



# BGC PARTNERS, INC.

Investor Presentation September, 2015

NASDAQ: BGCP

## Discussion of Forward-Looking Statements by BGC Partners and GFI Group

Statements in this document regarding BGC Partners' and GFI Group's businesses that are not historical facts are "forward-looking statements" that involve risks and uncertainties. Except as required by law, BGC and GFI undertake no obligation to release any revisions to any forward-looking statements. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see BGC's and GFI's respective Securities and Exchange Commission filings, including, but not limited to, the risk factors set forth in their respective public filings, including their most recent Forms 10-K and any updates to such risk factors contained in subsequent Forms 10-Q or Forms 8-K filings.

## Note Regarding Financial Tables and Metrics

Excel files with the Company's quarterly financial results and metrics from the current period dating back to the full year 2008 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 [ir.bgcpartners.com/news-releases/news-releases](http://ir.bgcpartners.com/news-releases/news-releases).

## Distributable Earnings

This presentation should be read in conjunction with BGC's most recent financial results press release. Unless otherwise stated, throughout this document 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 penultimate 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 Defined", "Differences Between Consolidated Results for Distributable Earnings and GAAP", 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>.

## Adjusted EBITDA

See the sections of BGC's most recent financial results press release titled "Adjusted EBITDA Defined" and "Reconciliation of GAAP Income to Adjusted EBITDA (and Comparison to Pre-Tax Distributable Earnings)."

## Other Items

"Newmark Grubb Knight Frank" is synonymous in this document with "NGKF" or "Real Estate Services."

Our discussion of financial results for "Newmark Grubb Knight Frank," "NGKF," or "Real Estate Services" reflects only those businesses owned by us and does not include the results for Knight Frank or for the independently-owned offices that use some variation of the NGKF name in their branding or marketing.

On June 28, 2013, BGC sold its fully electronic trading platform for benchmark U.S. Treasury Notes and Bonds to NASDAQ OMX Group, Inc. For the purposes of this document, the assets sold are referred to as "eSpeed," and the businesses remaining with BGC that were not part of the eSpeed sale may be referred to as "retained."

Beginning on March 2, 2015, BGC began consolidating the results of GFI, which continues to operate as a controlled company and as a separately branded division of BGC. BGC owns approximately 67% of GFI's outstanding common shares as of April 29, 2015.

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# GENERAL OVERVIEW



# SOLID BUSINESS WITH SIGNIFICANT OPPORTUNITIES

- Two segments: Financial Services & Real Estate Services
- Diversified revenues by geography & product category
- \$90 million of synergies and economies of scale expected from the GFI transaction
- Accretively acquiring and selectively hiring
- Growing fully electronic trading
- Intermediary-oriented, low-risk business model
- Deep and experienced management team with ability to attract and retain key talent
- Dividend of \$0.14 per share, which at current stock price > 6% yield

# 1 FIRM, 2 SEGMENTS, MANY BUSINESSES

**Financial Services**

## Voice/Hybrid

## Fully Electronic ("Fenics")

- Key products include:
  - Rates
  - Credit
  - Foreign Exchange ("FX")
  - Equities
  - Energy & Commodities
- 2,543 brokers & salespeople
- > 200 Financial desks
- In 30+ cities

- Key products include:
  - Interest Rate Derivatives
  - Credit
  - FX
  - Energy & Commodities
  - Global Gov't Bonds
  - Equity Derivatives
  - Market Data
  - Software Solutions
- Proprietary network connected to the global financial community
- Substantial investments in creating proprietary technology / network

**TTM 2Q'15**  
 Rev = \$1,155MM  
 Pre-Tax Margin ≈ 15%

**TTM 2Q'15**  
 Rev = \$157 MM  
 Pre-Tax Margin ≈ 49%

**Real Estate Services**

## Commercial Real Estate

- Brokerage Services:
  - Investment Sales
  - Leasing
  - Capital Raising

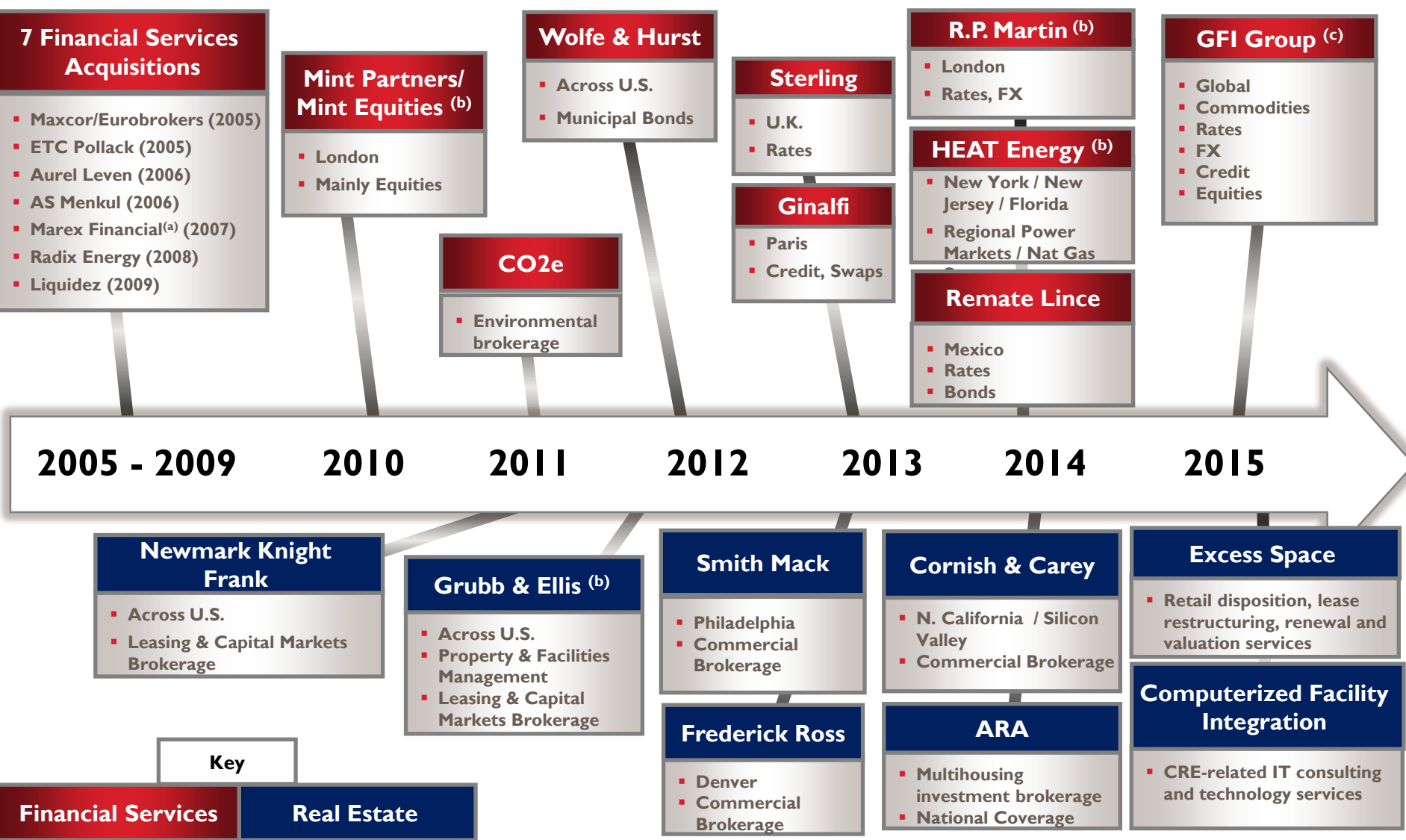
- Other Services:
  - Global Corporate Services (consulting)
  - Valuation
  - Property & Facilities Management

→ 1,308 brokers & salespeople  
 → In 50+ cities

FY 2015 Revenue Goal = \$1 billion  
 TTM 2Q'15 Revenues = \$867 million  
 TTM 2Q'15 Pre-Tax Margin ≈ 13%

Note: Trailing twelve month ("TTM") segment figures exclude Corporate revenues and pre-tax loss of \$34 million and \$75 million, respectively. Financial Services revenues & margins exclude Trayport.

# STRONG RECORD OF SUCCESSFUL, ACCRETIVE ACQUISITIONS



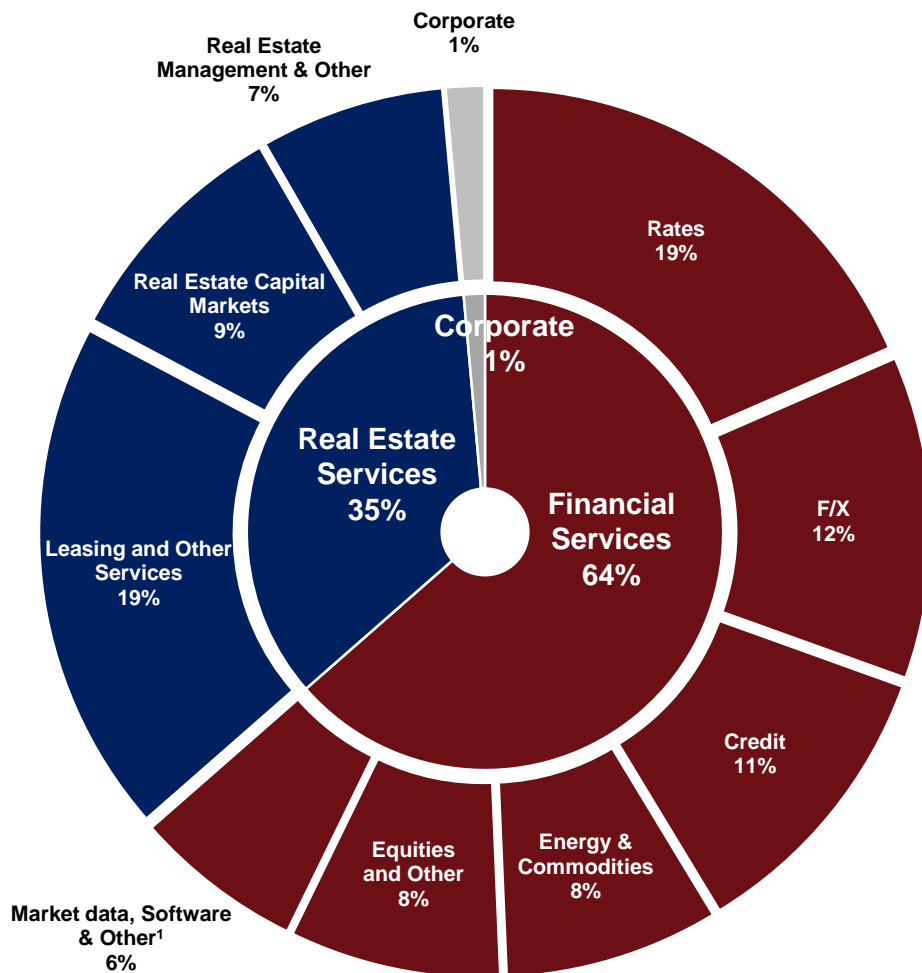
(a) BGC acquired Marex Financial's emerging markets business, (b) BGC acquired the assets, including the naming rights of the business, (c) BGC owned 67% of shares as of 9/15/2015.

