



**voice  *electronic brokerage***

**Howard Lutnick, Chairman & CEO**

**Raymond James 32nd Annual Institutional Investors Conference**

**March 7, 2011**

# 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' public filings which are incorporated into this document by reference.

## Note Regarding Financial Tables and Metrics

An excel file with the Company's quarterly financial results and metrics from full year 2008 through the fourth quarter of 2010 is accessible at the "Investor Relations" section of <http://www.bgcpartners.com>. It is also available directly at <http://www.bgcpartners.com/ir-news>.

## Distributable Earnings

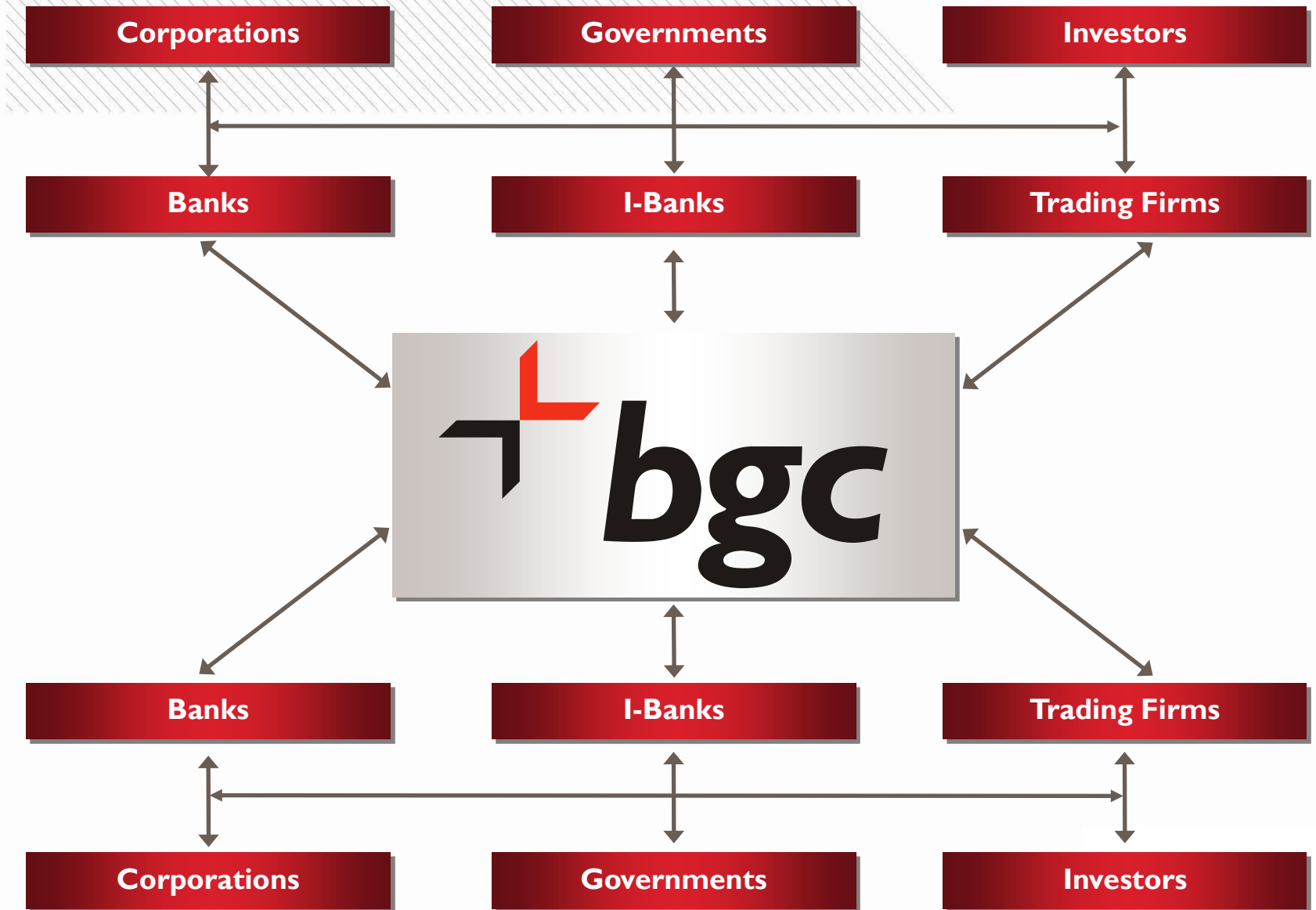
This presentation should be read in conjunction with BGC's most recent financial results press release. Unless otherwise stated, throughout this presentation we refer to our results only on a distributable earnings basis. For a complete description of this term and how, when and why management uses it, 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>.



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**Overview**

# BGC Partners – A Leading Inter-Dealer Broker



# Business Overview

## Voice / Hybrid Broking

→ Key products include:

- Rates
- Credit
- Foreign Exchange
- Equity Derivatives
- Other

→ 1,705 brokers and salespeople

→ Over 200 desks

→ In 24 cities



## Electronic Broking

→ Key products include:

- Treasuries
- Credit Default Swaps
- FX Derivatives
- European Government Bonds
- Spot FX
- Canadian Sovereigns

→ Proprietary network connected to the global financial community

→ Substantial investments in creating proprietary technology / network



## Market Data/ Software Solutions

→ Develops and markets real-time proprietary pricing data



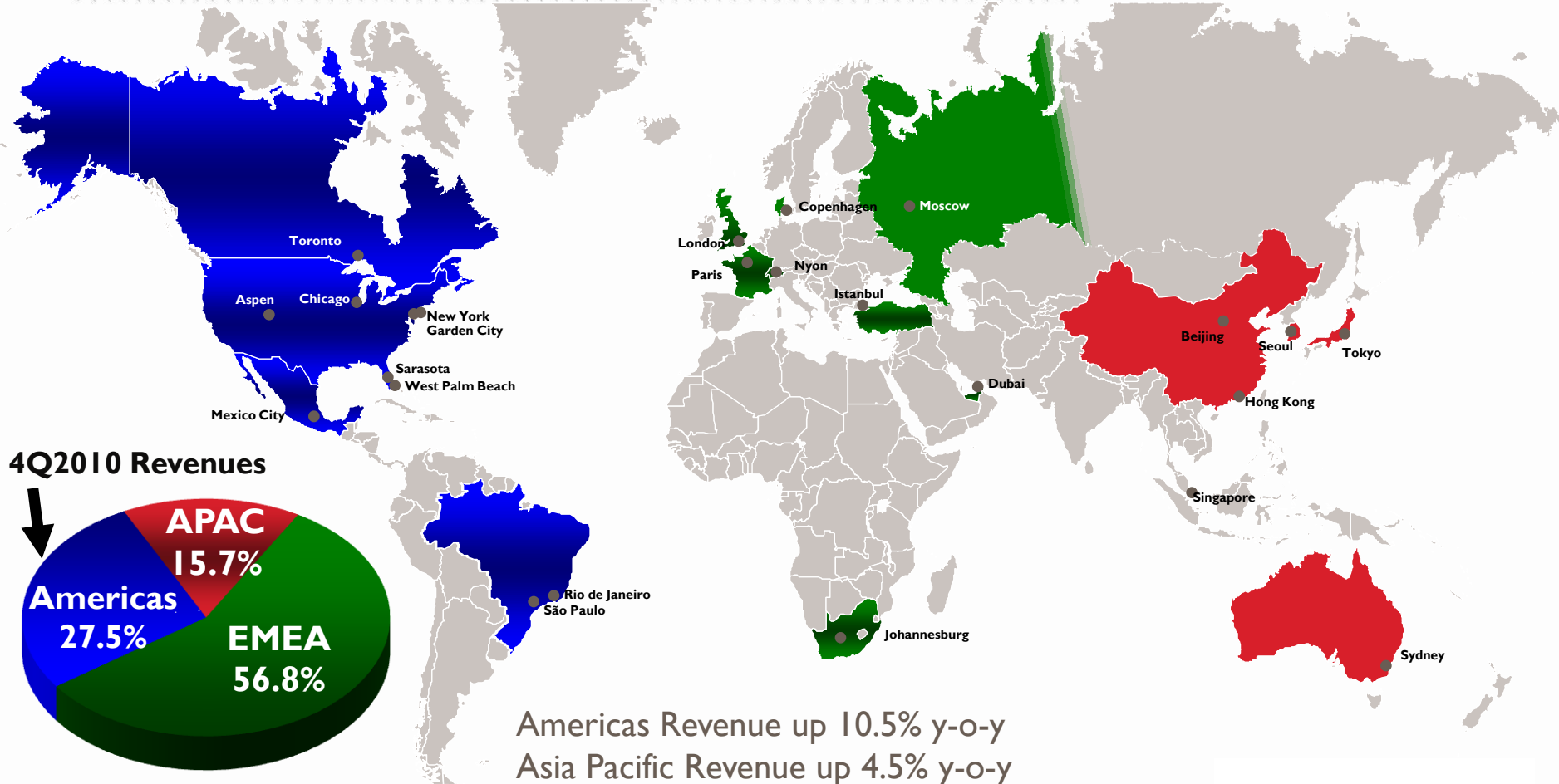
→ Provider of customized screen-based solutions which enable clients to develop electronic marketplaces



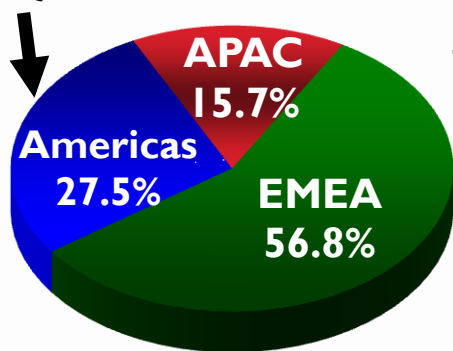
# Solid Business with Significant Opportunities

- 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

# 4Q2010 Global Revenue Breakdown

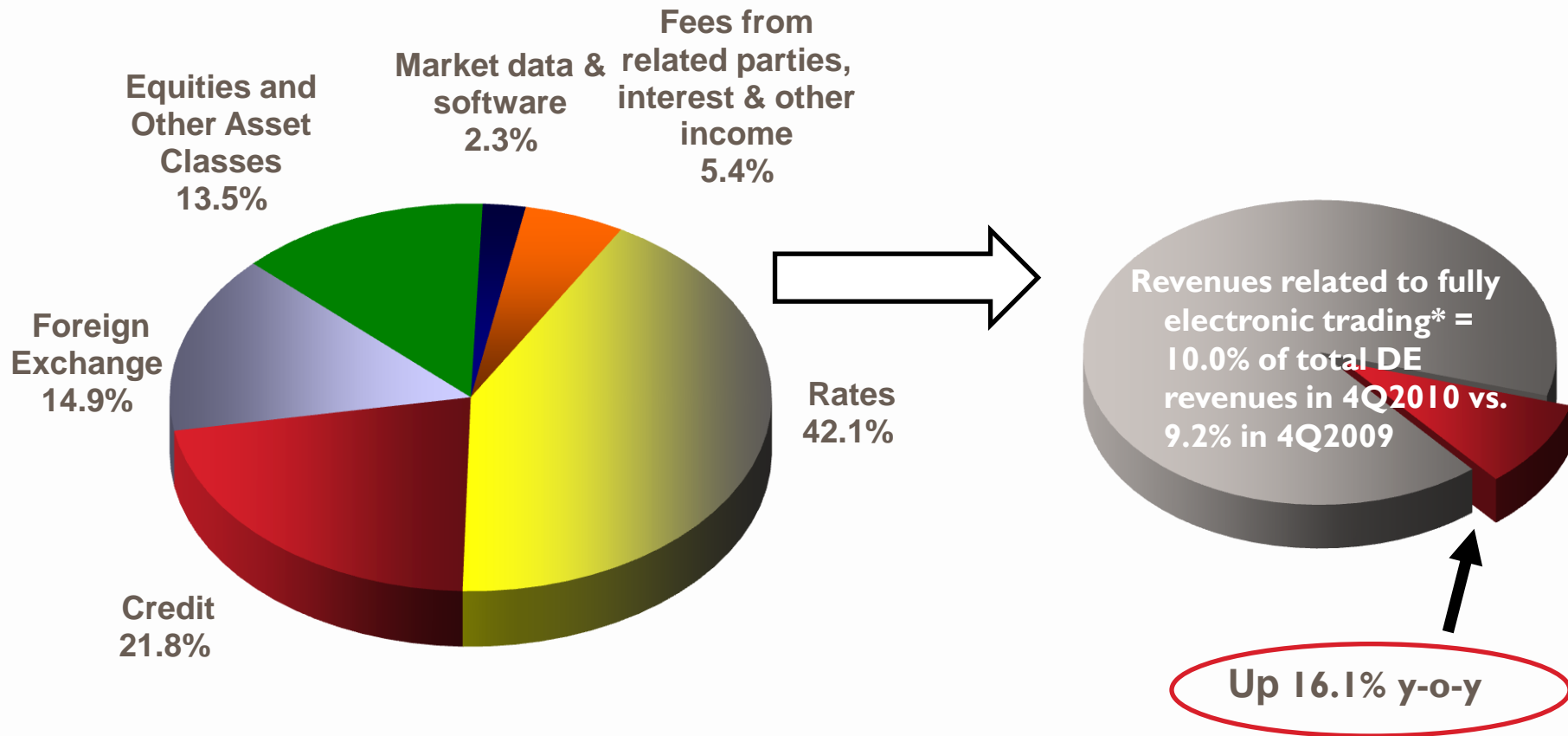


4Q2010 Revenues



Americas Revenue up 10.5% y-o-y  
 Asia Pacific Revenue up 4.5% y-o-y  
 Europe, Middle East & Africa Revenue up 7.1% y-o-y

