



**1Q2010 Earnings Presentation**

# Discussion of Forward-Looking Statements

The 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 (the “Exchange Act”). Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, words such as “may,” “will,” “should,” “estimates,” “predicts,” “potential,” “continue,” “strategy,” “believes,” “anticipates,” “plans,” “expects,” “intends” and similar expressions are intended to identify forward-looking statements.

Our actual results and the outcome and timing of certain events may differ significantly from the expectations discussed in the forward-looking statements. Factors that might cause or contribute to such a discrepancy include, but are not limited to: our relationship with Cantor Fitzgerald, L.P. and its affiliates (“Cantor”) and any related conflicts of interest, competition for and retention of brokers and other managers and key employees, reliance on Cantor for liquidity and capital and other relationships; pricing and commissions and market position with respect to any of our products and services and those of our competitors; the effect of industry concentration and reorganization, reduction of customers and consolidation; liquidity, clearing capital requirements and the impact of recent credit market events and regulations requiring central clearing or exchange-based execution for certain of our products; market conditions, including trading volume and volatility, and further deterioration of the equity and debt capital markets; economic or geopolitical conditions or uncertainties; the extensive regulation of the Company’s businesses, changes in regulations relating to the financial services industry, and risks relating to compliance matters; factors related to specific transactions or series of transactions, including credit, performance and unmatched principal risk, as well as counterparty failure; the costs and expenses of developing, maintaining and protecting intellectual property, including judgments or settlements paid or received in connection with intellectual property, or employment or other litigation and their related costs; certain financial risks, including the possibility of future losses and negative cash flow from operations, potential liquidity and other risks relating to the ability to obtain financing or refinancing of existing debt, and risks of the resulting leverage, as well as interest and currency rate fluctuations; the ability to enter new markets or develop new products, trading desks, marketplaces or services and to induce customers to use these products, trading desks, marketplaces or services and to secure and maintain market share; the ability to enter into marketing and strategic alliances and other transactions, including acquisitions, dispositions, reorganizations, partnering opportunities and joint ventures, and the integration of any completed transactions; the ability to hire new personnel; the ability to expand the use of technology for our hybrid platform, including screen-assisted, voice-assisted and fully electronic trading; effectively managing any growth that may be achieved; financial reporting, accounting and internal control factors, including identification of any material weaknesses in our internal controls and our ability to prepare historical and pro forma financial statements and reports in a timely manner; the effectiveness of risk management policies and procedures, including the ability to detect and deter unauthorized trading or fraud, unexpected market moves and similar events; the ability to meet expectations with respect to payment of dividends, distributions and repurchases of our common stock or purchases of BGC Holdings, L.P. (“BGC Holdings”) limited partnership interests or other equity interests in our subsidiaries, including from Cantor, our executive officers, and our employees; and the risks and other factors described herein under the heading “Item 1A—Risk Factors” in our most recent Form 10-K filed with the SEC on March 16, 2010, and as updated in subsequent filings on Form 10-Q.

The foregoing risks and uncertainties, as well as those risks discussed under the heading “Item 7A—Quantitative and Qualitative Disclosures About Market Risk” and elsewhere in our most recent 10-K and subsequent filings on Form 10-Q, may cause actual results to differ materially from the forward-looking statements. The information included herein is given as of the filing date of our most recent Form 10-K with the SEC, as updated from time to time in subsequent filings on Form 10-Q, and future events or circumstances could differ significantly from these forward-looking statements. The Company does not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Our discussions in financial releases often summarize the significant factors affecting our results of operations and financial condition during the years ended December 31, 2009, 2008 and 2007, respectively. This discussion is provided to increase the understanding of, and should be read in conjunction with, our Consolidated Financial Statements and the accompanying Notes thereto included elsewhere in our most recent Form 10-K

# Distributable Earnings

- 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 IQ2010 financial results release titled "Distributable Earnings" and "Reconciliation Of GAAP Income To Distributable Earnings", which are incorporated by reference, and available in the "Investor Relations" section of our website at [www.bgcpartners.com](http://www.bgcpartners.com)

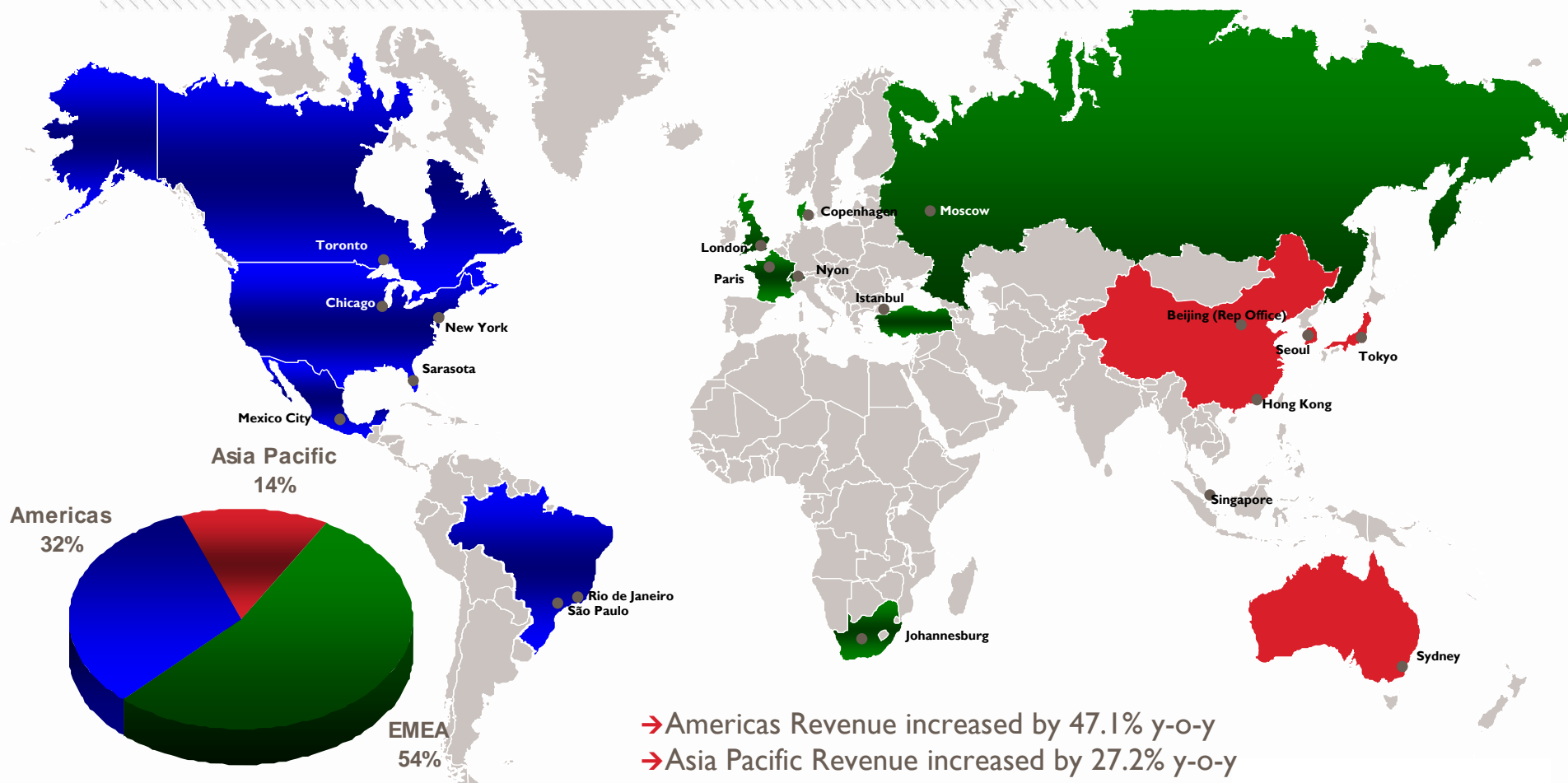
# 1Q2010 Distributable Earnings Highlights

- Revenues were up 22.0% to \$348.9 million versus \$286.1 million in 1Q2009
- Pre-tax earnings were up 49.1% to \$44.8 million versus \$30.1 million in 1Q2009
- Pre-tax earnings per share were up 33.3% y-o-y to \$0.20
- Post-tax earnings were up 68.7% to \$38.1 million versus \$22.6 million in 1Q2009
- Post-tax earnings per fully diluted share were up 54.5% y-o-y to \$0.17
- The pre-tax earnings margin improved to 12.8% of revenues while the post-tax earnings margin improved to 10.9% versus 10.5% and 7.9%, respectively, in 1Q2009
- BGC Partners' Board of Directors declared a record quarterly cash dividend of \$0.14 per share payable on May 28, 2010 to Class A and Class B common stockholders of record as of May 14, 2010. This is an increase of 55.6% y-o-y.

## 2Q2010 Outlook

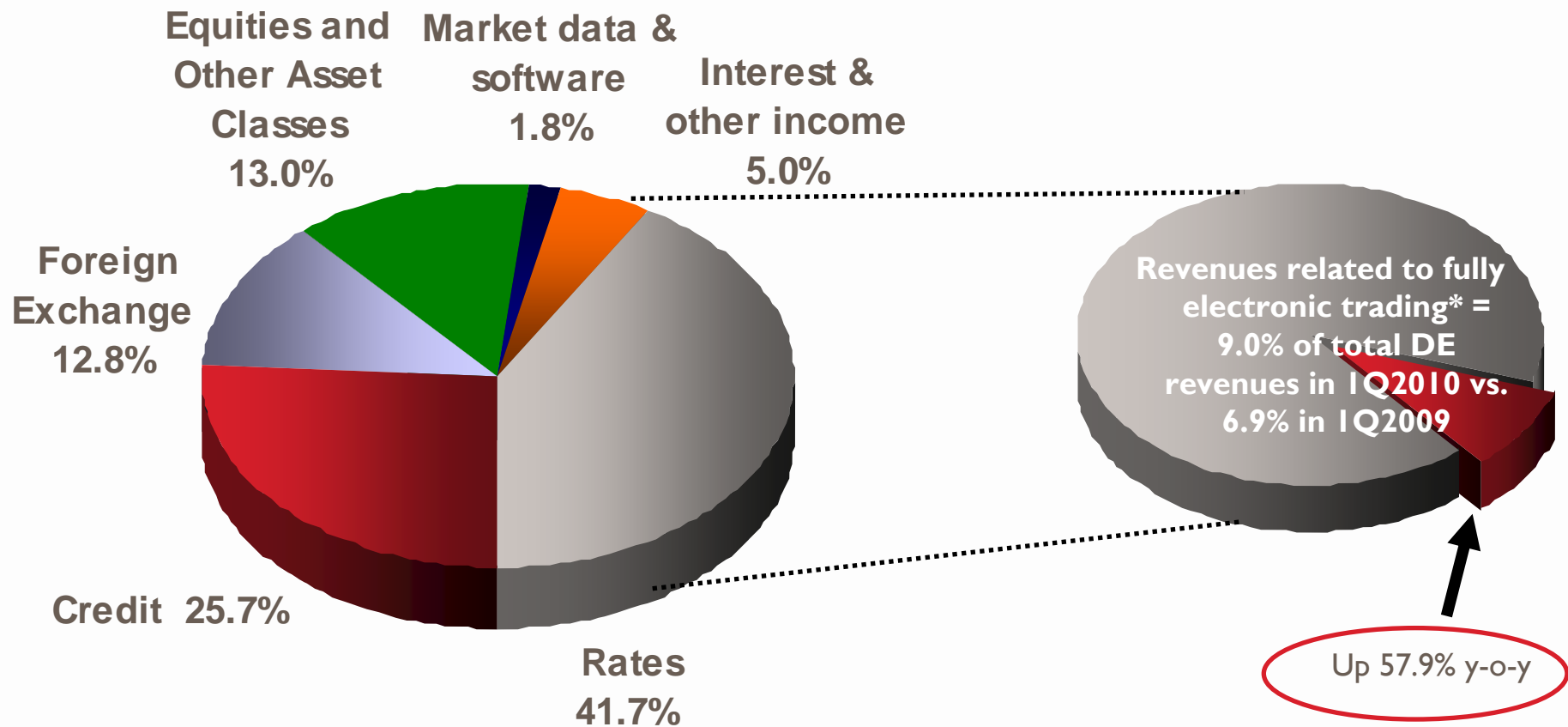
- Revenues of between \$320 million and \$340 million, up 9%-16% versus \$294.0 million in the prior year period
- Pre-tax distributable earnings of approximately \$38 million to \$45 million, up 18% - 40% y-o-y versus \$32.1 million in 2Q2009
- Post-tax distributable earnings of approximately \$32 million to \$38 million, up 34% - 60% y-o-y versus \$23.8 million in 2Q2009
- The Company anticipates having an effective tax rate for distributable earnings of approximately 15% for 2010

