



Howard Lutnick, Chairman & CEO

Sandler O'Neill's Global Exchange and Brokerage Conference

June 7, 2012

Notes & Disclaimers

Discussion of Forward-Looking Statements by BGC Partners

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

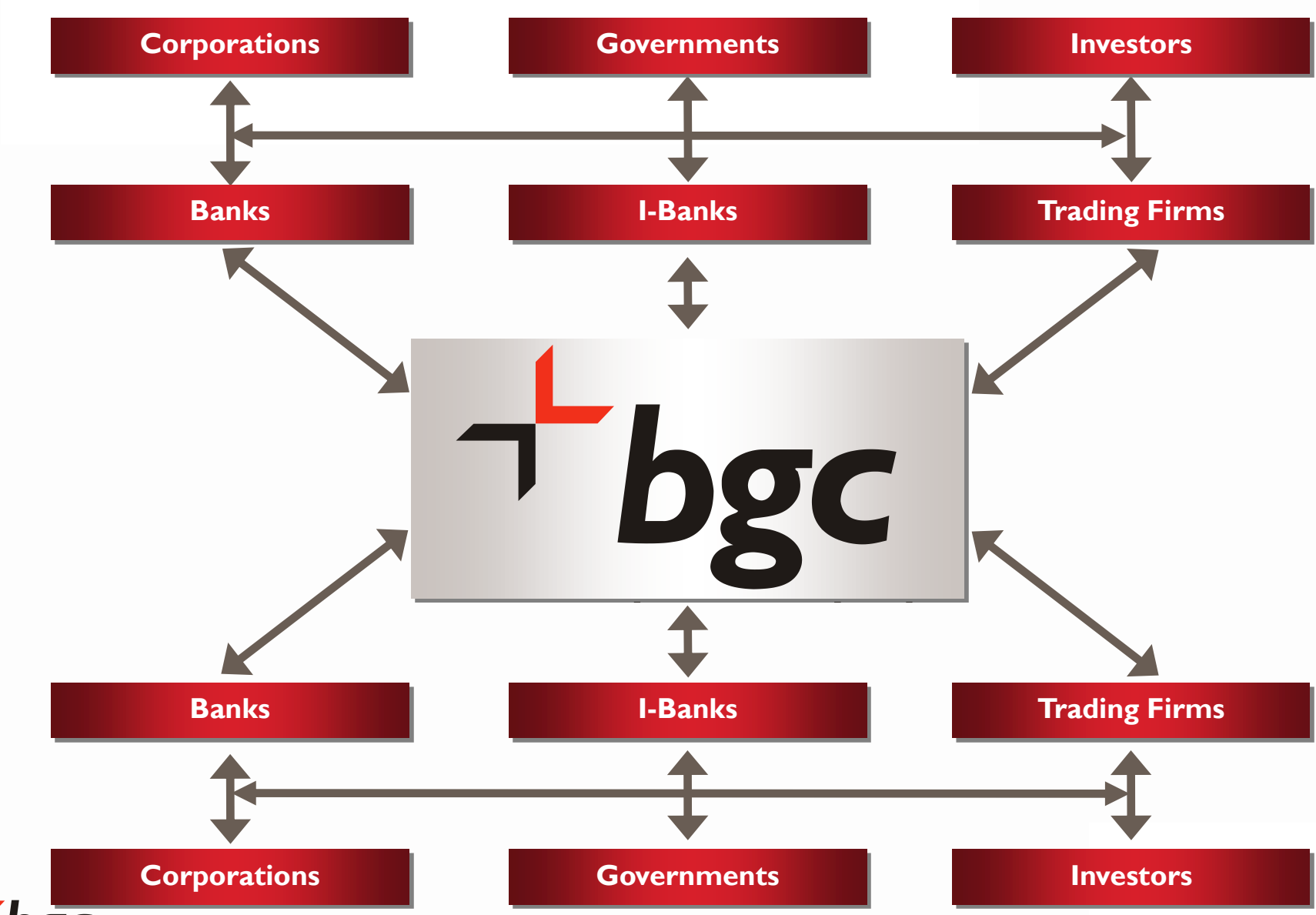
Note Regarding Financial Tables and Metrics

Excel files with the Company's quarterly financial results and metrics from full year 2008 through 1Q2012 are accessible in the various financial results press releases at the "Investor Relations" section of <http://www.bgcpartners.com>. They are also available directly at <http://www.bgcpartners.com/ir-news>.

Distributable Earnings

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

Primarily A Leading Inter-Dealer Broker



Business Overview

Voice / Hybrid Broking

→ Key products include:

- Rates
- Credit
- Foreign Exchange
- Equities
- Real Estate

→ ≈2,200 brokers & salespeople

→ 220 + desks

→ In dozens of cities



Electronic Broking

→ Key products include:

- Interest Rate Derivatives
- Credit
- FX
- European & Canadian Government Bonds

→ Central Limit Order Book, High-Frequency Trading, Flexible Platform, Streaming, and Auctions

→ Substantial investments in creating proprietary technology / network



Market Data/ Software Solutions

→ Develops and markets real-time proprietary pricing data

→ Provider of customized screen-based solutions which enable clients to develop electronic marketplaces

→ Co-location services

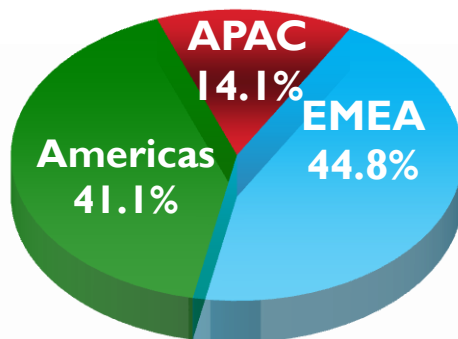


Solid Business with Significant Opportunities

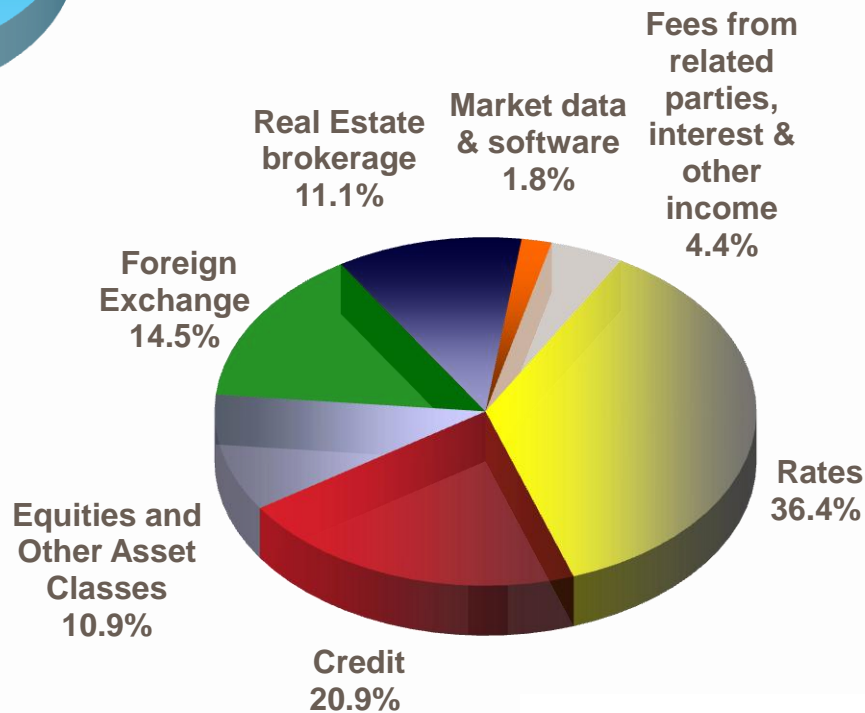
- Diversified revenues by geography & product category
- Well positioned to take advantage of current market dynamics
- Accretively hiring and acquiring
- Investing for broker productivity & fully electronic trading
- Intermediary-oriented, low-risk business model
- Deep and experienced management team with ability to attract and retain key talent
- Attractive dividend yield

