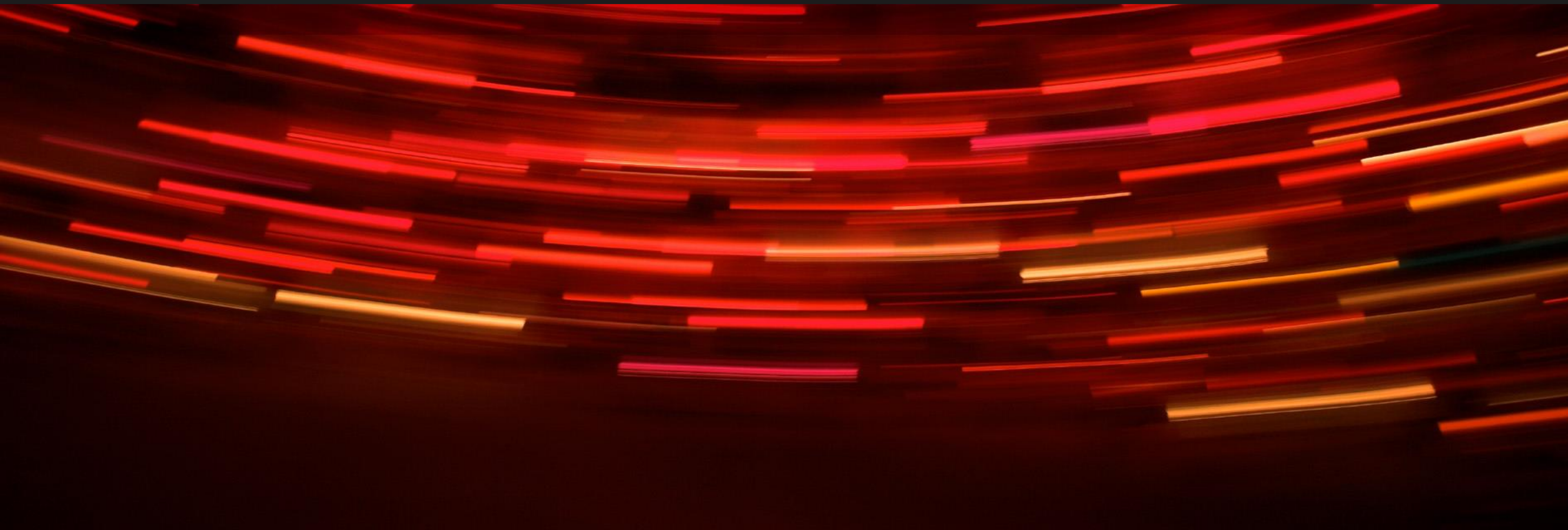
BGC PARTNERS, INC.

NASDAQ: BGCP

Acquisition of Berkeley Point Financial



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DISCLAIMER

Discussion of Forward-Looking Statements about BGC Partners and Berkeley Point

Statements in this document regarding BGC, the proposed transactions, and Berkeley Point that are not historical facts are "forward-looking statements" that involve risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements. Factors that could cause actual results to differ from those contained in the forward-looking statements include, but are not limited to: the possibility that the proposed transactions may not be consummated in a timely manner or at all, including as a result of a failure to satisfy a condition to closing (including regulatory approvals); the possibility that there may be an adverse effect or disruption from the proposed transactions that negatively impacts BGC's other businesses; the possibility that the anticipated benefits of the proposed transactions to BGC may not be realized as presently contemplated or at all; and the possibility that changes in interest rates, commercial real estate values, the regulatory environment, pricing or other competitive pressures, and other market conditions or factors could cause the results of Berkeley Point to differ from the forward-looking statements contained herein. 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 Securities and Exchange Commission filings, including, but not limited to, the risk factors set forth in the most recent Form 10-K and any updates to such risk factors contained in subsequent Forms 10-Q or Forms 8-K. Except as required by law, BGC undertakes no obligation to update any forward-looking statements.

Note Regarding Financial Tables and Metrics

Excel files with the Company's quarterly financial results and metrics from the most recently reported 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.

Other Items

BGC Partners, Inc. may also be referred to as "BGC Partners", "BGC", or the "Company". Berkeley Point Financial LLC, and its wholly owned subsidiary Berkeley Point Capital LLC may together be referred to as "Berkeley Point" or "BPF". Cantor Fitzgerald, L.P. including all of its affiliates and subsidiaries may collectively be referred to as "Cantor". Fannie Mae and Freddie Mac may collectively be referred to as "government-sponsored enterprises", "GSEs", or "GSE". The U.S. Department of Housing and Urban Development may also be referred to as "HUD". The Federal Housing Administration may also be referred to as "FHA".

"Newmark Knight Frank" formerly known as "Newmark Grubb Knight Frank" or "NGKF" is synonymous in this document with "Newmark", "NKF", or "Real Estate Services." Our discussion of financial results for 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 Newmark name in their branding or marketing.

BGC, BGC Trader, GFI, FENICS, FENICS.COM, Capitalab, Swaptioniser, ColleX, Newmark, Grubb & Ellis, ARA, Computerized Facility Integration, Landauer, Lucera, Excess Space, and Excess Space Retail Services, Inc. are trademarks/service marks, and/or registered trademarks/service marks of BGC Partners, Inc. and/or its affiliates. Knight Frank is a service mark of Knight Frank (Nominees) Limited.

DISCLAIMER (CONTINUED)

Distributable Earnings

This presentation should be read in conjunction with BGC's press release titled "BGC Partners Agrees to Acquire 100 Percent of Berkeley Point Financial LLC". Unless otherwise stated, throughout this document BGC refers to its income statement results only on a distributable earnings basis. For a complete and revised description of this non-GAAP (Generally Accepted Accounting Principles) term and how, when, and why management uses it, see the "Distributable Earnings Defined" pages of this presentation. For both this description and a reconciliation to GAAP, as well as for more information regarding GAAP results, see BGC's most recent financial results press release, including the sections called "Distributable Earnings Defined", "Differences Between Consolidated Results for Distributable Earnings and GAAP", and "Reconciliation of GAAP Income (Loss) to Distributable Earnings".

Adjusted EBITDA

See the sections of BGC's most recent financial results press release titled "Adjusted EBITDA Defined" and "Reconciliation of GAAP Income (Loss) to Adjusted EBITDA."

Liquidity Defined

BGC also uses a non-GAAP measure called "liquidity". The Company considers liquidity to be comprised of the sum of cash and cash equivalents plus marketable securities that have not been financed, reverse repurchase agreements, and securities owned, less securities loaned and repurchase agreements. BGC considers this an important metric for determining the amount of cash that is available or that could be readily available to the Company on short notice.

A discussion of distributable earnings and adjusted EBITDA are found later in this document, incorporated by reference, and also in our most recent financial results press release and/or are available at http://ir.bgcpartners.com/Investors/default.aspx.

Financial Results and Figures Presented for Berkeley Point Financial LLC

All GAAP and non-GAAP financial results and figures for Berkeley Point shown in this document may differ from the results that will be shown in BGC's retrospectively adjusted financial statements upon the expected consolidation of these results and do not reflect any results previously disclosed by Berkeley Point in any other context. Trailing 12 month ("TTM") financial figures presented for Berkeley Point discussed herein are unaudited. "TTM 1Q15" results reflect the period April 10, 2014 to March 31, 2015. Because Berkeley Point was acquired by Cantor on April 10, 2014, BGC will only consolidate Berkeley Point's financial results from April 10, 2014 onwards. Additionally, Berkeley Point's mortgage servicing rights may also be referred to as "MSRs" or "MSR".