# 1Q2010 Global Revenue Breakdown



- Americas Revenue increased by 47.1% y-o-y
- Asia Pacific Revenue increased by 27.2% y-o-y
- Europe, Middle East & Africa Revenue increased by 9.5% y-o-y

# 1Q2010 Revenue Breakdown by Product

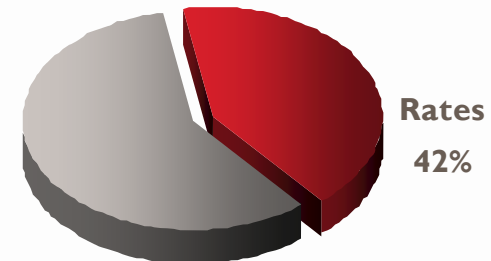


# Brokerage Overview: Rates

## Example of Products

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

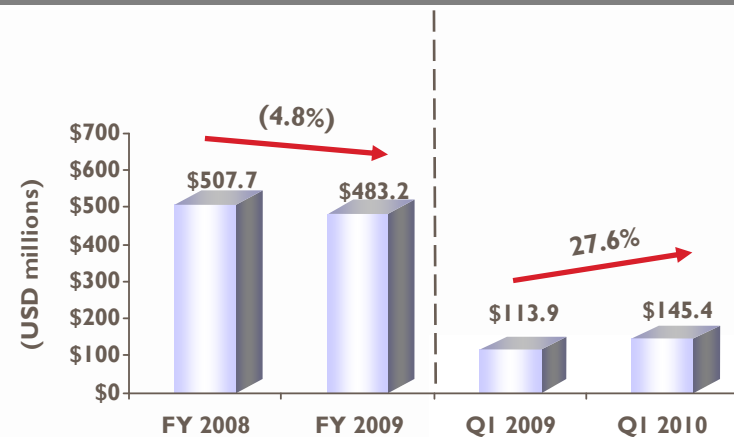
## % of IQ2010 Total Distributable Earnings Revenue



## Drivers

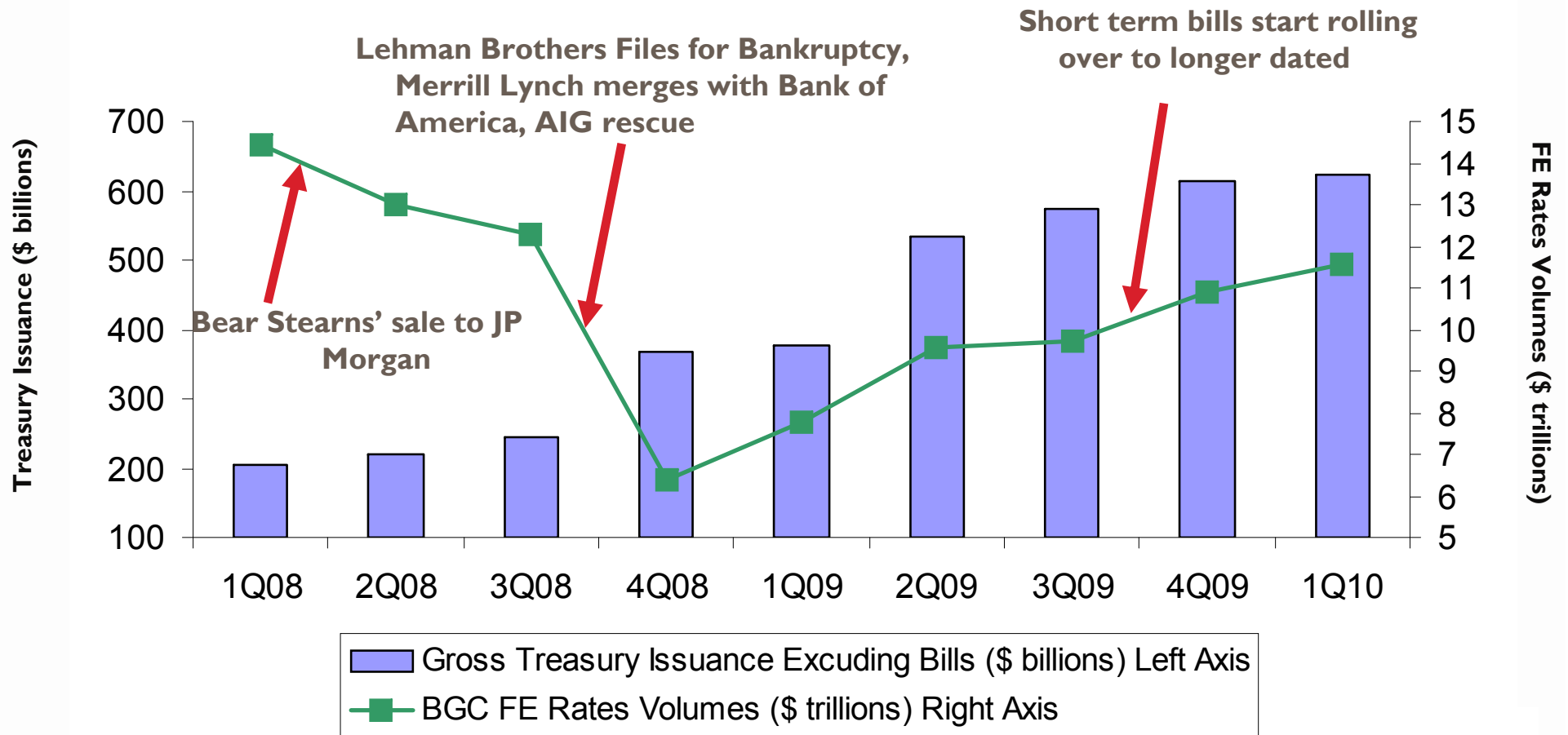
- Voice & fully electronic cash rates business grew due to strong sovereign debt issuance globally
- European rates business activity increased due to debt issues facing various EU states
- Global IRS activity aided by strong sovereign & corporate issuance

## Rates Revenue Growth

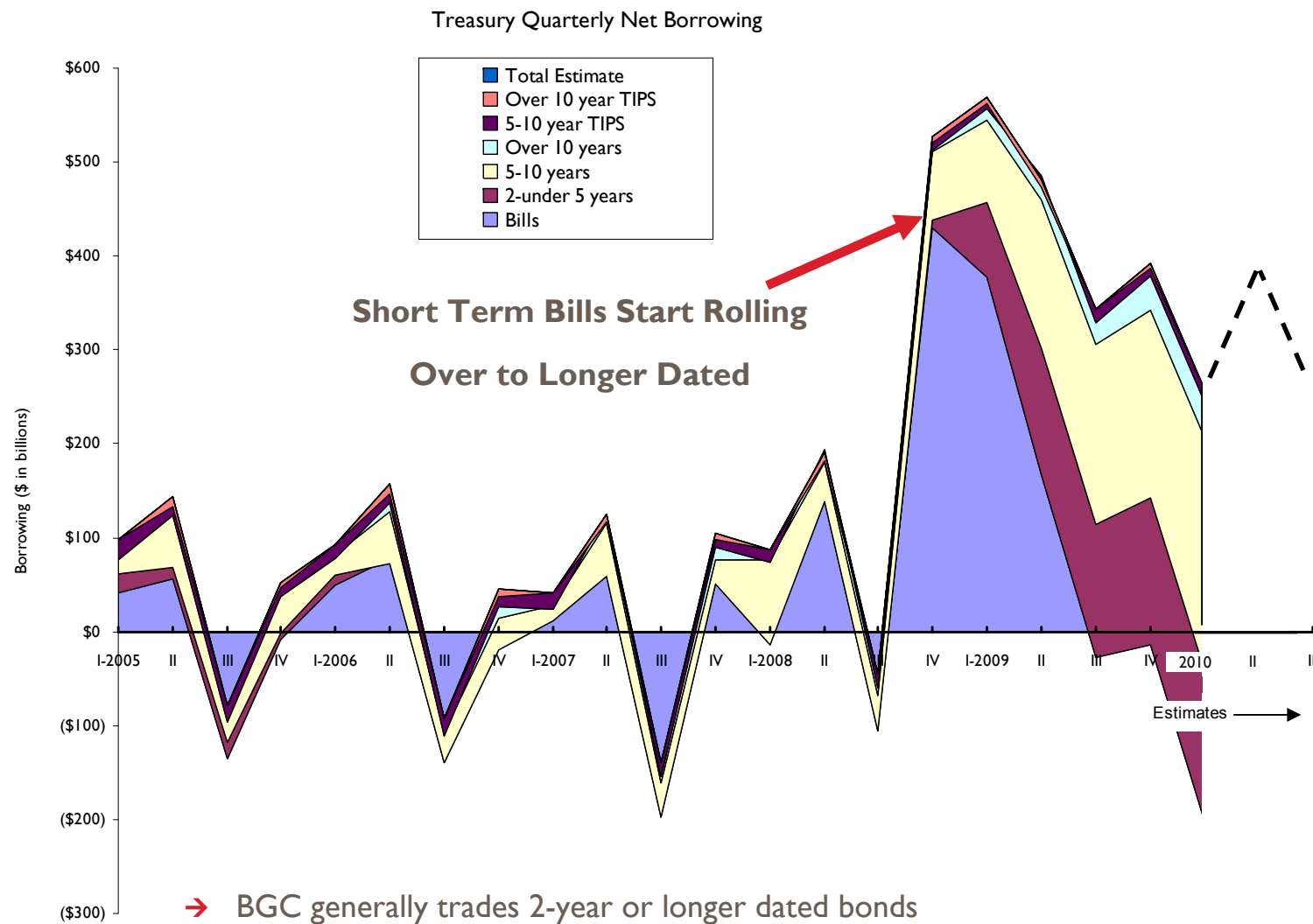




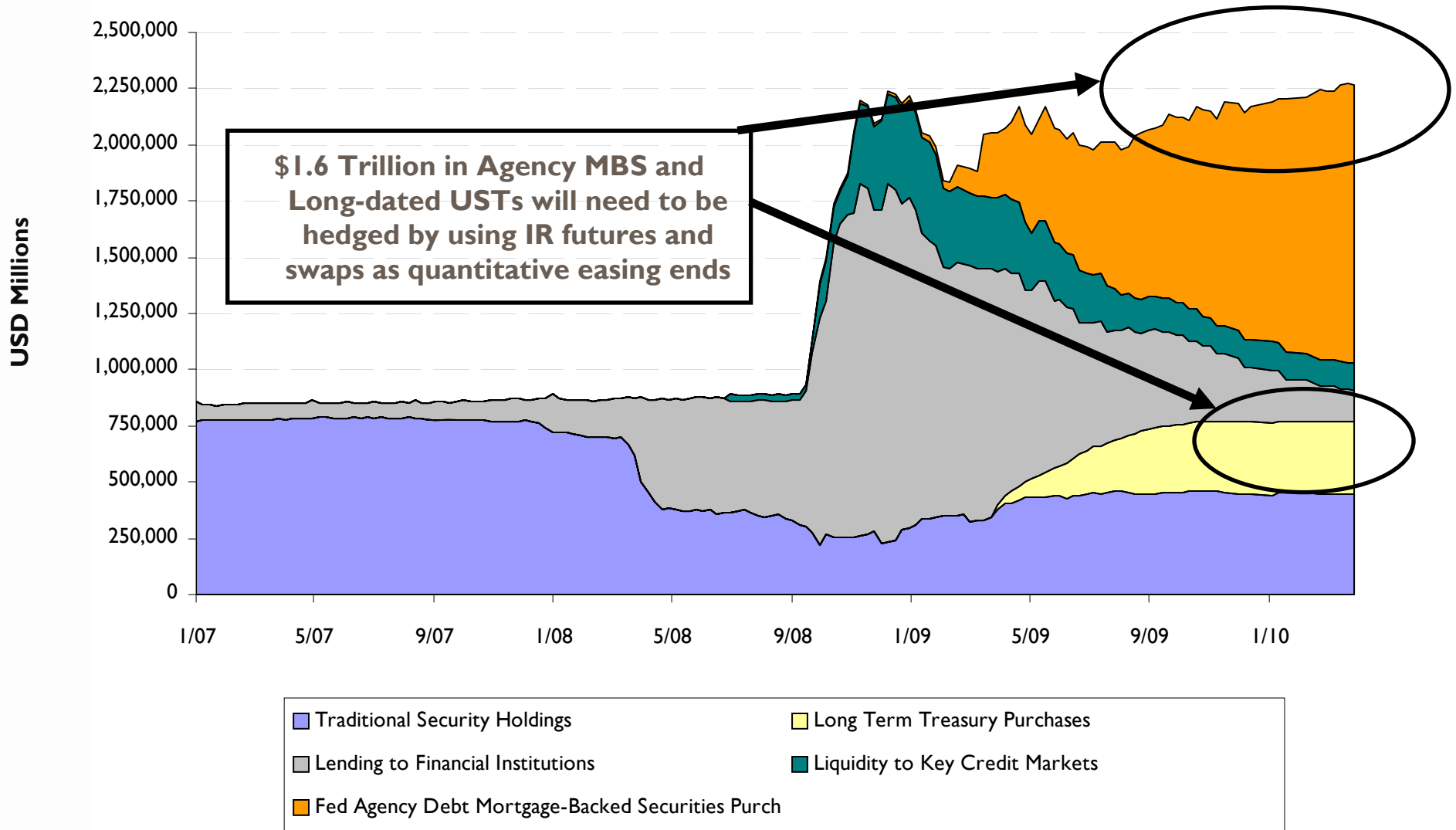
# UST Issuance Drives Fully Electronic Rates Growth