1Q2012 Revenues by Geography and Product

Revenues by Geography



Revenues by Product

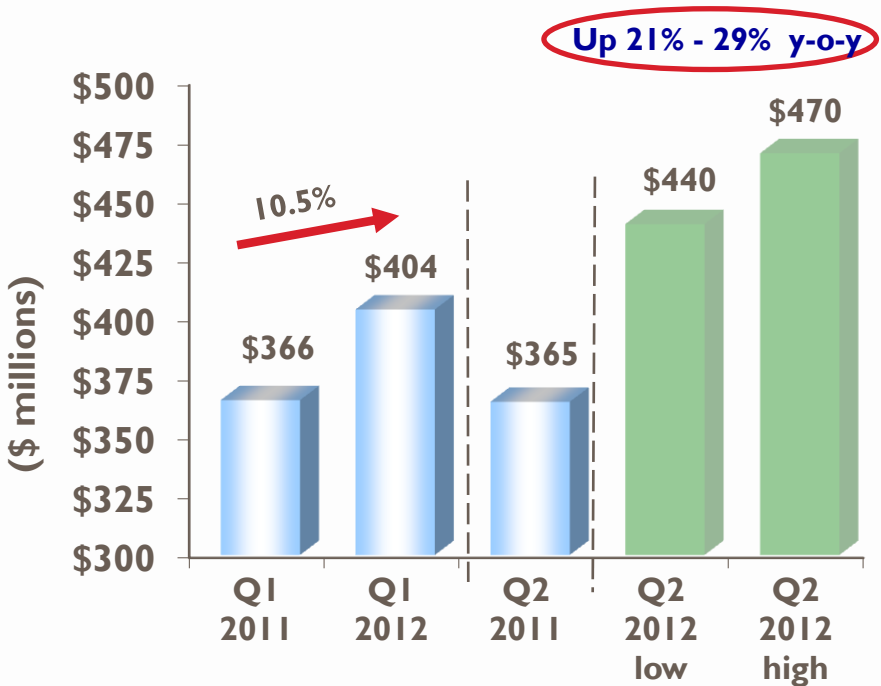


Fully Electronic Revenues

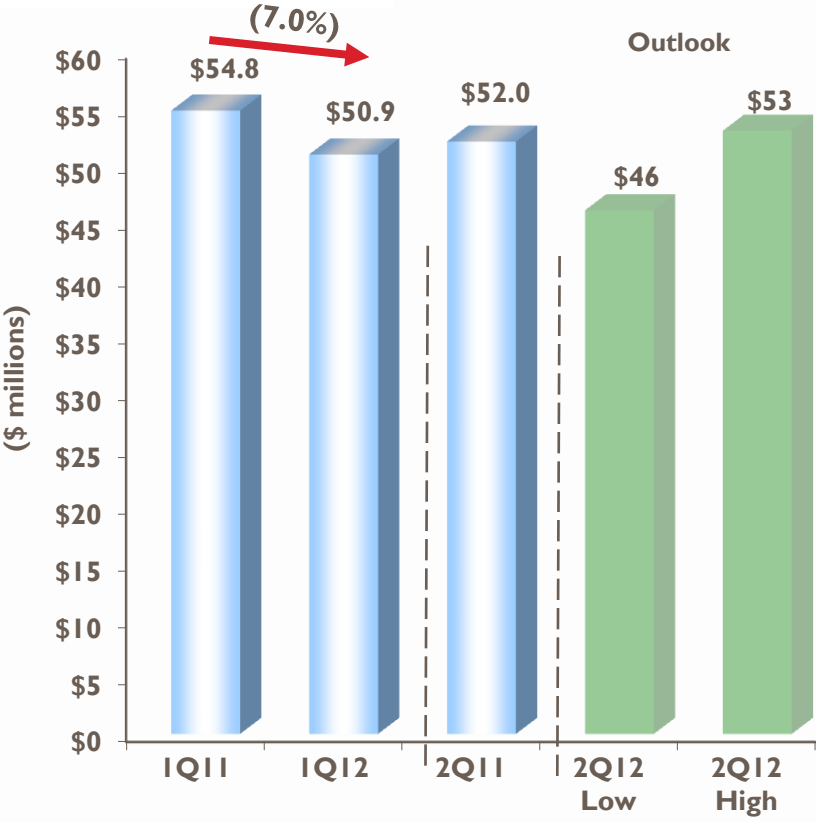


Distributable Earnings

Revenue Growth

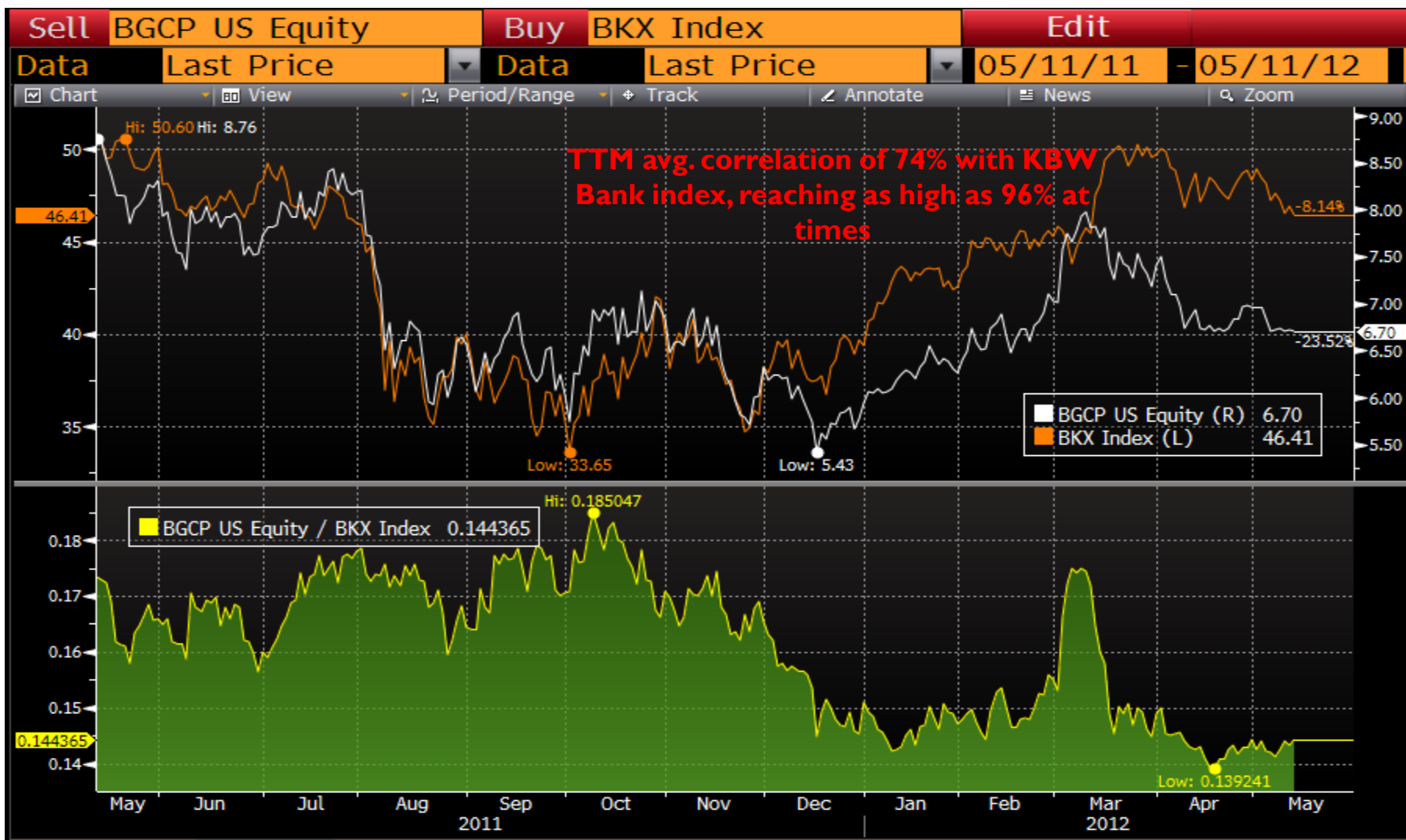


Post-tax Distributable Earnings



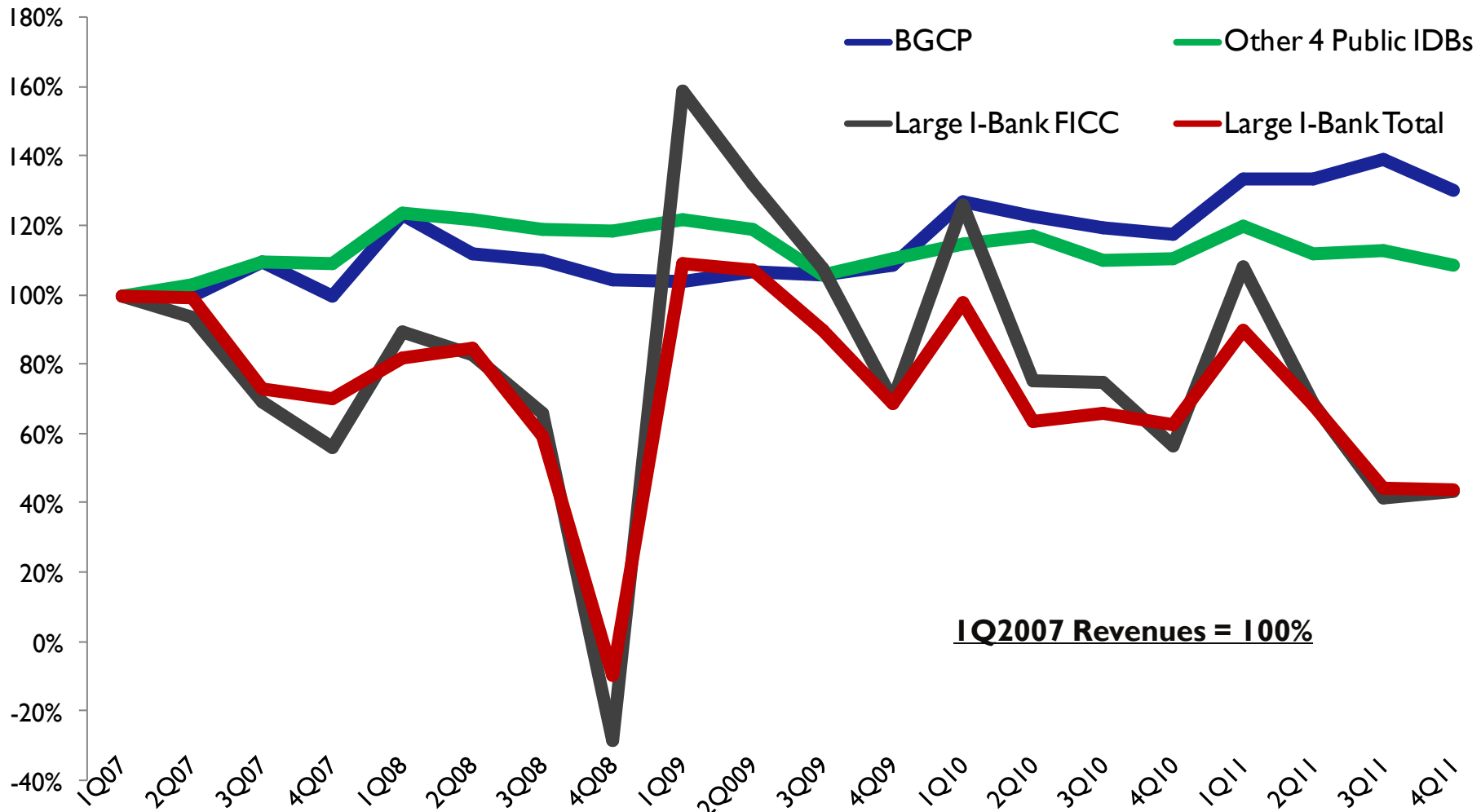
→ 2Q2012 includes at least \$110mm revenues from real estate

BGCP Price Has a High Correlation with Bank Stocks...



Note: The KBW Bank Sector (BKX) is a capitalization-weighted index composed of 24 geographically diverse stocks representing national money center banks and leading regional institutions. BKX is based on one-tenth the value of the value of the Keefe, Bruyette & Woods Index (KBWI).

...Despite Very Low Correlation with I-Bank Revenues



- Large bank FICC revenues had a correlation of only 0.04 with an r-squared of 0.00 versus revenues for the five public IDBs from 1Q2007 through 4Q2011
- BGCP revenues tend to be more stable than that of our customers



Note: I-Bank revenues in \$US as per Citigroup Research for BAML/Merrill Lynch, Barclays, Bear Stearns, BNP Paribas, Citigroup, Credit Agricole, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, JP Morgan, Lehman Bros, Morgan Stanley, Nomura, RBS, Societe Generale, & UBS. BGC revenues = GAAP revenues. "Other 4 Public IDBs" = \$US revenues for GFIG, CFT.SW, IAP.L, and TLPR.L per Bloomberg actual results or consensus estimates, or company reports, adjusted for historically appropriate exchange rates. For certain periods, we further assume an equal split in half-year period revenues for the UK-listed firms to guesstimate quarterly revenues.

What Drives BGC's Performance?

Diversified opportunities for growth, regardless of market conditions

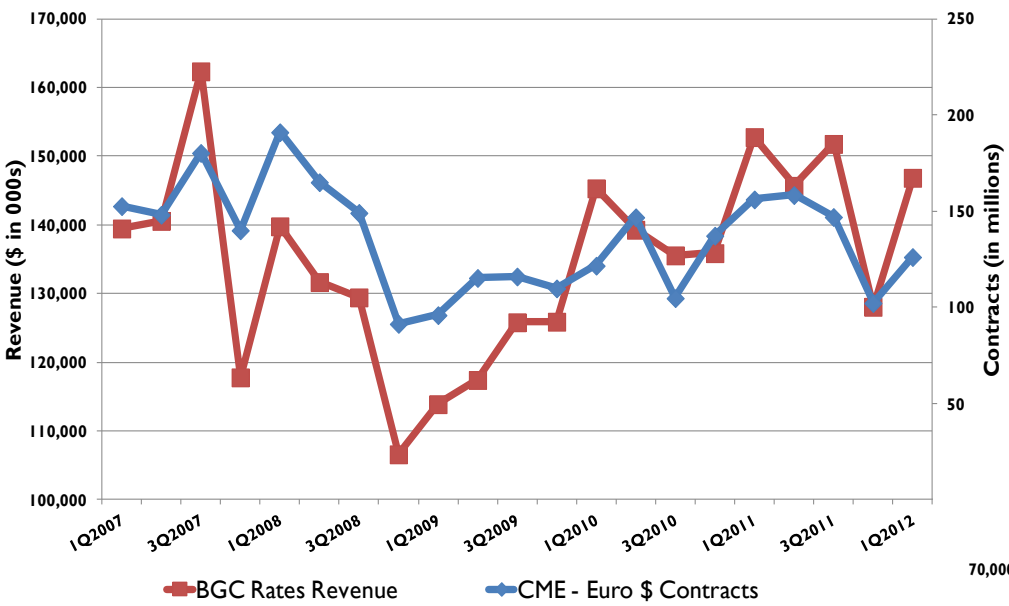
INDUSTRY
VOLUMES

HEADCOUNT
GROWTH
&
MARKET
SHARE
GAINS

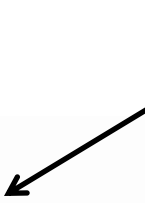
FULLY
ELECTRONIC
TRADING

BGC Revenues Are Correlated to Industry Volumes...

BGC Rates Revenue vs. CME Rates Contract Volume



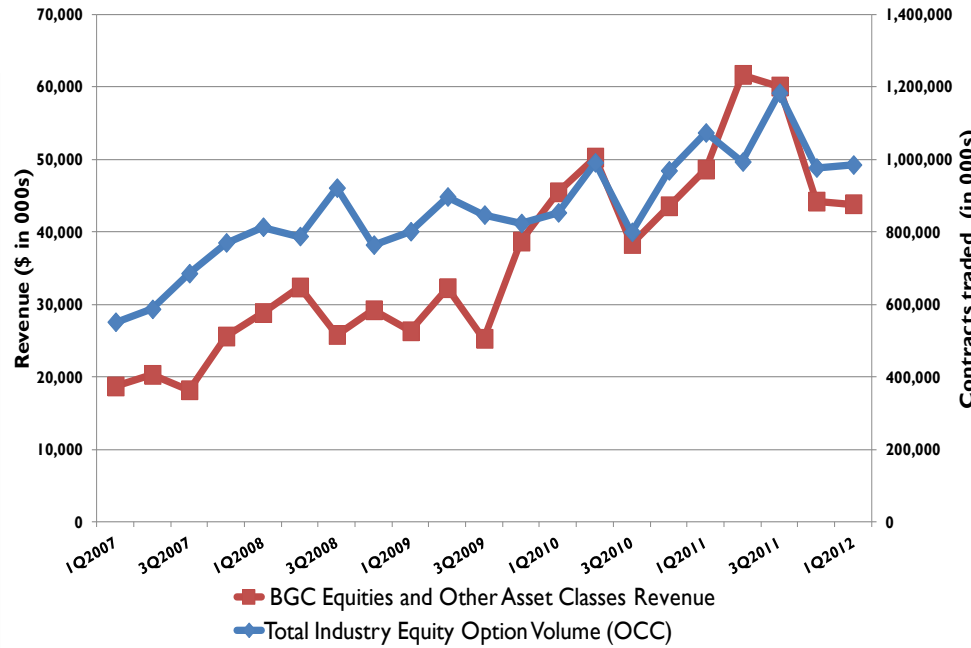
0.66 Correlation & 0.43 R-Squared



0.85 Correlation & 0.71 R-Squared



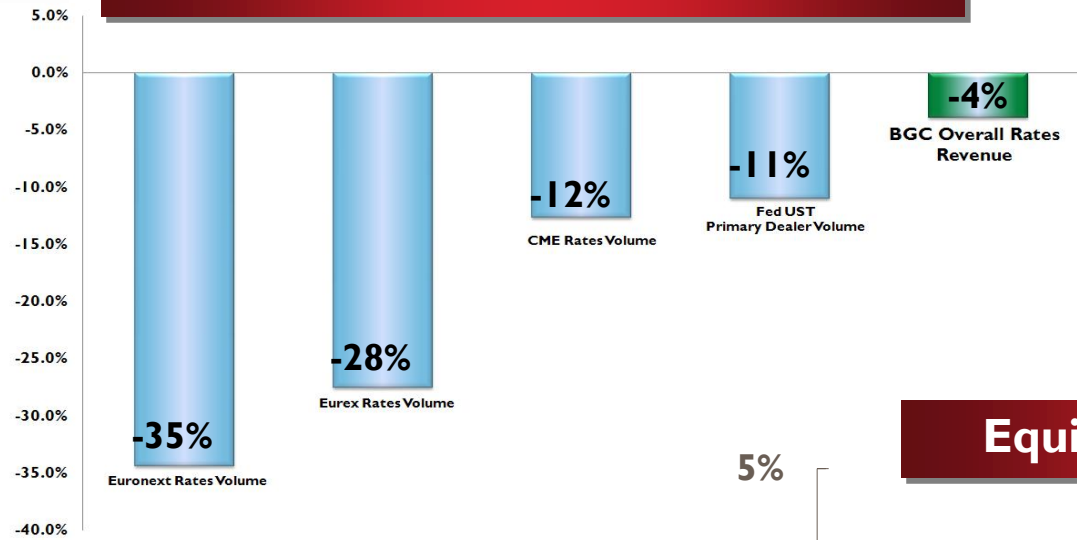
BGC Equities and Other Asset Classes Revenue vs. Total Industry Equity Option Contract Volume (OCC)



