


BGC PARTNERS, INC.

2Q2013

EARNINGS PRESENTATION

August 1, 2013



DISCLAIMER

Discussion of Forward-Looking Statements by BGC Partners

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

Note Regarding Financial Tables and Metrics

Excel files with the Company's quarterly financial results and metrics from full year 2008 through 2Q2013 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.

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 Defined," "Distributable Earnings Results Compared with GAAP Results", "Reconciliation of GAAP Income to Adjusted EBITDA", and "Reconciliation of GAAP Income to Distributable Earnings", which are incorporated by reference, and available in the "Investor Relations" section of our website at <http://www.bgcpartners.com>.

Adjusted EBITDA

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



ESPEED TRANSACTION DETAILS

- On June 28, 2013 BGC completed the sale of its fully electronic trading platform for U.S. Treasury Notes and Bonds ("eSpeed") to the NASDAQ OMX Group, Inc. This platform generated \$99 MM in revenues for BGC in 2012, less than 6% of overall BGC revenues.
- The purchase price includes \$750 MM in cash, plus approximately 14.9 MM shares of NASDAQ OMX common stock to be paid ratably over 15 years following the closing, provided that NASDAQ OMX as a whole produces \$25 MM in gross revenues each year. Because of the low earn-out we expect to receive the entire share earn out, which as of the 7/31/2013 close = \$482 MM.
- BGC will retain its other voice, hybrid, and fully electronic trading, market data, and software businesses, including voice, hybrid and electronic brokerage of off-the-run U.S. Treasuries, as well as Treasury Bills, Treasury Swaps, Treasury Repos, Treasury Spreads, and Treasury Rolls.
- The remaining technology-based businesses in BGC's Financial Services segment had a 27% CAGR for the three year period ending December 31, 2012, grew 11% YoY in 1Q 2013 to \$22.7MM, and grew 12% YoY in 2Q 2013 to \$21.9MM.

Note: Please see the BGC 8-K dated 7/01/2013 in the Investor Relations section of our website for complete announcement details.



SELECT 2Q2013 RESULTS COMPARED TO 2Q2012

<u>Highlights of Consolidated Results</u> (\$ millions, except per share data)	<u>2Q2013</u>	<u>2Q2012</u>	<u>Change</u> (%)
Revenues for distributable earnings	\$471.1	\$465.1	1.3
Pre-tax distributable earnings before non-controlling interest in subsidiaries and taxes	53.8	55.9	(3.7)
Pre-tax distributable earnings per share	0.16	0.20	(20.0)
Post-tax distributable earnings	44.9	46.5	(3.4)
Post-tax distributable earnings per share	0.13	0.17	(23.5)
Adjusted EBITDA	719.8	72.7	890.3
Effective tax rate	14.5%	14.5%	
Pre-tax earnings margin	11.4%	12.0%	
Post-tax earnings margin	9.5%	10.0%	

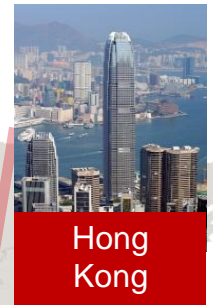
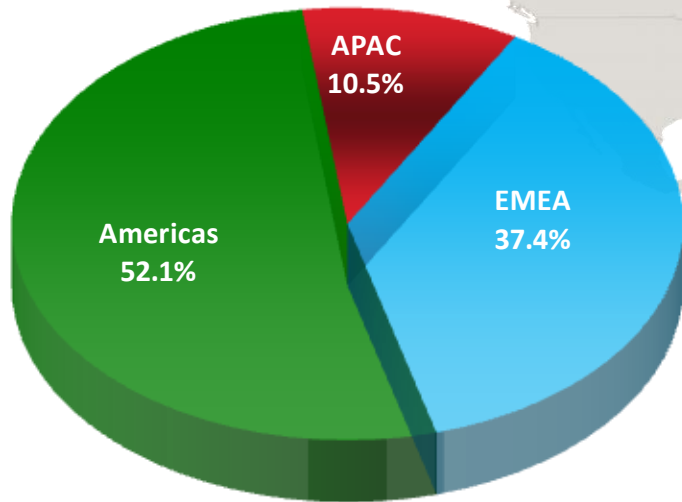
- BGC Partners' Board of Directors declared a quarterly cash dividend of \$0.12 per share payable on September 6, 2013 to Class A and Class B common stockholders of record as of August 23, 2013



2Q2013 GLOBAL REVENUE BREAKDOWN

- Americas Revenue flat YoY
- Europe, Middle East & Africa Revenue up 5% YoY
- Asia Pacific Revenue down 5% YoY

2Q2013 Revenues

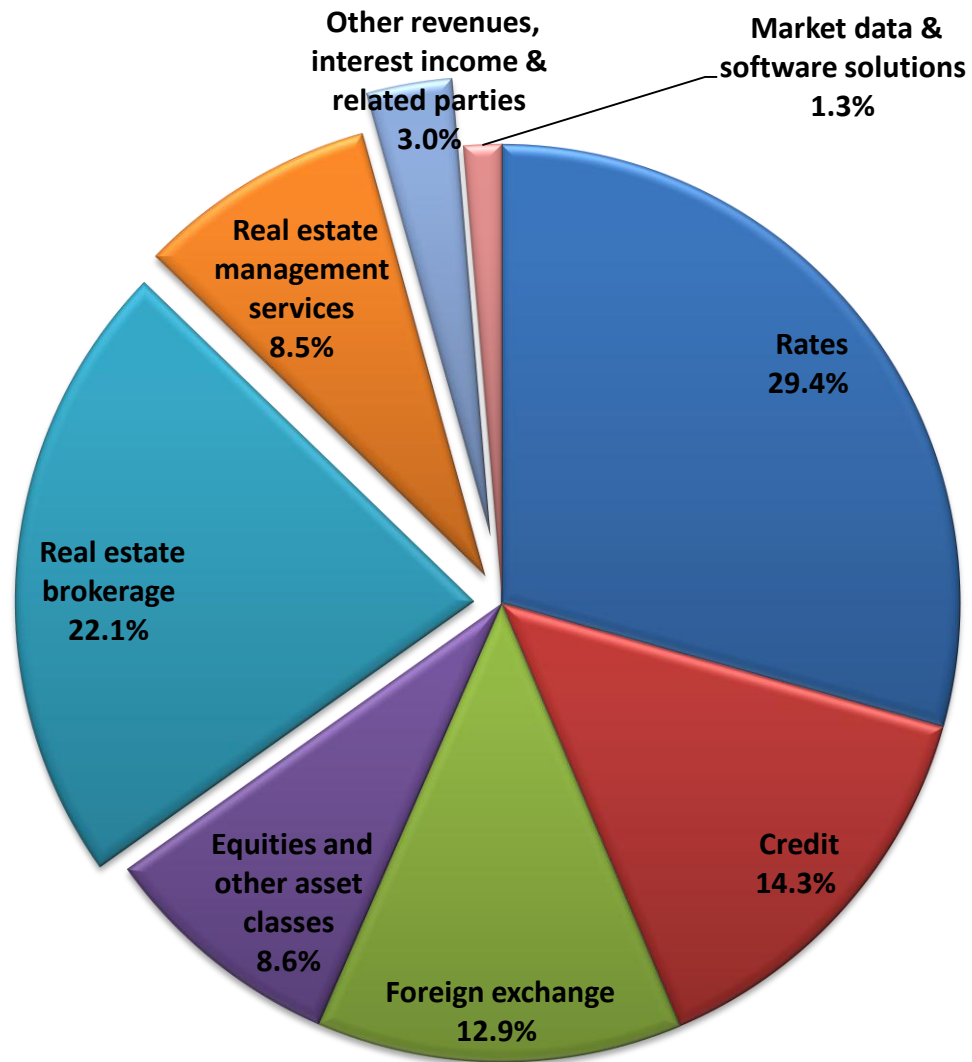


- Real Estate seasonally strongest in 4Q
- IDBs seasonally strongest in 1Q

Note: percentages may not sum to 100% due to rounding.



2Q2013 PRODUCT DIVERSITY

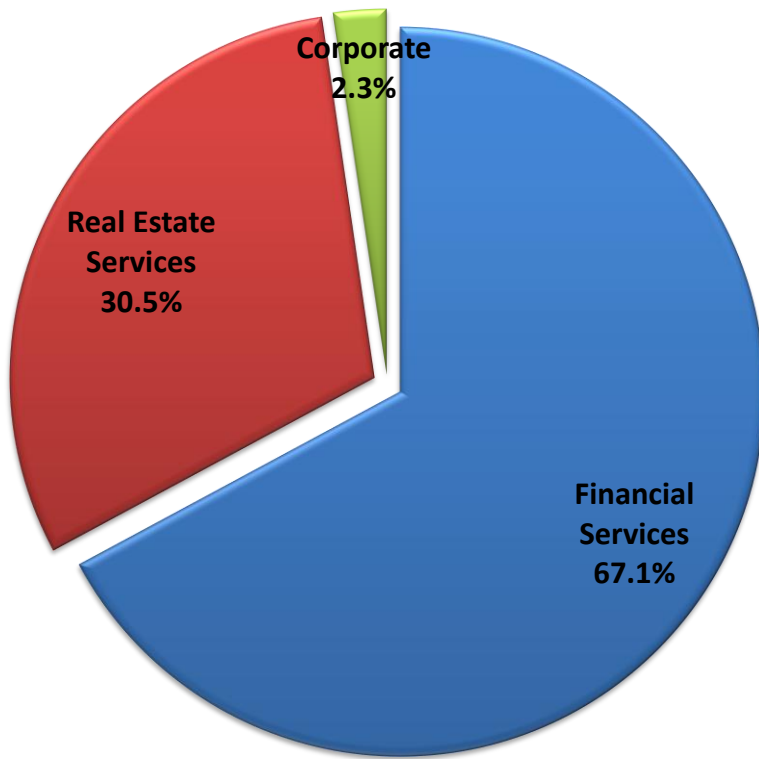


Note: percentages may not sum to 100% due to rounding.



