



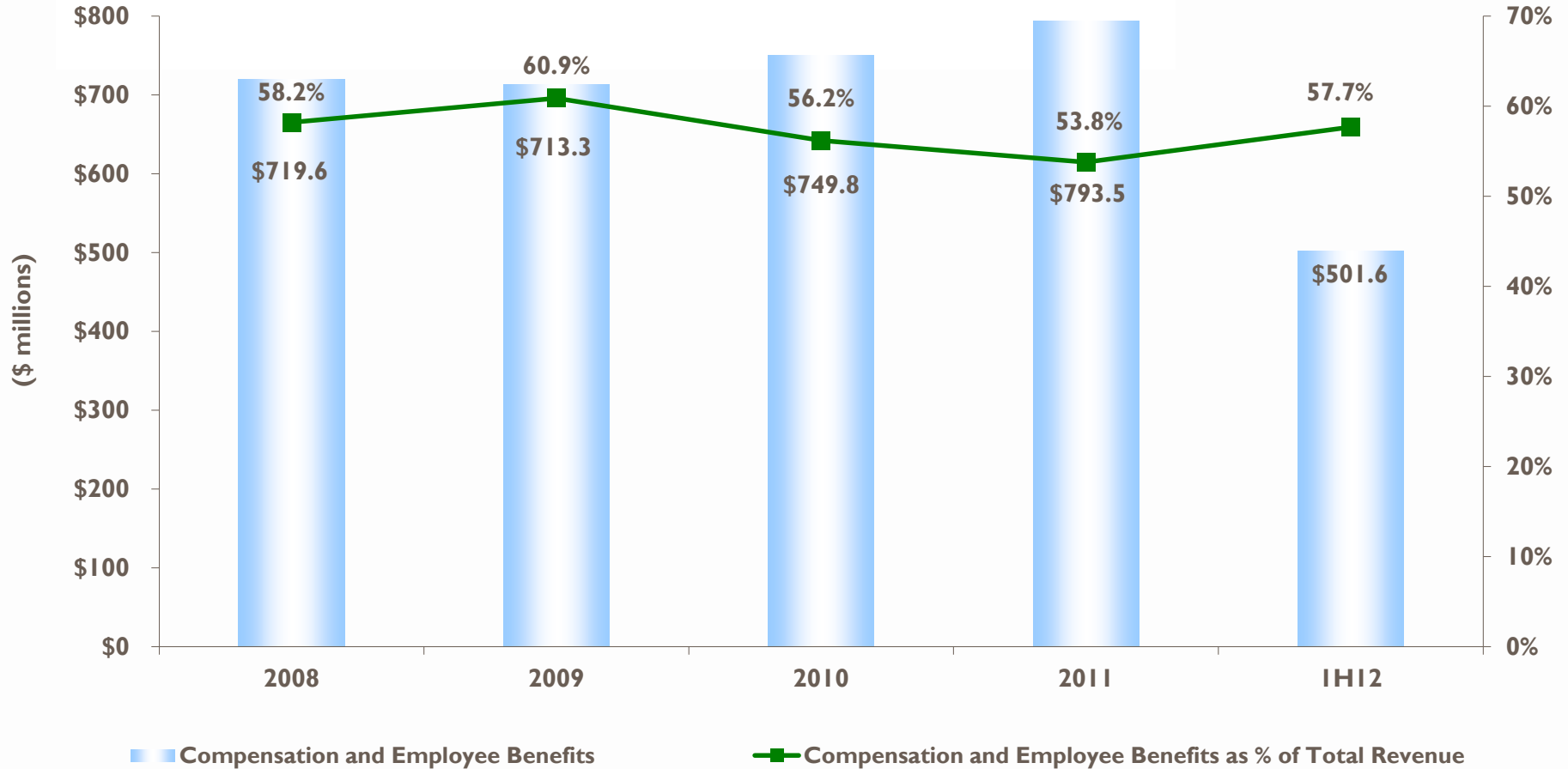
→ Over time, higher fully electronic revenues has = improved margins