# Record US Treasury Issuance = Tailwind

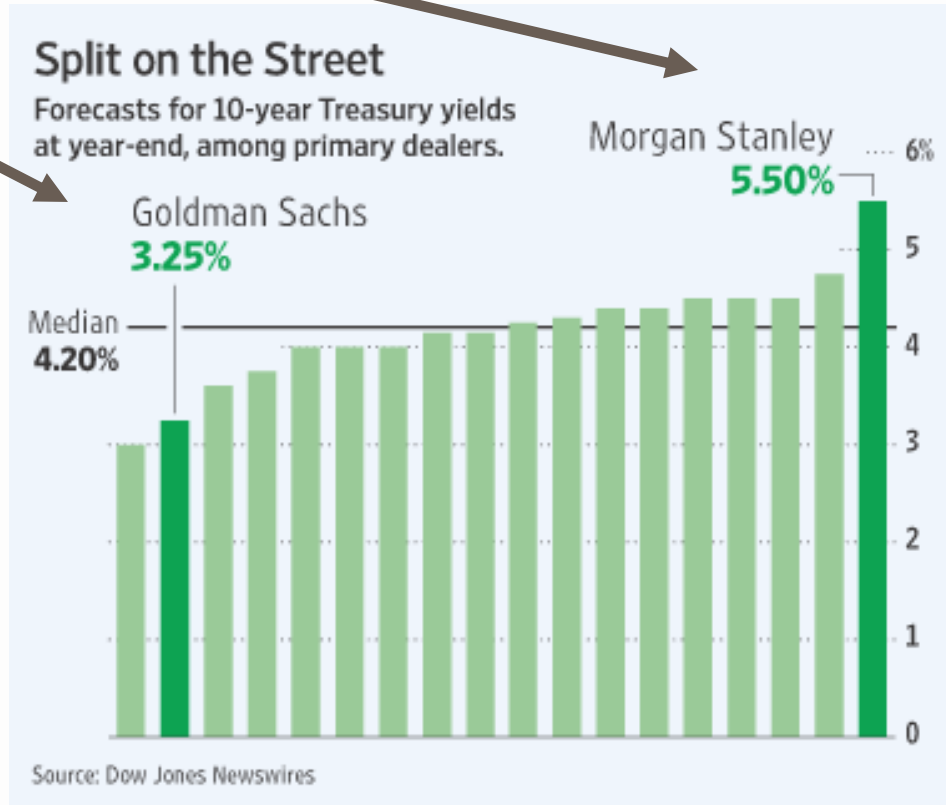


# Pending Fed Balance Sheet Unwind = Future Tailwind

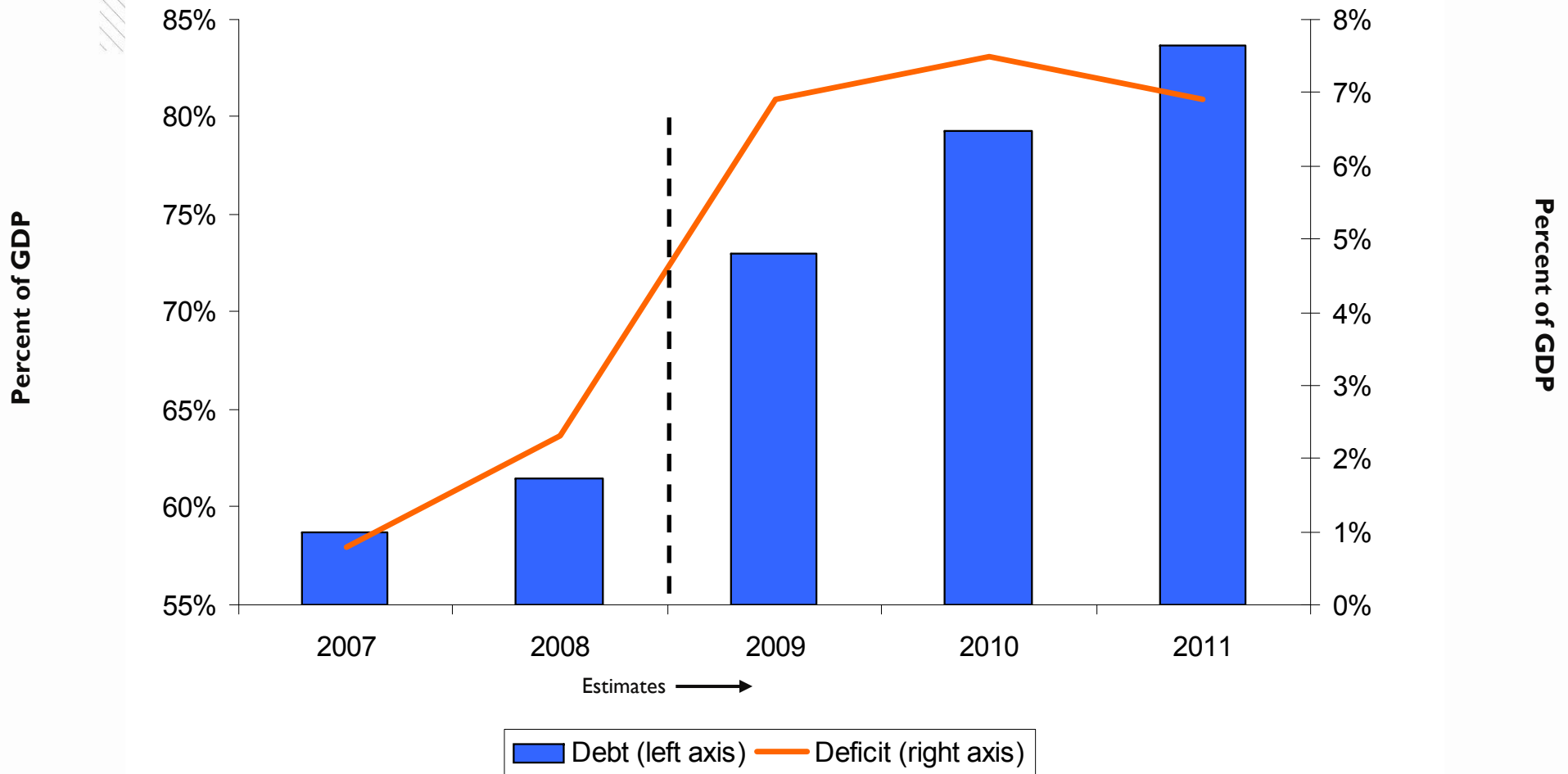


# Uncertainty → Volatility → Higher Rates Volumes

Wide Difference of Opinion



## ...As do EU Deficits and Gross Debt



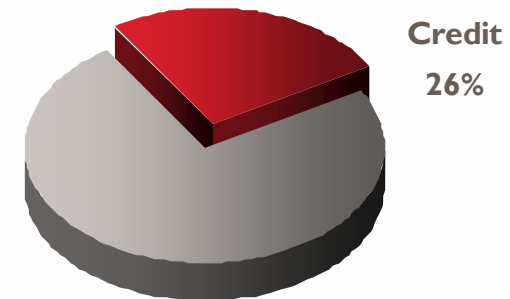
- Even as deficits begin to stabilize as a percentage of GDP, gross debt continues to rise
- As national deficits rise, trading in both bonds and their related interest rate and credit derivatives increases

# Brokerage Overview: Credit

## Example of Products

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

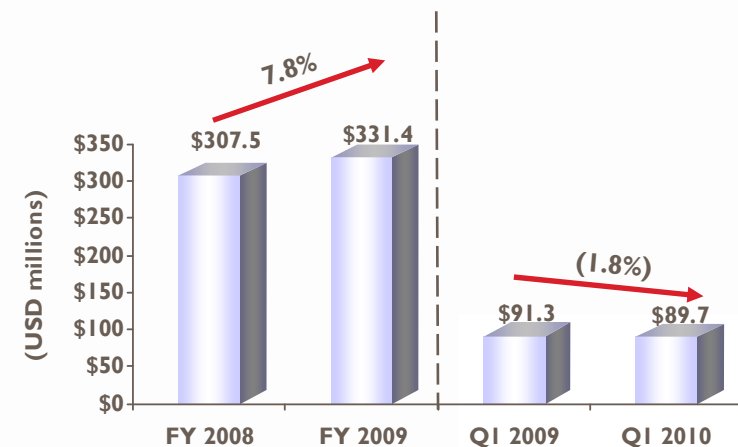
## % of IQ2010 Total Distributable Earnings Revenue



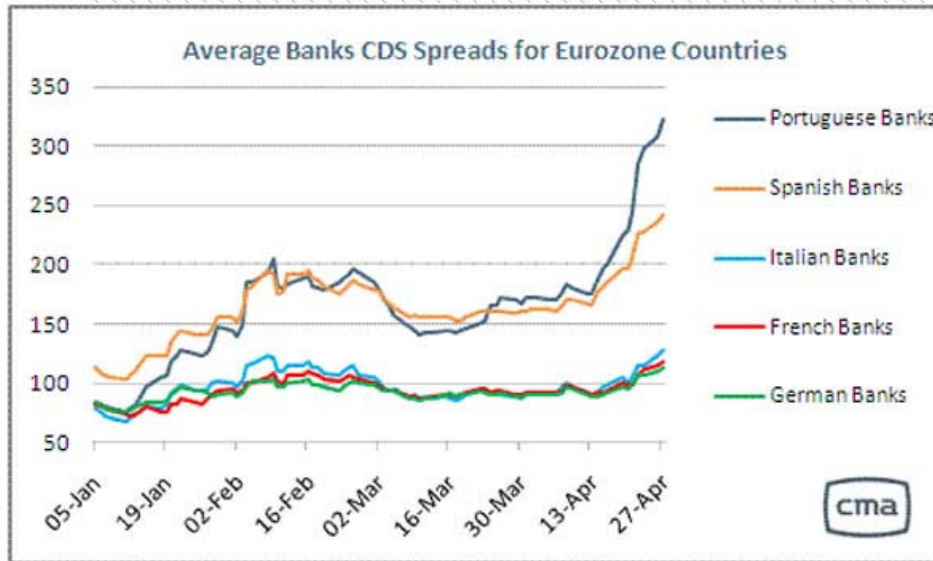
## Drivers

- Primarily lower industry-wide cash bond revenues & CDS activity
- Partially offset by strong y-o-y growth for BGC in fully electronic CDS trading in the US, Asia & Europe
- Sovereign CDS business has grown due to various sovereign debt concerns