# 4Q2010 Revenue Breakdown by Product





# Significant Leverage Through Scale and Technology

## Pre-Tax Distributable Earnings Contribution

30%  
Incremental  
Margin

**Hybrid Brokerage:  
Hire and Acquire**

45-75%  
Incremental  
Margin

**Fully Electronic:  
Convert**

35-50%  
or more  
Incremental  
Margin

**Market Data & Software:  
Distribute**



Note: Incremental margin estimates based on BGC's historical financial performance.

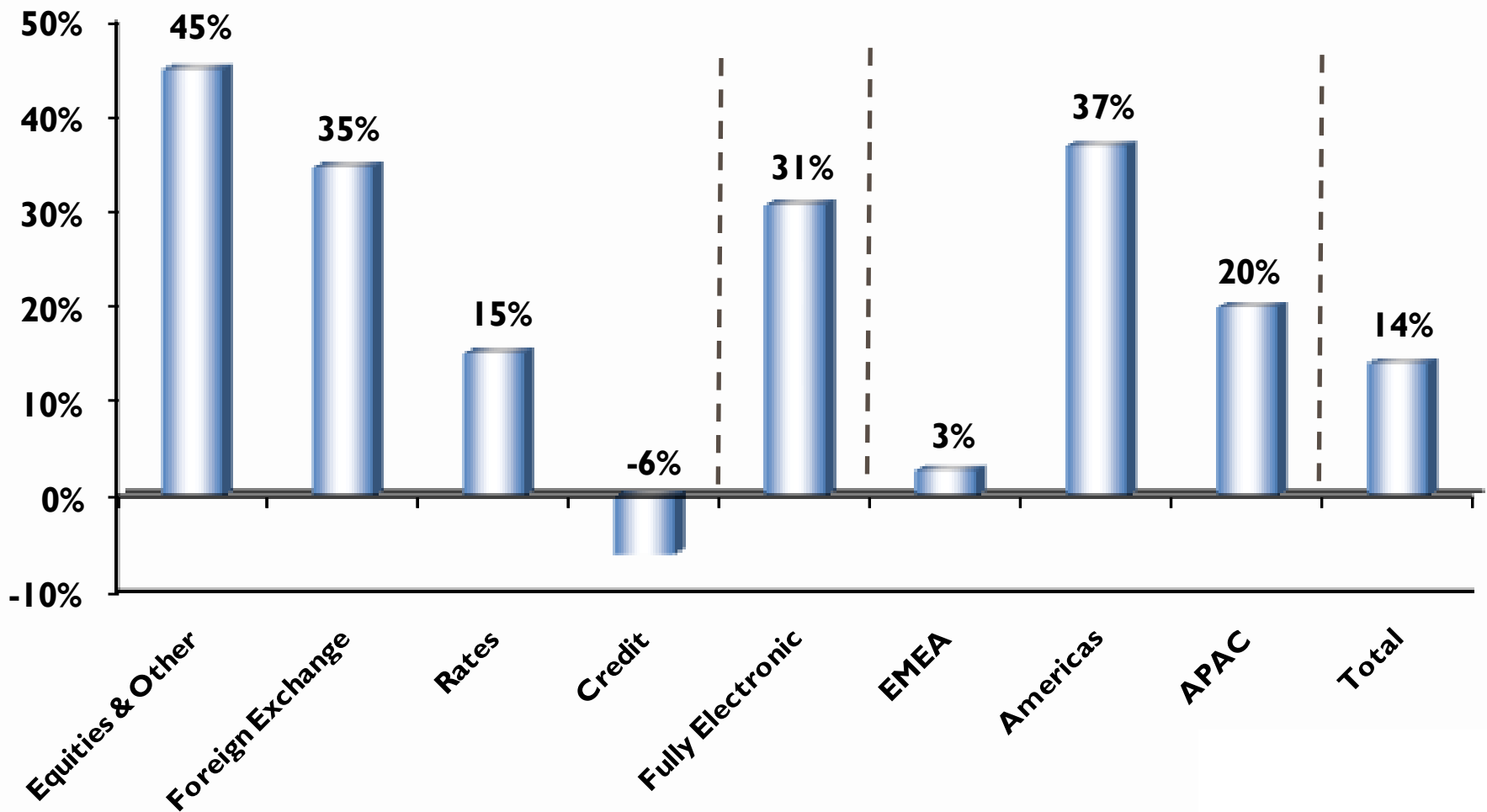


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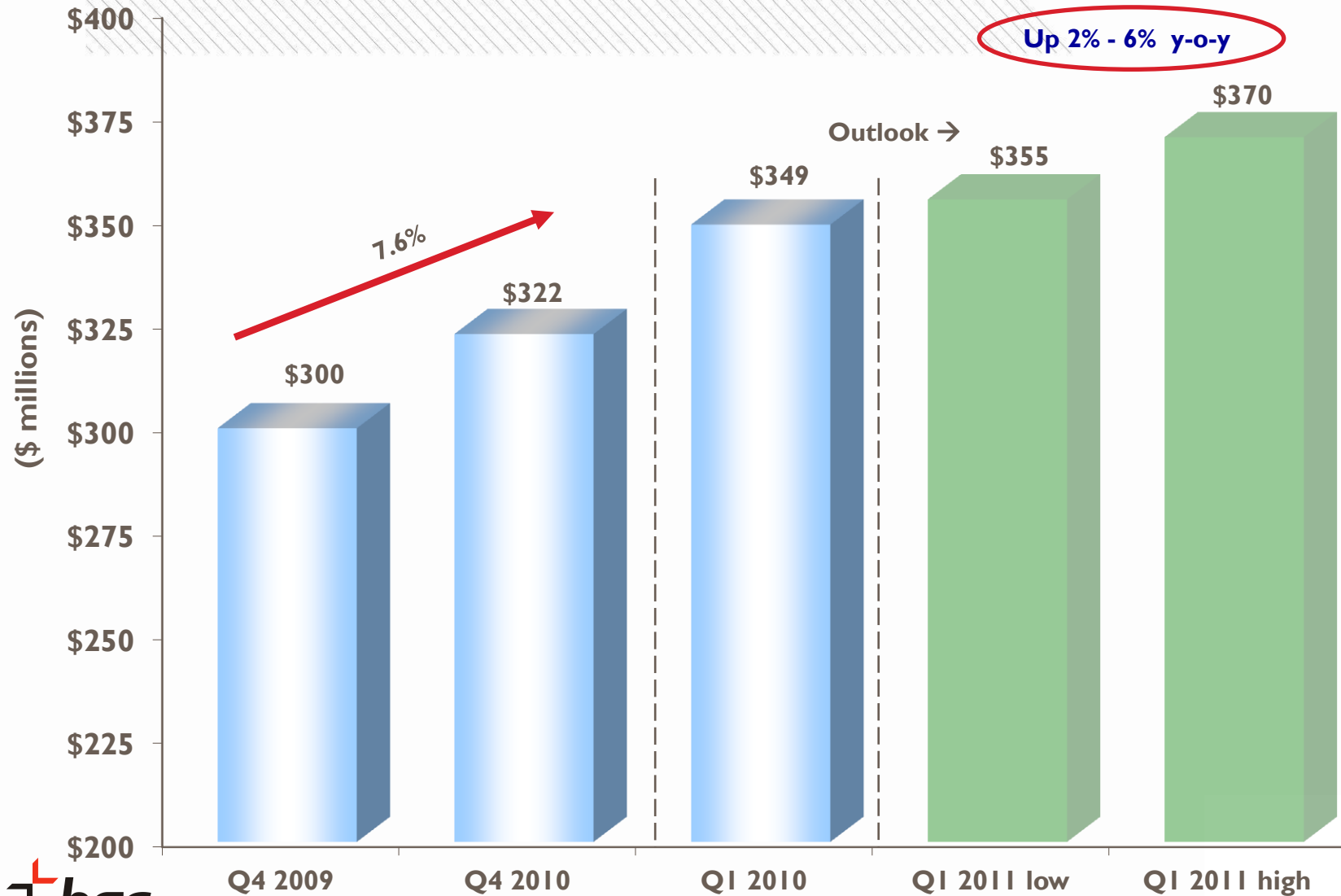
**Strong Performance**

# Solid Revenue Growth Across Most Products and Geographies

FY 2010 Revenue Growth



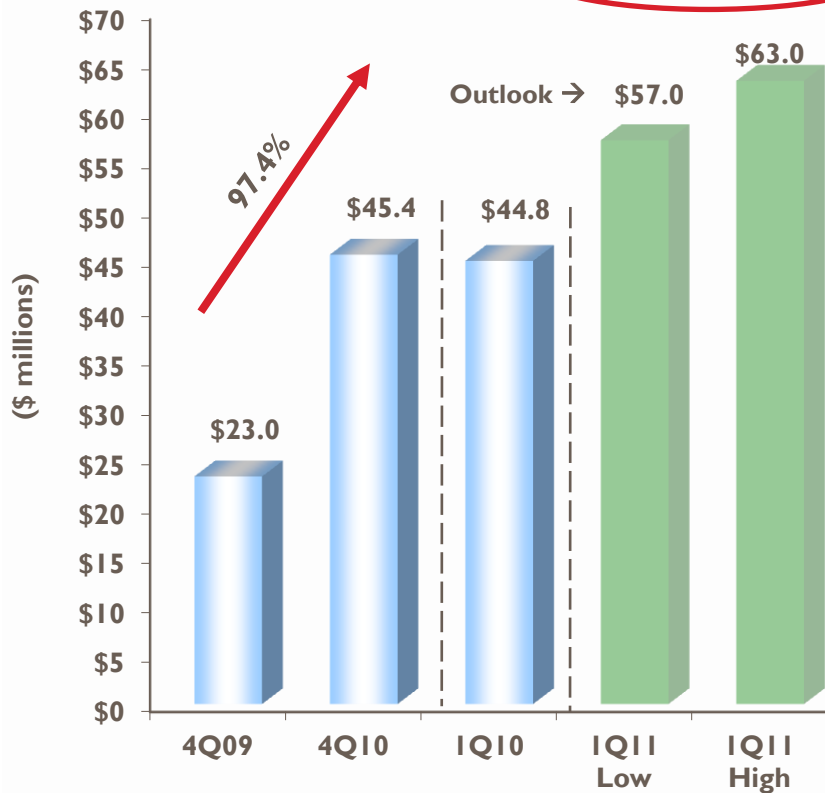
# BGC Revenue Trend (millions)