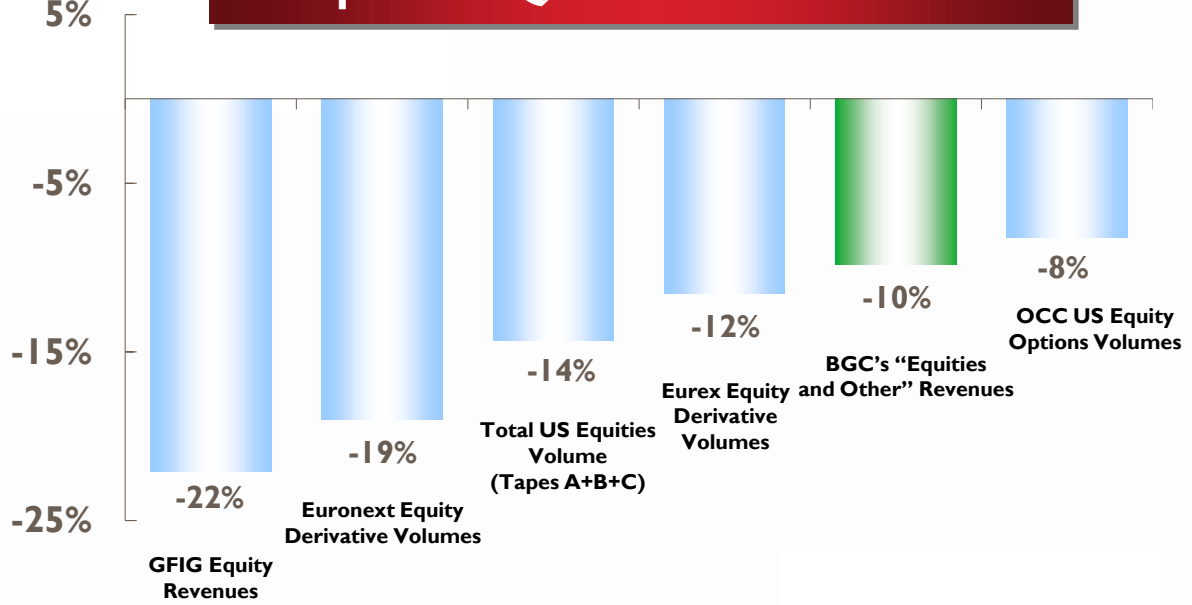
Note: Correlation and R-Squared periods measured are from 1Q2007 through 1Q2012.
Sources: BGC, CME & OCC Websites

...Though BGC Has Outperformed Industry

Rates IQ 2012 Y-O-Y Growth



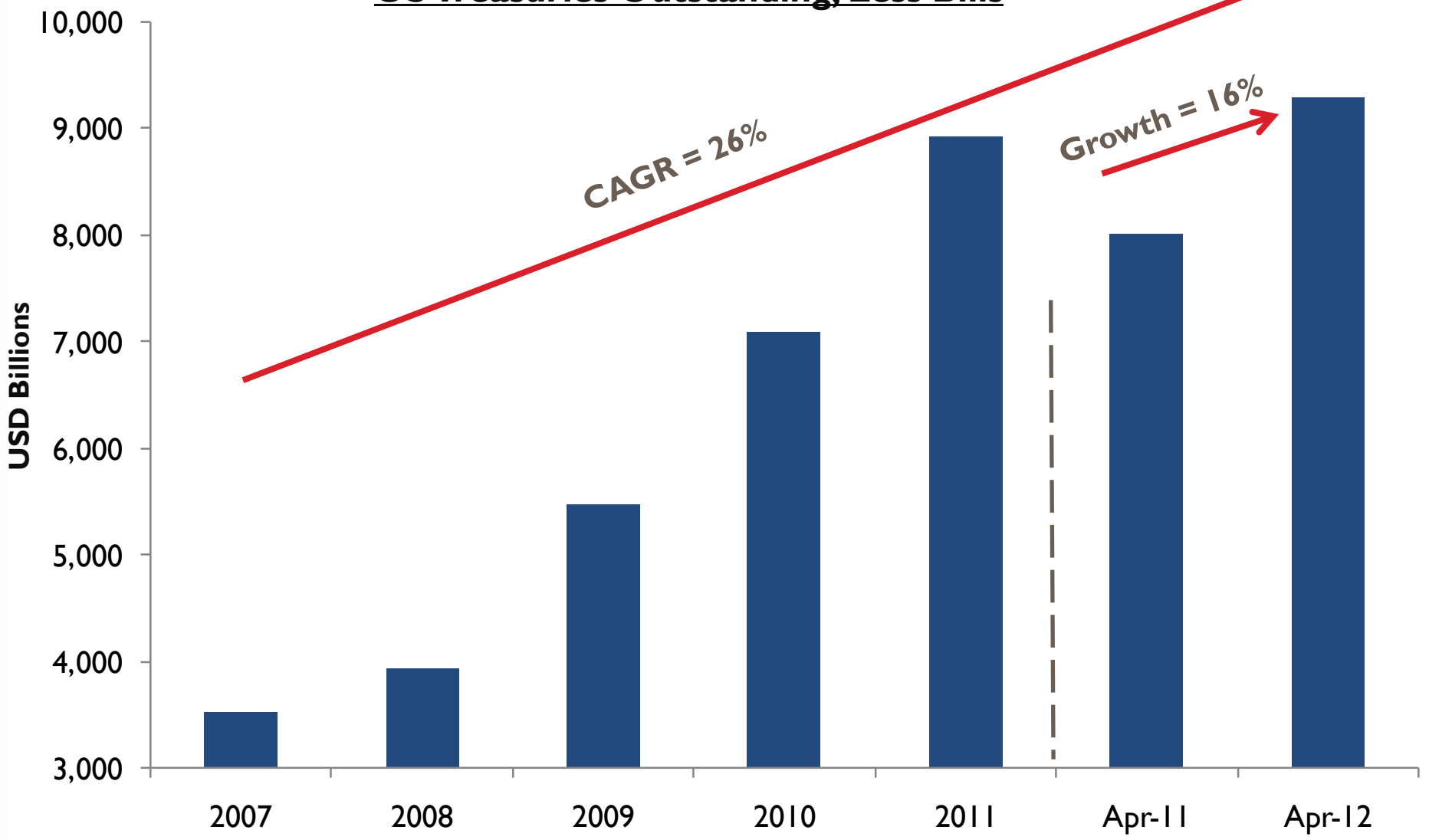
Equities IQ 2012 Y-O-Y Growth



Rates Source: CME/Eurex - Futures Industry Association - Monthly Volume Report - (www.cme.com, www.eurexchange.com), Fed US-T Volume (www.newyorkfed.org/markets/statrel.html - Federal Reserve Bank). Equities Note: Cash equities growth percentages based on average daily shares traded for US exchanges. Equity derivatives based on equity option average daily volume from OCC, Eurex, and Euronext. For Euronext, growth is based on total European equity derivative product volume. Sources: erdesk.com for US equities volumes, OCC for US Equity option volumes, Credit Suisse research for Euronext and Eurex volumes, company press release for GFIG revenues.

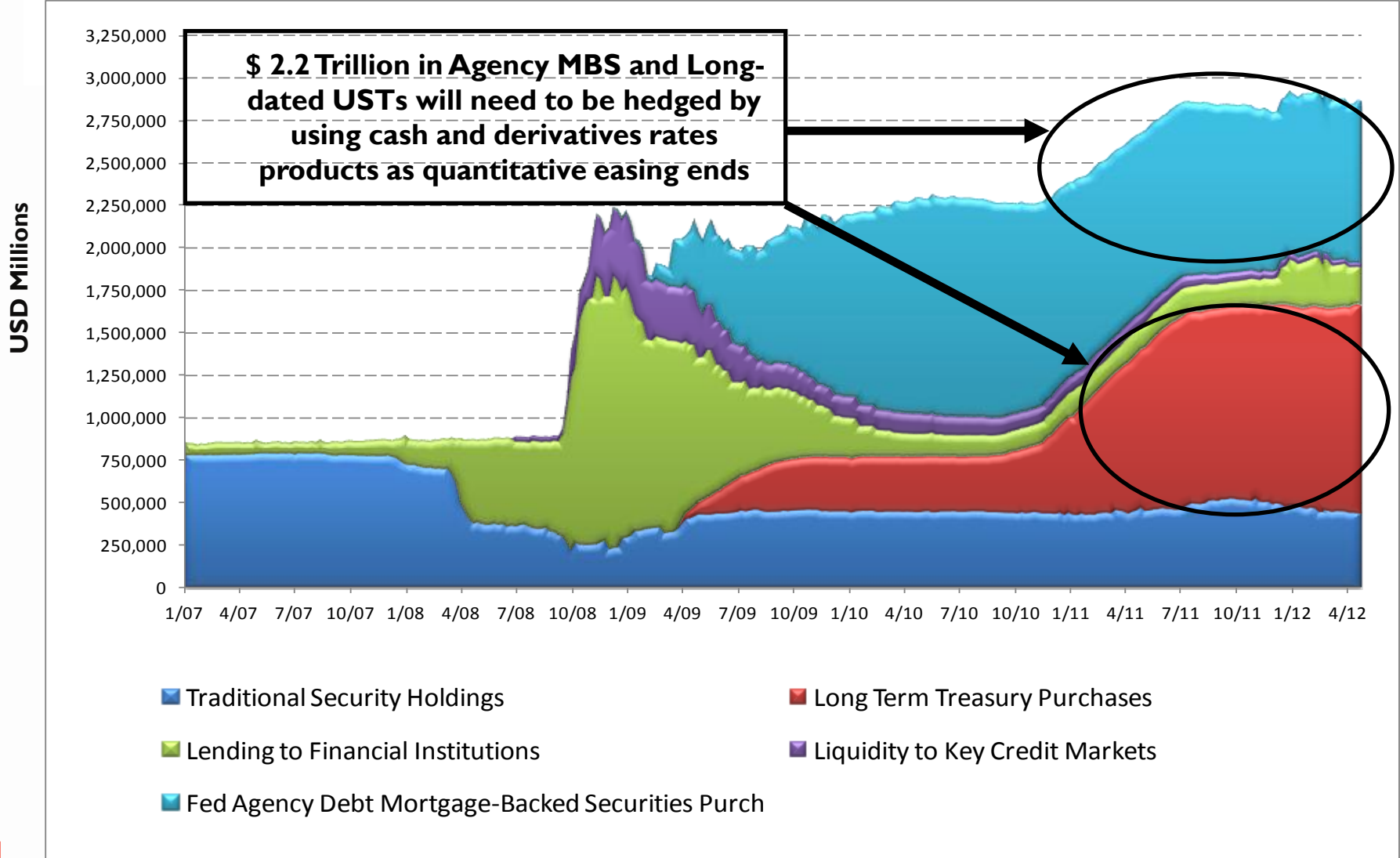
Debt Growth Drives BGC's Rates Franchise

US Treasuries Outstanding, Less Bills



Source: treasurydirect.gov. Note: US Treasuries outstanding = total marketable US government debt held by the Public less treasury bills.