# SELECT Q2 2015 RESULTS COMPARED TO Q2 2014

Highlights of Consolidated Results (USD millions, except per share data)	Q2 2015	Q2 2014	Change (%)
Revenues for distributable earnings	\$684.6	\$430.3	59.1
Pre-tax distributable earnings before non-controlling interest in subsidiaries and taxes	77.5	53.0	46.3
Pre-tax distributable earnings per share	0.21	0.16	31.3
Post-tax distributable earnings	64.6	43.5	48.6
Post-tax distributable earnings per share	0.18	0.13	38.5
Adjusted EBITDA	109.1	63.9	70.6
Effective tax rate	15.0%	15.0%	
Pre-tax distributable earnings margin	11.3%	12.3%	
Post-tax distributable earnings margin	9.4%	10.1%	

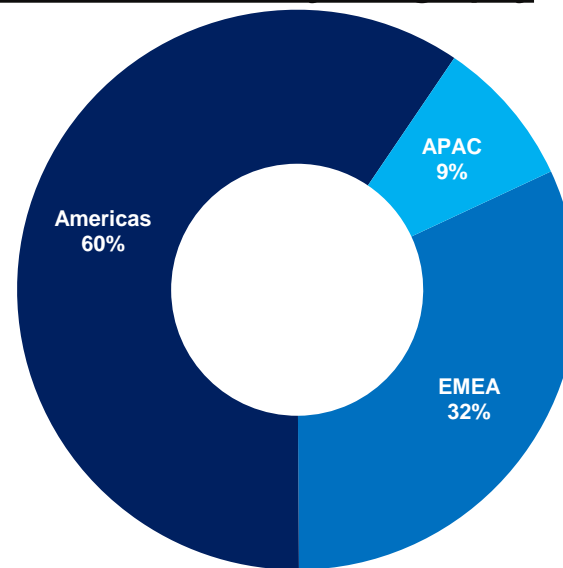
- On July 27, 2015, BGC Partners' Board of Directors declared a quarterly cash dividend of \$0.14 per share, an increase of 16.7% from the prior year

## Q2'15 Revenues by Asset Class



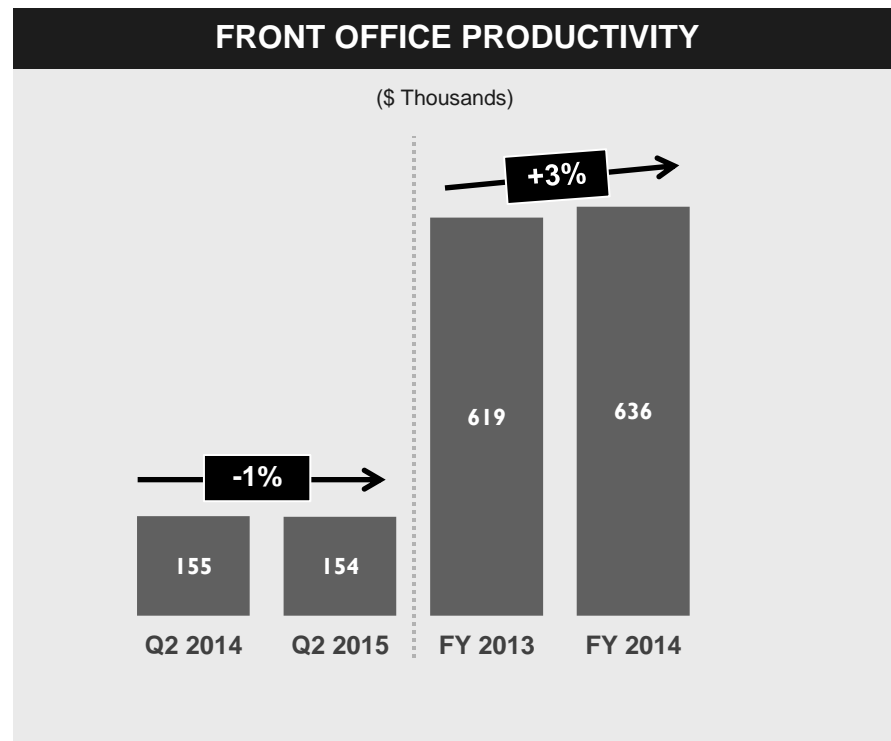
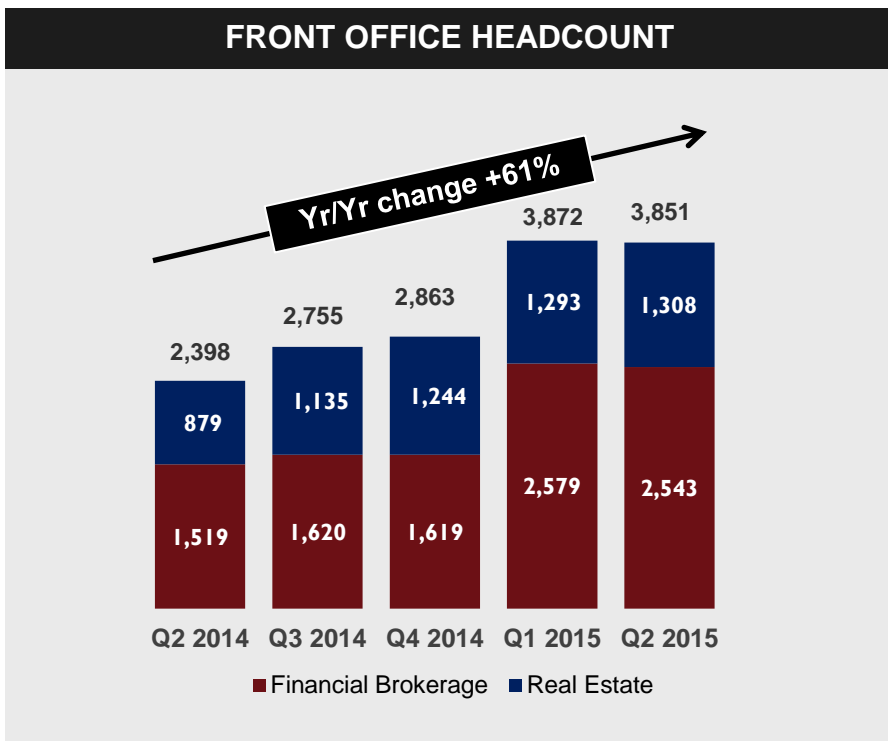
- Wholesale Financial Brokerage revenues and earnings typically seasonally strongest in 1st quarter, weakest in 4th quarter
- Commercial Real Estate Brokerage revenues and profitability typically seasonally strongest in 4th quarter, weakest in 1st quarter

## Q2'15 Revenues by Geography



¹Market data, software solutions, interest, and other revenue for distributable earnings (including NASDAQ OMX earn-out)  
 Percentages are approximate for rounding purposes.



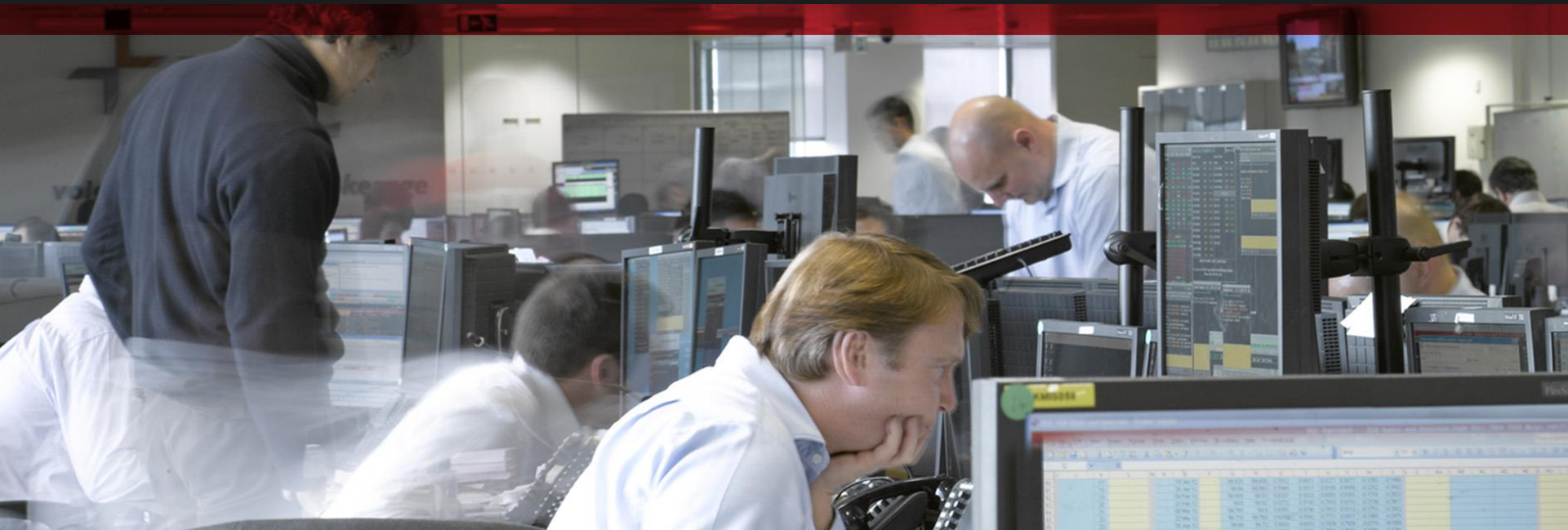


- Q2 2015 Real Estate Services average revenue per front office employee was \$149,000, up 19% from Q2 2014;
- Q2 2015 Financial Services average revenue per front office employee was \$157,000, down 9% from Q2 2014;
- Historically, BGC's revenue per front office employee has generally fallen immediately after a large acquisition. As the integration of GFI continues, and as more voice and hybrid revenue is converted to more profitable fully electronic trading, the Company expects Financial Services broker productivity to grow.

