



**May 30, 2012 Investor & Analyst Day**



## Overview

Chairman/CEO Howard W. Lutnick

# 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>.

# Agenda

10:00 AM – Introduction and overview of BGC - Chairman/CEO Howard W. Lutnick

10:15 AM – Financial Highlights - Graham Sadler, Chief Financial Officer

10:30 AM – BGC update - President Shaun D. Lynn

11:00 AM – Michael Lehrman, Global Head of Real Estate BGC Partners & Barry M. Gosin  
Chief Executive Officer Newmark Grubb Knight Frank

12:00 PM – Buffet lunch available at this time (30 minute pause for webcast.)

12:30 PM – Danny M. LaVecchia Executive Managing Director, North America, Global Head of  
FX Products

1:00 PM – Update on regulation – Jeff Hogan, Managing Director Business Development

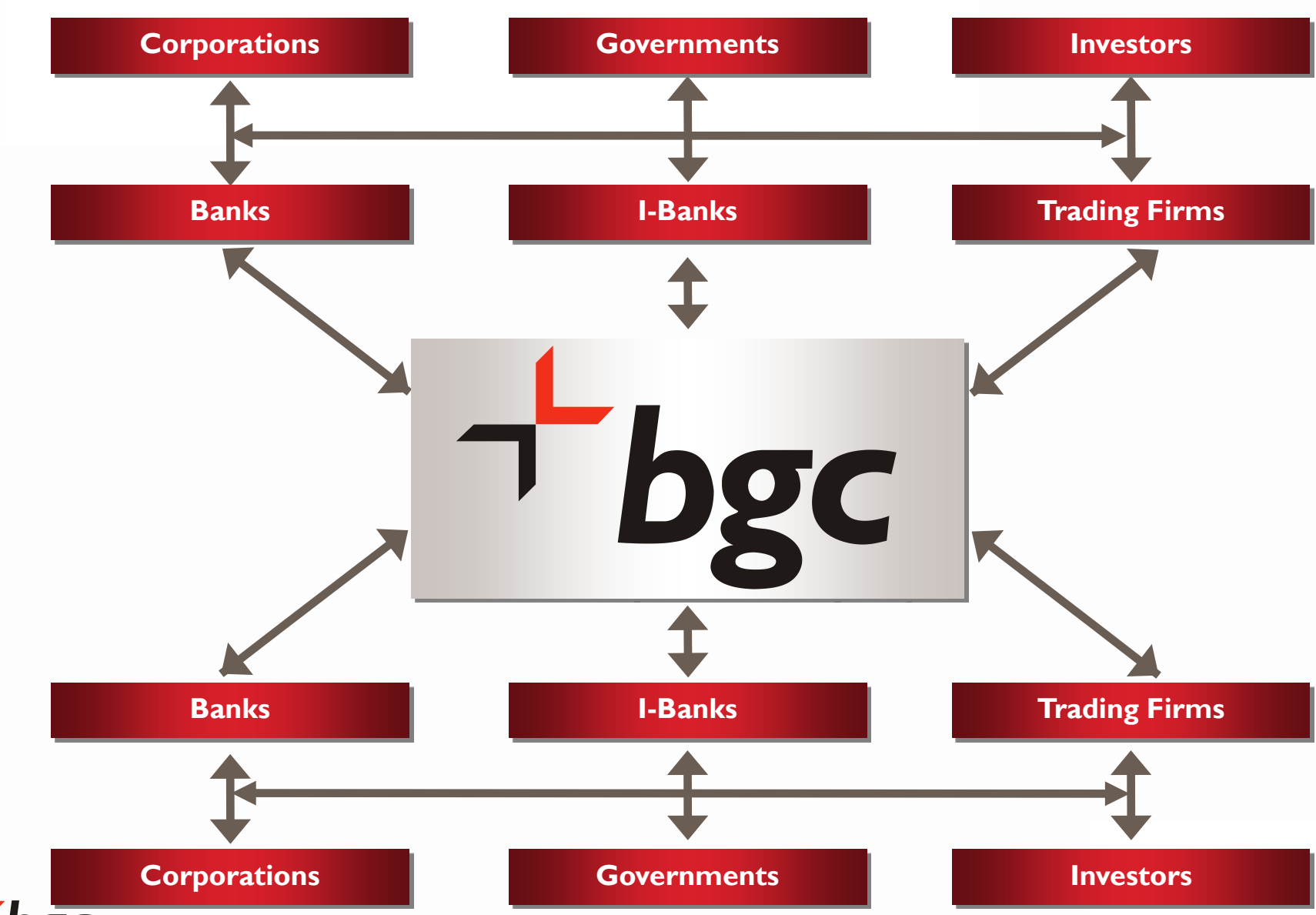
1:15 PM – Event Conclusion – Chairman / CEO Howard W. Lutnick

1:30 PM – General Q&A for any of the above

2:00 PM – Bus departs for short trip to optional tour of the BGC's 199 Water Street broking  
floor and expanded BGC Trader demonstration

3:00 PM – Expected finish

# 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

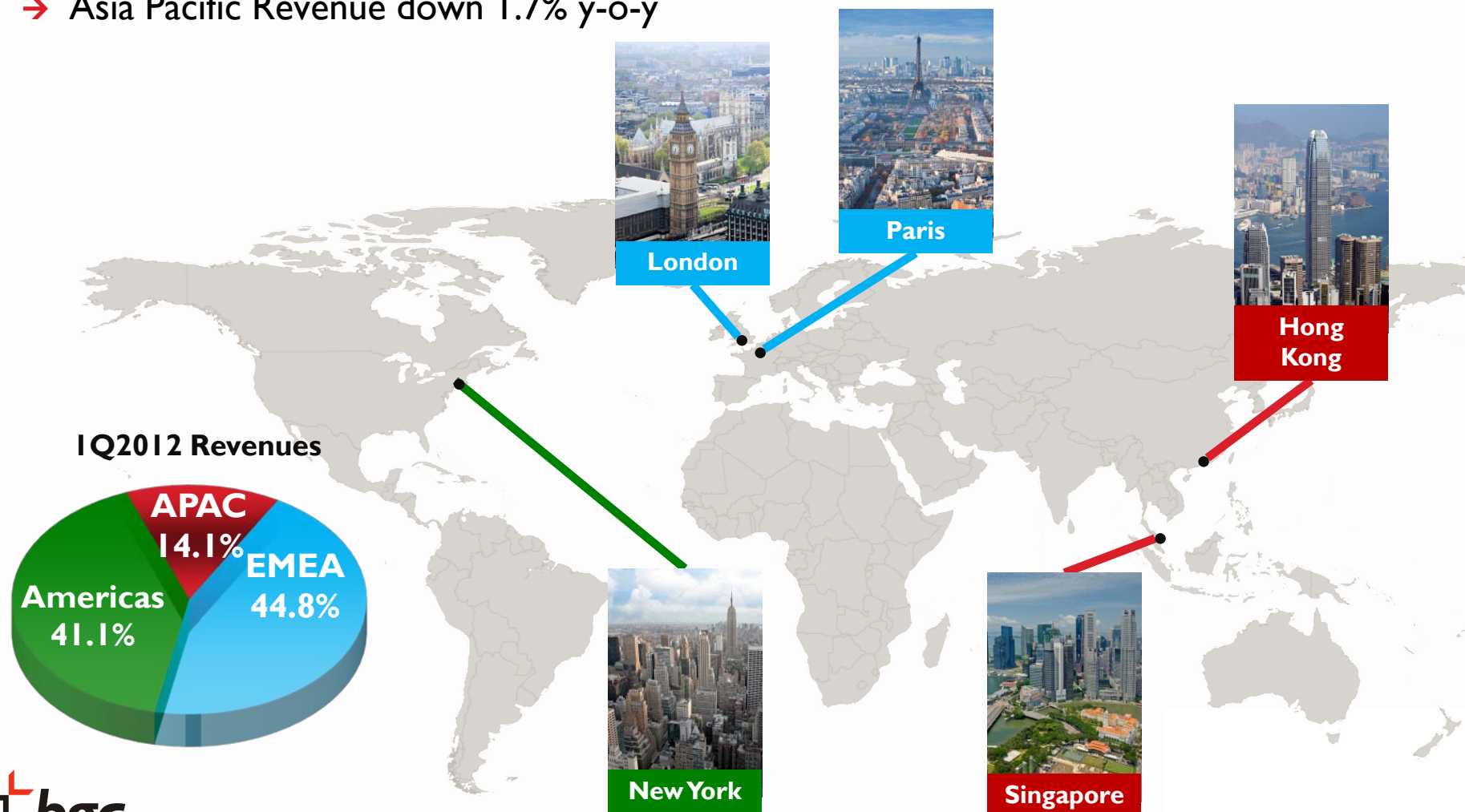


# Solid Business with Significant Opportunities

- 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

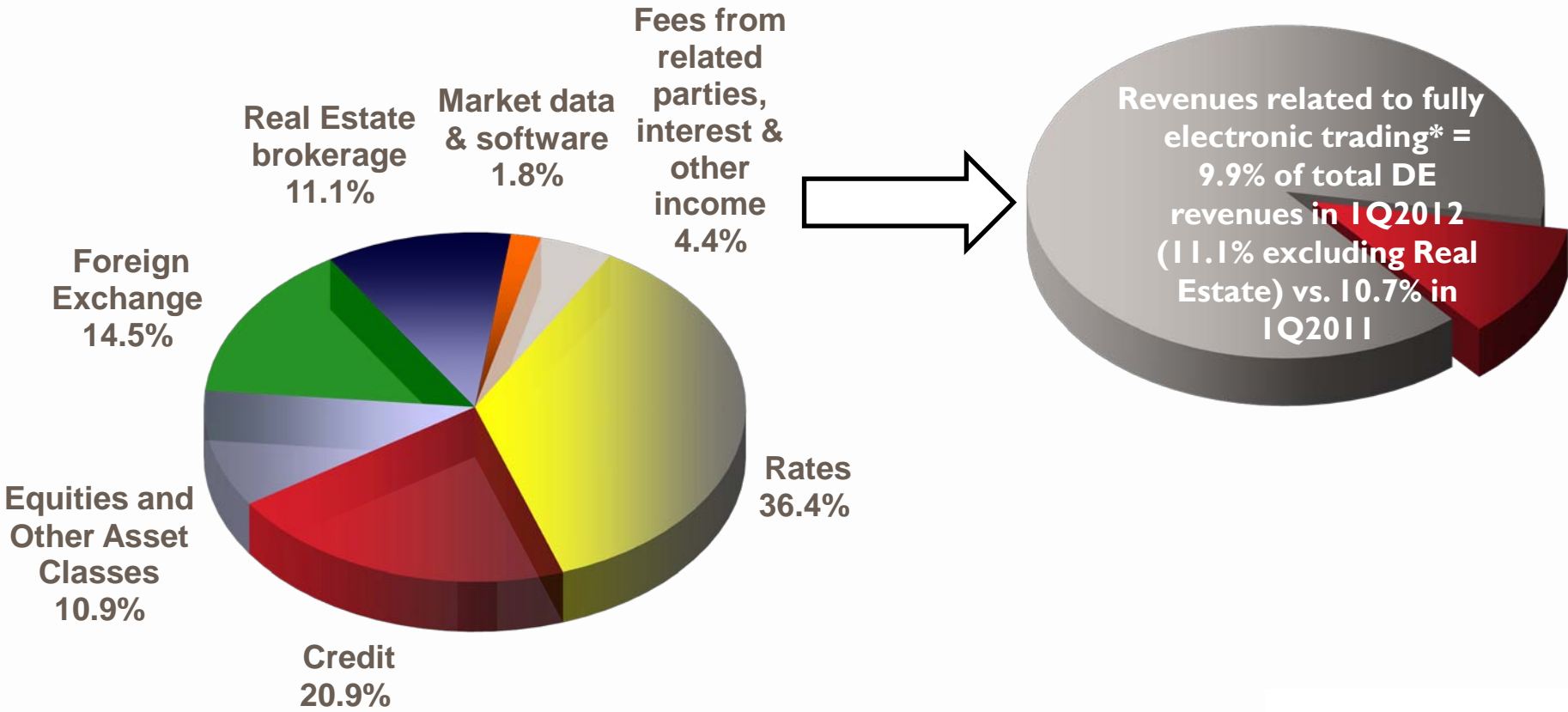
# Diversified Revenue by Geography

- Europe, Middle East & Africa Revenue down 9.0% y-o-y
- Americas Revenue up 52.7% y-o-y
- Asia Pacific Revenue down 1.7% y-o-y






# Diversified Revenue by Product



\* This includes fees captured in both the "total brokerage revenues" and "fees from related party" line items related to fully electronic trading. Note: percentages may not sum to 100% due to rounding.

# Executive Management of BGC Partners

## 120+ Years of Experience




**Howard W. Lutnick**  
Chairman, CEO  
(29 years)




**Shaun Lynn**  
President  
(31 years)



**Sean Windeatt,**  
Chief Operating  
Officer  
(16 years)



**Graham Sadler**  
Chief Financial  
Officer  
(27 years)



**Stephen Merkel**  
EVP,  
General Counsel,  
Secretary  
(26 years)

# Business Management Team

## Another 300 + Years

### Global



**Jean-Pierre Aubin**  
*Executive Managing Director, Global Head Listed Products and General Manager Continental Europe*  
(21 years)



**Danny LaVecchia**  
*Executive Managing Director and Global Head of FX Products*  
(26 years)

### Global Technology



**Philip Norton**  
*Executive Managing Director and for BGC e-Commerce*  
(25 years)



**Mark Benfield**  
*Executive Managing Director and Director, BGC Market Data*  
(25 years)



**Yvette Tierney**  
*Chief Information Officer for BGC*  
(20 years)

### Asia-Pacific



**Mark Spring**  
*Executive Managing Director, Asia*  
(25 years)



**Len Harvey**  
*Executive Managing Director and General Manager, Asia-Pacific*  
(37 years)

### Europe



**Mark Webster**  
*Executive Managing Director and General Manager, London*  
(31 years)

### Real Estate



**Michael Lehrman**  
*Head of Real Estate*  
(30 years)



**Barry Gosin**  
*Chief Executive Officer Newmark Grubb Knight Frank*  
(39 years)

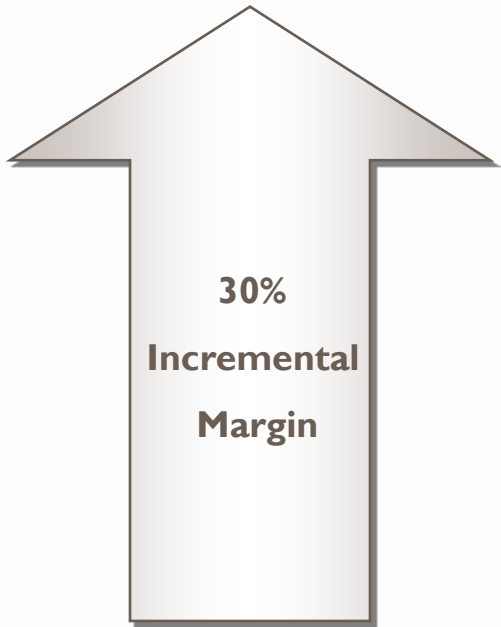
### Americas



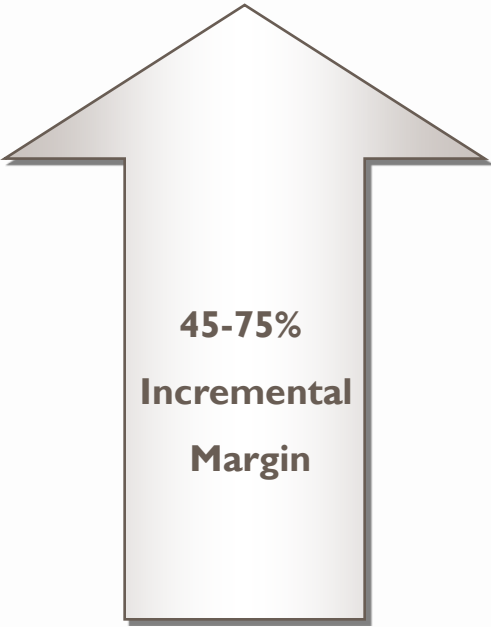
**Louis Scotto**  
*Executive Managing Director and General Manager North America*  
(31 years)

# Significant Leverage Through Scale and Technology

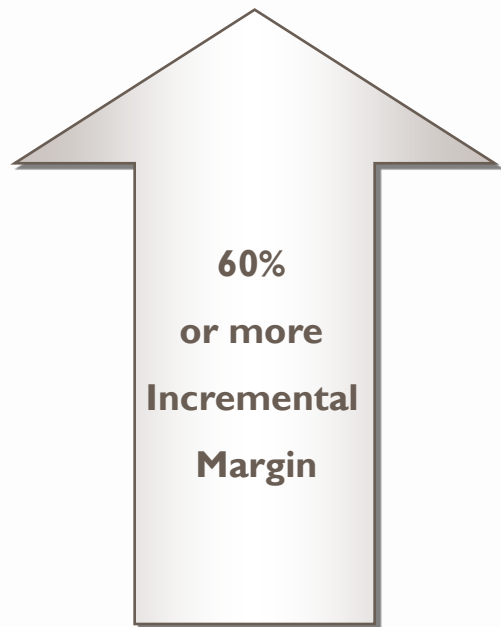
## Potential Pre-Tax Distributable Earnings Contribution



**Hybrid Brokerage:  
Hire and Acquire**



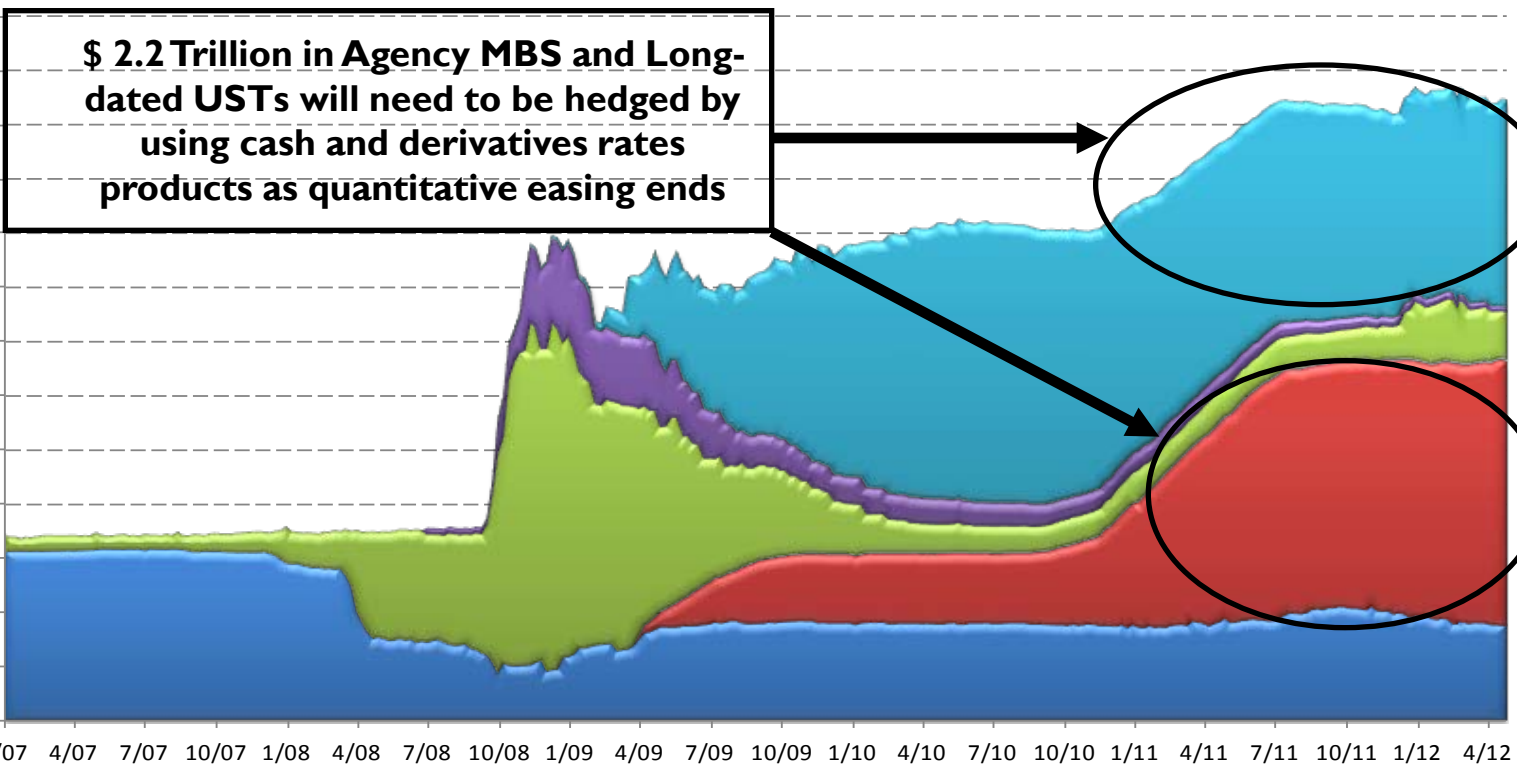
**Fully Electronic:  
Convert**



**Market Data & Software:  
Distribute**

# Quantitative Easing = Current Headwind & Future Tailwind

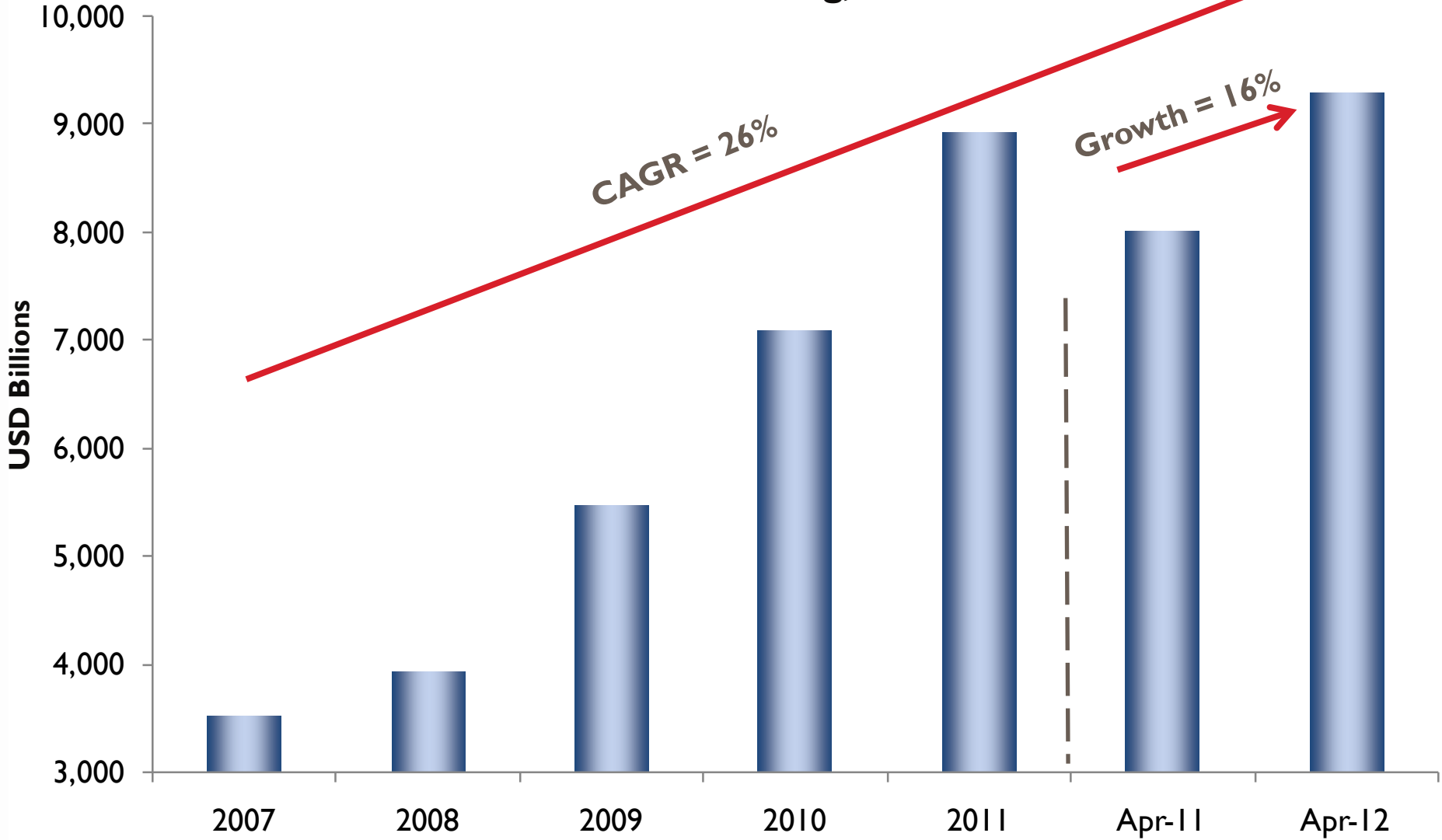
USD Millions



- Traditional Security Holdings
- Lending to Financial Institutions
- Fed Agency Debt Mortgage-Backed Securities Purchase
- Long Term Treasury Purchases
- Liquidity to Key Credit Markets

# Debt Growth Drives BGC's Rates Franchise

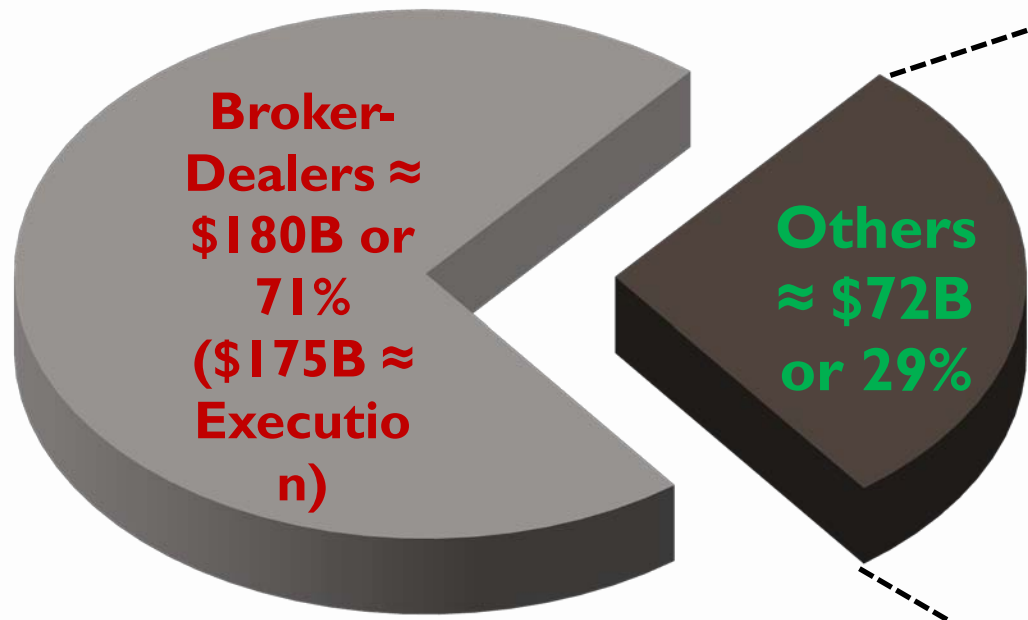
US Treasuries Outstanding, Less Bills



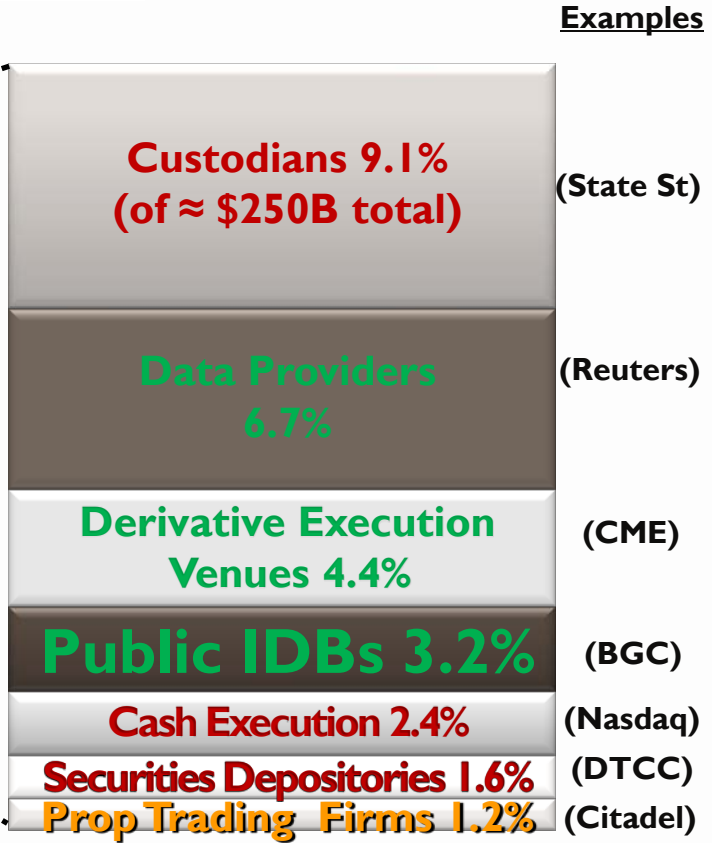
Source: treasurydirect.gov. Note: US Treasuries outstanding = total marketable US government debt held by the Public less treasury bills.