SUMMARY: A TRANSFORMATIONAL ACQUISITION FOR NEWMARK

- The acquisition of Berkeley Point dramatically increases the scope, scale and revenues of BGC's Real Estate Services segment
- Berkeley Point is BGC's largest Real Estate Services acquisition to date, with a total consideration of $875 million[1]
- Combination is expected to be a powerful catalyst for growth for Newmark's top three multifamily investment sales business, ARA, Berkeley Point's top five multifamily origination business,[2] and NKF's fast-growing commercial mortgage brokerage business
- For the twelve months ended March 31, 2017 Berkeley Point's:
  - Revenues increased 55% year-over-year to $314 million
  - GAAP pre-tax income increased 169% year-over-year to $143 million[3]
  - Pre-tax income excluding GAAP net non-cash MSR income increased 52% year-over-year to $64 million[3]
- Berkeley Point expects strong double-digit revenue and earnings growth in FY 2017 and FY 2018

Newmark Knight Frank

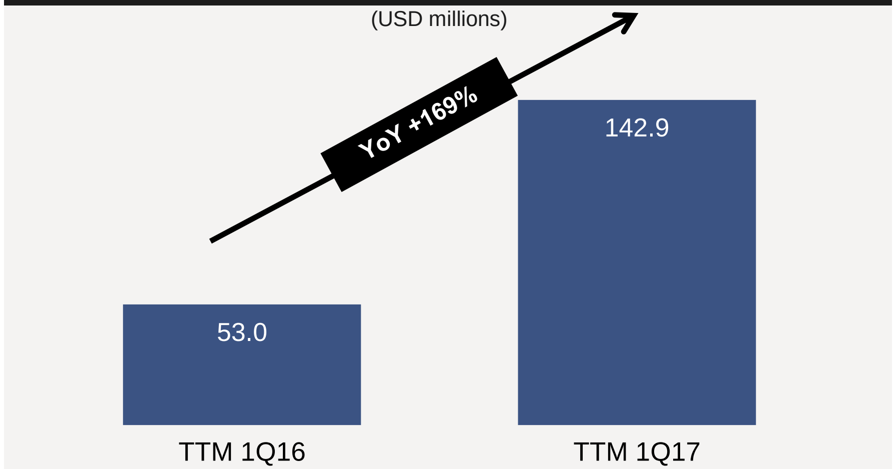
berkeley point®

1. Subject to certain adjustments at closing
2. Based on Real Estate Alert investment sales broker rankings and Fannie Mae and Freddie Mac multifamily lender rankings
3. GAAP pre-tax income includes net non-cash MSR income of $79 million for the twelve months ended March 31, 2017. "Net non-cash MSR income" consists of GAAP non-cash originated MSR gains, net of GAAP non-cash MSR amortization. See the updated definition of Distributable Earnings in the appendix of this document for further information on the affect of MSRs

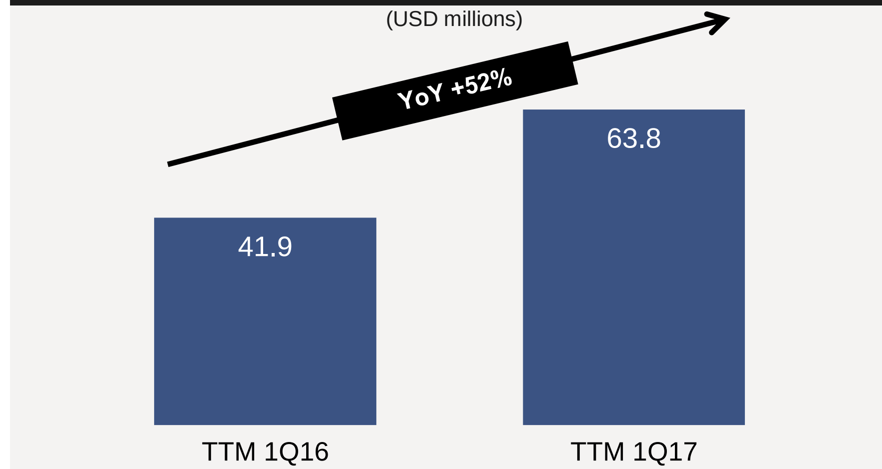
BERKELEY POINT’S OUTSTANDING PERFORMANCE

BERKELEY POINT’S SUBSTANTIAL PRE-TAX INCOME GROWTH

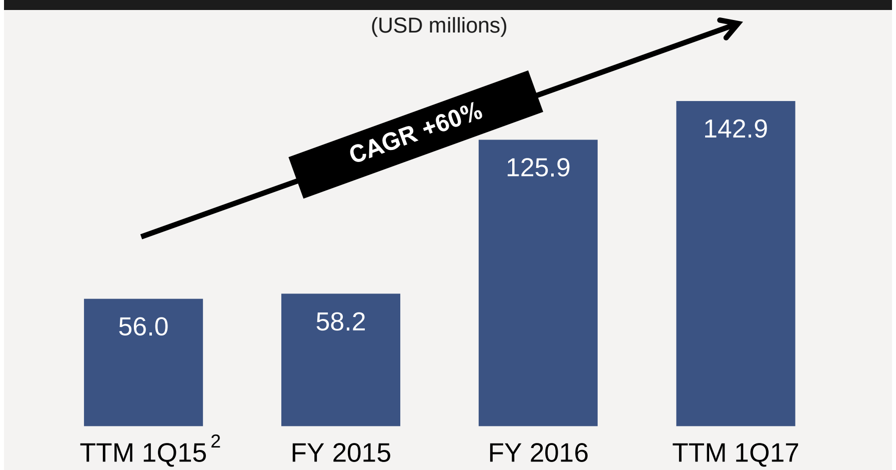
GAAP Pre-tax Income[1]



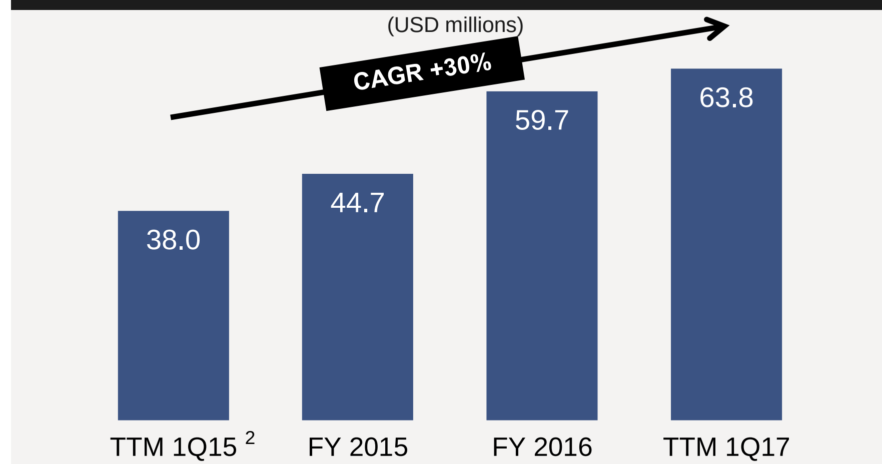
GAAP Pre-tax Income Excluding Net Non-cash MSR Income



GAAP Pre-tax Income[1]



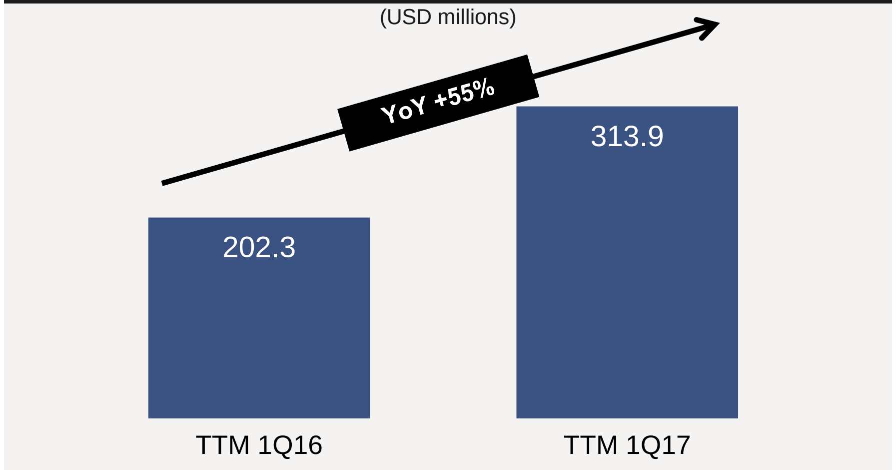
GAAP Pre-tax Income Excluding Net Non-cash MSR Income