2Q2013 SEGMENT DATA

2Q2013 Revenues



2Q2013 In USD millions	Revenues	Pre-tax Earnings	Pre-tax Margin
Financial	\$316.3	\$56.4	17.8%
Real Estate	\$143.9	\$11.1	7.7%
Corporate	\$10.9	(\$13.7)	NMF

2Q2012	Revenues	Pre-tax Earnings	Pre-tax Margin
Financial	\$309.2	\$58.5	18.9%
Real Estate	\$144.1	\$14.0	9.7%
Corporate	\$11.8	(\$16.5)	NMF

- Real Estate seasonally strongest in 4Q
- IDBs seasonally strongest in 1Q

2Q VOLATILITY SLIGHTLY INCREASED FROM RECENT LOWS

Exhibit 1: Equity Market Volatility—The VIX

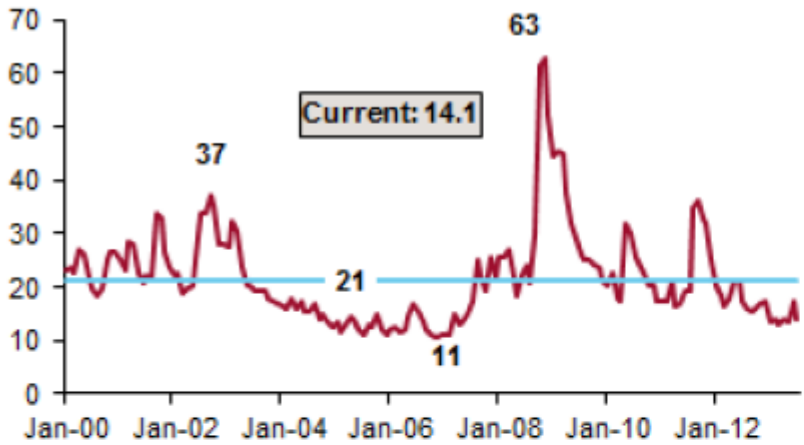


Exhibit 2: Foreign Exchange Volatility—The CVIX

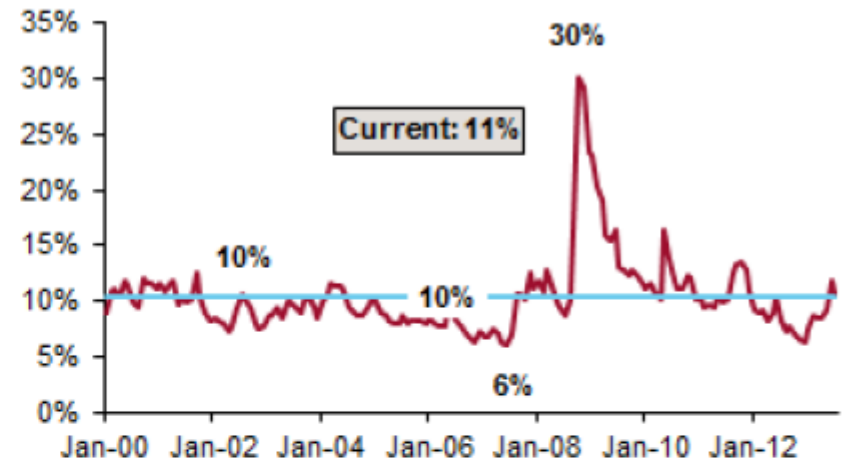


Exhibit 3: Interest Rate Volatility—LIBOR

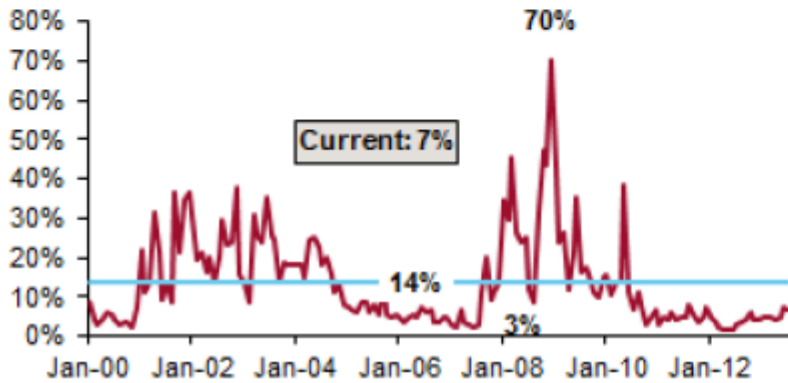
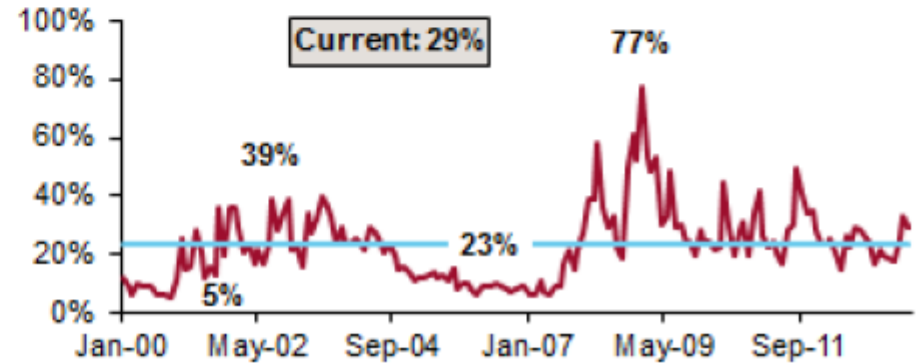


Exhibit 4: Interest Rate Volatility—U.S. Treasuries



Interest rate and foreign exchange volatilities based on the annualized standard deviation of daily price returns.
Source: FactSet, Bloomberg, Credit Suisse data as of 7/26/2013.

BUSINESS OVERVIEW: RATES

Example of Products

- Interest Rate Derivatives
- US Treasuries
- Global Government Bonds
- Agencies
- Interest Rate Futures
- Dollar Derivatives
- Repurchase Agreements
- Non-Deliverable Swaps
- Interest rate Swaps & Options

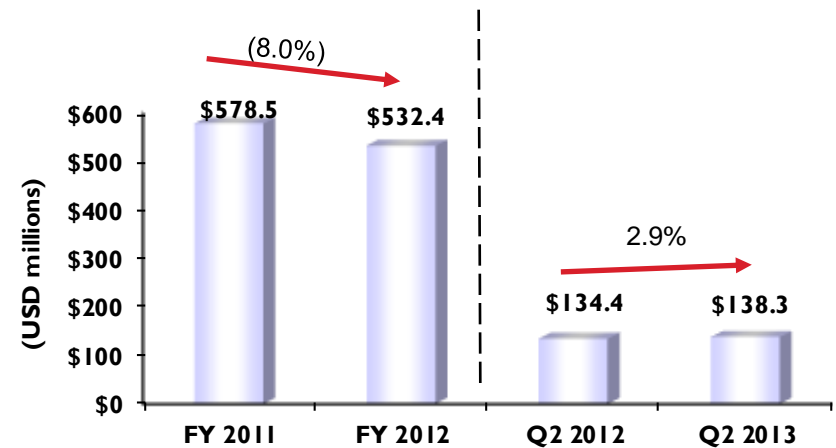
Drivers

- Global sovereign and corporate debt issuance cause long-term tailwinds in our Rates business
- Near-term headwinds due to quantitative easing
- Low interest rates in most major economies holding down volumes
- Interest rate volatility increased from recent lows in 2Q 2013 due to uncertainty over the timing of a reduction in quantitative easing

% of 2Q2013 Total Distributable Earnings Revenue

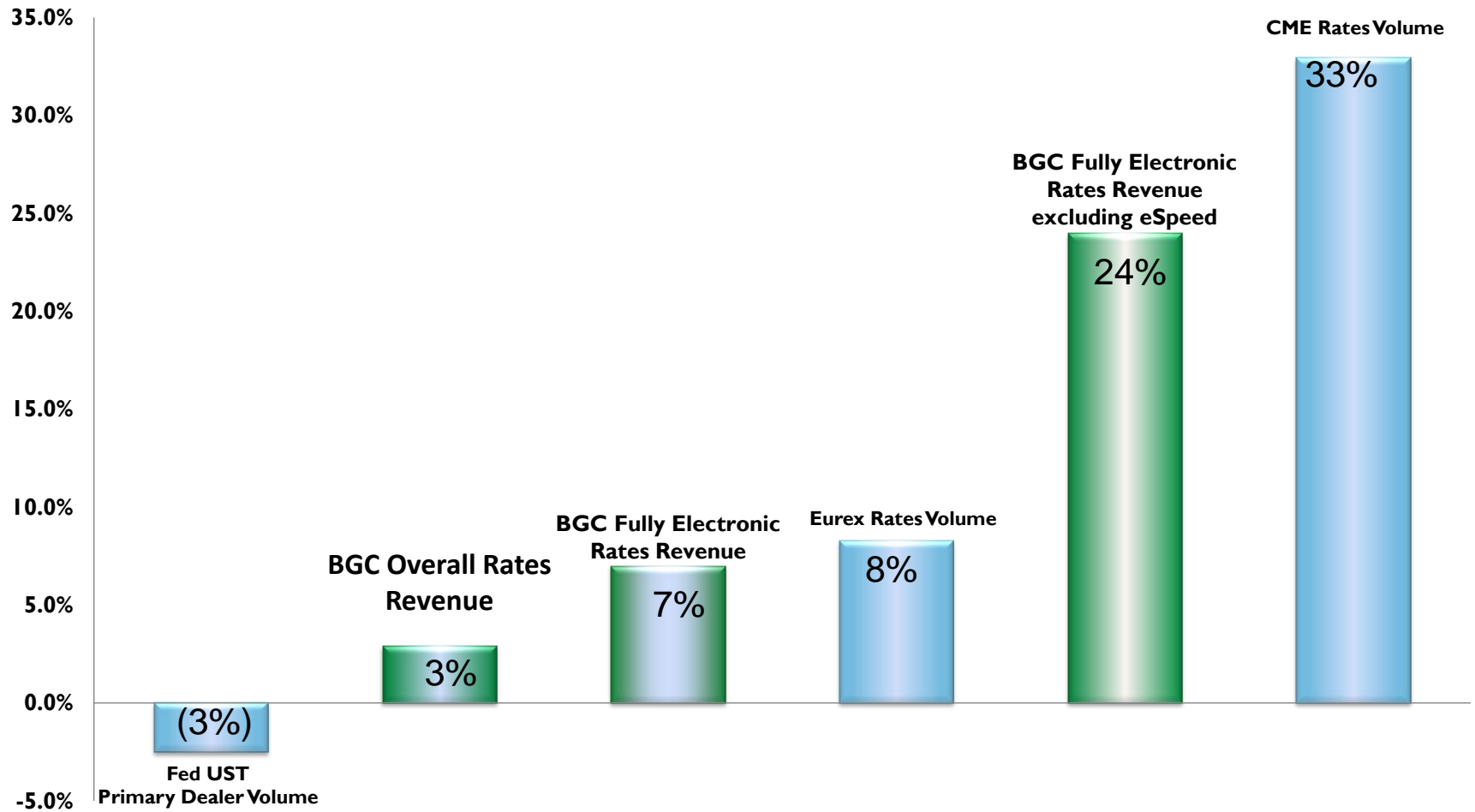


Rates Revenue Growth





BGC ELECTRONIC RATES REVENUES GENERALLY OUTPERFORM



- The U.S. Federal Reserve is more aggressive than its European counterparts in terms of Quantitative Easing

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).