Quantitative Easing = Current Headwind & Future Tailwind

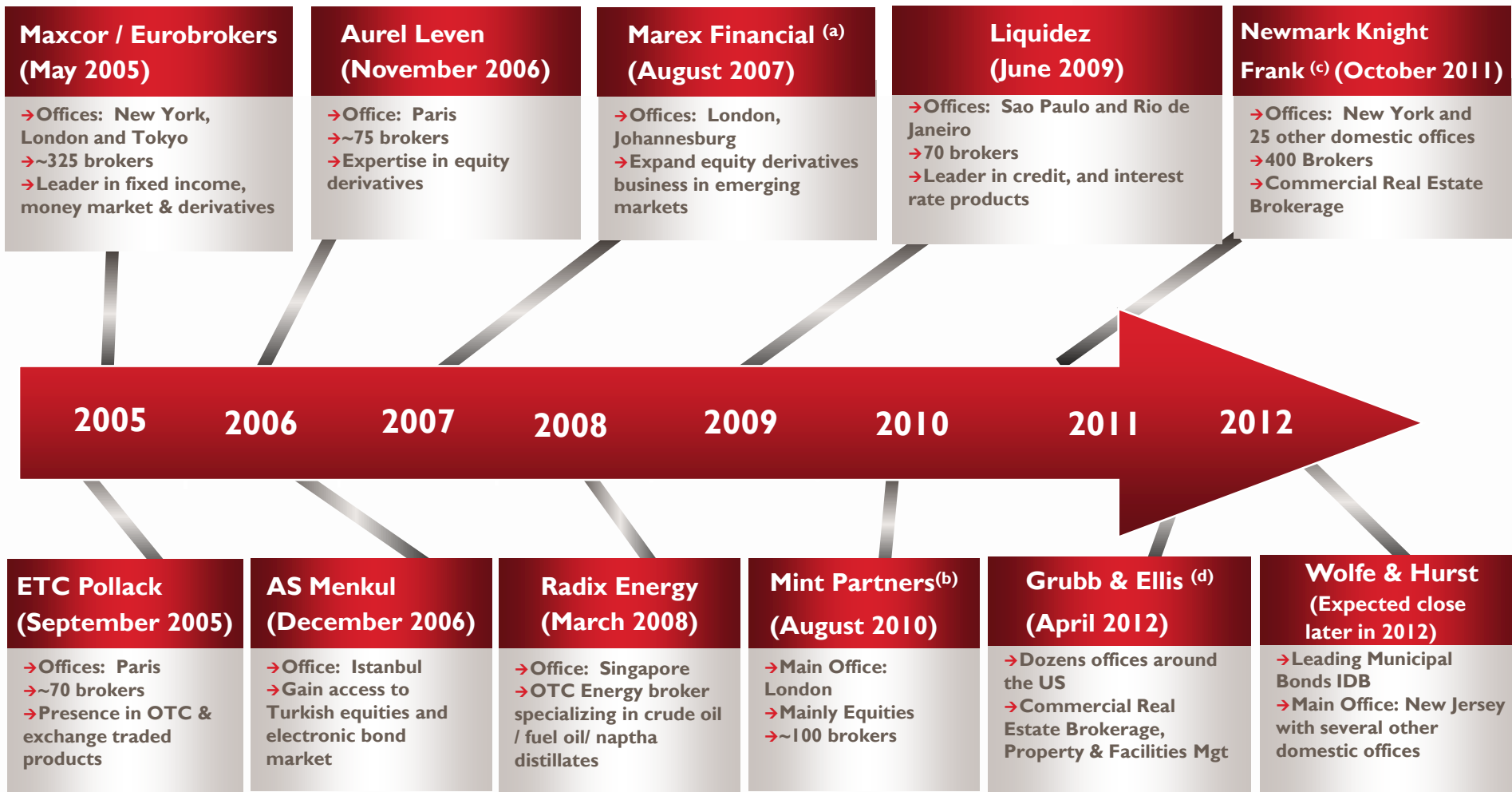


BGC's Ability to Attract and Retain Key Talent

- Partnership structure tax efficient for both partners and public shareholders
- Fundamentally aligns employees' interests with shareholders'
- Partnership is a key tool in attracting and retaining top producers
- Unlike peers, large number of key employees have sizable and mostly restricted equity or unit stakes ($\approx 37\%$ of fully diluted shares*)
- Structure combines best aspects of private partnership with public ownership

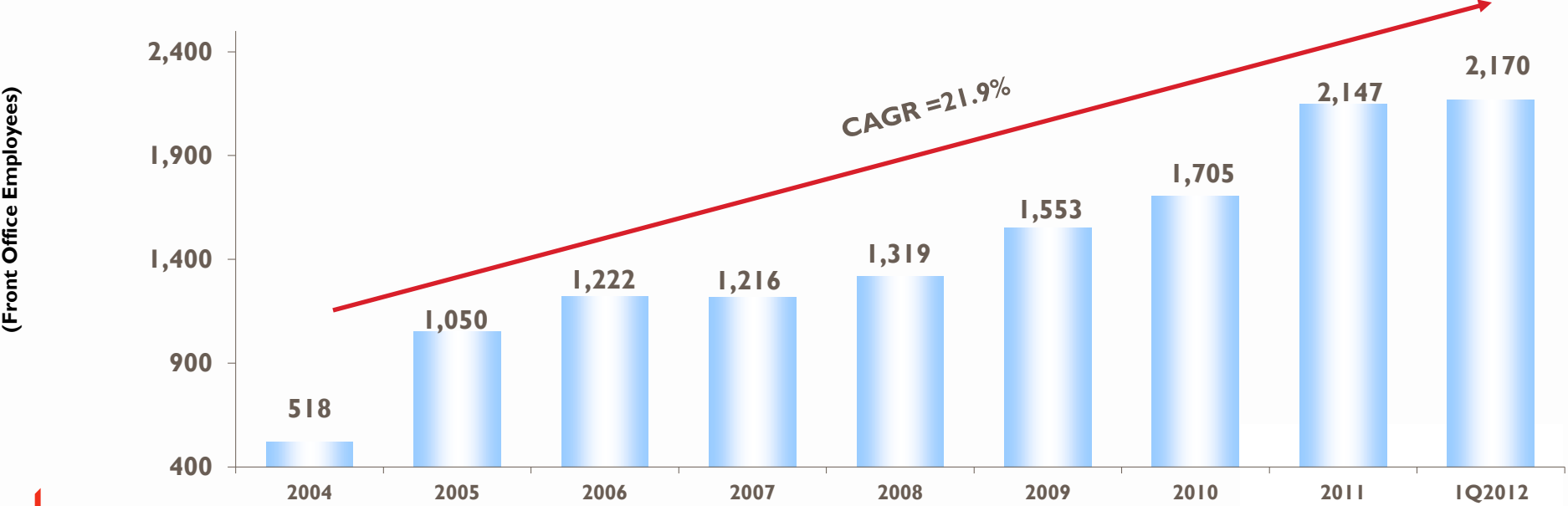
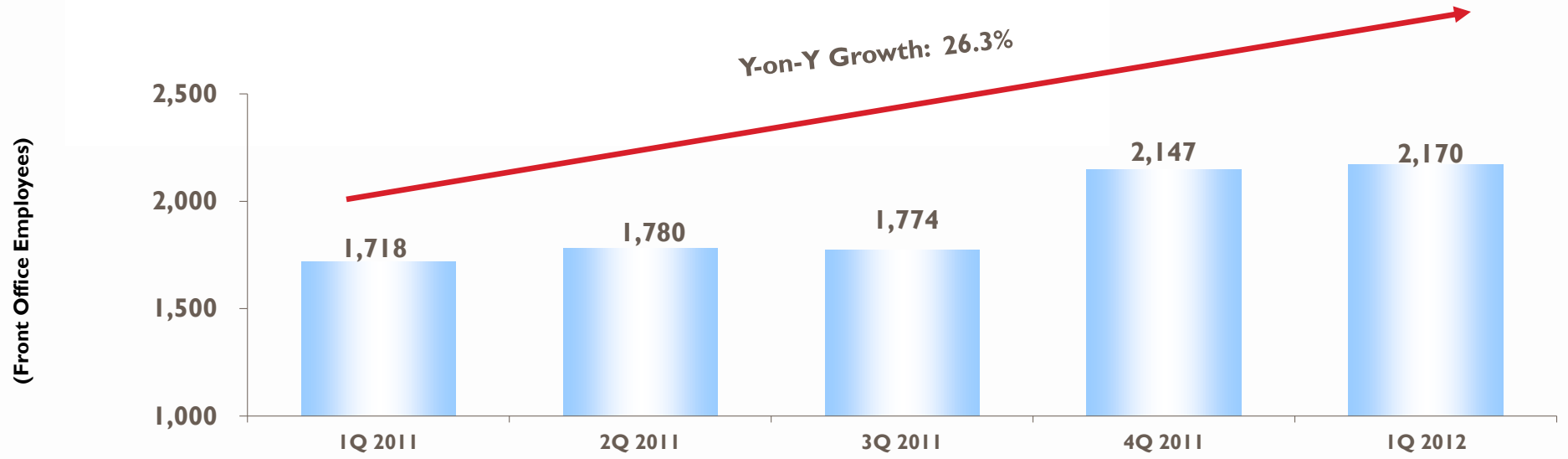


Strong Record of Successful, Accretive Acquisitions



(a) BGC acquired Marex Financial's emerging markets business. (b) BGC acquired various assets and businesses of Mint Partners and Mint Equities. (c) BGC acquired all of the outstanding shares of Newmark & Company Real Estate, Inc., which operated as "Newmark Knight Frank" in the United States and is associated with London-based Knight Frank. (d) After the close of IQ 2012, BGC acquired most of the assets of Grubb & Ellis.

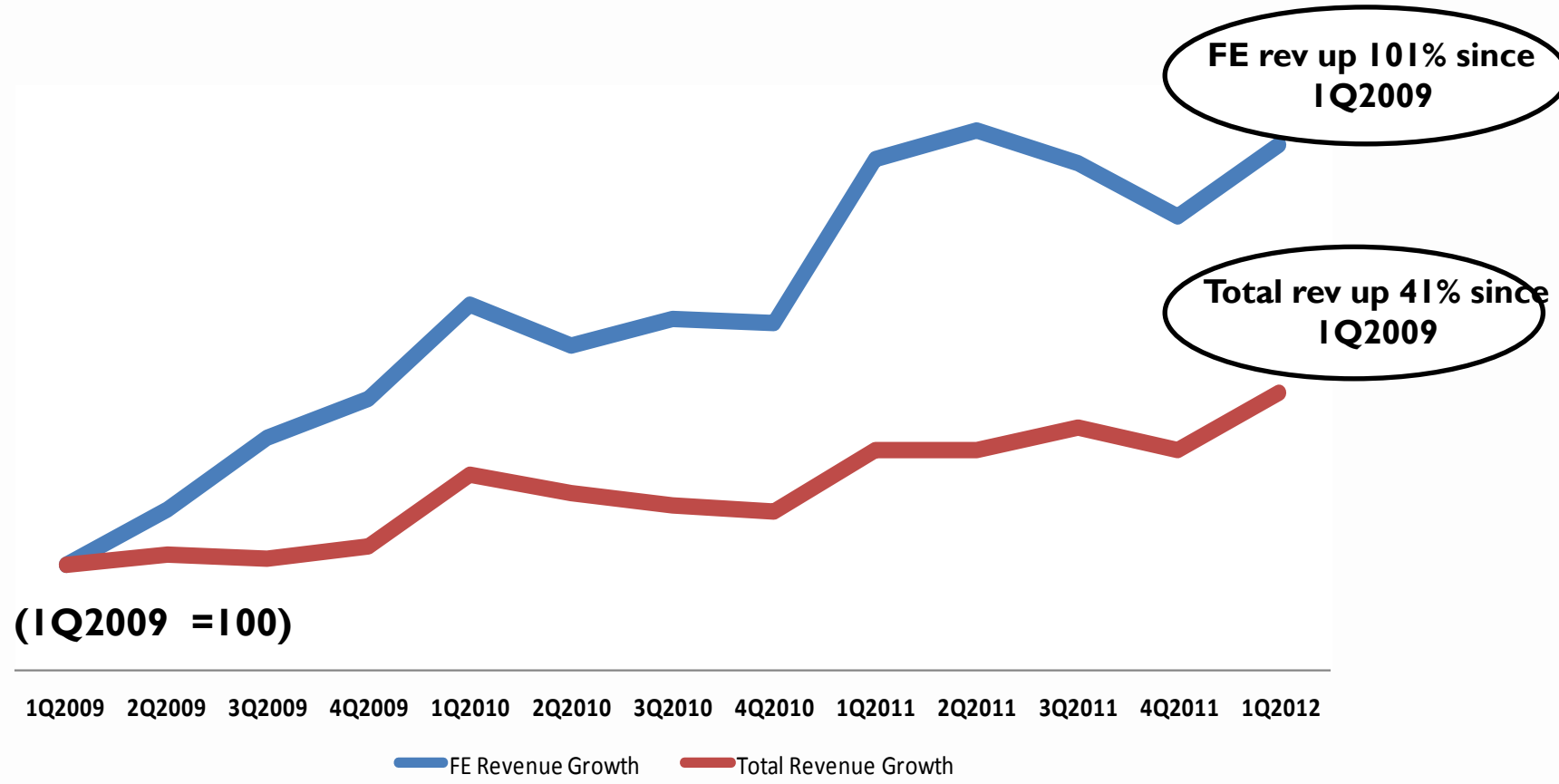
BGC's Front Office Employee Growth



Since formation in 4Q2004, BGC's front office headcount has more than quadrupled.

Fully Electronic Revenues Have Outpaced Overall Growth

Total and Fully Electronic* Quarterly Revenue from 1Q2009 to 1Q2012



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

Technology Based Revenues & Profits

1Q2012 YoY

- Pre-Tax Profit up 17% YoY at \$26MM
- Pre-Tax Margin 56% vs. 49% up ≈ 700 BPS YoY



■ Software Solutions
■ Fees from Related Parties*
■ Market Data
■ Electronic Brokerage

FY2011 YoY

- Pre-Tax Profit up 20% YoY at \$94MM
- Pre-Tax Margin 52%, unchanged



■ Fees from Related Parties*
■ Electronic Brokerage



* Fees from related parties related to fully electronic trading

Excited About both Recent Real Estate Transactions

- BGC expects synergies between Newmark Knight Frank's consultative approach to creating value for clients and Grubb & Ellis' transactional and management services
- Good progress integrating both firms
- Total consideration of less than \$150mm for Grubb & Ellis and Newmark Knight Frank combined*
- Real Estate expected to generate at least \$110mm in 2Q2012 alone



*Includes 4.8 million in potential performance-based shares paid over next 5 years.