# 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

# 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.





**voice ↗ *electronic brokerage***

Financial Overview

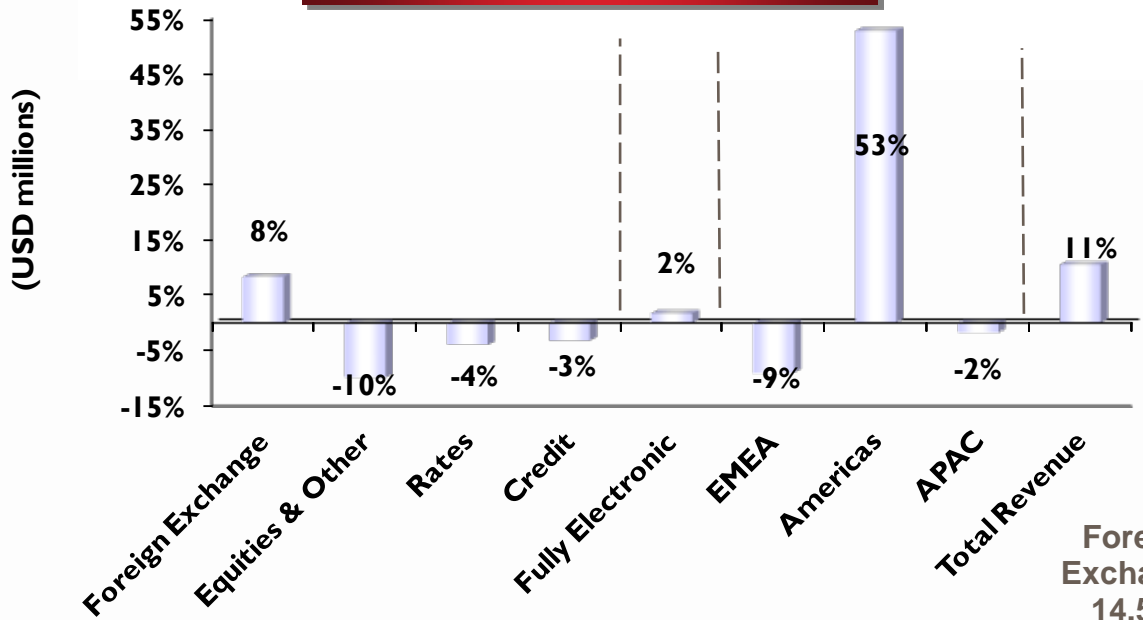
Graham Sadler, Chief Financial Officer

# Sound Financial Position

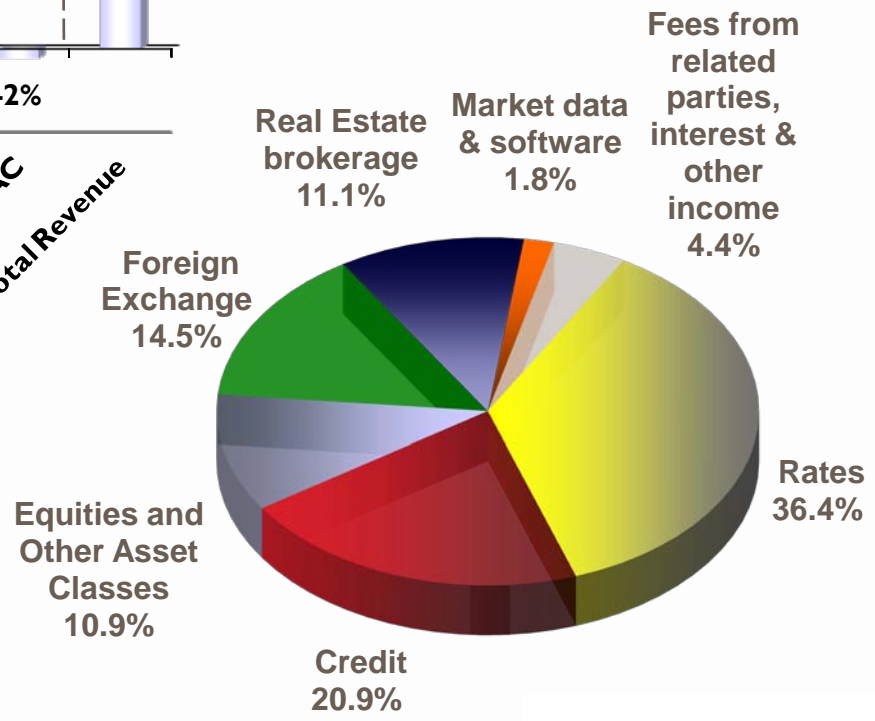
- Diversified businesses in terms of geography and asset classes
- Conservative balance sheet / risk profile
  - BGC does not take positions, limited market / credit risk
  - Cash generative, sound liquidity profile
  - Significant capital and low leverage
- Sustainable revenues from brokering the more liquid parts of the OTC and listed markets
- Leading electronic trading technology – platform built and paid for
- Rated Fitch: BBB / S&P: BBB- / Moody's: Ba 1

# 1Q2012 Revenues by Geography and Product

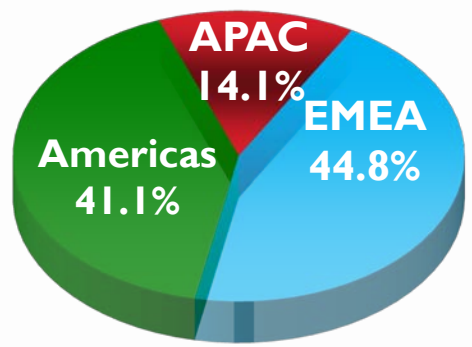
**Y-O-Y Revenue Change**



**Revenues by Product**



**Revenues by Geography**



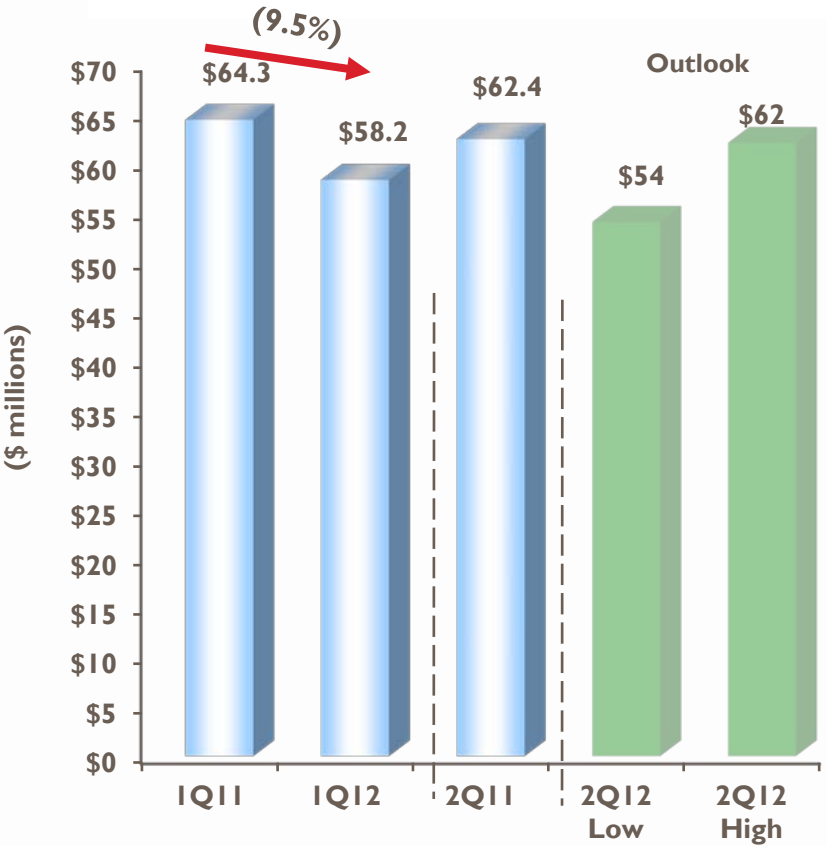
# BGC's Revenue Growth



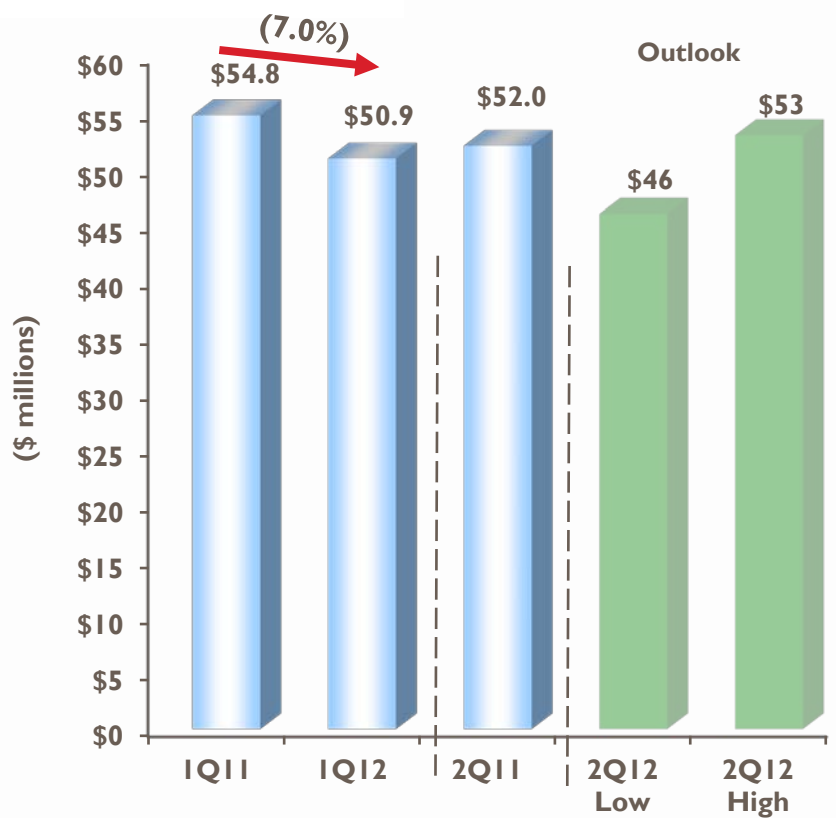
→ 2Q2012 includes at least \$110mm from real estate

# Distributable Earnings

## Pre-tax Distributable Earnings

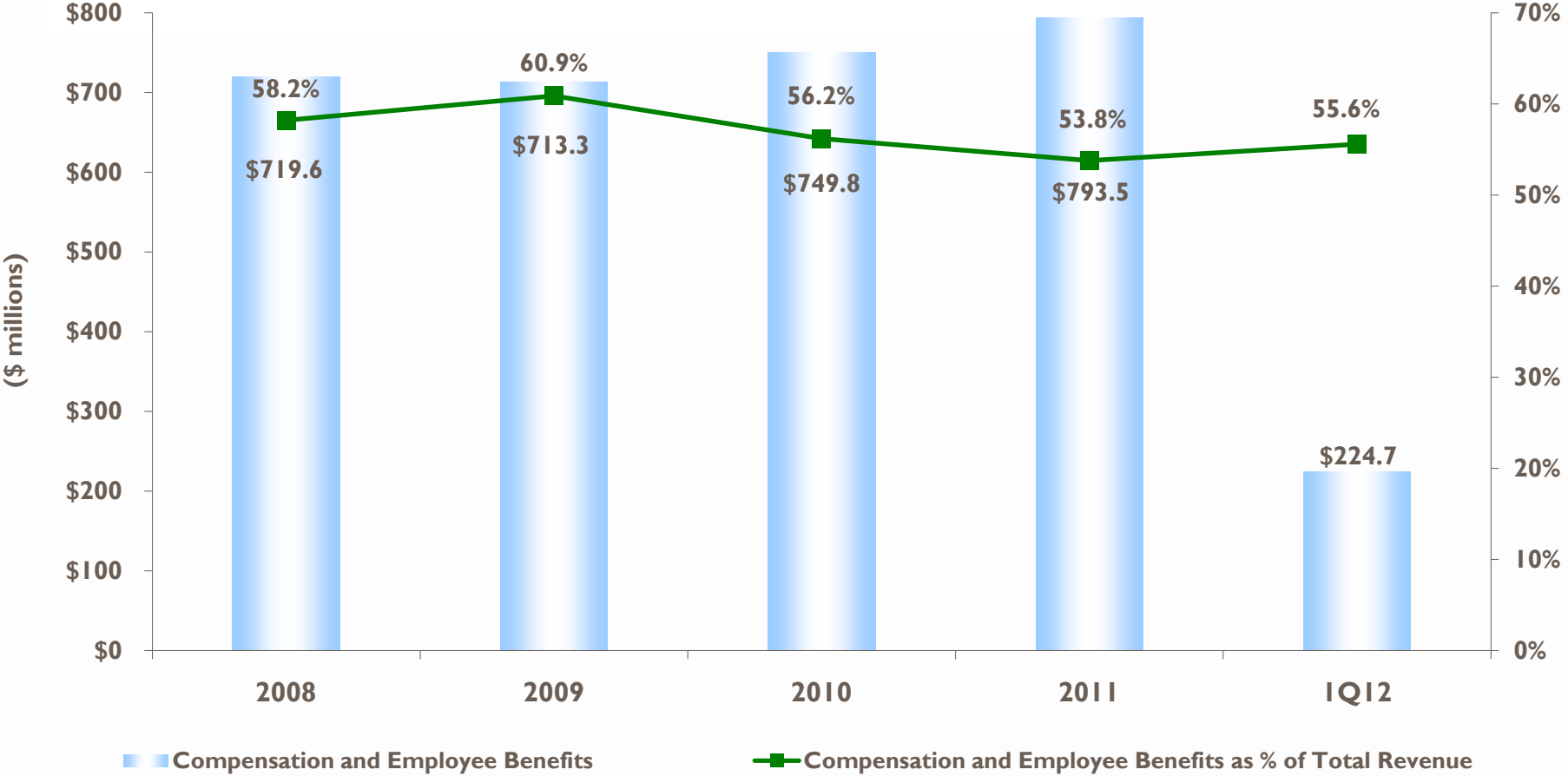


## Post-tax Distributable Earnings



- ➔ First quarter pre-tax & post-tax distributable earnings per fully diluted share were down 19.2% and 13.6% y-o-y, respectively
- ➔ BGC anticipates its effective tax rate for distributable earnings to be approximately 14% for FY 2012 compared with 15% for 2Q 2011 and 14.3% for FY 2011.
- ➔ BGC expects to update guidance again before the end of 2Q 2012.

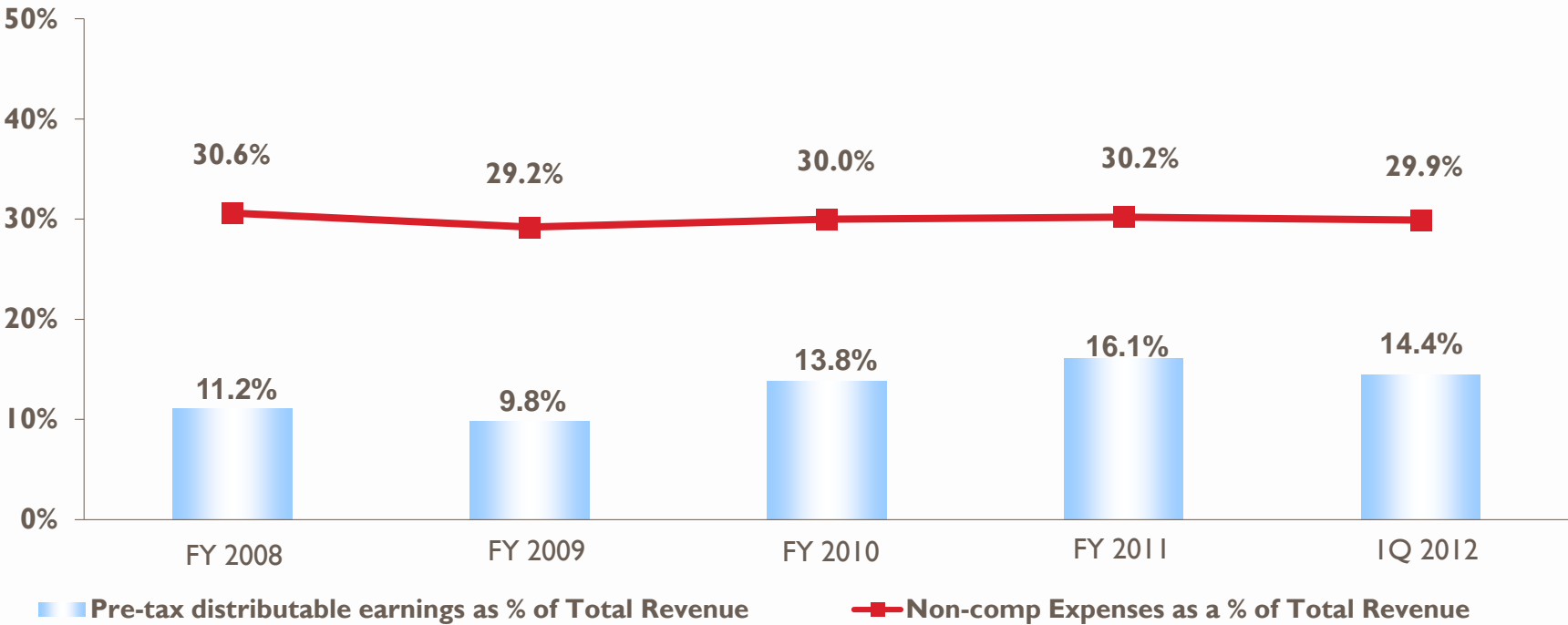
# BGC's Compensation Ratio



- ➔ 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

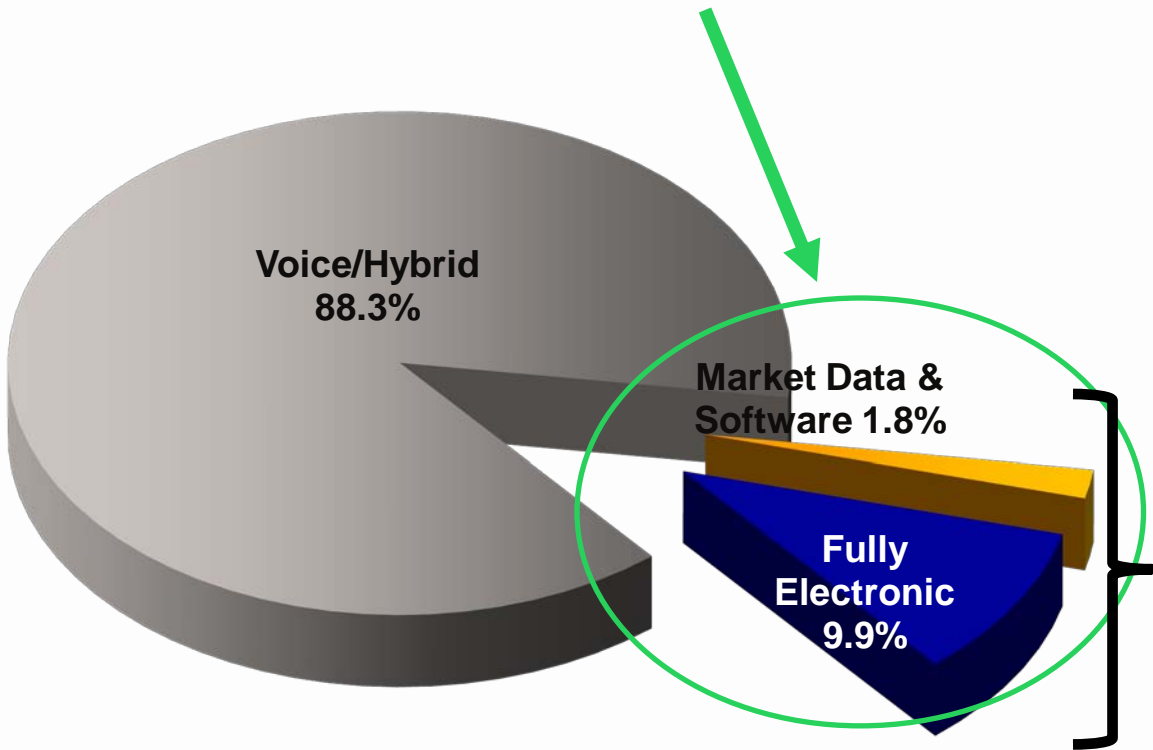
# BGC's Technology-based Businesses Have Higher Margins

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

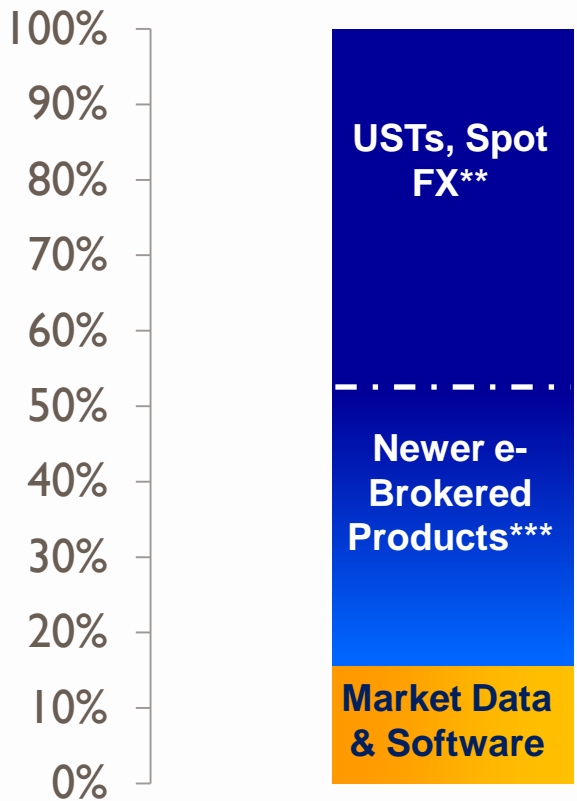


# Technology based Breakdown IQ2012

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



Breakdown of the 11.7% of revenues

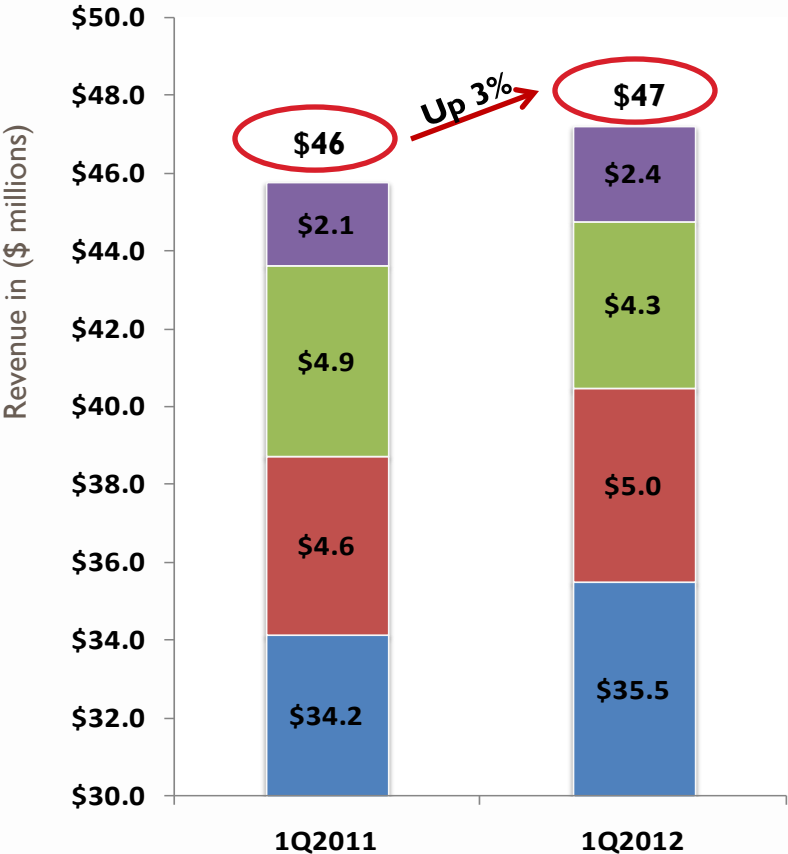


\*Technology-Based revenues = fully electronic brokerage, fees from related parties related to fully electronic trading, market data, and software solutions.  
 \*\* Includes fees from related parties related to electronic trading.  
 \*\*\* Fully electronic brokerage revenues from all other e-brokered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

# 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  
■ Market Data

## 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

# 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 Real Estate Business Dynamics

- 1Q is seasonally slow for commercial real estate services, 4Q is seasonally strongest both top & bottom line; contrary to IDBs
- The addition of NGKF should smooth out overall BGC earnings over time
- Commercial real estate is entirely people-driven currently = higher comp ratio but lower technology spend than BGC's Financial business
- Approximately 35% of NGKF revenues in Q2 are expected to be non-brokerage which is largely property and facilities management

# 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.

# Strong Balance Sheet

- Simple and conservative balance sheet
- Significant capital and low leverage
- Minimal securities positions – no “mark to model” assets
- BGC’s brokers trade either on a name-give-up basis ( $\approx 70\%$  of financial brokerage revenues) or on a matched principal basis ( $\approx 30\%$ )
- BGC does not generally have securities inventory, margin accounts with customers, or otherwise use its balance sheet for trading purposes

# Strong Balance Sheet (Continued)

**BGC PARTNERS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**  
 (in thousands, except per share data)  
 (unaudited)

	<b>March 31, 2012</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 310,526
Cash segregated under regulatory requirements	3,372
Securities owned	38,235
Securities borrowed	17,362
Marketable securities	291
Receivables from brokers-dealers, clearing organizations, customers and related broker-dealers	598,610
Accrued commissions receivable, net	233,087
Loans, forgivable loans and other receivables from employees and partners, net	198,183
Fixed assets, net	135,568
Investments	34,283
Notes receivable, net	25,492
Goodwill	142,179
Other intangible assets, net	16,299
Receivables from related parties	6,829
Other assets	92,531
<b>Total assets</b>	<b>\$ 1,852,847</b>
<b>Liabilities, Redeemable Partnership Interest, and Equity</b>	
Short-term borrowings	\$ 60,000
Accrued compensation	138,536
Payables to brokers-dealers, clearing organizations, customers and related broker-dealers	530,051
Payables to related parties	32,488
Accounts payable, accrued and other liabilities	248,270
Notes payable and collateralized borrowings	188,297
Notes payable to related parties	150,000
<b>Total liabilities</b>	<b>1,347,642</b>
Redeemable partnership interest	82,079
<b>Equity</b>	
Stockholders' equity:	
Class A common stock, par value \$0.01 per share; 500,000 shares authorized; 122,804 shares issued at March 31, 2012 and 104,763 shares outstanding at March 31, 2012	1,228
Class B common stock, par value \$0.01 per share; 100,000 shares authorized; 34,848 shares issued and outstanding at March 31, 2012, convertible into Class A common stock	348
Additional paid-in capital	515,127
Contingent Class A common stock	19,763
Treasury stock, at cost: 18,041 shares of Class A common stock at March 31, 2012	(110,090)
Retained deficit	(96,122)
Accumulated other comprehensive loss	(2,322)
<b>Total stockholders' equity</b>	<b>327,932</b>
Noncontrolling interest in subsidiaries	95,194
<b>Total equity</b>	<b>423,126</b>
<b>Total liabilities, redeemable partnership interest and equity</b>	<b>\$ 1,852,847</b>

BGC does not make money using its balance sheet so our results should not vary based on equity and cash levels. BGC currently has more than adequate cash for regulatory and clearing purposes.

Long-Term Assets \$651.4MM

Long-Term Debt: \$338.3 MM

Total Equity\*: \$505.2 MM

Long-Term Capital: \$843.5 MM



\*Total Equity for BGC Partners, Inc. = redeemable partnership interest + noncontrolling interest in subsidiaries + total stockholders' equity.

# BGC Liquidity and Capital Considerations

- Balance sheet & business model are NOT capital intensive
- Assets are predominantly 3 types – Cash, Collateralized & Uncollateralized Receivables and Longer Lived/Less Liquid assets needed to support business
- Funding base = longer-term capital (i.e. Equity, Long-term Debt and Term Collateralized Financing) & self-generated liabilities/accruals (e.g. matched fails)
- Limited need for and use of short-term unsecured funding in fundamental brokerage business model
- Less liquid assets funded with longer-term capital
- Significant levels of cash on the Balance Sheet
- On 6/23/2011 entered into \$130mm unsecured revolving credit facility to further enhance liquidity -- periodically utilized (2-year facility)



# 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
<b>Income from operations before income taxes (1)</b>	19	25	54	57
<b>Add back:</b>				
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	-
<b>Sub-total (EBITDA)</b>	<b>47</b>	<b>50</b>	<b>161</b>	<b>163</b>
Exchangeability charges	26 (3)	11 (3)	108 (4)	42 (4)
Losses on equity investments (2)	2	2	7	7
<b>Adjusted EBITDA</b>	<b>75</b>	<b>63</b>	<b>276</b>	<b>212</b>
<b>Pre-Tax distributable earnings (5)</b>	<b>58</b>	<b>64</b>	<b>237</b>	<b>184</b>

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.

# BGC's Sustainable Model

- BGC distributes most of its cash earnings
- High pay-out + Nontaxable return of capital = tax efficient & high tax-equivalent yield for public shareholders
- Partnership units allow for effective staff retention while providing tax efficient distributions
- Similar to high-payout BDCs, REITs, or MLPs, we can access capital markets or other forms of funding to fund future growth including acquisitions
- Drive down non-comp expenses and roll out partnership enhancement program to bring down comp expense
- Through partnership, scale, and technology we expect improved margins over time



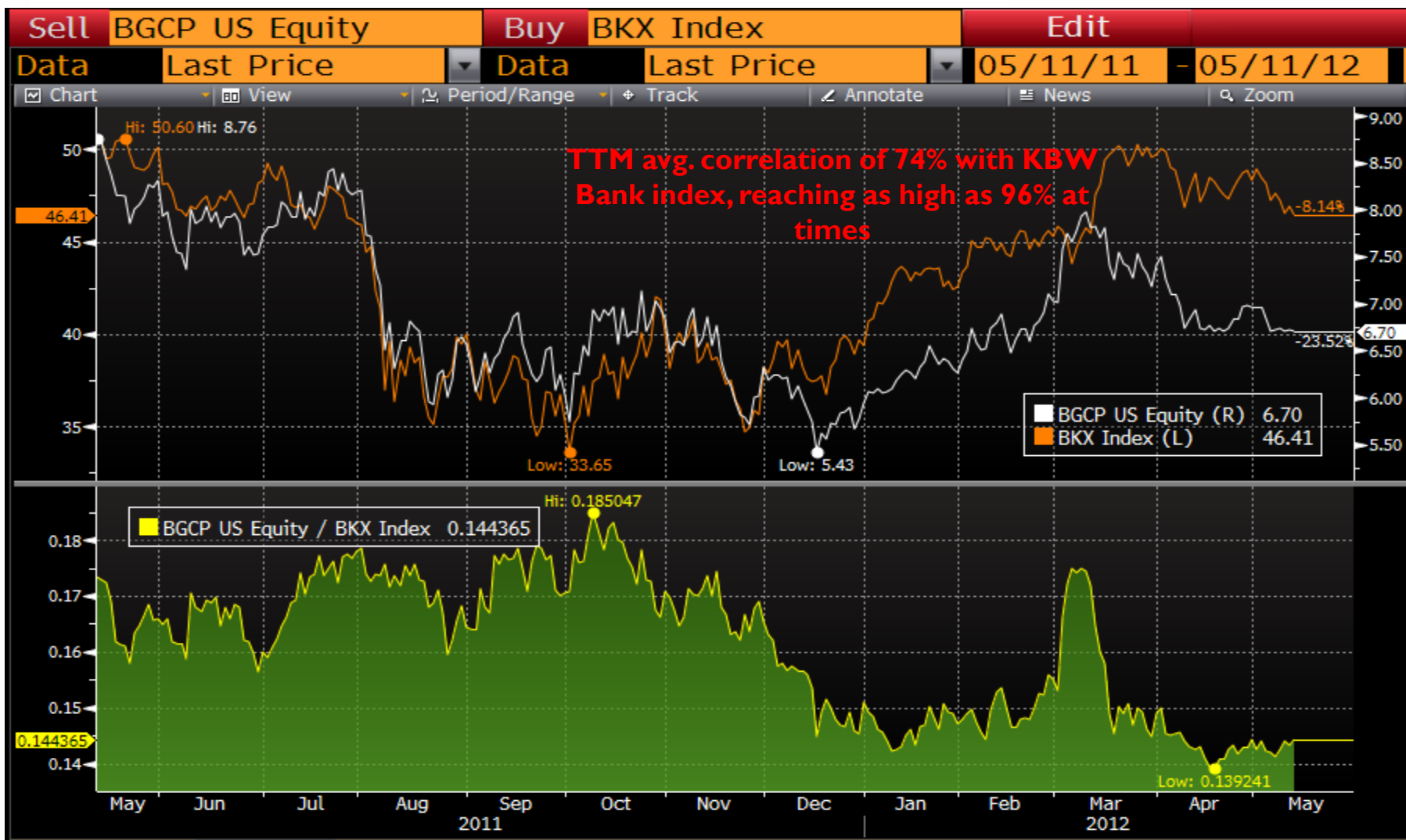
**BGC Update**  
President Shaun D. Lynn



**voice ↗ *electronic brokerage***

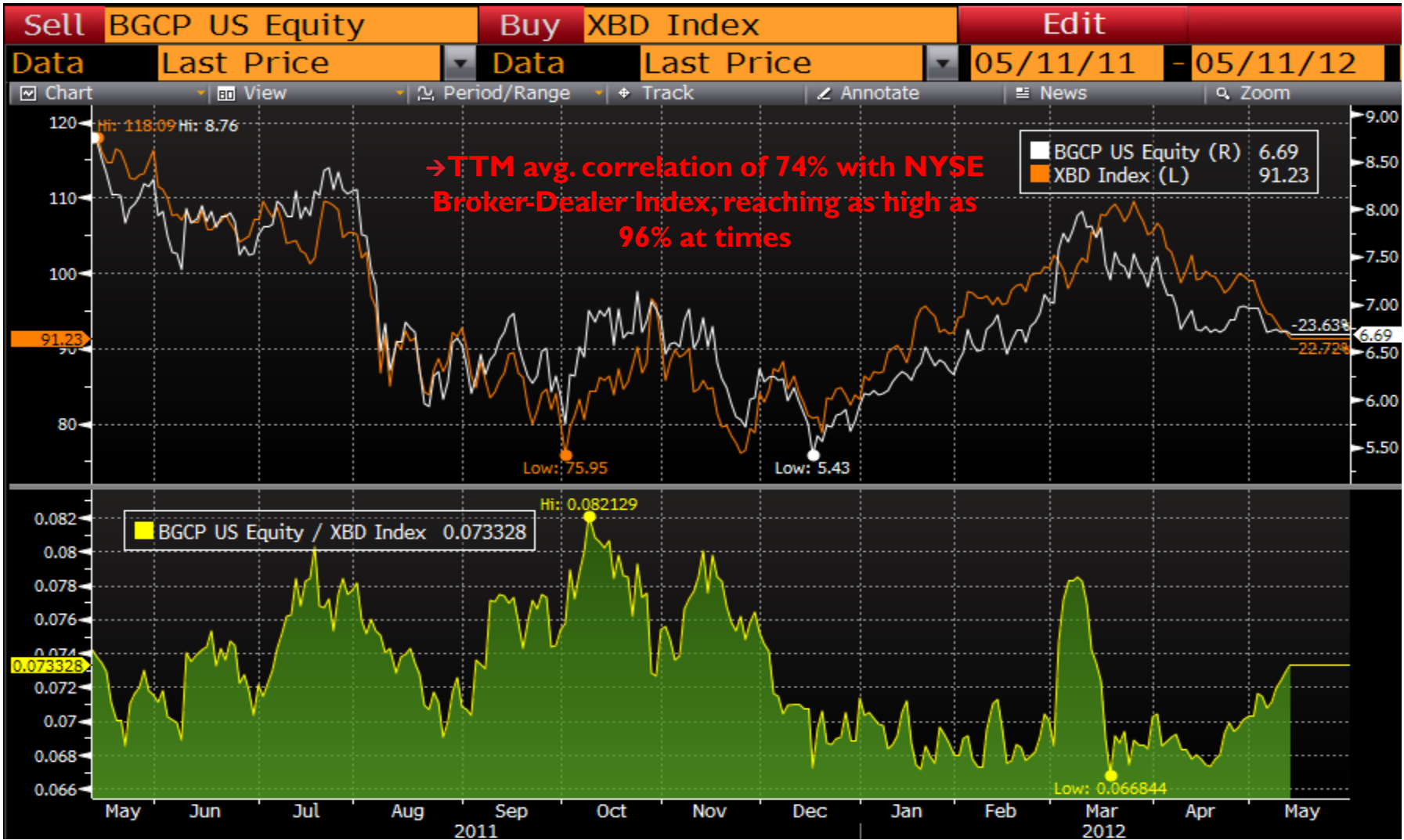
A Common Misconception about BGCP

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



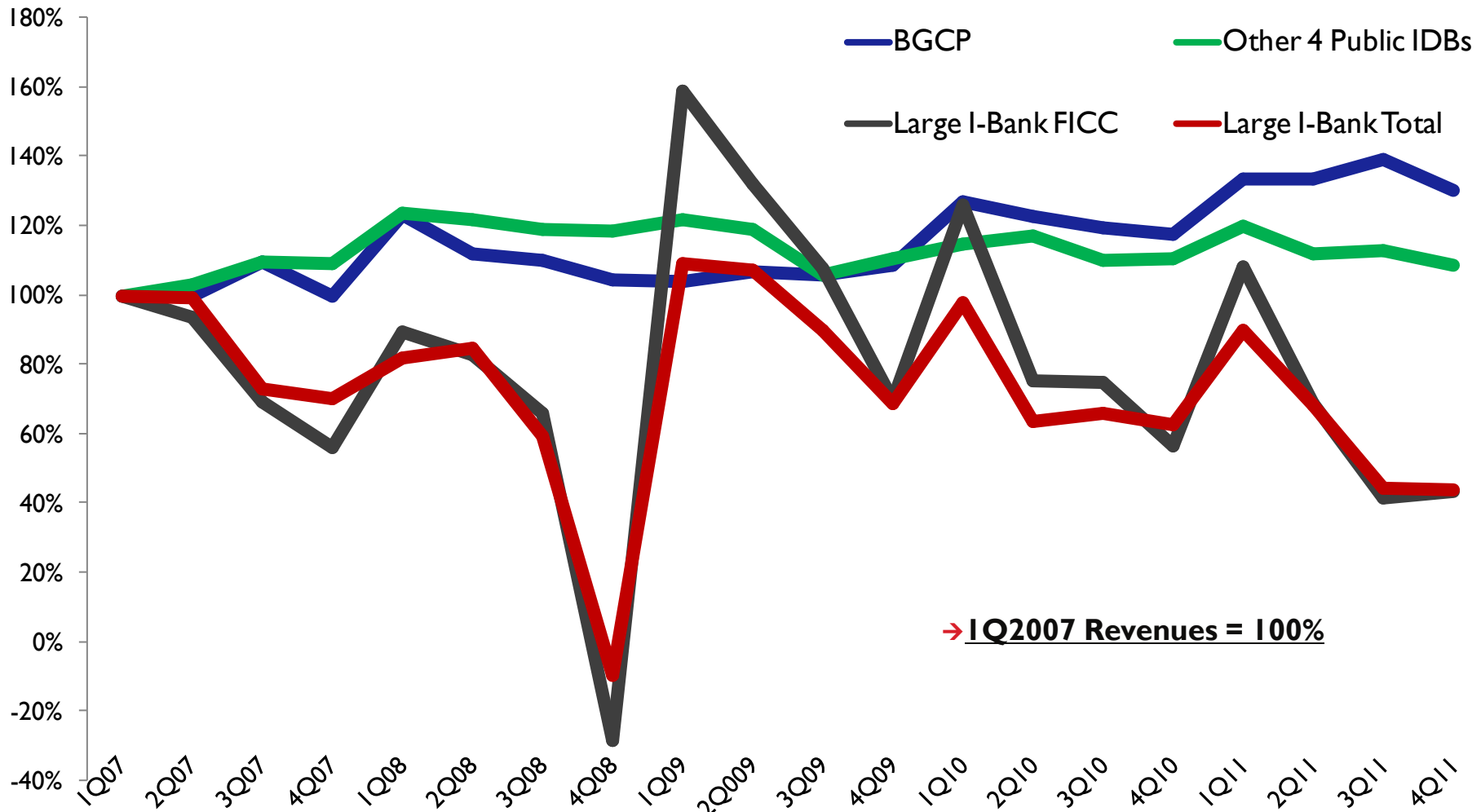
Note: The KBW Bank Sector (BKX) is a capitalization-weighted index composed of 24 geographically diverse stocks representing national money center banks and leading regional institutions. BKX is based on one-tenth the value of the value of the Keefe, Bruyette & Woods Index (KBWI).