BUSINESS OVERVIEW: CREDIT

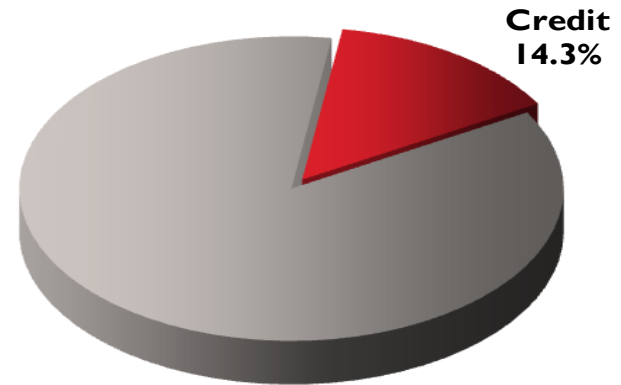
Example of Products

- Credit Derivatives
- Asset-Backed Securities
- Convertibles
- Corporate Bonds
- High yield Bonds
- Emerging Market Bonds

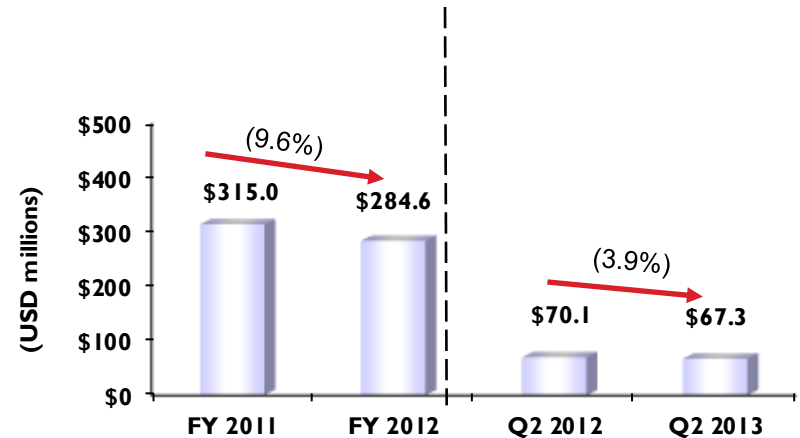
Drivers

- Industry derivatives volumes generally lower
- Large bank corporate bond trading activity impacted due in part to Basel 3 capital requirements
- Reduced front office headcount and consolidated desks expected to improve long term profitability in this asset class but lowered revenues short-term

% of 2Q2013 Total Distributable Earnings Revenue

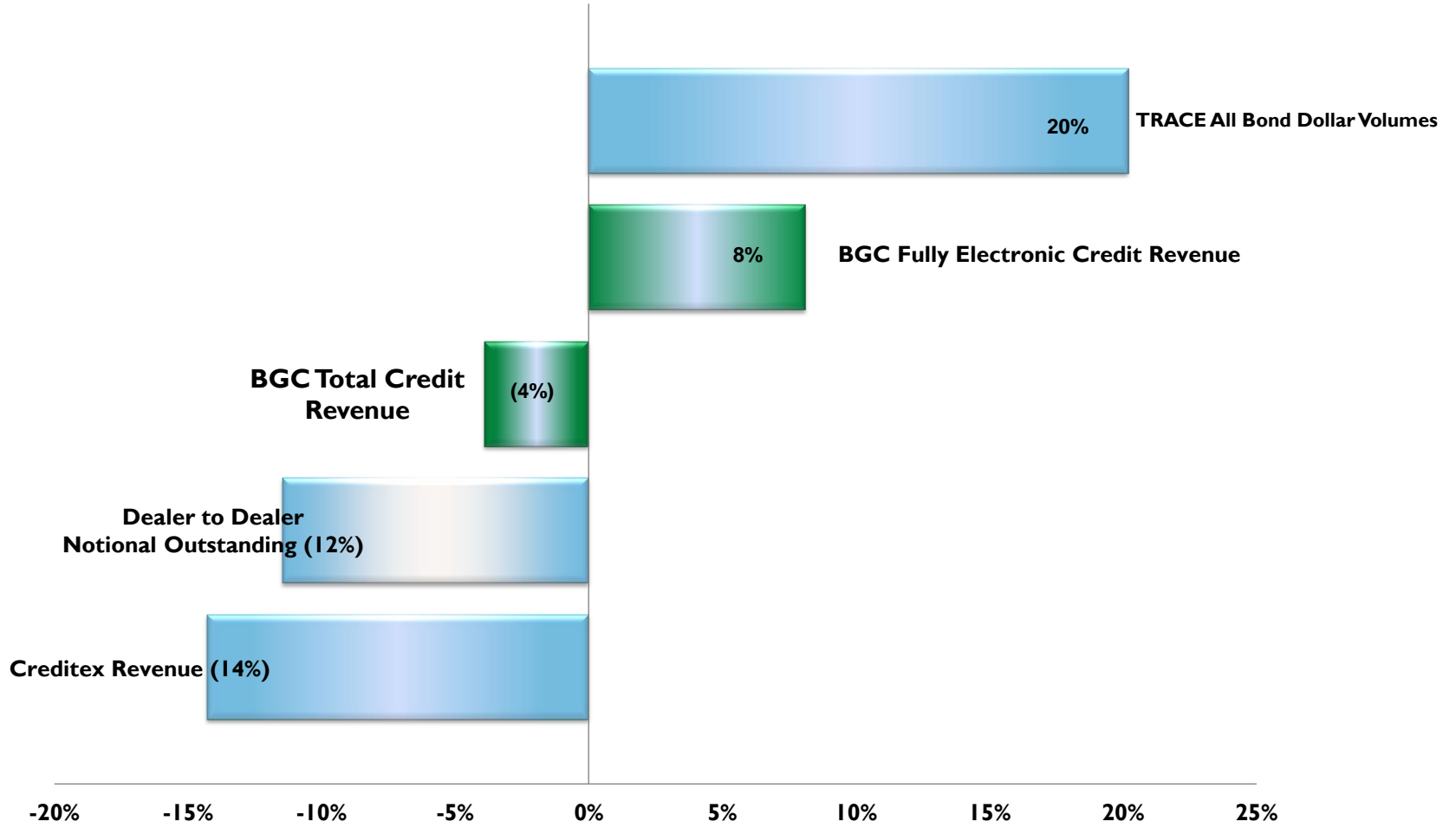


Credit Revenue Growth



BGC'S CREDIT DESKS REFLECT MIXED INDUSTRY TRENDS

2Q2013 YoY Growth



Sources: Dealogic, Credit Suisse, company press releases. Dealer to Dealer notional volume recorded in the DTCC warehouse. Company websites, "TRACE" (Trade Reporting and Compliance Engine). Creditex is ICE's OTC credit execution business.

BUSINESS OVERVIEW: FOREIGN EXCHANGE

Example of Products

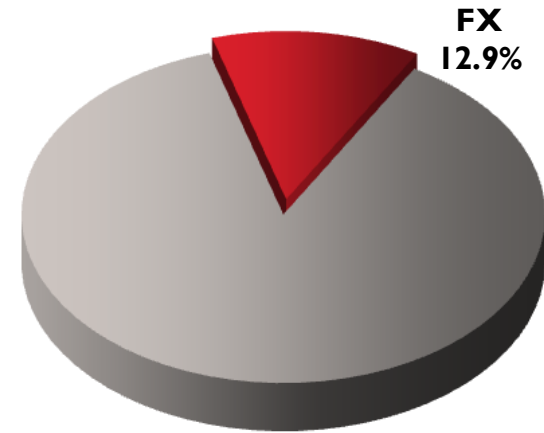
In virtually all currency pairs

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

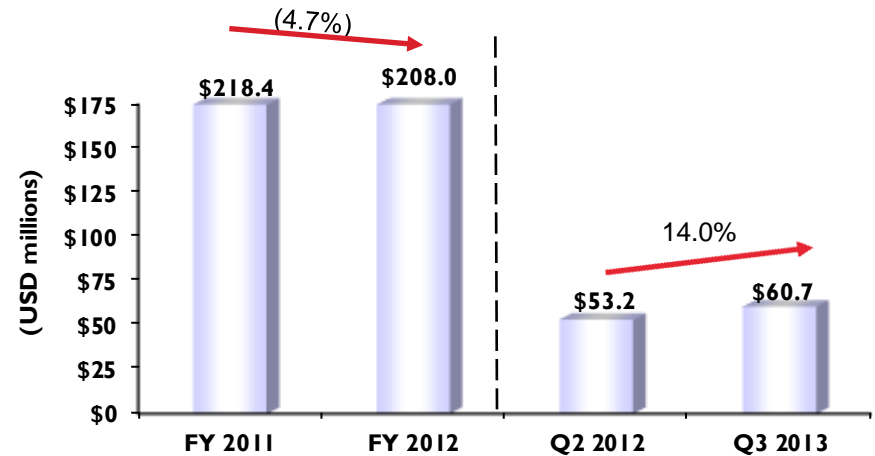
Drivers

- FX volume returned to normal levels globally during the quarter
- BGC had strong performance during 2Q in voice and electronic FX

% of 2Q2013 Total Distributable Earnings Revenue



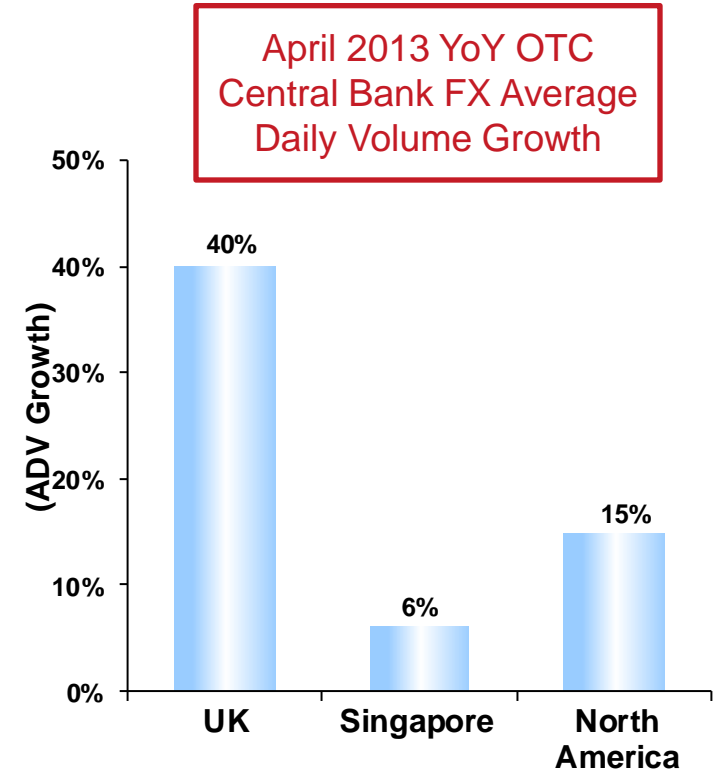
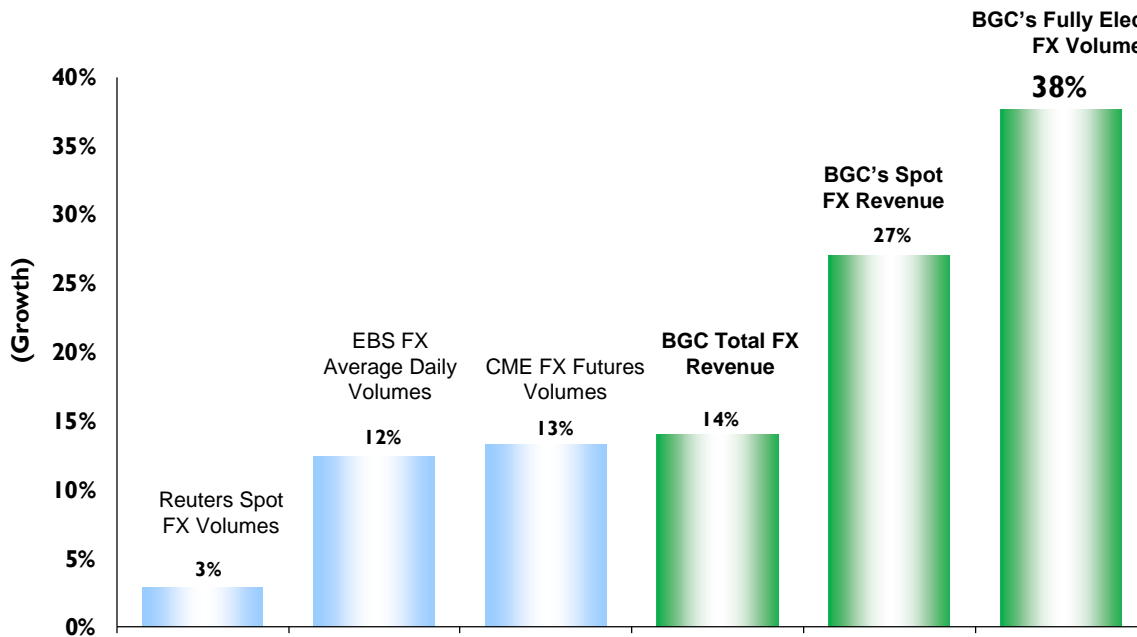
Foreign Exchange Revenue Growth