# Distributable Earnings Growth

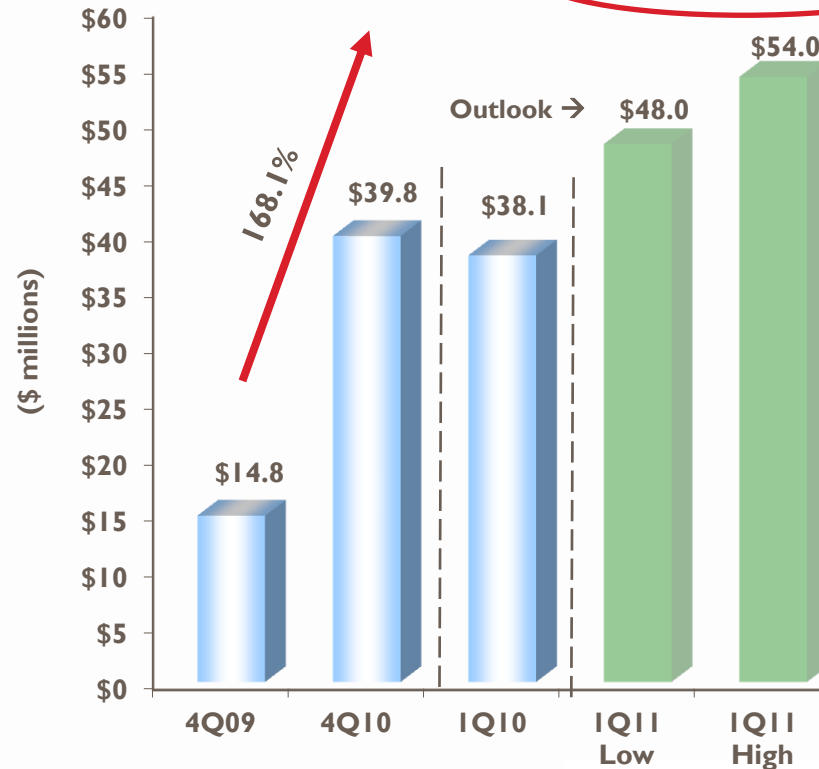
## Pre-tax Distributable Earnings Growth

Up 27% - 40% y-o-y



## Post-tax Distributable Earnings Growth

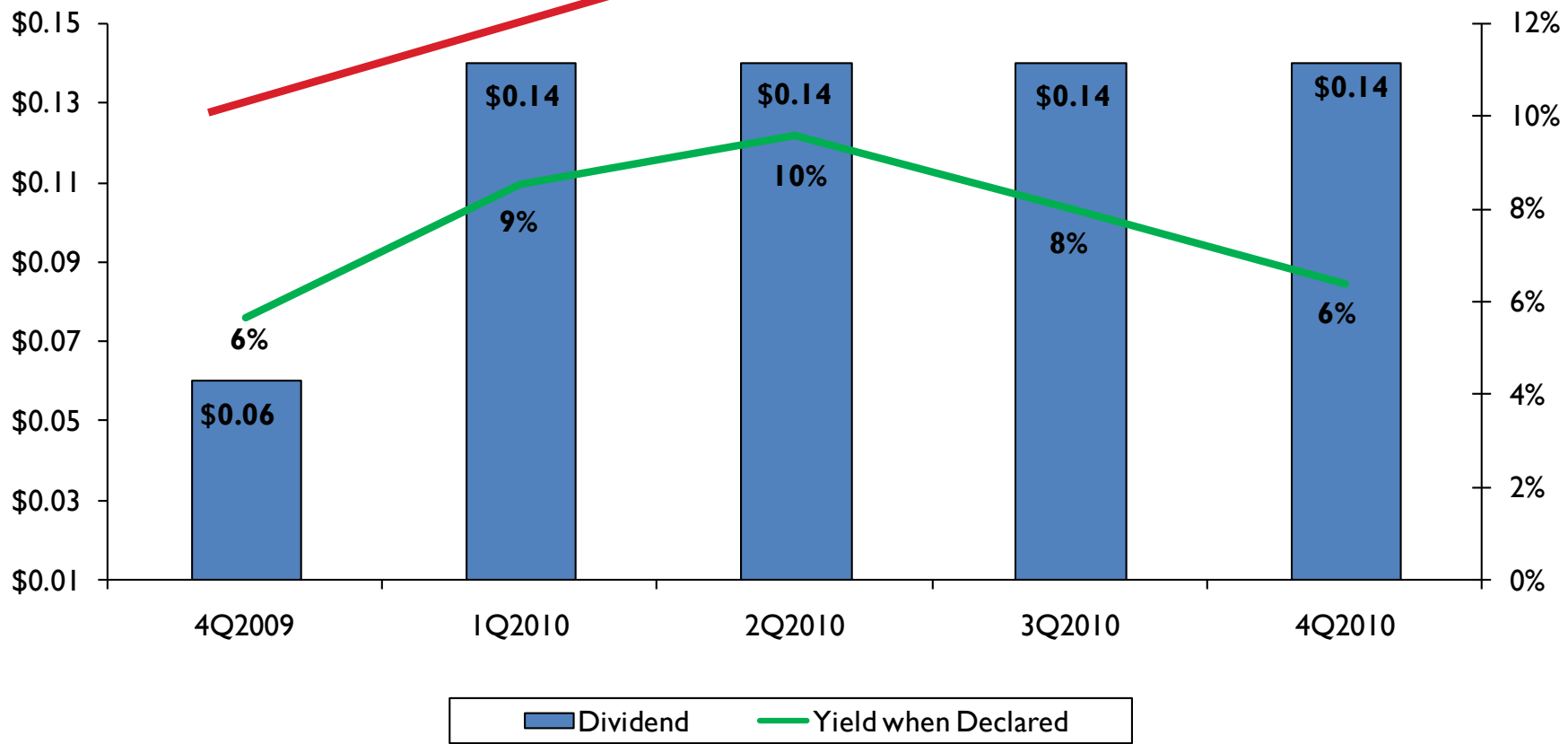
Up 26% - 40% y-o-y



→ Fourth quarter pre-tax & post-tax distributable earnings per fully diluted share were up 73% and 143% y-o-y, respectively

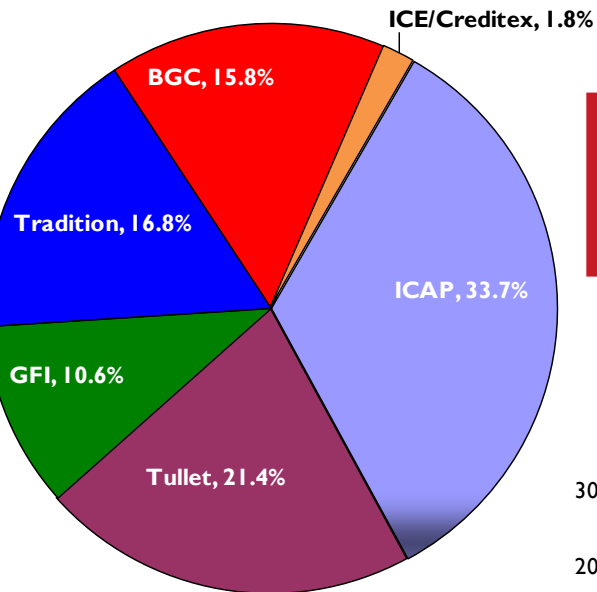
# Strong, Steady Dividend Growth

+133% Y-O-Y



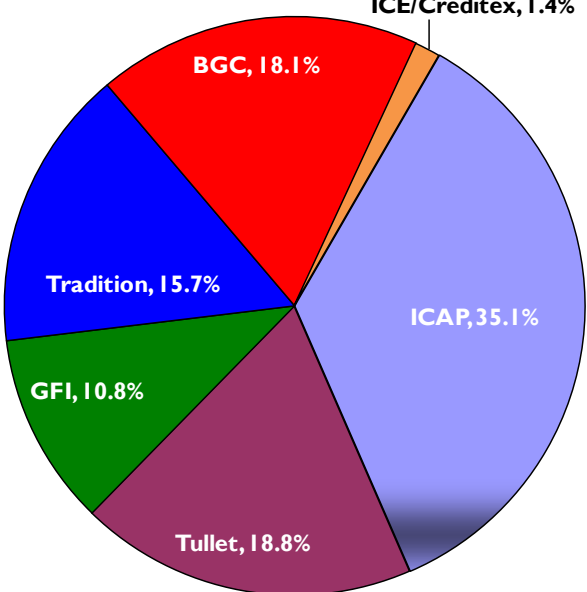
# BGC: Strongest Market Share Gain

TTM 2009 Market Share

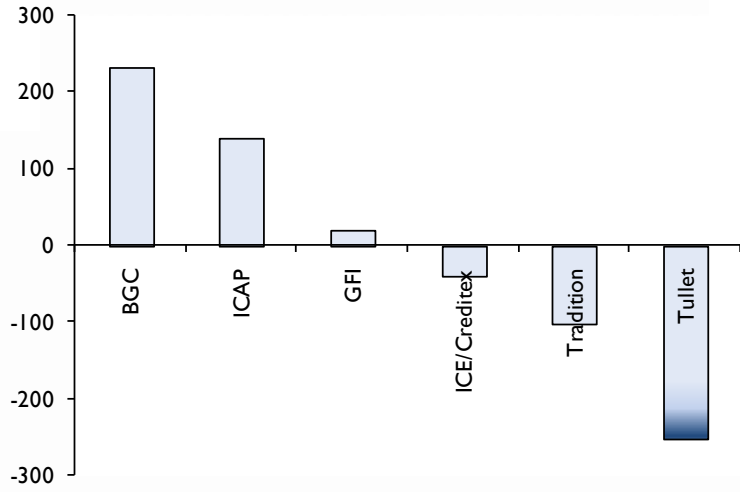


**BGC gained ≈ 230 BP of market share in \$US terms y-o-y = strongest relative performance amongst public IDBs**

TTM 2010 Market Share



Share Gained (Lost) in Basis Points

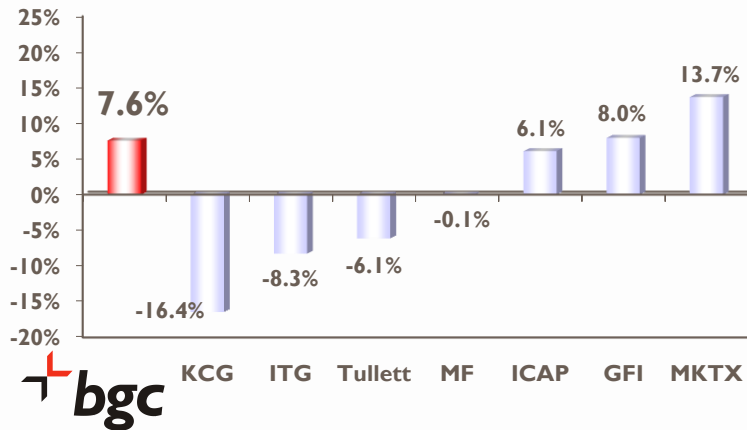


Note: The above analysis uses revenue figures as reported by the above companies and converts them to US dollars at the relevant historical average exchange rates. 100% = total revenues for the 6 abovementioned companies at the relevant historical average exchange rates. TTM period for BGC, GFI, ICE, and Tradition is ended 12/31; for ICAP is ended 9/30; for Tullet it is for TTM ended 10/31. For both periods, ICE/Creditex revenues are for OTC Credit execution only. Note that the totals may not add to 100% due to rounding.