# ...and with Broker/Dealer Stocks...



Note: The NYSE Arca Securities Broker/Dealer Index (XBD) is an equal-dollar weighted index designed to measure the performance of highly capitalized companies in the U.S. securities broker/dealer industry. Included in this group are companies in the U.S. that provide securities brokerage services, market making, U.S. Treasury Primary Dealer functions and other functions dealing with U.S. and international securities. The XBD Index was established with a benchmark value of 300.00 on October 15, 1993.

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



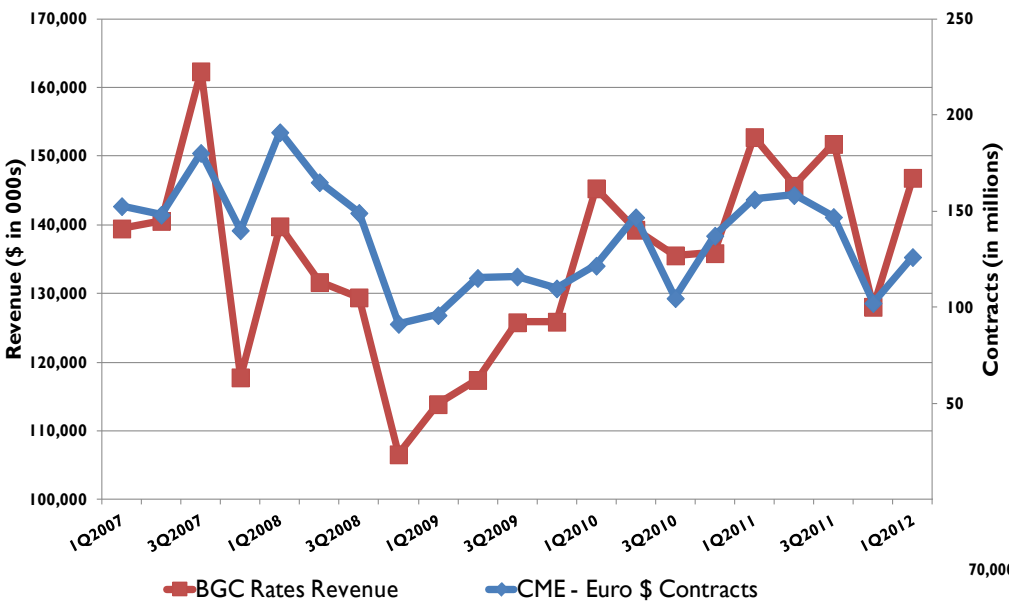
- Large bank FICC revenues had a correlation of only 0.04 with an r-squared of 0.00 versus revenues for the five public IDBs from 1Q2007 through 4Q2011
- BGCP revenues tend to be more stable than that of our customers



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.

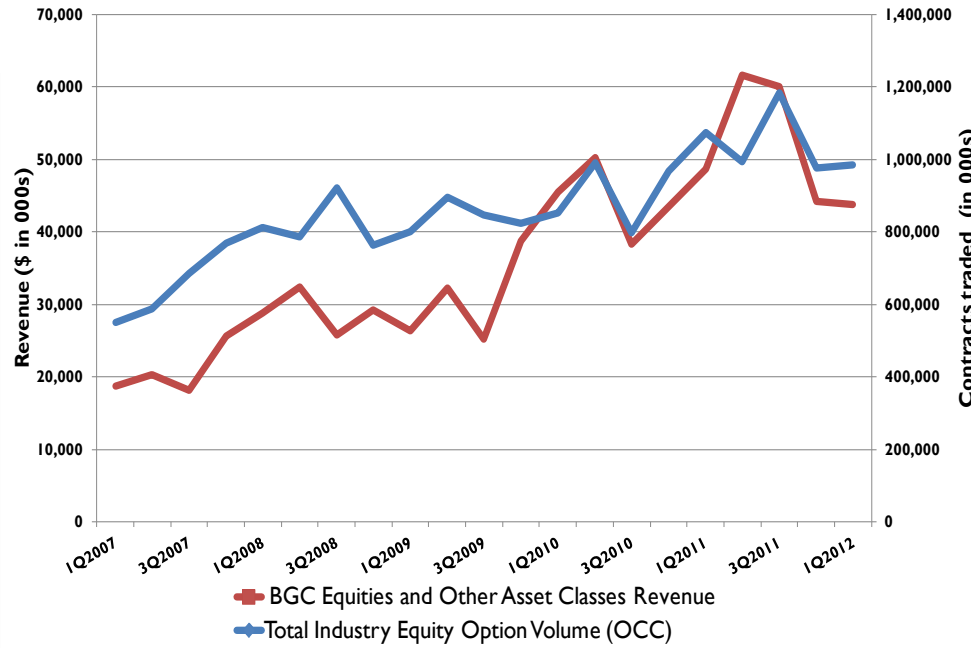
# BGC Revenues Are Correlated to Industry Volumes...

BGC Rates Revenue vs. CME Rates Contract Volume



**0.66 Correlation & 0.43 R-Squared**

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



**0.85 Correlation & 0.71 R-Squared**



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



# Correlation Between BGC Revenues and Industry Metrics

		<u>Correlation</u>	<u>R-Square</u>
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

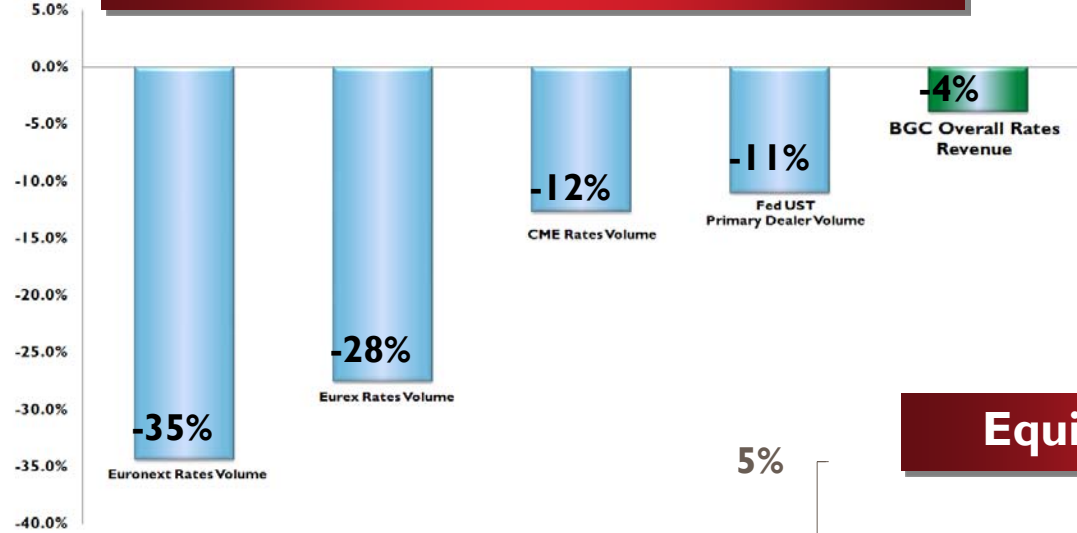


Note: Correlation and R-Squared periods measured are quarterly from 1Q2007 through 1Q2012, with the exception of “OCC Equity Options + Eurex & Euronext...” and “CLS FX...” which are 1Q2008 through 1Q2012.

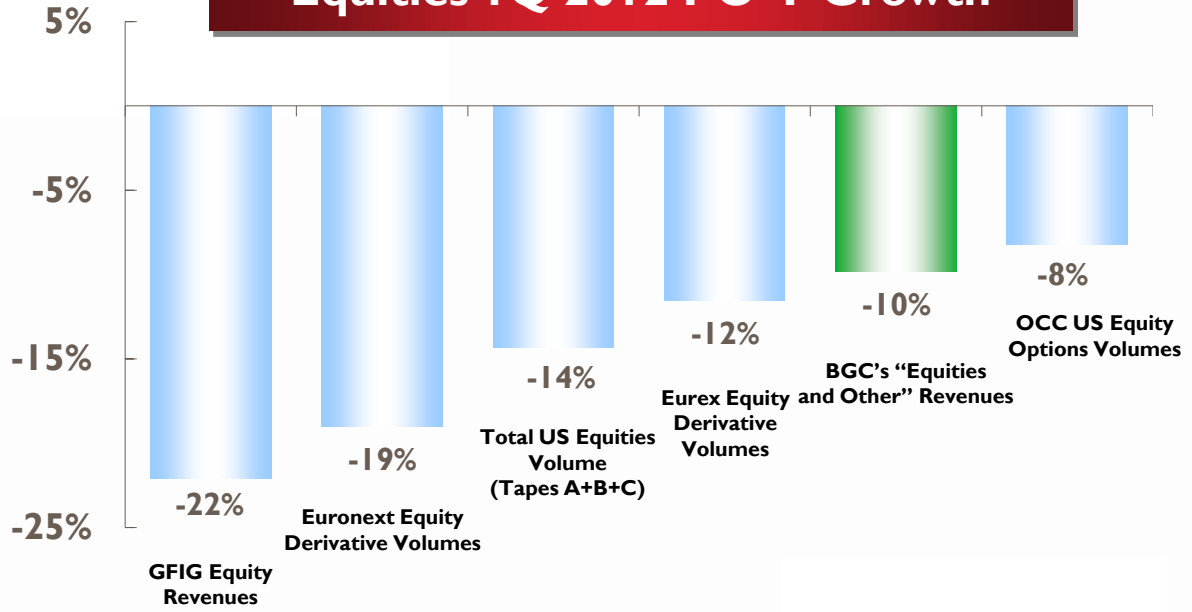
Sources: CME, Eurex, Euronext, OCC, Federal Reserve, CLS

# ...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](http://www.cme.com), [www.eurexchange.com](http://www.eurexchange.com)), Fed US-T Volume ([www.newyorkfed.org/markets/statrel.html](http://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.

# Why the Outperformance?

Diversified opportunities for growth, regardless of market conditions

INDUSTRY  
VOLUMES

HEADCOUNT  
GROWTH  
&  
MARKET  
SHARE  
GAINS

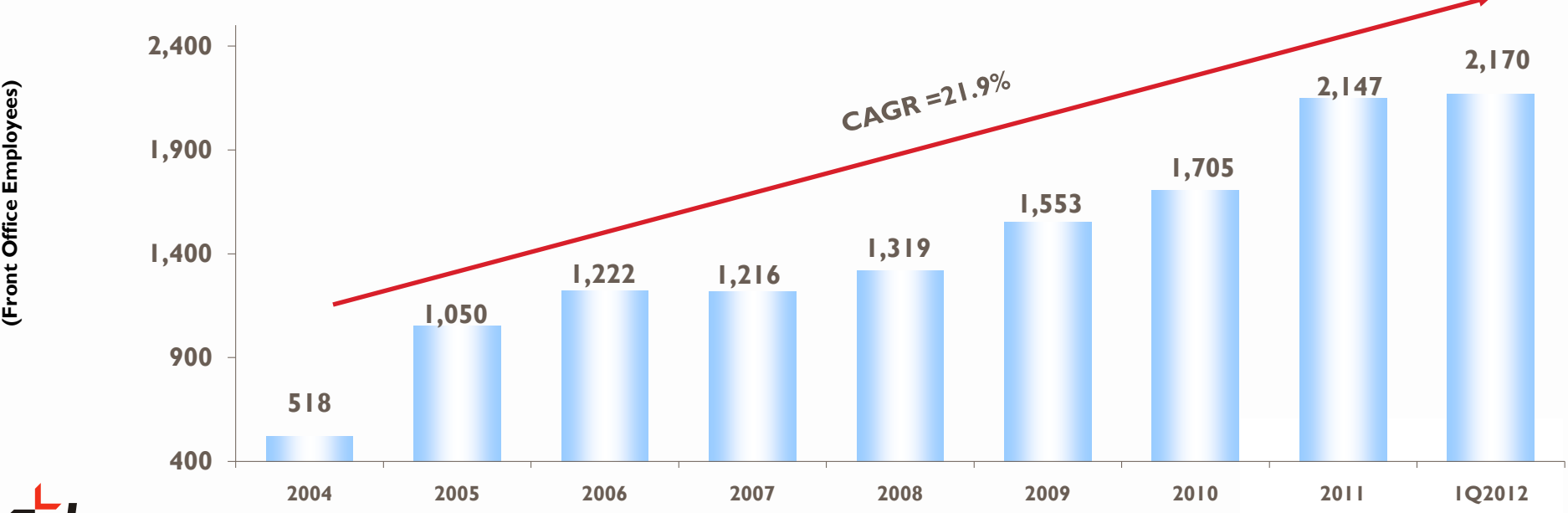
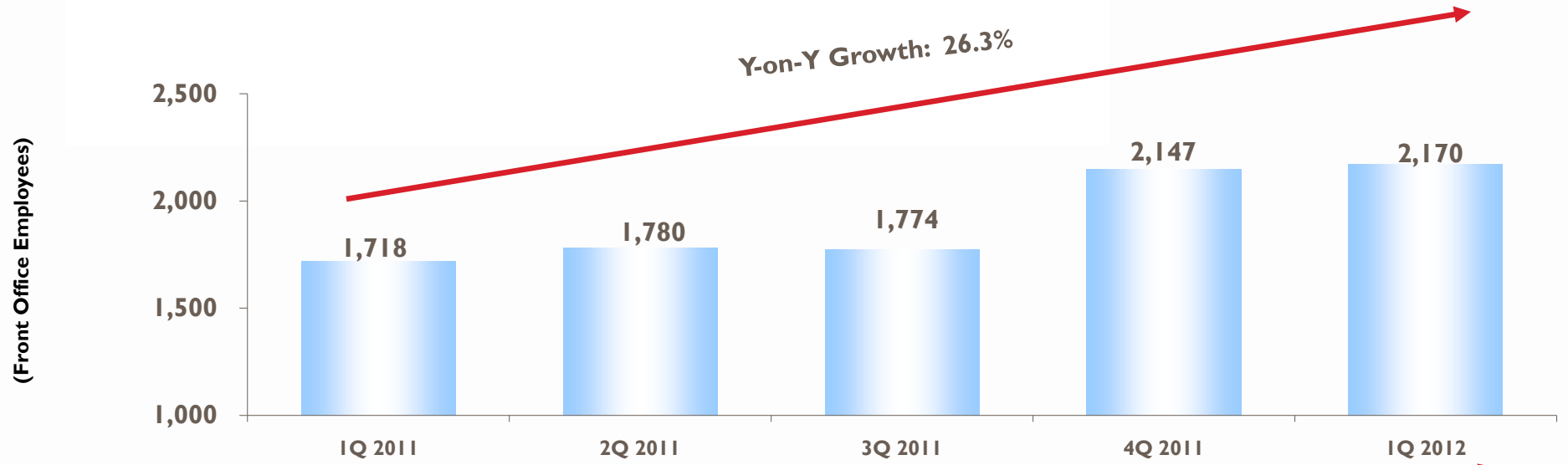
FULLY  
ELECTRONIC  
TRADING



**voice ↗ *electronic brokerage***

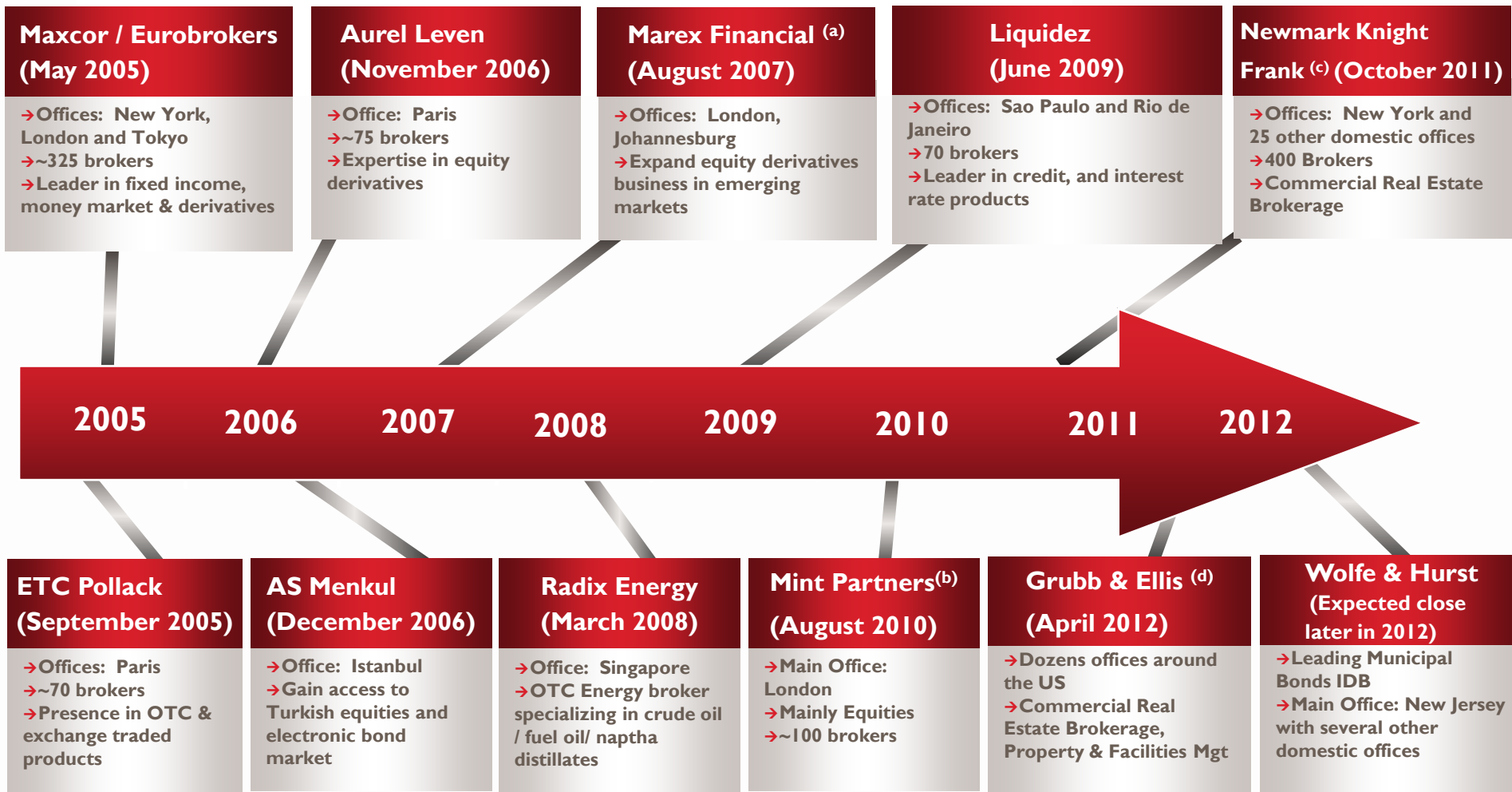
**Strong Front Office Headcount Growth**

# BGC's Front Office Employee Growth



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

# Strong Record of Successful, Accretive Acquisitions



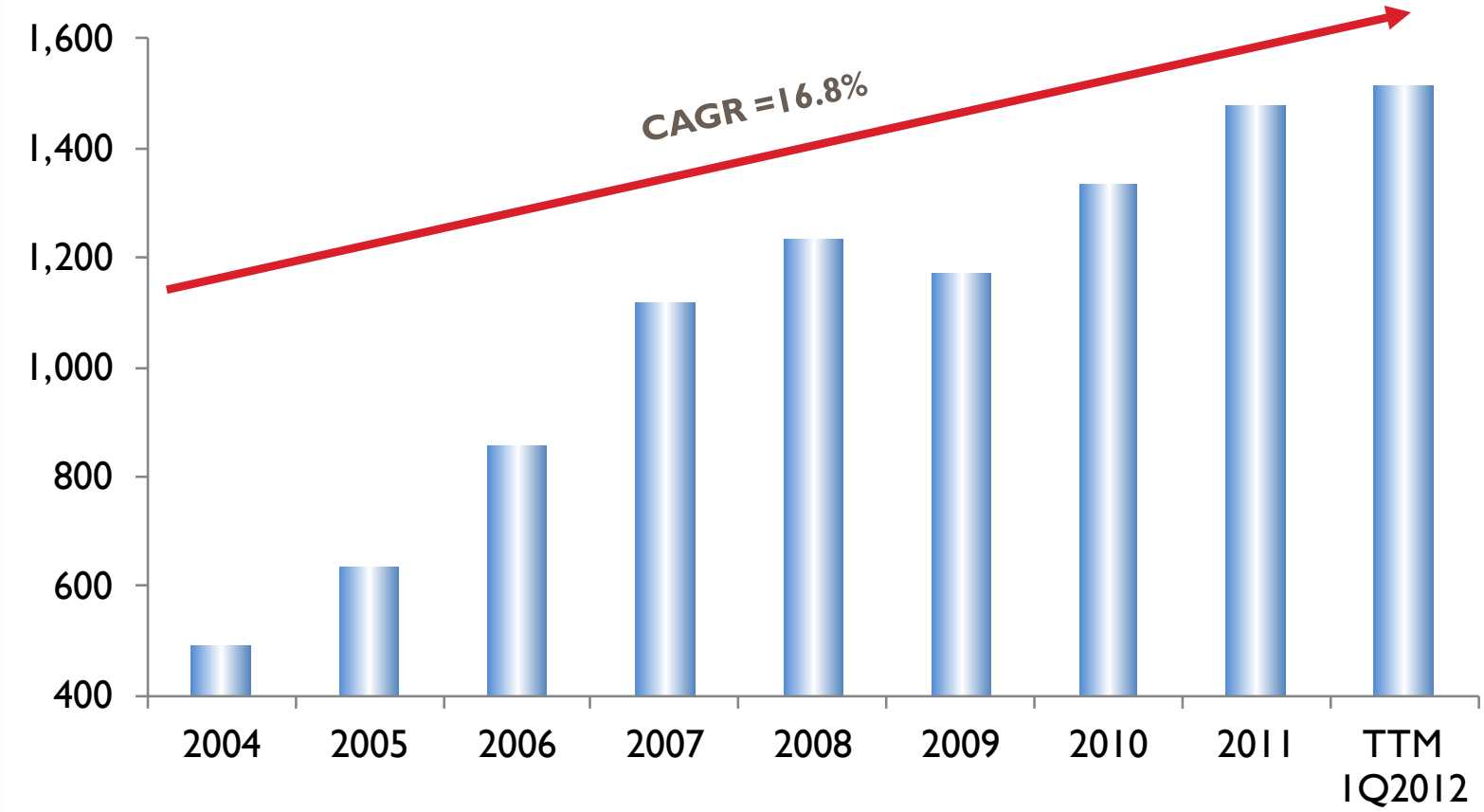
(a) BGC acquired Marex Financial’s emerging markets business. (b) BGC acquired various assets and businesses of Mint Partners and Mint Equities. (c) BGC acquired all of the outstanding shares of Newmark & Company Real Estate, Inc., which operated as “Newmark Knight Frank” in the United States and is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

# BGC's 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



# BGC Revenue Growth Continues

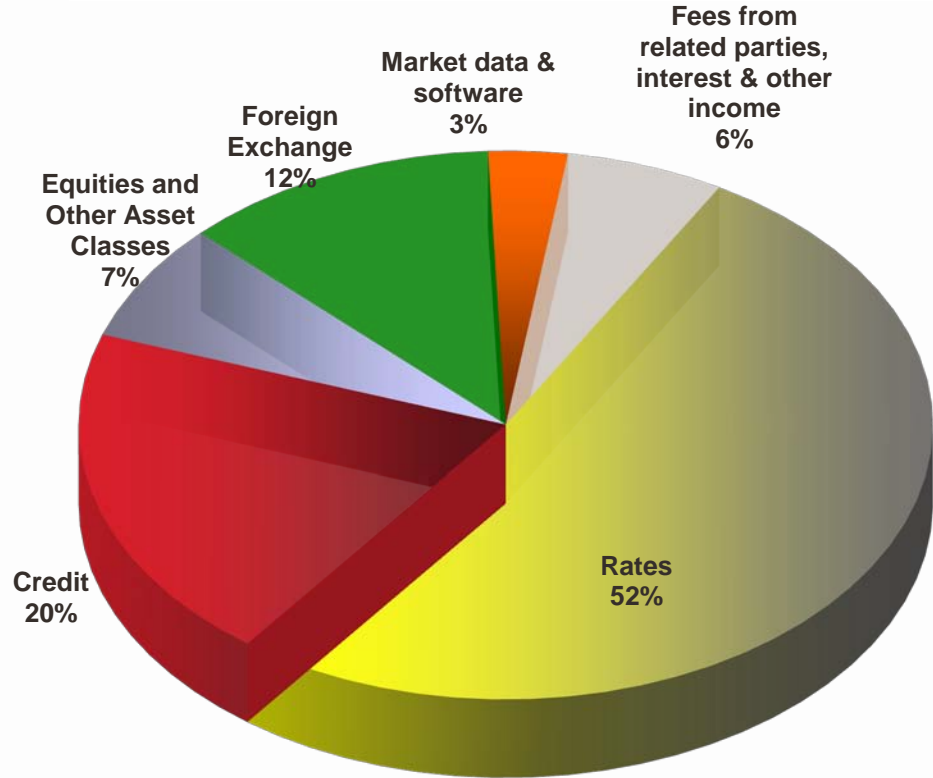


Note: Revenues for 2004-2006 are consolidated GAAP revenues from Bloomberg. Revenue from 2007-present are revenues for distributable earnings. "TTM" = trailing twelve months ended 3/31/2012.

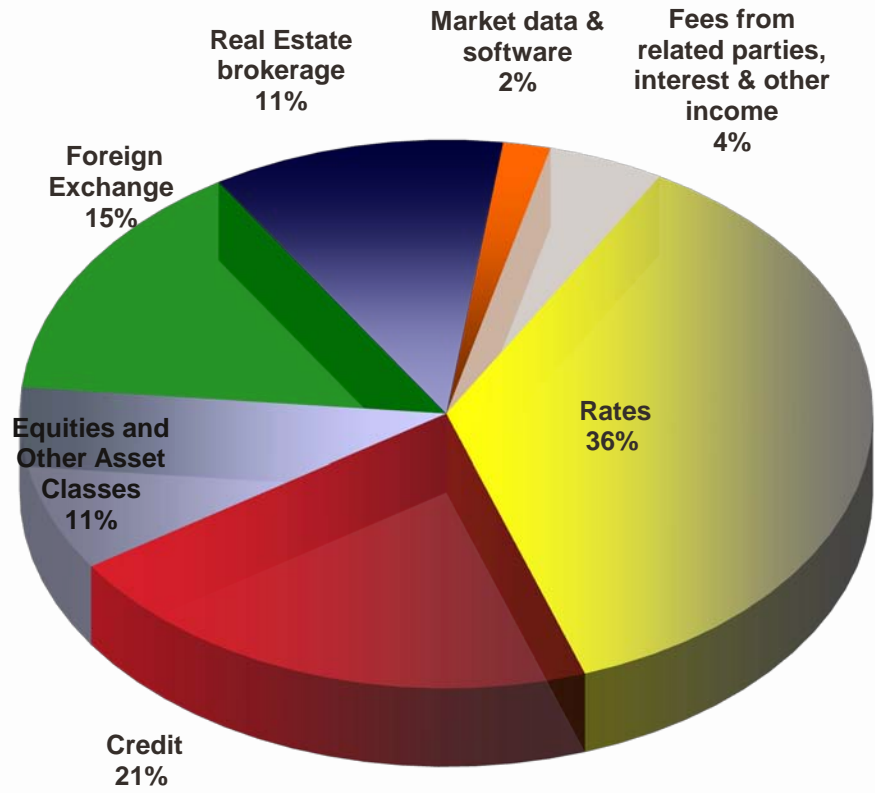


# Diversification of Revenue by Product Since 2007

**2Q2007**



**1Q2012**





**voice ↗ *electronic brokerage***

**Strong Fully Electronic Trading Growth**

# 2Q2012 ≈ 100/220 Products Offer Fully Electronic Trading



## VOICE



## HYBRID



## FULLY ELECTRONIC



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)

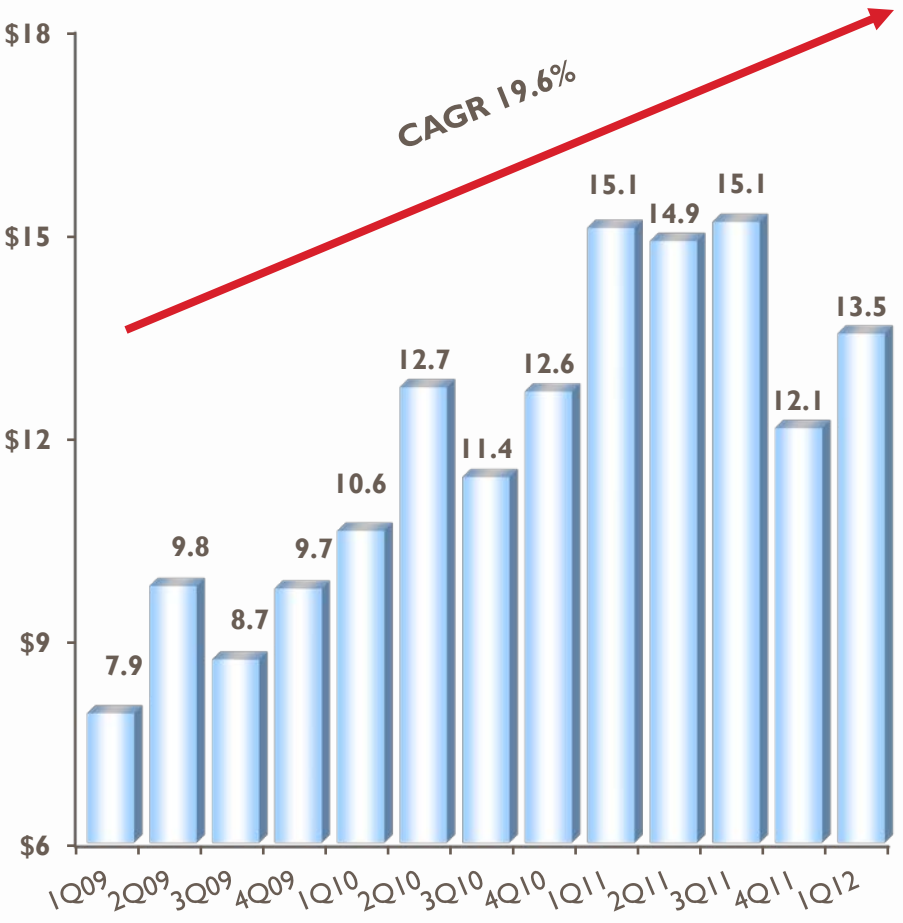
VOLUME GROWTH



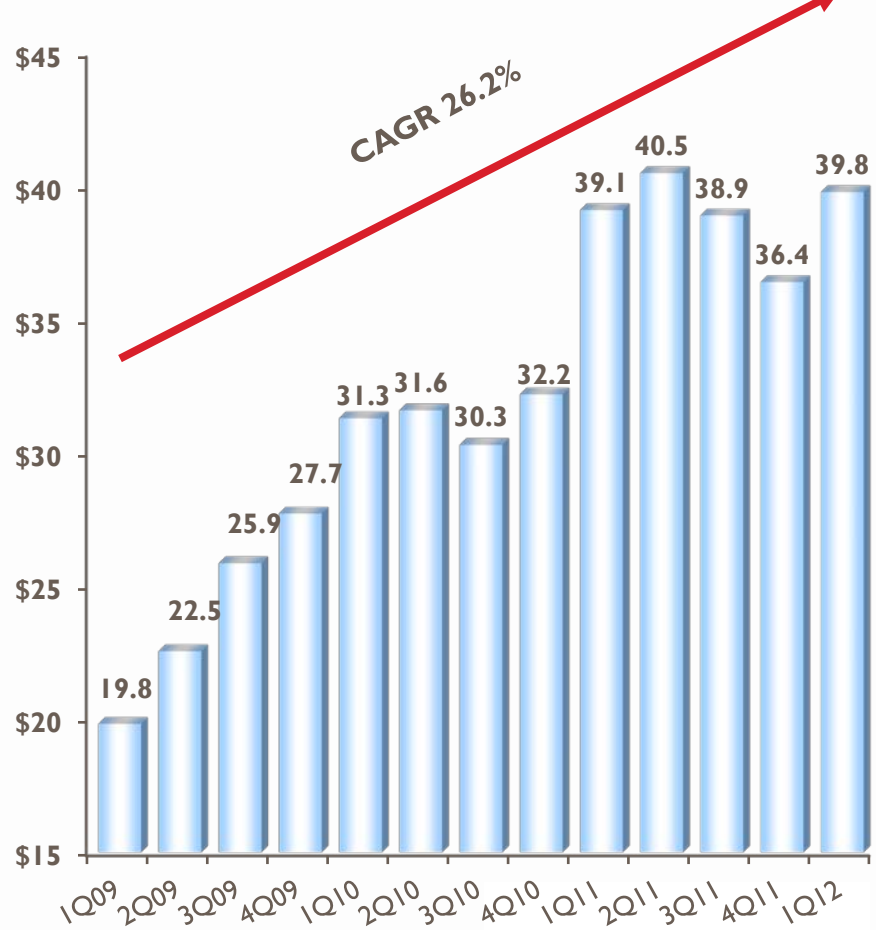
Note: The above is only a partial list.