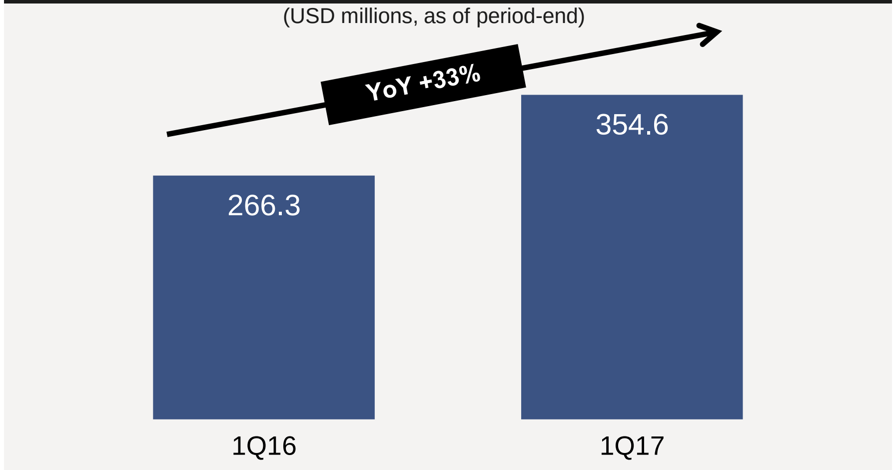
1. GAAP pre-tax income includes net non-cash MSR income of $18.0 million, $13.5 million, $66.2 million and $79.1 million for TTM 1Q15, FY 2015, FY 2016 and TTM 1Q17, respectively. See the updated definition of Distributable Earnings in the appendix of this document for further information on the affect of MSRs
2. Note that TTM 1Q15 numbers reflect only results for the period April 10, 2014 to March 31, 2015 as Cantor purchased Berkeley Point on April 10, 2014

BERKELEY POINT'S STRONG REVENUE PERFORMANCE AND INCREASING AMOUNT OF VALUABLE MORTGAGE SERVICING RIGHTS

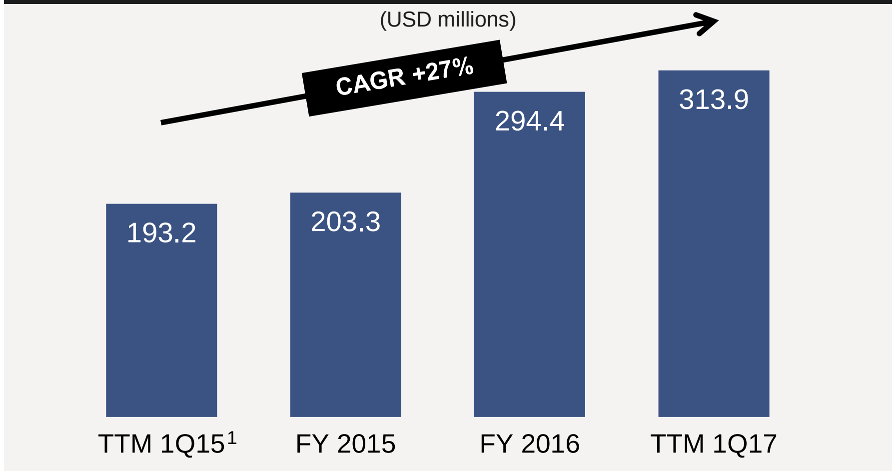
Revenues



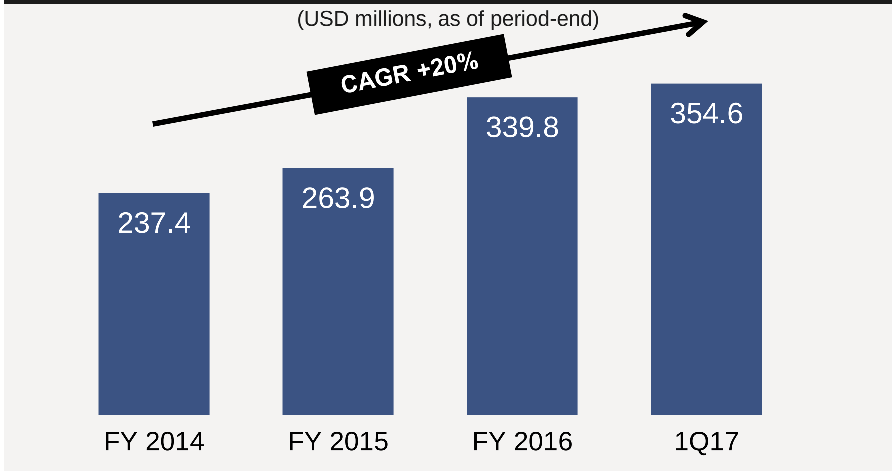
Balance Sheet Value of MSRs



Revenues

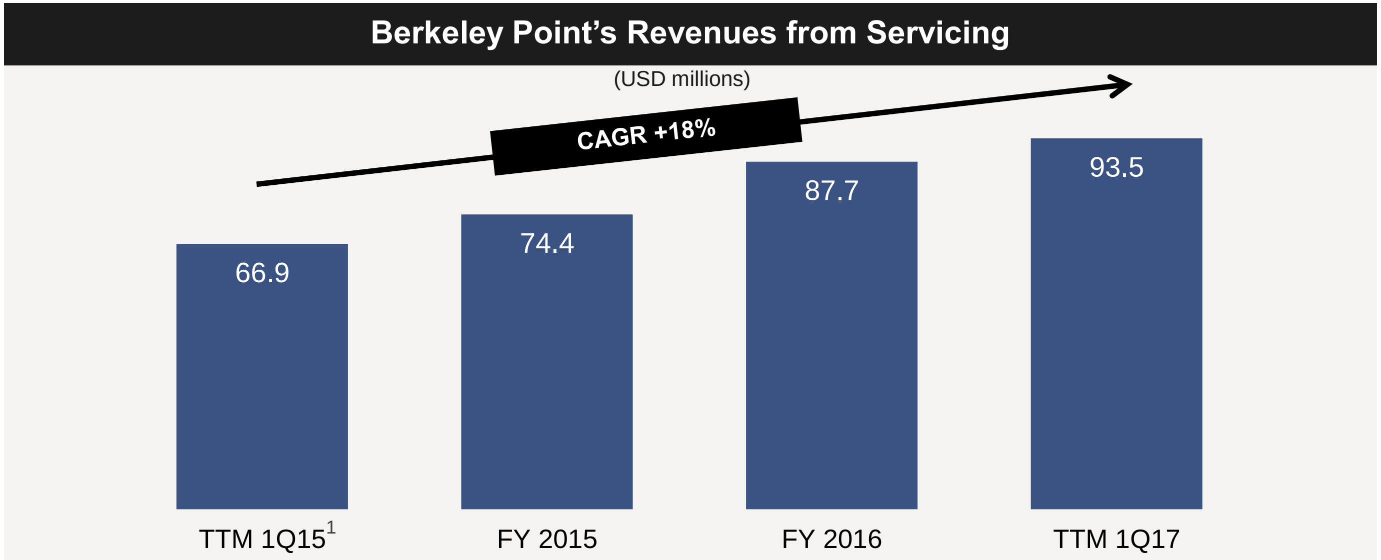


Balance Sheet Value of MSRs



1. Note that TTM 1Q15 numbers reflect only results for the period April 10, 2014 to March 31, 2015 as Cantor purchased Berkeley Point on April 10, 2014

PREDICTABLE AND RECURRING FEES FROM GROWING AND PROFITABLE SERVICING PORTFOLIO

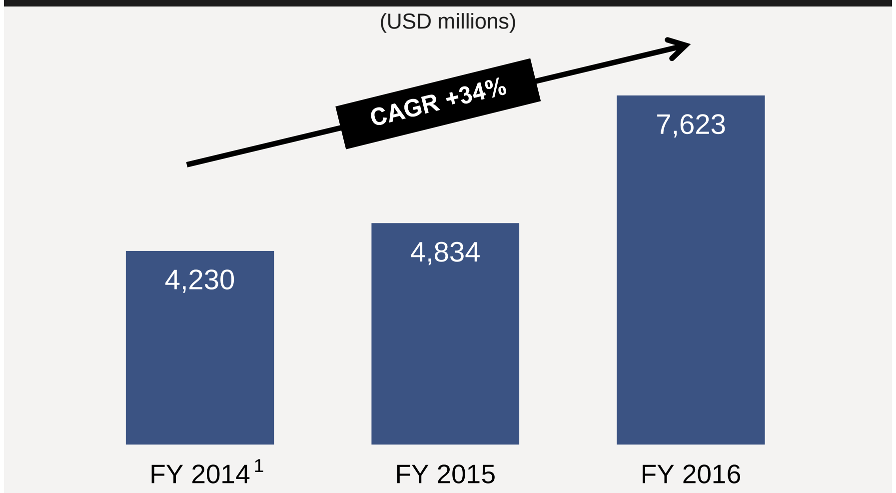


- Berkeley Point owns a growing portfolio of long-dated fee-generating MSRs
- Servicing fees provide a consistent, predictable, and profitable stream of recurring revenues
- Tenor of loans serviced generally range from five to 40 years at origination with a weighted average maturity of almost eight years
- The net book value of MSRs was approximately $355MM as of 3/31/2017
- A majority of the loans serviced meets the strict requirements of the GSEs