**Note:** The Real Estate figures are based on brokerage revenues, leasing and capital markets brokers, and exclude appraisers and both revenues and staff in management services and "other." The Financial Services calculations in the above table include segment revenues from "total brokerage revenues" "market data," and "software solutions", and exclude revenues and salespeople related to Trayport. The average revenues for all producers are approximate and based on the total revenues divided by the weighted-average number of salespeople and brokers for the period.

Overview

# FINANCIAL SERVICES



## BGC Financial Services Segment Highlights

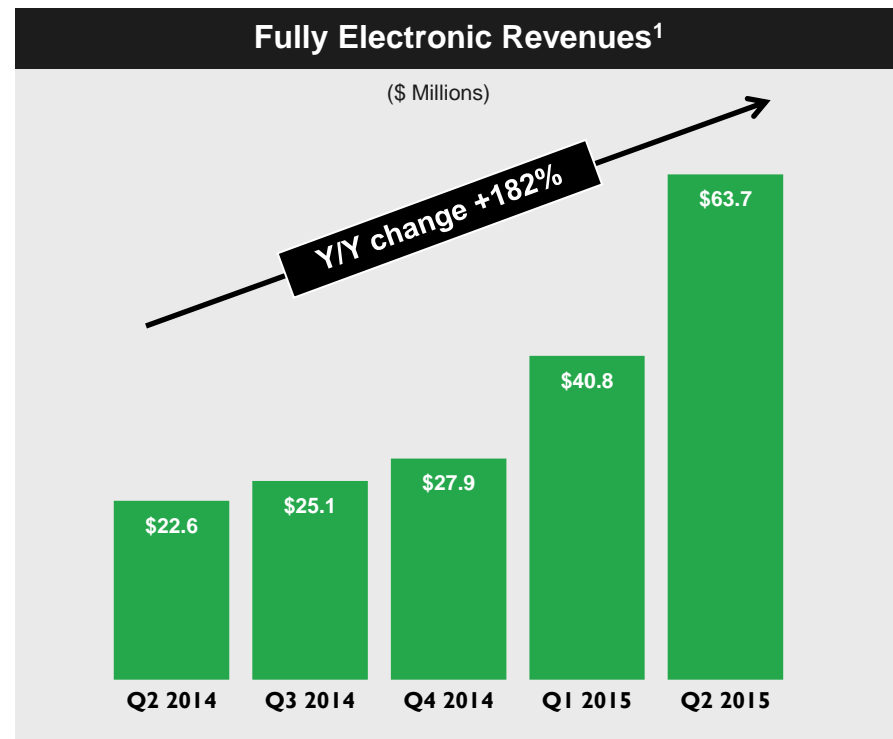
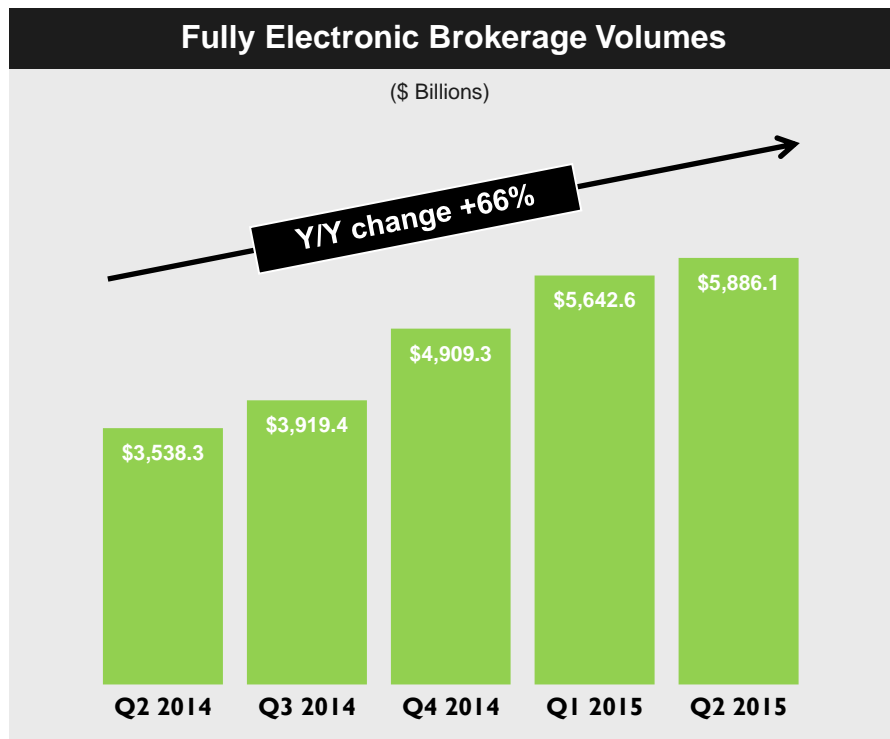
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- Revenues of \$435 million, up over 60%
- Pre-tax profit of \$68 million, up over 37%
- Fully electronic revenues and pre-tax profits up over 182% and 120%, respectively (ex. Trayport)
- Energy & Commodities revenues increased by 317% as compared to a year ago
- Equities and other revenues increased 77%
- FX revenues up 67%; fully electronic FX revenues up over 114%
- Credit revenues up 26%; fully electronic credit revenues up 138%

## Quarterly Drivers

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- Acquisitions of GFI, R.P. Martin, and Remate
- Increased activity across FX, energy, and commodities; reflected strong demand from many of our customers
- Volatility levels have increased across most asset classes we broker
- FS revenues would have been over \$27 million higher if not for the strengthening U.S. Dollar



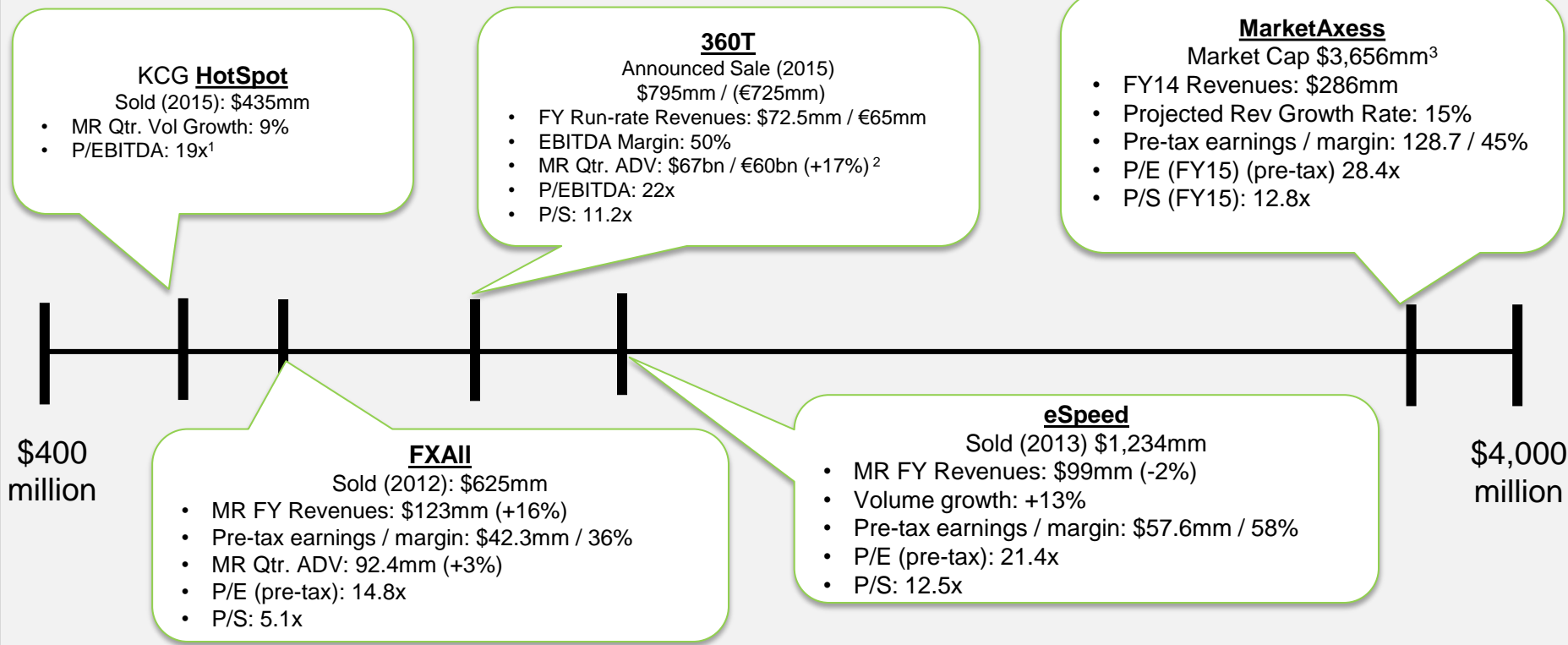
- Fully electronic revenues up over 182% from Q2 2014; Fully electronic pre-tax earnings up over 120%
- Fully electronic volumes up approximately 66% from Q2 2014

<sup>1</sup> "Fully Electronic" includes "total brokerage revenues" related to fully electronic trading and market data and software solutions, all of which are reported within the Financial Services segment. Fully electronic revenues exclude \$17.8 million of revenues related to Trayport. Q2'15 "Fully Electronic" revenues also includes \$13.0 million of intra-company revenues that are eliminated in BGC's consolidated financial results. Net of intra-company revenues, market data and software solutions was \$9.9 million. There were no corresponding intra-company revenues in Q2'14.