## Credit Revenue Growth

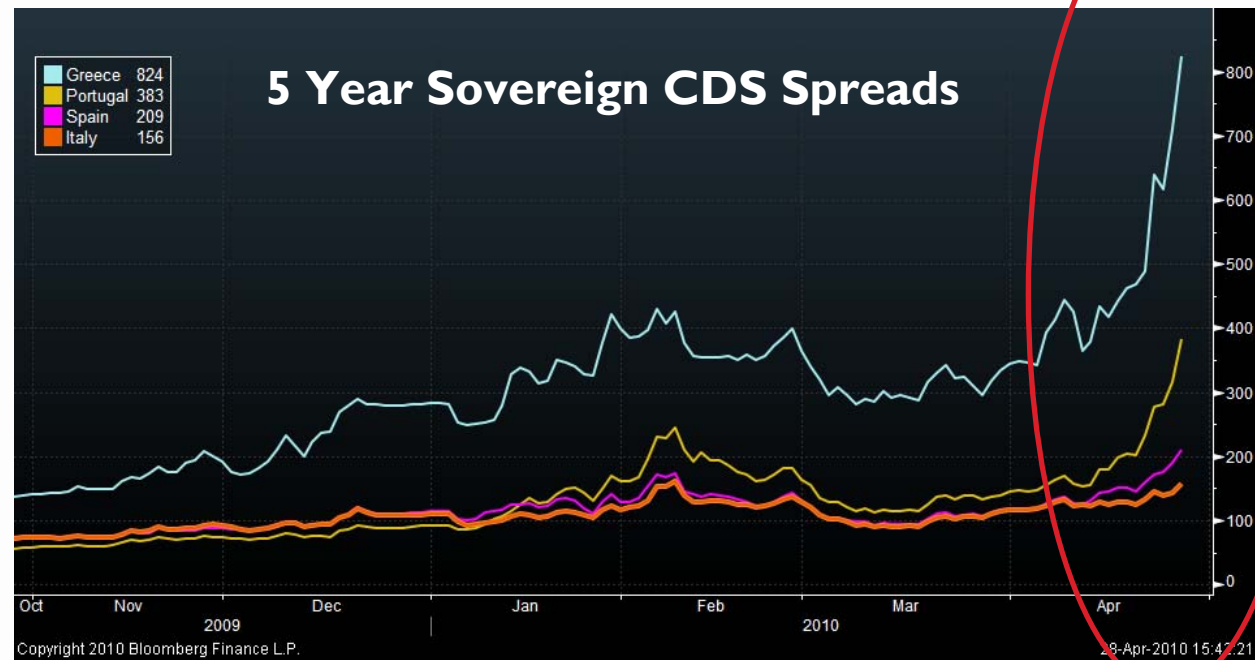


# European Sovereign & Related CDS Activity is Strong...

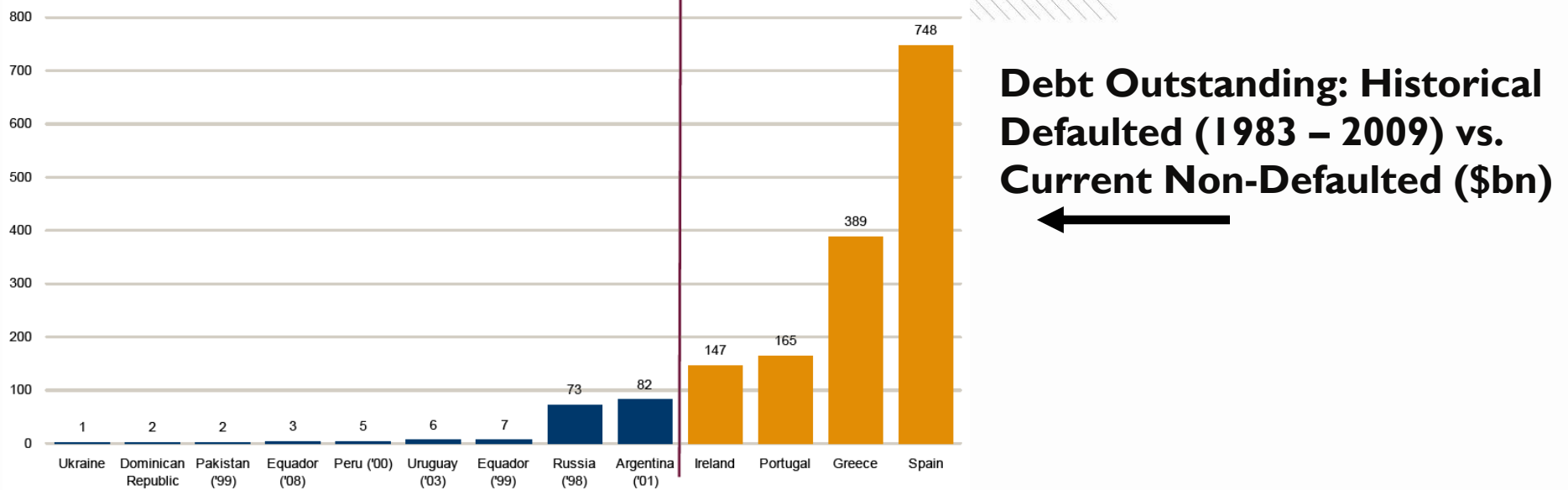


**5 Year sovereign CDS spreads rapidly widening during April**

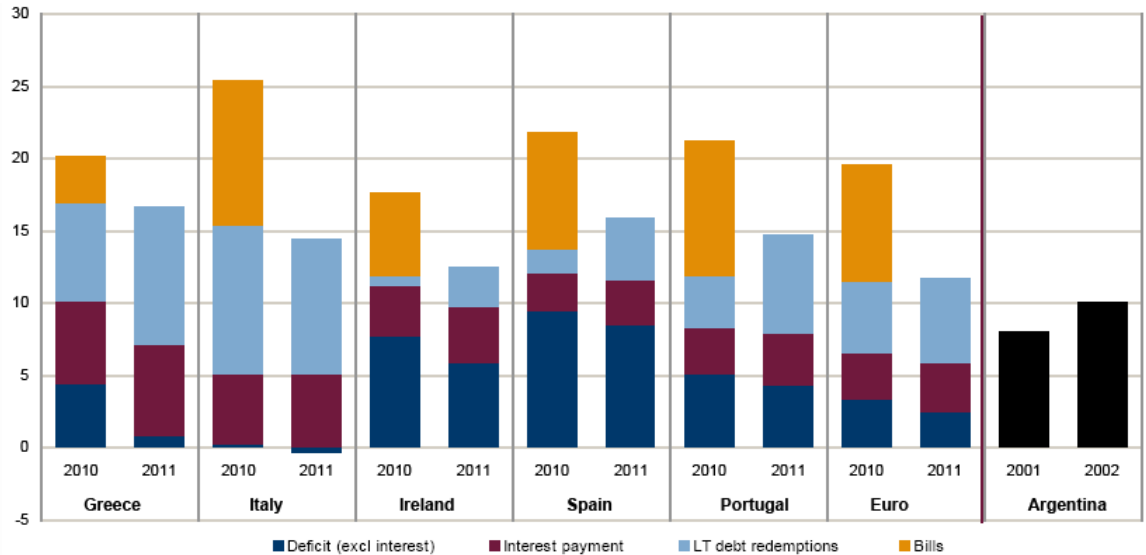
**CDS spreads also widening for banks in affected nations**



# ....As Potential Credit Events Dwarf Prior Defaults

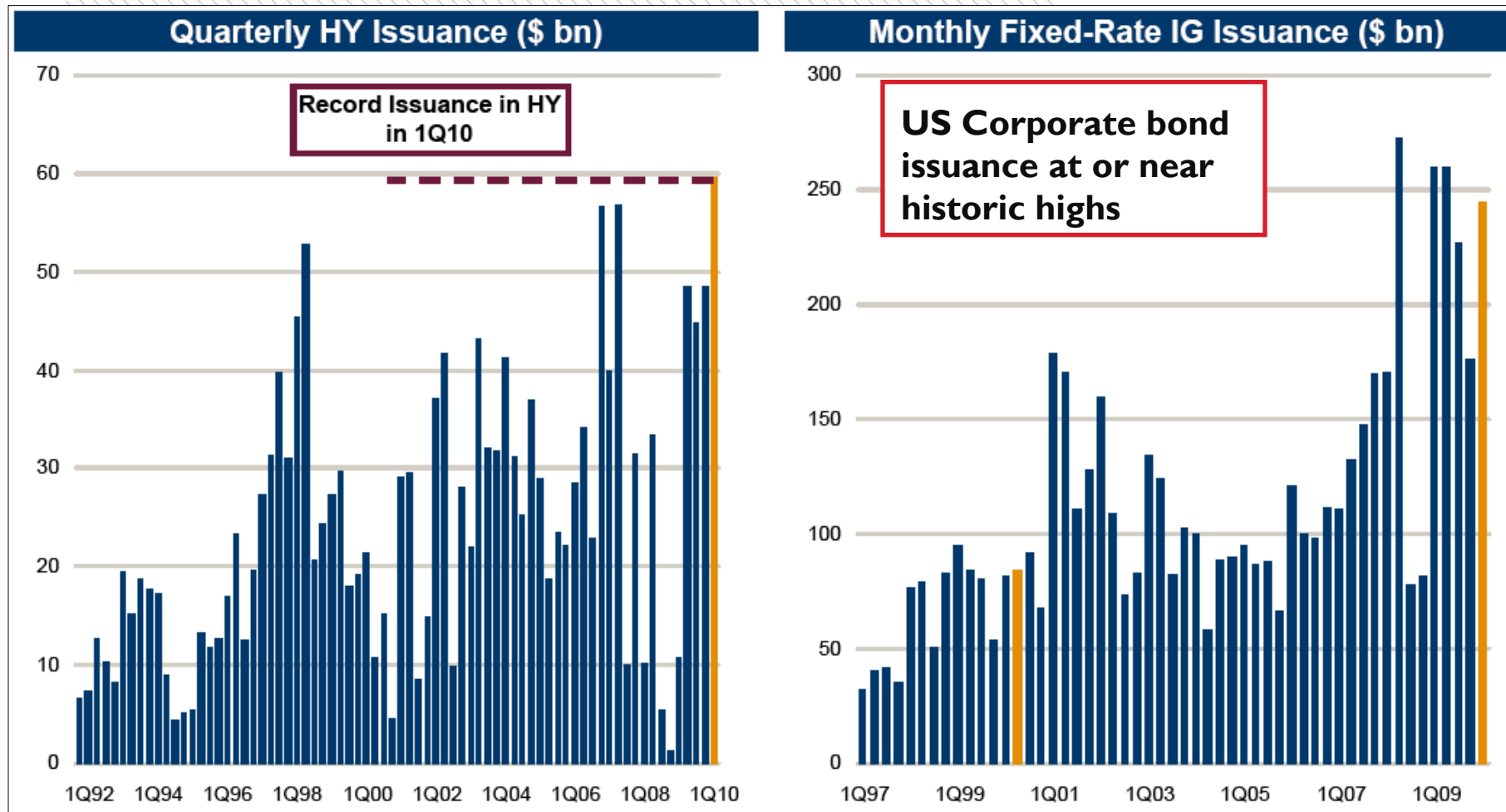


## Financing Needs for European Sovereigns (% of GDP)





# Strong Corporate Debt Issuance and Trading Volumes

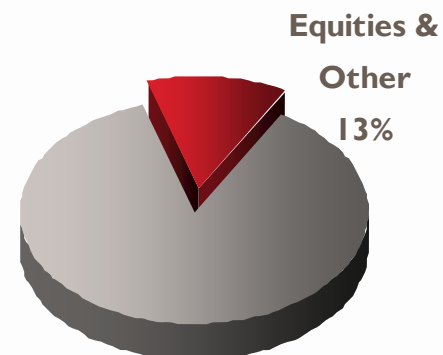


# Brokerage Overview: Equities & Other Asset Classes\*

## Example of Products

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

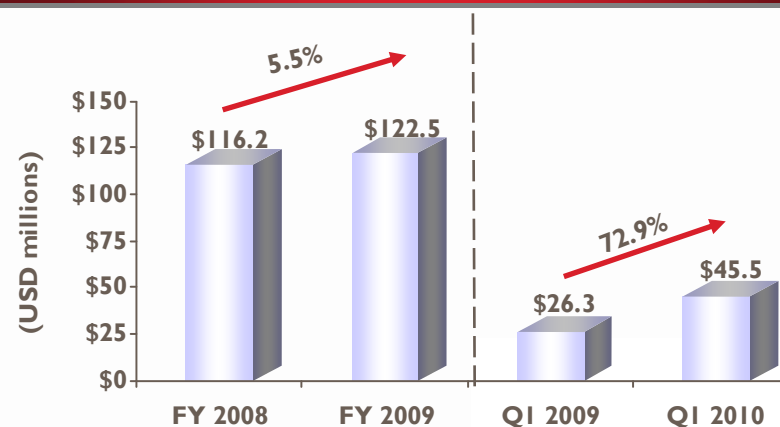
## % of IQ2010 Total Distributable Earnings Revenue