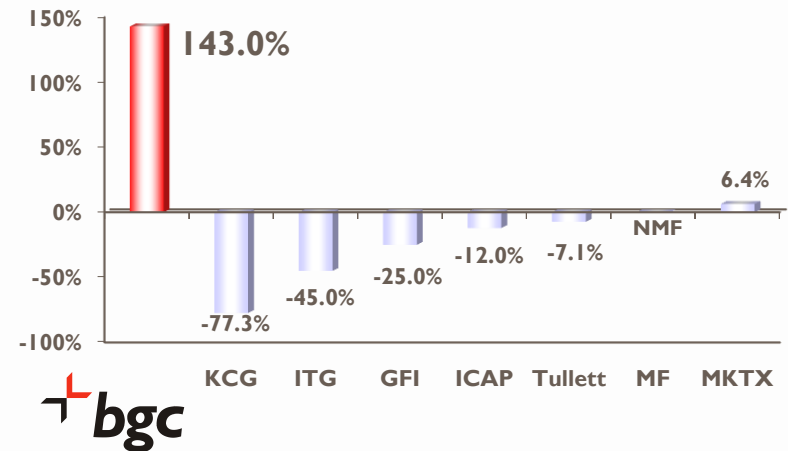
# Leading Financial Intermediary

## Operational comparison

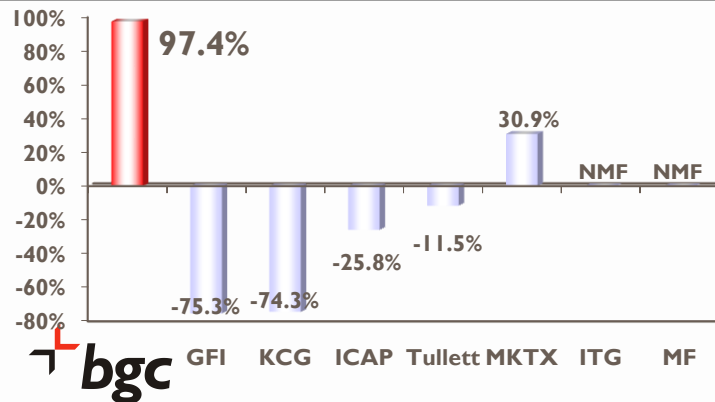
### Y-O-Y Revenue Growth (MRP Available)



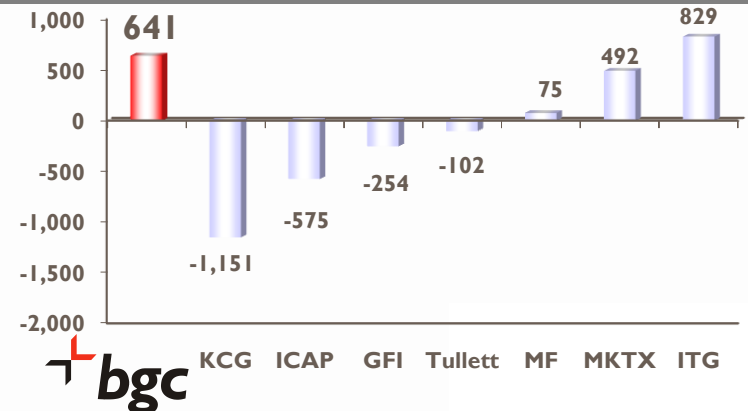
### Y-O-Y EPS Growth (MRP Available)



### Y-O-Y Pre-tax Profit Growth (MRP Available)



### Y-O-Y Pre-Tax Margin Expansion (in BPS, MRP Available)



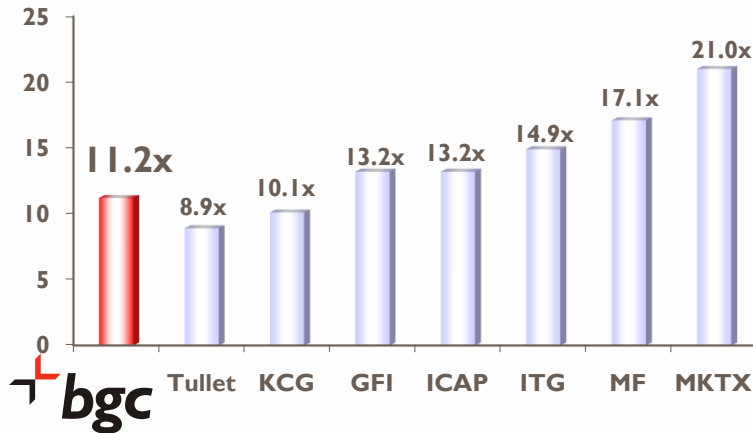
Note: Source is Bloomberg or company filings. Data for calculations is sourced in US dollars from Bloomberg. MRP available is 3 Mos ended December 31 for BGC, GFI, ITG, KCG, MKTX, and MF. Most recent period available for ICAP, is 6 Mos ended Sept 30, and for TLPR, most recent period available is 6 Mos ended June 30.



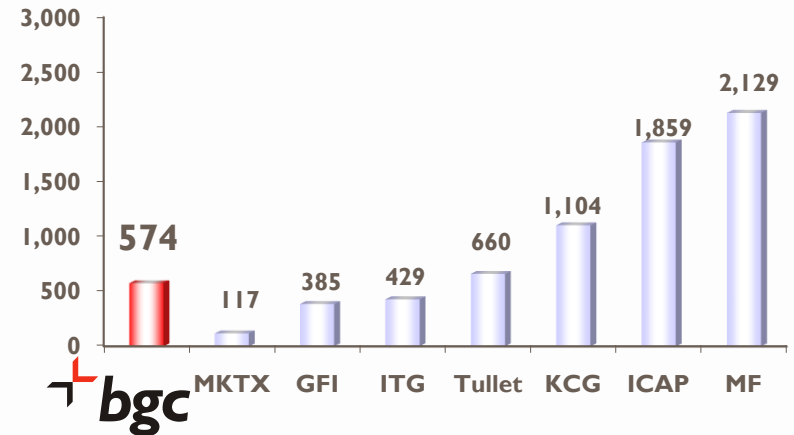
# Leading Financial Intermediary

## Operational comparison (Continued)

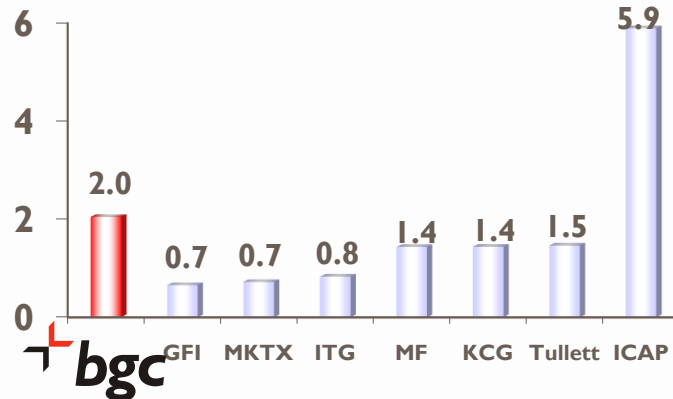
2011 P/E Multiple



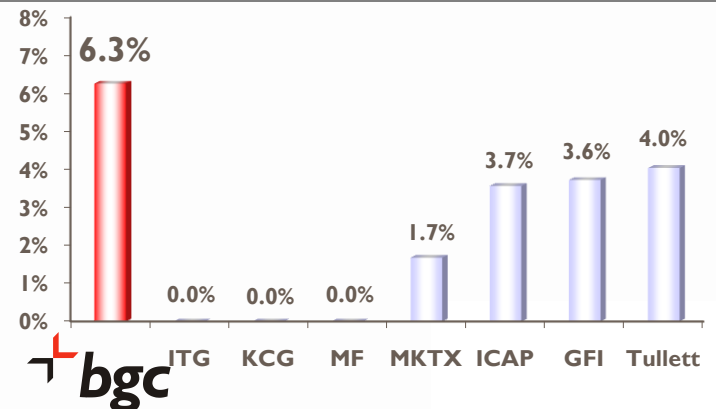
3-Mos Avg. Daily Volume (in thousands)



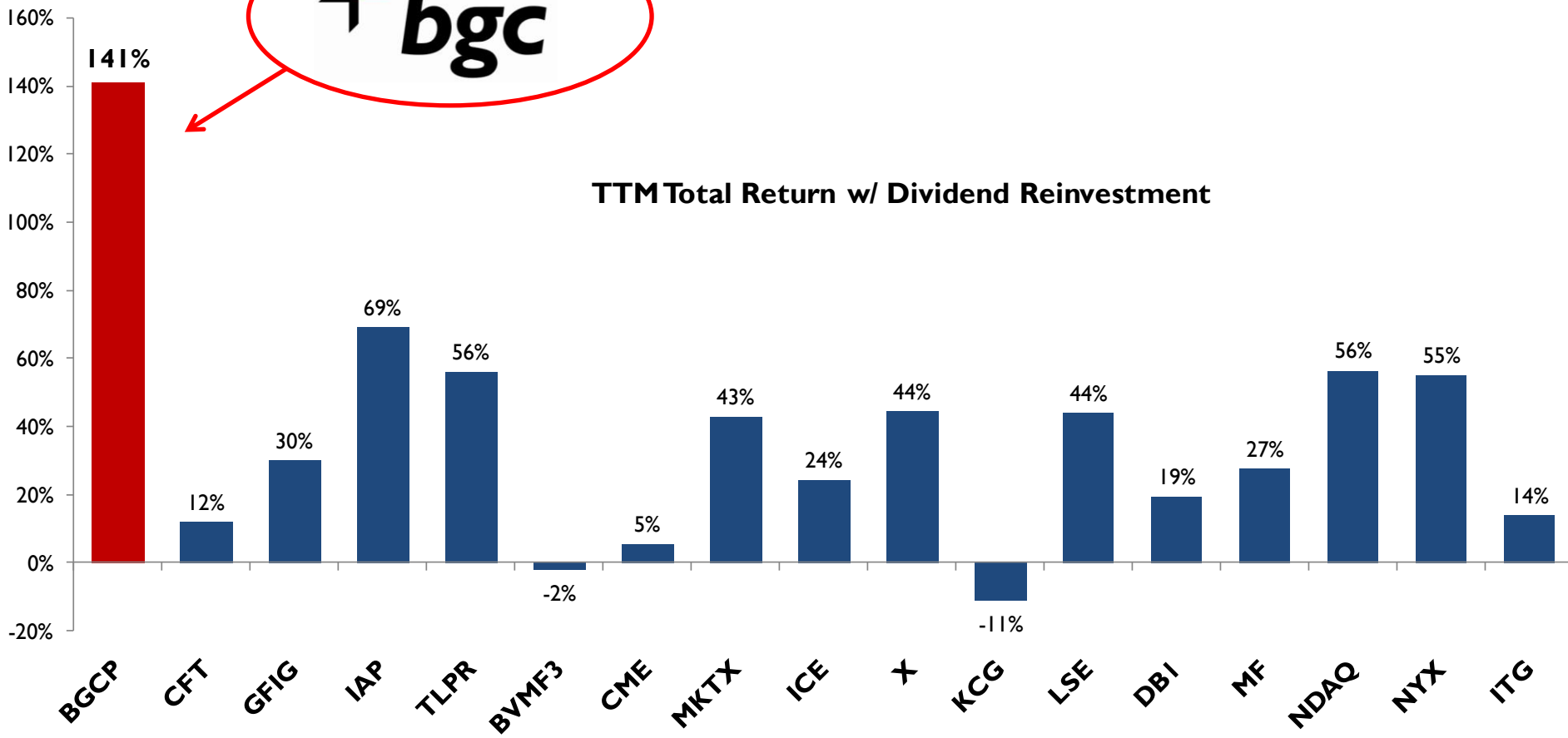
Market Cap (in USD B)



Implied Dividend Yield



# BGCP Solidly Outperforms the Market Structure Group



Source: Bloomberg. Total Return = stock/index performance with dividend reinvestment as of 2/18/11 end of day.

# Growth Drivers: Positive Momentum

Why Such Strong Performance For BGC?