voice + electronic brokerage

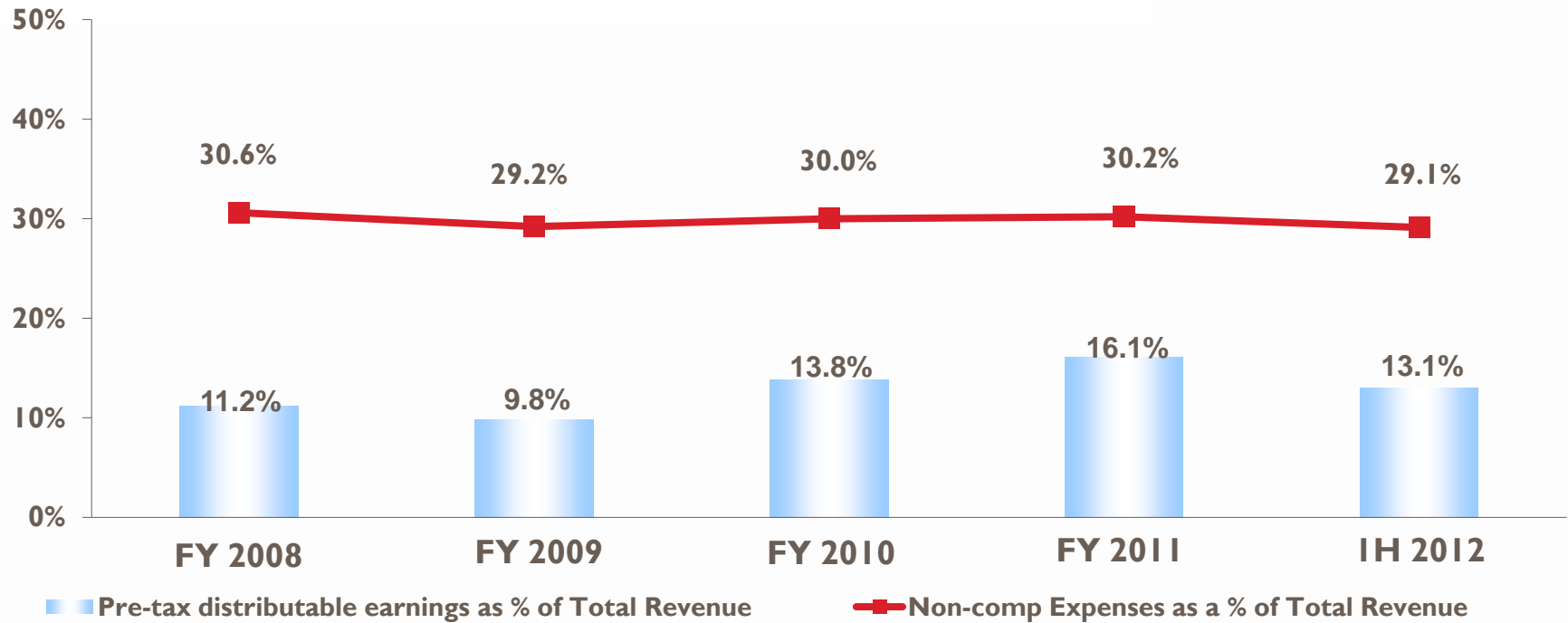
\* This includes fees captured in both the "total brokerage revenues" and "fees from related party" line items related to fully electronic trading.