# BGC's Fully Electronic Improvement

Fully Electronic Notional Volumes (in \$ trillions)



Fully Electronic Revenues (in \$ millions)\*



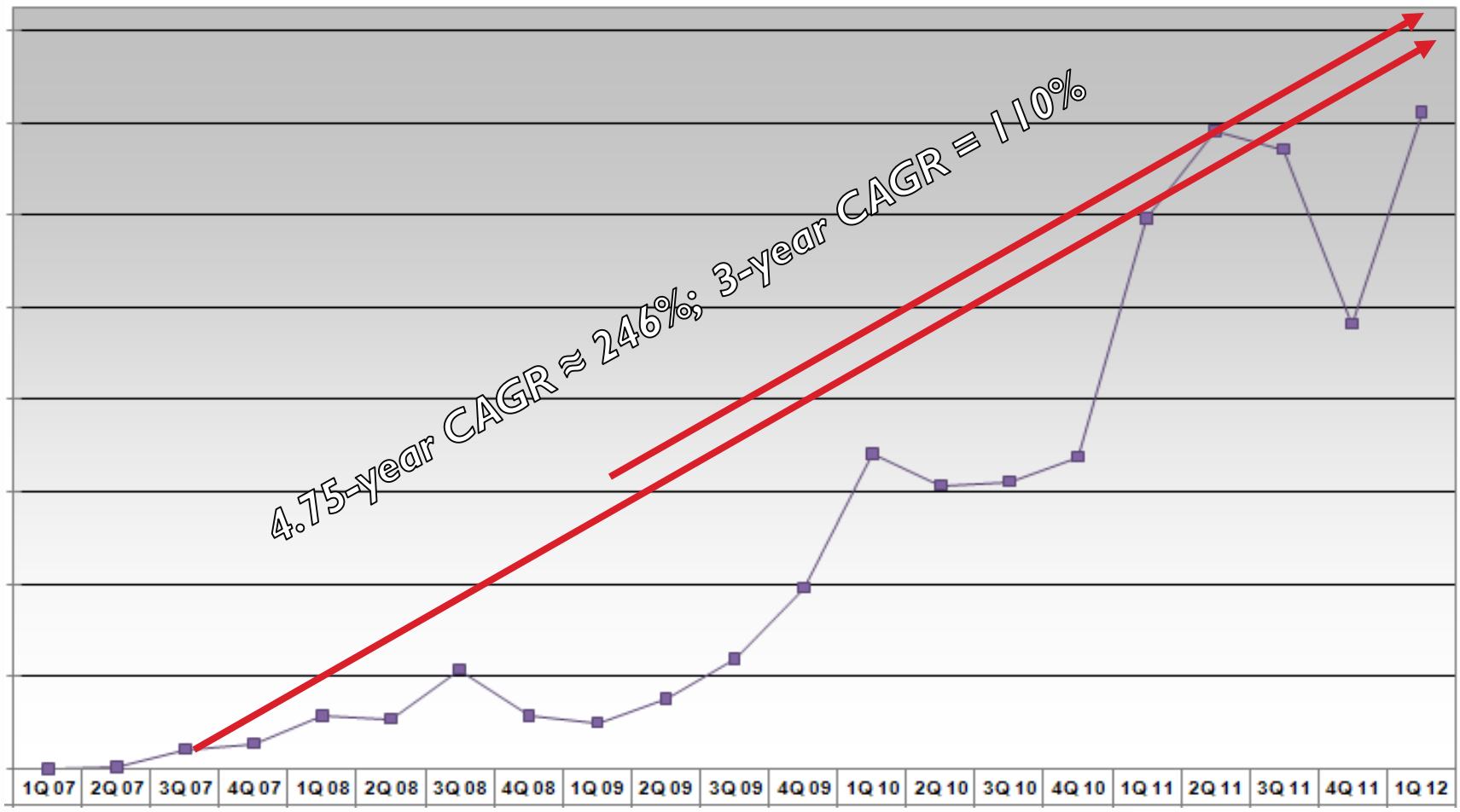
➔ Over time, higher fully electronic revenues has = improved margins



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

# Strong Growth for New e-Brokered Products since 2Q2007 Launch

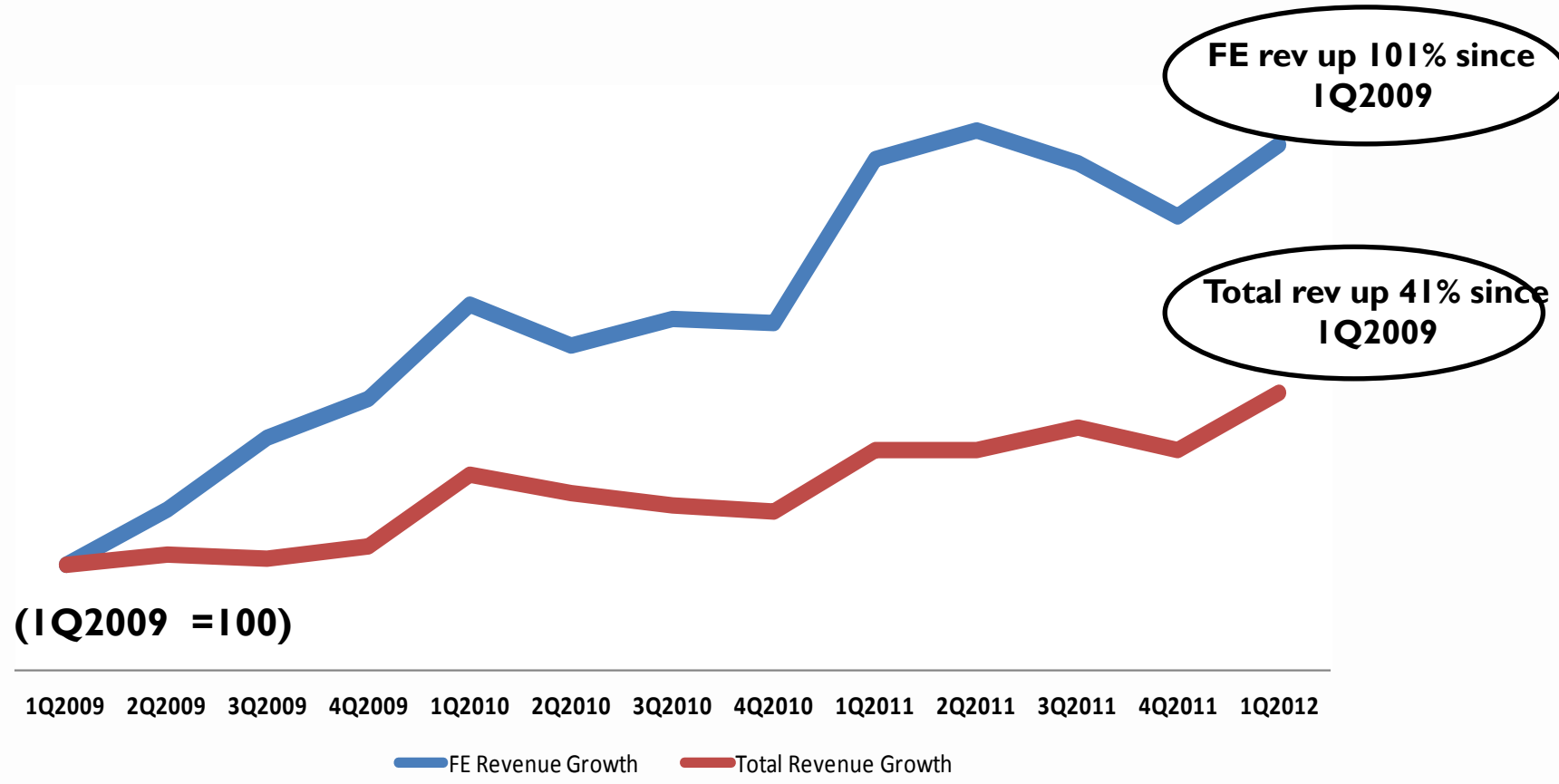
**1Q2012 = new quarterly record for fully electronic revenue for new products on BGC Trader**



\* Fully electronic brokerage revenue in the “total brokerage revenues” line items excluding US Treasuries, Canadian Sovereigns, and Spot Foreign Exchange. CAGR calculated from either 2Q2007 or 1Q2009 through 1Q2012.

# Fully Electronic Revenues Have Outpaced Overall Growth

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

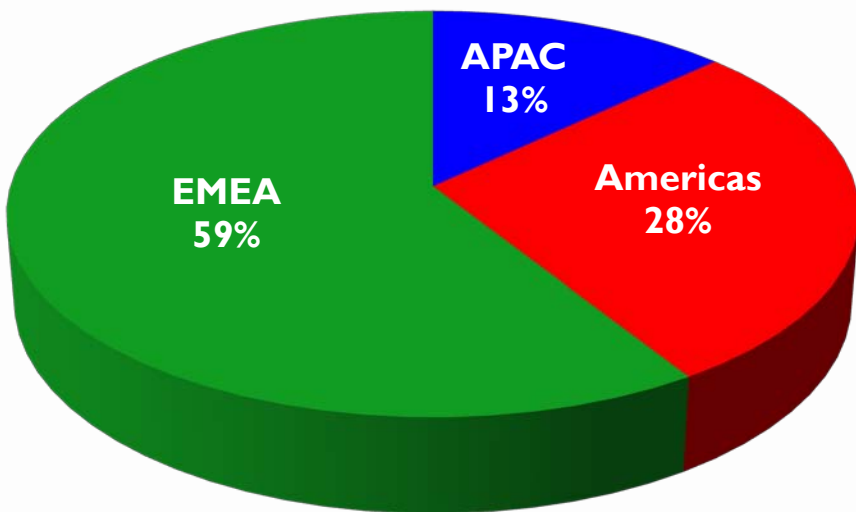


\* This includes fees captured in both the "total brokerage revenues" and "fees from related party" line items related to fully electronic trading.

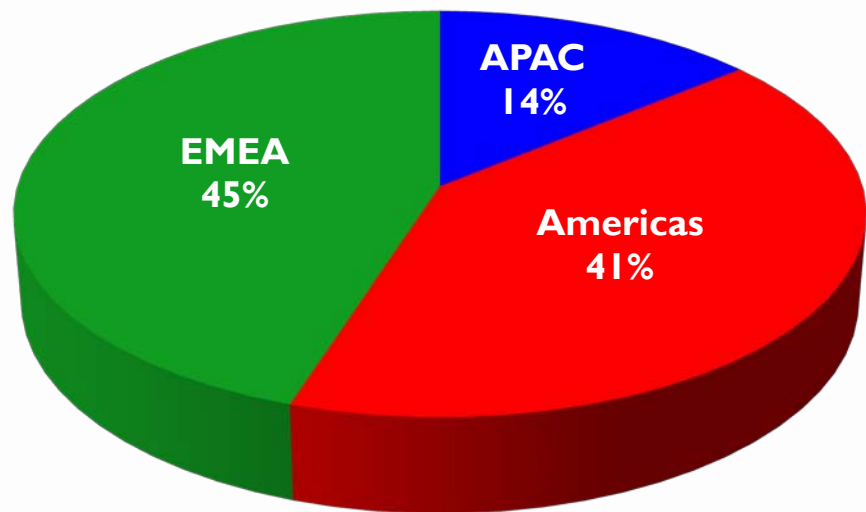
# Global Electronic Diversification – New Products

## New Products - Global Electronic Revenue Breakdown

FY 2011



Q1 2012



Note: These charts exclude e-broking revenues from USTs, spot FX, & Canadian Sovereigns.

# BGC Market Data – New Business Model in 2012



- New Exec. Management in place from Q4 2011 to focus on restructuring and implementation of new business model
- Extensive global data and product capabilities now being made available beyond previous core focus of; US Treasuries, Swaps and EGBs
- Able to provide a “direct to source model” for key OTC data via BGC’s low latency trading feed & co-location solutions via BGC’s Kleos Group
- New developments underway in coordination with BGC e-commerce Group, for data products and services direct from BGC’s global trading systems
- Expansion of specialist vendor partnerships to provide new distribution options



# Conclusion

- BGC performance *has not been* correlated to the performance of our Investment Bank clients
- BGC performance *has been* correlated to key Industry Metrics
  - BGC has generally outpaced industry volumes
- Revenue Growth has been maintained despite difficult market conditions with:
  - Electronic revenue growth outpacing overall growth, and
  - Overall market share increasing
- BGC's strong track record of organic headcount growth and growth by acquisition continued in 2011 and is set to continue



# REAL ESTATE OVERVIEW

Newmark Grubb  
Knight Frank

**MICHAEL LEHRMAN**  
GLOBAL HEAD OF REAL ESTATE  
BGC PARTNERS  
&  
**BARRY M. GOSIN**  
CHIEF EXECUTIVE OFFICER  
NEWMARK GRUBB KNIGHT FRANK

# Michael Lehrman

**Global Head of Real Estate, BGC Partners**

## Professional Background

- ◆ Responsible for BGC real estate
- ◆ Led the acquisition of Newmark Knight Frank and the assets of Grubb & Ellis
- ◆ Previously Managing Director at Credit Suisse, and Co-Head of the Credit Suisse Real Estate Direct Lending Group
- ◆ Responsible for over \$100 billion in real estate loan origination and over \$30 billion of subordinate real estate debt and equity distribution
- ◆ Over 30 years experience in all aspects of Commercial Real Estate including Leasing, Management, Investment Sales, Mortgage Brokerage and Investment Banking

## Educational Background

Carnegie Mellon University, BS degree in Economics and Industrial Management; New York University, Graduate degree in Real Estate; Columbia University Graduate School of Business, MBA in Real Estate and Finance

# Newmark Knight Frank: The Right Partner at the Right Time

- ◆ Newmark's strong reputation and proven capabilities:
  - ◆ Powerhouse in the New York City market
  - ◆ Market innovator
  - ◆ Longstanding relationship with BGC and a common culture and leadership vision
- ◆ BGC provides institutional backing, strong leadership and capital to achieve desired growth and operational efficiencies



**BARRY M. GOSIN**  
Chief Executive Officer  
Newmark Grubb Knight Frank

Newmark Grubb  
Knight Frank

# Barry Gosin

## Chief Executive Officer

### Professional Background

- ◆ Has been a principal of Newmark Grubb Knight Frank since 1978 and has served as CEO since 1979
- ◆ Oversees all facets of the day-to-day operations for the firm
- ◆ Has guided Newmark Grubb Knight Frank's national and global expansion initiatives, spearheading the global partnership with London-based Knight Frank, and the firm's merger with BGC Partners
- ◆ Has propelled the firm's client-focused growth through a visionary approach to industry practices, combining operations and real estate expertise in a holistic, consultative platform
- ◆ Along with his equity partners, Mr. Gosin has acquired a portfolio of over 40 properties totaling in excess of 10 million square feet, including New York City landmarks such as the Flatiron Building, the former Ford Building and 55 Wall Street

# BGC Real Estate Business Overview

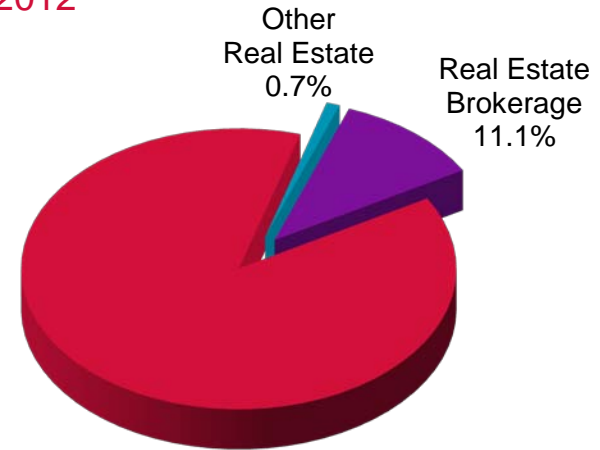
## Example of Products

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

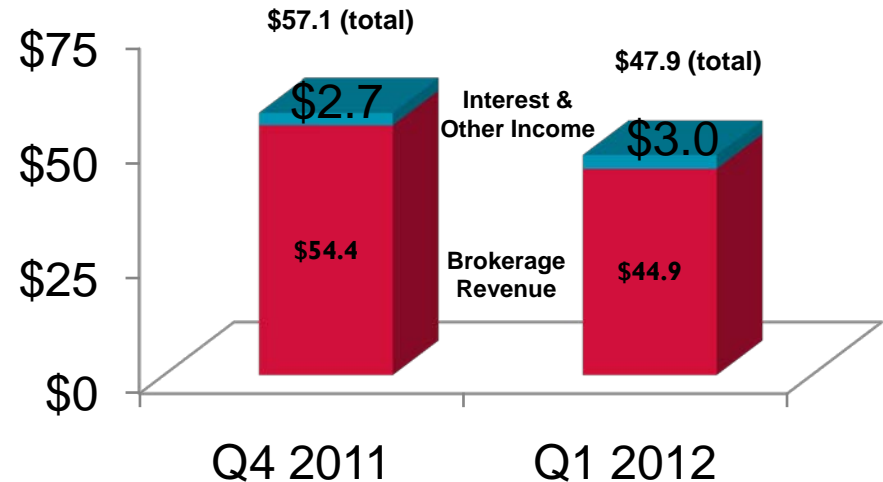
## Drivers

- ◆ 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%

## Total Distributable Earnings Revenue % of 1Q2012



## Real Estate Revenue



Sources: Newmark Grubb Knight Frank, Real Capital Analytics and CoStar on overall industry for 30 key US cities

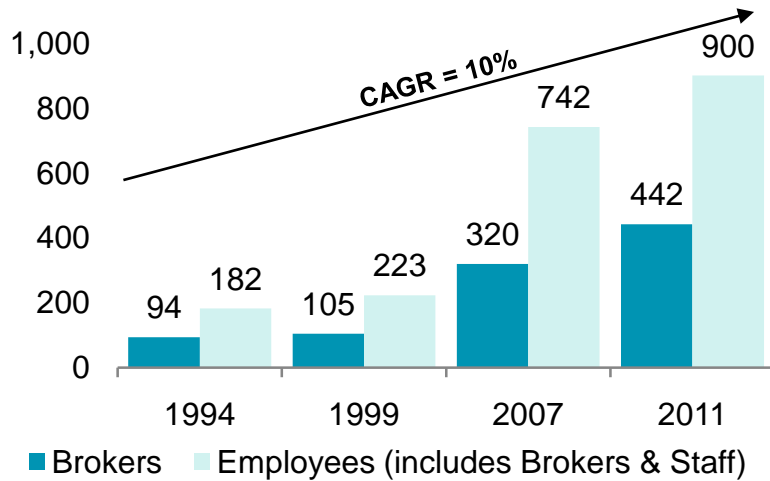
# Newmark Grubb Knight Frank Overview

- ◆ Newmark Knight Frank and Grubb & Ellis together create **a game-changing platform** in commercial real estate
- ◆ Newmark Grubb Knight Frank is **one of the largest full-service** commercial real estate firms in the U.S.
- ◆ Bringing together a **shared entrepreneurial spirit and commitment to superior client service**
- ◆ Serving clients from approximately **100 offices in North America**, and 300 offices worldwide including affiliates offices
- ◆ Approximately **250 million square feet** in Property and Facilities Management in the U.S.
- ◆ As part of BGC Partners, we are dramatically increasing our footprint, expanding our business lines and capitalizing on technology, making us one of the **most dynamic and innovative** service providers in the industry
- ◆ Comprehensive real estate solutions through **extensive platform of integrated services:**
  - Tenant and Landlord Representation
  - Global Corporate Services
  - Investment Sales and Capital Markets
  - Property Management
  - Facilities Management
  - Project Management
  - Appraisal

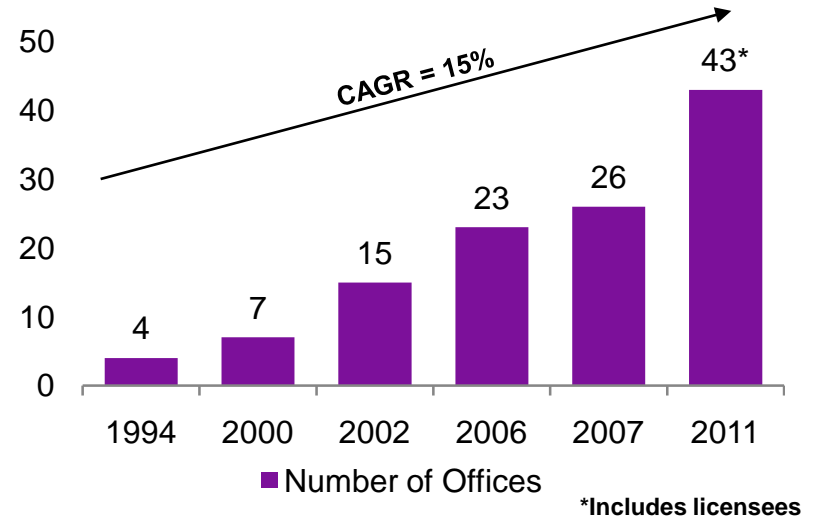


# Newmark Knight Frank Growth in the U.S.

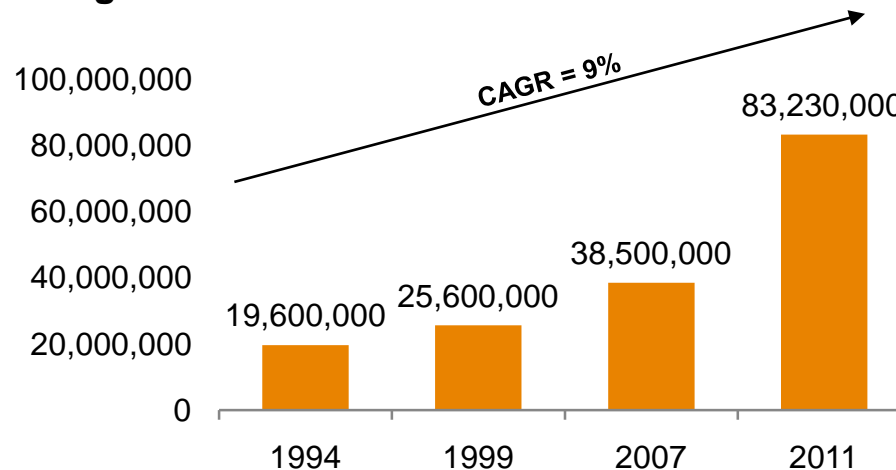
## Headcount Growth



## Number of Offices

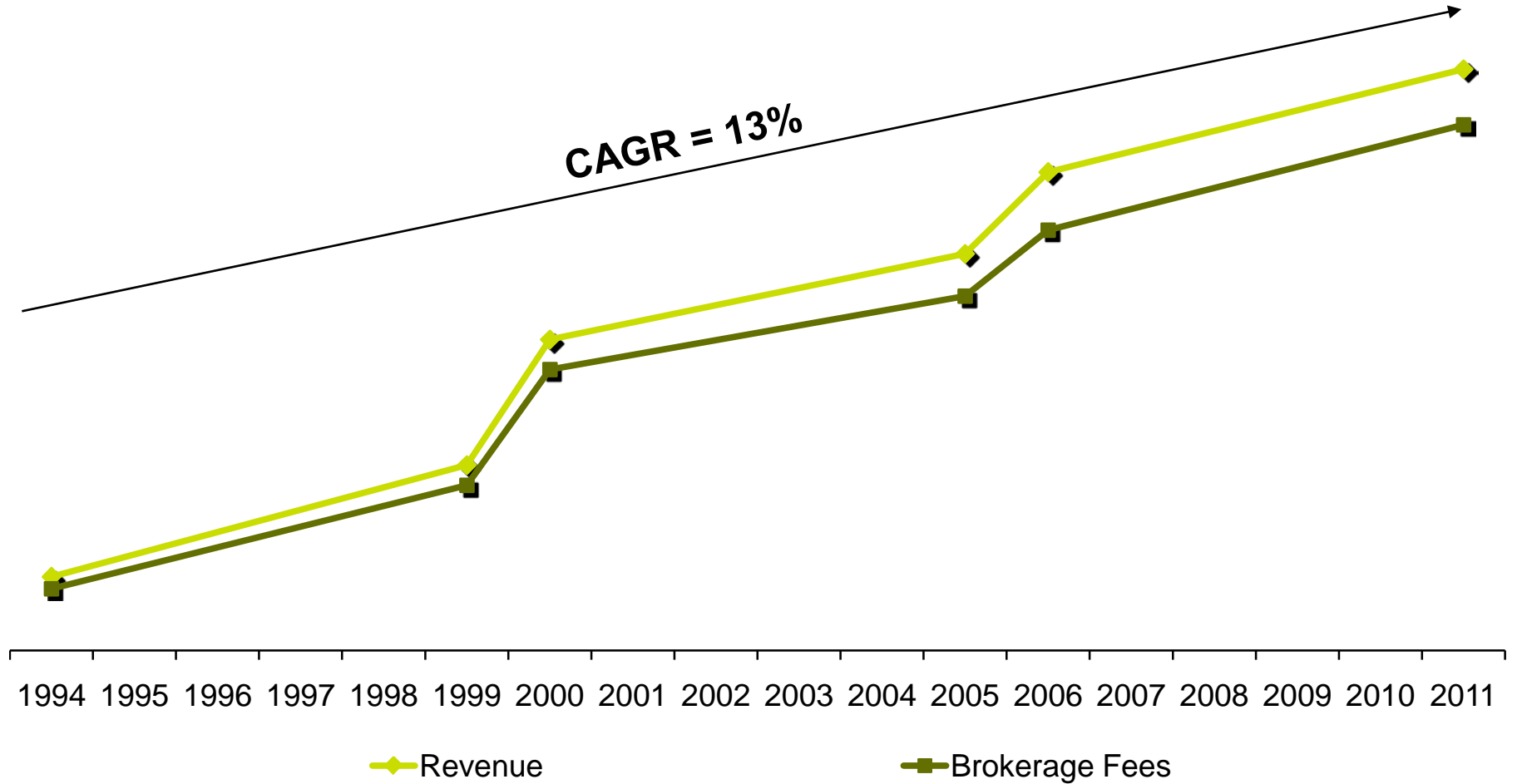


## Managed SF

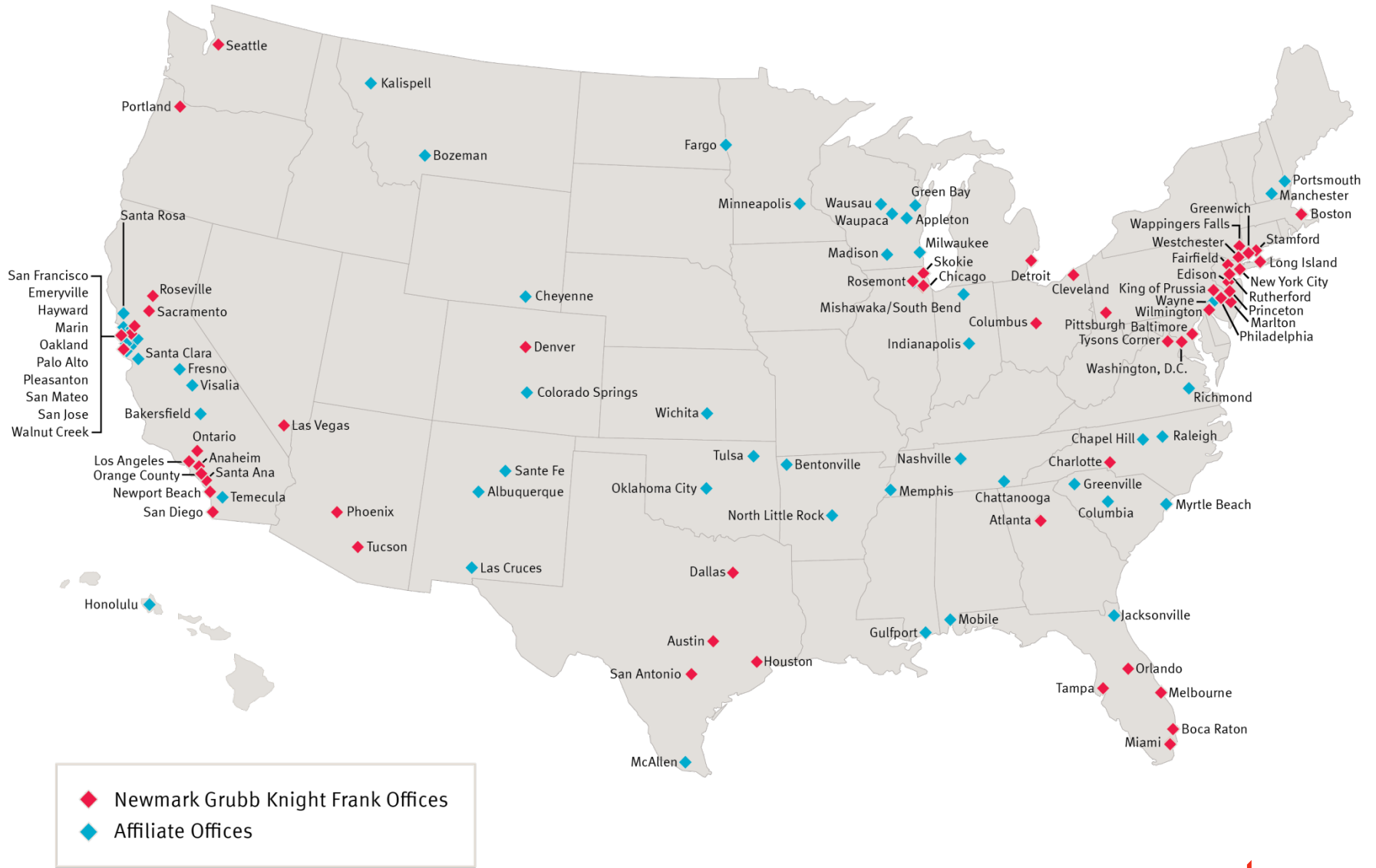


# Newmark Knight Frank: Strong, Consistent Growth

## U.S. Revenue Growth



# Newmark Grubb Knight Frank



# Competitor Profiles

## Service Analysis

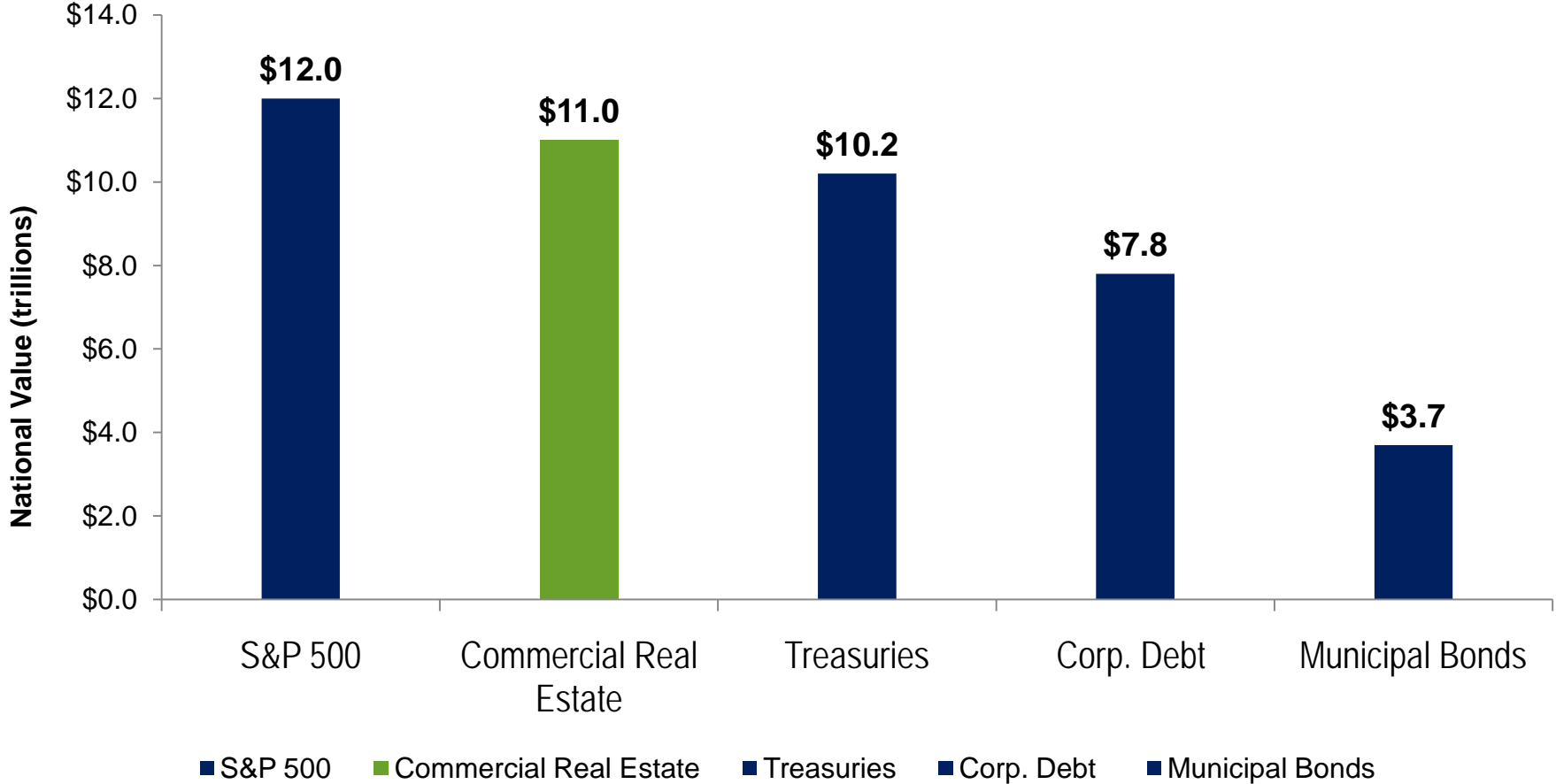


	Newmark Grubb Knight Frank	CBRE CB RICHARD ELLIS	JONES LANG LASALLE	CUSHMAN & WAKEFIELD
Agency Leasing	✓	✓	✓	✓
Tenant Representation	✓	✓	✓	✓
Capital Markets	✓	✓	✓	✓
Consulting	✓	✓	✓	✓
Corporate Services	✓	✓	✓	✓
Facilities Management	✓	✓	✓	✓
Property Management	✓	✓	✓	✓
Project Management	✓	✓	✓	✓
Research	✓	✓	✓	✓
Valuation/Advisory	✓	✓	✓	✓