BGC'S FULLY ELECTRONIC FX REVENUES OUTPERFORMED MARKET

2Q2013 YoY Growth



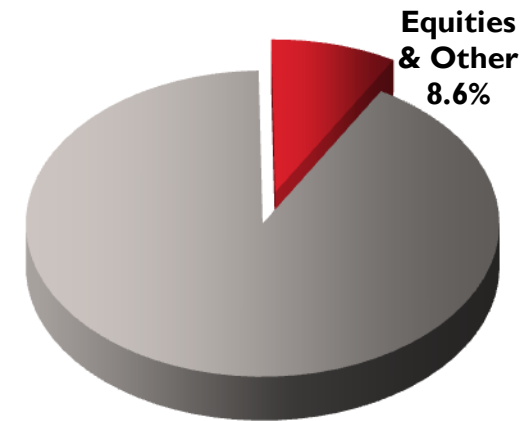
Left Graph: Source: ICAP, CME, Reuters websites. CME FX Futures growth based on total volume, ICAP Spot FX and Reuters Spot FX based on average daily volume. Right Graph: New York FED FX Survey summary report.
 Note: BGC fully electronic FX volume and revenues include all spot and derivative products

BUSINESS OVERVIEW: EQUITIES & OTHER ASSET CLASSES

Example of Products

- Equity Derivatives
- Cash Equities
- Index Futures
- Commodities
- Energy Derivatives
- Other Derivatives and Futures

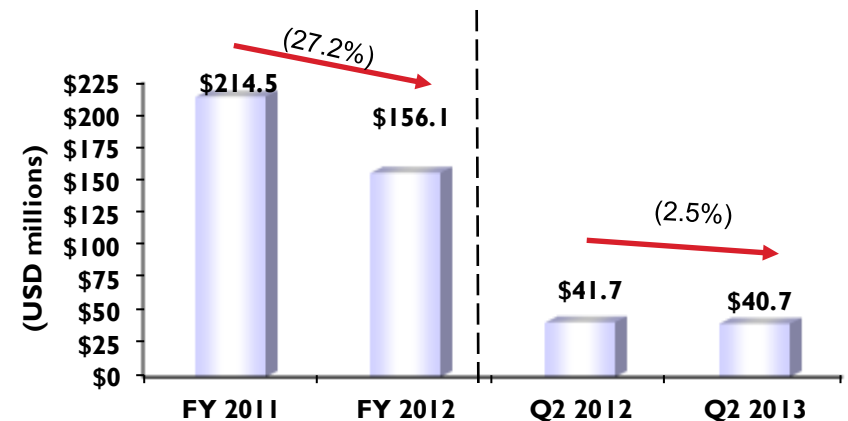
% of 2Q2013 Total Distributable Earnings Revenue



Drivers

- Lower global equity cash & derivatives volumes industry-wide
- Reduced front office headcount and consolidated desks expected to improve long term profitability in this asset class but lowered revenues short-term

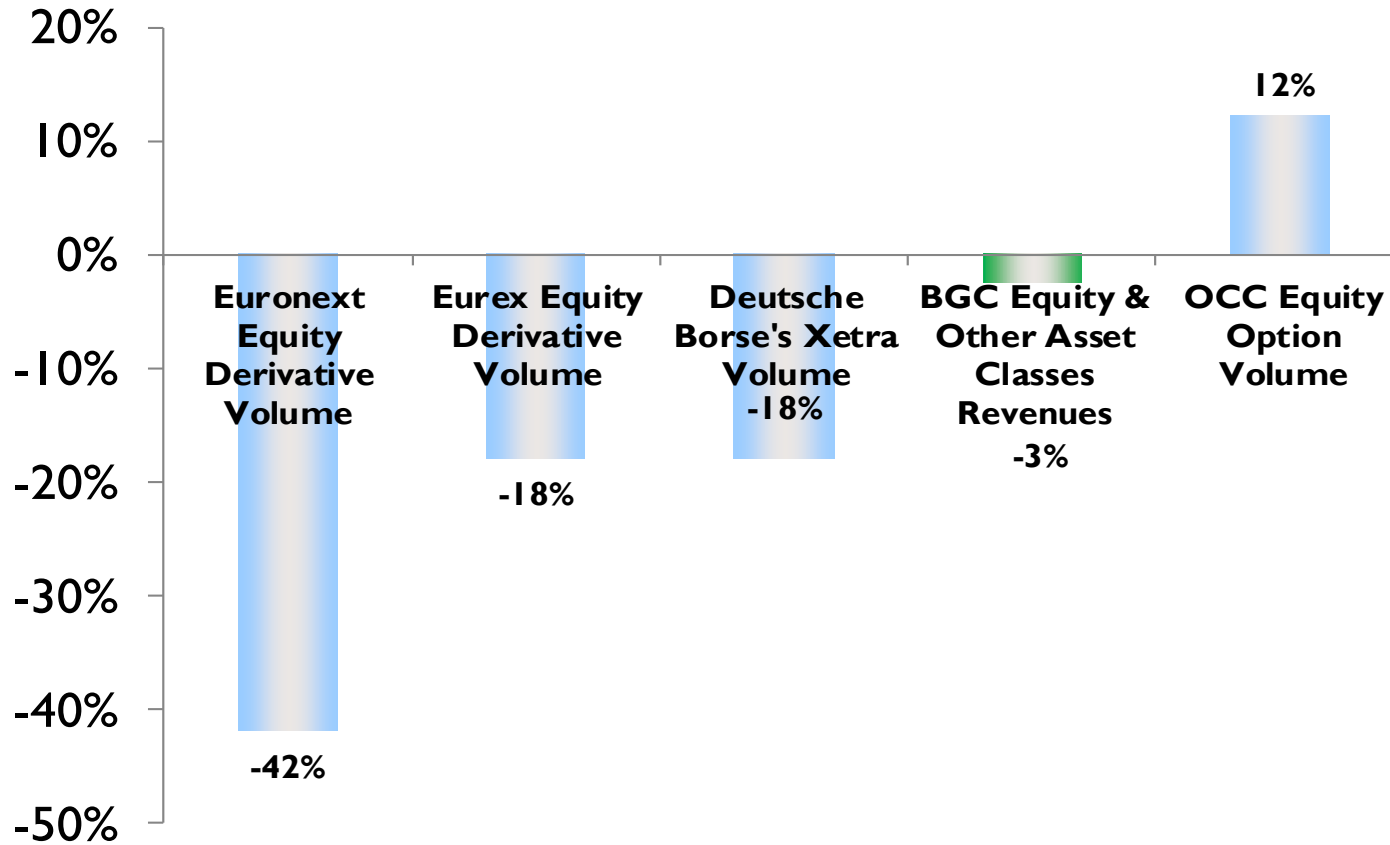
Equities & Other Asset Classes Revenue Growth





“EQUITIES AND OTHER”: REFLECTS LOWER EUROPEAN VOLUMES

2Q2013 YoY Change



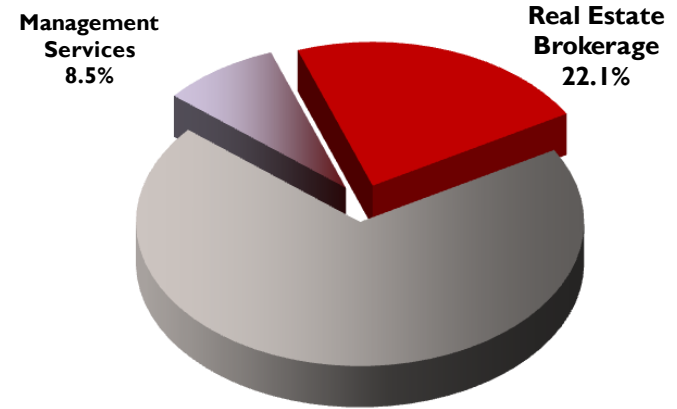
Note: Cash equities growth percentages based on average daily shares traded for US exchanges. Equity derivatives based on equity option average daily volume from Eurex, and Euronext. For Euronext, growth is based on total European equity derivative product volume. Sources: erdesk.com for US equities volumes, Credit Suisse research for CME, and Eurex volumes.

BUSINESS OVERVIEW: REAL ESTATE SERVICES

Example of Products

- Leasing Advisory
- Global Corporate Services
- Retail Services
- Property & Facilities Management
- Consulting
- Program and Project Management
- Industrial Services
- Valuation
- Property Sales
- Capital Markets (Includes: Debt & Equity Raising, Mortgage)

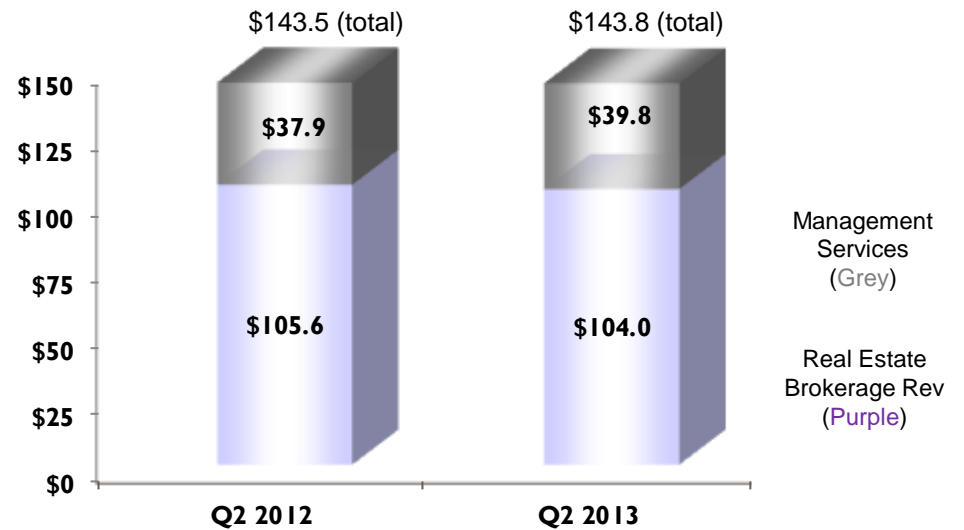
% of 2Q2013 Total Distributable Earnings Revenue



Drivers

- Average rents and vacancies improve YoY
- Real Capital Analytics commercial sales volumes up 13% YoY in 2Q
- Low interest rates make Real Estate a more attractive investment class
- CoStar Value Weighted Composite Index up 9.4% YoY (May)
- Excluding non-core Grubb & Ellis purchased assets, NGKF up 8% YoY*

Real Estate Services Revenue



Sources: Newmark Grubb Knight Frank, Real Capital Analytics, Moody's and CoStar.