# BGC Partners Compensation Ratio



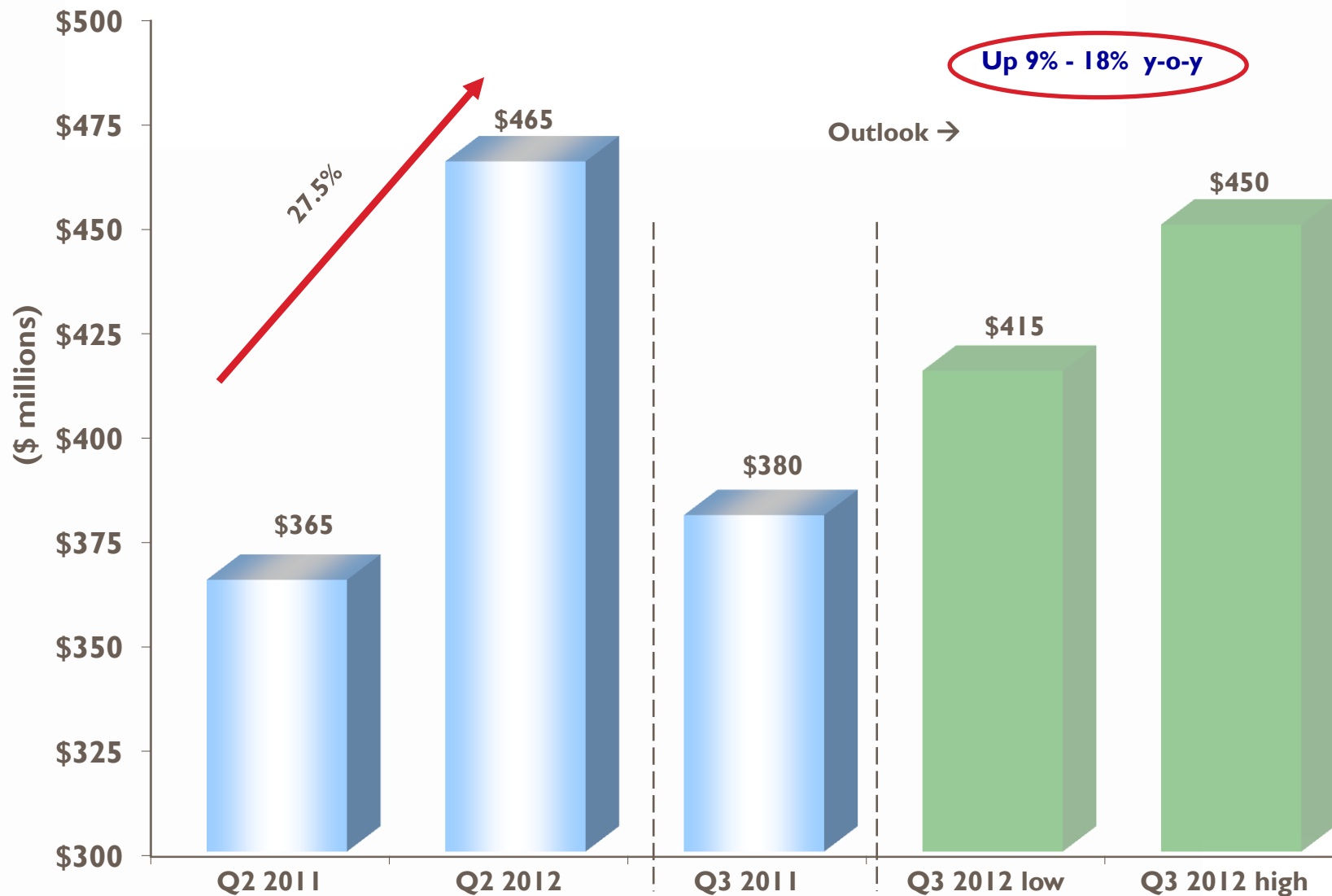
→ 2Q2012 BGC Partners Compensation Ratio = 59.5% vs. 53.4% in 2Q2011

# Non-Compensation Expenses & Pre-Tax Margin



- Non-comp expenses were 28.4% of distributable earnings revenues in 2Q2012 versus 29.5% in 2Q2011
- Pre-tax distributable earnings margin was 12.0% in 2Q2012 vs. 17.1% in 2Q2011
- Post-tax distributable earnings margin was 10.0% in 2Q2012 vs. 14.3% in 2Q2011