# Commercial Real Estate Market Size Perspective

## Total Value of Investment Markets

### United States

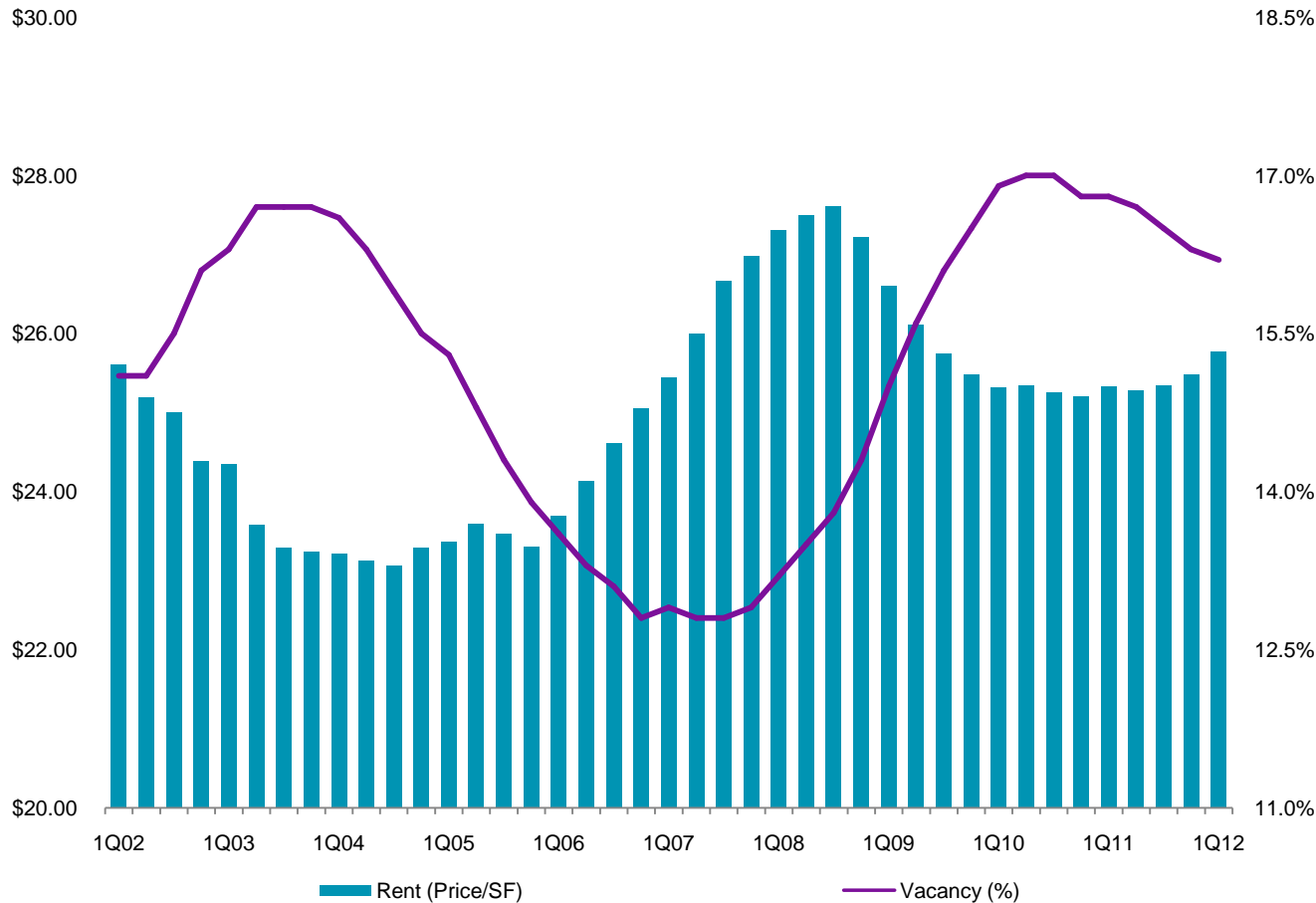


Sources: CoStar, S&P, SIFMA

# Office Leasing Activity Improving

## National Office Properties

### Weighted Average Asking Rent and Vacancy



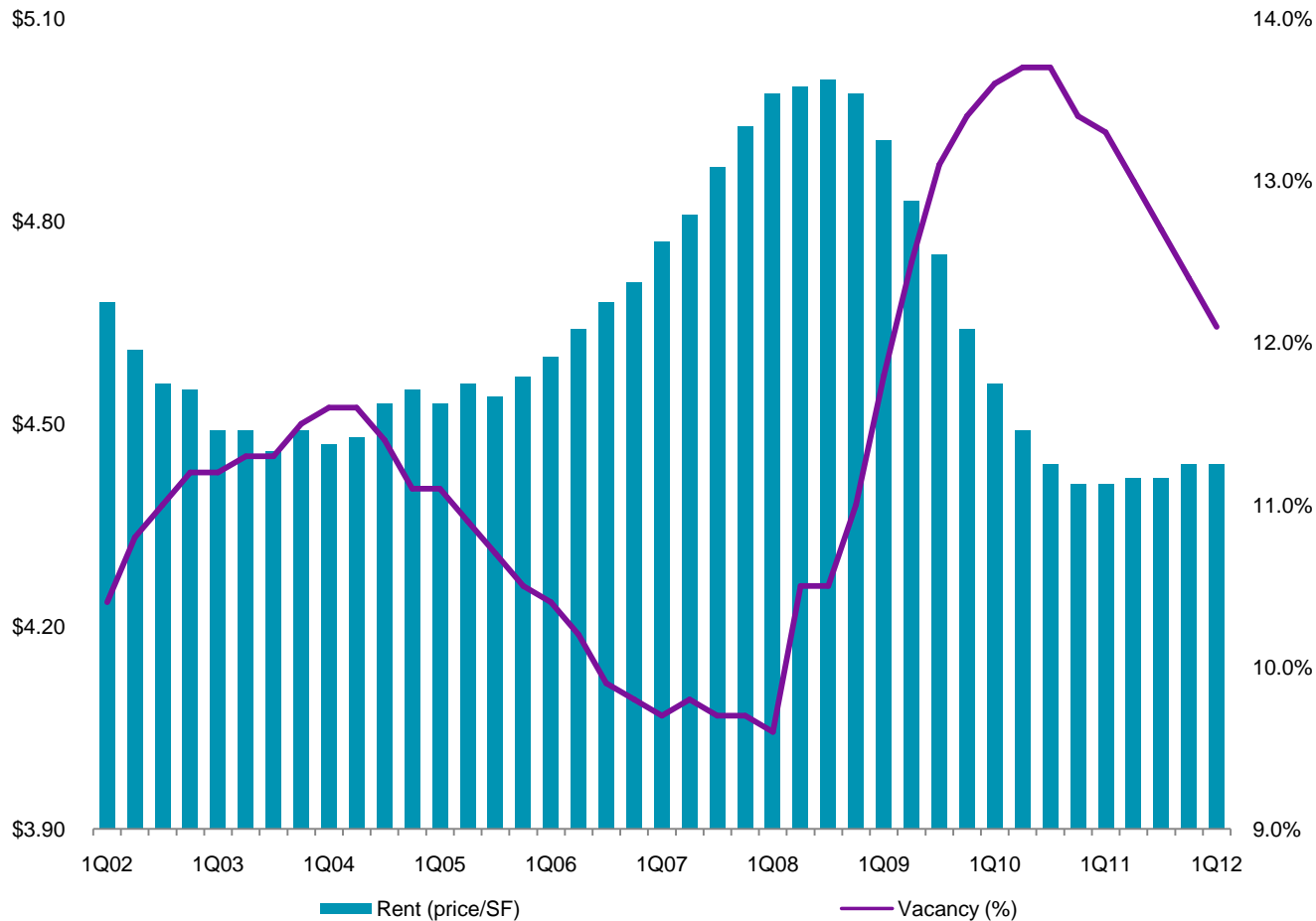
- ◆ Asking rents for office space continued to rise throughout the country, with over half of the major office markets posting quarterly rent increases. Overall, the national average asking rent reached the highest level in three years
- ◆ The national vacancy rate finished the quarter at 16.2%, the lowest level since late 2009

Source: Newmark Grubb Knight Frank Research

# Industrial Leasing Market Showing Signs of Recovery

## National Industrial Properties

### Weighted Average Asking Rent and Vacancy



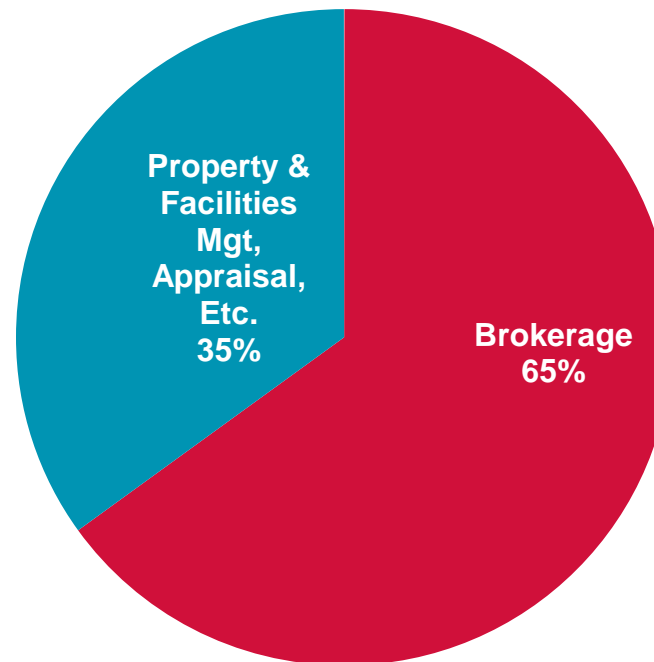
- ◆ Nearly half of the major industrial markets through the country reported year-over-year increases in asking rent, the national average remained 11.4% off the previous market peak of \$5.01/sf in the third quarter of 2008
- ◆ The vacancy rate finished the quarter at 12.1%, an improvement on the 12.4% rate in the previous quarter and the lowest level since it reached 11.8% in the first quarter of 2009

Source: Newmark Grubb Knight Frank Research

# NGKF Now A Top-Tier CRE Firm

- ◆ Newmark Knight Frank was strong in Leasing, especially in NYC
- ◆ Grubb & Ellis added more property & facilities management and valuation services to mix
- ◆ The market has wanted a third top-tier firm in the United States for some time
- ◆ This + large pool of potential acquisition targets = plenty of room to dramatically grow size and scale of NGKF

## NGKF Revenue Breakdown





# NGKF Strengths

- ◆ Strong New York presence
- ◆ Strong financial partners
- ◆ Consolidation of vendors and clients
- ◆ We are still in early part of recovery
- ◆ Other competitors are stumbling
- ◆ We have created unique selling proposition, providing strategy to implementation through our consulting division
- ◆ Market needs another dominant player

# Non-Traditional Growth Drivers

- ◆ Profitable hiring
- ◆ Accretive acquisition
- ◆ Investment sales and capital market and synergy
- ◆ Continuous innovation
- ◆ New product lines



MICHAEL LEHRMAN

Global Head of Real Estate  
BGC Partners

Newmark Grubb  
Knight Frank

# 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

# Similarities & Overlap

## Between IDBs and CRE Brokerage

- ◆ At one time, commodities, shipping, & energy were not thought of as “IDB” businesses; these sectors are no more or less different from FX forwards or government bond brokerage than they are from commercial real estate brokerage
- ◆ Both BGC and NGKF count the world’s largest financial services firms as clients
- ◆ Both are relationship driven
- ◆ Both grow through acquisition and recruitment-led headcount growth
- ◆ Similar compensation ratios

# BGC's Expertise in Brokerage

- ◆ Proven leadership able to manage, motivate and retain brokers
- ◆ Strong brand known for delivering superior service and results
- ◆ Access to timely information, technology and analytical tools to give brokers a competitive advantage
- ◆ Since 2004, BGC has invested **approximately \$120MM annually in proprietary technology**
- ◆ A culture that emphasizes team work
- ◆ BGC benefits from its hiring, partnership, dividend and compensation models

**All of these strengths allow BGC to increase broker retention and satisfaction and insure that our investment in developing these brokers will continue to benefit BGC in the long term**

# Commercial Real Estate Brokerage . . . is Brokerage!

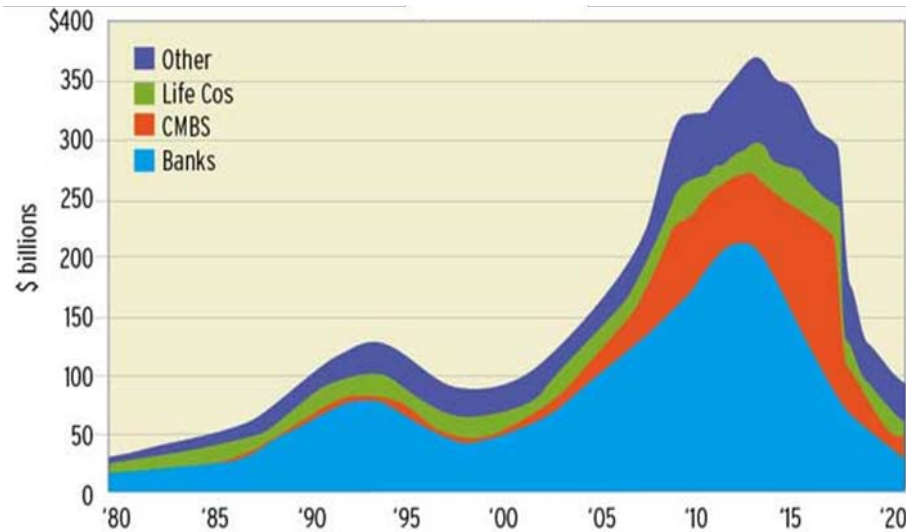
Despite fundamental differences in the nature of the assets, CRE brokers have the same concerns and motivations of other brokers in the financial sector:

- ◆ How can we maximize individual broker commissions and increase retention?
  - Alignment of interests and equity participation
- ◆ How can we help brokers become more productive?
  - Technology, timely research and information, and new product offerings
- ◆ How can we help brokers become more marketable?
  - By creating a platform with premium brand recognition

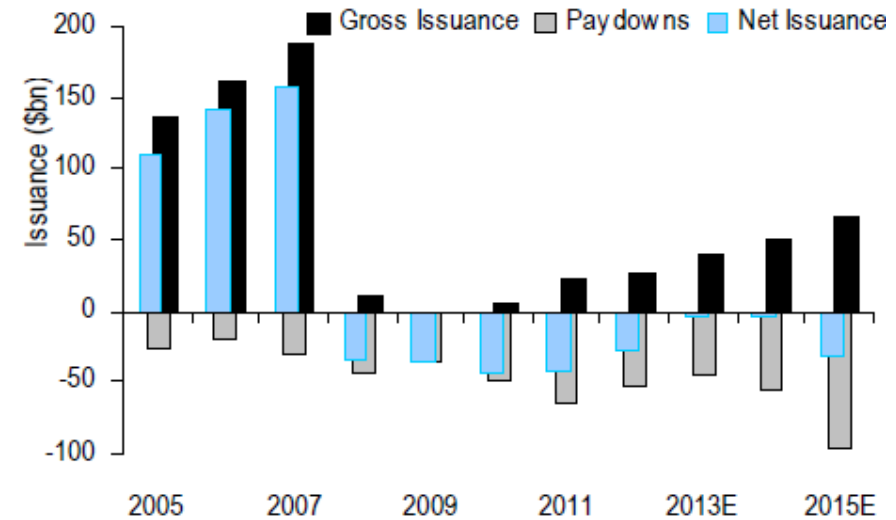


# Tremendous Need For Real Estate Capital Markets

## Commercial Mortgage Maturities by Lender Type



## CMBS Issuance

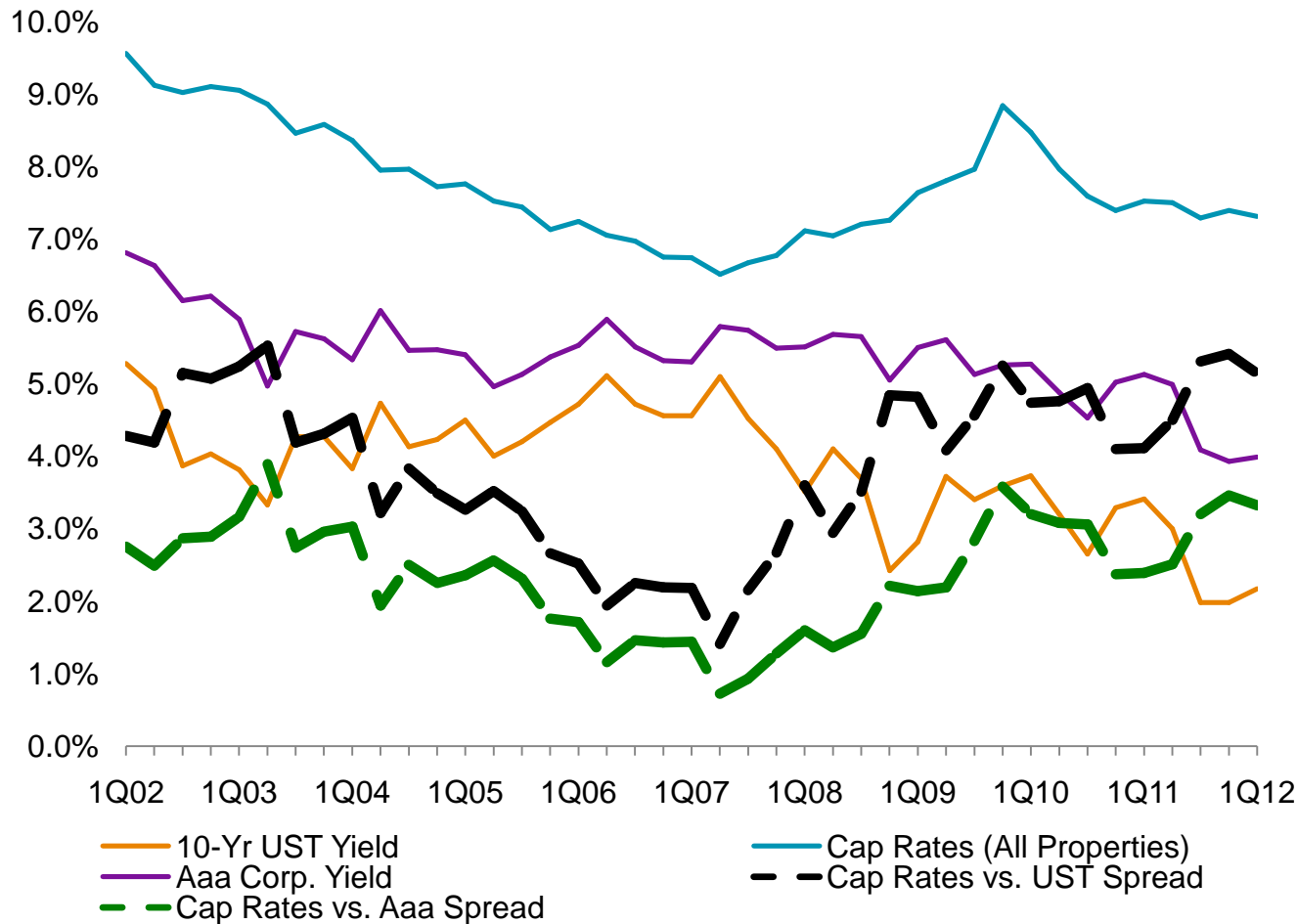


- ◆ Over \$1.5T in CRE loans need to be refinanced over the next few years
- ◆ Refinancing provide opportunity to capitalize on huge transaction volume

Sources: BofA Merrill Lynch Global Research, Commercial Mortgage Alert, Trepp LLC

# Low Bond Yields Makes Real Estate More Attractive

## Cap Rates vs. Yields on Treasuries & Aaa Corporate Bonds



- ◆ The TTM average cap rate for all property types  $\approx$  510 BP higher than ten-year UST yields in 1Q2012, vs.  $\approx$  410 BP in 1Q2011 and only  $\approx$  140 BP in 2Q2007
- ◆ Spread vs. Aaa bond yields  $\approx$  330 BP in 1Q2012 vs.  $\approx$  240BP in 1Q2011 and only  $\approx$  70 BP in 2Q2007

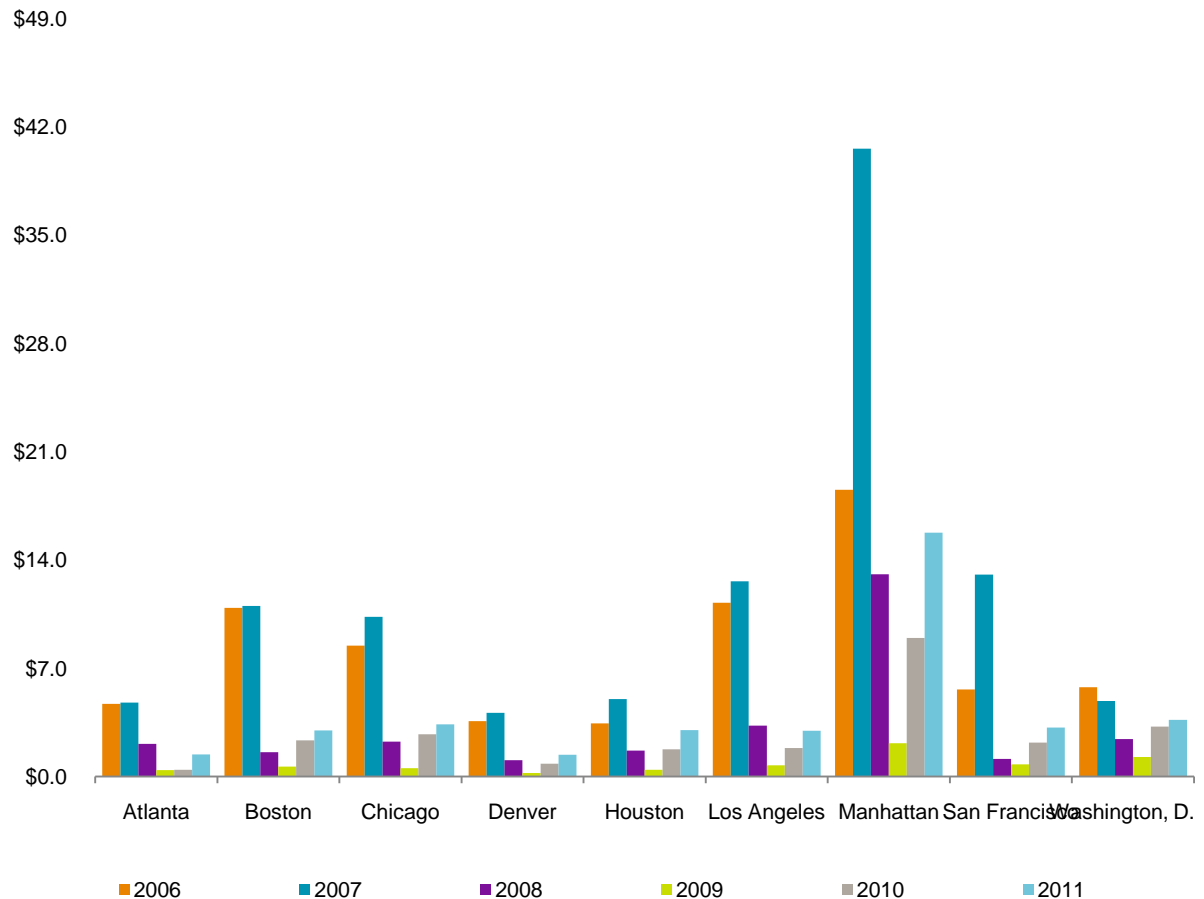
Sources: Newmark Grubb Knight Frank Research, Bloomberg, Real Capital Analytics

# Largest U.S. Markets Reporting Increased Volume

Office Properties (billions)

## Sales Activity in Select Markets

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Atlanta	\$0.41	\$0.43	\$1.43
Boston	\$0.63	\$2.34	\$2.97
Chicago	\$0.54	\$2.74	\$3.36
Denver	\$0.23	\$0.83	\$1.40
Houston	\$0.44	\$1.75	\$3.01
Los Angeles	\$0.73	\$1.85	\$2.97
Manhattan	\$2.15	\$8.97	\$15.76
San Francisco	\$0.79	\$2.20	\$3.18
Washington, D.C.	\$1.27	\$3.22	\$3.67

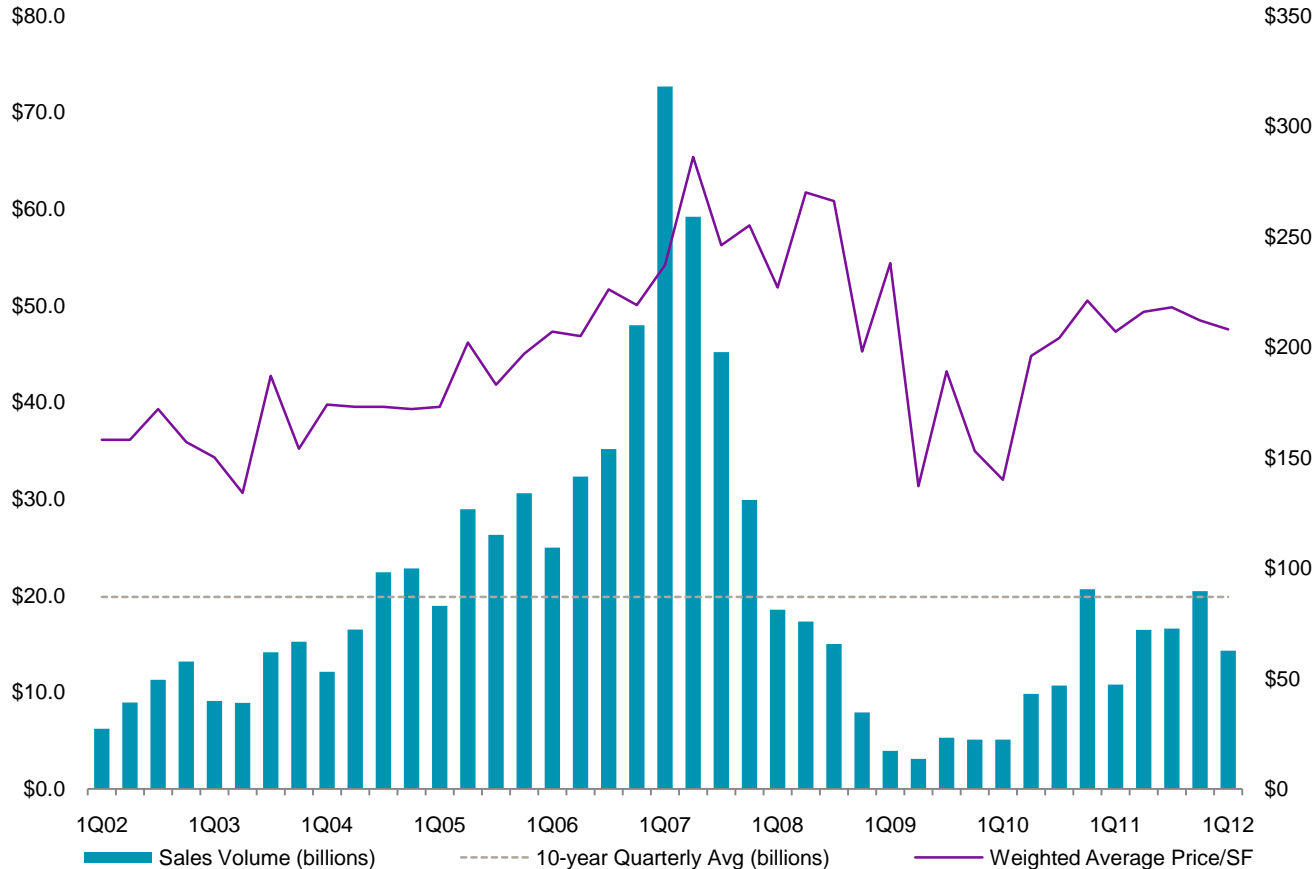


Source: Newmark Grubb Knight Frank Research, Real Capital Analytics

# Sales Transaction Volume Improving

## National Office Properties

### Sales Activity



- ◆ National office properties sales volume = \$64.3B in 2011, up 39% over 2010 & 269% over 2009
- ◆ \$14.3B in 1Q2012 up 32% YOY
- ◆ Increased volume driven both by improved PPSF & higher number of transactions

Sources: Newmark Grubb Knight Frank Research, Real Capital Analytics

# Financial Service Firms Among Top Players

National Office Properties, April 2011 through April 2012

Top Buyers			Top Sellers		
	Volume (billions)	Properties		Volume (billions)	Properties
Beacon Capital Partners	\$3.3	21	Lehman Brothers Holdings Inc	\$2.7	15
SL Green	\$2.7	6	Bank of America	\$2.3	7
JP Morgan	\$2.6	16	Broadway Partners	\$2.1	6
Vornado Realty Trust	\$1.8	5	Brookfield Asset Mgmt	\$1.7	9
Invesco RE	\$1.7	9	Charter Hall Office REIT	\$1.7	14
UBS	\$1.4	4	Monday Properties	\$1.7	10
Blackstone	\$1.3	78	Morgan Stanley	\$1.4	13
Paramount Group	\$1.3	4	Blackstone	\$1.4	12
RXR Realty	\$1.2	2	Rockpoint Group	\$1.3	3

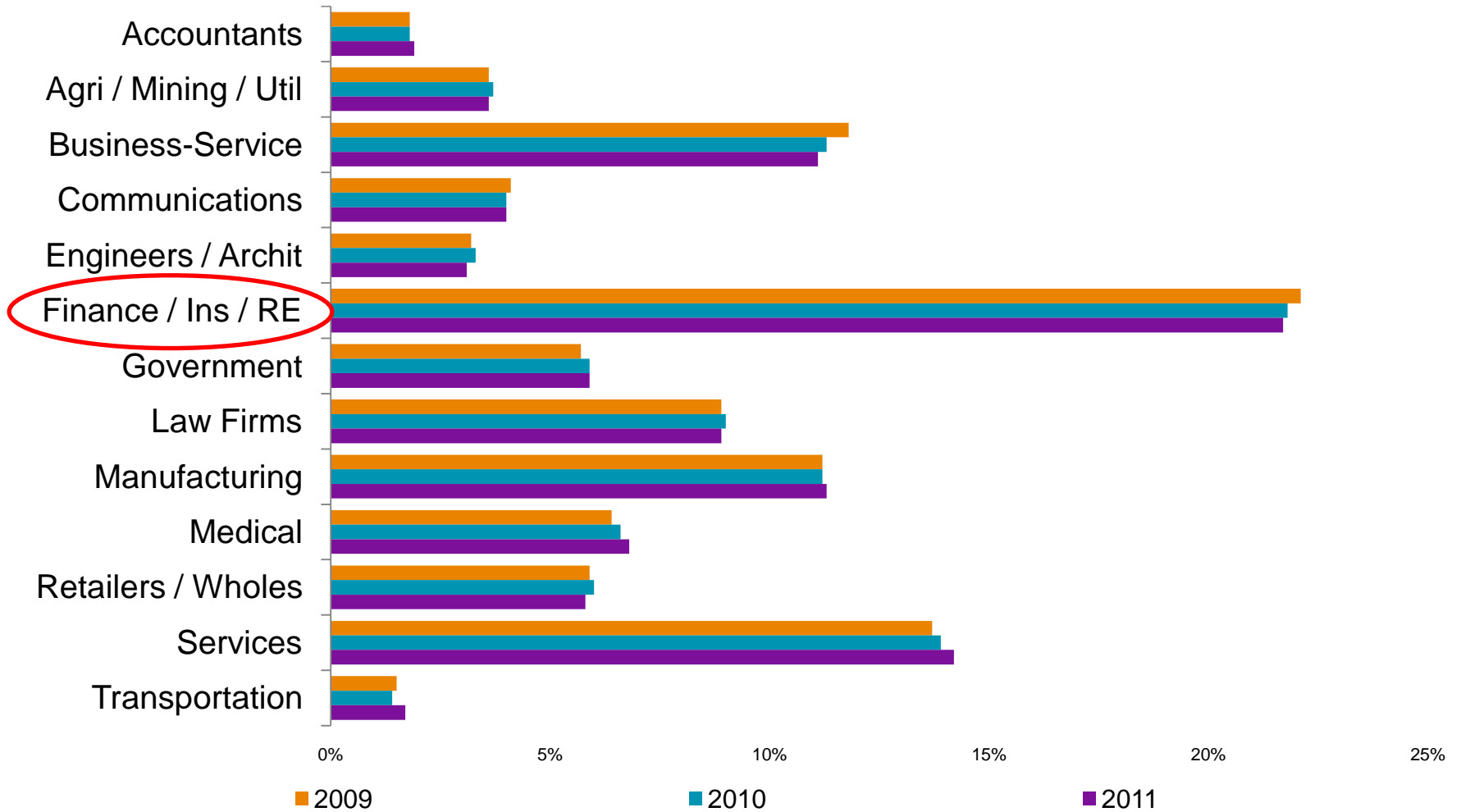
- Deep relationships with top buyer and sellers exists across platform