# BGC'S ELECTRONIC BUSINESSES COMPARE FAVORABLY TO OTHER HIGHLY VALUABLE ELECTRONIC PLATFORMS



## Recent Sale / Current Market Cap of Fully Electronic Peers



(in USD millions)	Annualized Revenues	Annualized Revenue Growth	Volume Growth	Pretax Earnings Margin	Annualized Pretax Earnings
<b>BGC Fully Electronic<sup>4</sup></b>	>\$250	>190%	66%	42.7%	>\$100

Note: Data for FXAll, HotSpot and eSpeed is as of the most recent period immediately prior to announcement of transactions. MarketAxess information is from either FY14 actuals or Bloomberg 2015 consensus estimates.

<sup>1</sup> HotSpot P/EBITDA multiple extrapolated from reported 16x P/EBITDA at \$365mm purchase price. \$435mm represents total consideration, including \$365mm in cash share of tax benefits.

See source: <http://www.bloomberg.com/news/articles/2015-01-28/bats-buys-hotspot-currencies-platform-for-365-million>

<sup>2</sup> 360T volume growth as reported by Aite Group research; revenues and pre-tax estimates reported by Barclays and Citi research

<sup>3</sup> MarketAxess market cap as of close of business 7/22/2015

<sup>4</sup> BGC fully electronic results are shown on an annualized run-rate basis and based on Q2'15 actuals and exclude Trayport.

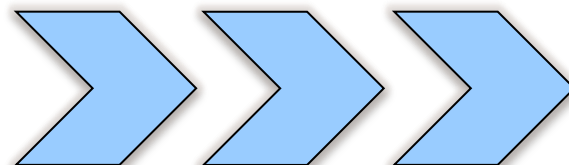
- Following the issuance of new GFI shares in April, 2015, BGC now owns approximately 67% of GFI's outstanding common stock; full merger expected by Q1 2016
- Numerous serious parties are participating in the Trayport sales process at a valuation that reflects its continuing growth in the year following last year's announced transaction, its' high margins, leading technology, and strategic importance in the global energy and commodities markets
- We still anticipate completing a Trayport transaction before the end of 2015
- De minimis front-office turnover at GFI
- BGC guaranteed the outstanding debt of GFI resulting in credit rating upgrades, which will reduce interest expense going forward
- By the time we complete the full merger with GFI we expect to have combined all of our fully electronic assets (ex. Trayport) under the FENICS name
- The well-known, and proven technology of BGC and GFI, coupled with their global footprint combined with the leading edge, and highly respected technology company FENICS, will create a financial technology powerhouse

# EXPECTED GFI COST SYNERGIES UPDATE

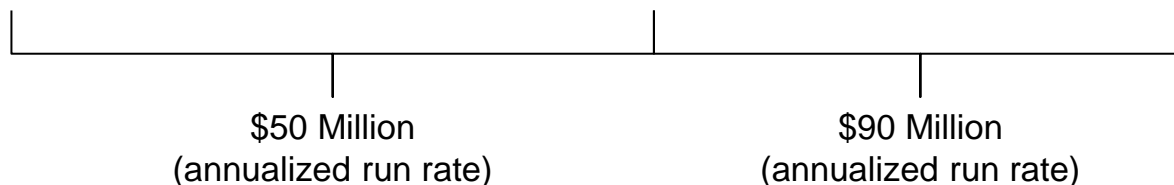
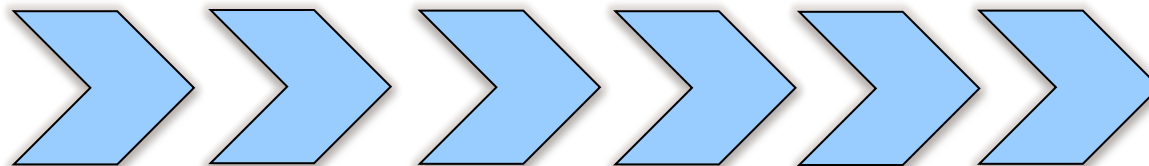
## Planned GFI Integration Cost Savings / Synergies:

- Network infrastructure
- Telephone lines
- Vendors
- Disaster recovery
- Interest expense
- Data centers
- Duplicative real estate
- Other support expenses

Year 1



Year 2



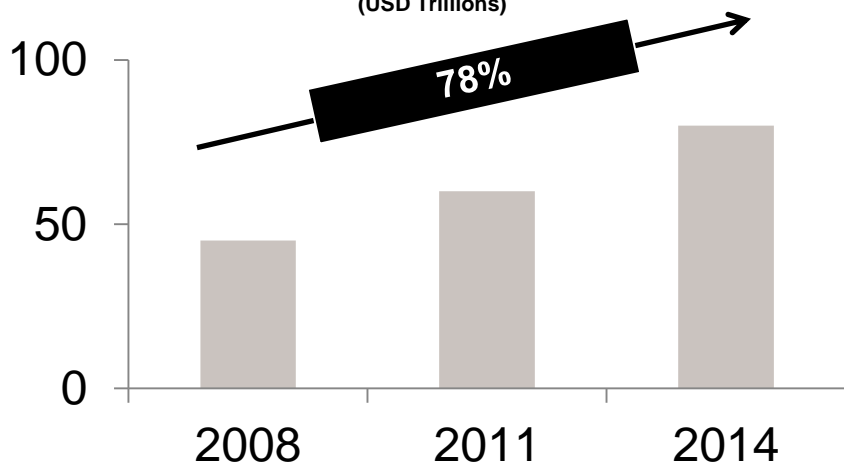
- Integration and cost saving/synergy targets remain on track to reach at least \$50 million by Q1'16 and \$90 million by Q1'17
- BGC freed up capital set aside for regulatory and clearing purposes, allowing for more efficient use of the balance sheet

# SELL-SIDE BALANCE SHEETS CONTINUE TO SHRINK EVEN AS ASSETS UNDER MANAGEMENT AT BUY-SIDE SWELL

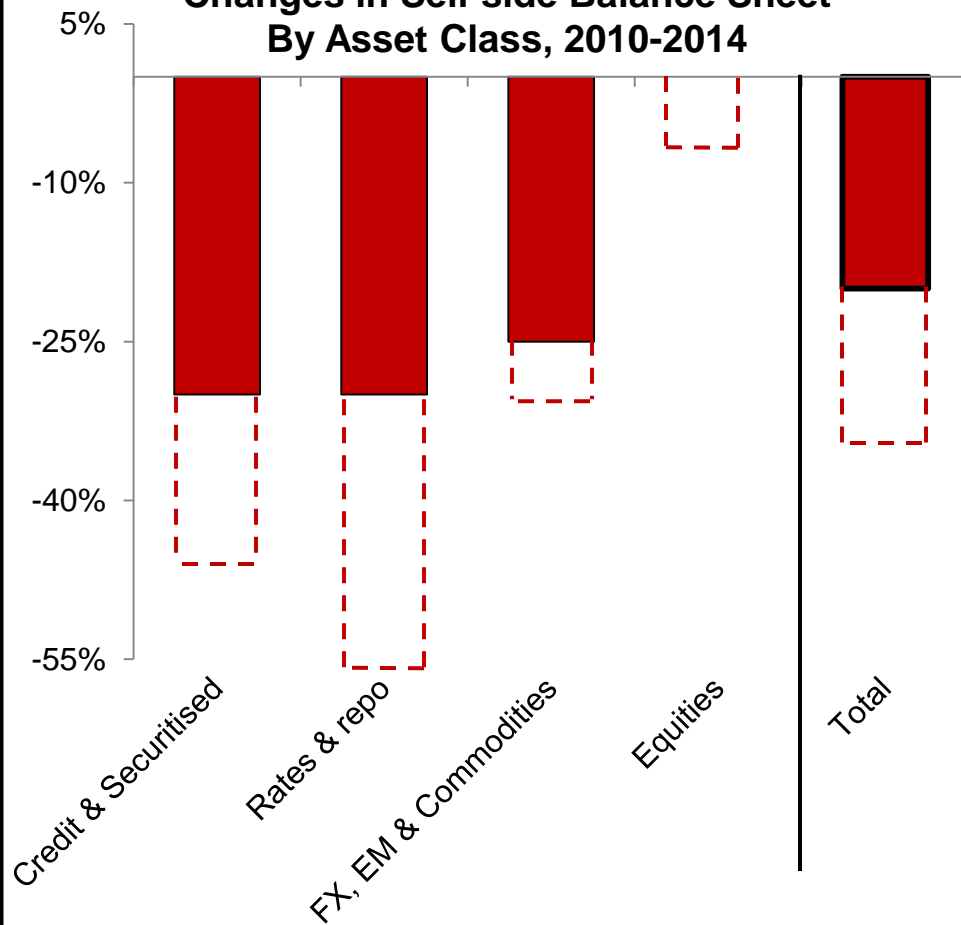
- Buy-side AuM has grown by 78% since 2008 fueling greater demand for market liquidity, while large bank Balance Sheets and RWAs are down 20% and 40%, respectively since 2010, on a Basel 3 like-for-like basis
- Expectation are that large banks will continue to shrink their balance sheets further by up to an additional 15%

## Global AUM

(USD Trillions)