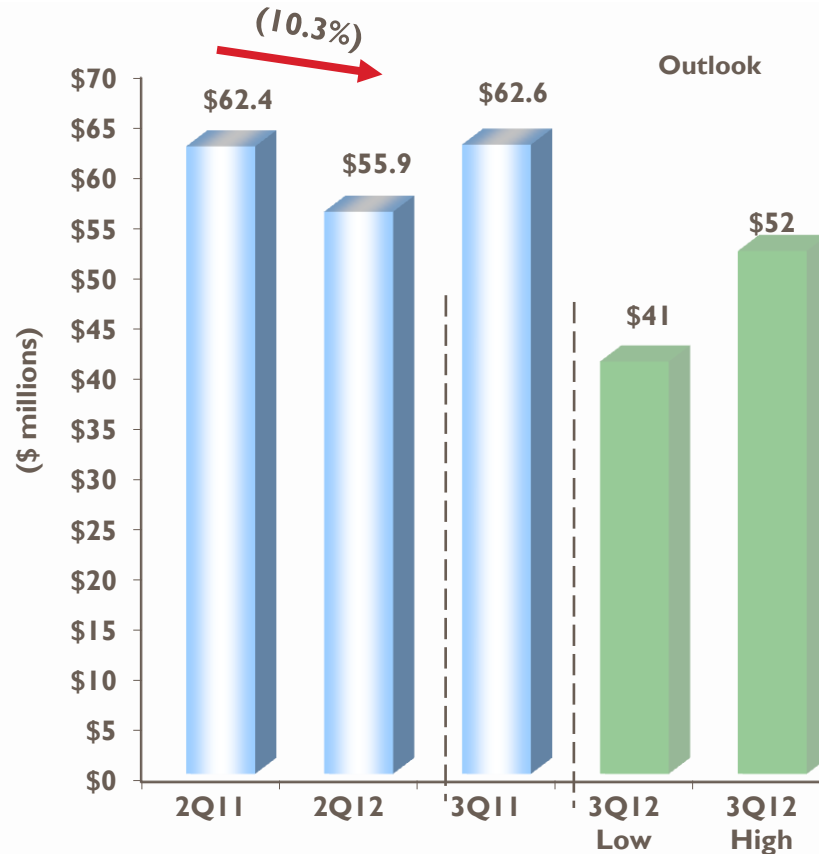
# BGC's Revenue Growth (millions)



- ➔ YoY comparison was negatively impacted by the -13.4% Euro/Dollar currency impact for the 1<sup>st</sup> 20 trading days of July.
- ➔ 3Q2012 includes \$110 – \$125 mm from Real Estate Services. \*Beginning with the 3Q 2012 financial results press release, BGC will no longer provide outlook for Real Estate Services.

# Distributable Earnings

## Pre-tax Distributable Earnings

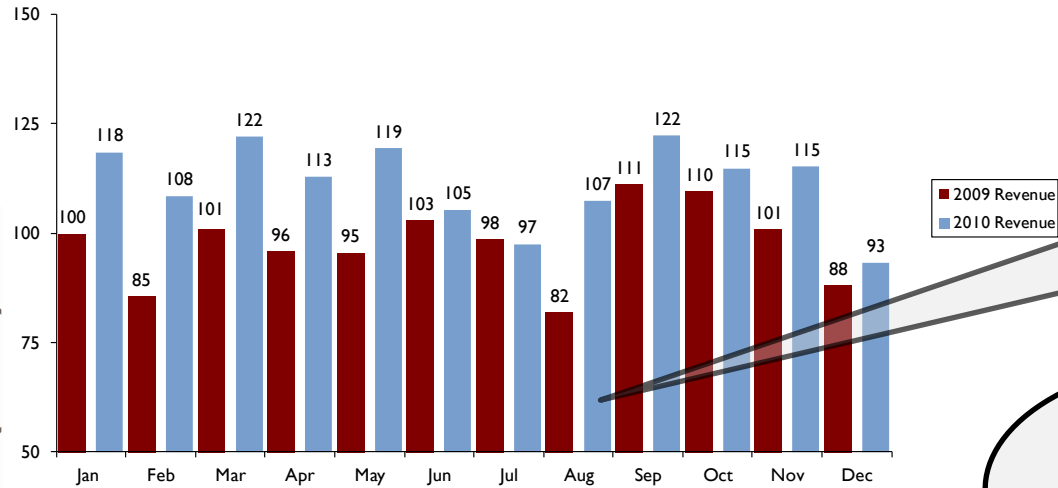


- YoY comparison was negatively impacted by the -13.4% Euro/Dollar currency impact for the 1<sup>st</sup> 20 trading days of July.
- BGC expects to update guidance before the end of 3Q 2012.