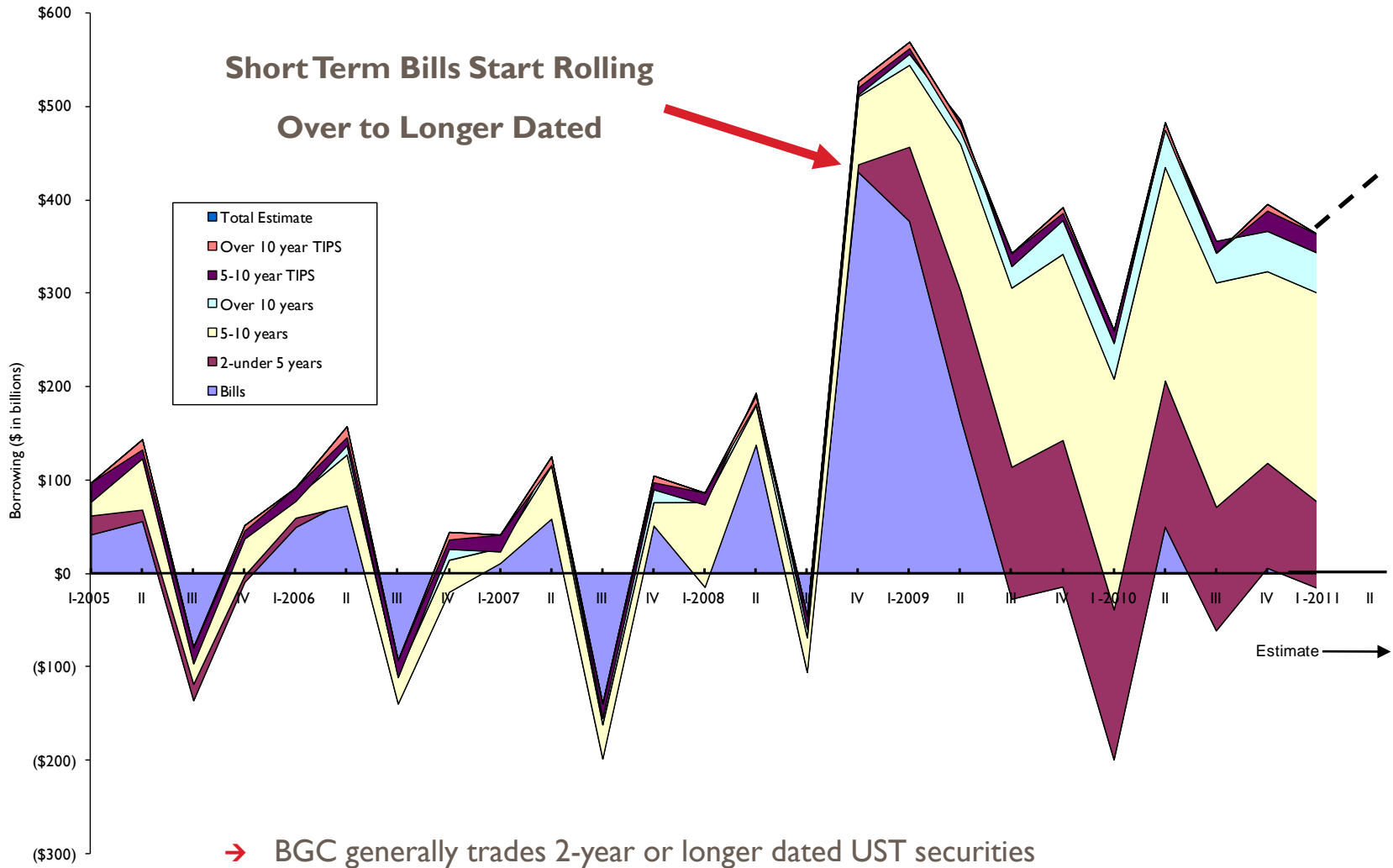
MASSIVE  
SOVERIEGN  
ISSUANCE

HEADCOUNT  
GROWTH  
&  
MARKET  
SHARE  
GAINS

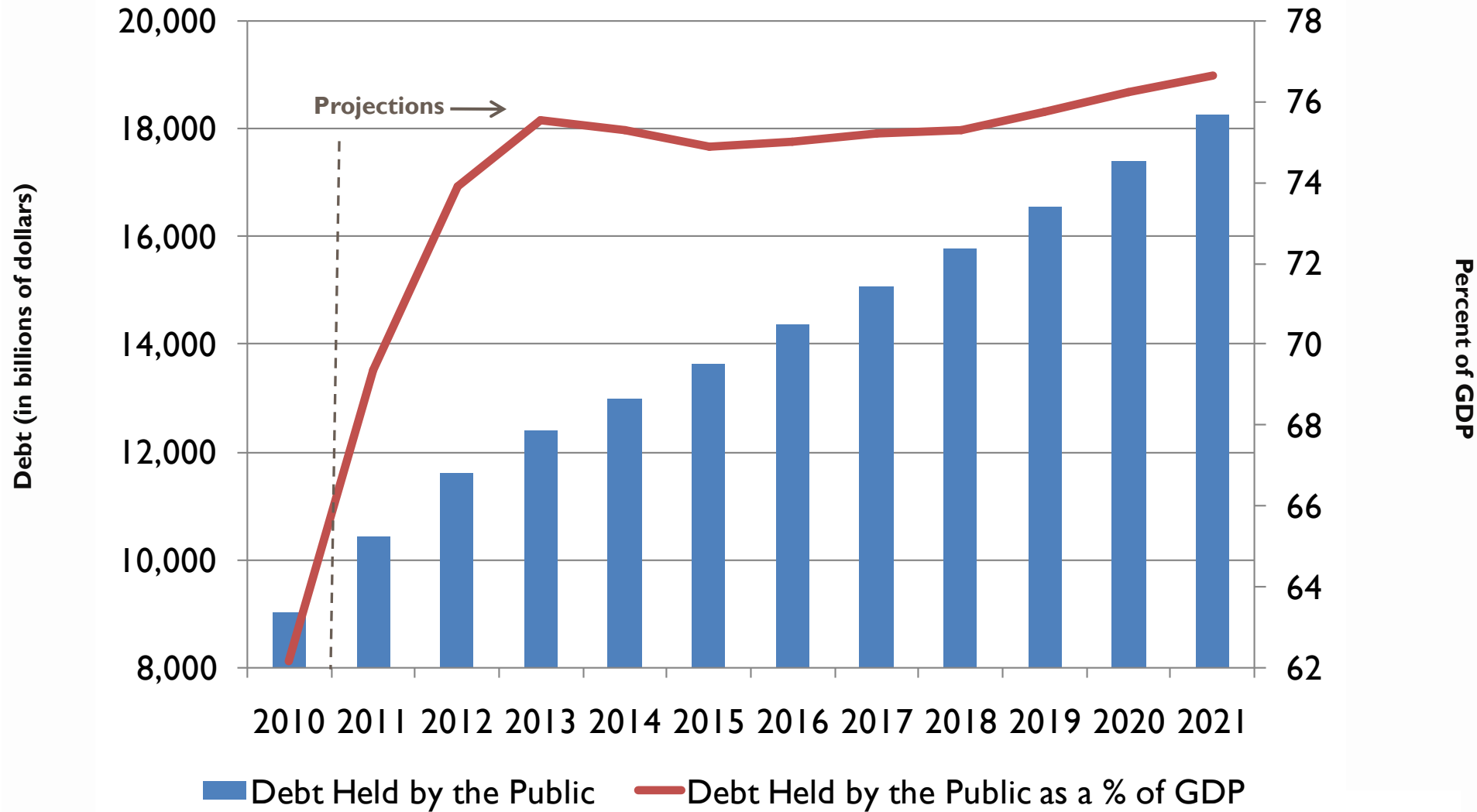
FULLY  
ELECTONIC  
TRADING

# Record US Treasury Issuance = Continued Tailwind

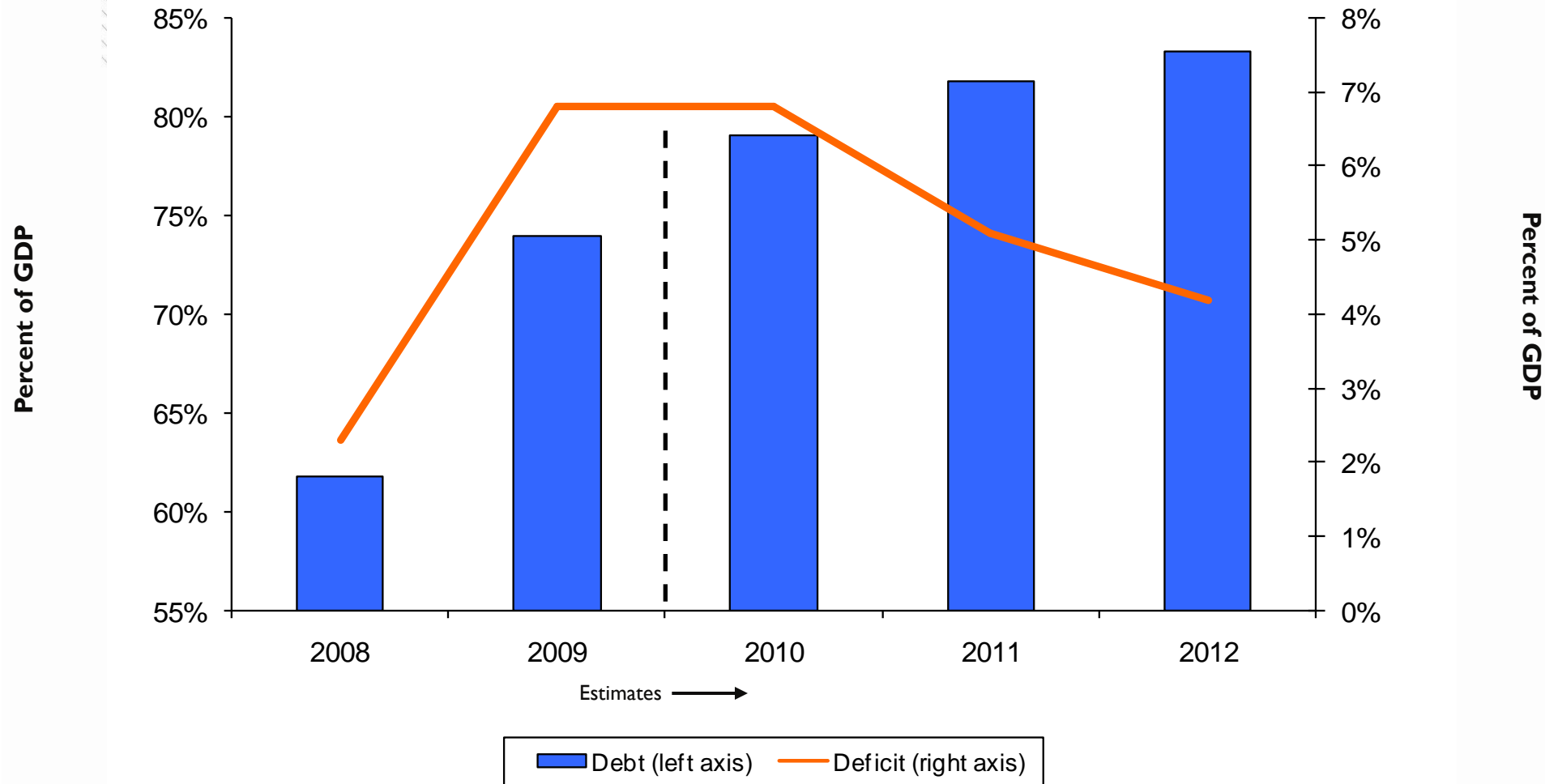
Treasury Quarterly Net Borrowing



# US Federal Debt Balance Should Keep Growing...



# ...As Should EU Deficits and Gross Debt



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

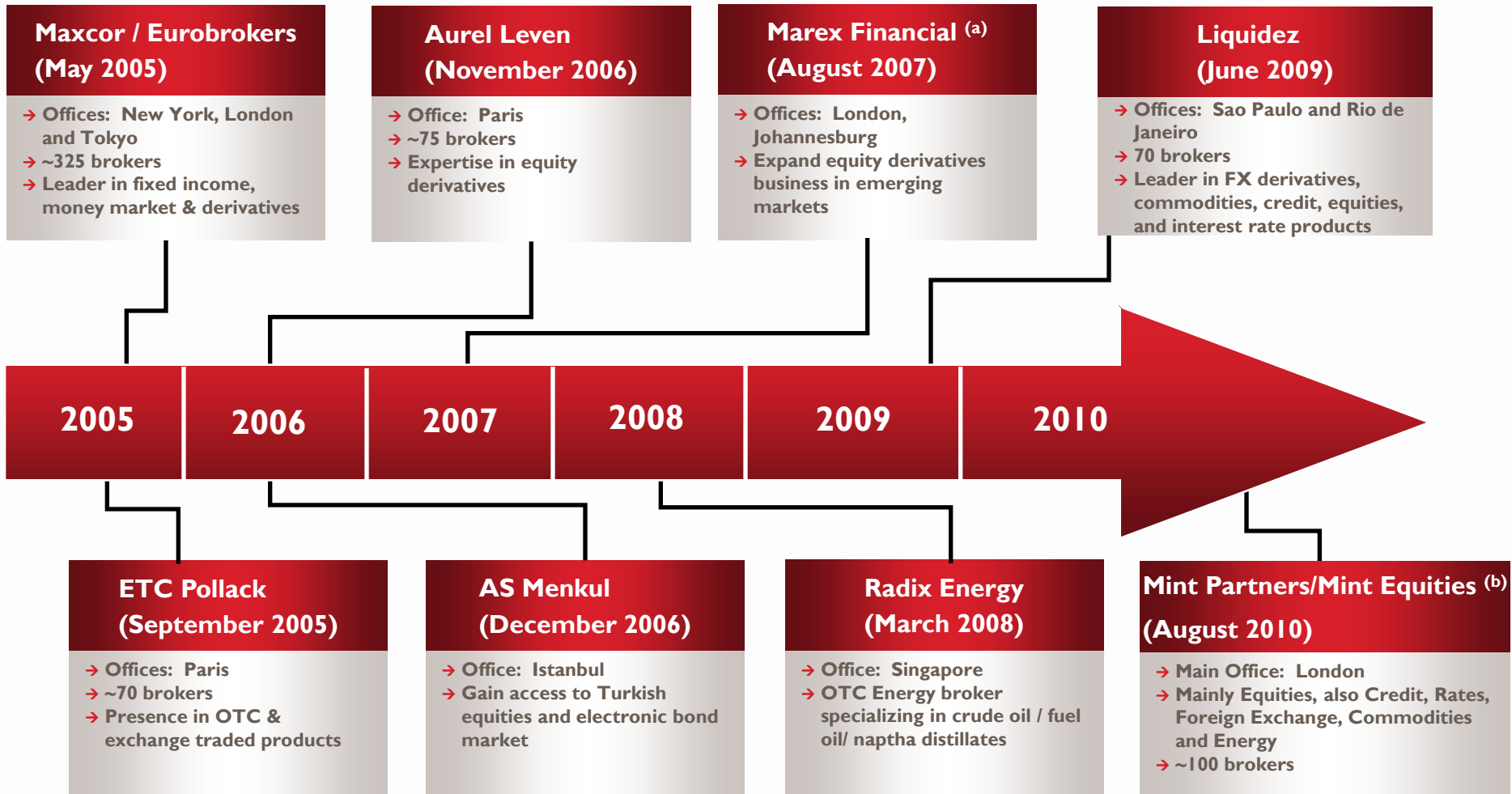
# BGC's Ability to Attract and Retain Key Talent