The Opportunity: Commercial Real Estate Brokerage

- ◆ CRE brokerage is a large and fragmented industry
- ◆ Overlap and similarity between IDB and CRE brokerage
- ◆ BGC's expertise in brokerage
- ◆ CRE brokerage is brokerage
- ◆ Rebound of commercial real estate market

Commercial Real Estate Services Industry

Larger & More Fragmented than the Inter-Dealer Brokerage Sector

- ◆ Top 5 publicly traded IDBs comprise $\approx 70\%$ of the global IDB market
- ◆ \$20 billion U.S. Commercial Real Estate brokerage services market $\approx 5x$ larger than U.S. IDB market
- ◆ 2 largest CRE firms control approximately 20%, top 5 about 30% of market
- ◆ Remaining 70% of revenues are generated by 100+ firms
- ◆ As a new market for BGC, CRE may be one of the largest global market opportunities

Excludes asset management and development services

Sources: BIS, Bloomberg, Morgan Stanley Research, Oliver Wyman, Credit Suisse, BAML, Real Capital Analytics, BGC estimates

Revenues & Profits for Financial & Real Estate

6 Months ended 3/31/2012 (4Q2011 + 1Q2012)

	<u>Financial</u>	<u>Real Estate</u>	<u>Corporate</u>	<u>Total</u>
Revenue	\$ 643,835	\$ 105,005	\$ 20,375	\$ 769,215
Pre-Tax DE	\$ 126,019	\$ 10,860	\$ (30,959)	\$ 105,920
Pre-tax DE Margin	20%	10%	NMF	14%

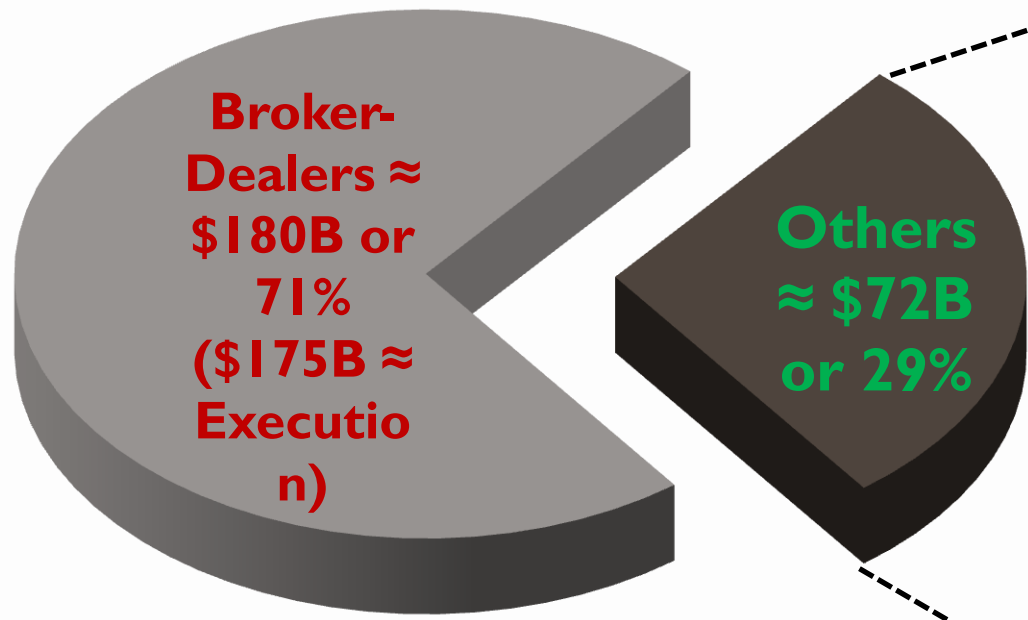
- Adding together the results for 4Q2011 & 1Q2012 is closer to what full year margins & profits might have been
- Over time, we expect scale, technology & structure to improve Real Estate margins



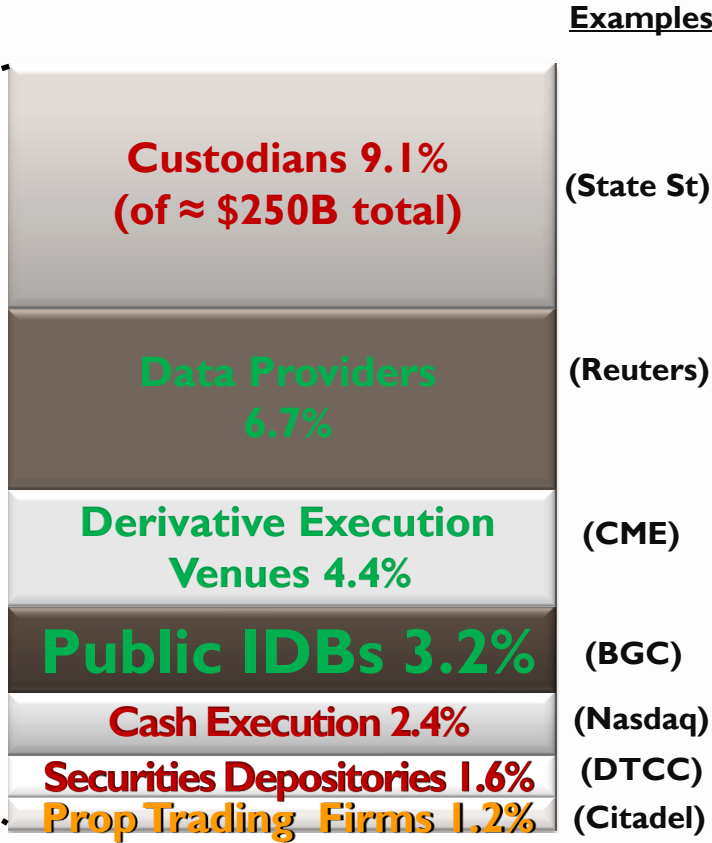
Note: "Financial" = all voice/hybrid & fully electronic brokerage revenues for Rates, Credit, Foreign Exchange, and Equities & Other; the portion of "fees from related parties" line item related to fully electronic trading, all "market data" revenues, and all "software solutions" revenues. "Real Estate" = BGC's revenues from Newmark Knight Frank.

Tiny Slice from Banks = Huge Potential Opportunity for BGC

\$250B Global Sales & Trading Market (2010 – 2011)



Public IDBs ≈ \$8B



5-Year Growth Outlook Color Key
Growth Area **Little Change** **Declining**

BGC's Performance Goals

Goals in 2007

- 56% Comp Ratio
- 13% Pre-tax Margin
- 10% Post-tax Margin
- Increase front office
- Diversify product mix
- Increase fully electronic trading

1Q2011 Actual Results

- 54.1% Comp Ratio
- 17.6% Pre-tax Margin
- 15.0% Post-tax Margin
- 10.7% of total company revenues from related to e-broking (all from financial product brokerage)
- Front office up by 500+

Current Goals

- 55-60% Comp Ratio
- 17-18% + Pre-tax Margin
- 15% + Post-tax Margin
- Increase absolute amount and percentage of e-broking revenues to 20% of financial brokerage revenues
- Grow front office in "IDB" products by at least another 750 (Rates, Energy, Commodities, Shipping, Credit, FX, Equities)
- Grow new brokerage products front office by at least another 500 (Commercial Real Estate, etc.)
- Grow revenues by \$1Bn

→ BGC has met its past performance goals and is setting new targets for increased revenue and profitability



Q&A



voice  *electronic brokerage*

Appendix

Adjusted EBITDA Compared with Distributable Earnings (\$MM)

	For the 3 Months Ended March 31,		For the 12 Months Ended December 31,	
	2012	2011	2011	2010
Income from operations before income taxes (1)	19	25	54	57
Add back:				
Employee loan amortization (2)	7	9	32	41
Interest expense (1)	8	4	25	14
Fixed asset depreciation and intangible asset amortization (2)	13	12	49	50
Impairment of fixed assets (2)	1	-	1	-
Sub-total (EBITDA)	47	50	161	163
Exchangeability charges	26 (3)	11 (3)	108 (4)	42 (4)
Losses on equity investments (2)	2	2	7	7
Adjusted EBITDA	75	63	276	212
Pre-Tax distributable earnings (5)	58	64	237	184

NOTE (1) -- Source -- Condensed Consolidated Statement of Operations

NOTE (2) -- Source -- Condensed Consolidated Statement of Cash Flows

NOTE (3) -- Source -- March 31, 2012 10-Q, footnote 17

NOTE (4) -- Source -- December 31, 2011 10-K, footnote 16

NOTE (5) -- Source -- BGC's Financial Results Press Releases for respective periods

Note: the totals may not add up due to rounding.

Correlation Between BGC Revenues and Industry Metrics

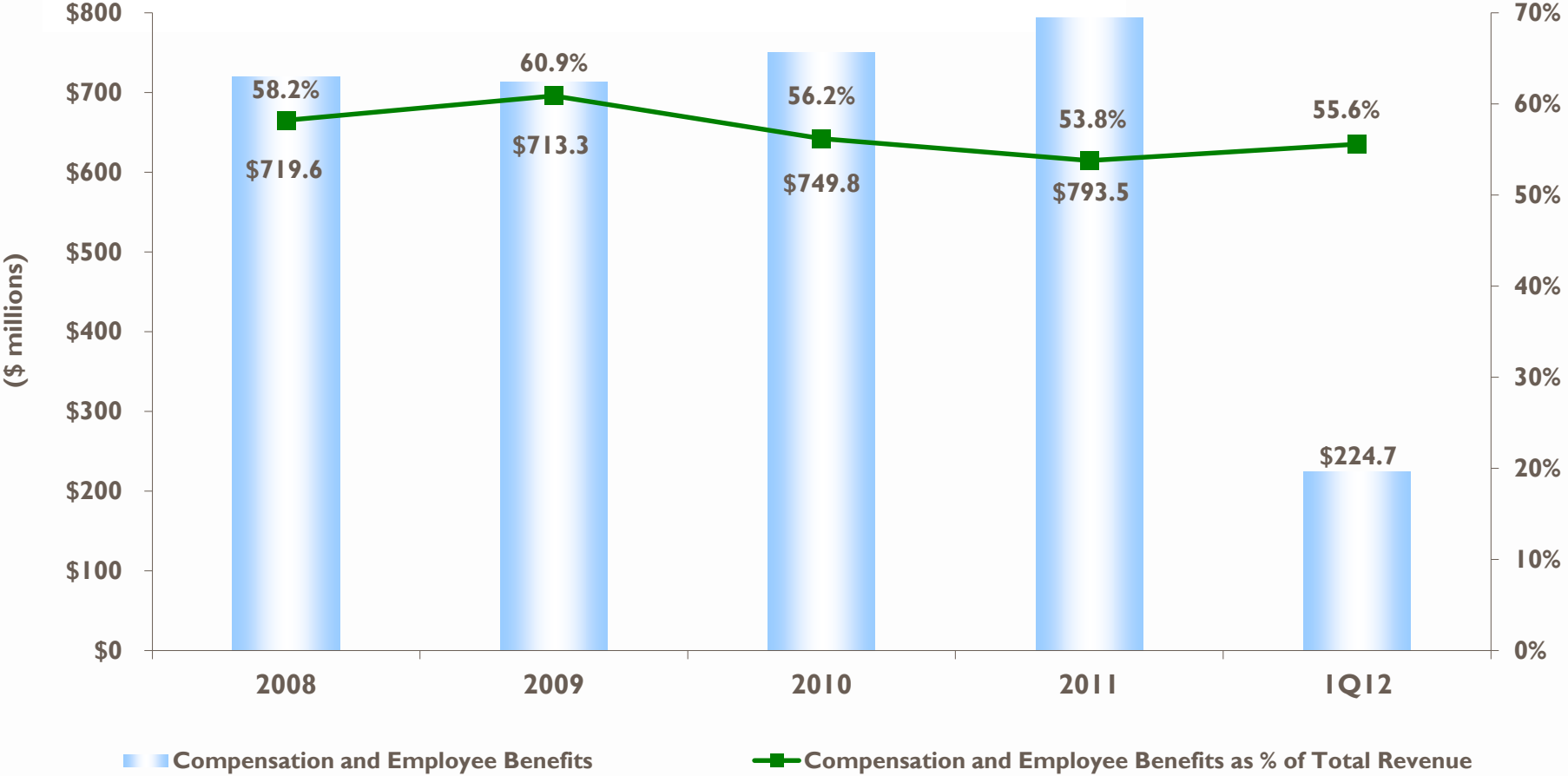
		Correlation	R-Square
Rates	CBOT - US Treasury Contracts	0.748	0.560
	EUREX - Bund Contracts	0.531	0.282
	CME - Euro \$ Contracts	0.657	0.432
	Combined CBOT USTs, CME Eurodollars, Eurex Bund Contracts	0.709	0.502
	Fed UST Primary Dealer Volume (in billions)	0.758	0.574
Equities & Other	Total Industry Equity Option Volume (OCC)	0.845	0.714
	OCC Equity Options + Eurex & Euronext Equity Derivatives Volumes	0.834	0.696
FX	CLS FX Avg Daily Values	0.906	0.822
	CME FX Futures Volume	0.770	0.593
Credit	TRACE All Bond Avg Daily Volume	0.628	0.394



Note: Correlation and R-Squared periods measured are quarterly from 1Q2007 through 1Q2012, with the exception of “OCC Equity Options + Eurex & Euronext...” and “CLS FX...” which are 1Q2008 through 1Q2012.