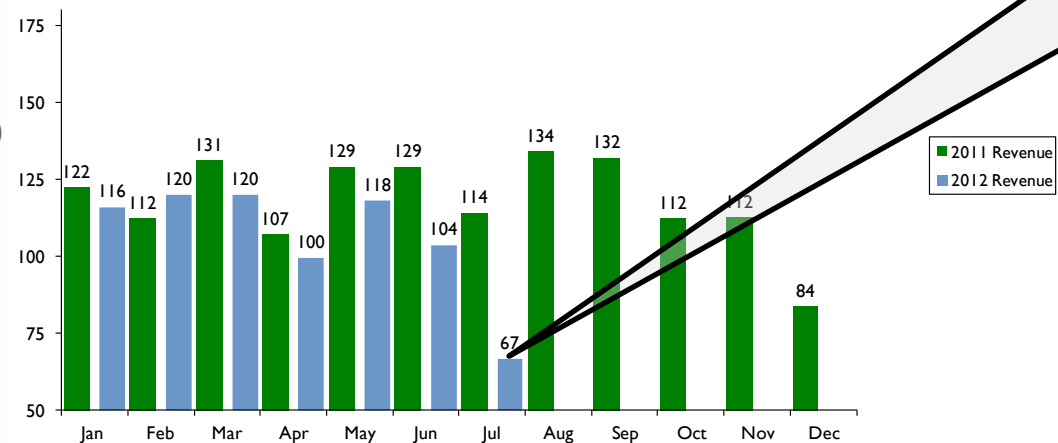
# Monthly Revenue Excluding Real Estate Services(\$MM)

BGC Monthly Distributable Earnings Revenues (\$MM)



Revenue for August 2010 included \$11.6M in "other revenues" as the result of a favorable arbitration ruling pertaining to Refco Securities.

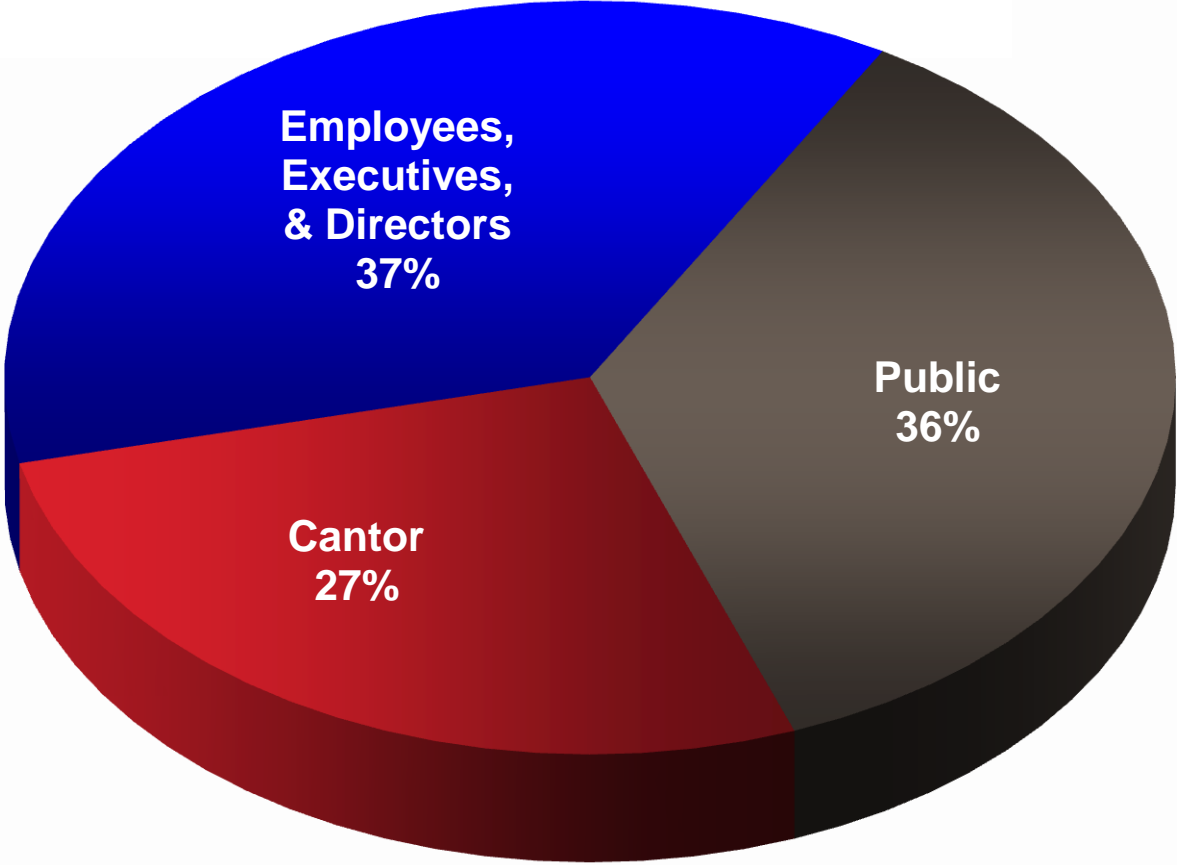
Excluding Real Estate Services, revenue for the first 14 trading days of July down 18% y-o-y to ~\$67 mm