## Drivers

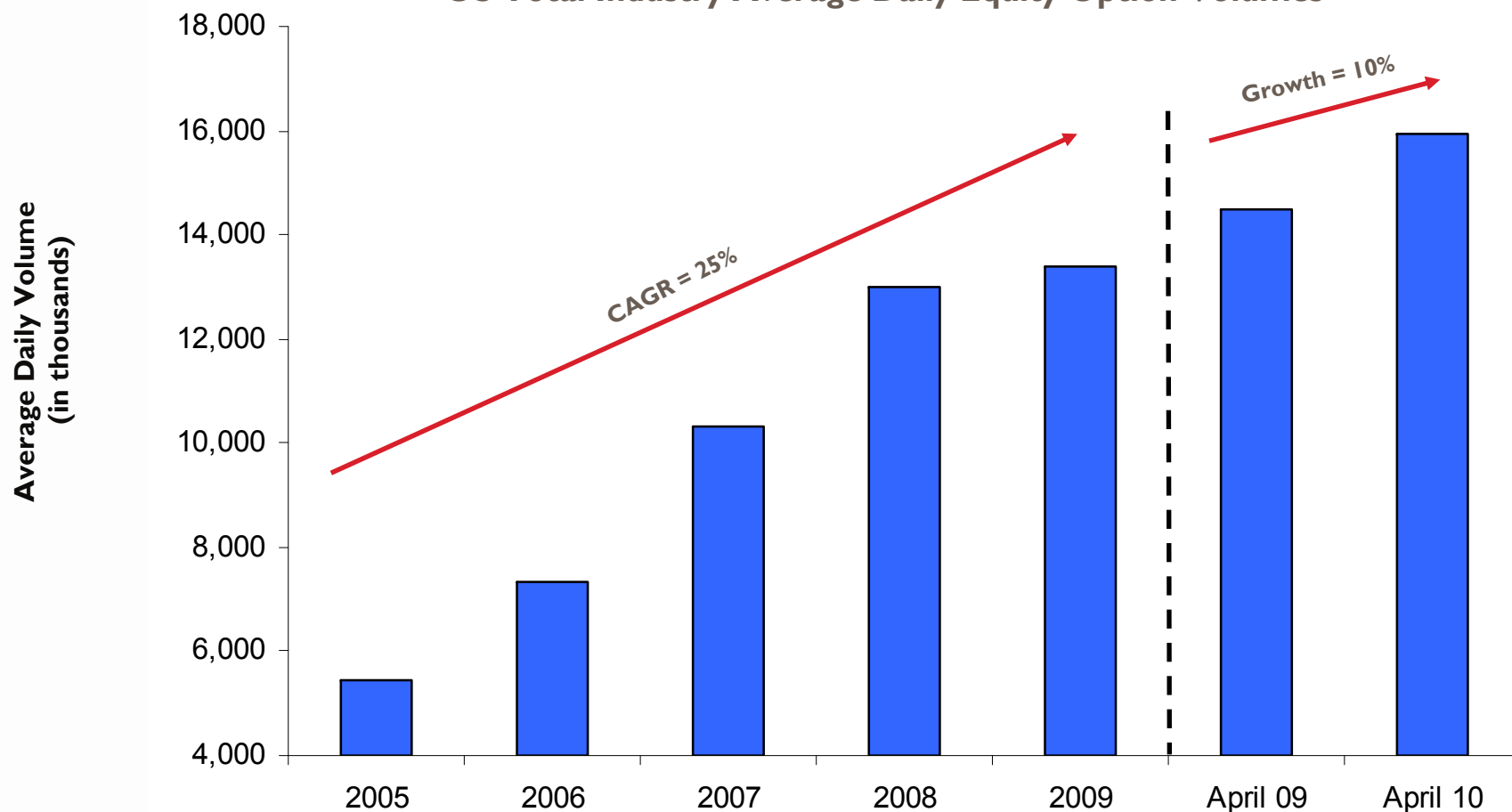
- Primarily strong growth globally from the Company's equity derivatives products

## Equities & Other Asset Classes Revenue Growth



# Option Market Growth Should Help BGC's Equity Derivatives Desks

US Total Industry Average Daily Equity Option Volumes

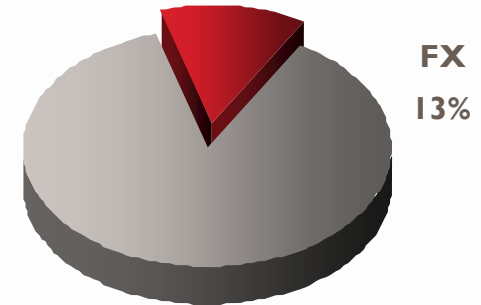


# Brokerage Overview: Foreign Exchange

## Example of Products

- Foreign exchange options
- G-10
- Emerging markets
- Cross currencies
- Exotic options
- Spot FX
- Emerging market FX options
- Exotic FX options
- Non-deliverable forwards

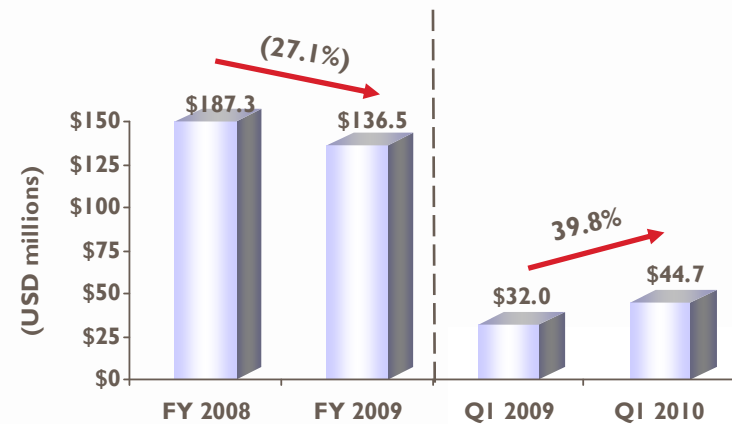
## % of 1Q2010 Total Distributable Earnings Revenue



## Drivers

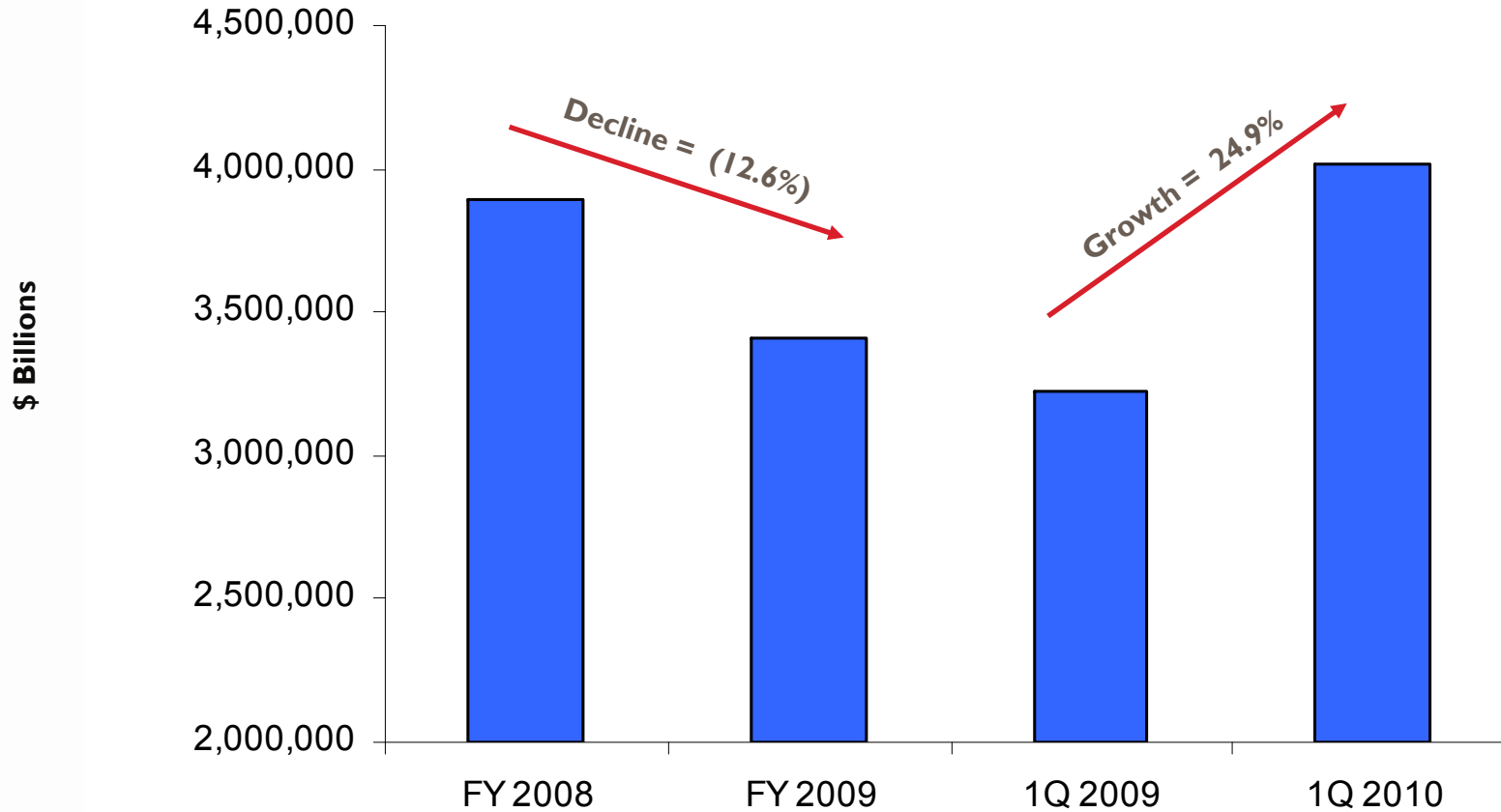
- Primarily due to a sharp rebound in global volumes and as credit issues eased for customers of BGC's Emerging Markets desks
- Also driven by significantly higher fully electronic revenues for BGC Sovereign debt issues in Europe have been increasing overall FX volumes