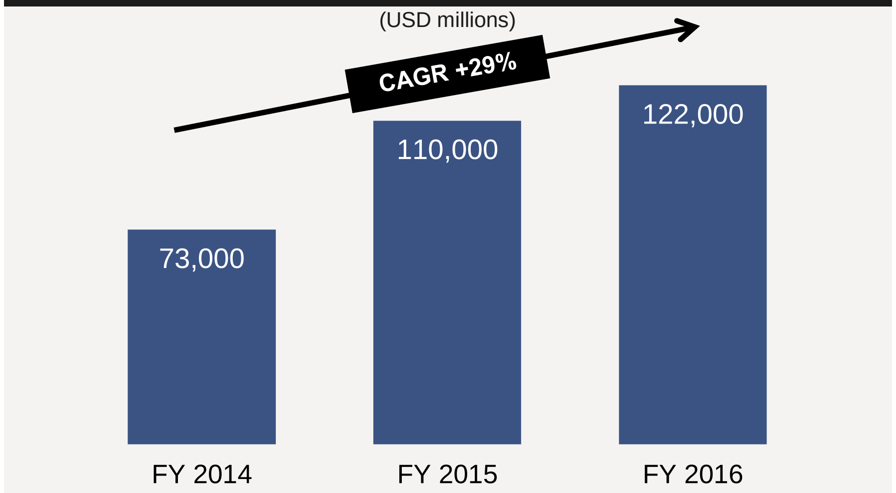
1. Note that TTM 1Q15 numbers reflect only results for the period April 10, 2014 to March 31, 2015 as Cantor purchased Berkeley Point on April 10, 2014

BERKELEY POINT LOAN GROWTH OUTPACING INDUSTRY

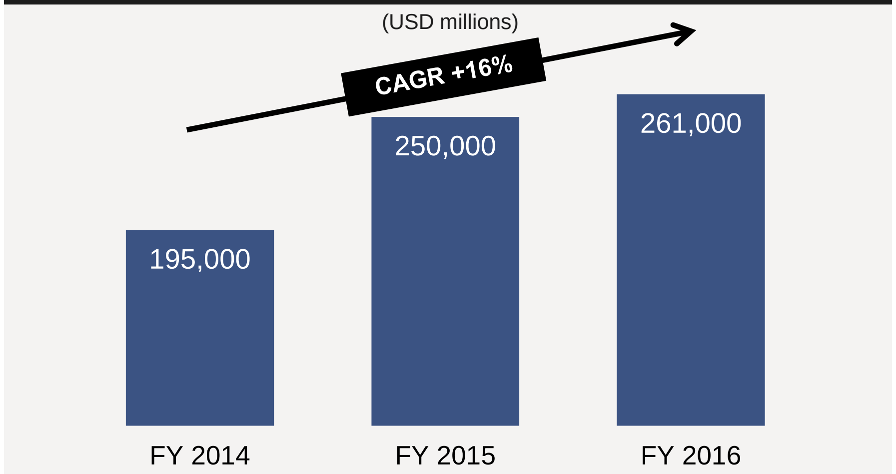
Berkeley Point's Annual GSE and FHA Loan Origination



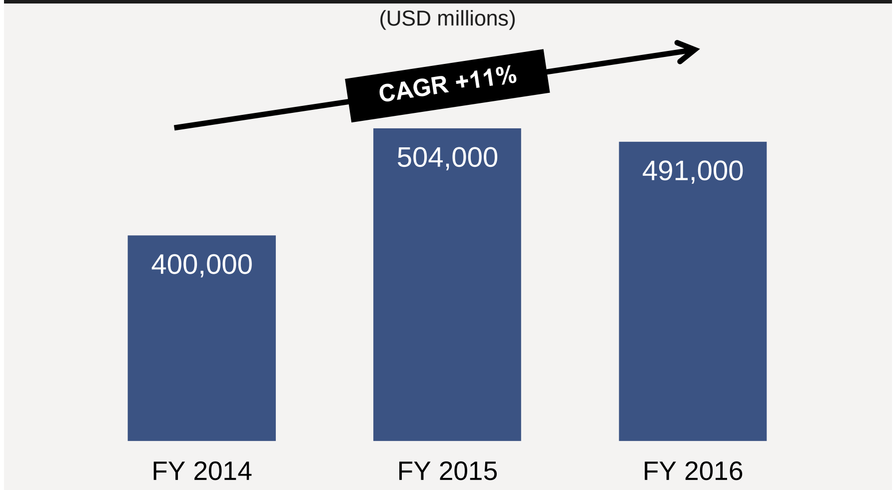
Industry GSE & FHA Annual CRE Debt Origination[2]



Industry Multifamily Annual Loan Origination (all lenders) [2]



Overall Industry Annual CRE Debt Origination[2]



1. FY 2014 figures presented for Berkeley Point reflect unaudited pro forma results as if BPF had been acquired by Cantor on January 1, 2014
2. Source: Mortgage Bankers Association, KBW Research

BERKELEY POINT EXPECTS STRONG DOUBLE-DIGIT GROWTH

- For the year ended December 31, 2017, Berkeley Point's revenues are expected to increase by at least 30% compared with $294 million in 2016
  - Berkeley Point's revenues are expected to increase by at least an additional 20% year-over-year in 2018
- Berkeley Point's 2017 GAAP pre-tax income is expected to increase by more than 35% compared with $126 million in 2016
  - Berkeley Point's GAAP pre-tax income is expected to increase by over 35% year-over-year again in 2018
- Berkeley Point's 2017 pre-tax income excluding GAAP net non-cash MSR income is expected to increase by at least 35% compared with $60 million in 2016[1]
  - The same metric is expected to increase by at least another 40% year-over-year in 2018
- This growth is expected to be driven by synergies between Berkeley Point and Newmark's large national sales organizations

1. GAAP pre-tax income includes net non-cash MSR income of $66 million for 2016. Approximately 50% of GAAP net income in both 2017 and 2018 is expected to consist of non-cash GAAP gains related to originated MSRs, net of non-cash MSR amortization expense. See the updated definition of Distributable Earnings in the appendix of this document for further information on the affect of MSRs.

COMPELLING STRATEGIC RATIONALE

BENEFITS OF INTEGRATION WITH REAL ESTATE SERVICES

- Berkeley Point will drive revenue and earnings growth for the Company
- BPF has grown dramatically faster than the industry
- Combination is expected to be a powerful catalyst for growth for our top three multifamily investment sales broker, ARA, Berkeley Point's top five multifamily origination business, and NKF's fast-growing commercial mortgage brokerage business
- We believe these synergies significantly strengthen Newmark's position relative to its competitors
- Brings together our Real Estate Services' vast network across the entire commercial real estate industry with Berkeley Point's significant financing expertise
- Adds to Newmark's steady, recurring revenue sources

Newmark Knight Frank

berkeley point®

COMBINATION WOULD RESULT IN A MORE COMPETITIVE PRODUCT OFFERING

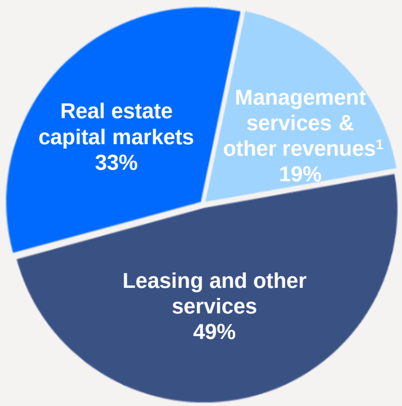
Business Line	CBRE	JLL	HFF	Colliers	Walker & Dunlop	NKF + BPF[1]
Leasing	✓	✓		✓		✓
Investment Sales & Mortgage Brokerage	✓	✓	✓	✓	✓	✓
Property & Facility Management	✓	✓		✓		✓
Multifamily lending (GSE and FHA)	✓	✓	✓		✓	✓
Servicing	✓	✓	✓		✓	✓
Advisory & Consulting	✓	✓	✓	✓		✓
Appraisal	✓	✓		✓		✓
Property & Development Services	✓	✓		✓		✓
Non-Agency Lending						✓
Investment Management	✓	✓				

1. Includes businesses of the proposed commercial real estate-related limited partnership (see the "Transaction Overview" section of this document for further detail), of which the Company is expected to own a minority stake in the commercial real estate-related limited partnership following the completion of the transaction, and/or Cantor