Pure-play RE Investor    Diversified Financial Firm

Sources: Newmark Grubb Knight Frank Research, Real Capital Analytics

# Financial Services Firms: Largest Tenants & Clients

## Office Property Tenants by Industry - Based on Total Square Footage



Sources: Newmark Grubb Knight Frank Research, CoStar

# Looking Forward

- ◆ Continued expansion in major markets
  - ◆ Acquire the best companies
  - ◆ Hire the best brokers
- ◆ Integrate operations
  - ◆ Drive down non-compensation related expense
  - ◆ Increase average revenue per-broker
  - ◆ Improve operating margins
- ◆ Expand capital markets business
- ◆ Develop best in class research using cutting edge technology
- ◆ Cross sell: leverage BGC relationships to access market



**voice ↗ *electronic brokerage***

Foreign Exchange Update  
Daniel M. LaVecchia, Global Head of FX  
Products

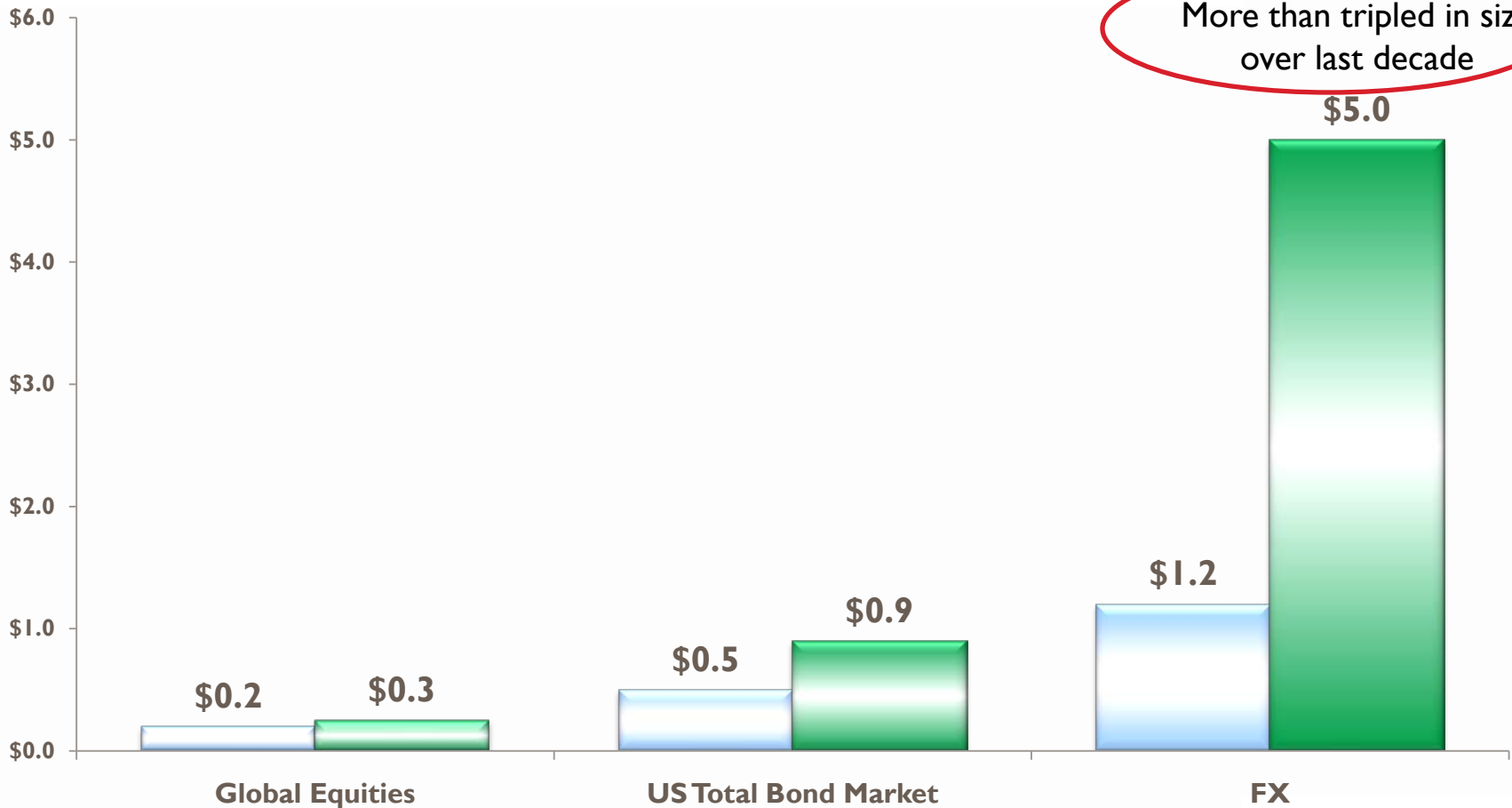


# Highlights of Experience

- 20 Years at BGC/Cantor
- 27 Years in Capital Markets
- Headed BGC Global FX since eSpeed Merger
- Prior leadership positions include: Head of Global Derivatives, COO of eSpeed, Head of BGC Americas, among other titles

# Size of FX Market Dwarfs Other Markets

## Average Daily Trading Volumes (\$Trillions)



More than tripled in size over last decade

\$5.0

\$1.2

\$0.9

\$0.5

\$0.3

\$0.2

Global Equities

US Total Bond Market

FX

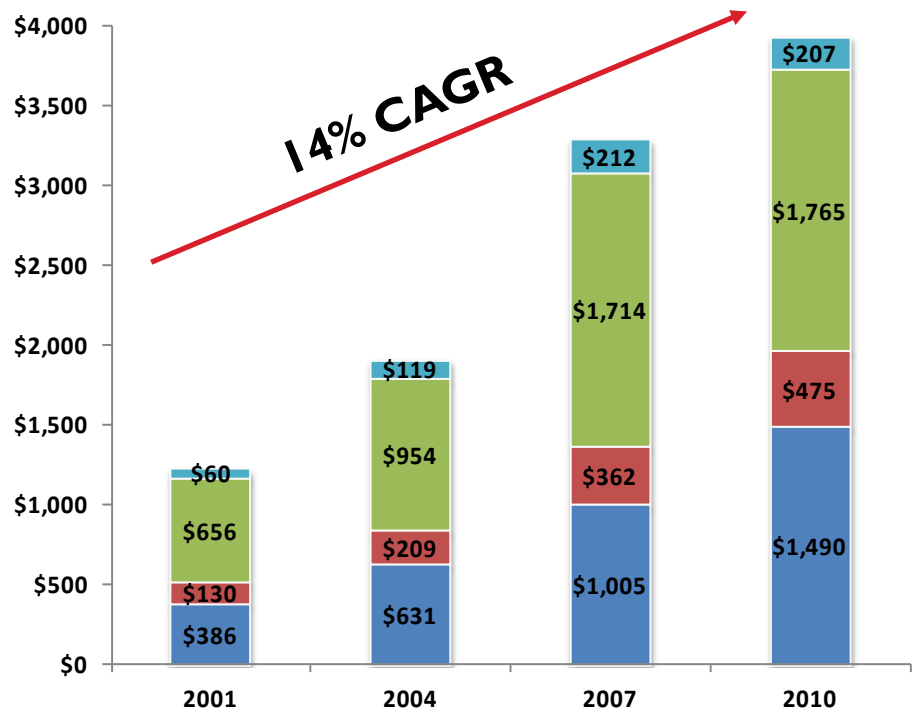
2001

2011

Source: Company Reports, BIS, SIFMA

# Global FX ADV Continues to Grow

## Total Industry FX Average Daily Volume (\$billions)

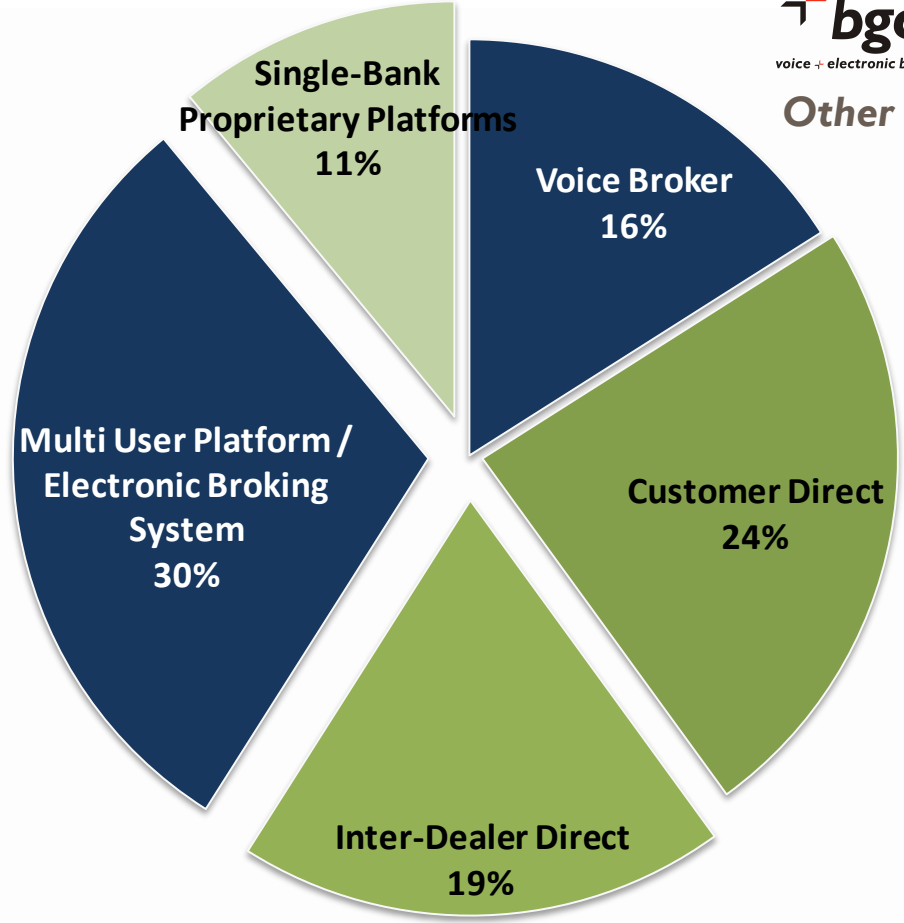


	<u>9 yr. CAGR</u>	<u>% of 2010 Total</u>
Options and other	15%	5%
Foreign Exchange Swaps	12%	45%
Outright Forwards	15%	12%
Spot Transactions	16%	38%

# Global FX ADV by Execution Method

UBS, GS, Deutsche Bank, etc.

**bgc**  
voice + electronic brokerage  
Other IDBs



**bgcSpot FX**  
FXAll, Currenex, EBS, Reuters etc.

Reuters (Telephone)

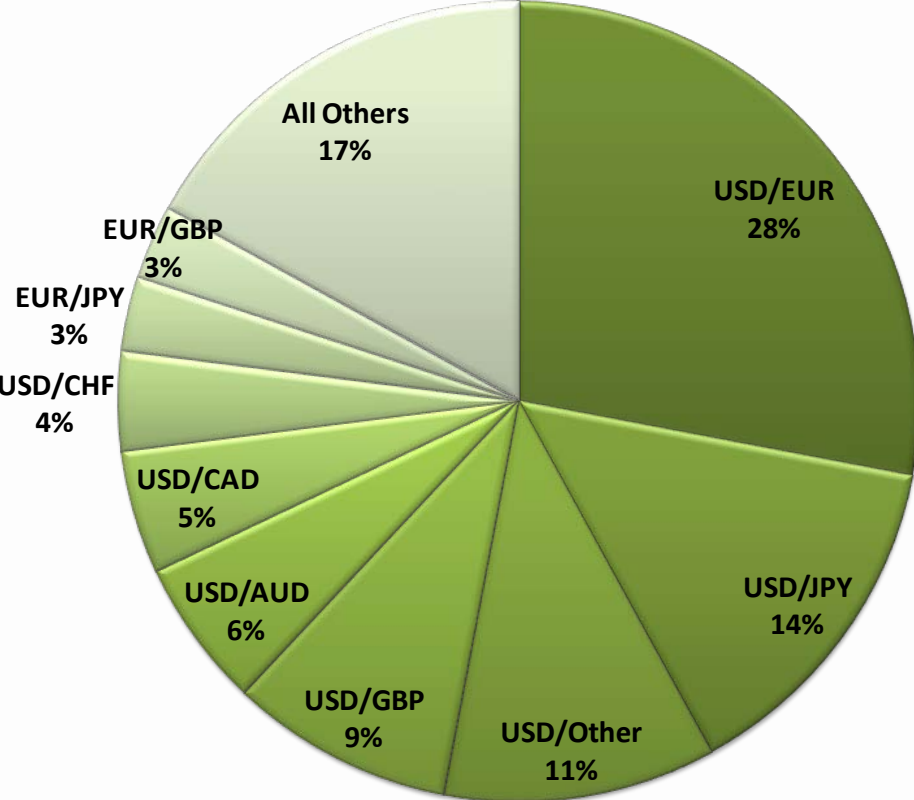
**bgc**  
voice + electronic brokerage

**BLUE = Markets BGC currently operates in**

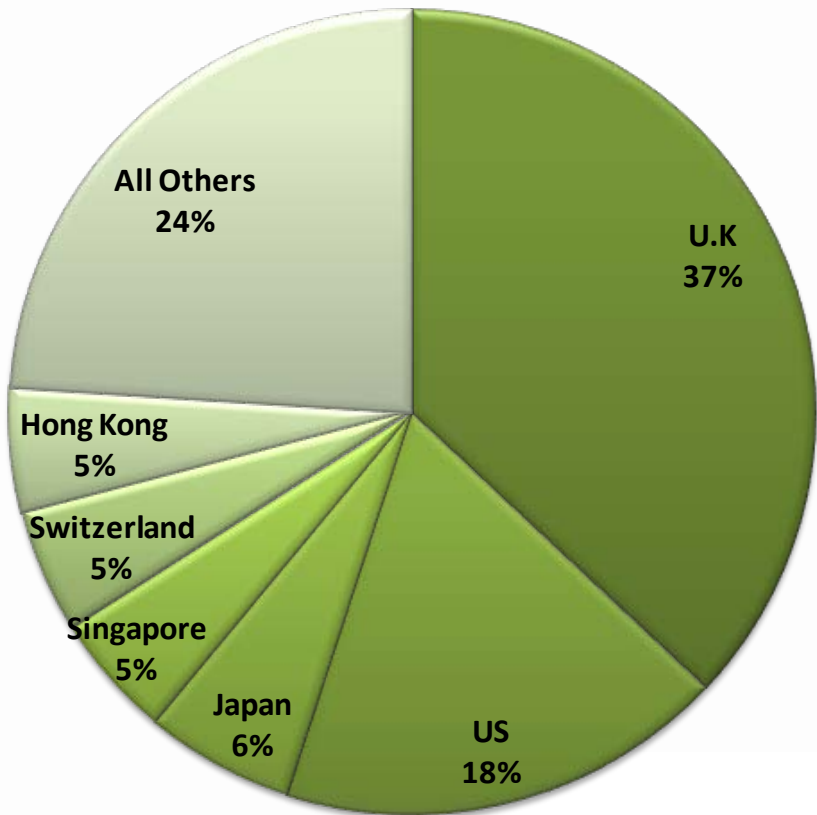
Source: Bank for International Settlements, Triennial Central Bank Survey, Foreign Exchange Committee

# Global FX Market by Geography

**Market Share of Global FX Turnover, by Currency Pair**



**Market Share of Global FX Turnover, by Geographic Distribution**



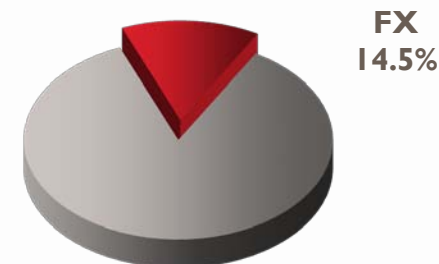
# BGC Business Overview: Foreign Exchange

## Example of Products

In virtually all currency pairs

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

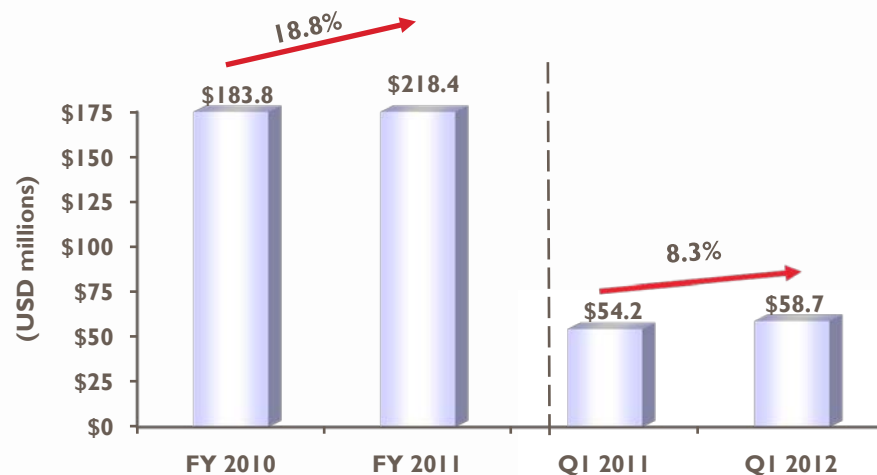
## % of IQ2012 Total Distributable Earnings Revenue



## Drivers

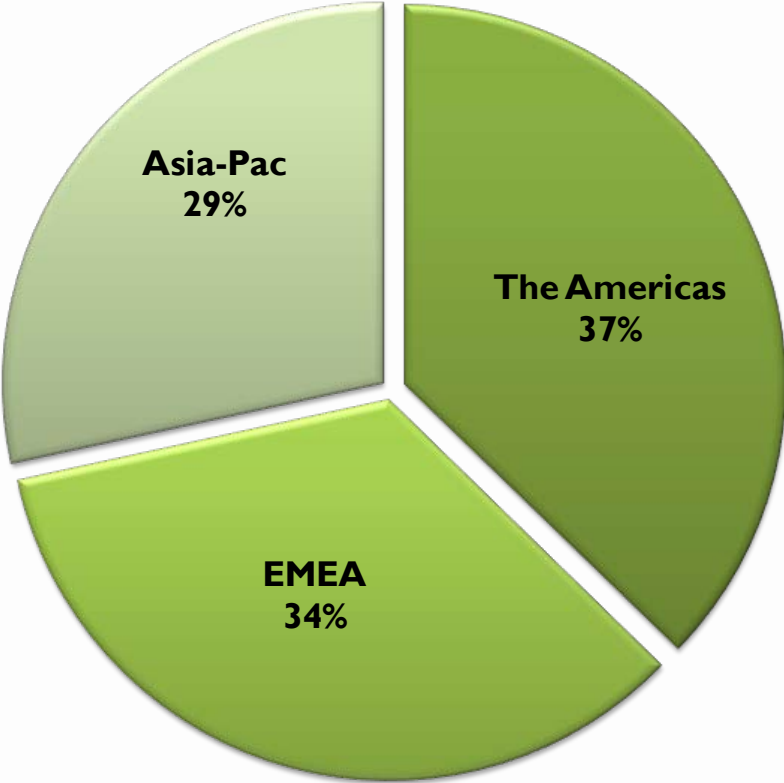
- Particular strength in emerging markets
- BGC's fully electronic FX revenues have grown faster than overall FX revenues, for the past three years, driven by both derivatives and spot
- BGC growth exceeded overall market over the past year

## Foreign Exchange Revenue Growth

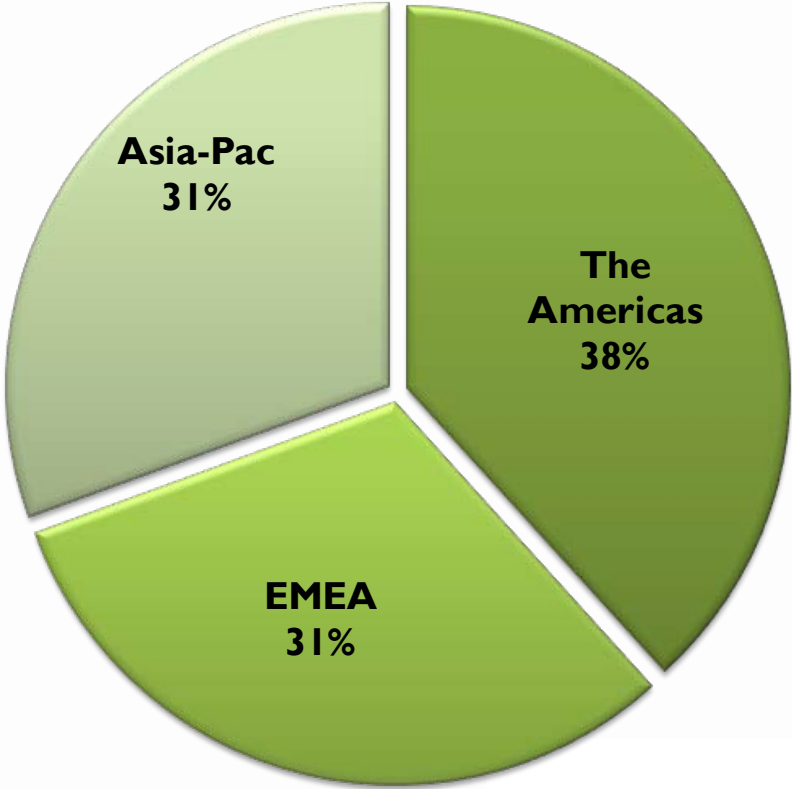


# BGC FX Business by Geography

Percentage of Revenue (IQ 2012)

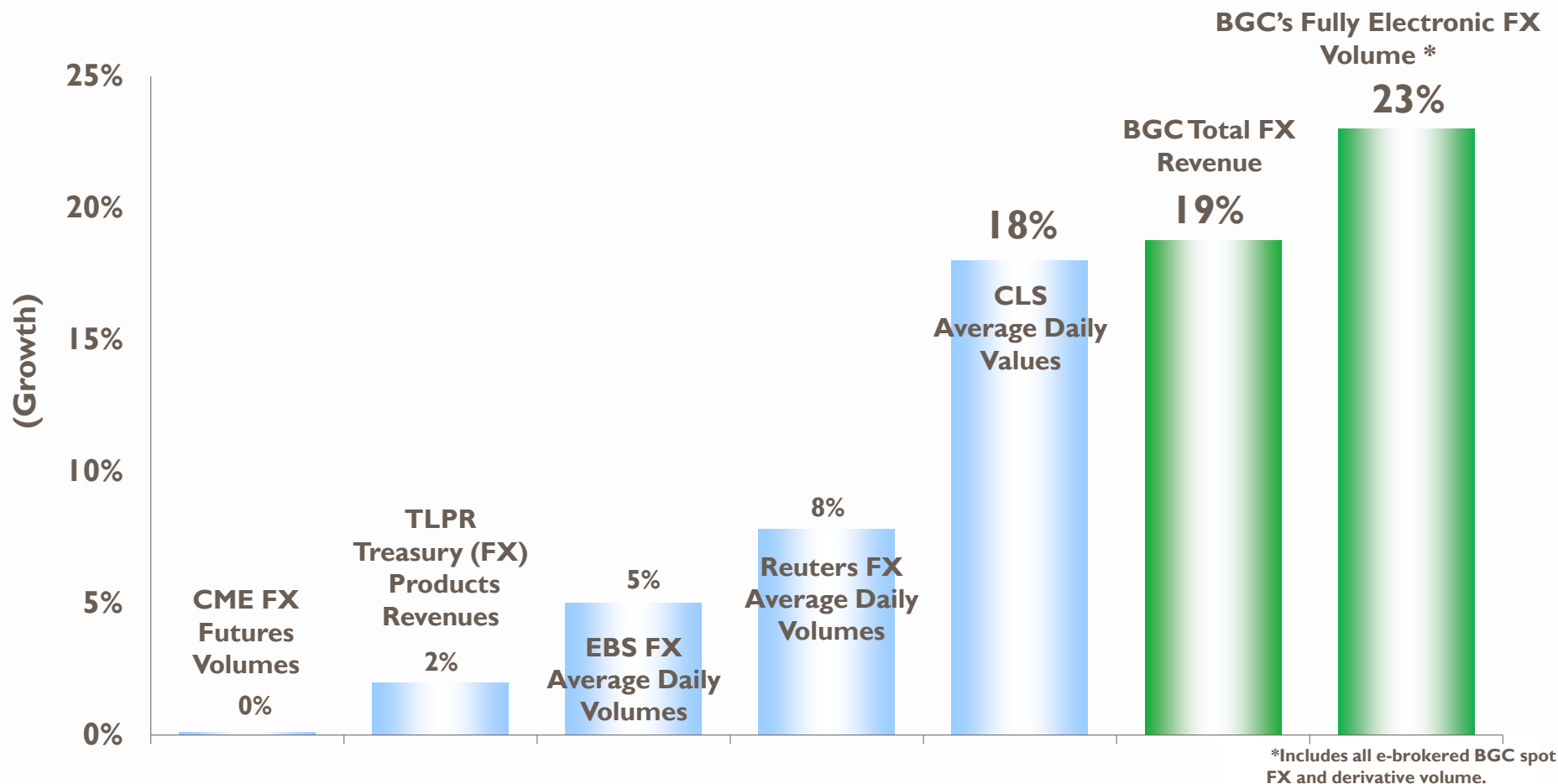


Percentage of Brokers/Salespeople (IQ 2012)



# BGC's FX Business Continues to Outpace the Market

## FY 2011 Y-O-Y Growth

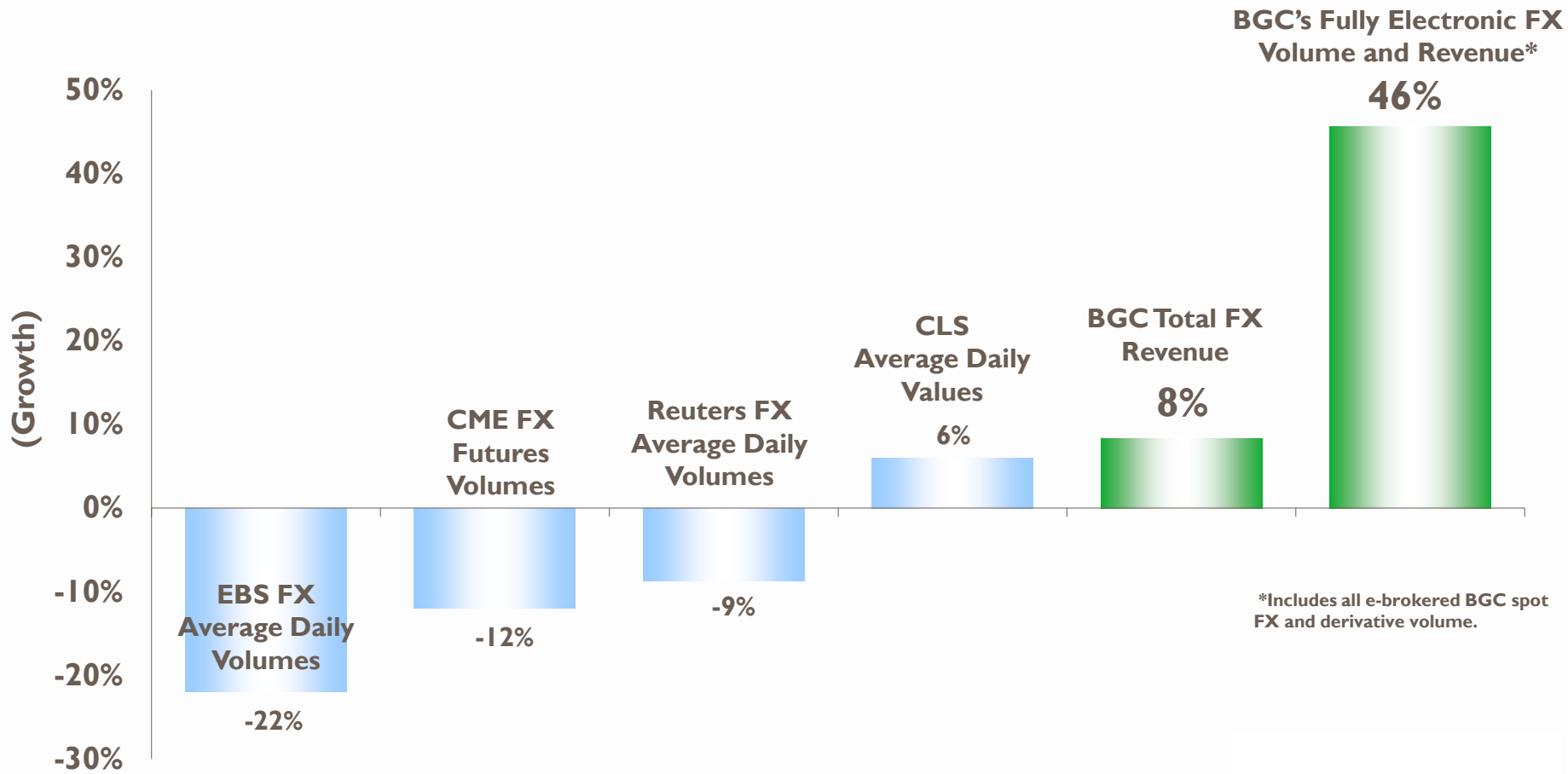


Source: ICAP, CME, CLS, Reuters websites. CME FX Futures growth based on average daily contract volume, ICAP Spot FX and Reuters Spot FX based on average daily USD volume. BGC data is based on USD notional volume for 4Q2011. CLS Bank data includes FX spot, swap and outright forward products. CLS values are the total USD value of settlement instructions submitted to CLS on trade date. The CLS values should be divided by two for spot and forward values and by four for swap values to equate to the values reported in the BIS tri-annual surveys.



# BGC's FX Business Continues to Outpace the Market (cont)

## IQ 2012 Y-O-Y Growth



Source: ICAP, CME, CLS, Reuters websites. CME FX Futures growth based on average daily contract volume, ICAP Spot FX and Reuters Spot FX based on average daily USD volume. BGC data is based on USD notional volume for 4Q2011. CLS Bank data includes FX spot, swap and outright forward products. CLS values are the total USD value of settlement instructions submitted to CLS on trade date. The CLS values should be divided by two for spot and forward values and by four for swap values to equate to the values reported in the BIS tri-annual surveys.