*See next page



NGKF REVENUE ANALYSIS

On April 13, 2012, BGC purchased certain assets of Grubb & Ellis. Because of this, NGKF collected \$21.7 million during full year 2012 not related to the Company's ongoing Real Estate Services business, of which \$12.0 million was recognized as distributable earnings revenue in the second quarter of 2012. These revenues were primarily associated with the collection of receivables related to deals initiated by Grubb & Ellis brokers who left that company prior to the acquisition. As a result, NGKF's distributable earnings revenues were higher than they otherwise would have been in the second quarter of 2012. Excluding this \$12.0 million, Real Estate Services generated solid growth in the second quarter of 2013. The overall industry trends in commercial real estate remain positive, and NGKF continues to execute its plan for long-term growth. BGC therefore expects this segment's core business to continue to have solid improvement for the remainder of 2013.

(\$ in millions)

	<u>2Q2012</u>	<u>3Q2012</u>	<u>4Q2012</u>	<u>1Q2013</u>	<u>2Q2013</u>
Actual Revenues	\$144.1	\$141.1	\$148.7	\$114.2	\$143.8
Actual YoY Revenue Change	NA	NA	\$91.6	\$66.3	(\$0.2)
Actual YoY % Change	NA	NA	160%	139%	0%
Adjusted Revenues	\$132.1	\$135.9	\$144.2	\$112.4	\$142.5
Adjusted YoY Revenue Change	NA	NA	\$87.1	\$64.5	\$10.5
Adjusted YoY % Change	NA	NA	152%	135%	8%

Note: Grubb & Ellis Acquisition closed April 13, 2012.



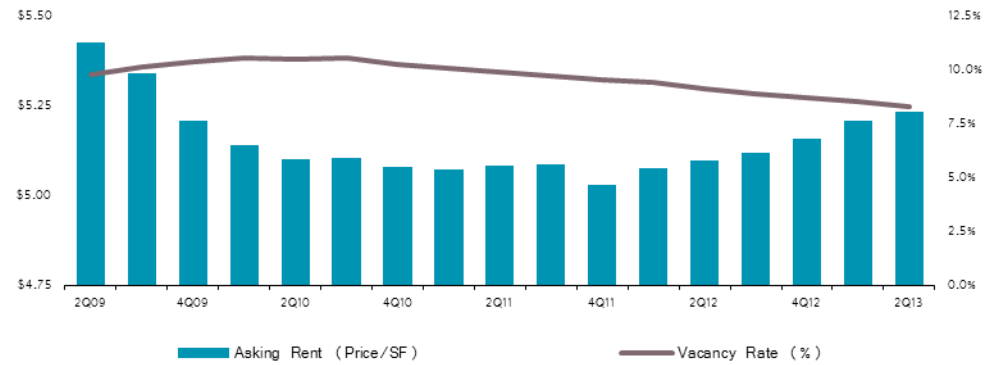
REAL ESTATE MARKET IMPROVING NATIONALLY

US Office & Industrial Market Asking Rent & Vacancy

Asking Rent & Vacancy (Office)



Asking Rent & Vacancy (Industrial)



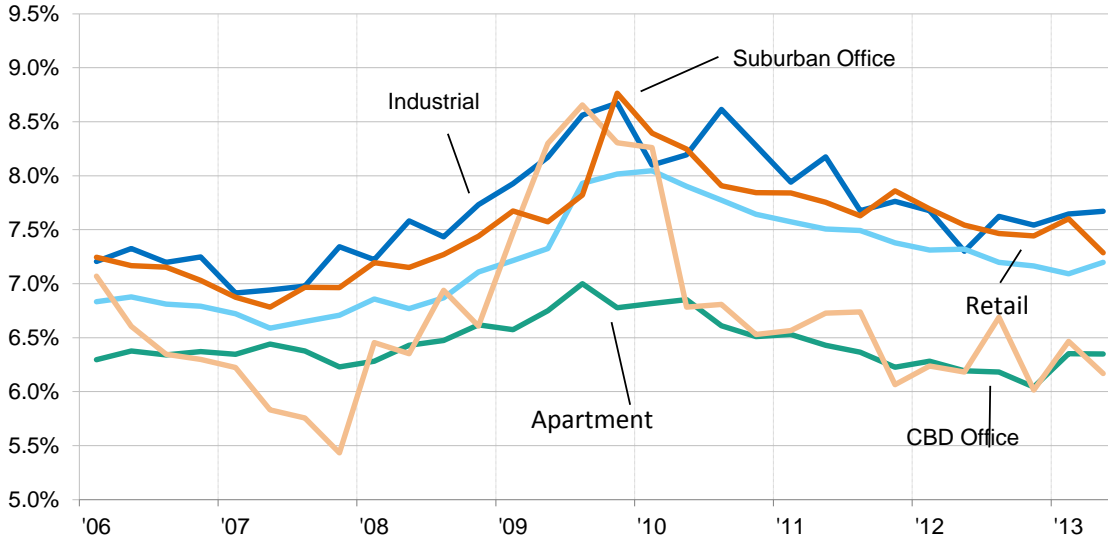
- Asking Rent up 1.8% YoY (Office)
- Vacancy Rate improved 74 bps YoY (Office)

- Asking Rent up 2.6% YoY (Industrial)
- Vacancy Rate improved 82 bps YoY (Industrial)

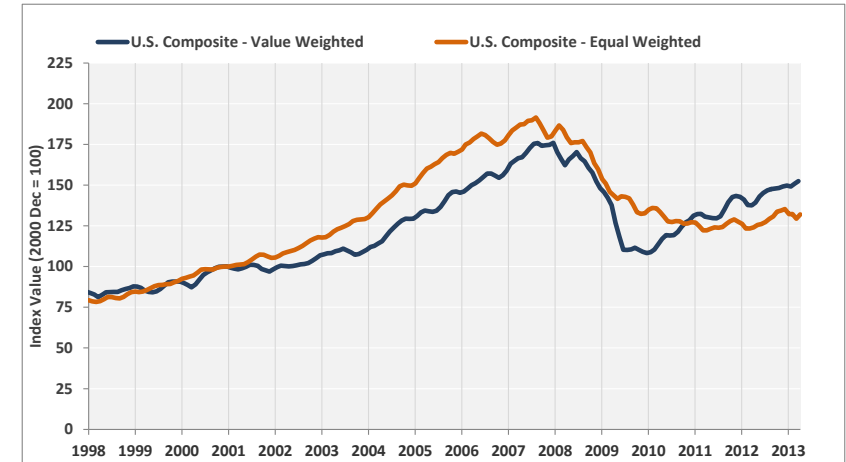
Notes: The two charts show data for 30 key U.S. office markets
Sources: Newmark Grubb Knight Frank, and CoStar.

QUARTERLY SALES MARKET TRENDS CONTINUE TO IMPROVE

Average Cap Rates by Sector

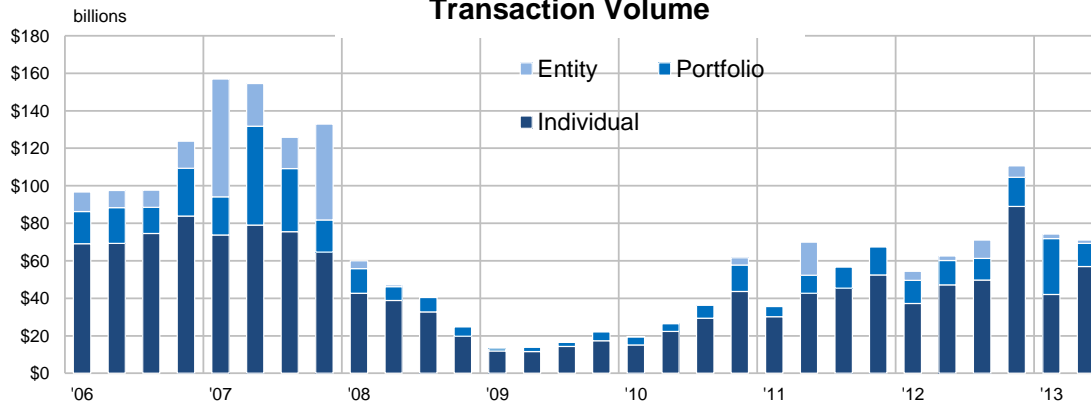


U.S. Composite Indices: Equal- and Value-Weighted Data Through May 2013



- Value-Weighted up 9.4% YoY
- Equal-Weighted up 8.0% YoY

Transaction Volume

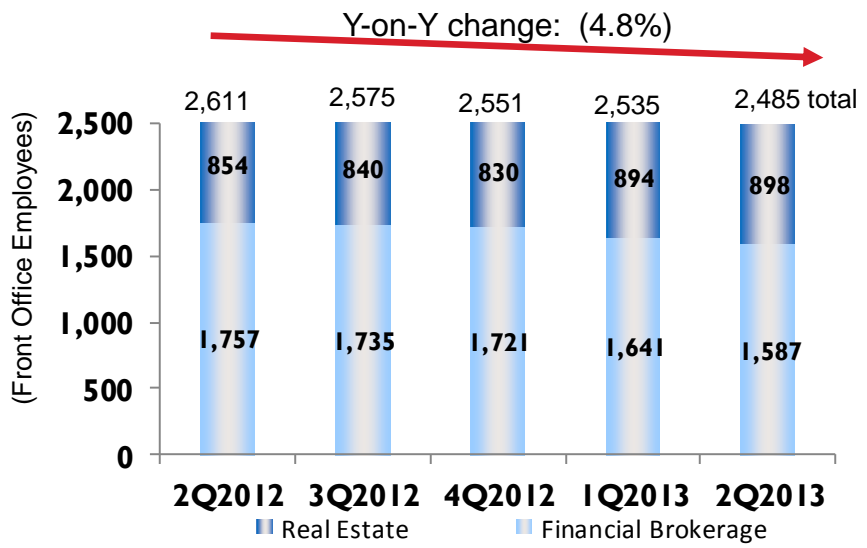


- Real Capital Analytics commercial sales volumes up 13% YoY in 2Q 2013
- Cap rates remain well above 10-year UST yields.