## Foreign Exchange Revenue Growth

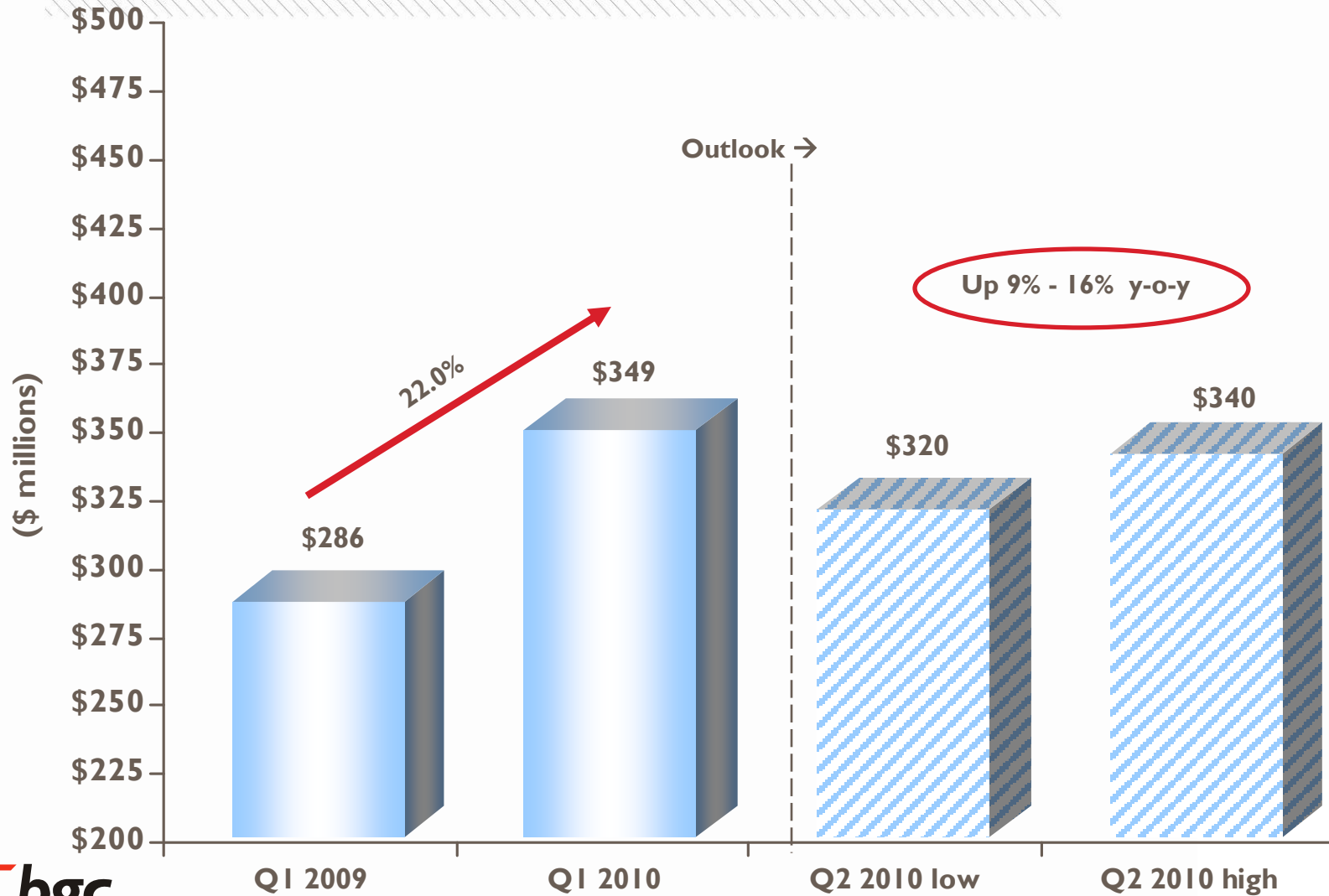


# Overall Industry Spot/Forward FX Growth Returns

## FX Average Daily Values

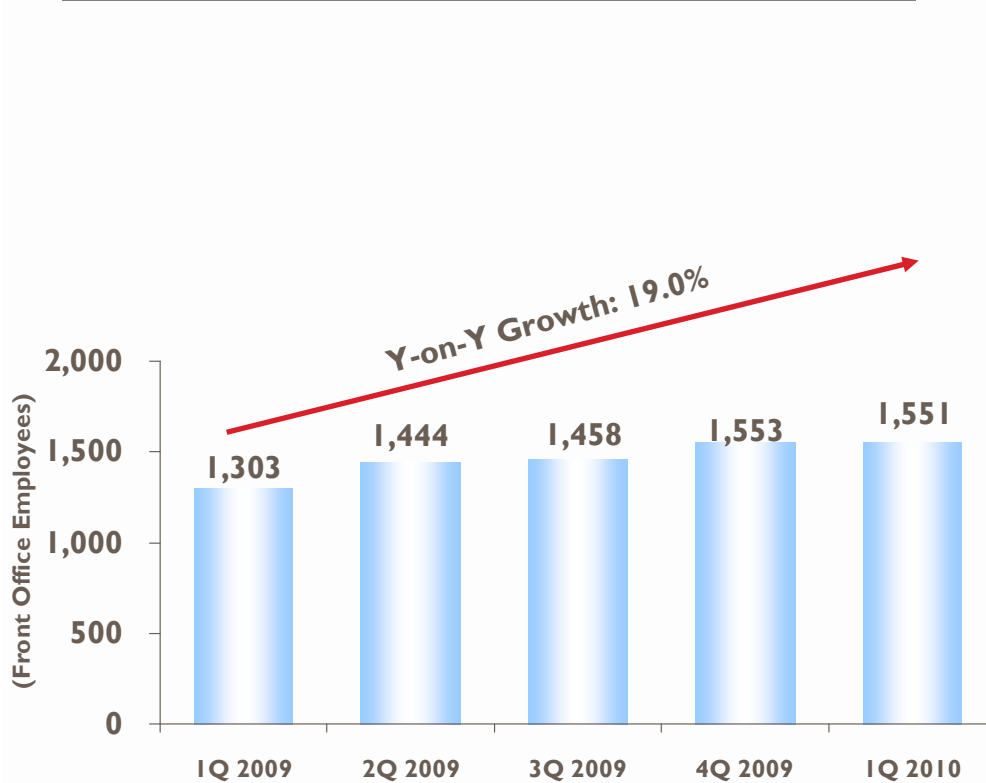


# BGC Revenue Trend (millions)

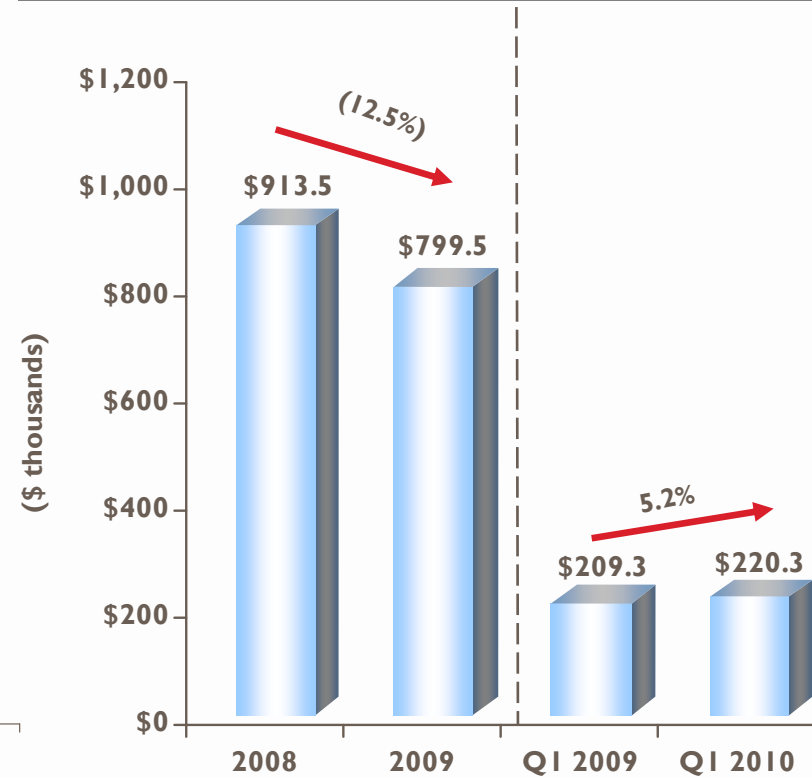


# BGC Front Office Employee Growth

Front Office Headcount



Front Office Productivity (in thousands)



- ➔ On 3/31/2010, BGC Partners had 1,551 front office employees versus 1,553 on 12/31/09 and 1,303 on 3/31/09
- ➔ Historically, the Company's average revenue per broker has declined for the periods following significant headcount increases. BGC Partners' new brokers generally achieve higher productivity levels in their second year with the Company



Note: Front office productivity is calculated as "total brokerage revenue," "market data and software sales revenue," and the portion of "fees from related party" line items related to fully electronic trading divided by average front office headcount for the relevant period.

# BGC Fully Electronic Growth

Fully Electronic Volumes (in trillions)



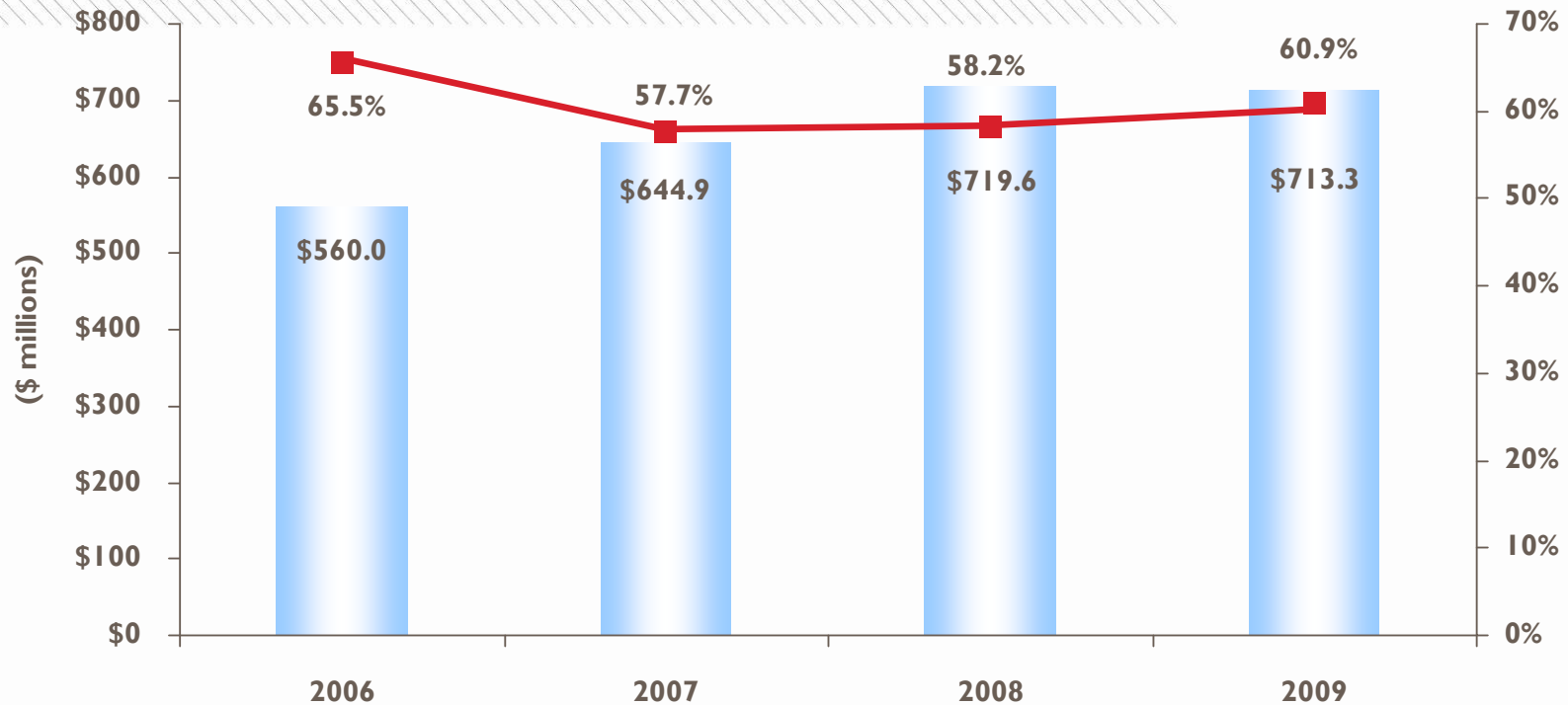
Fully Electronic Revenues (in millions)\*



- Year on year fully electronic revenue growth was 8.7% in 3Q2009, 38.2% in 4Q2009, and 57.9% in 1Q2010
- Over time, higher fully electronic revenues should = improved margins