- Partnership structure tax efficient for both partners and public shareholders
- Partnership is a key tool in attracting and retaining key producers
- Unlike peers, large number of key employees have sizable and mostly restricted equity or unit stakes ( $\approx 38\%$  of fully diluted shares\*)
- Fundamental alignment of employees' interests with shareholders'
- Structure combines best aspects of private partnership with public ownership





# Strong Record of Successful, Accretive Acquisitions



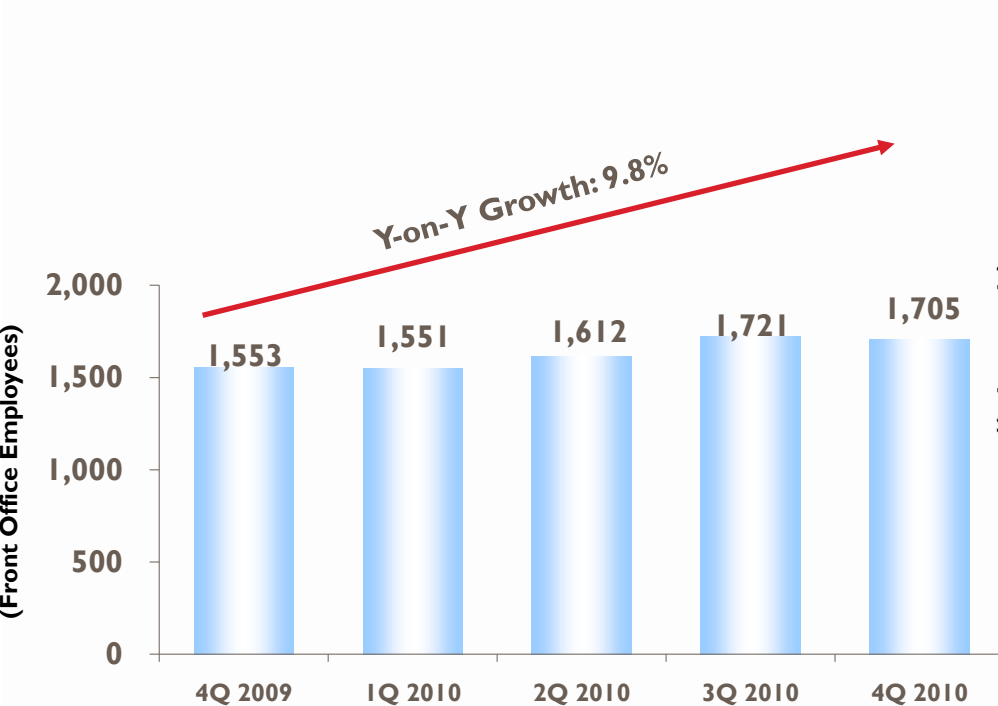
(a) BGC acquired Marex Financial's emerging markets business.

(b) BGC acquired various assets and businesses of Mint Partners and Mint Equities.

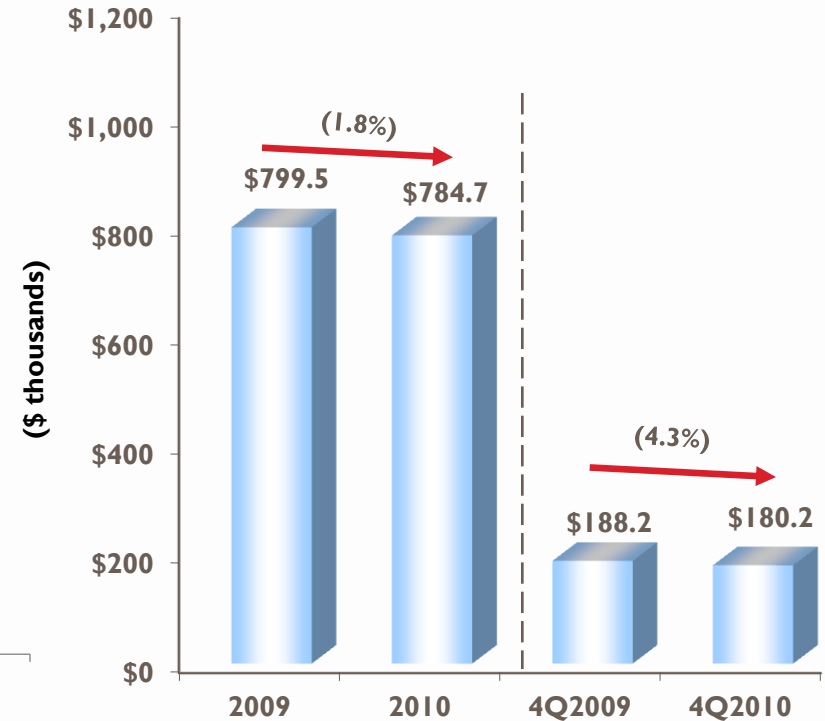


# BGC Front Office Employee Growth

## Front Office Headcount

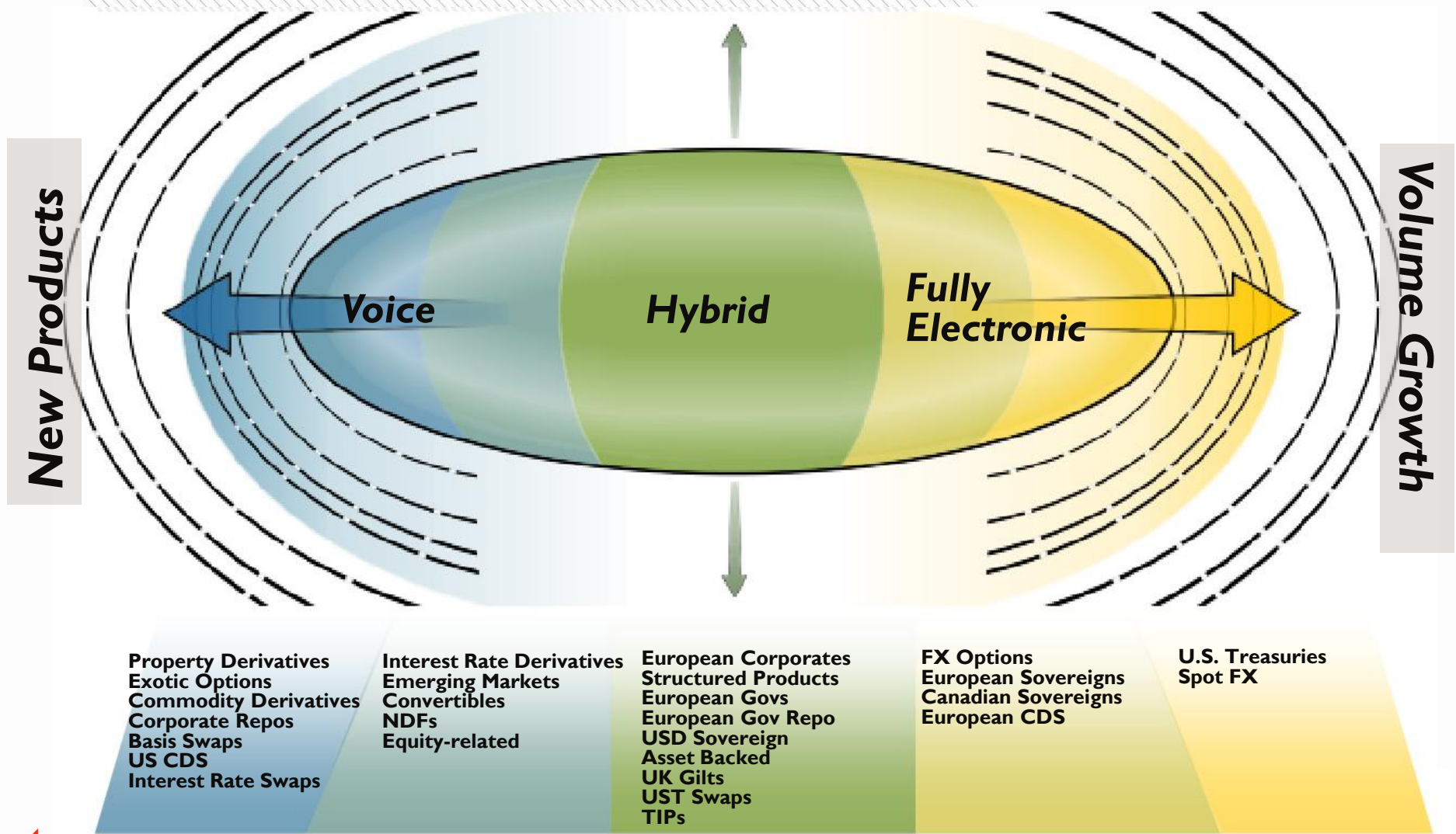


## Front Office Productivity (in thousands)



→ Historically, the Company's average revenue per front office employee has declined for the periods following significant headcount increases. BGC Partners' new front office employees generally achieve higher productivity levels in their second year with the Company

# BGC's Product Spectrum in Late 2008 ≈ 20 e-brokered Desks



# Q1 2011, More Than 75 Desks Offer Fully Electronic Trading

**New Products**

**Volume Growth**



- Money Markets
- Property Derivatives
- Exotic IR & FX Options
- Commodity Derivatives
- Shipping
- Commodities
- USD & EUR Sovereigns
- New Issue Securities

- Interest Rate Derivatives
- Cash Equities
- Basis Swaps
- Inflation Swaps
- Floating Rate Notes
- Base Metals
- Asset Backed Securities
- Convertible Bonds
- Covered Bonds

- UST Curve Swaps
- UST Off-the-Runs
- European Gov't Bonds
- Equity Derivatives (Global)
- UK Gilts
- Emerging Market Bonds

- FX Options
- European Corporates
- Single-Name CDS (Global)
- CDS Indices (Global)
- Sovereign CDS
- Euro Interest Rate Swaps
- US Dollar IRS
- SGD IRS and INR IRS
- Asian Convertible Bonds
- US Dollar IR Options
- Yen IR Options
- Non-deliverable Forwards
- Base Metals Options
- Precious Metals Options
- Liquidez DMA
- + others

- US Treasuries
- Spot FX
- ELX-CME Basis Swaps
- Futures Routing
- Canadian Sovereigns

# BGC Should Benefit from Proposed OTC Changes

- We profitably broker OTC and exchange traded, centrally cleared products
- We strongly favor open and non-discriminatory central clearing
- We are generally paid significantly faster by central clearing organizations
- Central clearing may lead to higher OTC volumes in certain markets
- BGC has competitive advantage versus IDB peers if hybrid or electronic trading is encouraged and/or required
- BGC should qualify as a "swap execution facility" and other equivalent terms