## Changes in Sell-side Balance Sheet By Asset Class, 2010-2014

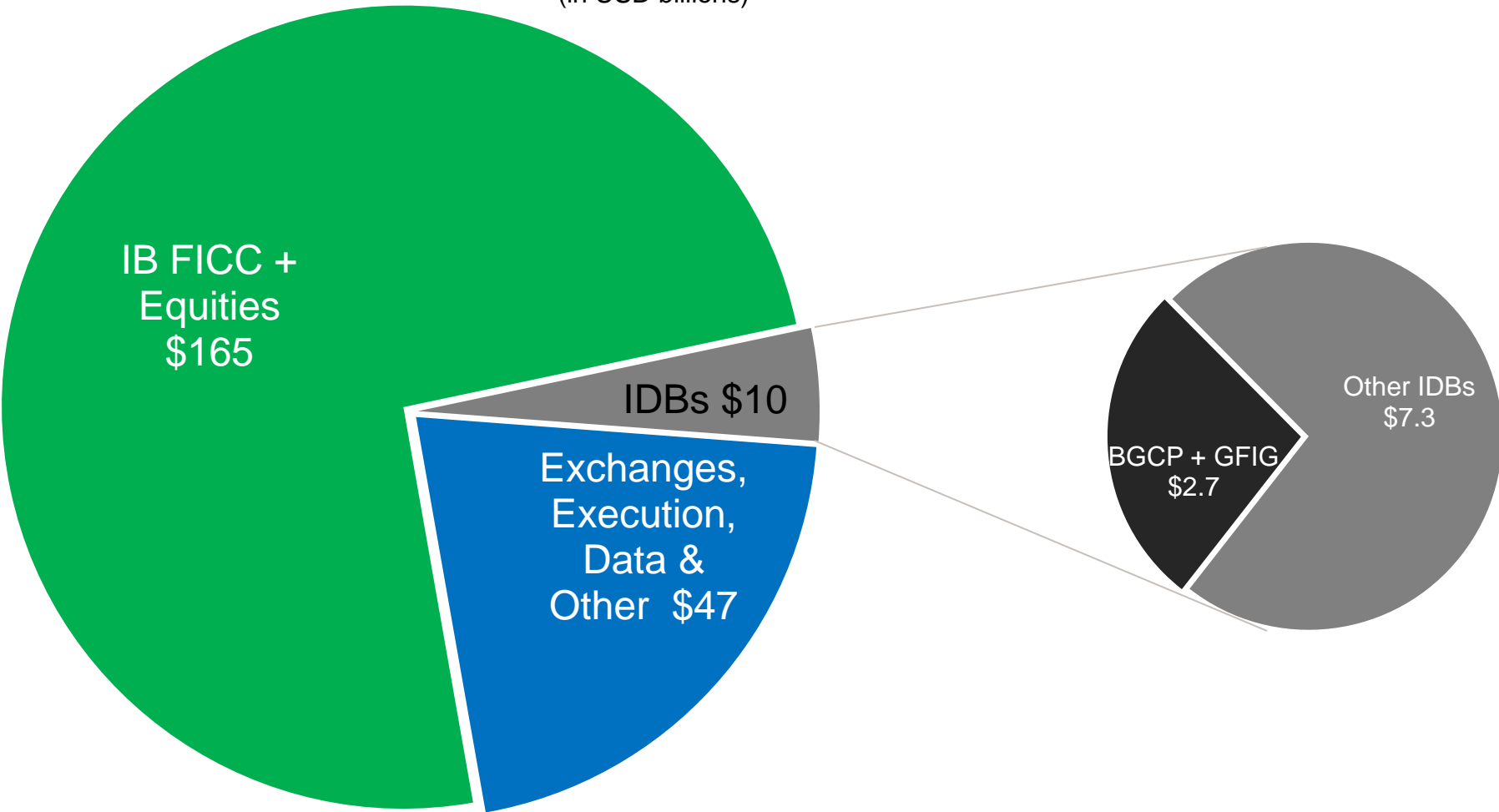


--- Further potential reductions



# SMALL SLICE OF GLOBAL EXECUTION REVENUES = HUGE POTENTIAL FOR IDBs

## 2014 Global Sales & Trading Revenues ≈ \$220B (in USD billions)



Source: Morgan Stanley and Oliver Wyman, company filings. "Exchanges, Execution, Data & Other" = exchanges, CCPs, market data, technology providers, and other 3<sup>rd</sup> parties. \$220B figure does not include primary issuance, CSDs, or custodians. Major IDBs are BGC, GFI, ICAP (for which 2014 = FY ended 3/31/2015,) Tullett Prebon, Tradition, ICE's Creditex business, Marex Spectron and other non-public IDB estimated revenues. Results for BGC include Real Estate Services revenues.

Overview

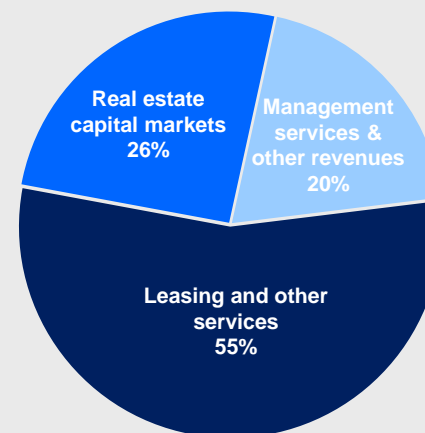
# REAL ESTATE



## NGKF Highlights

- Q2 2015 Real Estate Services revenues increased by 61% as compared to last year
- Capital markets revenues increased over 193% from Q2 2014
- Leasing and other revenues up approximately 48% from a year ago
- Pre-tax distributable earnings increased over 93%

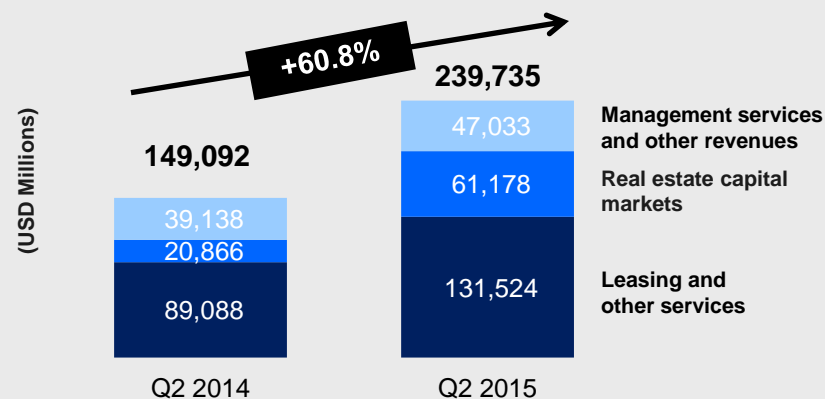
## Q2 2015 Real Estate Segment Breakdown



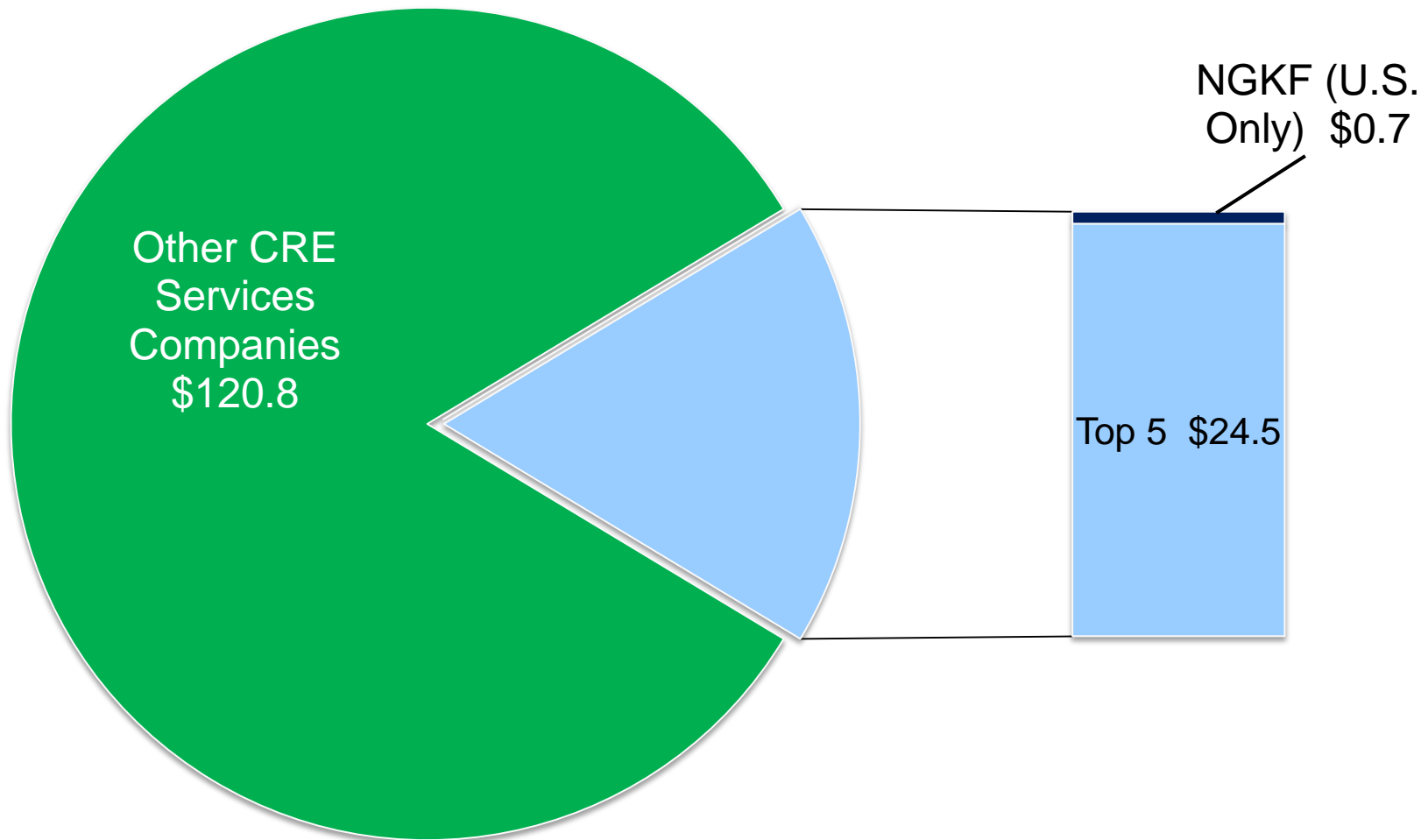
## Drivers

- Superior yields in low interest rate environment continue to make Real Estate an attractive investment class
- Additions of Cornish, ARA, and Computerized Facility Integration (“CFI”)
- Strengthening U.S. economy and accommodative monetary policy aids the Real Estate recovery
- Improved credit environment and availability
- Positive industry trends continue in commercial sales volumes