# BGC Partners Compensation Ratio

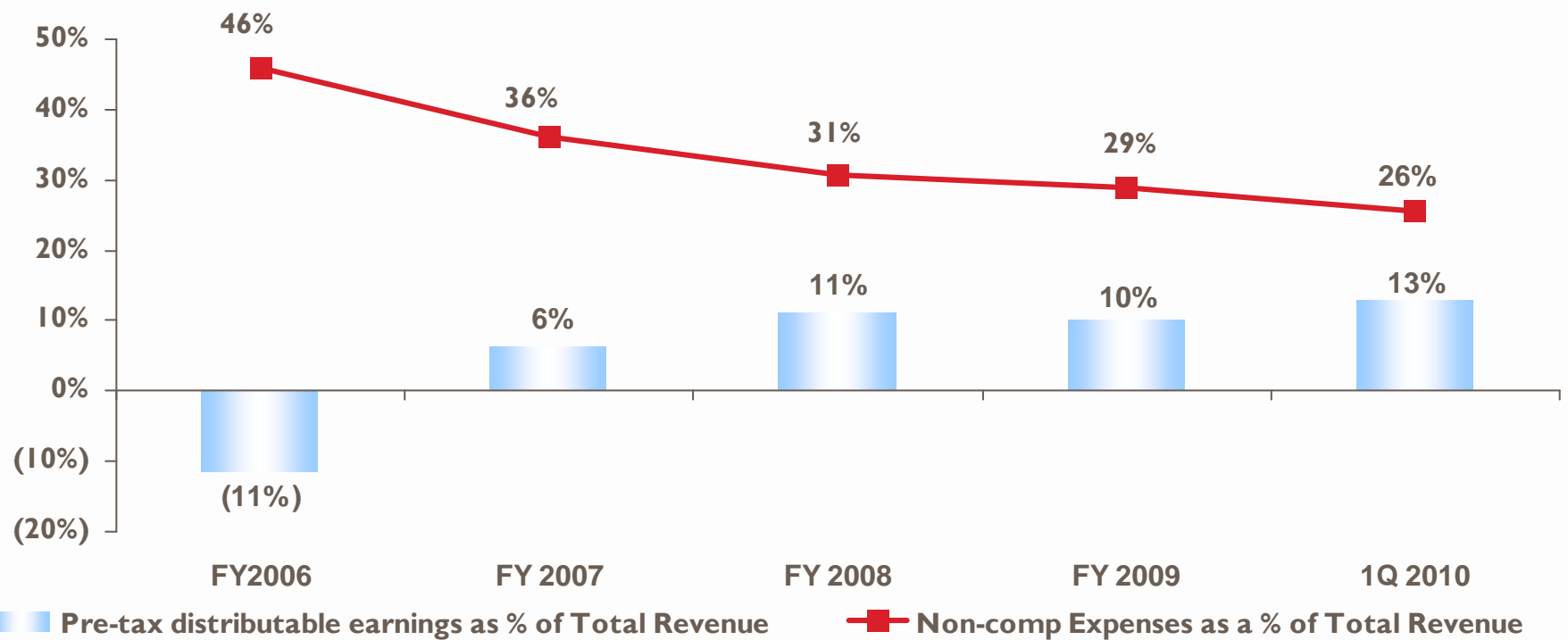


■ Compensation and Employee Benefits

■ Compensation and Employee Benefits as % of Total Revenue

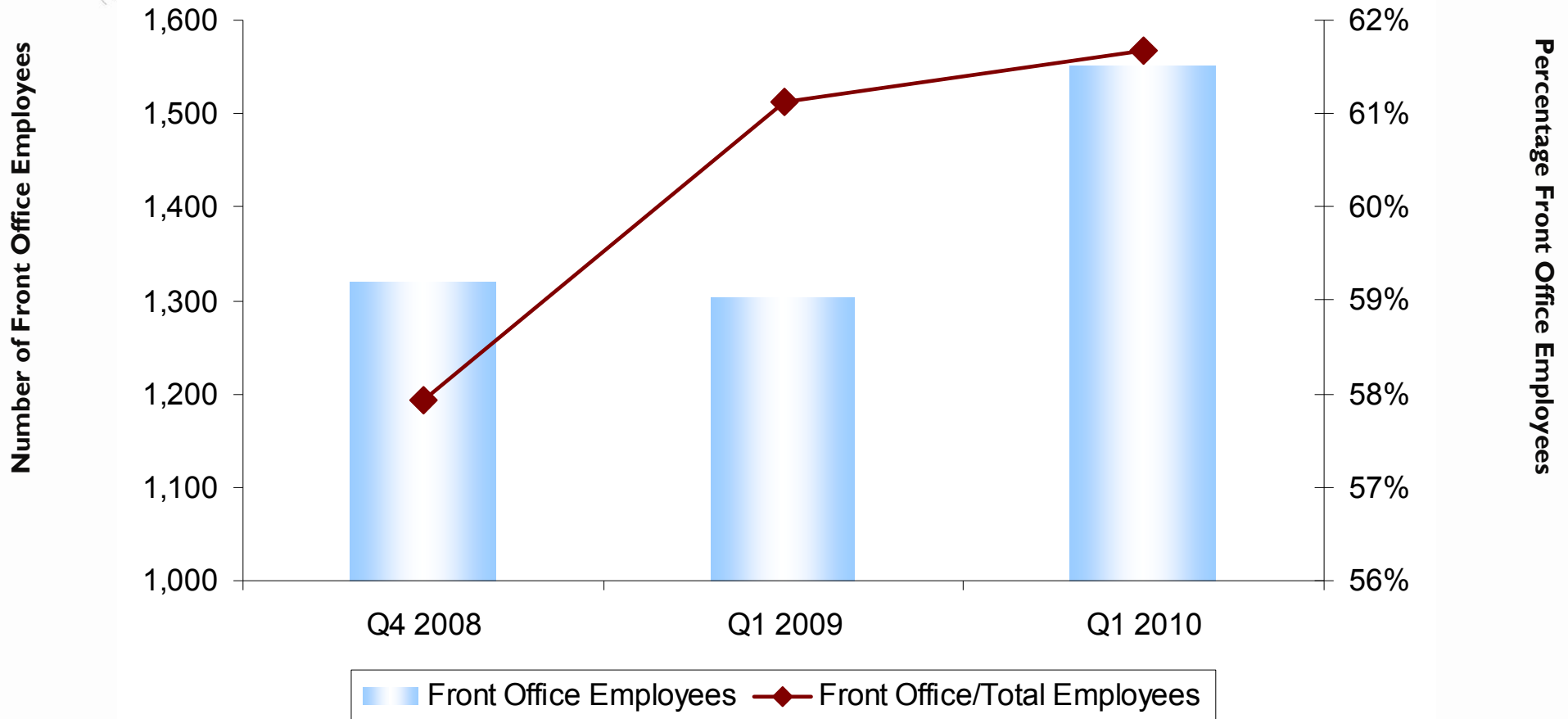
- Compensation ratio was 61.5% in IQ2010 vs. 60.9% in IQ2009
- Historically the compensation ratio increases during periods of rapid headcount growth, as new brokers have typically take several quarters to achieve expected productivity levels

# Operating Leverage / Fixed Expense Base



- Non-comp expenses were 25.6% of distributable earnings revenues in 1Q2010 versus 28.6% in 1Q2009
- Pre-tax distributable earnings margin was 12.8% in 1Q2010 vs. 10.5% in 1Q2009
- Post-tax distributable earnings margin was 10.9% in 1Q2010 vs. 7.9% in 1Q2009

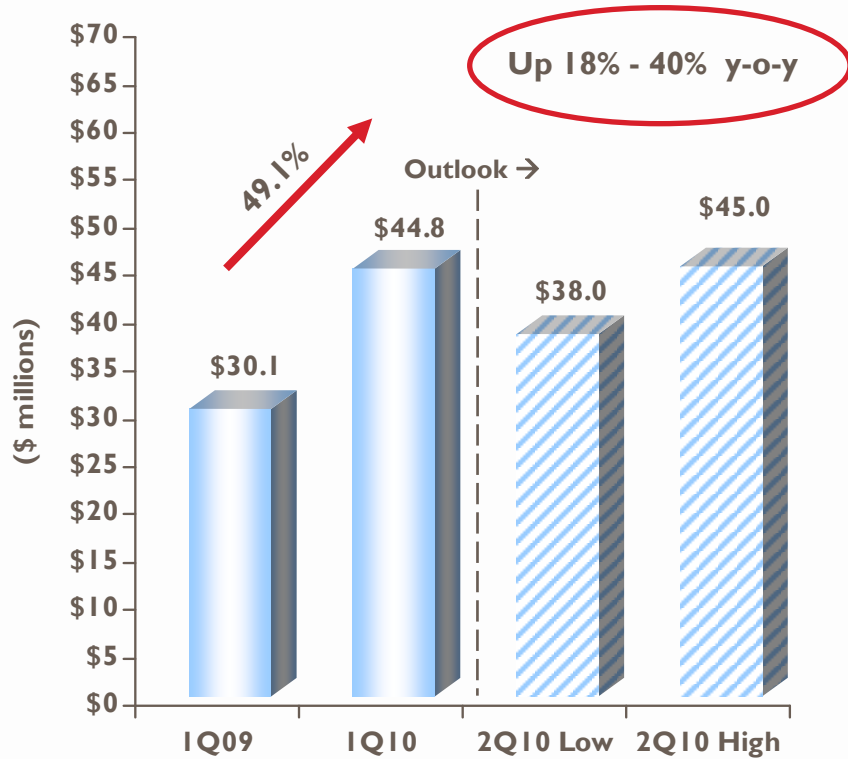
# BGC: Scalable Business Poised for Margin Expansion



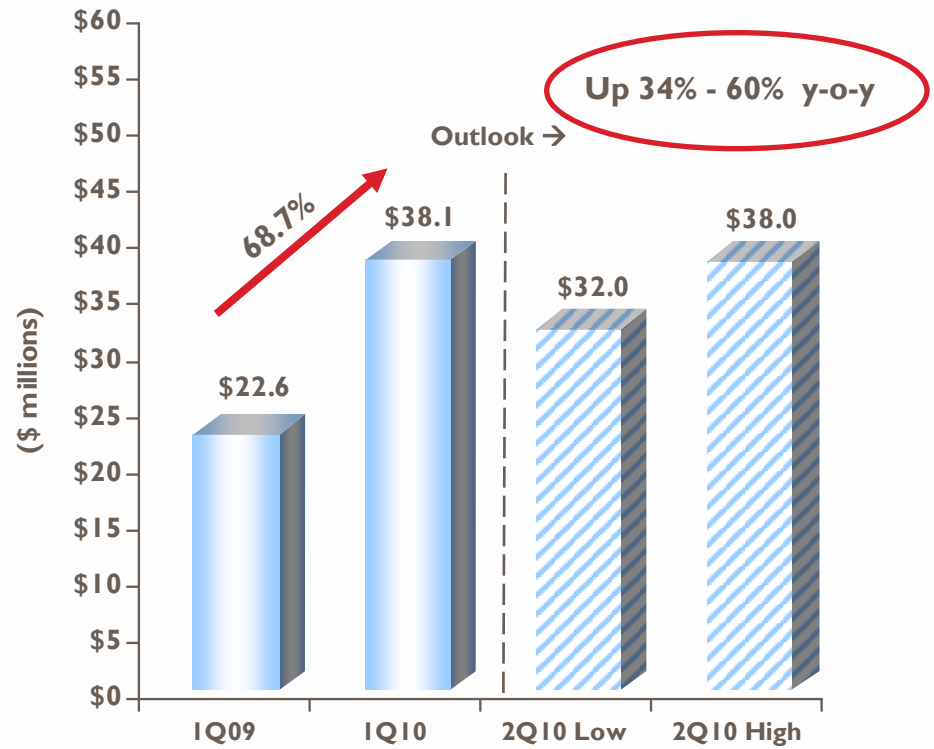
→ As new brokers/salespeople improve productivity, BGC expects positive impact on compensation ratio & margins

# Distributable Earnings Growth

## Pre-tax Distributable Earnings Growth



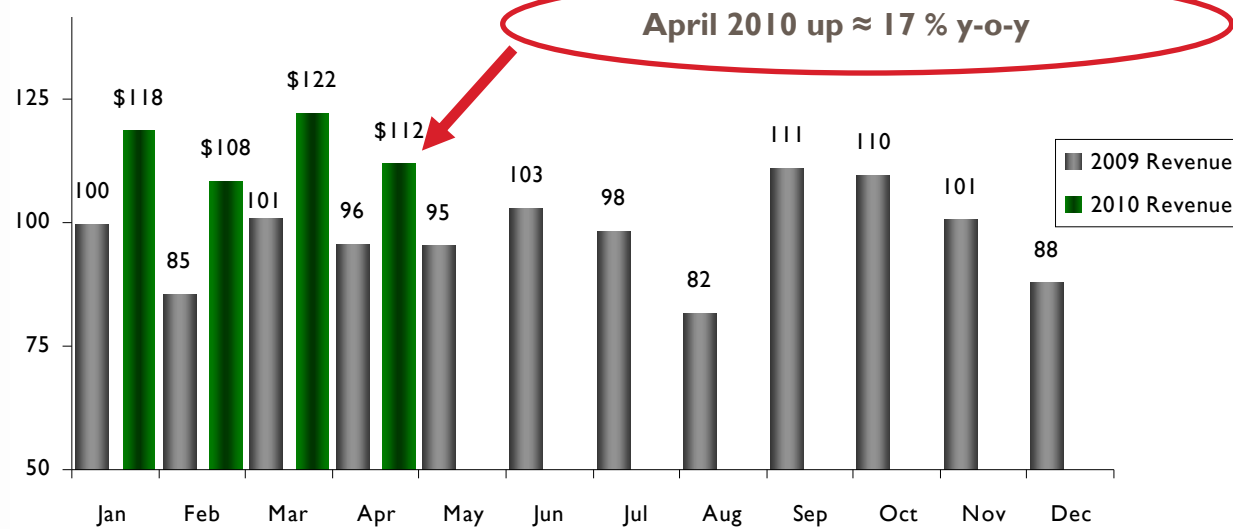
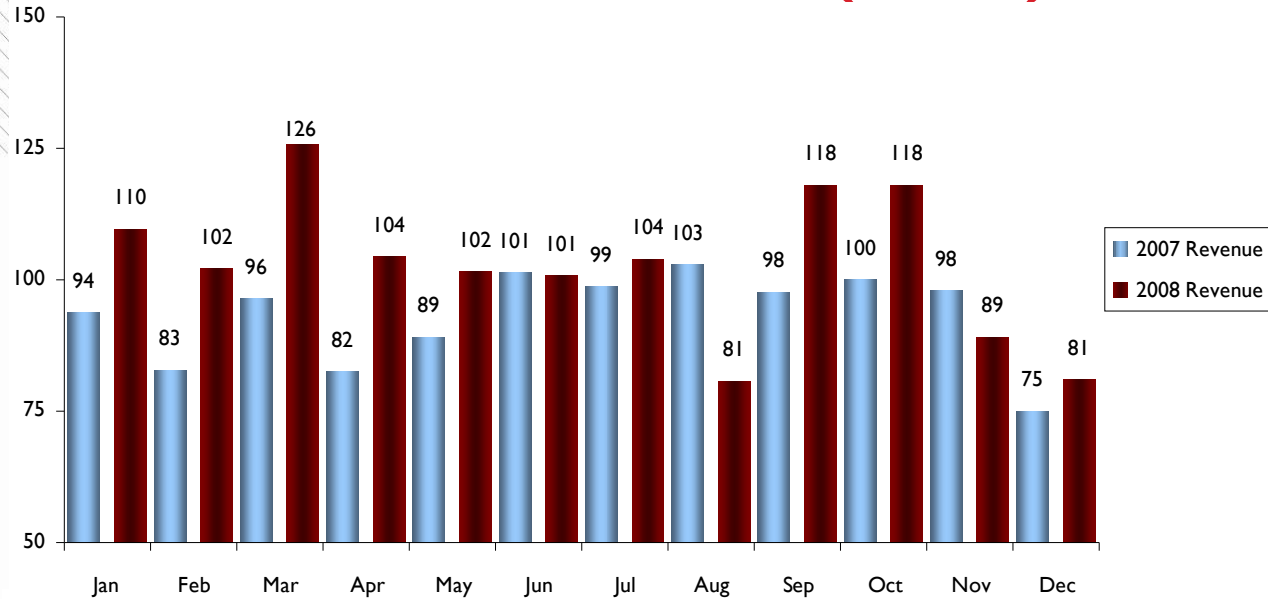
## Post-tax Distributable Earnings Growth



→ First Quarter Pre-tax & Post-tax distributable earnings per fully diluted share were up 33.3% and 54.5% y-o-y respectively

# ...Revenue Growth Resumes (\$MM)

BGC Monthly Distributable Earnings Revenues (\$MM)



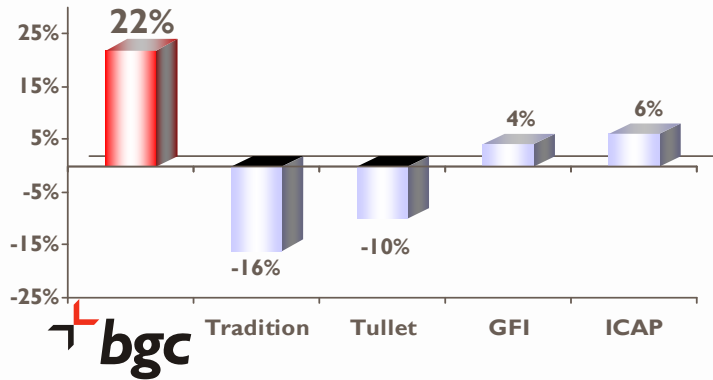
voice + electronic brokerage

Note: April 2010 revenue number is preliminary.