# 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



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**Q&A**





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**Appendix**

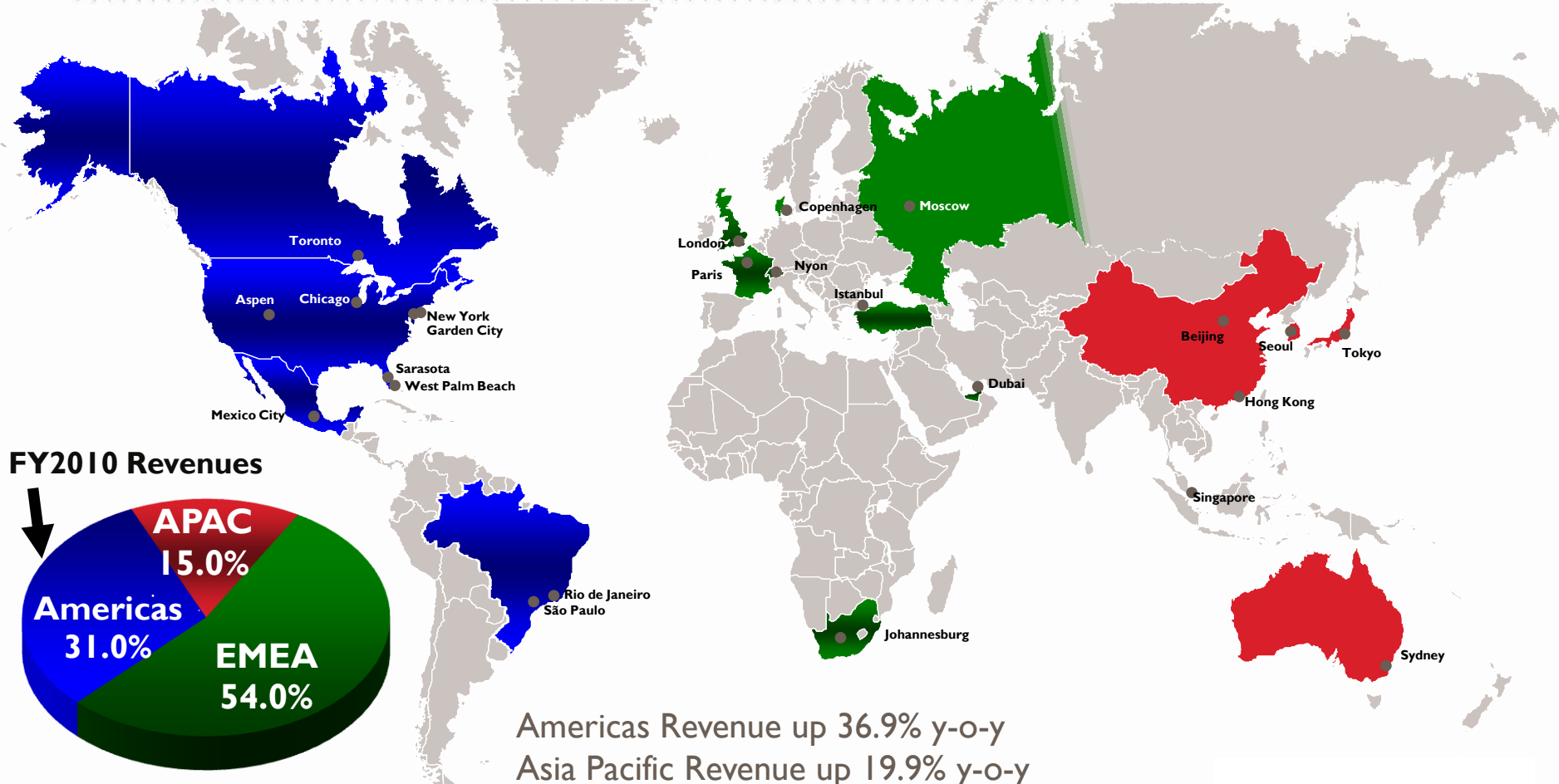
# ELX Update

Offers US Treasury futures, Eurodollar Futures

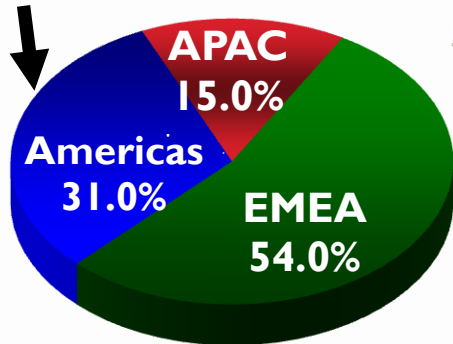
- Recent records in single-day total volume and market share:
  - 100K+ contracts traded on 1/5/2011
  - Market share = nearly 5% on 1/10/2011.
  - OI for Eurodollar futures = 235,501 contracts on 1/27/2011
- Options on Futures, other products in development
- Partners include nearly all the largest FCMs\* and most active futures trading firms: Bank of America Merrill Lynch, Barclays Capital, Breakwater, Citi, Credit Suisse, Deutsche Bank Securities, GETCO, Goldman Sachs, JPMorgan, Morgan Stanley, PEAK6 and The Royal Bank of Scotland
  - Partners recently participated in capital raise
- Customers include top FCMs like MF & Newedge
- OCC provides clearing services
- CFTC is reviewing EFFs



# Full Year 2010 Global Revenue Breakdown



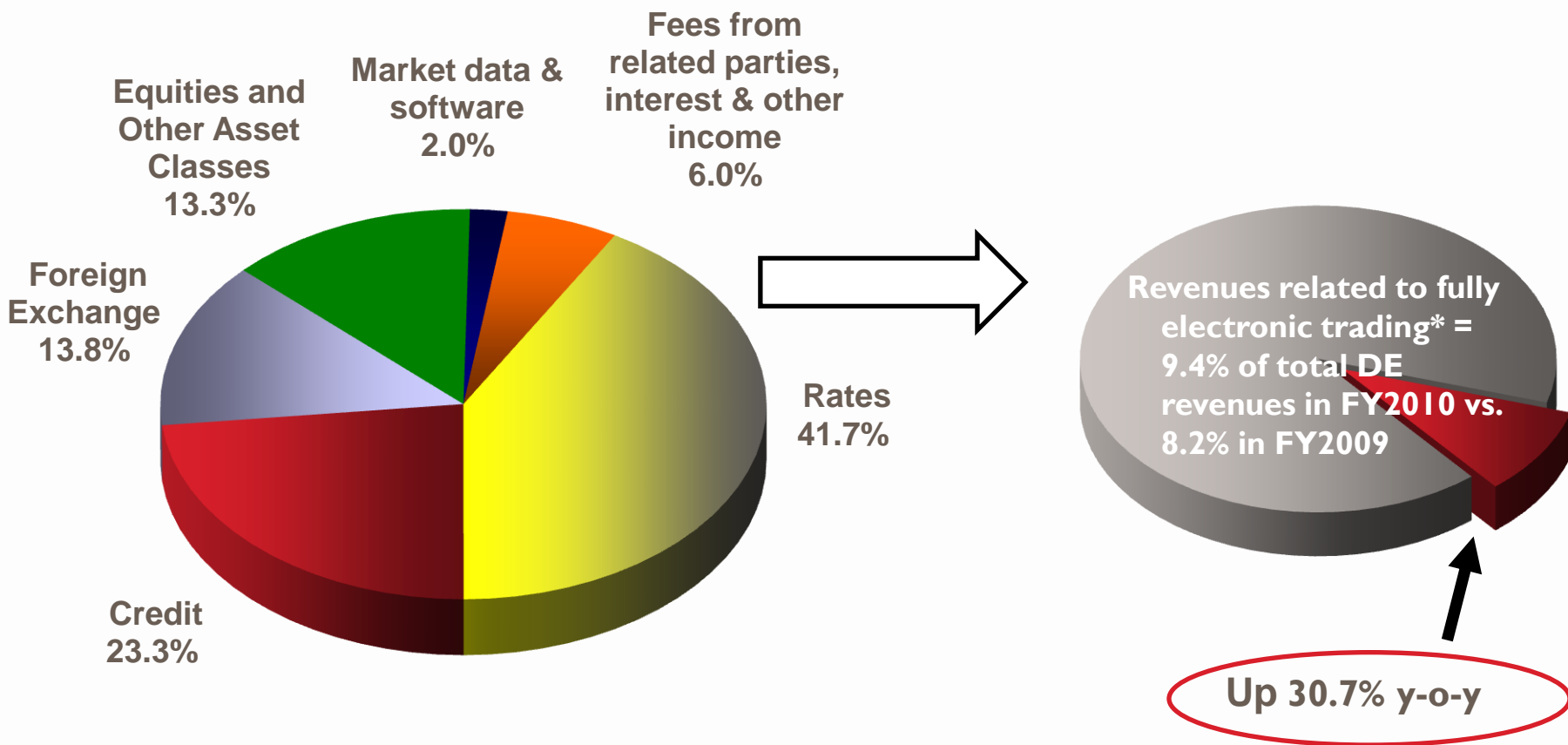
FY2010 Revenues



Americas Revenue up 36.9% y-o-y  
 Asia Pacific Revenue up 19.9% y-o-y  
 Europe, Middle East & Africa Revenue up 2.7% y-o-y

Note: Based on Distributable Earnings. Total may not sum due to rounding. See the second to last page of this presentation for average exchange rates for the period.

# Full Year 2010 Revenue Breakdown by Product



# Brokerage Overview: Rates

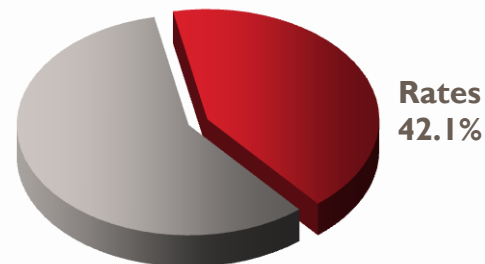
## Example of Products

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

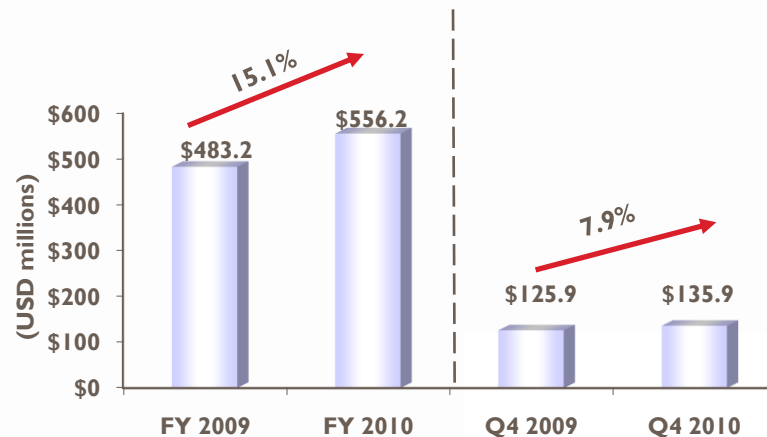
## Drivers

- Voice & fully electronic cash rates business grew due to continuing strong fixed income issuance globally
- Global activity aided by heightened global levels of interest rate volatility
- BGC's continued investment in its Rates franchise

## % of 4Q2010 Total Distributable Earnings Revenue



## Rates Revenue Growth

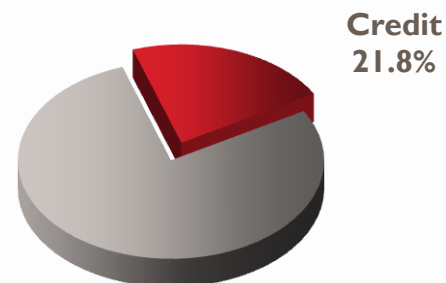


# Brokerage Overview: Credit

## Example of Products

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

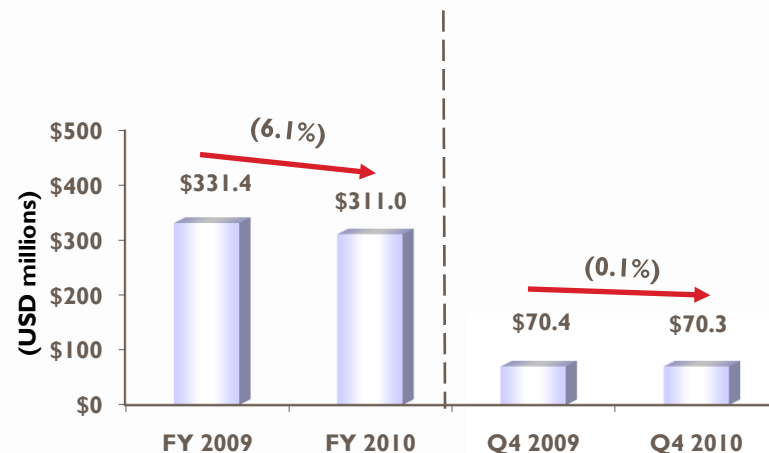
## % of 4Q2010 Total Distributable Earnings Revenue