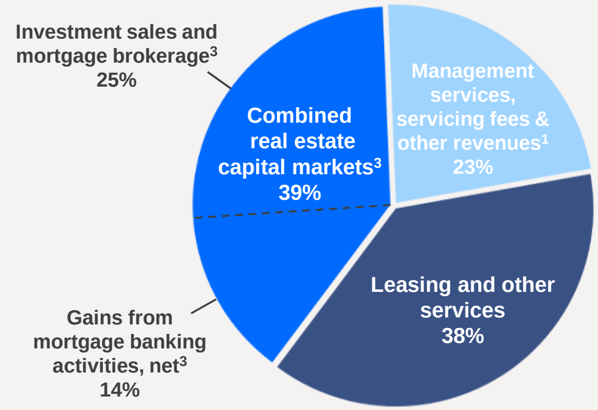
Source: Public filings and company websites

ACQUISITION OF BPF INCREASES REVENUE DIVERSITY

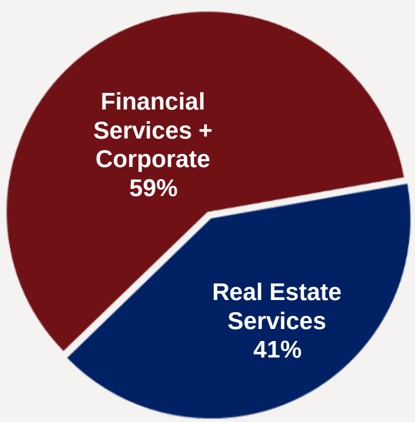
FY 2016 Real Estate Services Revenues



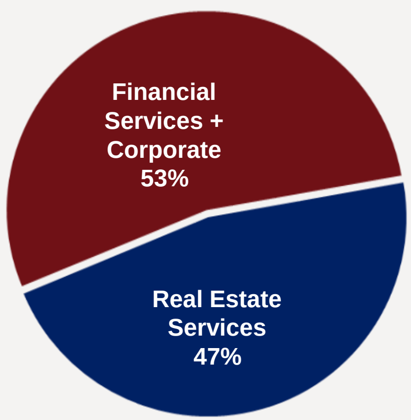
FY 2016 Real Estate Services + BPF Revenues[2]



FY 2016 BGC Revenues



FY 2016 BGC + BPF Revenues[2]



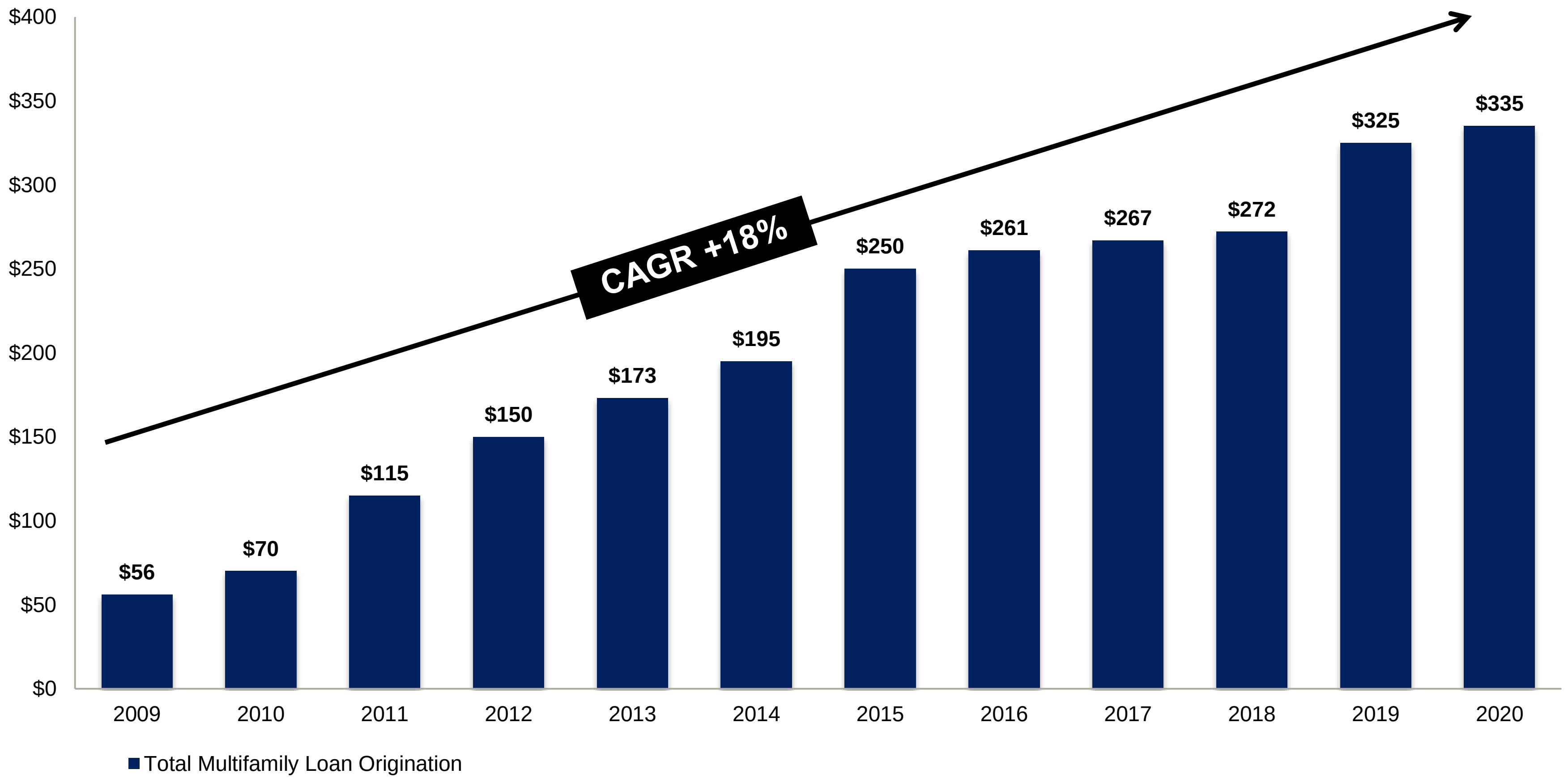
1. Interest and other revenues represent 0.3% of Real Estate Services revenues in FY 2016 and 2.0% of Real Estate Services + BPF revenues in FY 2016
2. Percentages shown do not reflect pro forma results of the combined company and may differ from the combined results in the Company's retrospectively recast financial statements, as they do not include certain adjustments made upon consolidation. Real Estate Services + BPF revenues include a *de minimis* amount of Corporate items related to the BPF business. Corporate items are otherwise included in "Financial Services + Corporate"
3. Combined real estate capital markets revenues represents two separate line items: 1) NKF's real estate capital markets revenues, which generated $344 million of revenues in FY 2016 and consisted of investment sales and mortgage brokerage activities. 2) Berkeley Point's gains from mortgage banking activities, net, which generated revenues of $184 million in FY 2016

Note: Percentages may not sum to 100% due to rounding

FAVORABLE INDUSTRY BACKDROP

DOUBLE-DIGIT GROWTH IN INDUSTRY-WIDE MULTIFAMILY LOAN ORIGINATION

(USD billions)