Sources: CME, Eurex, Euronext, OCC, Federal Reserve, CLS

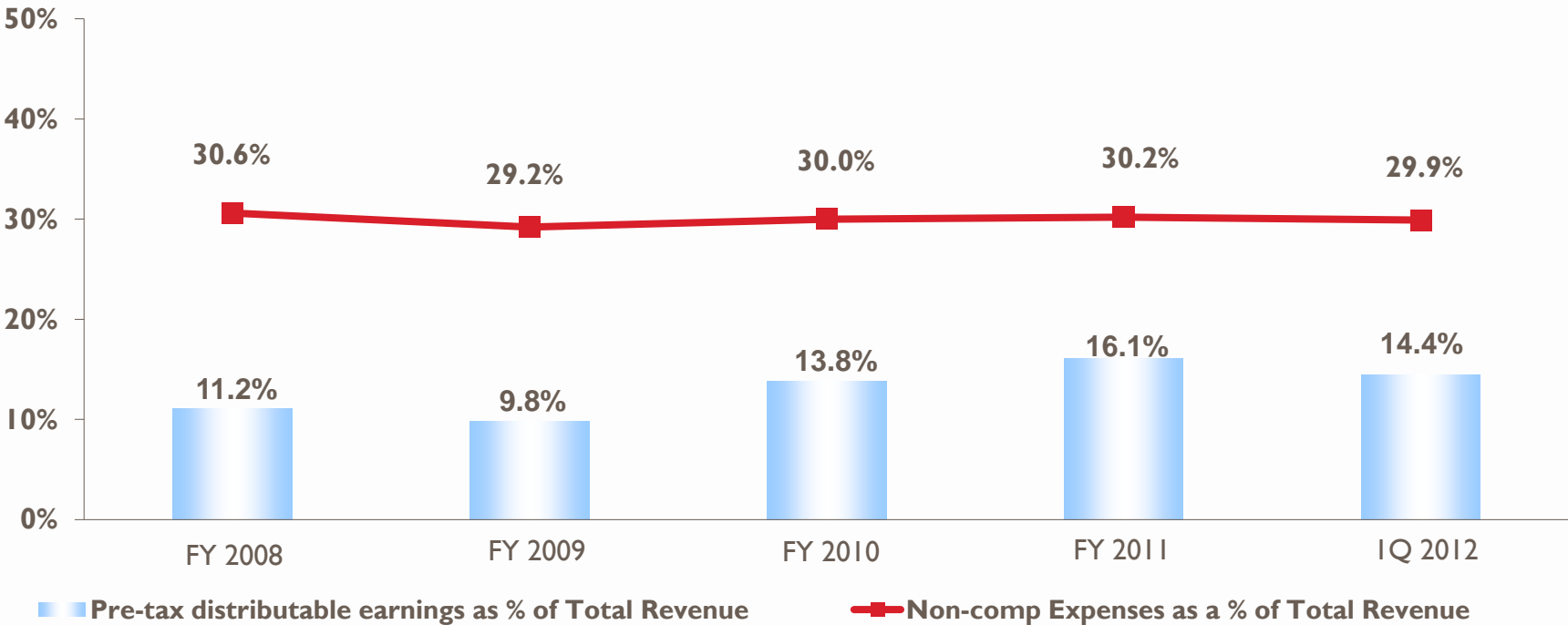
BGC's Compensation Ratio



- ➔ IQ2012 BGC Partners compensation ratio = 55.6% vs. 54.1% in IQ2011
- ➔ Expect 2Q2012 compensation ratio above IQ2012 level due to Grubb & Ellis, but to decline over time



Non-Compensation Expenses



- Non-comp expenses were 29.9% of distributable earnings revenues in IQ2012 versus 28.3% in IQ2011
- Pre-tax distributable earnings margin was 14.4% in IQ2012 vs. 17.6% in IQ2011
- Post-tax distributable earnings margin was 12.6% in IQ2012 vs. 15.0% in IQ2011

Revenue and Profit by Execution Method

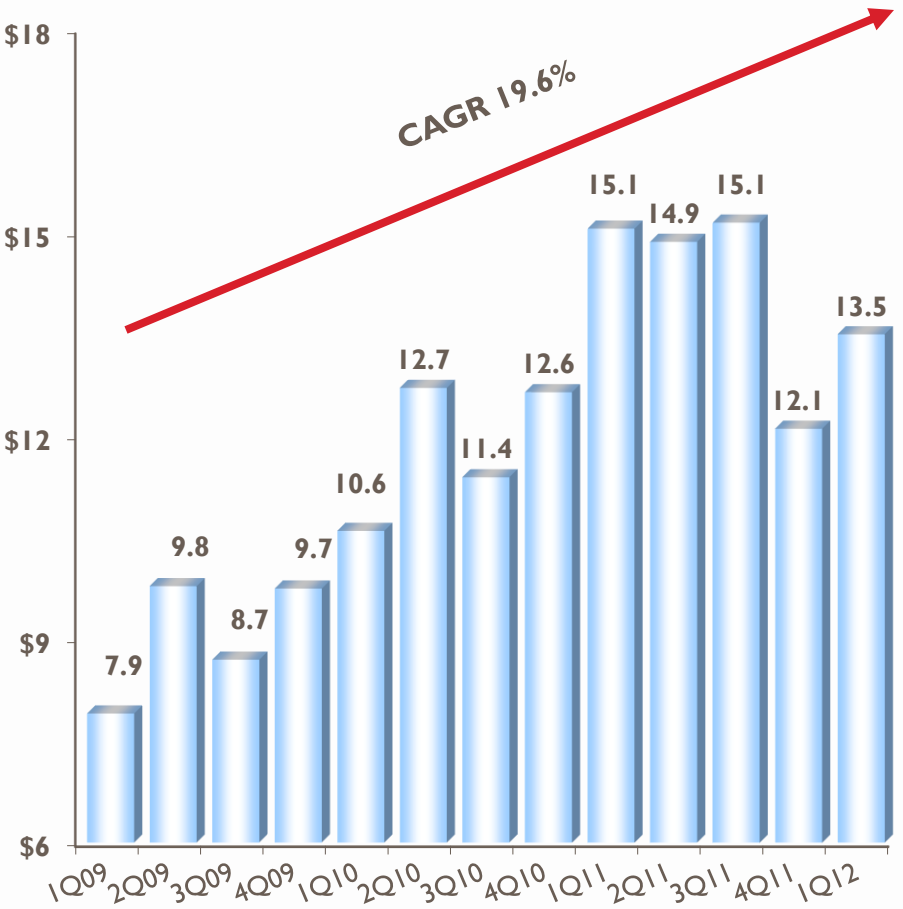
<u>IQ2012</u>					<u>IQ2011</u>				
	<u>Technology - Based</u>	<u>Voice / Hybrid</u>	<u>Corporate / Other</u>	<u>Total</u>	<u>Technology - Based</u>	<u>Voice / Hybrid</u>	<u>Corporate / Other</u>	<u>Total</u>	
Revenue	\$47	\$347	\$10	\$404	\$46	\$309	\$11	\$366	
Pre-Tax DE	\$26	\$53	(\$21)	\$58	\$23	\$59	(\$17)	\$64	
Pre-tax DE Margin	56%	15%	NMF	14%	49%	19%	NMF	18%	
<u>FY2011</u>					<u>FY2010</u>				
	<u>Technology - Based</u>	<u>Voice / Hybrid</u>	<u>Corporate / Other</u>	<u>Total</u>	<u>Technology - Based</u>	<u>Voice / Hybrid</u>	<u>Corporate / Other</u>	<u>Total</u>	
Revenue	\$182	\$1,251	\$44	\$1,476	\$151	\$1,123	\$60	\$1,335	
Pre-Tax DE	\$94	\$203	(\$60)	\$237	\$78	\$164	(\$59)	\$184	
Pre-tax DE Margin	52%	16%	NMF	16%	52%	15%	NMF	14%	

In MM

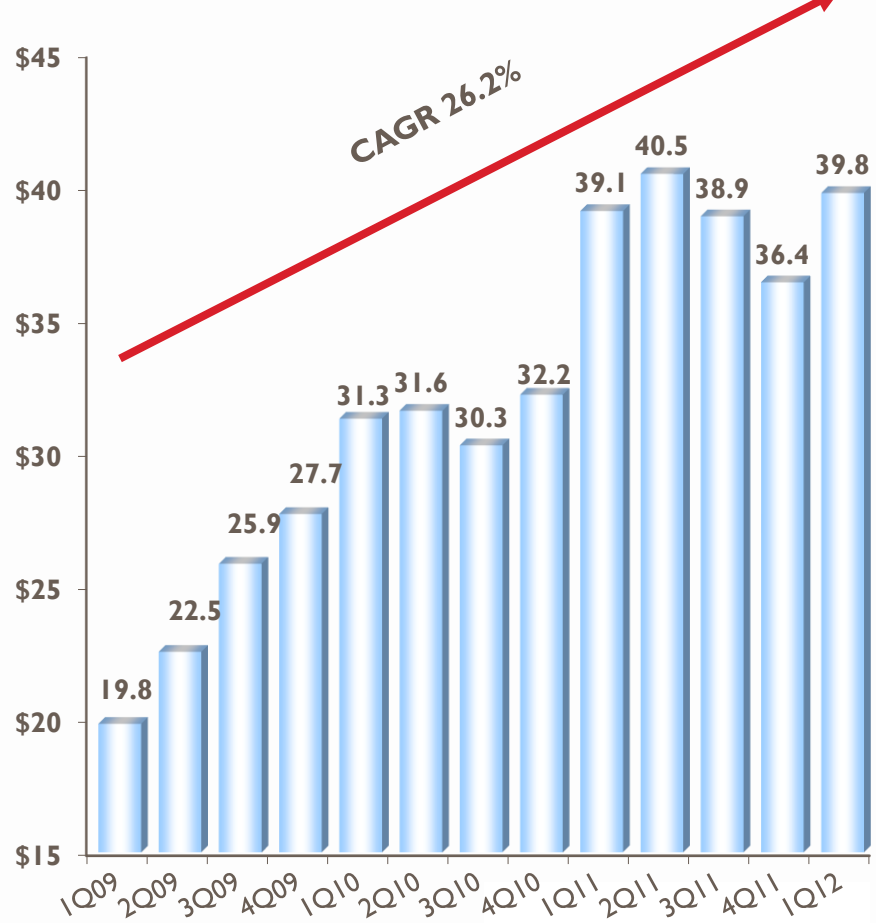
Note: For all periods, "Technology Based" revenues includes fully electronic trading in the "total brokerage revenues" GAAP income statement line item, the portion of "fees from related parties" line item related to fully electronic trading, all "market data" revenues, and all "software solutions" revenues. Real Estate revenues are included in Voice/Hybrid.

BGC's Fully Electronic Improvement

Fully Electronic Notional Volumes (in \$ trillions)



Fully Electronic Revenues (in \$ millions)*



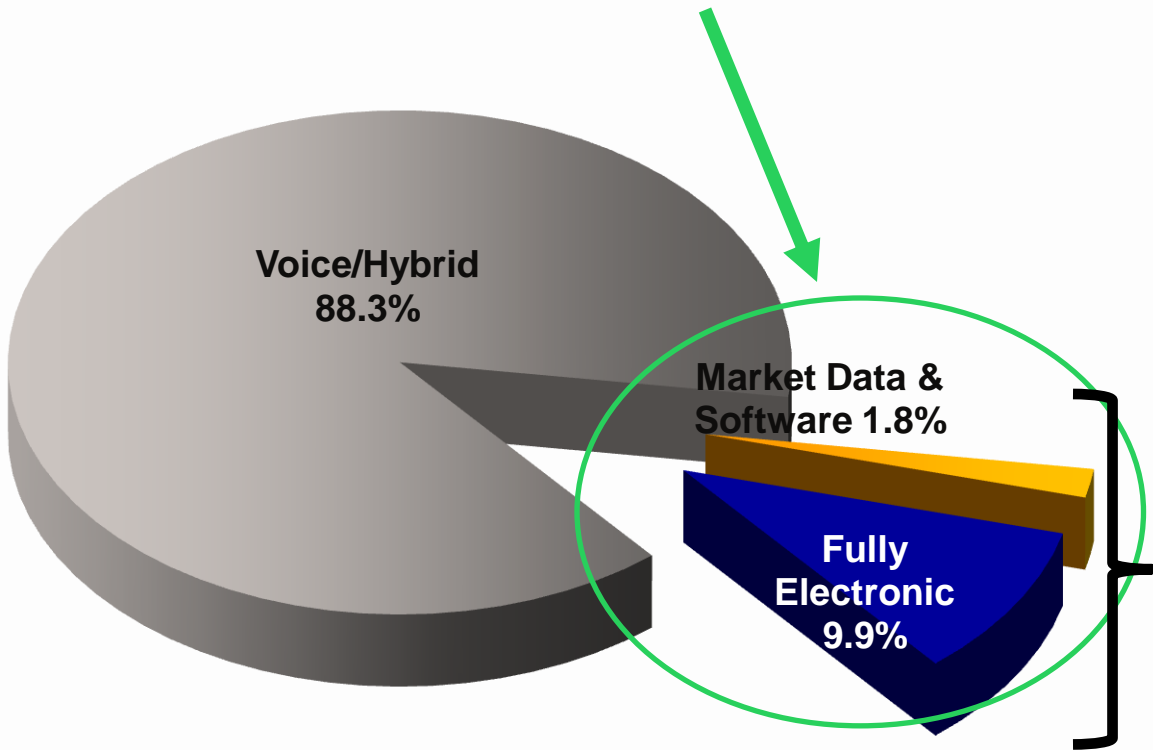
➔ Over time, higher fully electronic revenues has = improved margins