- ➔ In addition to the above, Real Estate Services generated \$144.1 mm in 2Q2012. BGC expects Real Estate Services to generate \$110 - \$125 million in 3Q2012.
- ➔ YoY comparison was negatively impacted by the -13.4% Euro/Dollar currency impact for the 1st 20 trading days of July.

Note: July 2012 revenue number is preliminary. Monthly revenue prior to 2008 is available in the 2010 earnings presentations at [www.bgcpartners.com/ir](http://www.bgcpartners.com/ir).

# BGC's Economic Ownership as of June 30, 2012



Note: Employees, Executives, and Directors ownership figure attributes all units (PSUs, FPU, RSUs, etc) and distribution rights to founding partners & employees and also includes all A shares owned by BGC executives and directors. Cantor ownership includes all A and B shares owned by Cantor as well as all Cantor exchangeable units and certain distribution rights. Public ownership includes all A shares not owned by executives or directors of BGC. The above chart excludes shares related to convertible debt.

# Current Tax Equivalent Yield Analysis

## TAX ASSUMPTIONS

	Qualified	Ordinary
Federal	15.0%	35.0%
New York State	8.8%	8.8%
New York City	3.9%	3.9%
Net itemized deduction	-4.4%	-4.4%
effective rate	23.3%	43.3%

## BGCP STOCK ASSUMPTIONS

Annual Dividend	BGCP Price	Pre-Tax Yield
\$ 0.68	\$ 5.69	12.0%

## NON-TAXABLE PERCENTAGE OF BGCP DIVIDEND ASSUMPTIONS

	2010 Actual	25 % is non-taxable		
	2011 Actual	75	"	"
	Hypothical Scenario 1	50	"	"
	Hypothical Scenario 2	100	"	"

## ASSUMPTIONS ABOUT ALTERNATE INVESTMENTS

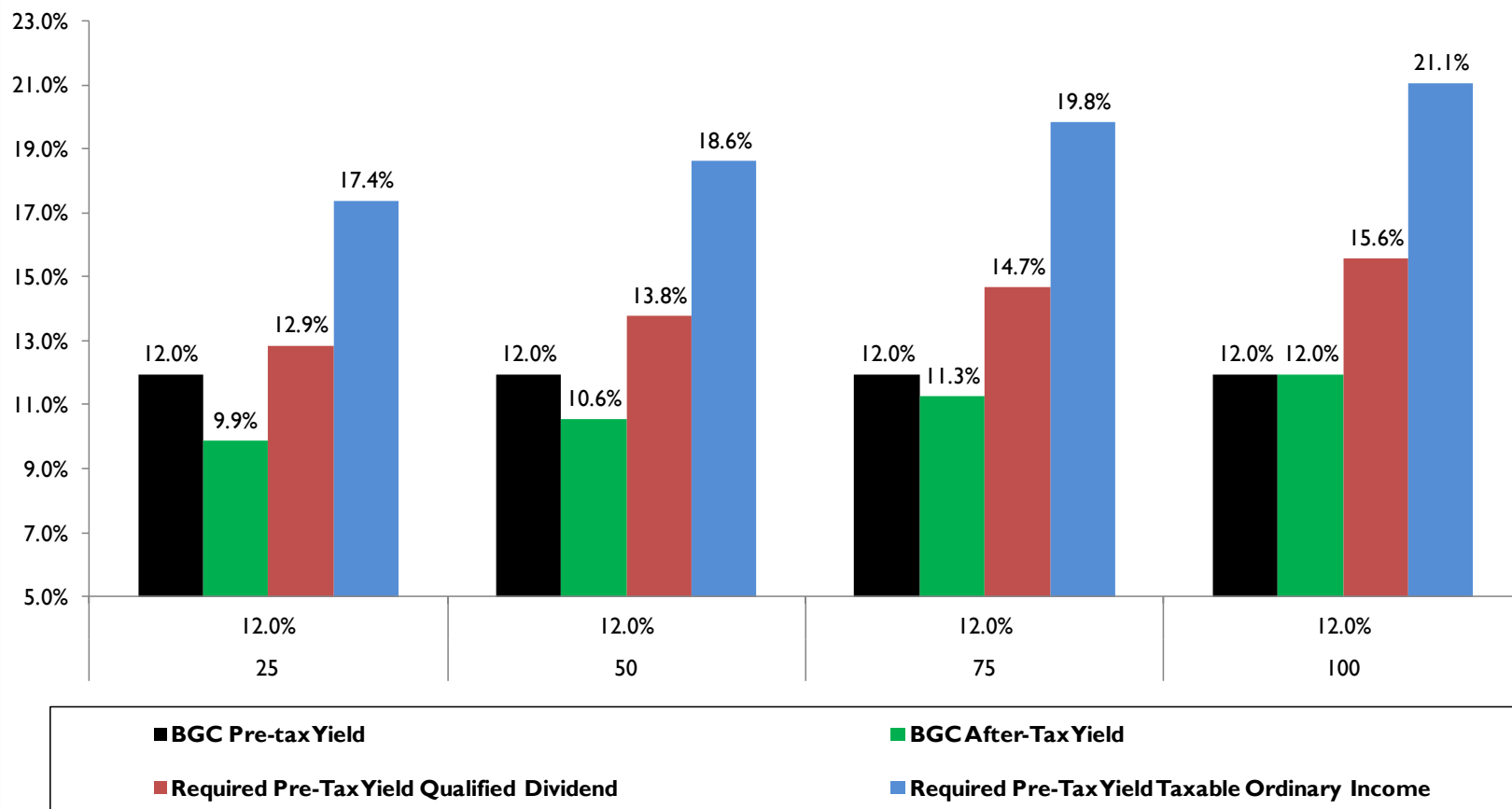
One company pays qualified dividend, 100% taxable  
 Another company pays distribution 100% taxable as ordinary income