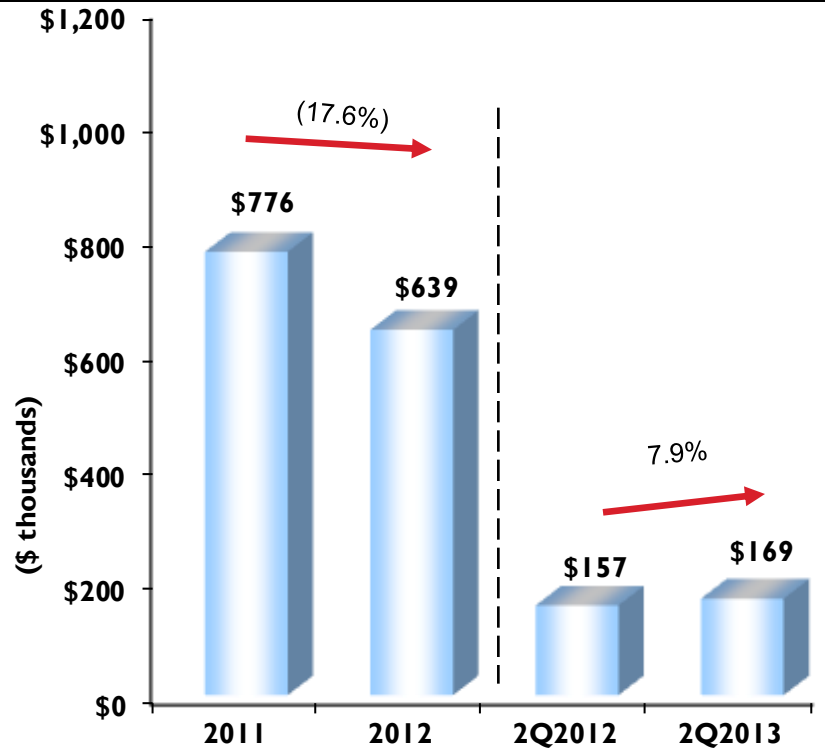
Sources: RCA/Moodys, CoStar

BGC'S FRONT OFFICE OVERVIEW

Front Office Headcount



Front Office Productivity (in thousands)

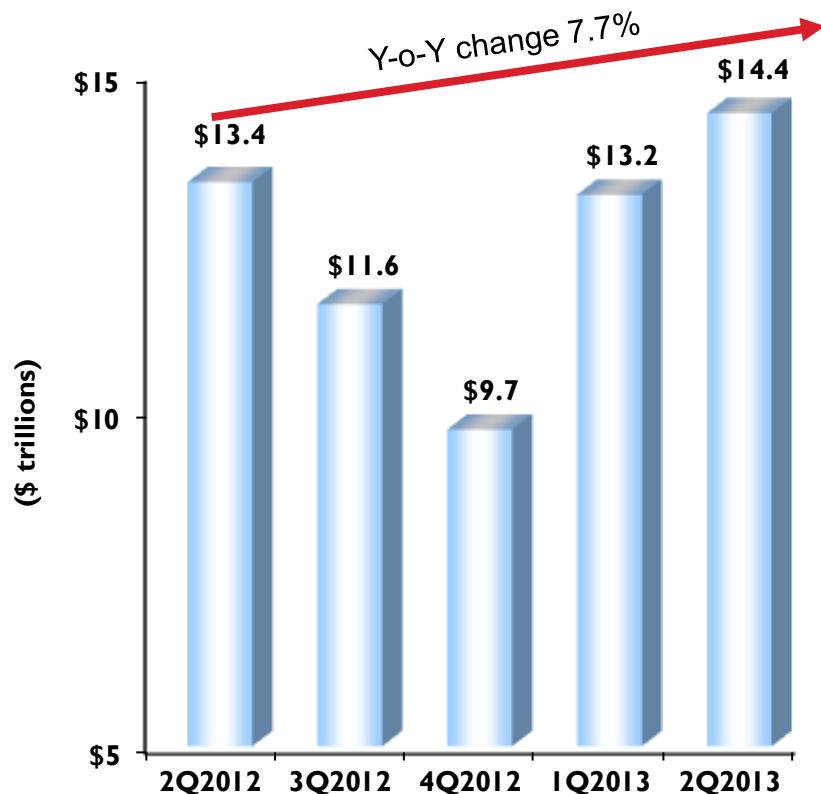


- For 2Q2013 Financial Services average revenue per front office employee was \$201k up 13.3% YoY, while Real Estate Services front office average revenue per front office employee was \$115k up 0.6% YoY
- Mixed overall industry volume trends across Financial Services
- Commercial Real Estate brokers generally have lower revenue per broker than IDBs

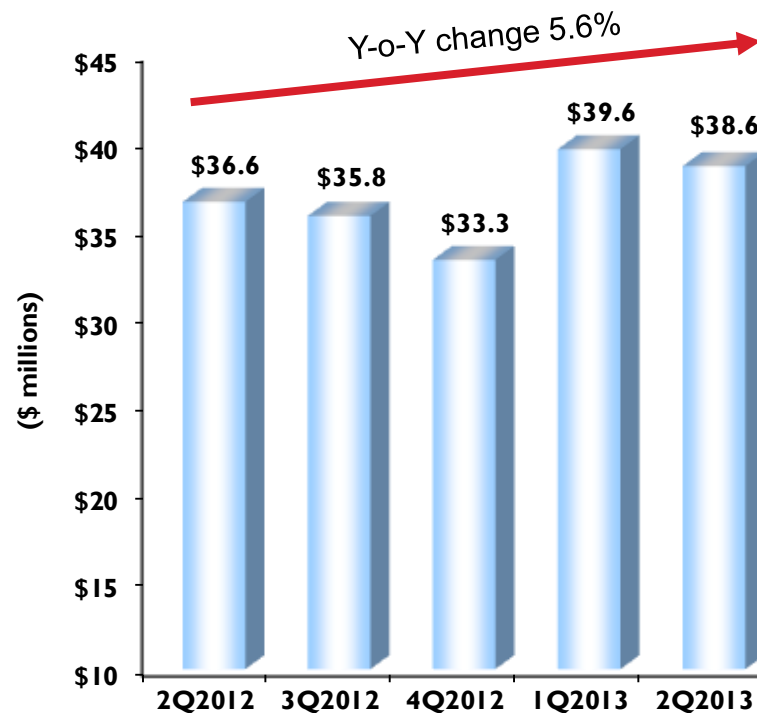
Note: Financial Services calculation includes revenues from "total brokerage revenues," "market data," "software solutions," and the portion of "fees from related parties" related to fully electronic trading. Real Estate figures exclude appraisers. The average revenues are approximate and based on the total revenues divided by the weighted-average number of salespeople and brokers for the quarter. These figures exclude the revenues related to the non-core Grubb & Ellis purchased assets. Including them, revenue per broker/salesperson declined by 9.8% for NGKF and increased by 5.2% for BGC overall.

BGC'S FULLY ELECTRONIC BROKERAGE METRICS

Fully Electronic Brokerage Notional Volumes (in trillions)



Fully Electronic Revenues (in millions)*



- Excluding the assets being sold to NASDAQ OMX, BGC's technology based revenues would have been up by 12.2% YoY to \$21.9MM. Over time, higher fully electronic revenues have improved margins.
- Percent of technology based revenue** (excluding eSpeed) in the Financial Services segment was 6.9% vs 6.3% in 2Q2012
- Percent of technology based revenue** in the Financial Services segment was 14.2% vs 13.9% in 2Q2012

**Technology based revenues includes the previous as well as Market Data and Software.

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



BGC'S TECHNOLOGY-BASED BUSINESSES HAVE HIGHER MARGINS

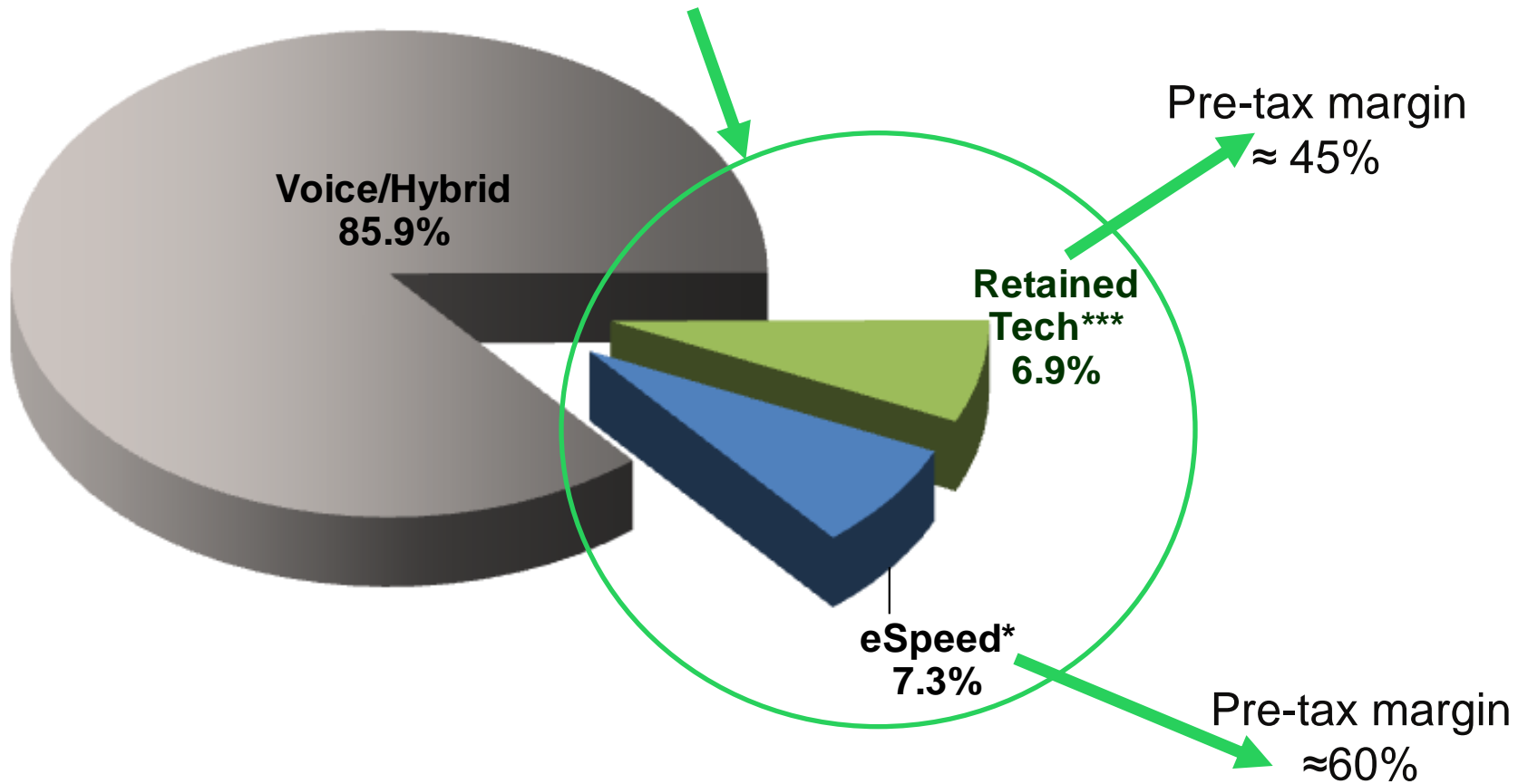
- Percentage of fully electronic from each of ≈110 e-brokered desks range from <10% to 100%
- Profit margins = highest for US Treasuries, spot FX, Market Data and Software Solutions
- Profit margins for retained electronic products vary, though are generally higher than for voice-brokered products
- Over time, we believe margins for newer e-brokered products should expand as their markets mature

*BGC sold only its on-the-run, benchmark 2-, 3-, 5-, 7-, 10-, and 30-year fully electronic trading platform for U.S. Treasury Notes and Bonds. For the purposes of this analysis, the assets being sold to NASDAQ OMX are referred to as “eSpeed.”



BGC WILL RETAIN NEARLY HALF OF TECHNOLOGY-BASED REVENUES

Technology-Based Products** = 14.2% of 2Q2013
Financial Services Segment Revenues



*BGC sold its on-the-run, benchmark, 2-, 3-, 5-, 7-, 10-, and 30-year fully electronic trading platform for U.S. Treasury Notes and Bonds. For the purposes of this analysis, the assets sold to NASDAQ OMX are referred to as “eSpeed.” See our 7/1/2013 8-K for more details.

**Technology-Based Products = fully electronic brokerage, fees from related parties related to fully electronic trading, market data, and software solutions.

*** Retained Tech = businesses remaining with BGC post-eSpeed transaction.

Note: These figures are those recorded in the Financial Services segment and exclude those revenues and expenses included in corporate items.