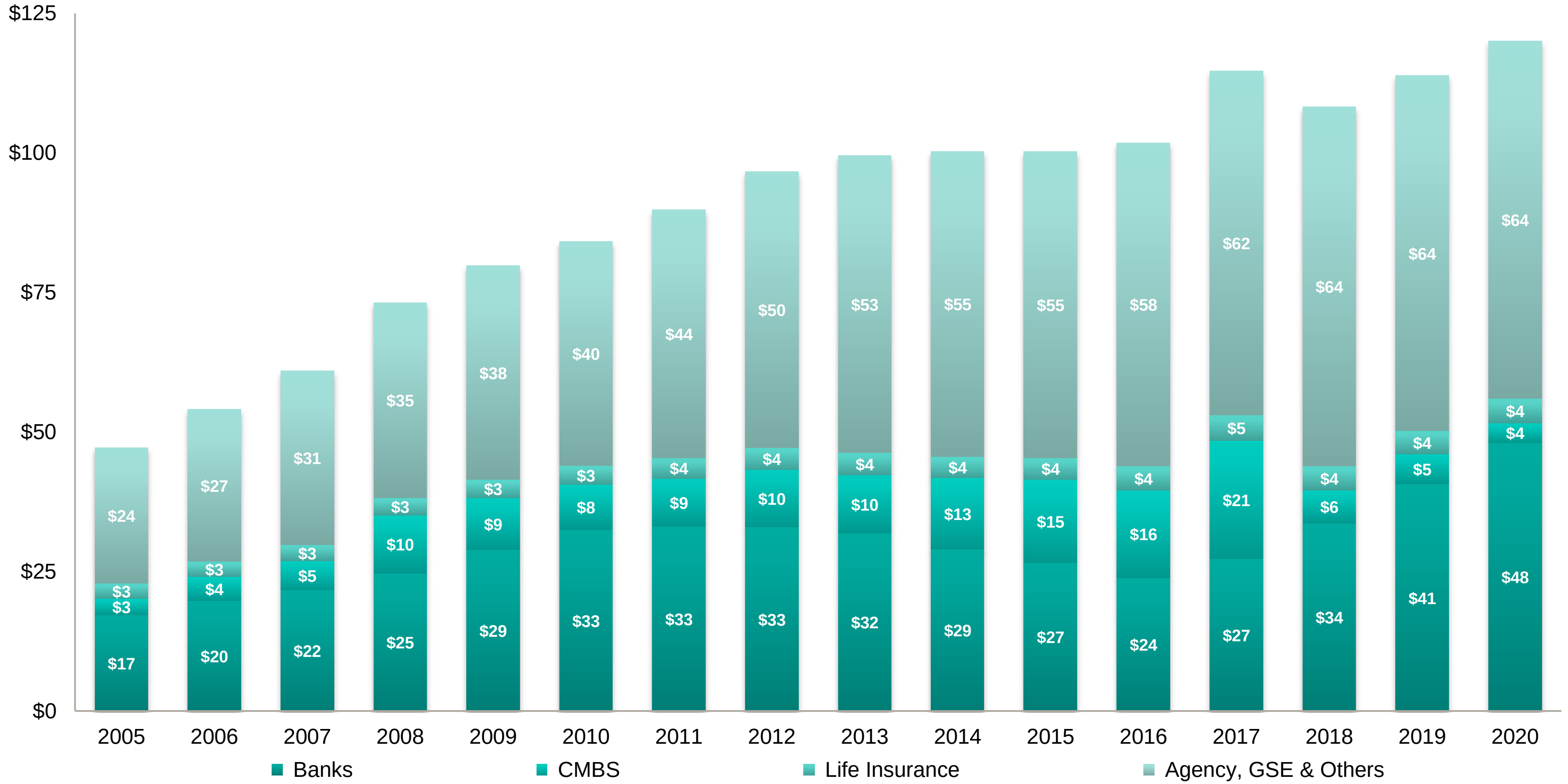


- Multifamily loan originations by all lenders increased by a CAGR of 16% from 2014 to 2016, compared with a 27% CAGR in originations for GSEs & FHA and a 34% CAGR for BPF originations over the same timeframe

Sources: Freddie Mac, Mortgage Bankers Association

EXPECTED MORTGAGE MATURITIES PROVIDE REFINANCING OPPORTUNITIES

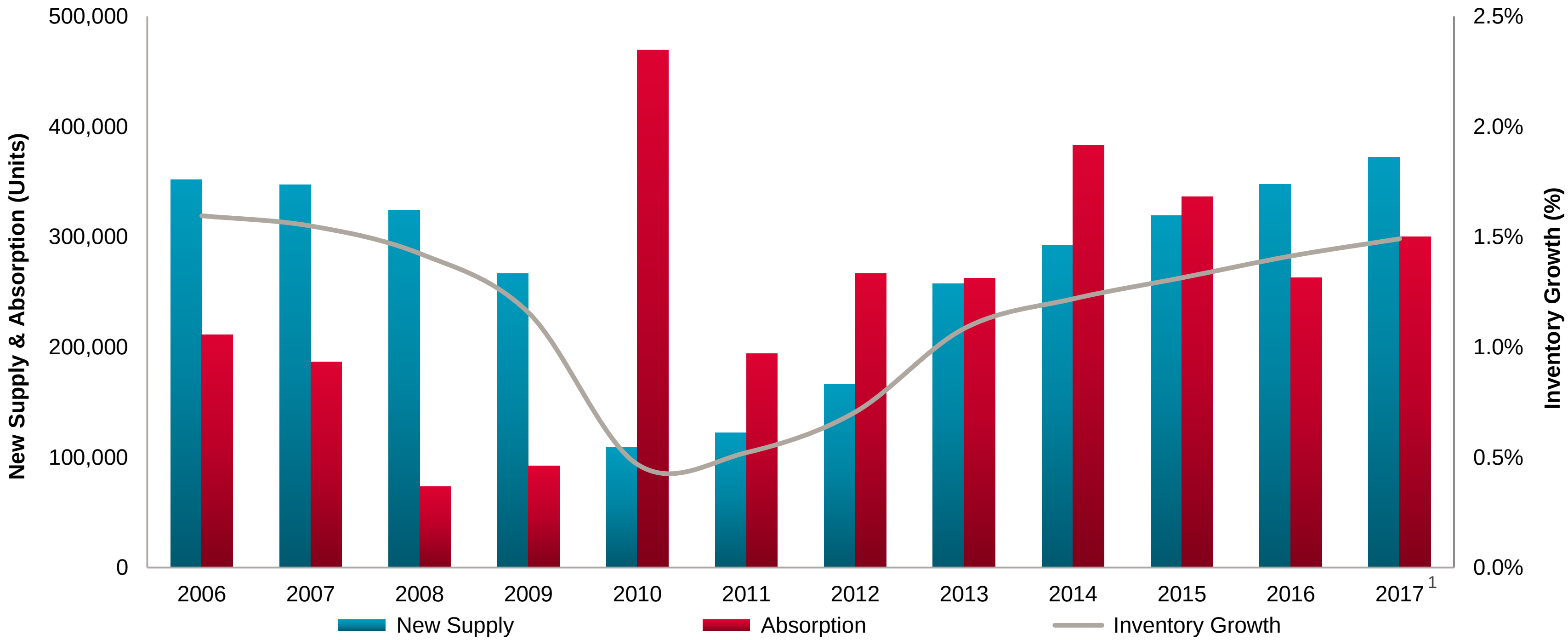
(USD billions)



- Multifamily mortgage maturities are expected to rise 12.7% to $114.7 billion in 2017, up from $101.8 billion in 2016
- Many of these loans may be refinanced via GSE and HUD programs

Sources: Newmark Knight Frank Research, Trepp

STEADY INCREASE IN MULTIFAMILY INVENTORY



- With more than 370,000 units to be delivered in 2017, inventory growth continues to climb at a modest pace of 1.5% nationally
- Multifamily debt outstanding grew to $1.2 trillion in 1Q2017
- Multifamily mortgage maturities are expected to rise 12.7% to $114.7 billion in FY 2017
- Shifting demographics are expected to drive increased demand in the multifamily sector going forward

1. As estimated at the end of the first quarter of 2017

Sources: Newmark Knight Frank Research, Mortgage Bankers Association, Axiometrics, and National Multifamily Housing Council bgc Newmark Knight Frank berkeley point

BERKELEY POINT OVERVIEW

BERKELEY POINT: A LEADER IN MULTIFAMILY COMMERCIAL REAL ESTATE FINANCE

- Originates and services multifamily loans as part of programs run by GSEs, Fannie Mae and Freddie Mac, as well as the U.S. Department of Housing and Urban Development[1]
  - <u>**Low-risk intermediary that originates loans which are generally held for only a brief period of time, guaranteed by government agencies or entities, and pre-sold prior to loan closing**</u>
- Servicing portfolio of more than $56 billion[2] earns steady, recurring fees
  - Portfolio up 63% from $34 billion at the end of 2014
  - Also services all types of commercial real estate loans, including those unaffiliated with government agencies or entities
  - S&P, Fitch and Kroll rated commercial loan primary servicer
- #4 2016 non-bank multifamily originator according to Real Capital Analytics
- #5 2016 Fannie Mae & Freddie Mac multifamily lender[3]
- Approximately 240 employees in 11 offices across the United States