## BGCP VERSUS ALTERNATE INVESTMENTS

		BGC Pre-tax Yield	BGC After-Tax Yield	Required Pre-Tax Yield Qualified Dividend	Required Pre-Tax Yield Taxable Ordinary Income
		<b>25</b>	12.0%	9.9%	12.9%
<b>% of BGCP Dividend That is Non-Taxable</b>	<b>50</b>	12.0%	10.6%	13.8%	18.6%
	<b>75</b>	12.0%	11.3%	14.7%	19.8%
	<b>100</b>	12.0%	12.0%	15.6%	21.1%



# Current Tax Equivalent Yield Analysis (Continued)



# Average Exchange Rates

	Average			
	2Q2012	2Q2011	July 1- 20, 2012	July 1 -20, 2011
US Dollar	1	1	1	1
British Pound	1.583	1.631	1.558	1.605
Euro	1.285	1.439	1.237	1.428
Hong Kong Dollar	0.129	0.129	0.129	0.128
Singapore Dollar	0.791	0.806	0.790	0.818
Japanese Yen*	80.110	81.590	79.430	80.140

\* Inverted

# Distributable Earnings

BGC Partners uses non-GAAP financial measures including "Revenues for distributable earnings," "pre-tax distributable earnings" and "post-tax distributable earnings," which are supplemental measures of operating performance that are used by management to evaluate the financial performance of the Company and its subsidiaries. BGC Partners believes that distributable earnings best reflects the operating earnings generated by the Company on a consolidated basis and are the earnings which management considers available for distribution to BGC Partners, Inc. and its common stockholders, as well as to holders of BGC Holdings partnership units during any period. As compared with "income (loss) from operations before income taxes," "net income (loss) for fully diluted shares," and "fully diluted earnings (loss) per share," all prepared in accordance with GAAP, distributable earnings calculations primarily exclude certain non-cash compensation and other expenses which generally do not involve the receipt or outlay of cash by the Company, which do not dilute existing stockholders, and which do not have economic consequences, as described below. In addition, distributable earnings calculations exclude certain gains and charges that management believes do not best reflect the ordinary operating results of BGC. Revenues for distributable earnings are defined as GAAP revenues excluding the impact of BGC Partners, Inc.'s non-cash earnings or losses related to its equity investments, such as in Aqua Securities, L.P. and ELX Futures, L.P., and its holding company general partner, ELX Futures Holdings LLC. Revenues for distributable earnings will also include the collection of receivables which would have been recognized for GAAP other than for the effect of acquisition accounting. Pre-tax distributable earnings are defined as GAAP income (loss) from operations before income taxes excluding items that are primarily non-cash, non-dilutive, and non-economic, such as: Non-cash stock-based equity compensation charges for REUs granted or issued prior to the merger of BGC Partners, Inc. with and into eSpeed, as well as post-merger non-cash, non-dilutive equity-based compensation related to partnership unit exchange or conversion. Allocations of net income to founding/working partner and other units, including REUs, RPUs, PSUs and PSIs. Non-cash asset impairment charges, if any. Distributable earnings calculations also exclude charges related to purchases, cancellations or redemptions of partnership interests and certain one-time or non-recurring items, if any. "Compensation and employee benefits" expense for distributable earnings will also include broker commission payouts relating to the aforementioned collection of receivables. Beginning with the second quarter of 2011, BGC's definition of distributable earnings was revised to exclude certain gains and charges with respect to acquisitions, dispositions, and resolutions of litigation. This change in the definition of distributable earnings is not reflected in, nor does it affect the Company's presentation of prior periods. Management believes that excluding these gains and charges best reflects the operating performance