## Q2 2015 Real Estate Segment Breakdown



## 2014 Global Commercial Real Estate Services Revenues ≈ \$146 Billion



**Top 5 Full Service Brokerages + NGKF Market Share ≈ 17%**

BGC PARTNERS

# Conclusion



**Our goal is to continue focusing on the following in order to increase profitability and grow our top line:**

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- Accretive acquisitions with returns above our cost of capital across both businesses
- Profitably and selectively adding to front office staff
- Integrating GFI into BGC platform saving at least \$90 million annually by the first quarter 2017
- Completing the sale of Trayport at a value that reflects its high margins, leading technology and strategic importance
- Investing in, and expanding our fully-electronic trading platform as well as market data and software solutions in Financial Services
- Growing our higher-margin Capital Markets and Global Corporate Services (consulting) businesses at NGKF
- Continue to unlock the significant value of BGC's assets and businesses
- Maintain or improve our Investment Grade credit rating



# Q&A

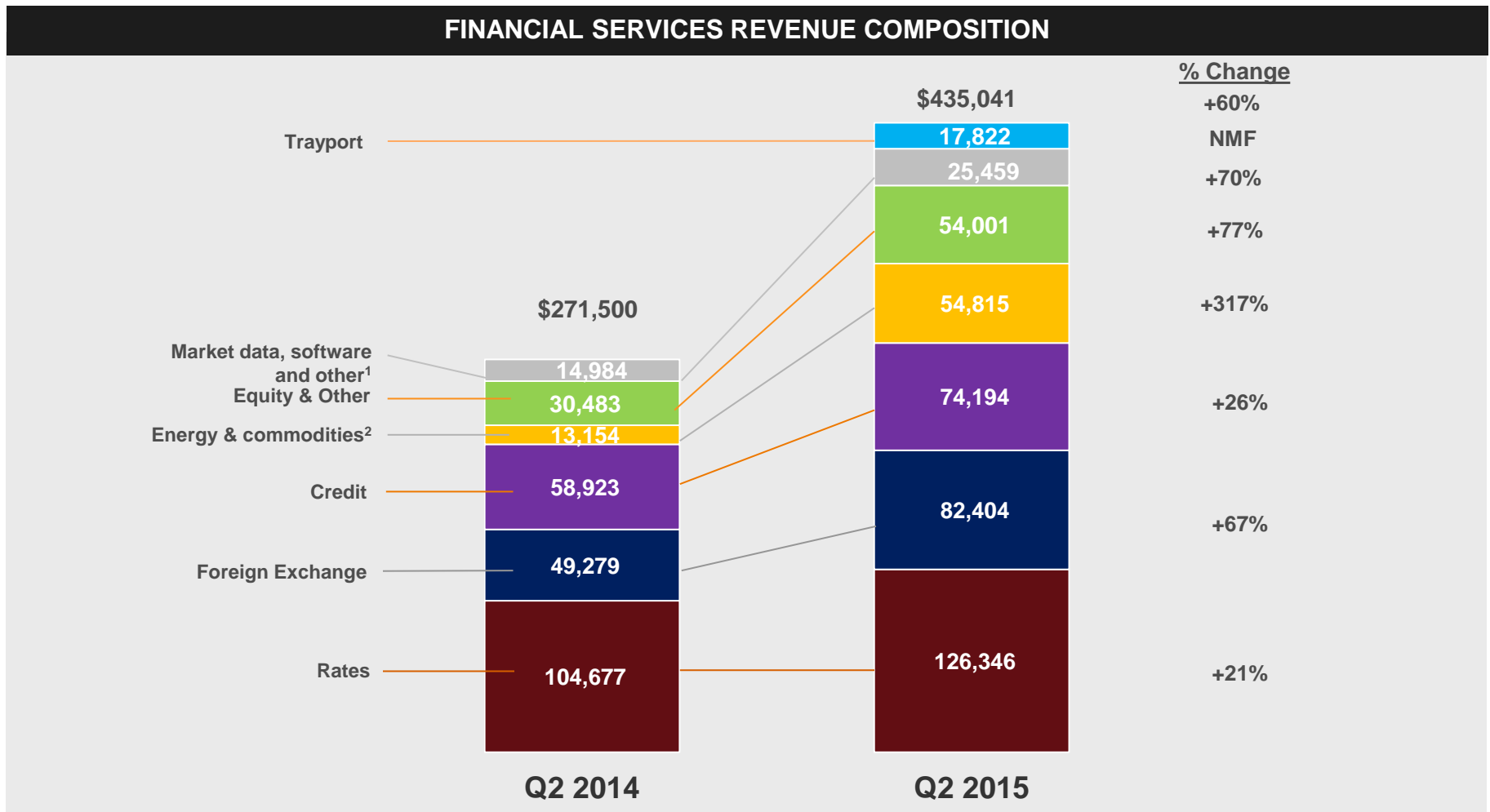
CHURCHILL  
PLACE

← ONE  
CHURCHILL PLACE

# APPENDIX

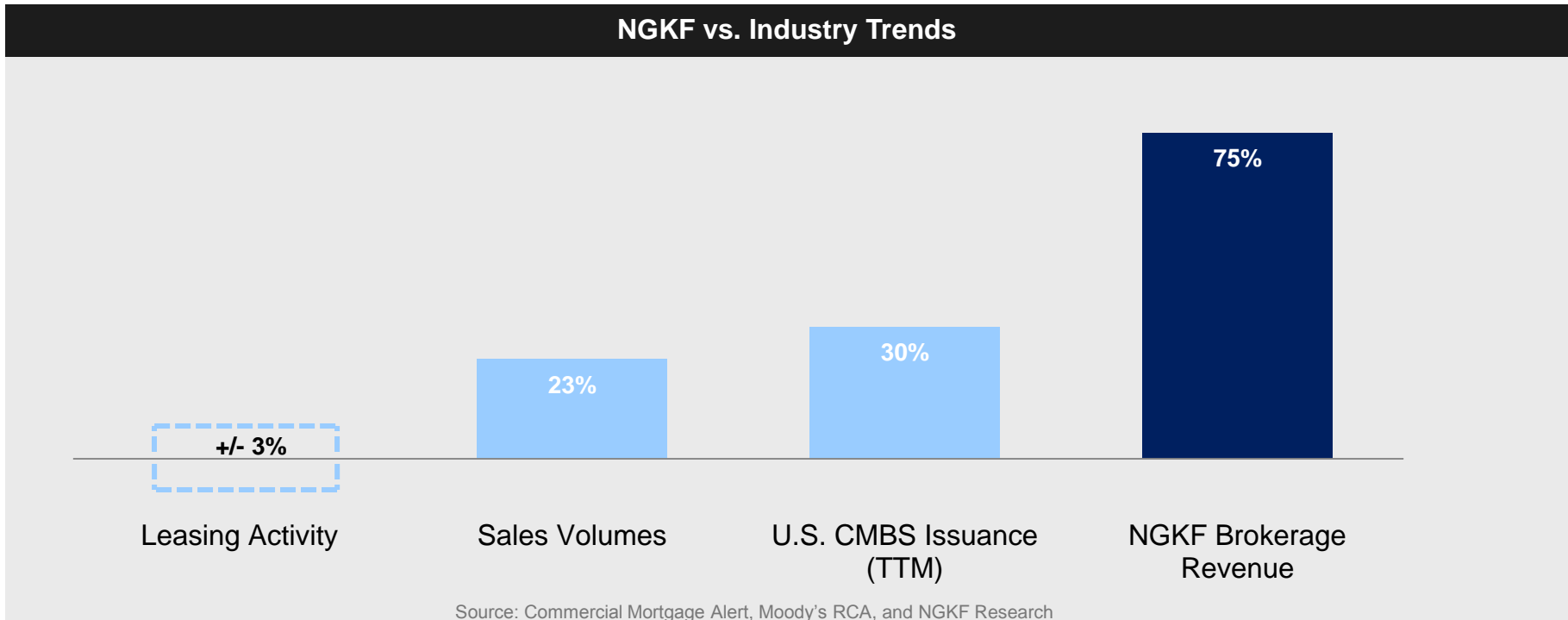






<sup>1</sup> Includes \$13.3MM and \$11.1MM related to the Nasdaq earnout in Q215 and Q214

<sup>2</sup> Excludes \$17.8MM of revenues related to Trayport.



- NGKF brokerage revenue growth continued to outpace industry-wide lending, sales and leasing trends
- NGKF capital markets and leasing and other services revenues up 193% and 48% respectively
- Combined (office, industrial, and retail) vacancy rates continue to trend lower to 8.3% at the end of Q2 2015, an approximate 70 bps improvement from a year ago

Note: U.S. CMBS issuance is shown on a TTM basis; net absorption is on a TTM basis through May 2015; sales volumes are quarterly and are for all commercial property sales of \$2.5 million or greater.