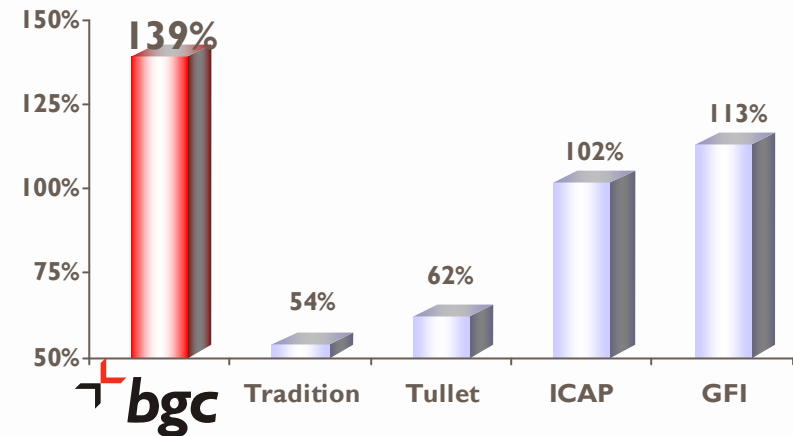
# Leading Global Inter-dealer Broker

## Operational comparison

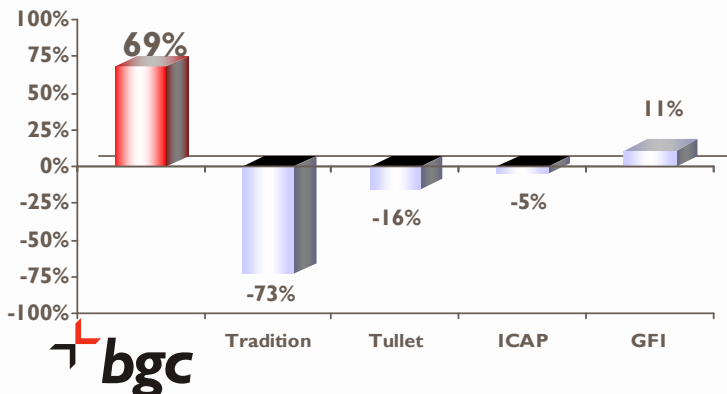
### Y-O-Y Revenue Growth (MRP Available)



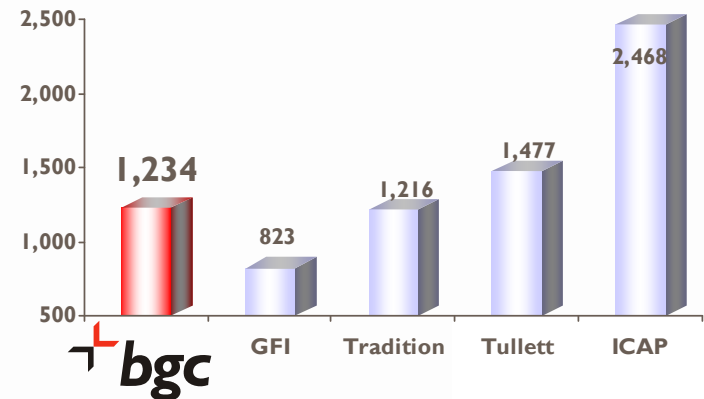
### 5 Year Revenue Growth (2004-2009)



### Y-O-Y Net Income growth (MRP Available)



### TTM Revenue ( in USD)

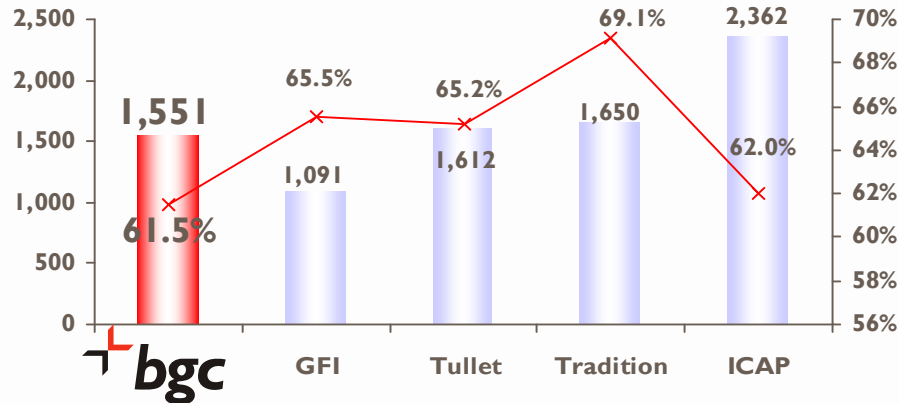


Note: Revenue and net income growth calculated in local currency. MRP available for Revenue and Net Income Growth is for BGC IQ10, Tradition IQ10 for revenue growth and 2H09 for net income growth, GFI IQ10, Tullet 2H09, ICAP is 1H FY10 ended 3/31/2010. TTM Revenue is 3/31/10 for BGC, GFI, ICAP and Tradition, and December 31, 2009 for Tullet. For other data shown, ICAP's CY2009=FY2010 ending 3/31/2010 and is based on Bloomberg consensus estimates. Source: Company filings, Bloomberg

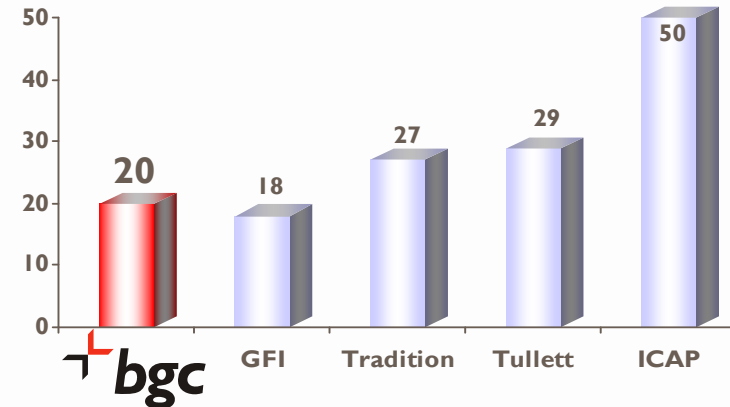
# Leading Global Inter-dealer Broker

## Operational comparison (Continued)

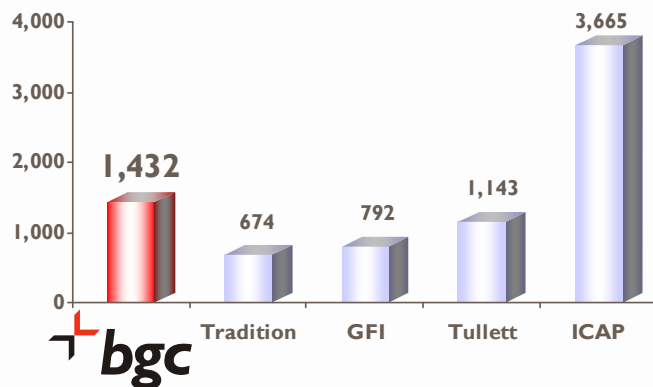
### Brokers and broker compensation/revenue



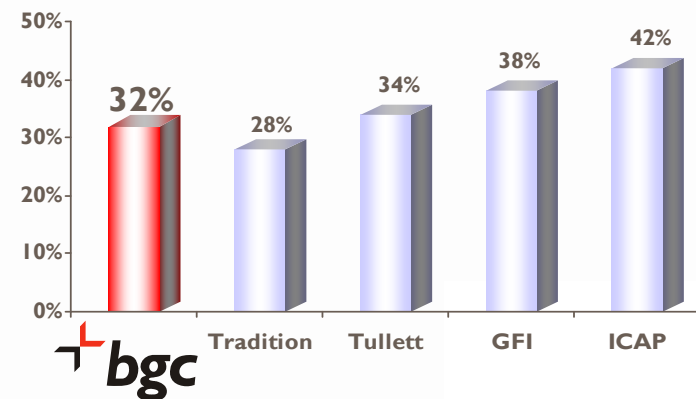
### Number of cities present



### Market Cap (in USD)



### Revenue in the Americas (% of total) – MRP



# Distributable Earnings

BGC Partners uses non-GAAP financial measures including “Revenues for distributable earnings”, “pre-tax distributable earnings” and “post-tax distributable earnings” as supplemental measures of operating performance and which are used by management to evaluate the financial performance of the Company and its subsidiaries. BGC Partners believe 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 continuing 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 exclude certain non-cash compensation and other expenses which generally do not involve the receipt or outlay of cash by BGC Partners, and which do not dilute existing stockholders, and which do not have economic consequences, as described below.

Revenues for distributable earnings are defined as GAAP revenues excluding the impact of BGC Partners’ pro rata share of earnings or losses from its equity investments, such as in Aqua Securities, L.P. (“Aqua”) and ELX Electronic Liquidity Exchange (“ELX”). Pre-tax distributable earnings are defined as GAAP income (loss) from continuing operations before income taxes excluding non-cash, non-dilutive, and non-economic items, including, for example: Non-cash stock based equity compensation charges, for REUs granted or issued prior to the merger of BGC Partners with and into eSpeed, as well as post-merger non-cash, non-dilutive equity-based compensation related to partnership unit exchange or conversion; Allocation of net income to founding/working partner units, REUs, RPU, PSUs and PSIs; and Non-cash asset impairment charges, if any. Charges related to repurchases, cancellations or redemptions of partnership interests. Distributable earnings calculations also exclude certain one-time or non-recurring items, if any. 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. In the event that there is a GAAP loss but positive distributable earnings, the distributable earnings per share calculation will include all fully diluted shares that would be excluded under GAAP to avoid anti-dilution. In addition to the pro rata distribution of net income to BGC Holdings founding/working partner units, PSUs, PSI, RPU, REUs, and to Cantor for its non-controlling interest, BGC Partners, Inc. also expects to pay a quarterly dividend to its common stockholders. The amount of all of these payments is expected to be determined using the same definition of distributable earnings. The dividend to stockholders is expected to be calculated based on post-tax distributable earnings allocated to BGC Partners, Inc. and generated over the fiscal quarter ending prior to the record date for the dividend. No assurance can be made, however, that a dividend will be paid each quarter. Employees who are holders of unvested restricted stock units (“RSUs”) are granted pro-rata payments equivalent to the amount of dividend paid to common stockholders. Under GAAP, dividend equivalents on unvested RSUs are 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 income (loss) for fully diluted shares.

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 presentation of BGC Partners, Inc.’s GAAP financial results. However, management does believe that they will help provide investors with a clearer understanding of the Company’s financial performance and offer useful information to both management and investors regarding certain financial and business trends related to our financial condition and results from operations. Management believes that distributable earnings and the GAAP measures of the Company’s financial performance should be considered together. Management does not anticipate providing an outlook for GAAP revenues, “income (loss) from continuing 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 this release entitled “Reconciliation of GAAP Income to Non-GAAP Distributable Earnings”, which provides a summary reconciliation between pre- and post-tax distributable earnings and GAAP “net income (loss) for fully diluted shares” and GAAP “income (loss) from continuing operations before income taxes” for the Company in the periods discussed in this document.