RETAINED TECH-BASED PRODUCTS HAVE GROWN FASTER



Note: These eSpeed figures are only those recorded in the Financial Services segment and exclude those included in corporate items



TECH-BASED PRODUCTS HAVE MUCH HIGHER MARGINS

	<u>Q2 2013</u>				<u>Q2 2012</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	\$45	\$415	\$11	\$471	\$43	\$410	\$12	\$465
Pre-Tax DE	\$23	\$44	(\$14)	\$54	\$21	\$51	(\$17)	\$56
Pre-tax DE Margin	52%	11%	NMF	11%	50%	12%	NMF	12%

	<u>FY2012</u>				<u>FY2011</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	\$171	\$1,532	\$48	\$1,751	\$176	\$1,251	\$50	\$1,476
Pre-Tax DE	\$85	\$173	(\$62)	\$196	\$90	\$208	(\$61)	\$237
Pre-tax DE Margin	50%	11%	NMF	11%	51%	17%	NMF	16%

	<u>Q1 2013</u>				<u>Q1 2012</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	\$46	\$392	\$12	\$450	\$46	\$347	\$11	\$404
Pre-Tax DE	\$25	\$41	(\$21)	\$45	\$24	\$53	(\$19)	\$58
Pre-tax DE Margin	54%	10%	NMF	10%	53%	15%	NMF	14%

- Profit margins over 60% for eSpeed & ≈ 45% for retained technology-based products*

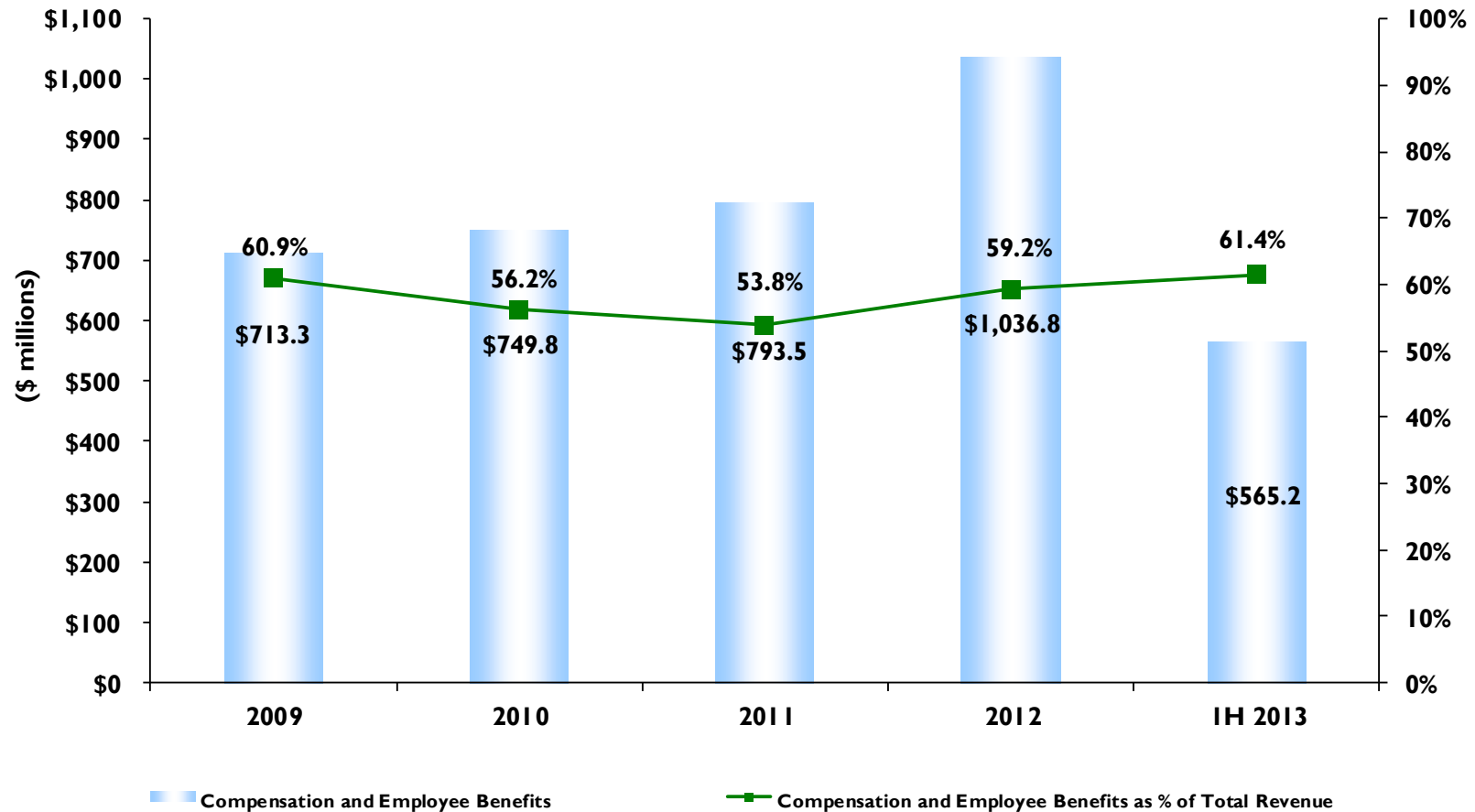
In \$MM

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.

*Before Corporate allocations



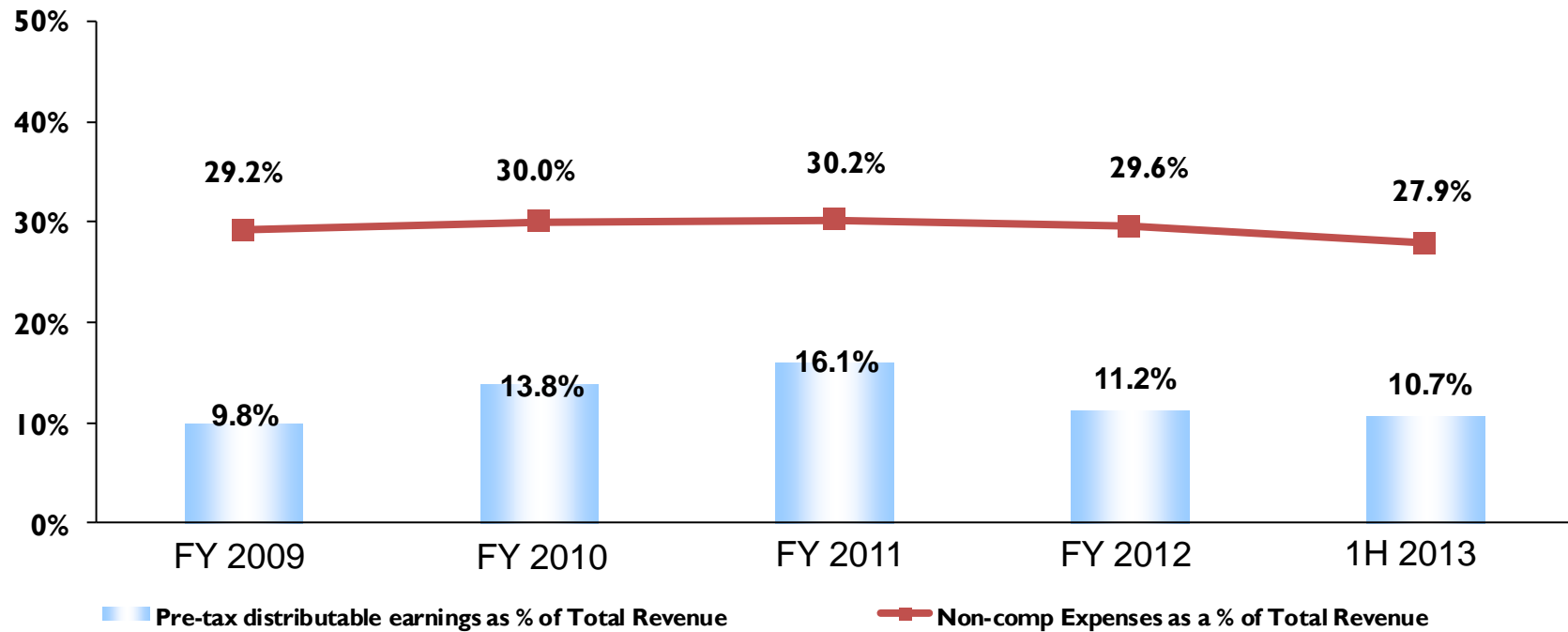
BGC PARTNERS COMPENSATION RATIO



- 2Q2013 BGC Partners Compensation Ratio = 61.1% vs. 59.5% in 2Q2012
- Commercial Real Estate brokers generally have a higher compensation ratio than IDBs with significant electronic trading revenues.



NON-COMPENSATION EXPENSES & PRE-TAX MARGIN



- Non-comp expenses were 27.5% of distributable earnings revenues in 2Q2013 versus 28.4% in 2Q2012
- Pre-tax distributable earnings margin was 11.4% in 2Q2013 vs. 12.0% in 2Q2012
- Post-tax distributable earnings margin was 9.5% in 2Q2013 vs. 10.0% in 2Q2012



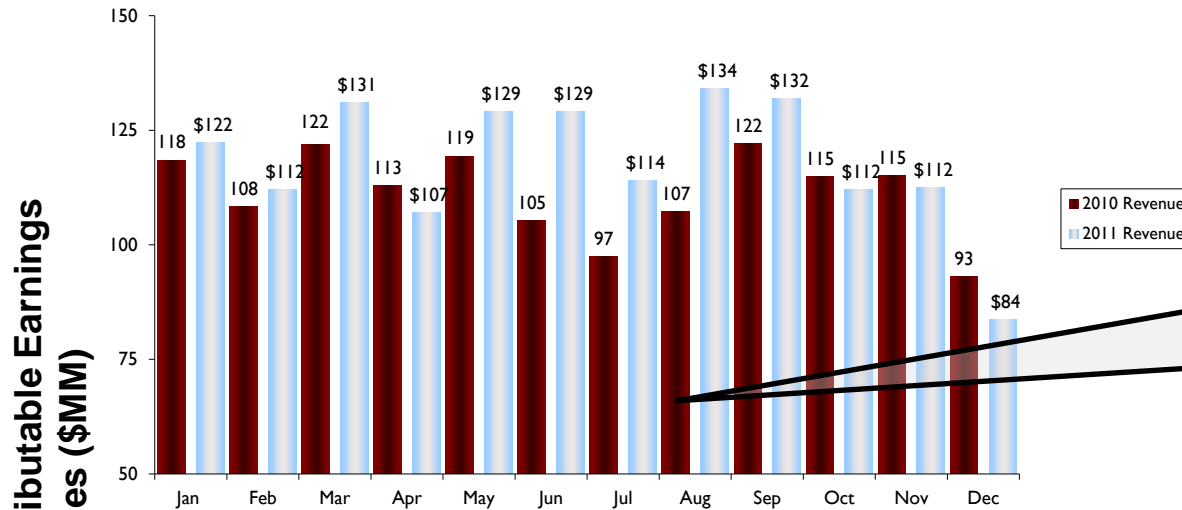
ADJUSTED EBITDA

BGC Partners, Inc		
Reconciliation of GAAP Income to Adjusted EBITDA (and Comparison to Pre-Tax Distributable Earnings, in \$000s)		
	Q2 2013	Q2 2012
Income from operations before income taxes	\$ 208,251	\$ 4,450
Add back:		
Employee loan amortization	10,223	7,418
Interest expense	9,989	7,578
Fixed asset depreciation and intangible asset amortization	12,284	12,237
Impairment of fixed assets	351	218
Exchangeability charges (1)	12,900	38,131
Redemption of partnership units, issuance of restricted shares and compensation related partnership loans	464,594	-
Losses on equity investments	1,224	2,652
Adjusted EBITDA	\$ 719,816	\$ 72,684
Pre-Tax distributable earnings	\$ 53,835	\$ 55,929