1. A portion of Berkeley Point's servicing portfolio is not related to programs run by the GSEs or HUD
2. Portfolio size as of March 31, 2017. Investors should note the proposed transaction does not include a transfer of the economics of BPF's special asset servicing business, which represents less than 10 percent of the notional value of BPF's overall $56 billion servicing portfolio, an immaterial amount of BPF's servicing fees, and was not profitable
3. Sources: Fannie Mae's list of "Top 10 DUS Producers in 2016", Freddie Mac's list of "Top Freddie Mac Multifamily Lenders by Volume", and Real Capital Analytics ("RCA")

BERKELEY POINT: A LEADER IN MULTIFAMILY COMMERCIAL REAL ESTATE FINANCE (CONTINUED)

- Offers a full complement of FHA, Ginnie Mae, Freddie Mac and Fannie Mae products
- Originates via a network of property owners, developers, mortgage brokers, private equity firms, hedge funds, REITs, asset managers and other institutional property owners
- As of March 31, 2017, BPF's MSRs book value was approximately $355 million, up 33% year-over-year
- Berkeley Point's GAAP pre-tax income includes non-cash GAAP gains attributable to originated MSRs and non-cash GAAP amortization of MSRs
  - Following the completion of the proposed transaction, BGC's calculation of pre-tax distributable earnings and adjusted EBITDA will exclude the net impact of these non-cash GAAP items[1]
  - The cash received with respect to these MSRs, net of associated expenses, is expected to increase Real Estate Services pre-tax distributable earnings and adjusted EBITDA in future periods

1. See the portions of this document titled "Pre-tax Distributable Earnings Following the Close of the Proposed BPF Transaction" and "Adjusted EBITDA Following the Close of the Proposed BPF Transaction" for the expected revisions to these non-GAAP terms

BERKELEY POINT HISTORY

1987	Founded as Berkshire Mortgage Finance
1997 2000	Merging of 3 Regional Firms as Berkshire Mortgage created the first national multifamily platform and one of the country's top GSE lenders
2004	Acquired by Deutsche Bank
2012	Entities affiliated with WL Ross & Co. LLC & Ranieri Real Estate Partners LP acquired the newly named Berkeley Point
2014	An affiliate of Cantor acquired Berkeley Point
2017	Berkeley Point proudly celebrates its 30th year of exceptional people creating extraordinary capital solutions BGC enters agreement to acquire Berkeley Point

SELECT RECENT TRANSACTIONS

- April 2017: Berkeley Point provides $2.2B in financing for Starwood-Milestone transaction
  - 74 assets built between 1974 and 2016
  - Financed with Freddie Mac's ARM program providing 10-year floating rate debt
  - Due to the affordability of the portfolio's rents, 50% of the loan balance will be exempt from Freddie Mac's production cap
- August 2016: Berkeley Point closes three separate multi-asset Fannie Mae credit facilities with combined initial draws of $371MM to Simpson Housing, Somerset Partners, and a large private investor
  - Eight separate properties consisting of 2,093 units across three states
- June 2016: Berkeley Point and ARA Newmark close more than $200MM Refinance Loan
  - Nine property multifamily portfolio containing 2,106 units
  - Seven-year, adjustable rate loan for longtime client Steadfast Companies

TRANSACTION OVERVIEW

TRANSACTION OVERVIEW

- The Board of Directors of BGC, upon the unanimous recommendation of a Special Committee consisting of all four independent directors assisted by independent advisors, has unanimously approved the acquisition of Berkeley Point from Cantor and the related transactions
- The total consideration for the acquisition of Berkeley Point is $875 million in cash[1], subject to certain adjustments at closing
- BGC expects to fund the acquisition through a combination of a bond issuance, term loan, or other financing arrangements, as well as from existing financing sources and cash on hand
- BGC intends to remain investment-grade following the close of the transaction
- The acquisition is subject to certain regulatory approvals, including from Fannie Mae, Freddie Mac and HUD, and other customary closing conditions
- BGC will also invest $100 million in cash for approximately 27% of the capital in a new real estate finance and investment business with Cantor[2]
    - This business will be structured as a limited partnership and is expected to collaborate with Cantor's significant existing commercial real estate finance business, and may conduct activities in any real estate-related business

1. Up to $3.5 million of the purchase price may be paid in units of BGC Holdings, L.P. The acquisition is expected to close during 2017
2. Cantor will control the business and will contribute approximately $267 million of cash and non-cash assets for approximately 73 percent of the capital. Under the terms of the investment, Cantor has agreed to bear initial net losses of this limited partnership, if any, up to an aggregate amount of approximately $37 million per year

TRANSACTION OVERVIEW (CONTINUED)

- The acquisition of Berkeley Point is expected to be immediately accretive to BGC's earnings per share upon closing
- Following the completion of the proposed transaction, Berkeley Point will become part of Newmark Knight Frank, BGC's Real Estate Services segment
  - The Real Estate Services segment will report one new revenue line item reflecting Berkeley Point's "gains from mortgage banking activities, net"
  - Berkeley Point's servicing fees will be recorded as part of what will be called "management services and servicing fees"
- This transaction involves a reorganization of entities under common control
  - After the closing of the acquisition, BGC's financial results will be retrospectively recast to include the results of BPF[1]
  - Since Berkeley Point was acquired by Cantor on April 10, 2014, BGC's financial figures are expected to be retrospectively recast to include the results of BPF from April 10, 2014 onward
- The proposed transaction does not include a transfer of the economics of BPF's special asset servicing business, which was not profitable[2]

1. These adjustments will impact a number of line items for the Real Estate Services segment, Corporate Items, and the consolidated Company
2. As of March 31, 2017, BPF's special asset servicing business represented less than 10 percent of the notional value of Berkeley Point's overall $56 billion servicing portfolio and an immaterial amount of BPF's servicing fees.

APPENDIX

DISTRIBUTABLE EARNINGS DEFINED

Distributable Earnings Defined

BGC Partners uses non-GAAP financial measures including, but not limited to, "pre-tax distributable earnings” and "post-tax distributable earnings", which are supplemental measures of operating results that are used by management to evaluate the financial performance of the Company and its consolidated subsidiaries. BGC 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, among other things, 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”, and "net income (loss) per fully diluted share”, all prepared in accordance with GAAP, distributable earnings calculations primarily exclude certain non-cash compensation and other expenses that generally do not involve the receipt or outlay of cash by the Company and/or which do not dilute existing stockholders, 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.

Adjustments Made to Calculate Pre-Tax Distributable Earnings

Pre-tax distributable earnings are defined as GAAP income (loss) from operations before income taxes and noncontrolling interest in subsidiaries excluding items, such as:

- Non-cash equity-based compensation charges related to limited partnership unit exchange or conversion.
- Non-cash asset impairment charges, if any.
- Non-cash compensation charges for items granted or issued pre-merger with respect to certain mergers or acquisitions by BGC Partners, Inc. To date, these mergers have only included those with and into eSpeed, Inc. and the back-end merger with GFI Group Inc.

Distributable earnings calculations also exclude certain unusual, one-time or non-recurring items, if any. These charges are excluded from distributable earnings because the Company views excluding such charges as a better reflection of the ongoing, ordinary operations of BGC.

In addition to the above items, allocations of net income to founding/working partner and other limited partnership units are excluded from calculations of pre-tax distributable earnings. Such allocations represent the pro-rata portion of pre-tax earnings available to such unit holders. These units are in the fully diluted share count, and are exchangeable on a one-to-one basis into common stock. As these units are exchanged into common shares, unit holders become entitled to cash dividends rather than cash distributions. The Company views such allocations as intellectually similar to dividends on common shares. Because dividends paid to common shares are not an expense under GAAP, management believes similar allocations of income to unit holders should also be excluded when calculating distributable earnings performance measures.

BGC’s definition of distributable earnings also excludes certain gains and charges with respect to acquisitions, dispositions, or resolutions of litigation. This includes the one-time gains related to the Nasdaq and Trayport transactions. Management believes that excluding such gains and charges also best reflects the ongoing operating performance of BGC.

However, the payments associated with BGC’s expected annual receipt of Nasdaq stock and related mark-to-market gains or losses are anticipated to be included in the Company’s calculation of distributable earnings for the following reasons:

- Nasdaq is expected to pay BGC in an equal amount of stock on a regular basis for a 15 year period beginning in 2013 as part of that transaction;
- The Nasdaq earn-out largely replaced the generally recurring quarterly earnings BGC generated from eSpeed; and
- The Company intends to pay dividends and distributions to common stockholders and/or unit holders based on all other income related to the receipt of the earn-out.

To make period-to-period comparisons more meaningful, one-quarter of each annual Nasdaq contingent earn-out amount, as well as gains or losses with respect to associated mark-to-market movements and/or hedging, will be included in the Company’s calculation of distributable earnings each quarter as “other income”.