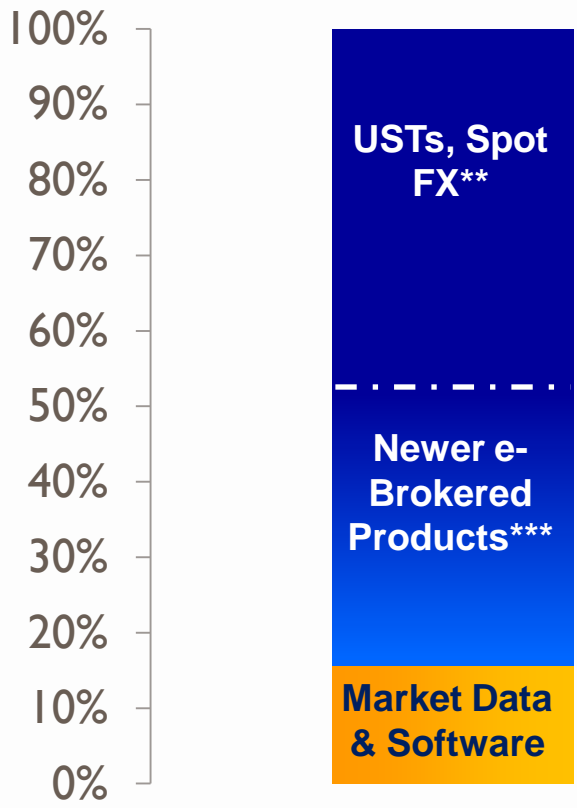
* This includes fees captured in both the "total brokerage revenues" and "fees from related party" line items related to fully electronic trading.

Technology based Breakdown IQ2012

Technology-Based Products* = 11.7% of Total Revenues; 13.3% ex-Real Estate



Breakdown of the 11.7% of revenues



*Technology-Based revenues = fully electronic brokerage, fees from related parties related to fully electronic trading, market data, and software solutions.
 ** Includes fees from related parties related to electronic trading.
 *** Fully electronic brokerage revenues from all other e-brokered products.
 Note: Voice/Hybrid includes corporate and other revenues.

2Q2012 ≈ 100/220 Products Offer Fully Electronic Trading



NEW PRODUCTS

- ◆ Money Markets
- ◆ Property Derivatives
- ◆ Exotic IR & FX Options
- ◆ Commodity Derivatives
- ◆ Shipping
- ◆ Commodities
- ◆ USD & EUR Sovereigns
- ◆ New Issue Securities
- ◆ Commercial Real Estate
- ◆ Interest Rate Derivatives
- ◆ Cash Equities
- ◆ Basis Swaps
- ◆ Floating Rate Notes
- ◆ Base Metals
- ◆ Asset Backed Securities
- ◆ Covered Bonds
- ◆ UST Curve Swaps
- ◆ UST Off-the-Runs
- ◆ Equity Derivatives (Global)
- ◆ Emerging Market Bonds
- ◆ Japanese Corporates
- ◆ Convertible Bonds
- ◆ US Cash Bonds
- ◆ TIPS
- ◆ Inflation Swaps
- ◆ FX Options
- ◆ Corporates (EU & Aust.)
- ◆ APAC Sovereigns
- ◆ Single-Name CDS (Global)
- ◆ IRS (multiple currencies)
- ◆ IR Options (multiple currencies)
- ◆ Non-deliverable Forwards
- ◆ Metals Options
- ◆ US Treasuries
- ◆ Spot FX
- ◆ ELX-CME Basis Swaps
- ◆ Futures Routing
- ◆ Canadian Sovereigns
- ◆ European Sovereigns
- ◆ Sovereign CDS
- ◆ CDS Indices (Global)

VOLUME GROWTH



Note: The above is only a partial list.

Business Overview: Rates

Example of Products

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

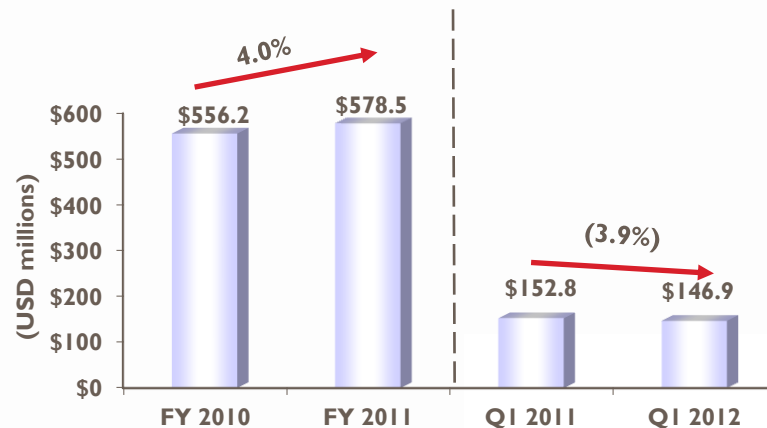
Drivers

- Ongoing global sovereign debt issues cause long term tailwinds in our Rates business
- Near-terms headwinds due to quantitative easing
- BGC's Rates revenue performance better than overall industry

% of IQ2012 Total Distributable Earnings Revenue



Rates Revenue Growth



Business Overview: Credit

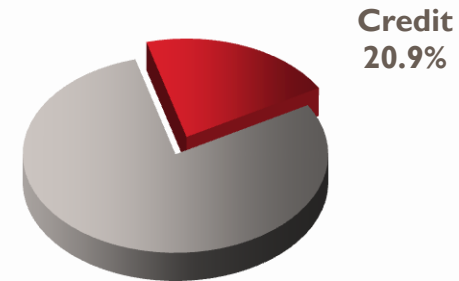
Example of Products

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

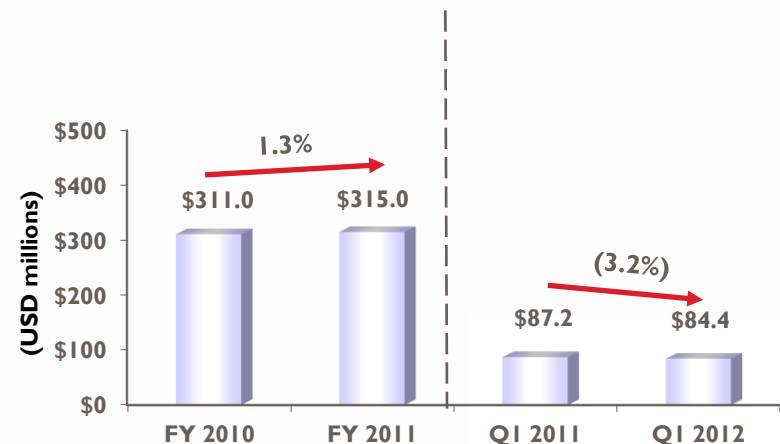
Drivers

- Flat to down industry volumes
- BGC fully electronic credit products up approx 20% YoY
- BGC Credit desks outperformed peers

% of IQ2012 Total Distributable Earnings Revenue



Credit Revenue Growth



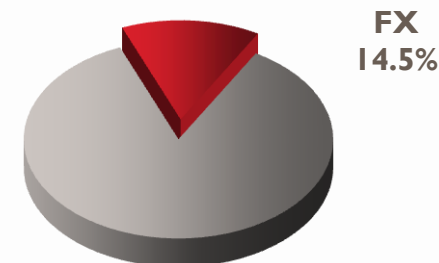
BGC Business Overview: Foreign Exchange

Example of Products

In virtually all currency pairs

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

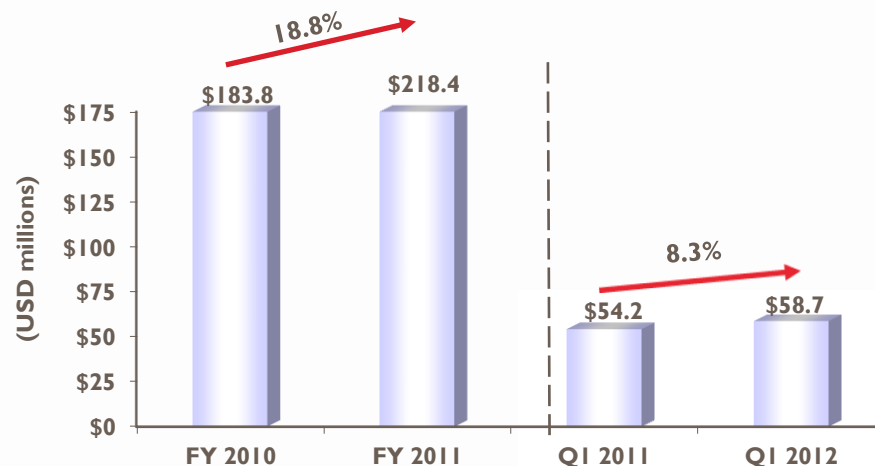
% of IQ2012 Total Distributable Earnings Revenue



Drivers

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

Foreign Exchange Revenue Growth



Business Overview: Equities & Other Asset Classes

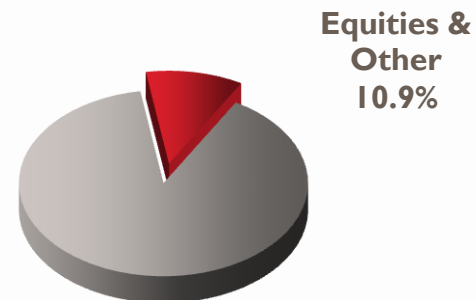
Example of Products

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

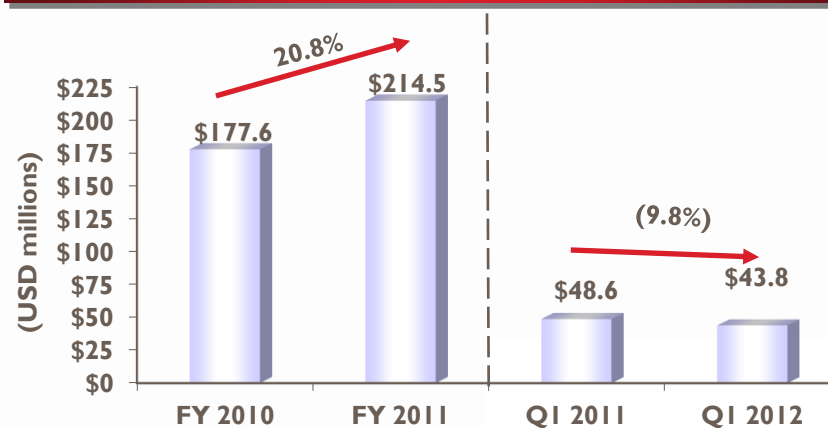
Drivers

- Decreased equities volatility globally
- Lower global equity cash & derivatives volumes industry-wide
- Overall energy & commodities volumes down slightly

% of IQ2012 Total Distributable Earnings Revenue



Equities & Other Asset Classes Revenue Growth



Business Overview: Real Estate

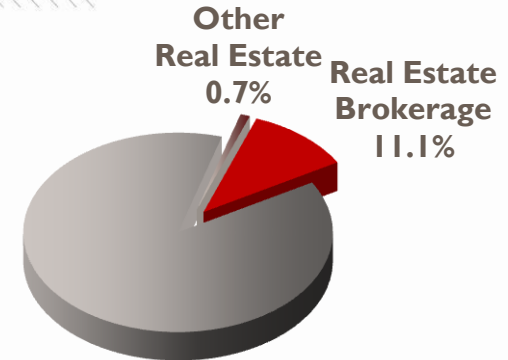
Example of Products

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

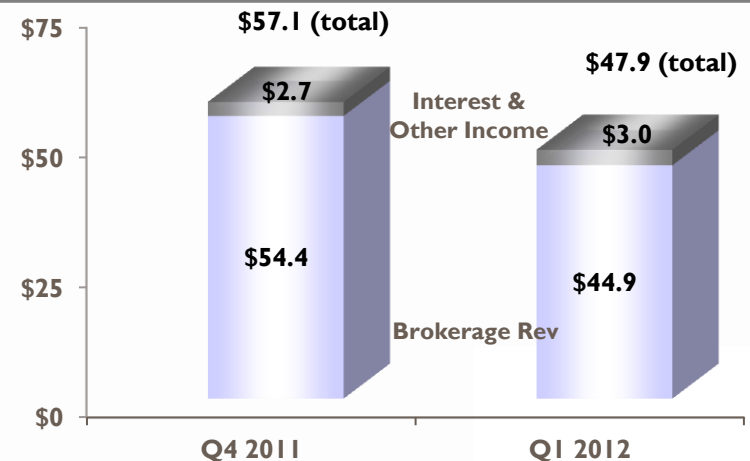
Drivers

- Improving US economy and employment in key Newmark Grubb Knight Frank markets
- Commercial Real Estate is seasonally weakest 1Q and strongest 4Q
- Overall industry US office sales dollar volume was up 32% YOY in 1Q2012, while industrial was up 29%.