of BGC. Since distributable earnings are calculated on a pre-tax basis, management intends to also report "post-tax distributable earnings" and "post-tax distributable earnings per fully diluted share": "Post-tax distributable earnings" are defined as pre-tax distributable earnings adjusted to assume that all pre-tax distributable earnings were taxed at the same effective rate. "Post-tax distributable earnings per fully diluted share" are defined as post-tax distributable earnings divided by the weighted-average number of fully diluted shares for the period. BGC's distributable earnings per share calculations assume either that: The fully diluted share count includes the shares related to these instruments, such as the Convertible Senior Notes, but excludes the associated interest expense, net of tax, when the impact would be dilutive, or; The fully diluted share count excludes the shares related to the dilutive instruments, but includes the associated interest expense, net of tax. Each quarter, the dividend to common stockholders is expected to be determined by the Company's Board of Directors with reference to post-tax distributable earnings per fully diluted share. In addition to the Company's quarterly dividend to common stockholders, BGC Partners expects to pay a pro-rata distribution of net income to BGC Holdings founding/working partner and other units, including REUs, RPUs, PSUs and PSIs, and to Cantor for its noncontrolling interest. The amount of all of these payments is expected to be determined using the above definition of pre-tax distributable earnings per share. Certain employees who are holders of RSUs are granted pro-rata payments equivalent to the amount of dividends paid to common stockholders. Under GAAP, a portion of the dividend equivalents on RSUs is required to be taken as a compensation charge in the period paid. However, to the extent that they represent cash payments made from the prior period's distributable earnings, they do not dilute existing stockholders and are therefore excluded from the calculation of distributable earnings. Distributable earnings is not meant to be an exact measure of cash generated by operations and available for distribution, nor should it be considered in isolation or as an alternative to cash flow from operations or GAAP net income (loss). The Company views distributable earnings as a metric that is not necessarily indicative of liquidity or the cash available to fund its operations. Pre- and post-tax distributable earnings are not intended to replace the Company's presentation of GAAP financial results. However, management believes that they help provide investors with a clearer understanding of BGC Partners' financial performance and offer useful information to both management and investors regarding certain financial and business trends related to the Company's financial condition and results of operations. Management believes that distributable earnings and the GAAP measures of financial performance should be considered together. Management does not anticipate providing an outlook for GAAP "revenues", "income (loss) from operations before income taxes", "net income (loss) for fully diluted shares," and "fully diluted earnings (loss) per share", because the items previously identified as excluded from pre-tax distributable earnings and post-tax distributable earnings are difficult to forecast. Management will instead provide its outlook only as it relates to revenues for distributable earnings, pre-tax distributable earnings and post-tax distributable earnings. For more information on this topic, please see the table in BGC's most recent financial results release entitled "Reconciliation of GAAP Income to Distributable Earnings" which provides a summary reconciliation between pre- and post-tax distributable earnings and the corresponding GAAP measures for the Company in the periods discussed in this presentation.