## Computer Facilities Integration (CFI)

- CFI provides corporate real estate, facilities management, and enterprise asset management information consulting, and technology solutions
- The Company employs 140 people and has been in operation for 25 years
- Manages over 3 billion square feet globally for Fortune 500 companies, owner-occupiers, government agencies, healthcare and higher education clients

## CFI Case Study

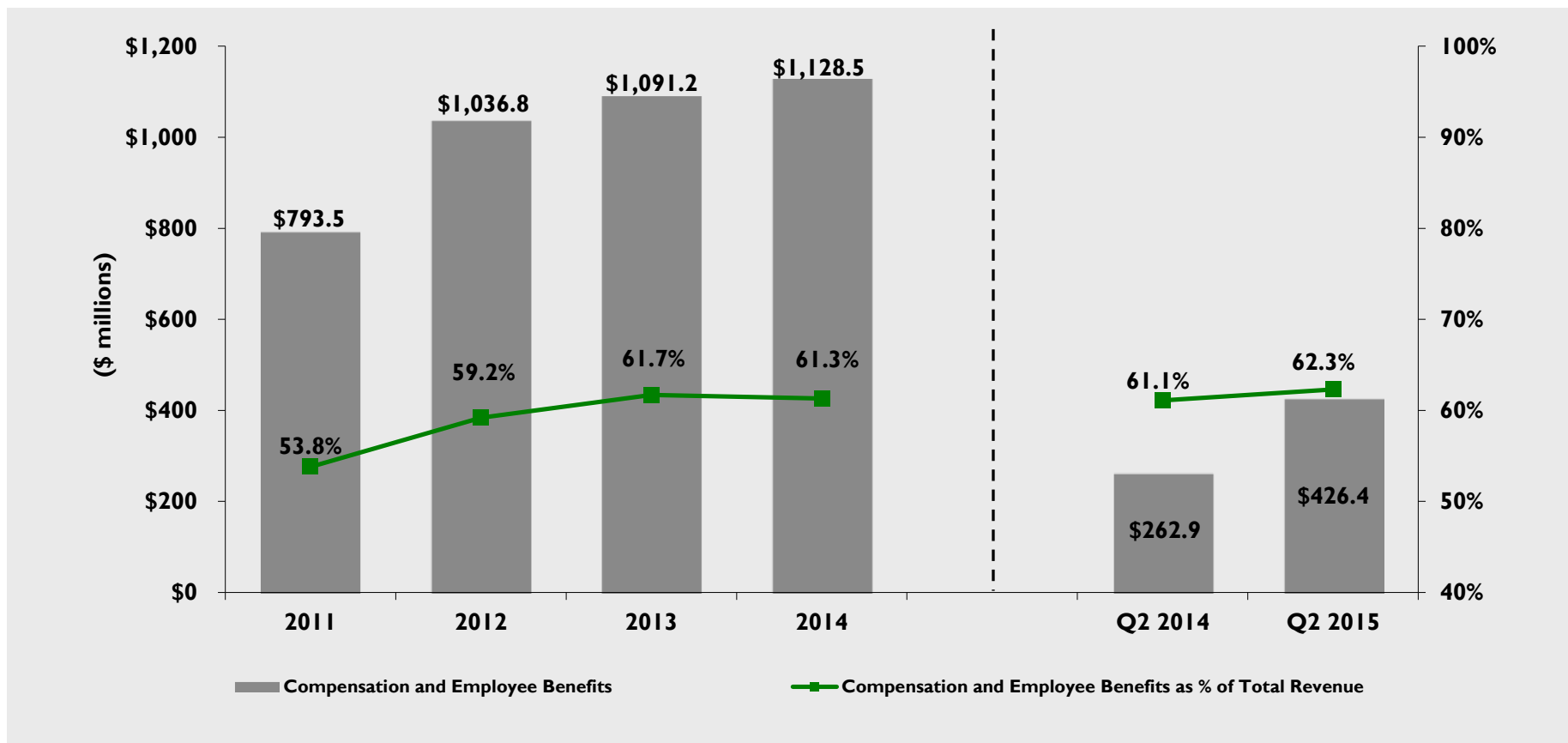
- A Fortune 50 company engaged CFI to deploy a workplace management system as a tool to track space usage across more than 20 million sq. feet of labs and administrative offices worldwide.
- CFI implemented a workplace management software system, which provides the client a holistic view of space and capacity use, as well as monitoring capital project, real estate-related analytics, and energy use.
- By transforming space usage and real estate management from reactive to proactive, facility use increased by 20%, saving the client \$4 million a year.

## Excess Space Retail Services

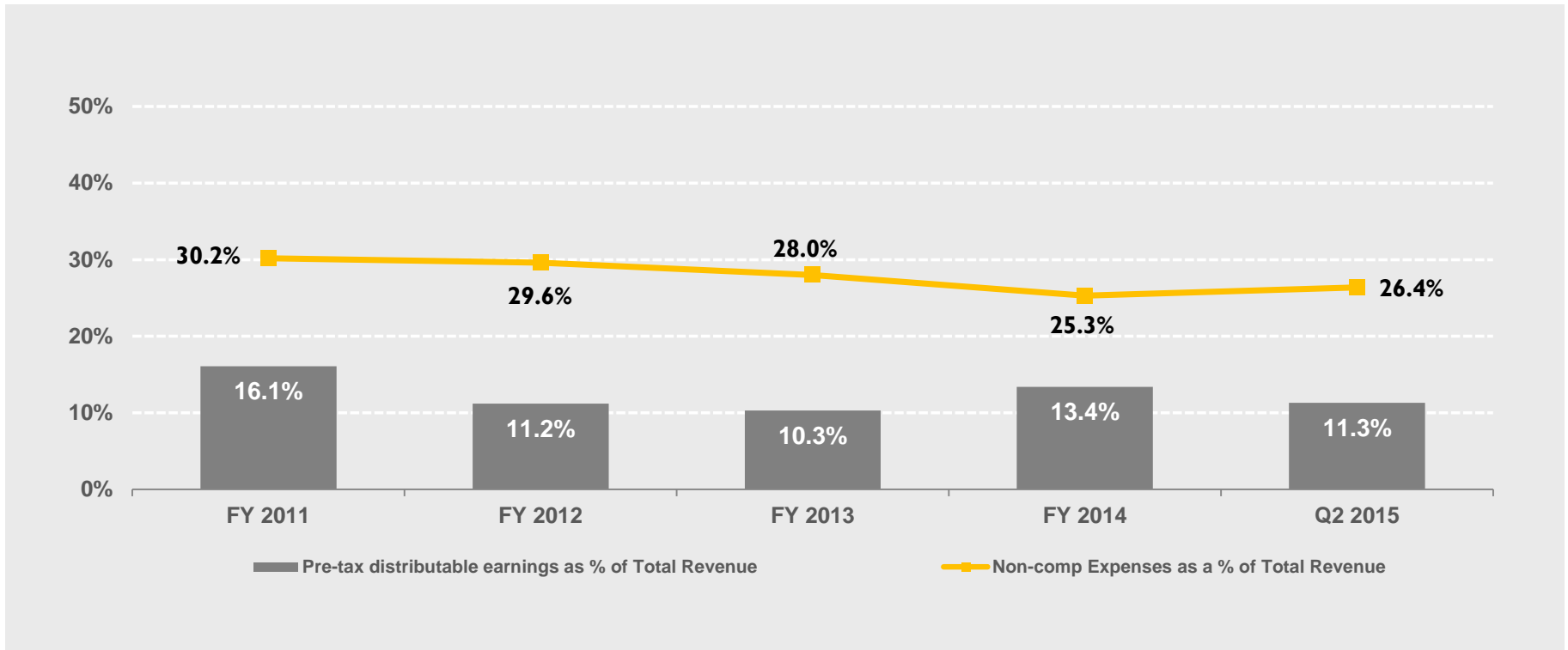
- Excess Space is a premier consulting and advisory firm dedicated to real estate disposition and lease restructuring for retailers throughout the U.S. and Canada
- The Company advises some of the nation's leading supermarkets, department stores, banks, drug stores and restaurants
- Since its establishment in 1992, Excess Space has generated an estimated \$4 billion in cost savings for clients

## Excess Space Case Study

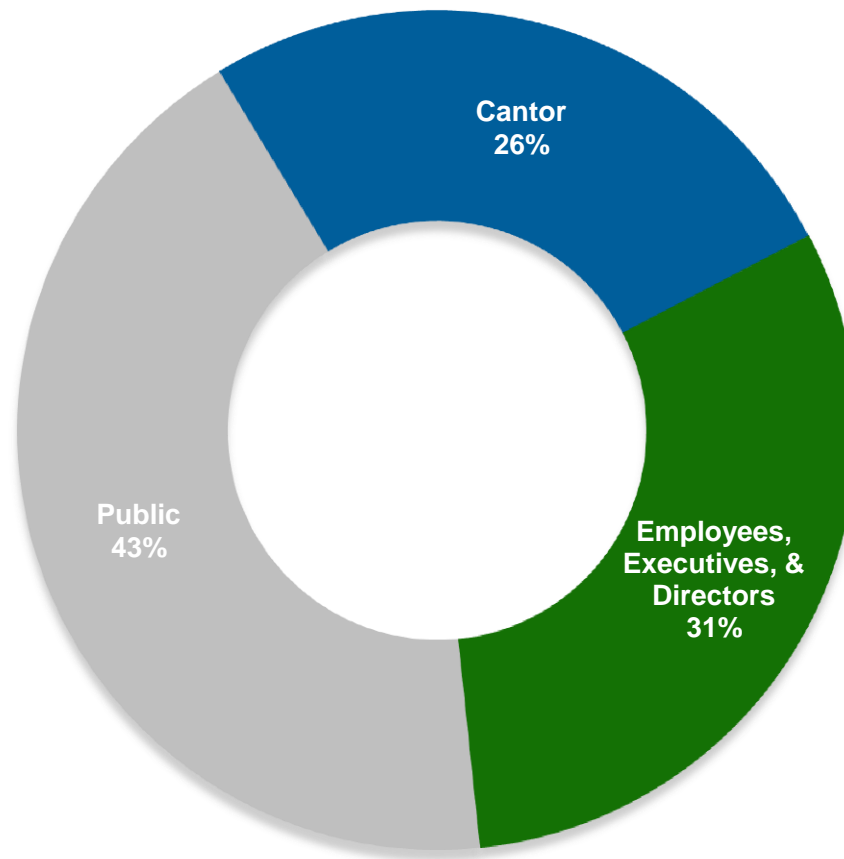
- Excess Space represented a Fortune 100 company in the disposition of their surplus real estate nationwide, which came about due to a recent acquisition of a competitor. This necessitated the immediate sale of 120+ fee-simple properties (predominantly freestanding buildings).
- Within the first year, Excess Space completed 101 sales for its client, with a total value of over \$40 million.