The Company also treats gains or losses related to mark-to-market movements and/or hedging with respect to any remaining shares of Intercontinental Exchange, Inc. (“ICE”) in a consistent manner with the treatment of Nasdaq shares when calculating distributable earnings.

DISTRIBUTABLE EARNINGS DEFINED (CONTINUED)

Investors and analysts should note that, due to the large gain recorded with respect to the Trayport sale in December 2015, and the closing of the back-end merger with GFI in January 2016, non-cash charges related to the amortization of intangibles with respect to acquisitions are also excluded from the calculation of pre-tax distributable earnings. In order to present results in a consistent manner, this adjustment was made with respect to all acquisitions completed for the periods from the first quarter of 2015 onward.

Adjustments Made to Calculate Post-Tax Distributable Earnings

Since distributable earnings are calculated on a pre-tax basis, management intends to also report post-tax distributable earnings to fully diluted shareholders. Post-tax distributable earnings to fully diluted shareholders are defined as pre-tax distributable earnings, less noncontrolling interest in subsidiaries, and reduced by the provision for taxes as described below.

The Company’s calculation of the provision for taxes on an annualized basis starts with GAAP income tax provision, adjusted to reflect tax-deductible items. Management uses this non-GAAP provision for taxes in part to help it to evaluate, among other things, the overall performance of the business, make decisions with respect to the Company’s operations, and to determine the amount of dividends paid to common shareholders.

The provision for taxes with respect to distributable earnings includes additional tax-deductible items including limited partnership unit exchange or conversion, employee loan amortization, charitable contributions, and certain net-operating loss carryforwards.

BGC incurs income tax expenses based on the location, legal structure and jurisdictional taxing authorities of each of its subsidiaries. Certain of the Company’s entities are taxed as U.S. partnerships and are subject to the Unincorporated Business Tax (“UBT”) in New York City. Any U.S. federal and state income tax liability or benefit related to the partnership income or loss, with the exception of UBT, rests with the unit holders rather than with the partnership entity. The Company’s consolidated financial statements include U.S. federal, state and local income taxes on the Company’s allocable share of the U.S. results of operations. Outside of the U.S., BGC operates principally through subsidiary corporations subject to local income taxes. For these reasons, taxes for distributable earnings are presented to show the tax provision the consolidated Company would expect to pay if 100 percent of earnings were taxed at global corporate rates.

Calculations of Pre-tax and Post-Tax Distributable Earnings per Share

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

- The fully diluted share count includes the shares related to any 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.

The share count for distributable earnings excludes shares expected to be issued in future periods but not yet eligible to receive dividends and/or distributions.

Each quarter, the dividend to BGC’s common stockholders is expected to be determined by the Company’s Board of Directors with reference to a number of factors, including 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, as well as to Cantor for its non-controlling interest. The amount of this net income, and therefore of these payments, is expected to be determined using the above definition of pre-tax distributable earnings per share.

Other Matters with Respect to Distributable Earnings

The term “distributable earnings” should not be considered in isolation or as an alternative to GAAP net income (loss). The Company views distributable earnings as a metric that is not indicative of liquidity or the cash available to fund its operations, but rather as a performance measure.

DISTRIBUTABLE EARNINGS DEFINED (CONTINUED)

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.

BGC anticipates providing forward-looking quarterly guidance for GAAP revenues and for certain distributable earnings measures from time to time. However, the Company does not anticipate providing a quarterly outlook for other GAAP results. This is because certain GAAP items, which are excluded from distributable earnings, are difficult to forecast with precision before the end of each quarter. The Company therefore believes that it is not possible to forecast quarterly GAAP results or to quantitatively reconcile GAAP results to non-GAAP results with sufficient precision unless BGC makes unreasonable efforts.

The items that are difficult to predict on a quarterly basis with precision and which can have a material impact on the Company's GAAP results include, but are not limited, to the following:

- Allocations of net income and grants of exchangeability to limited partnership units and founding partner units, which are determined at the discretion of management throughout and up to the period-end.
- The impact of certain marketable securities, as well as any gains or losses related to associated mark-to-market movements and/or hedging. These items are calculated using period-end closing prices.
- Non-cash asset impairment charges, which are calculated and analyzed based on the period-end values of the underlying assets. These amounts may not be known until after period-end.
- Acquisitions, dispositions and/or resolutions of litigation which are fluid and unpredictable in nature.

For more information on this topic, please see certain tables in BGC's most recent quarterly financial results press release including "Reconciliation of GAAP Income (Loss) to Distributable Earnings". These tables provide summary reconciliations between pre- and post-tax distributable earnings and the corresponding GAAP measures for the Company.

Pre-tax Distributable Earnings Following the Closing of the Proposed BPF Transaction
Following the closing of the Berkeley Point transaction, additional GAAP items will be excluded in order to calculate pre-tax distributable earnings for the Real Estate Services segment and the consolidated Company. The most material items expected to be excluded for both historical and future period results will be non-cash GAAP gains attributable to originated mortgage servicing rights ("OMSRs") and non-cash GAAP amortization of mortgage servicing rights ("MSRs"). BPF recognizes OMSR gains equal to the fair value of servicing rights retained on mortgage loans originated and sold. BPF amortizes MSRs in proportion to the net servicing revenue expected to be earned. Subsequent to the initial recording, MSRs are amortized and carried at the lower of amortized cost or fair value.

For the years 2015 and 2016, pre-tax distributable earnings for the Real Estate Services Business and for the consolidated Company will exclude approximately $13 million and $66 million of net non-cash GAAP gains, respectively, related to OMSR gains and MSR amortization. For the first quarters of 2016 and 2017, pre-tax distributable earnings for the Real Estate Services Business and for the consolidated Company will exclude approximately $3 million and $15 million, respectively, of these same net non-cash GAAP gains. However, it is expected that cash received with respect to these servicing rights, net of associated expenses, will increase pre-tax distributable earnings in future periods.

In addition, pre-tax distributable earnings for the Real Estate Services Business and for the consolidated Company will exclude any non-cash provision or benefit related to risk-sharing obligations, net of charge-offs.

ADJUSTED EBITDA DEFINED

Adjusted EBITDA Defined

BGC also provides an additional non-GAAP financial performance measure, “adjusted EBITDA”, which it defines as GAAP “Net income (loss) available to common stockholders”, adjusted to add back the following items:

- Interest expense;
- Fixed asset depreciation and intangible asset amortization;
- Impairment charges;
- Employee loan amortization and reserves on employee loans;
- Provision (benefit) for income taxes;
- Net income (loss) attributable to noncontrolling interest in subsidiaries;
- Non-cash charges relating to grants of exchangeability to limited partnership interests;
- Non-cash 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 adjusted EBITDA is useful in evaluating BGC’s operating performance, because the calculation of this measure 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 or GAAP cash flow from operations, because adjusted EBITDA does not consider certain cash requirements, such as tax and debt service payments.

For a reconciliation of adjusted EBITDA to GAAP “Net income (loss) available to common stockholders”, the most comparable financial measure calculated and presented in accordance with GAAP, see the section of BGC’s most recent quarterly financial results press release titled "Reconciliation of GAAP Income (Loss) to Adjusted EBITDA”.

Adjusted EBITDA Following the Closing of the Proposed BPF Transaction

Following the closing of the Berkeley Point transaction, additional GAAP items will be excluded in order to calculate BGC’s consolidated adjusted EBITDA. The most material items expected to be excluded for both historical and future periods will be non-cash GAAP gains attributable to OMSRs and non-cash GAAP amortization of MSRs. Berkeley Point recognizes OMSR gains equal to the fair value of servicing rights retained on mortgage loans originated and sold. BPF amortizes MSRs in proportion to the net servicing revenue expected to be earned. Subsequent to the initial recording, MSRs are amortized and carried at the lower of amortized cost or fair value.

For the years 2015 and 2016, adjusted EBITDA will exclude approximately $13 million and $66 million of net non-cash GAAP gains, respectively, related to OMSR gains and MSR amortization. For the first quarters of 2016 and 2017, adjusted EBITDA will exclude approximately $3 million and $15 million, respectively, of these same net non-cash GAAP gains. However, it is expected that cash received with respect to these servicing rights, net of associated expenses, will increase adjusted EBITDA in future periods.

In addition, adjusted EBITDA will exclude any non-cash provision or benefit related to risk-sharing obligations, net of charge-offs.

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