% of 1Q2012 Total Distributable Earnings Revenue



Real Estate Revenue

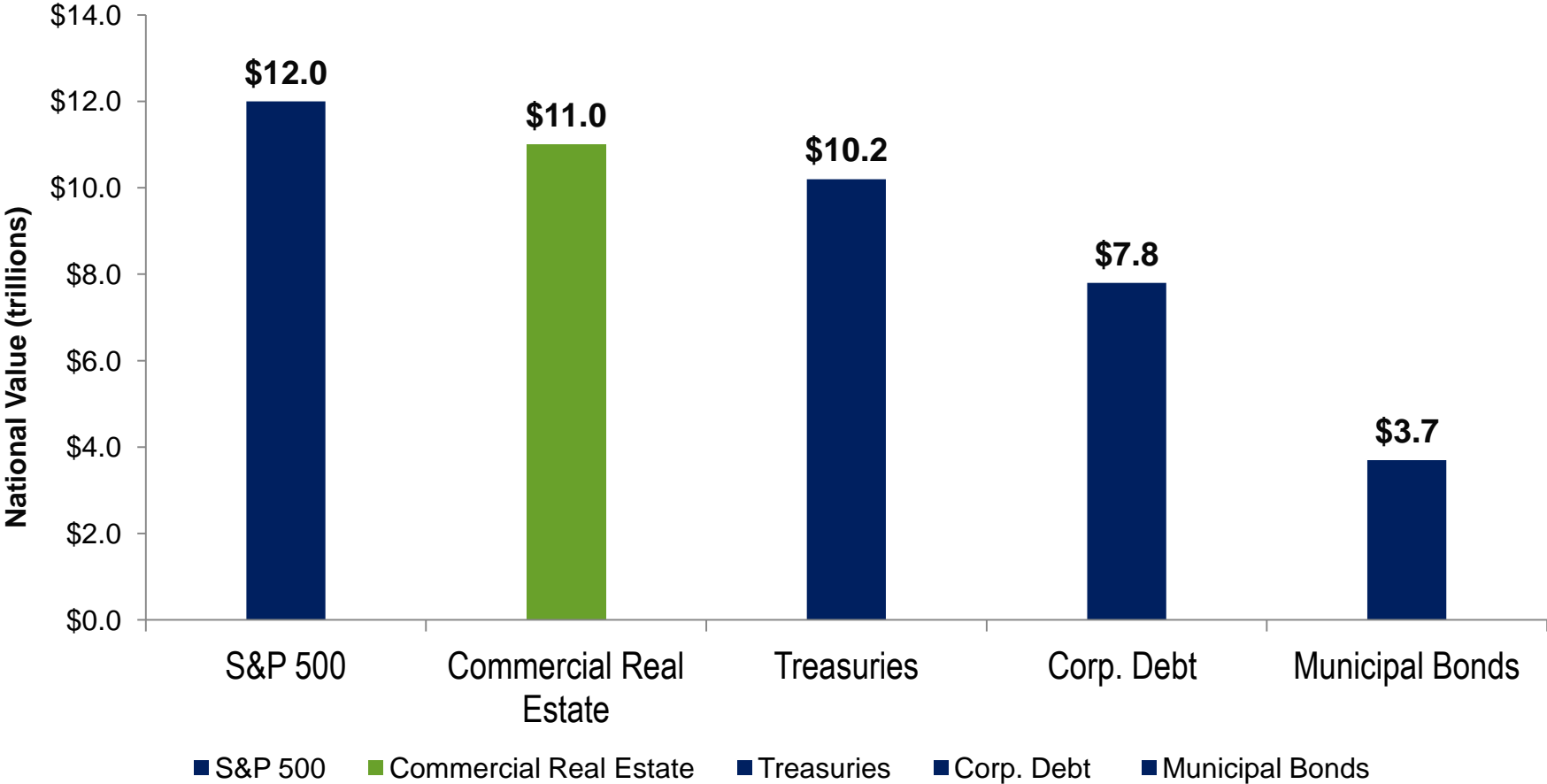


Source: Newmark Knight Frank Real Capital Analytics and CoStar on overall industry for 30 key US cities.

Commercial Real Estate Market Size Perspective

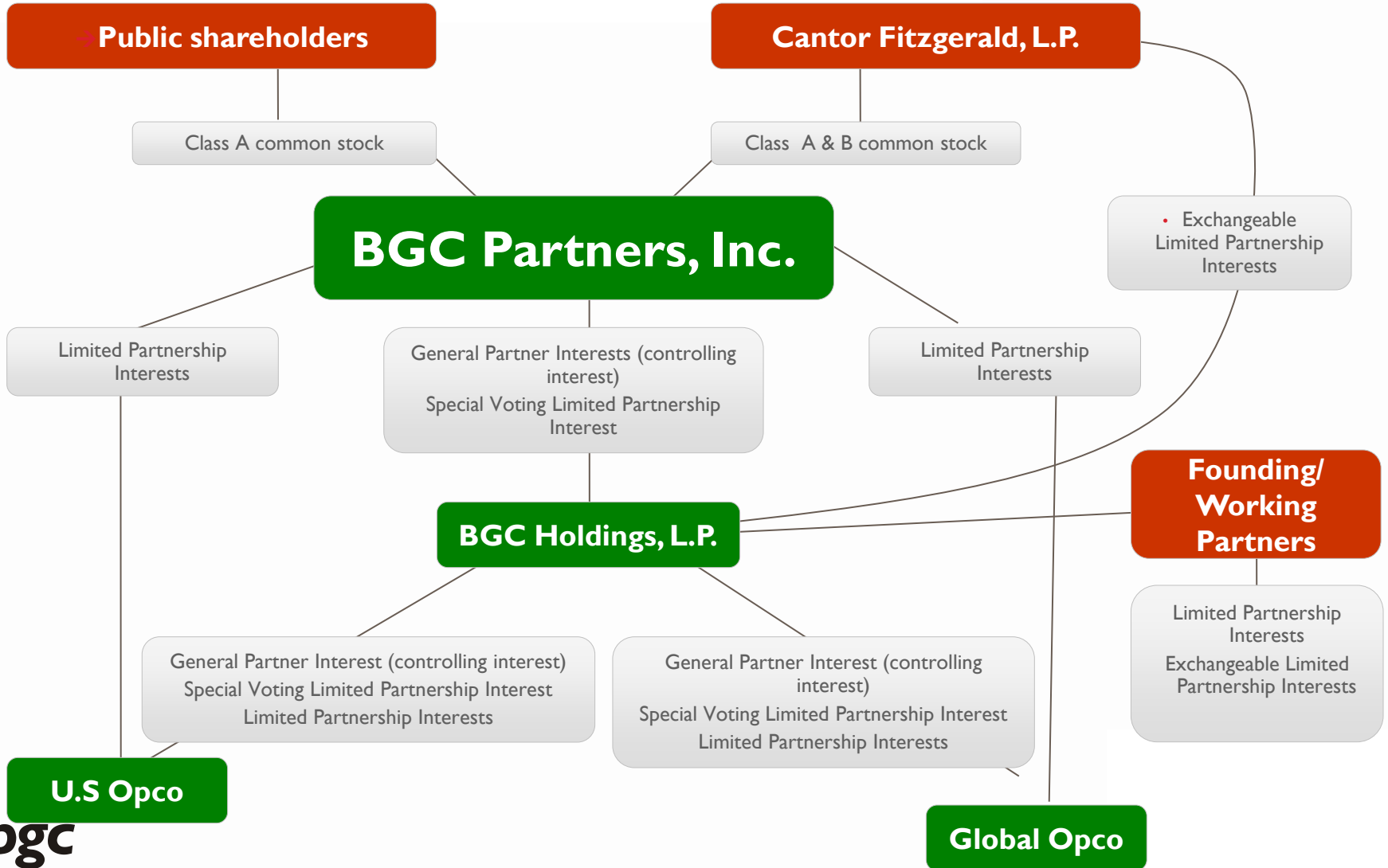
Total Value of Investment Markets

United States



Sources: CoStar, S&P, SIFMA

Structure Creates Employee Retention and Lower Effective Tax Rate



Current Tax Equivalent Yield Analysis

TAX ASSUMPTIONS

	Qualified	Ordinary
Federal	15.0%	35.0%
New York State	8.8%	8.8%
New York City	3.9%	3.9%
Net itemized deduction	-4.4%	-4.4%
effective rate	23.2%	43.2%

BGCP STOCK ASSUMPTIONS

Annual Dividend	BGCP Price	Pre-Tax Yield
\$ 0.68	\$ 6.21	11.0%

NON-TAXABLE PERCENTAGE OF BGCP DIVIDEND ASSUMPTIONS

2010 Actual	18	% is non-taxable
2011 Actual	79	" "
Hypothetical Scenario 1	50	" "
Hypothetical Scenario 2	100	" "

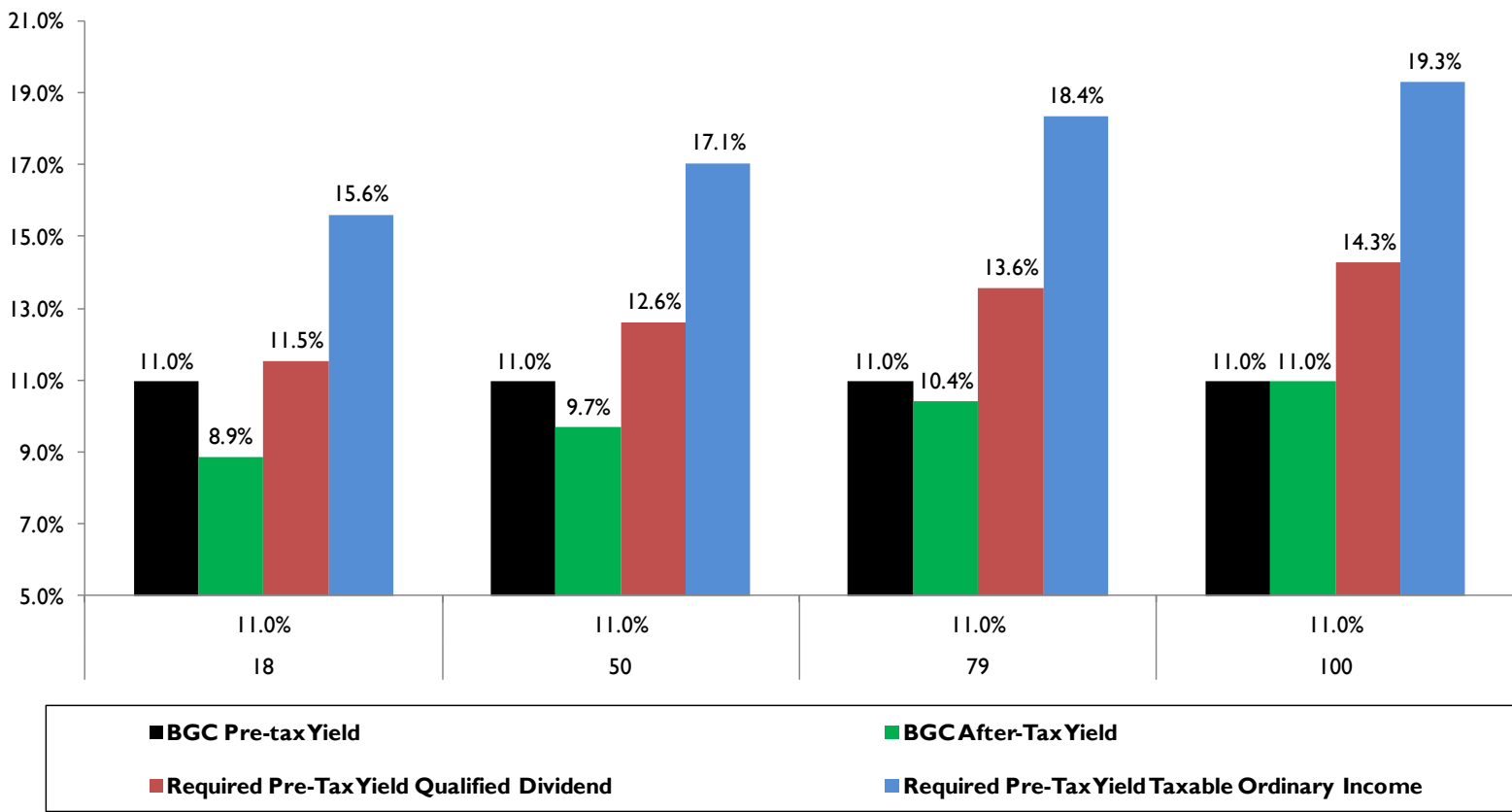
ASSUMPTIONS ABOUT ALTERNATE INVESTMENTS

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

BGCP VERSUS ALTERNATE INVESTMENTS

		BGC Pre-tax Yield	BGC After-Tax Yield	Required Pre-Tax Yield Qualified Dividend	Required Pre-Tax Yield Taxable Ordinary Income
% of BGCP Dividend that is Non-Taxable	18	11.0%	8.9%	11.5%	15.6%
	50	11.0%	9.7%	12.6%	17.1%
	79	11.0%	10.4%	13.6%	18.4%
	100	11.0%	11.0%	14.3%	19.3%

Current Tax Equivalent Yield Analysis (Continued)



Note: Based on stock price as of 5/25/12 close.

Distributable Earnings

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