# Ongoing Success with Hybrid Trading Solutions

- Further expanded FXO hybrid trading solutions into Asian and LatAm NDF markets
- Continual investment/development of BGC Trader allows BGC to remain highly competitive
- Two key enhancements introduced in 2012 -both have made significant impact to our global FX e-revenue
  - Volume Match Interest Glow
  - Volume Clearing

# BGC FX e- Initiatives: Volume Match

- In January 2012, BGC launched interest glow functionality and has seen its FXO Volume Match trades more than double globally
- Highlights structures that have ongoing market interest though the buy/sell direction still remains anonymous to participants

Time	Option	Depo	Swap	Buy	Vol	Sell
P 04:43	EUR:BRL 2M 25DLT BFLY	<tba>	<tba>		0.50	
P 04:42	EUR:BRL 1W 25DLT RR	<tba>	<tba>		2.25	
P 04:34	EUR:BRL 1M 25DLT RR	<tba>	<tba>		4.85	
P 04:35	EUR:BRL 2M 25DLT RR	<tba>	<tba>		5.75	
P 04:36	EUR:BRL 3M 25DLT RR	<tba>	<tba>		6.15	
P 04:46	EUR:BRL 1Y 25DLT RR	<tba>	<tba>		6.95	
P 04:35	EUR:BRL 1W ATM	<tba>	<tba>		15.00	
P 04:34	EUR:BRL 1M ATM	<tba>	<tba>		14.85	
P 04:37	EUR:BRL 2M ATM	<tba>	<tba>		15.00	
P 04:34	EUR:BRL 3M ATM	<tba>	<tba>		15.05	
P 04:37	EUR:BRL 6M ATM	<tba>	<tba>		15.15	
P 04:45	EUR:BRL 9M ATM	<tba>	<tba>		15.20	
P 04:40	EUR:BRL 1Y ATM	<tba>	<tba>		15.30	
P 04:46	EUR:MXN 1M 25DLT RR	<tba>	<tba>		2.75	
P 04:32	EUR:MXN 1W ATM	<tba>	<tba>		14.00	
P 04:43	EUR:MXN 1M ATM	<tba>	<tba>		13.75	
P 04:44	EUR:MXN 3M ATM	<tba>	<tba>		14.00	
P 04:45	EUR:MXN 1Y ATM	<tba>	<tba>		14.55	
P 04:44	USD:BRL 9M 10DLT BFLY	<tba>	<tba>		4.85	
P 04:38	USD:BRL 1W 25DLT RR	<tba>	<tba>		2.75	
P 04:34	USD:BRL 1M 25DLT RR	<tba>	<tba>		4.85	
P 04:40	USD:BRL 2M 25DLT RR	<tba>	<tba>		5.85	
P 04:37	USD:BRL 3M 25DLT RR	<tba>	<tba>		6.25	
P 04:41	USD:BRL 6M 25DLT RR	<tba>	<tba>		6.95	
P 04:42	USD:BRL 1Y 25DLT RR	<tba>	<tba>		7.20	
P 04:32	USD:BRL 1W ATM	<tba>	<tba>		16.25	
P 04:33	USD:BRL 1M ATM	<tba>	<tba>		16.25	
P 04:37	USD:BRL 2M ATM	<tba>	<tba>		16.15	
P 04:33	USD:BRL 3M ATM	<tba>	<tba>		16.15	
P 04:33	USD:BRL 6M ATM	<tba>	<tba>		16.25	
P 04:43	USD:BRL 9M ATM	<tba>	<tba>		16.30	
P 04:40	USD:BRL 1Y ATM	<tba>	<tba>		16.35	
P 04:45	USD:BRL 2Y ATM	<tba>	<tba>		17.45	
P 04:48	USD:CLP 1M 25DLT RR	<tba>	<tba>		3.50	
P 04:35	USD:CLP 1M ATM	<tba>	<tba>		14.10	
P 04:42	USD:CLP 3M ATM	<tba>	<tba>		14.10	
P 04:42	USD:CLP 6M ATM	<tba>	<tba>		14.10	

# BGC FX e- Initiatives: Volume Clearing

- In February 2012, BGC launched functionality in order to facilitate electronic upsizing of trades
- Volume Clearing has further expanded BGC's electronic footprint in the FX Options space which remains important in light of continually evolving market conditions and regulations

The screenshot displays the BGC Trader FXO interface with several market data tables and a 'Volume Clearing' pop-up window.

**Volume Clearing Pop-up Window:**

Time	Option	Buy	Vol	Sell	Trade Status	Repost
P 00:04	EUR/BRL 6M ATM	50	▲ 17.40	<Sell Size> 60	Bought	<input type="checkbox"/>

**Market Data Tables (Partial View):**

Option	1M 10	1M 10	2M 10	3M 10	6M 10	9M 10	1Y 10	2Y 10	3Y 10
USD/MXN ATM - MX...	15.50	17.50	15.75	16.30	15.75	16.20	15.75	16.25	16.50
EUR/MXN ATM - MX...	13.50	16.00	13.50	14.25	13.60	14.40	13.70	14.50	15.50
EUR/BRL ATM - BRZ ...	17.50	19.50	16.50	17.50	16.50	17.00	16.50	17.00	17.50

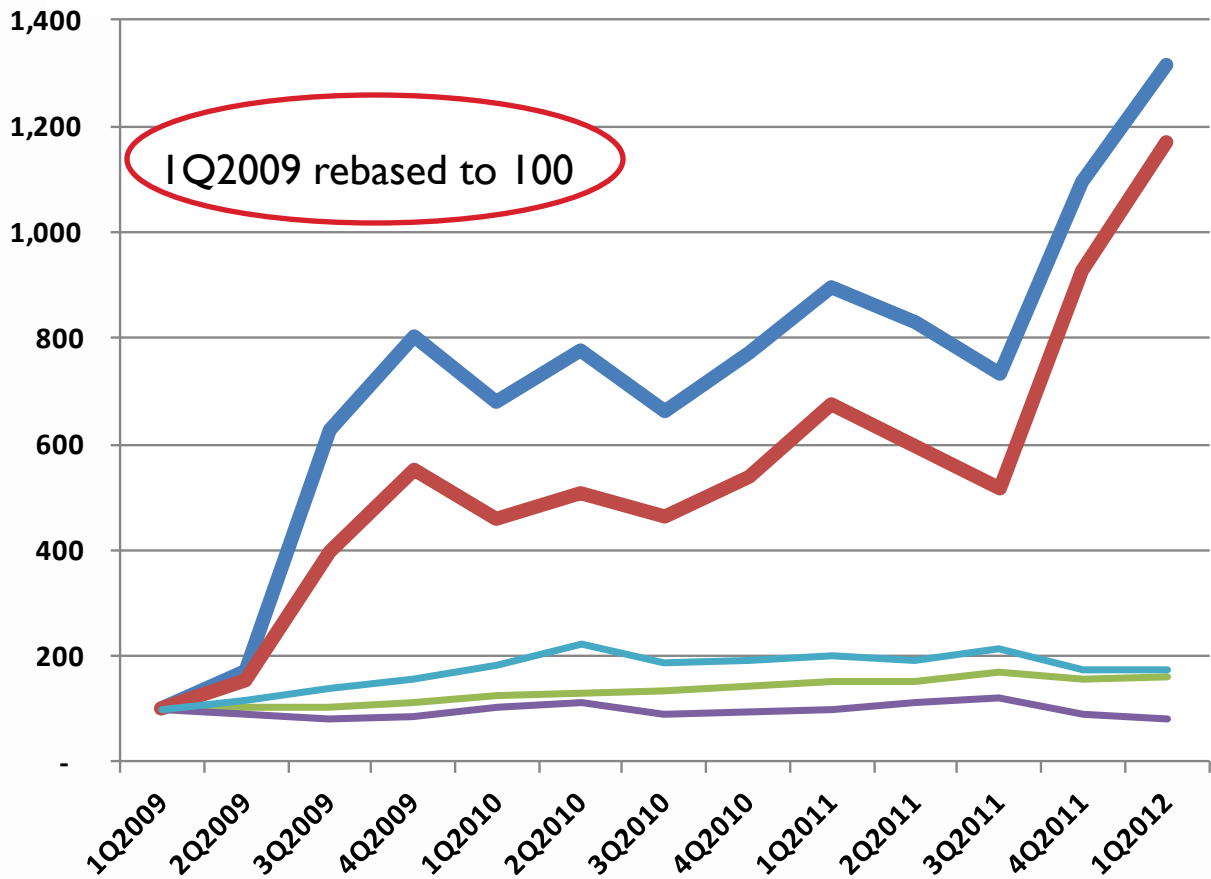
# Strong Growth from FX Options



# BGC Spot FX – Fast-Growing Bank-Only Platform

- Participation limited to large banks
- All trades occur at the mid-point
- Dark Pool for all participants
- Works opposite of Volume Match
- ≈ 100% of the trades are computer driven
- Means for banks to reduce risk
- Banks are serviced by BGC salespeople
- Priced per-trade
- Growth has improved revenues & pre-tax margins for BGC's FX business

# BGC Spot FX has Grown Rapidly from Small Base



## Growth

- BGC Spot Notional Volume
- BGC Spot Transaction Count
- CLS Value Traded (Notional)
- EBS Value Traded (Notional)
- CME FX Futures Volume

# Goals & Targets

- Continue to grow and expand our FX products
- Convert existing businesses from hybrid to electronic
- Remain fully prepared for any regulatory outcome





**voice ↗ *electronic brokerage***

Regulatory Update

Jeffrey Hogan, Managing Director Business Development

# Jeff Hogan - Managing Director, Business Development

- Based in London
- Responsible for ongoing business development and relationship management with clients in Europe
- BGC's liaison with government and regulatory bodies globally
- Has also worked in sales, product development, strategic development since BGC's formation in 2004
- From 1983 – 2004, worked at Cantor Fitzgerald and eSpeed Inc. in New York and London, running various derivative and cash brokerage businesses and e-Commerce
- Previously, worked at Bankers Trust Company & Manufacturers Hanover Trust European

# OTC Derivatives Regulation Review

- The global regulatory process began with the G20 summit in September 2009 which in searching for causes of the financial crisis proclaimed that “all standardized OTC derivative contracts should be traded on exchanges or electronic trading platforms where appropriate, and be cleared through central counterparties by end 2012 at the latest”
- The mechanisms for achieving these goals are seen by regulators globally to be:
- Mandatory central clearing of certain derivative instruments through regulated clearing organizations = an increase in the velocity of our product turnover
- Mandatory trading of certain derivative instruments on regulated execution facilities = driving derivative volumes into our multilateral execution environment
- Regulation of derivatives market participants via registration and reporting obligations, margin and capital requirements = opening of new lines of business
- Required public reporting of transaction and pricing data for both cleared and uncleared swaps = an increase in client confidence and attraction of additional entrants

# Dodd-Frank Act OTC Derivatives Regulation

- The Dodd-Frank Wall Street Reform and Consumer Protection Act (“DFA”) was signed into law on 21 July 2010. The DFA broadly empowers the CFTC to regulate Rate, Credit Index, Foreign Exchange, Commodity and Equity Swaps and the SEC to regulate Security Based Swaps.
- US legislation requires that clearable Swap trades be executed on a Board of Trade designated as a Swap Execution Facility (“SEF”), a Security Based Swap Execution Facility (“SBSEF”) or a designated contract market (DCM)
- The DFA defines a SEF to be "a trading system or platform in which multiple participants have the ability to execute or trade swaps by accepting bids and offers made by multiple participants in the facility or system, through any means of interstate commerce"
- SEFs and SBSEFs are obligated to:
  - Demonstrate compliance with Core Principles
  - Provide the tools required to ensure a complete transaction chain record and a full audit trail of all operations in the trading system
  - Operate multilaterally, impartially and with public disclosure
  - Make ‘available to trade’ Swaps that are mandated for clearing
  - Report trades to trade repositories and prudential regulators

# European OTC Derivatives Regulation

- European legislative reform is split into three components :
- Two part review of the Markets in Financial Instruments Directive (MiFID) under MiFID II reforms
  - A Regulation (MiFIR) focusing on mandatory trading of derivatives on regulated trading venues; data transparency to regulators and the public; provision of non-discretionary access to clearing; supervision of participants; third country considerations
  - A Directive (MiFID II) focusing on scope of exemptions; conduct of business requirements; governance of trading venues; granting of powers to competent national authorities
- Introduction of European Market Infrastructure Regulation (EMIR) focusing on the provision and operation of clearing services
- The MiFIR proposal introduces a new category of “Organized Trading Facility” (OTF) to complement the existing venues of Regulated Markets and Multi-lateral Trading Facilities

# Our Response – BGC Derivative Markets

- BGC's existing scalable and global technology infrastructure coupled with vast hybrid brokerage operations is the foundation of our ideal SEF prototype
- BGC's objective is to fill the void created in our client's business models by the imposition of the rules in the US, Europe and Asia
- BGC Trader is the single access point to all in scope products operating with one modular code base globally
- Our connections to clients for in scope products are based on the expansion of existing client gateways
- While the reforms broadly match our current business profile our flexible in-house systems will support any regulatory environment
- Our SEF offering is predicated on offering compliant solutions to clients seeking to operate under the new reforms while maintaining our relationships under any scenario

# BGC Derivative Markets Characteristics

- Execution methods supported include anonymous Central Limit Order Book with multiple firm order types, name disclosed Request for Quote, Request for Streaming, Hybrid, Indicative Markets and Intra-day Auctions
- Access identical for all global Authorized Participants via BGC native Application Programming Interface, BGC Graphic User Interface, BGC voice brokers, FIX Protocol and Independent Software Vendor gateways
- Intention is make all Swaps subject to mandatory central clearing 'available to trade'
- In initial phases of SEF operations product focus will be on USD Interest Rate Swaps, Credit Default Swaps Indices (CDX and iTraxx) and CDS Single Names to be followed by Non-Deliverable FX Forwards
- Products within asset classes will include Swaps eligible for central clearing as well as non-clearable Swaps for bilateral deals to maximize possible transactions

# Current BGC Derivative Markets Activity

- Interact with national regulators and industry bodies
- Engage collaboratively with clients on strategy, connectivity, facility design and impact of finalized and anticipated rules
- Complete features to support Required Transactions and ensure these features are scalable to products outside the scope of reforms
- Prepare to be compliant with granular Core Principles
- Model trading system to support additional products for fully electronic trading as clearing mandate widens
- Anticipate future phases of reform implementation



# OTC Derivatives Regulation – Upcoming Releases

- Definition of Swap
- Swap Execution Facility terms
- Block Trading rules
- Confirmation of clearing eligible lists
- Extraterritoriality & Cross-Border guidance
- Governance of CCPs
- End user exemptions
- Harmonization of reporting requirements
- Implementation timelines



**voice ↗ *electronic brokerage***

Event Conclusion

Chairman/CEO Howard W. Lutnick

President Shaun D. Lynn

# BGC: Solid Business with Significant Opportunities

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



# 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**



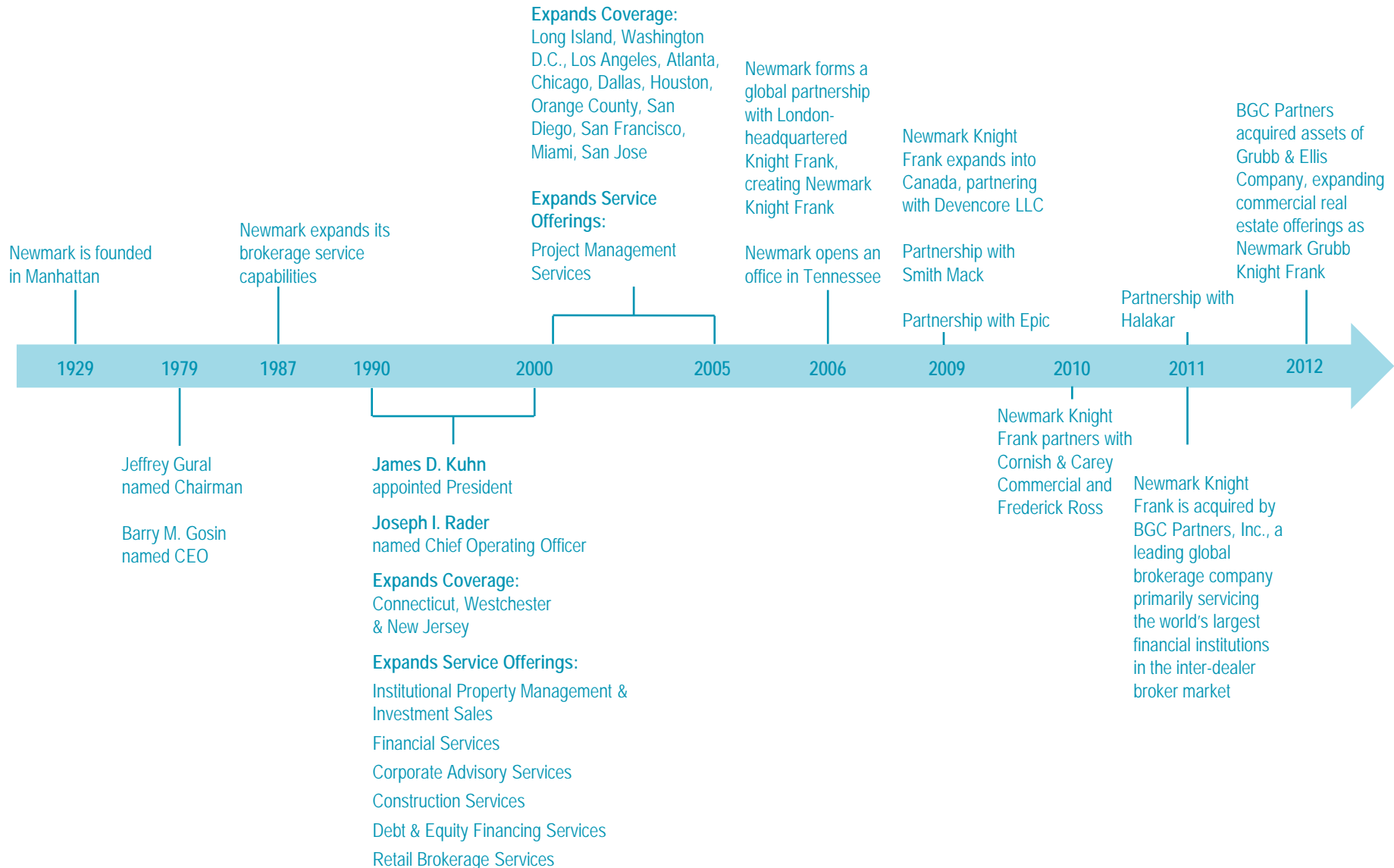
**Q&A**



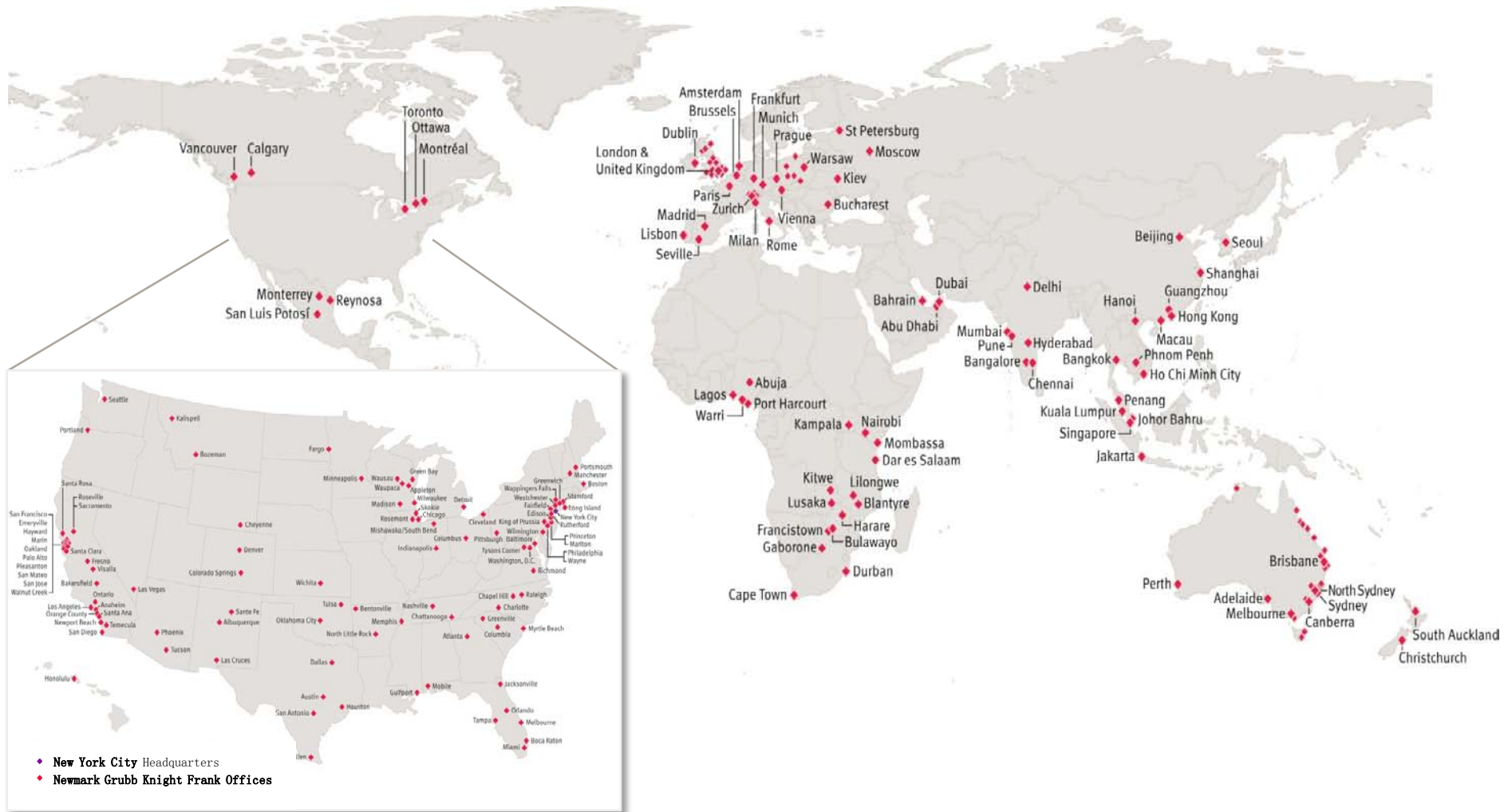
# APPENDIX 1

Newmark Grubb  
Knight Frank

# Newmark Grubb Knight Frank History



# Newmark Grubb Knight Frank Global Reach



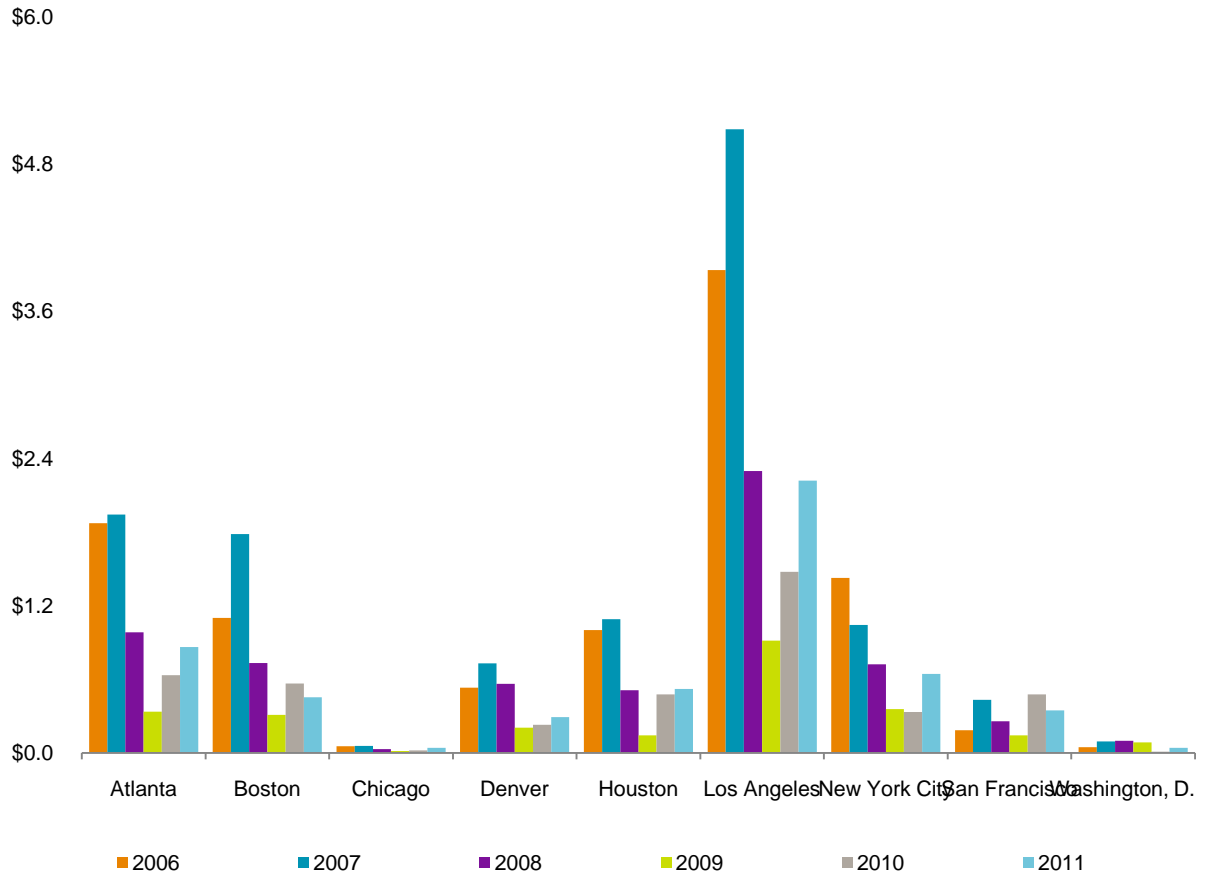


# Improvement Measured in Key Industrial Markets

Industrial Properties (billions)

## Sales Activity in Select Markets

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Atlanta	\$0.34	\$0.63	\$0.86
Boston	\$0.31	\$0.57	\$0.45
Chicago	\$0.02	\$0.02	\$0.04
Denver	\$0.21	\$0.23	\$0.29
Houston	\$0.14	\$0.48	\$0.52
Los Angeles	\$0.91	\$1.47	\$2.22
New York City	\$0.36	\$0.33	\$0.65
San Francisco	\$0.14	\$0.48	\$0.35
Washington, D.C.	\$0.09	\$0.01	\$0.04

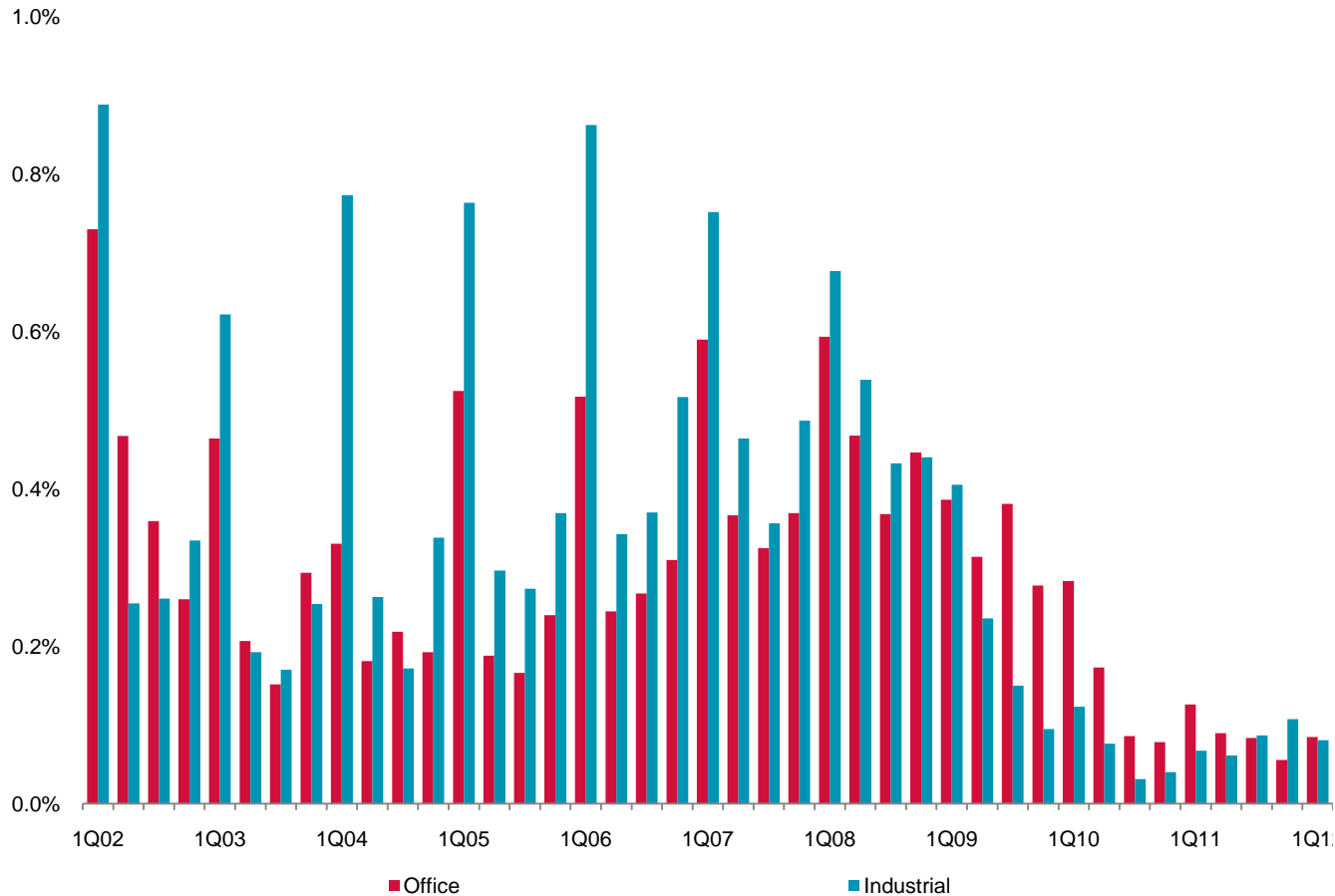


Source: Newmark Grubb Knight Frank Research, Real Capital Analytics

# Increased Demand Will Spur Development

## RBA Delivered (% of existing inventory)

### Development



- ◆ Office development showed signs of traction as 22.2 million square feet of new space was under construction at the end of the first quarter of 2012. The pace of development remains below the recent market peak in late 2007 when over 100 million square feet of space was under construction
- ◆ 21.8 million square feet of industrial space was under construction, up from 20.1 million square feet at the end of 2011, although well off the pre-recession peak of 129.4 million square feet in late 2006
- ◆ Lack of development could lead to higher asking rents and property values

Source: Newmark Grubb Knight Frank Research, CoStar

# BGC REAL ESTATE

## Capital Markets

### CAPITAL MARKETS SERVICES

#### Property-Specific Equity Programs

- Joint Venture Equity
- Promoted Equity
- Non-Promoted Equity
- Preferred Equity
- Structured Equity

#### Institutional and Accredited Investors

- Public/Private Pensions
- Insurance Companies
- Endowments
- Foundations
- Family Offices
- High-Net-Worth Investors
- Sovereign Wealth Funds
- Private Equity Firms
- Hedge Funds
- Asset Managers

#### Property-Specific Debt Programs

- Senior Loans
- Subordinate Loans
- A/B Notes
- Mezzanine Loans
- Bridge Loans
- CMBS
- Construction Loans
- Agency Loans
- Conduit Loans
- Life Company Loans

#### Special Situations

- Acquisition Finance
- Recapitalization
- Restructuring
- Leveraged Buyout
- Structured Finance

#### Property Types

- Commercial Office
- Multifamily
- Retail
- Industrial
- Hospitality
- Condos and Co-ops
- Student Housing
- Self-Storage Facilities
- Medical and Health Care Facilities
- Manufactured Home Parks

#### Complementary Services

- Investment Sales
- Portfolio Sales
- Property Leasing
- Asset Management Services
- Securities Restructuring and Evaluation
- Property Management
- Advisory Services
- Consulting Services
- Property Valuation and Appraisal
- Property Receivership Services



**voice  *electronic brokerage***

**Appendix 2**

# 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

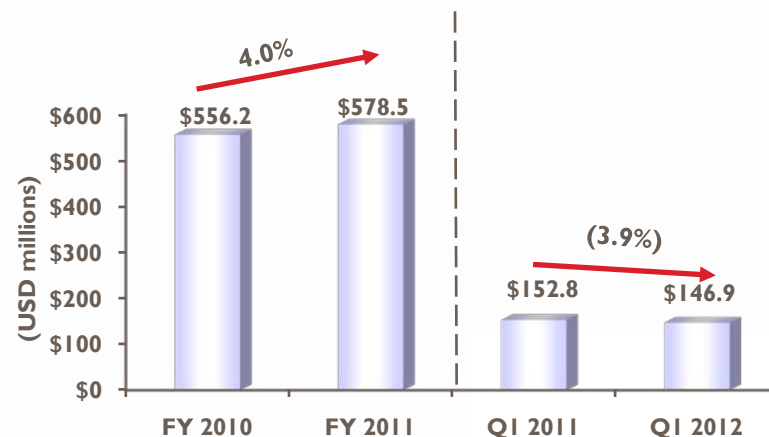
## Drivers

- 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

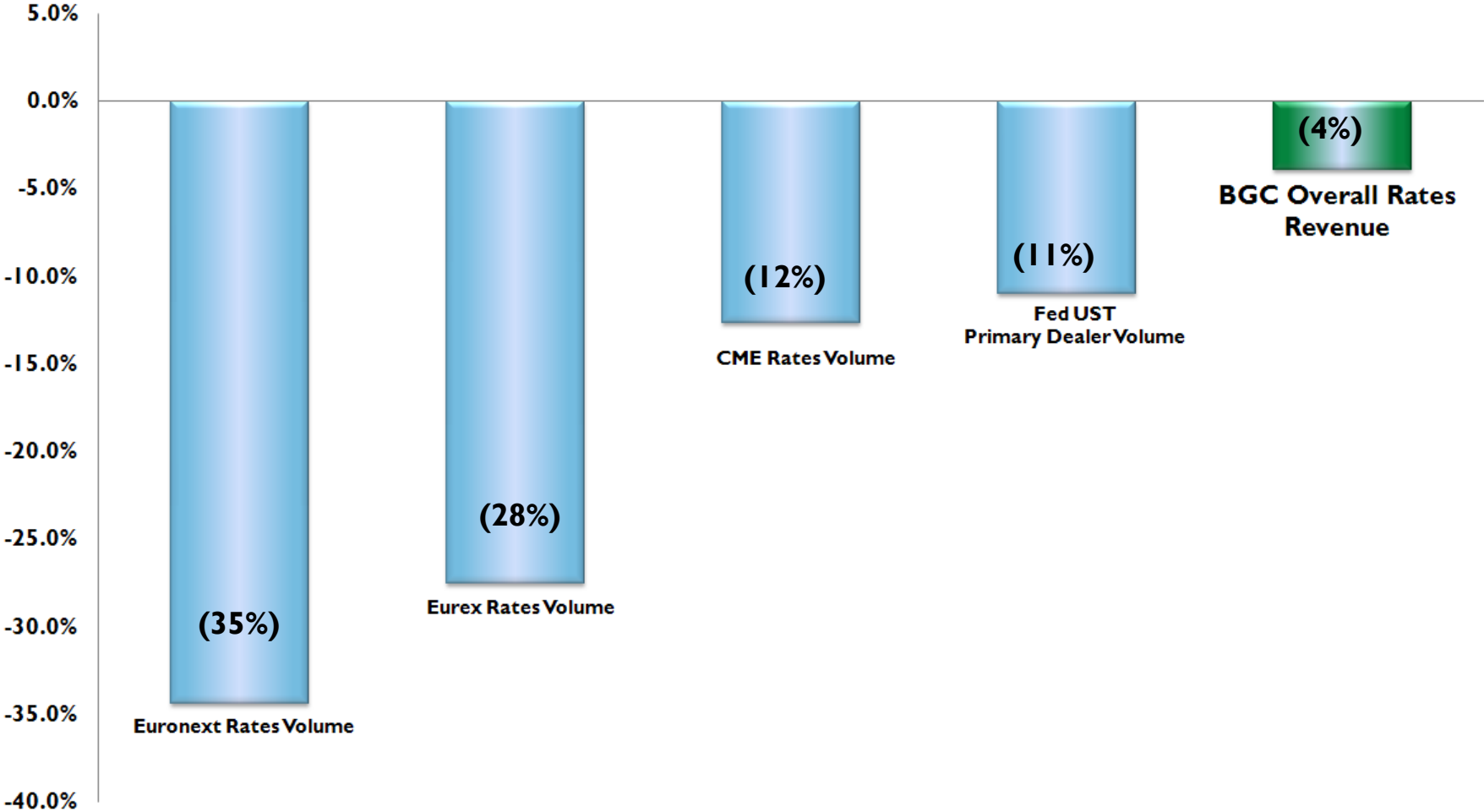
## % of IQ2012 Total Distributable Earnings Revenue