- BGC Partners Compensation Ratio was 62.3% in Q2 2015 vs. 61.1% in Q2 2014
- Commercial Real Estate brokers generally have a higher compensation ratio than IDBs with significant electronic trading revenues



- Non-comp expenses were 26.4% of distributable earnings revenues in Q2 2015 vs. 26.6% in Q2 2014
- Pre-tax distributable earnings margin was 11.3% in Q2 2015 vs. 12.3% in Q2 2014
- Post-tax distributable earnings margin was 9.4% in Q2 2015 vs. 10.1% in Q2 2014
- Real Estate Services pre-tax margins are typically seasonally slowest in the first quarter and strongest in the fourth quarter



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.

	Q2 2015	Q2 2014	July 1 – July 24, 2015	July 1 – July 24, 2014
US Dollar	1	1	1	1
British Pound	1.531	1.683	1.557	1.711
Euro	1.106	1.372	1.102	1.359
Hong Kong Dollar	0.129	0.129	0.129	0.129
Singapore Dollar	0.745	0.798	0.737	0.804
Japanese Yen (Inverted)	121.320	102.130	123.13	101.580

Source: Oanda.com

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 consolidated subsidiaries. BGC Partners believes that distributable earnings best reflect 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. Revenues for distributable earnings include the collection of receivables which would have been recognized for GAAP other than for the effect of acquisition accounting. Revenues for distributable earnings also exclude certain one-time or unusual gains that are recognized under GAAP, because the Company does not believe such gains are reflective of its ongoing, ordinary operations.

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, Inc., 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 limited partnership units, including REUs, RPUs, PSUs, LPUs, 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 unusual, 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.

BGC's definition of distributable earnings also excludes certain gains and charges with respect to acquisitions, dispositions, or resolutions of litigation. This exclusion pertains to the one-time gain related to the NASDAQ OMX transaction. Management believes that excluding these gains and charges best reflects the operating performance of BGC. However, because NASDAQ OMX is expected to pay BGC in an equal amount of stock on a regular basis for 15 years as part of the transaction, the payments associated with BGC's receipt of such stock are expected to be included in the Company's calculation of distributable earnings. To make quarter-to-quarter comparisons more meaningful, one-quarter of the annual contingent earn-out amount will be included in the Company's calculation of distributable earnings each quarter as "other revenues."

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.



# DISTRIBUTABLE EARNINGS DEFINED (continued)

BGC's distributable earnings per share calculations assume either that:

The fully diluted share count includes the shares related to the dilutive 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 these instruments, but includes the associated interest expense, net of tax.

Each quarter, the dividend to BGC's 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 limited partnership units, including REUs, RPU, LPU, PSU and PSI, 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 may be 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.

The term "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 tables in the most recent BGC financial results press release entitled "Reconciliation of Revenues Under GAAP and Distributable Earnings," and "Reconciliation of GAAP Income (Loss) to Distributable Earnings," which provide a summary reconciliation between pre- and post-tax distributable earnings and the corresponding GAAP measures for the Company in the periods discussed in this document. The reconciliations for prior periods do not include the results of GFI.

BGC also provides an additional non-GAAP financial measure, “adjusted EBITDA,” which it defines as GAAP income from operations before income taxes, adjusted to add back interest expense as well as the following non-cash items:

Employee loan amortization;

- Fixed asset depreciation and intangible asset amortization;
- Non-cash impairment charges;
- Charges relating to grants of exchangeability to limited partnership interests;
- Charges related to redemption of units;
- Charges related to issuance of restricted shares; and
- Non-cash earnings or losses related to BGC’s equity investments.

The Company’s management believes that this measure is useful in evaluating BGC’s operating performance compared to that of its competitors, because the calculation of adjusted EBITDA generally eliminates the effects of financing and income taxes and the accounting effects of capital spending and acquisitions, which would include impairment charges of goodwill and intangibles created from acquisitions. Such items may vary for different companies for reasons unrelated to overall operating performance. As a result, the Company’s management uses these measures to evaluate operating performance and for other discretionary purposes. BGC believes that adjusted EBITDA is useful to investors to assist them in getting a more complete picture of the Company’s financial results and operations.

Since adjusted EBITDA is not a recognized measurement under GAAP, investors should use adjusted EBITDA in addition to GAAP measures of net income when analyzing BGC’s operating performance. Because not all companies use identical EBITDA calculations, the Company’s presentation of adjusted EBITDA may not be comparable to similarly titled measures of other companies. Furthermore, adjusted EBITDA is not intended to be a measure of free cash flow, because adjusted EBITDA does not consider certain cash requirements, such as tax and debt service payments.

For a reconciliation of adjusted EBITDA to GAAP income (loss) from operations before income taxes, the most comparable financial measure calculated and presented in accordance with GAAP, see the section of this document titled “Reconciliation of GAAP Income (loss) to Adjusted EBITDA (and Comparison to Pre-Tax Distributable Earnings.)”

**BGC PARTNERS, INC.**
**Reconciliation of GAAP Income to Adjusted EBITDA**
**(and Comparison to Pre-Tax Distributable Earnings)**
**(in thousands) (unaudited)**

	<u>Q2 2015</u>	<u>Q2 2014</u>
<b>GAAP Income from continuing operations before income taxes</b>	<b>\$ 17,289</b>	<b>\$ 14,915</b>
<b>Add back:</b>		
Employee loan amortization	11,695	7,194
Interest expense	18,439	9,230
Fixed asset depreciation and intangible asset amortization	23,684	10,789
Impairment of fixed assets	13,195	474
Exchangeability charges <sup>1</sup>	25,581	20,041
(Gains) losses on equity investments	(833)	1,288
<b>Adjusted EBITDA</b>	<b><u>\$ 109,050</u></b>	<b><u>\$ 63,931</u></b>
<b>Pre-Tax distributable earnings</b>	<b><u>\$ 77,524</u></b>	<b><u>\$ 52,997</u></b>

<sup>1</sup> Represents non-cash, non-economic, and non-dilutive charges relating to grants of exchangeability to limited partnership units

## BGC PARTNERS, INC. RECONCILIATION OF GAAP INCOME TO DISTRIBUTABLE EARNINGS

(in thousands, except per share data)  
(unaudited)

	Q2 2015	Q2 2014
GAAP income before income taxes	\$ 17,289	\$ 14,915
Pre-tax adjustments:		
Non-cash (gains) losses related to equity investments, net	(833)	1,288
Real Estate purchased revenue, net of compensation and other expenses (a)	3,089	2,206
Allocations of net income and grant of exchangeability to limited partnership units and FPU's	26,200	22,402
NASDAQ OMX earn-out revenue (b)	15,418	9,389
Gains and charges with respect to acquisitions, dispositions and / or resolutions of litigation, and other non-cash, non-dilutive, non-economic items (c)	16,362	2,798
Total pre-tax adjustments	60,235	38,083
<b>Pre-tax distributable earnings</b>	<b>\$ 77,524</b>	<b>\$ 52,997</b>
GAAP net income available to common stockholders	\$ 9,347	\$ 7,601
Allocation of net income to noncontrolling interest in subsidiaries	4,422	2,174
Total pre-tax adjustments (from above)	60,235	38,083
Income tax adjustment to reflect effective tax rate	(9,357)	(4,350)
<b>Post-tax distributable earnings</b>	<b>\$ 64,647</b>	<b>\$ 43,508</b>
Pre-tax distributable earnings per share (d)	\$ 0.21	\$ 0.16
Post-tax distributable earnings per share (d)	\$ 0.18	\$ 0.13
Fully diluted weighted-average shares of common stock outstanding	386,469	366,674

### Notes and Assumptions

- (a) Represents revenues related to the collection of receivables, net of compensation, and non-cash charges on acquired receivables, which would have been recognized for GAAP other than for the effect of acquisition accounting.
- (b) Distributable earnings for the second quarter of 2015 and 2014 includes \$15.4 million and \$9.4 million, respectively, of adjustments associated with the NASDAQ OMX transaction. For Q2 2015 and Q2 2014 the revenues related to the NASDAQ OMX earn-outs were \$(2.1) million and \$1.7 million for GAAP and \$13.3 million and \$11.1 million for distributable earnings, respectively.
- (c) The Q2 2015 adjustment includes \$13.2 million of GAAP impairment charges which were excluded from distributable earnings.
- (d) On April 1, 2010, BGC Partners issued \$150 million in 8.75 percent Convertible Senior Notes due 2015, which matured and were converted into 24.0 million Class A common shares in Q2 2015, and on July 29, 2011, BGC Partners issued \$160 million in 4.50 percent Convertible Senior Notes due 2016. The distributable earnings per share calculations for the quarters ended June 30, 2015 and 2014 include 19.7 million and 40.1 million of additional shares, respectively, underlying these Notes. The distributable earnings per share calculations exclude the interest expense, net of tax, associated with these Notes.

Note: Certain numbers may not add due to rounding.

**BGC PARTNERS, INC.**
**RECONCILIATION OF REVENUES UNDER GAAP AND DISTRIBUTABLE EARNINGS**

(in thousands)

(unaudited)

	<u>Q2 2015</u>	<u>Q2 2014</u>
<b>GAAP Revenue</b>	\$ 669,131	\$ 417,202
Plus: Other Income (losses), net	<u>3,058</u>	<u>379</u>
<b>Adjusted GAAP</b>	672,189	417,581
Adjustments:		
NASDAQ OMX Earn-out Revenue <sup>1</sup>	15,418	9,389
Revenue with respect to acquisitions, dispositions, resolutions of litigation, and other	(3,485)	-
Non-cash (gains) losses related to equity investments	(833)	1,288
Real Estate purchased revenue	1,303	2,053
<b>Distributable Earnings Revenue</b>	<u><u>\$ 684,591</u></u>	<u><u>\$ 430,311</u></u>

<sup>1</sup> Q2 2015 and Q2 2014 revenues related to the NASDAQ OMX earn-out shares were \$(2.1) million and \$1.7 million for GAAP and \$13.3 million and \$11.1 million for distributable earnings, respectively.

Note: Certain numbers may not add due to rounding.



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