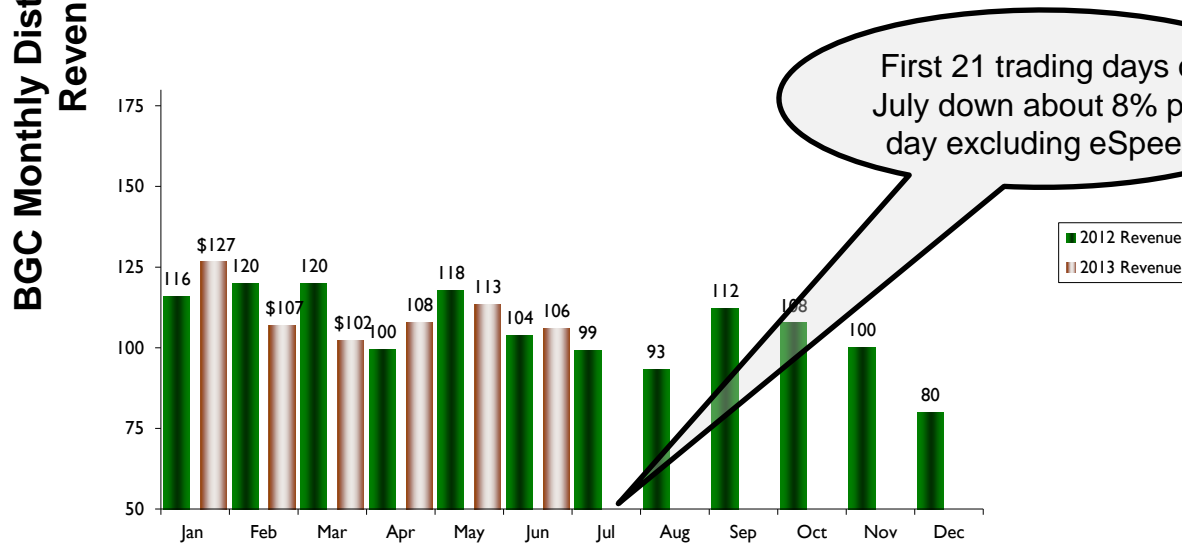
(1) Represents non-cash, non-economic, and non-dilutive charges relating to grants of exchangeability to limited partnership units.



MONTHLY REVENUE EXCLUDING REAL ESTATE SERVICES (\$MM)



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



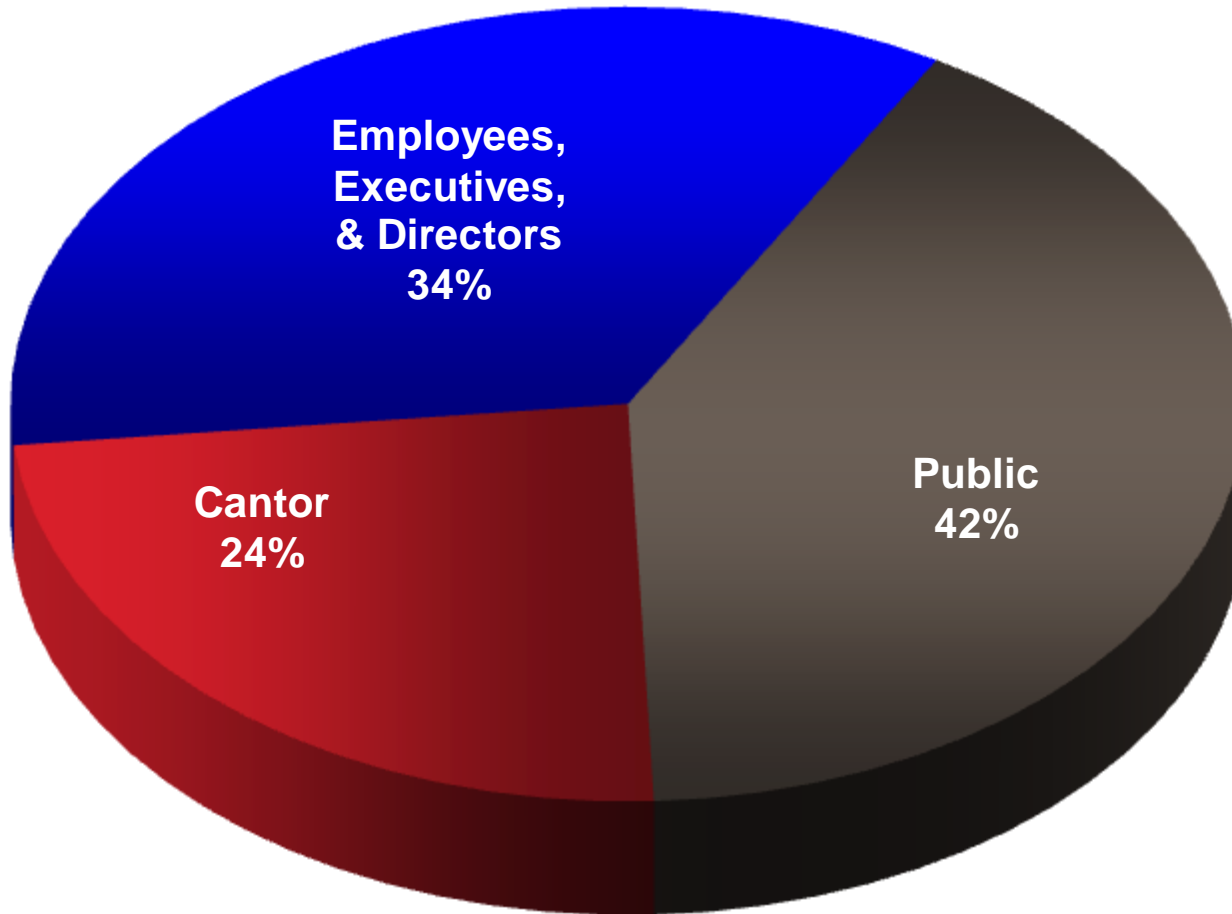
First 21 trading days of July down about 8% per day excluding eSpeed

- FY2013 year to date, our fully electronic businesses, excluding eSpeed, has continued to outperform our overall Financial Services results.

Note: July 2013 revenue number is preliminary. Monthly revenue prior to 2008 is available in the 2010 earnings presentations at www.ir.bgcpartners.com



BGC'S ECONOMIC OWNERSHIP AS OF 6/30/13



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



AVERAGE EXCHANGE RATES

	Average			
	2Q2013	2Q2012	July 1- 30th, 2013	July 1- 30th, 2012
US Dollar	1	1	1	1
British Pound	1.536	1.583	1.518	1.560
Euro	1.306	1.285	1.308	1.231
Hong Kong Dollar	0.129	0.129	0.129	0.129
Singapore Dollar	0.801	0.791	0.789	0.793
Japanese Yen*	98.770	80.130	99.740	79.060

* Inverted

Source: Oanda.com. *Inverted.



DISTRIBUTABLE EARNINGS

BGC Partners uses non-GAAP financial measures including "revenues for distributable earnings," "pre-tax distributable earnings" and "post-tax distributable earnings," which are supplemental measures of operating performance that are used by management to evaluate the financial performance of the Company and its subsidiaries. BGC Partners believes that distributable earnings best reflect the operating earnings generated by the Company on a consolidated basis and are the earnings which management considers available for distribution to BGC Partners, Inc. and its common stockholders, as well as to holders of BGC Holdings partnership units during any period. As compared with "income (loss) from operations before income taxes," "net income (loss) for fully diluted shares," and "fully diluted earnings (loss) per share," all prepared in accordance with GAAP, distributable earnings calculations primarily exclude certain non-cash compensation and other expenses which generally do not involve the receipt or outlay of cash by the Company, which do not dilute existing stockholders, and which do not have economic consequences, as described below. In addition, distributable earnings calculations exclude certain gains and charges that management believes do not best reflect the ordinary operating results of BGC. Revenues for distributable earnings are defined as GAAP revenues excluding the impact of BGC Partners, Inc.'s non-cash earnings or losses related to its equity investments, 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 include the collection of receivables which would have been recognized for GAAP other than for the effect of acquisition accounting. Revenues for distributable earnings also exclude certain one-time or unusual gains that are recognized under GAAP, because the Company does not believe such gains are reflective of its ongoing, ordinary operations. Pre-tax distributable earnings are defined as GAAP income (loss) from operations before income taxes excluding items that are primarily non-cash, non-dilutive, and non-economic, such as:

- Non-cash stock-based equity compensation charges for REUs granted or issued prior to the merger of BGC Partners, Inc. with and into eSpeed, as well as post-merger non-cash, non-dilutive equity-based compensation related to partnership unit exchange or conversion.

- Allocations of net income to founding/working partner and other limited partnership units, including REUs, RPU, PSUs, LPU, and PSIs.

- Non-cash asset impairment charges, if any.

Distributable earnings calculations also exclude charges related to purchases, cancellations or redemptions of partnership interests and certain unusual, one-time or non-recurring items, if any. "Compensation and employee benefits" expense for distributable earnings will also include broker commission payouts relating to the aforementioned collection of receivables. [BGC's definition of distributable earnings also excludes certain gains and charges with respect to acquisitions, dispositions, and resolutions of litigation. This exclusion pertains to the one-time gain related to the NASDAQ OMX transaction. Management believes that excluding these gains and charges best reflects the operating performance of BGC. However, because NASDAQ OMX is expected to pay BGC in an equal amount of stock on a regular basis for 15 years as part of the transaction, the payments associated with BGC's receipt of such stock will be included in the Company's calculation of distributable earnings. To make quarter-to-quarter comparisons more meaningful, one-quarter of the annual contingent earn-out amount will be included in the Company's calculation of distributable earnings each quarter as ["other revenues."]] Since distributable earnings are calculated on a pre-tax basis, management intends to also report "post-tax distributable earnings" and "post-tax distributable earnings per fully diluted share":

- "Post-tax distributable earnings" are defined as pre-tax distributable earnings adjusted to assume that all pre-tax distributable earnings were taxed at the same effective rate.

- "Post-tax distributable earnings per fully diluted share" are defined as post-tax distributable earnings divided by the weighted-average number of fully diluted shares for the period.

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

- The fully diluted share count includes the shares related to the dilutive instruments, such as the Convertible Senior Notes, but excludes the associated interest expense, net of tax, when the impact would be dilutive; or

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

Each quarter, the dividend to common stockholders is expected to be determined by the Company's Board of Directors with reference to post-tax distributable earnings per fully diluted share. In addition to the Company's quarterly dividend to common stockholders, BGC Partners expects to pay a pro-rata distribution of net income to BGC Holdings founding/working partner and other limited partnership units, including REUs, RPU, LPU, PSU, and PSI, and to Cantor for its non-controlling 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 in this document entitled "Reconciliation of Revenues Under GAAP and Distributable Earnings," and "Reconciliation of GAAP Income to Distributable Earnings" which provides a summary reconciliation between pre- and post-tax distributable earnings and the corresponding GAAP measures for the Company in the periods discussed in this document.