## Rates Revenue Growth



# BGC Rates Desks Outperform Industry in 1Q2012



# Business Overview: Credit

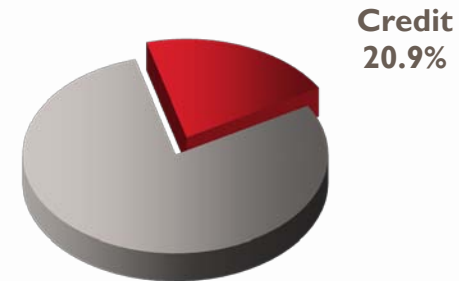
## Example of Products

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

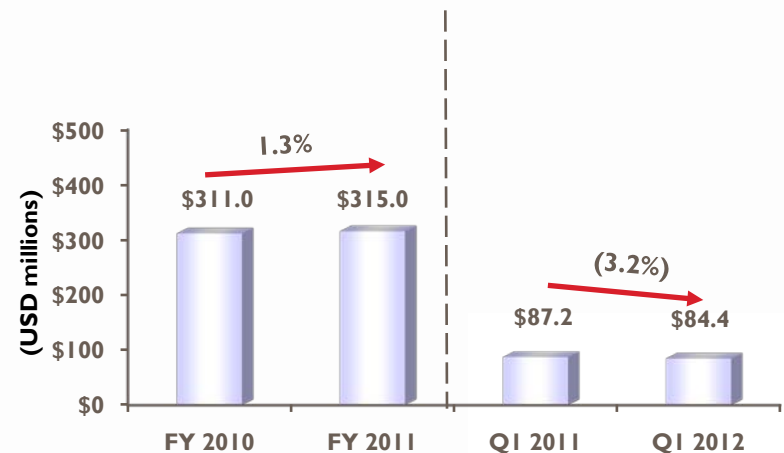
## Drivers

- 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

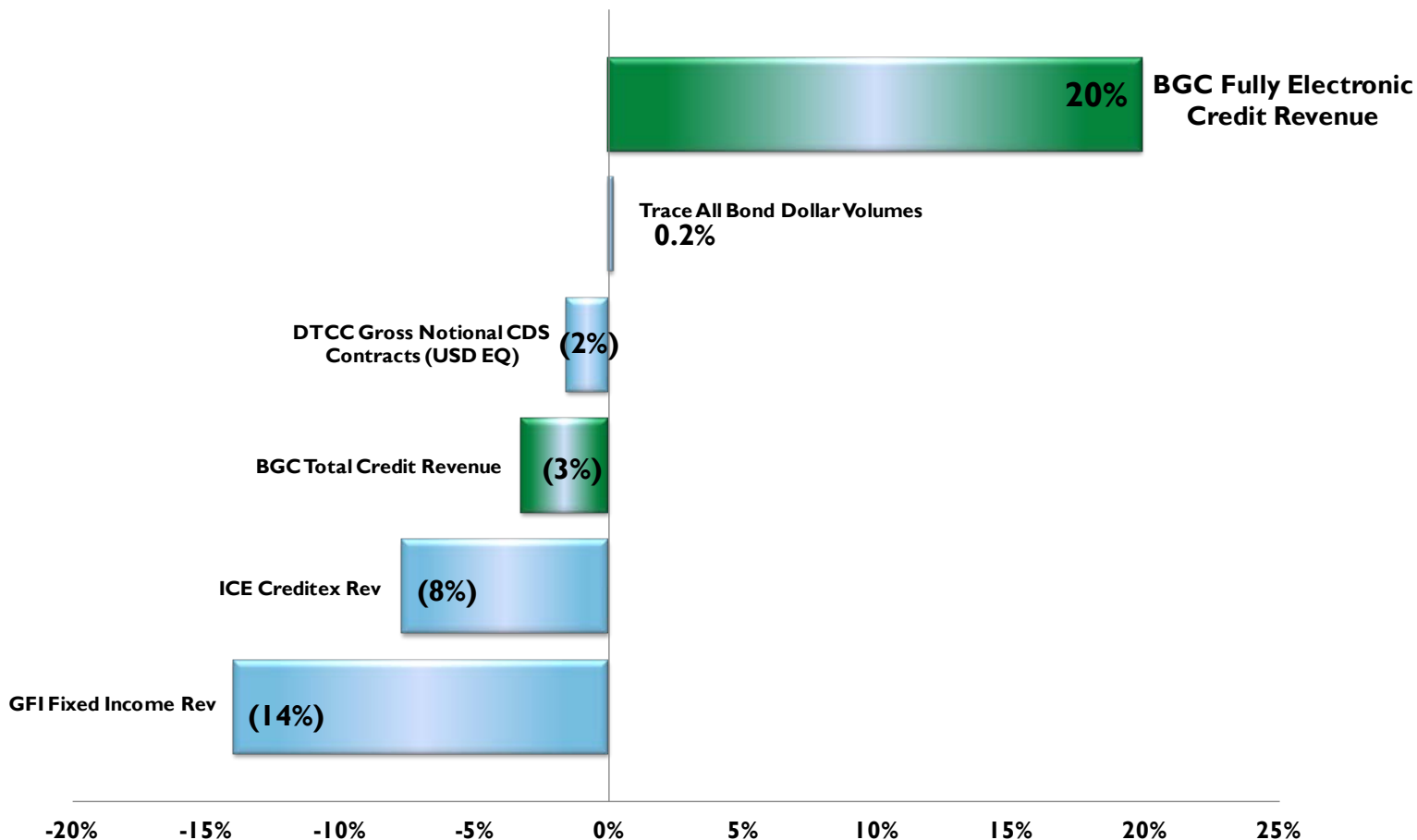


## Credit Revenue Growth



# BGC's E-brokered Credit Desks Eclipsed Overall Market

## IQ 2012 Y-O-Y Growth





# Business Overview: Equities & Other Asset Classes

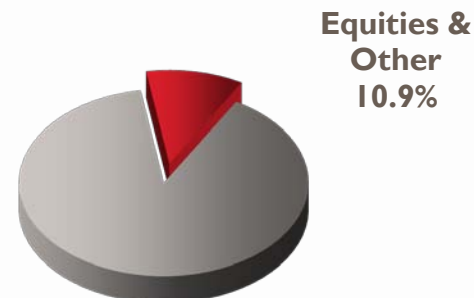
## Example of Products

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

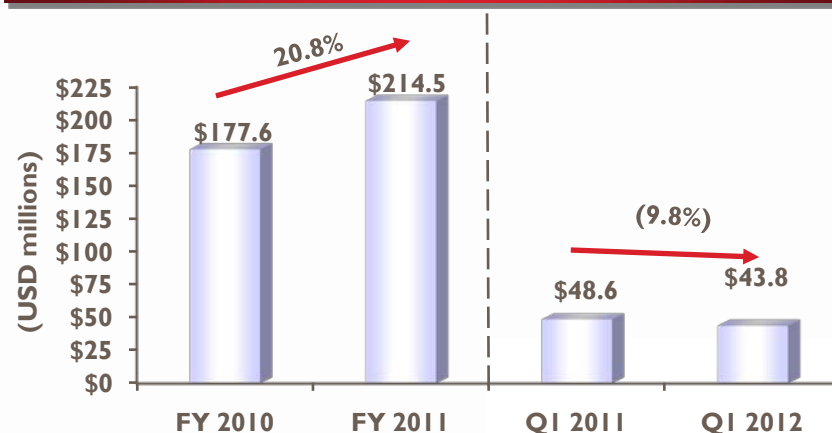
## Drivers

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

## % of IQ2012 Total Distributable Earnings Revenue

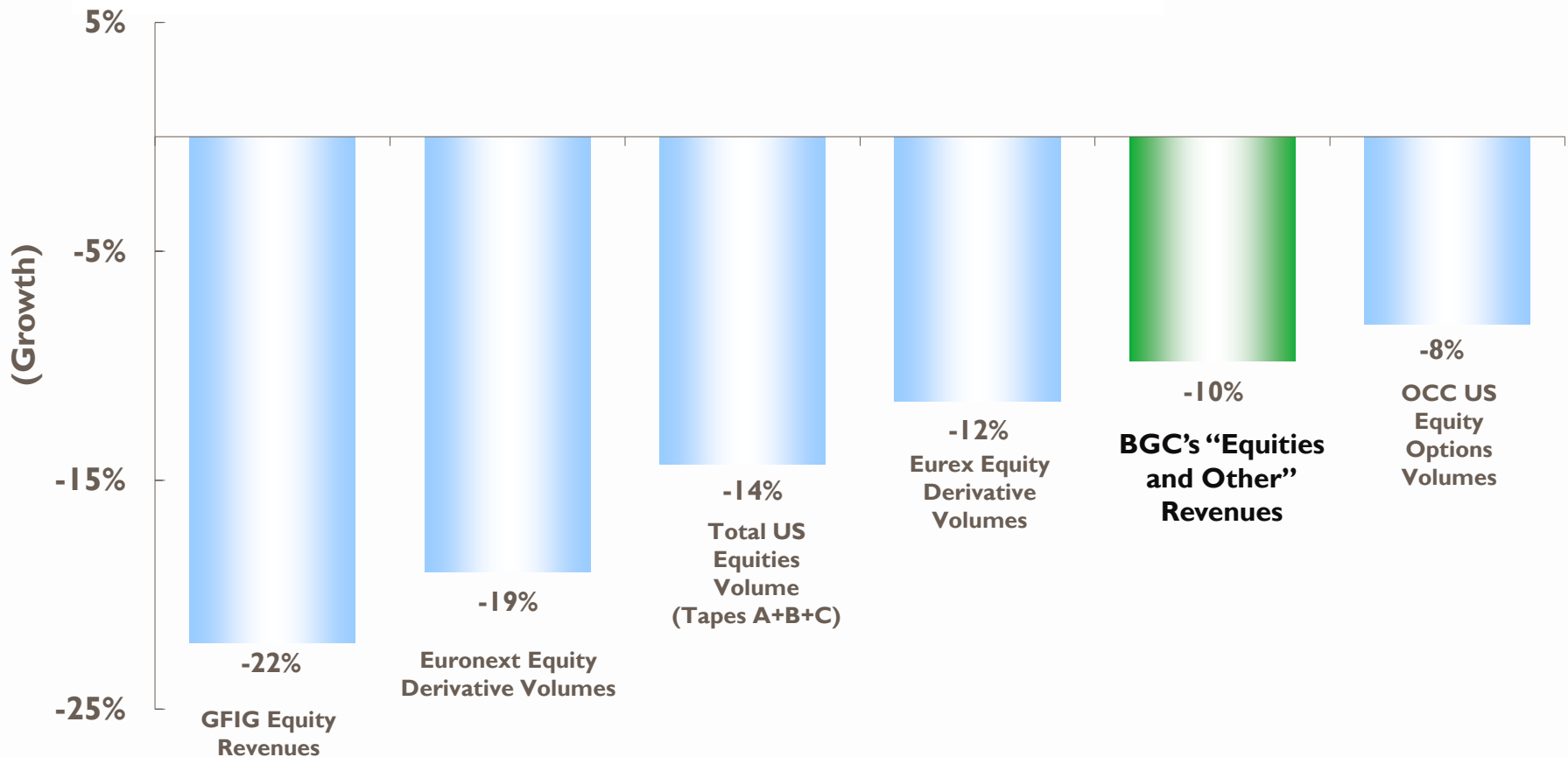


## Equities & Other Asset Classes Revenue Growth



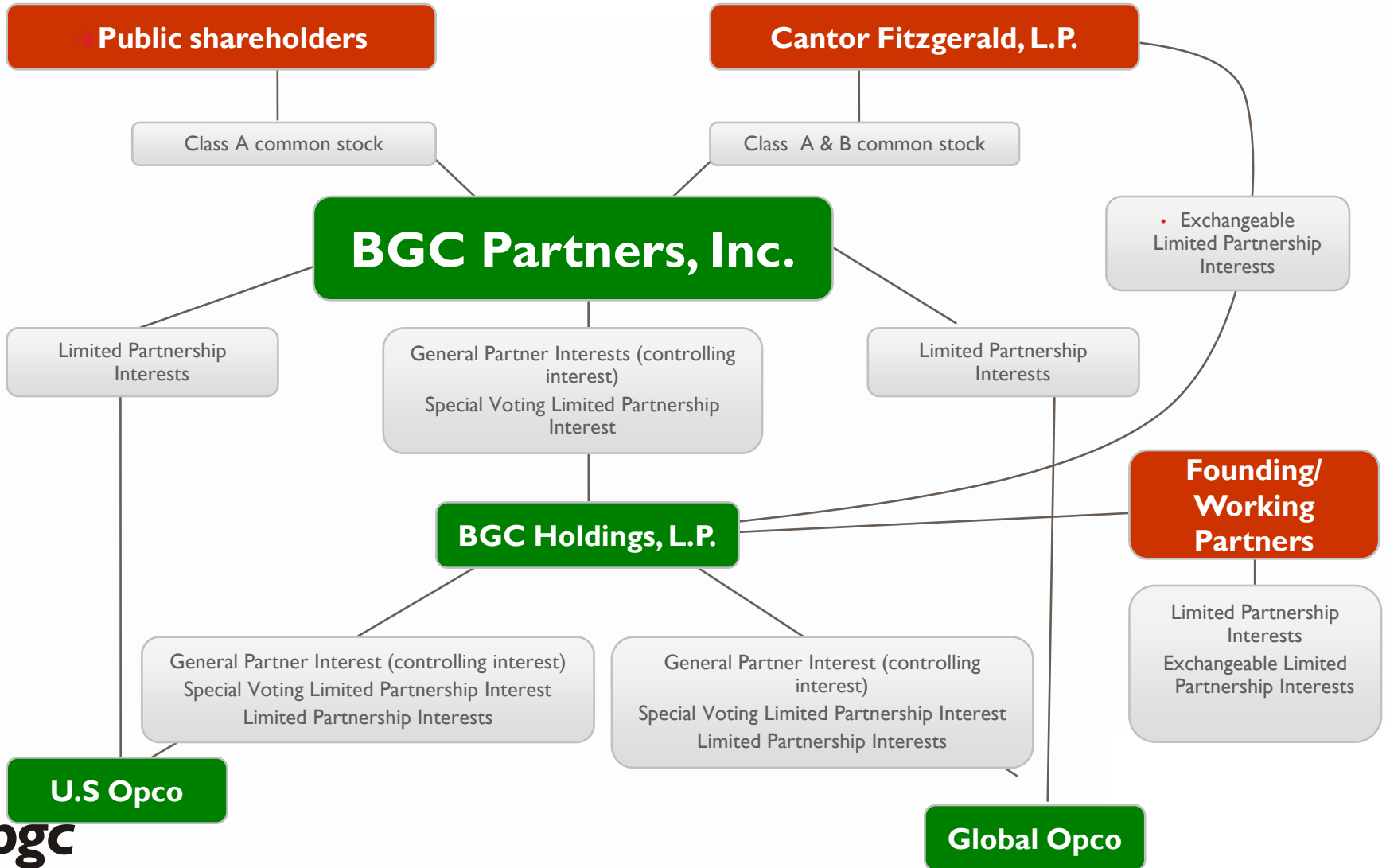
# “Equities and Other” Desks Largely Outpaced Market

## IQ 2012 Y-O-Y Growth



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.

# Structure Creates Employee Retention and Lower Effective Tax Rate



# Historical Balance Sheet (in thousands)

	December 31, 2010	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012
<b>Assets</b>						
Cash and cash equivalents	\$ 364,104	\$ 400,539	\$ 286,239	\$ 432,316	\$ 369,713	\$ 310,526
Cash segregated under regulatory requirements	2,398	3,112	3,610	3,336	2,968	3,372
Reverse repurchase agreements	-	49,999	-	-	-	-
Securities owned	11,096	11,019	12,831	16,473	16,282	38,235
Securities borrowed	-	51,452	-	-	-	17,362
Marketable securities	4,600	3,278	2,276	2,279	1,238	291
Receivables from brokers-dealers, clearing organizations, customers and related broker-dealers	474,269	569,200	839,575	748,850	192,053	598,610
Accrued commissions receivable, net	132,885	173,770	180,348	177,221	222,293	233,087
Loans, forgivable loans and other receivables from employees and partners	151,328	164,674	176,574	179,760	192,658	198,183
Fixed assets, net	133,428	133,291	132,336	129,233	136,068	135,568
Investments	25,107	23,998	22,982	21,783	20,367	34,283
Notes receivable, net	-	-	-	-	-	25,492
Goodwill	82,853	83,085	83,564	81,651	141,142	142,179
Other intangible assets, net	13,603	12,952	12,456	11,528	16,994	16,299
Receivables from related parties	5,938	6,228	7,553	11,933	5,754	6,829
Other assets	68,705	72,284	69,064	85,640	87,655	92,531
<b>Total assets</b>	<b>\$ 1,470,314</b>	<b>\$ 1,758,881</b>	<b>\$ 1,829,408</b>	<b>\$ 1,902,003</b>	<b>\$ 1,405,185</b>	<b>\$ 1,852,847</b>
<b>Liabilities, Redeemable Partnership Interest, and Equity</b>						
Short-term borrowings	\$ -	\$ -	\$ -	\$ -	\$ 13,600	\$ 60,000
Accrued compensation	155,538	164,610	153,653	157,360	143,800	138,536
Securities sold, not yet purchased	-	61	-	-	-	-
Payables to brokers-dealers, clearing organizations, customers and related broker-dealers	429,477	682,174	779,453	690,871	144,683	530,051
Payables to related parties	10,262	4,174	7,686	8,378	19,667	32,488
Accounts payable, accrued and other liabilities	260,737	277,965	250,218	243,522	250,552	248,270
Notes payable and collateralized borrowings	39,258	35,560	36,490	186,671	181,916	188,297
Notes payable to related parties	150,000	150,000	150,000	150,000	150,000	150,000
<b>Total liabilities</b>	<b>1,045,272</b>	<b>1,314,544</b>	<b>1,377,500</b>	<b>1,436,802</b>	<b>904,218</b>	<b>1,347,642</b>
Redeemable partnership interest	93,186	96,911	94,723	87,312	86,269	82,079
<b>Equity:</b>						
Total stockholders' equity	236,917	258,913	278,828	305,424	316,654	327,932
Noncontrolling interest in subsidiaries	94,939	88,513	78,357	72,465	98,044	95,194
<b>Total equity</b>	<b>331,856</b>	<b>347,426</b>	<b>357,185</b>	<b>377,889</b>	<b>414,698</b>	<b>423,126</b>
<b>Total liabilities, redeemable partnership interest and equity</b>	<b>\$ 1,470,314</b>	<b>\$ 1,758,881</b>	<b>\$ 1,829,408</b>	<b>\$ 1,902,003</b>	<b>\$ 1,405,185</b>	<b>\$ 1,852,847</b>

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

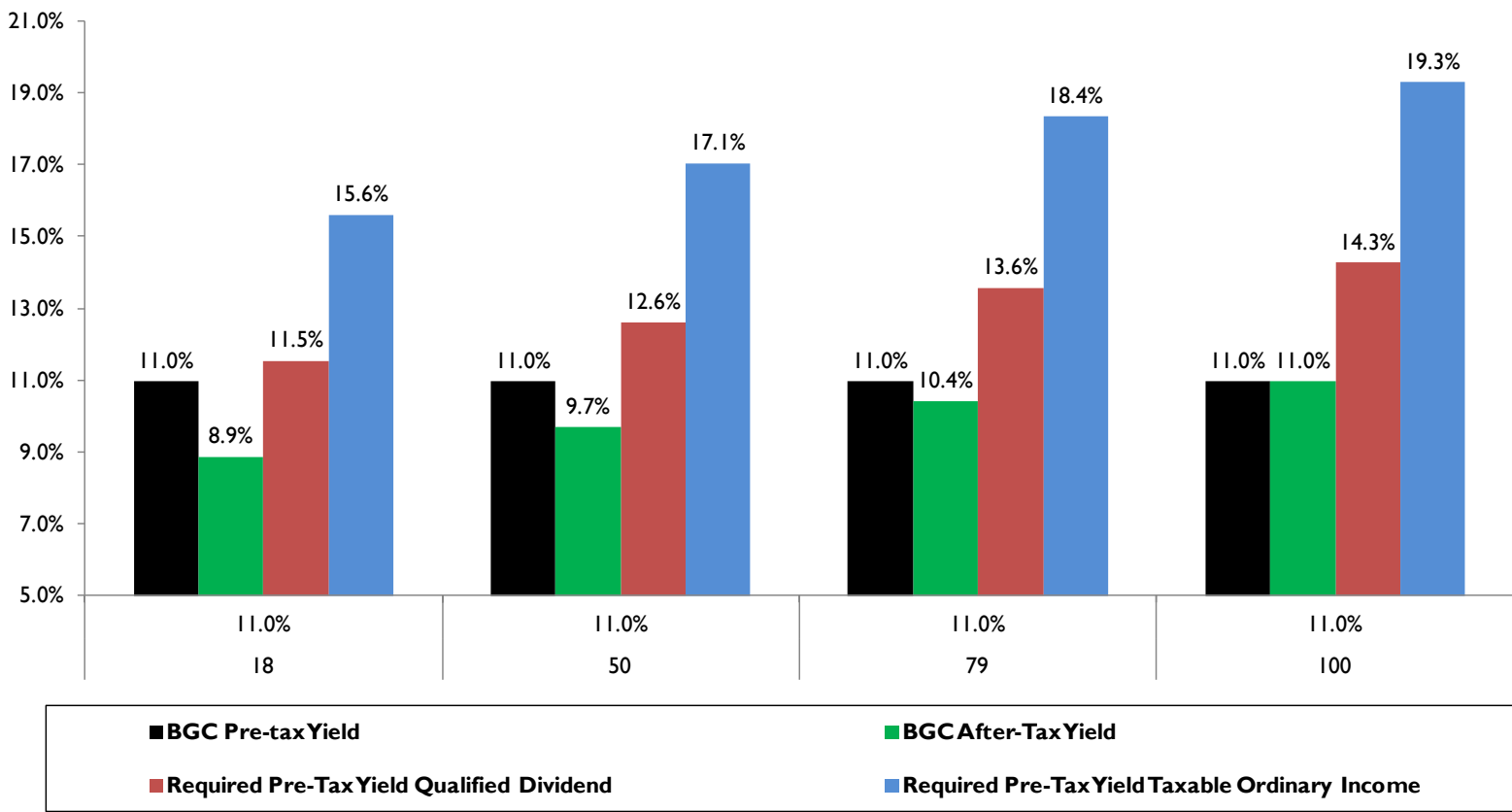
## ASSUMPTIONS ABOUT ALTERNATE INVESTMENTS

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.

# Presenter Biographies



**Howard W. Lutnick**

**Chairman and Chief Executive Officer**

Howard W. Lutnick is Chairman and Chief Executive Officer of BGC Partners, Inc., a leading global brokerage company servicing the wholesale financial markets. He is also Chairman and Chief Executive Officer of Cantor Fitzgerald, L.P., one of the world's leading financial services firms.

Under Mr. Lutnick's leadership, BGC Partners separated from Cantor Fitzgerald in 2004. Since that time, BGC has become one of the largest and fastest growing inter-dealer brokers of financial instruments for the global capital markets. BGC serves the world's largest banks and investment banks in trading credit, rates, foreign exchange, and an array of other financial products.

Several innovative businesses and technologies have been developed under Mr. Lutnick's stewardship, including eSpeed, a leading electronic marketplace and trading technology platform for the world's capital markets. Mr. Lutnick served as Chairman, President and CEO of eSpeed, Inc., which spun off from Cantor in an initial public offering in 1999 and merged with BGC in 2008 to form BGC Partners, Inc.

Mr. Lutnick guided the rebuilding of Cantor following the devastating September 11, 2001 World Trade Center terrorist attacks that claimed the lives of 658 of the company's 960 New York-based employees. Since then, Cantor has provided over \$180 million to help the families of the firm's lost colleagues. Each September 11th, 100% of BGC's and Cantor's global revenues have been donated to worthy causes, commemorating their employees who perished that day by helping others.

Mr. Lutnick graduated from Haverford College in 1983 with a degree in economics and joined Cantor Fitzgerald the same year. He was named President and CEO of Cantor Fitzgerald in 1991 and Chairman in 1996.

He is a member of the boards of Haverford College, the Zachary and Elizabeth M. Fisher Center for Alzheimer's Disease Research at Rockefeller University, Intrepid Museum Foundation, National September 11 Memorial & Museum, and the Solomon Guggenheim Museum Foundation. Mr. Lutnick received the Department of the Navy's Distinguished Public Service Award, the highest honor granted by the Navy to non-military personnel.

# Presenter Biographies



**Shaun D. Lynn**

**President**

**As President of BGC Partners, Shaun D. Lynn provides leadership to position BGC at the forefront of the global inter-dealer brokerage sector. He is responsible with his management team for the Company's operations globally and for the direction and development of BGC's proprietary technology.**

**Mr. Lynn, who sparked the idea of creating BGC as a separate business from Cantor Fitzgerald and became one of BGC's co-founders in October 2004, has spearheaded the broking operations of the Company globally and has played an integral role in the Company's significant growth since then, including its 2008 merger with eSpeed, Inc. In addition to his executive responsibility for ensuring that the Company provides services of the highest quality to its customers, Mr. Lynn oversees the Company's corporate functions including finance, risk management, technology, legal & compliance, human resources, and communications. An experienced and authoritative financial professional, Mr. Lynn promotes BGC's thought leadership as a preeminent global inter-dealer broker to wholesale market participants worldwide. Reflecting BGC's commitment to help people in communities around the world, Mr. Lynn plays a leading role in the Company's annual Charity Day, in which its revenues are donated to dozens of worthy causes worldwide.**

**Prior to his position with BGC, Mr. Lynn previously served as Executive Managing Director of Cantor Fitzgerald International, where he held management positions of increasing responsibility including leading its Eurobond desk after joining that firm in 1989 as a Bund broker. Earlier roles in the capital markets included serving as a UK equity dealer with Paul E Schweder Miller & Co. and as Associate Director in charge of broking at Purcell Graham Incorporated.**



# Presenter Biographies



**Graham Sadler**  
**Chief Financial Officer**

**As Chief Financial Officer, Mr.. Sadler is responsible for BGC's global accounting, controlling and treasury functions, including all financial reporting and budgeting.**

**Since December 2008, he has served as CFO for Europe and Asia for both BGC and Cantor Fitzgerald. In his new role, he will also continue to serve as CFO for Europe and Asia for Cantor Fitzgerald.**

**Prior to BGC, Mr.. Sadler spent 11 years with Bear Stearns, where he served most recently as Chief Operating Officer and Chief Financial Officer of Bear Stearns-Europe in addition to other management roles. He also was a member of that firm's European Executive Committee. Earlier, he served in a number of finance positions over a 14-year span with Barclays Capital (and its predecessor DeZoete & Bevan), including Director of Global Finance and Divisional Director, Markets Division. He began his career with KPMG (previously Peat Marwick Mitchell). Mr.. Sadler is a Chartered Accountant in the UK, and holds a degree in Engineering from Cambridge University.**

# Presenter Biographies



**Michael Lehrman**

**Global Head of Real Estate**

**Michael Lehrman is Global Head of Real Estate at BGC. He is responsible for BGC's real estate platform encompassing Newmark Knight Frank and assets of Grubb & Ellis, currently being integrated, with more than 100 offices in North America and 250 million square feet in Property and Facilities Management. The real estate group provides comprehensive real estate solutions to corporations, property owners, investors and developers across North America, as well as globally through its partnership with London-based Knight Frank, a global real estate enterprise with extensive worldwide capabilities and coverage.**

**Mr. Lehrman is also Executive Managing Director and Chief Executive Officer of Merchant Banking at Cantor Fitzgerald & Co., a full service fixed income broker dealer and one of a select number of financial firms authorized to trade U.S. government securities with the Federal Reserve Bank in New York. With a significant presence in mortgage, high grade corporate, agency, treasury, repo and asset backed securities trading, the firm is a global leader in institutional equity and fixed income sales and trading.**

**Prior to joining Cantor Fitzgerald & Co., Mr. Lehrman was a Managing Director at Credit Suisse, and Co-Head of the Credit Suisse Real Estate Direct Group where he was responsible for over \$100 billion in North American real estate loan origination and over \$30 billion of high yield real estate debt and equity distribution. Mr. Lehrman oversaw the expansion of the business in the U.S., Mexico, Latin America, the Caribbean, and the Middle East, with offices in Dubai and Mexico City.**

# Presenter Biographies



**Barry M. Gosin**

**Chief Executive Officer of Newmark Grubb Knight Frank**

**Professional Background** Barry M. Gosin has been a principal of Newmark Knight Frank since 1978 and has served as CEO since 1979, overseeing all facets of the day-to-day operations for the firm. Today, with over 7,000 employees worldwide, Newmark Knight Frank and its partner Knight Frank operate from more than 240 global offices, including 43 offices in the U.S. and 180 offices throughout Canada, Europe, Asia-Pacific, Africa and the Middle East. In addition to guiding Newmark Knight Frank's national and global expansion initiatives, Mr. Gosin has spearheaded the firm's merger with BGC Partners, and continues to operate the real estate division's growth. Going forward, the merger reinforces Newmark Knight Frank's capital markets platform with the real estate investment banking and debt and equity capabilities of Cantor Fitzgerald, offering clients the deepest and most diversified services in the real estate industry.

Mr. Gosin has propelled the firm's client-focused growth through a visionary approach to industry practices. Under this platform, Newmark Knight Frank's global corporate services model provides seamless corporate services solutions to clients on a global scale. Combining operations and real estate expertise, this holistic approach integrates the function of the workplace with location optimization and workflow efficiency, optimizing global operations and facilities in support of the short- and long-term financial and operational needs of corporations.

Along with his equity partners, Mr. Gosin has acquired a portfolio of over 40 properties totaling in excess of 10 million square feet, including New York City landmarks such as the Flatiron Building, the former Ford Building and 55 Wall Street. In 2004, he purchased the historic Bethlehem Steel site in Pennsylvania, which he is currently developing as a mixed-use casino, retail, entertainment, residential and cultural venue in a joint venture with the Las Vegas Sands Corporation.

**Education** Mr. Gosin graduated from Indiana University.

# Presenter Biographies



**Daniel M. LaVecchia**

**Executive Managing Director, North America, Global Head of FX Products**

**Mr. LaVecchia runs BGC's operations in North America and global foreign exchange products. Mr. LaVecchia is responsible for leading the expansion of BGC as a global wholesale fixed-income, interest rate, foreign exchange, and derivative brokerage firm.**

**Prior to his appointment as Executive Managing Director, North America for BGC, Mr. LaVecchia was Executive Managing Director, Director U.S. Operations for eSpeed, the leading provider of electronic trading technology for the global capital markets. This role entailed responsibility for all of the North American front-office, revenue generating operations.**

**Mr. LaVecchia has worked for Cantor Fitzgerald and its related businesses for over 19 years, including as Executive Managing Director for Cantor's international operations. Prior to this he was responsible for Cantor Fitzgerald's derivative and foreign exchange businesses in Europe and Asia and served as the liaison between Cantor Fitzgerald and eSpeed.**

**Mr. LaVecchia is a supporter of numerous local charities in New York, including Alliance for Lupus where he is presently co-chairing the walk-a-thon with Woody Johnson. Mr. LaVecchia supports the Boomer Esiason Foundation, a charity devoted to finding a cure for cystic fibrosis and is also associated with the Joe Torre's Safe at Home Foundation.**

# Presenter Biographies



**Jeffrey Hogan**

**Managing Director, Business Development**

**As Managing Director for Business Development at BGC Partners, Mr.. Hogan is responsible for ongoing business development and relationship management with clients in Europe and for liaising with government and regulatory bodies globally.**

**Based in London, he has engaged in sales, product development and strategic development issues since the formation of BGC in October 2004. In particular, Mr.. Hogan has spearheaded BGC's efforts globally to engage with and influence ongoing discussions surrounding regulation, technology, and market structure issues facing the derivatives markets. Prior to his role with BGC, Mr.. Hogan spent 19 years at Cantor Fitzgerald and eSpeed Inc. in New York and London. During this period he managed several derivative and cash brokerage units and was Managing Director of e-Commerce at Cantor Fitzgerald. In addition, he was heavily involved in sales, product development and merger & acquisition activity at eSpeed.**

**Before joining Cantor Fitzgerald and eSpeed, Mr.. Hogan served in various trading and management positions for four years at Bankers Trust Company in New York and for five years at Manufacturers Hanover Trust in London. Mr.. Hogan contributes regularly to conferences in Europe, Asia and North America on topical matters in the fixed income, derivatives, and e-commerce industries and represents BGC at ISDA, SIFMA, the WMBA and the European Covered Bond Council.**

# 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, RPU, 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, RPU, 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.