## Drivers

- Primarily lower industry-wide corporate bond and credit derivative activity
- Partially offset by a significant increase in revenues from fully electronic credit trading
- Strong y-o-y growth in sovereign CDS activity

## Credit Revenue Growth

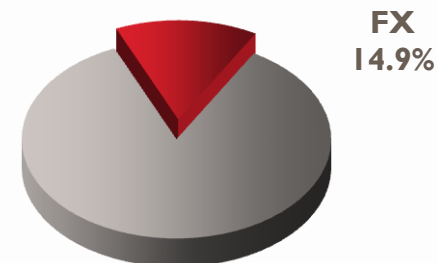


# Brokerage Overview: Foreign Exchange

## Example of Products

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

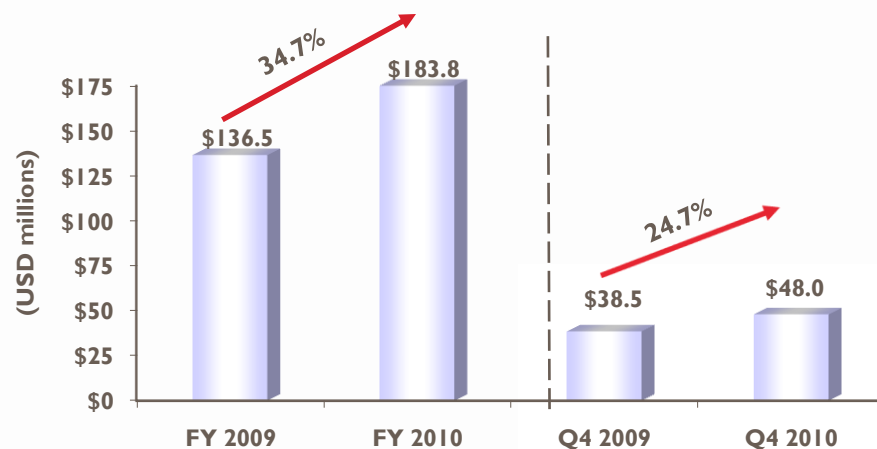
## % of 4Q2010 Total Distributable Earnings Revenue



## Drivers

- Continuing rebound in global volumes particularly as credit issues continue to ease for customers of BGC's Emerging Markets desks
- Growth in BGC's market share
- Also driven by significant y-o-y growth in revenues from BGC's fully electronic foreign exchange business

## Foreign Exchange Revenue Growth

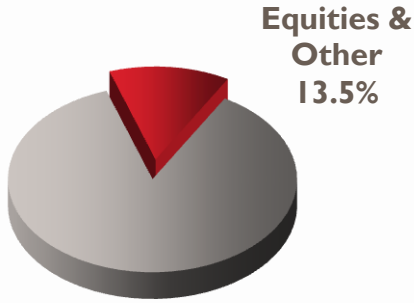


# Brokerage Overview: Equities & Other Asset Classes

## Example of Products

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

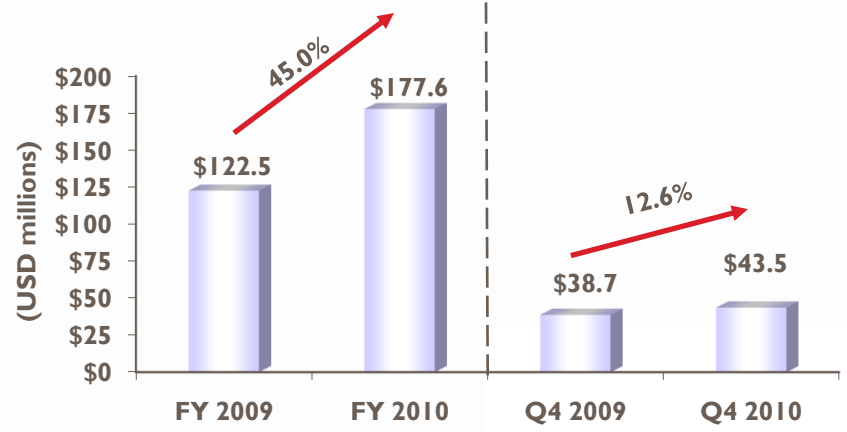
## % of 4Q2010 Total Distributable Earnings Revenue



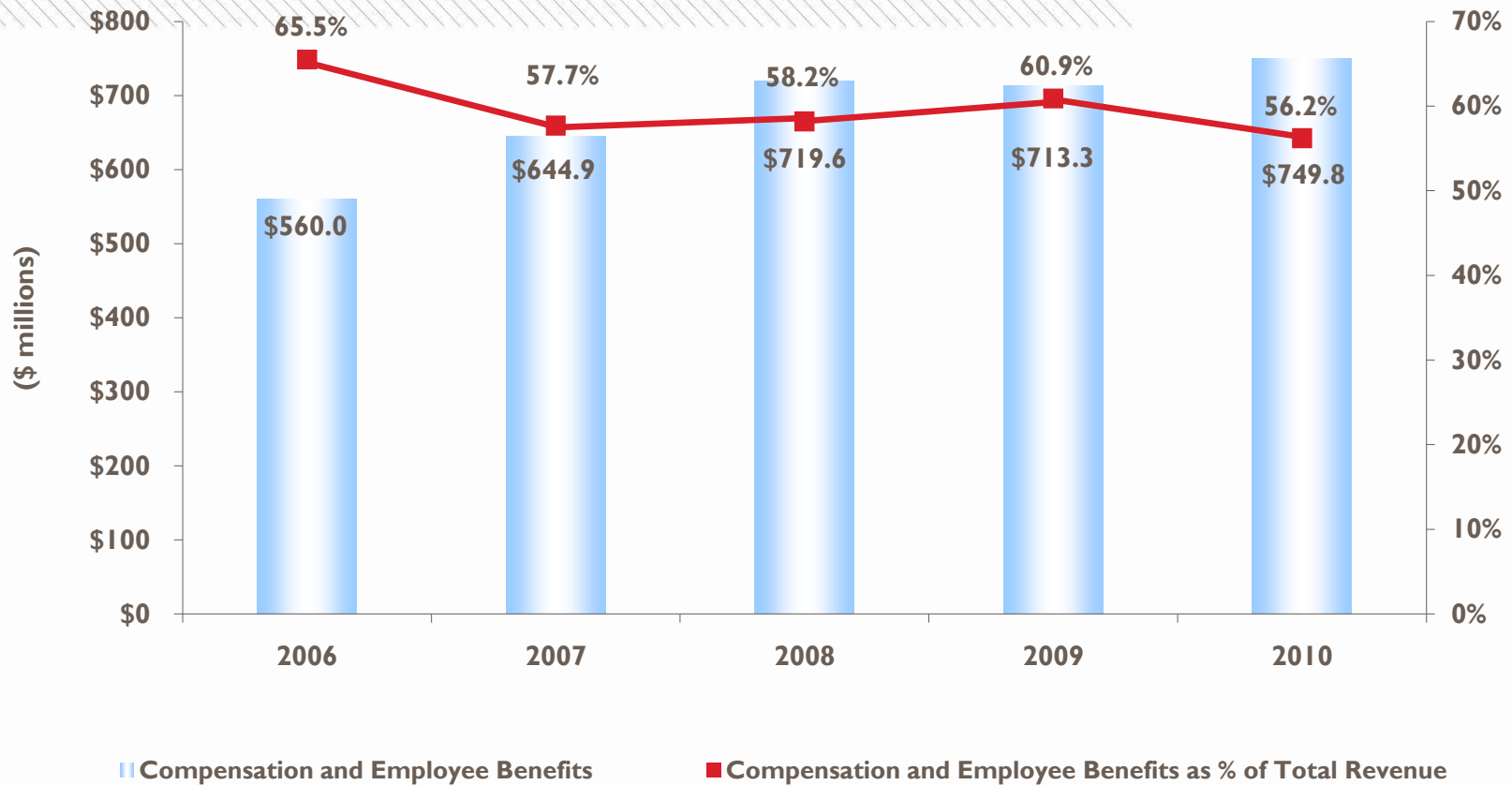
## Drivers

- Strong growth globally from the Company's increased investment in equity related products
- The addition of assets from Mint
- Growth from BGC's energy and commodities desks

## Equities & Other Asset Classes Revenue Growth

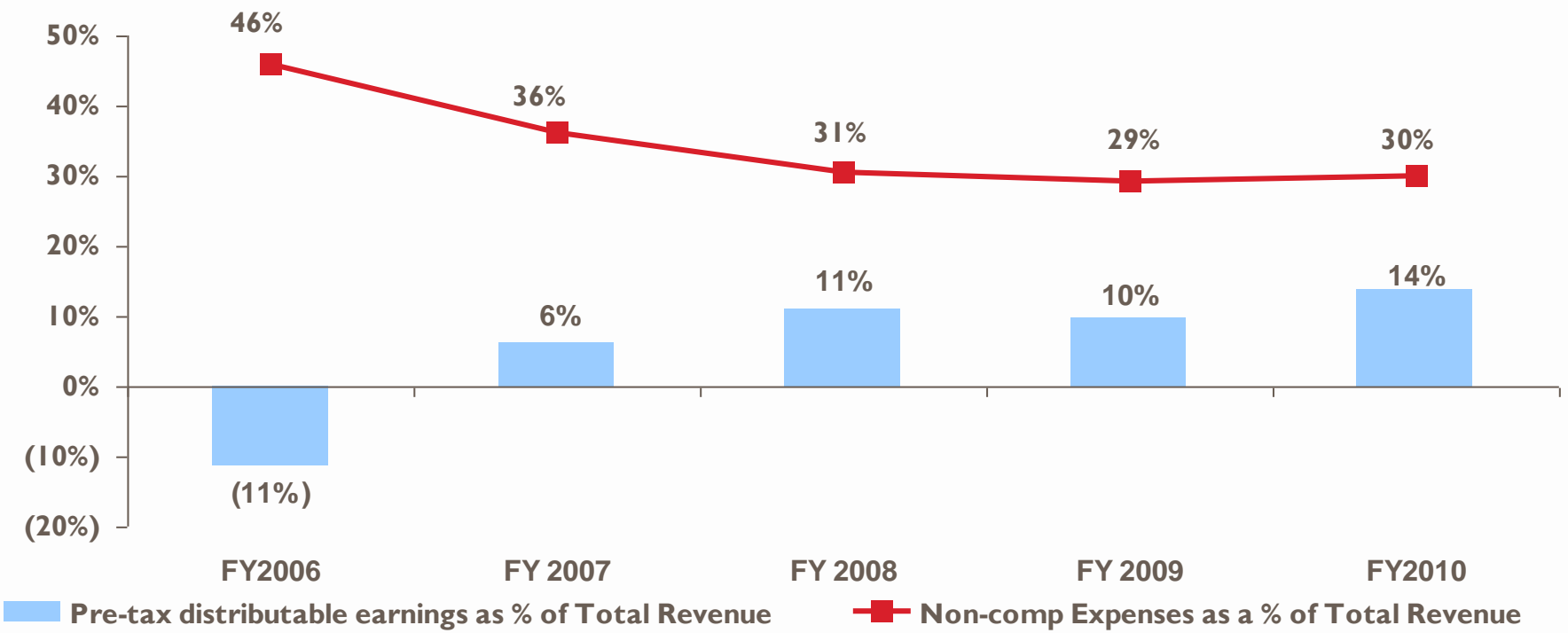


# BGC Partners Compensation Ratio



→ Compensation ratio was 53.8% in 4Q2010 vs. 61.5% in 4Q2009

# Operating Leverage / Fixed Expense Base



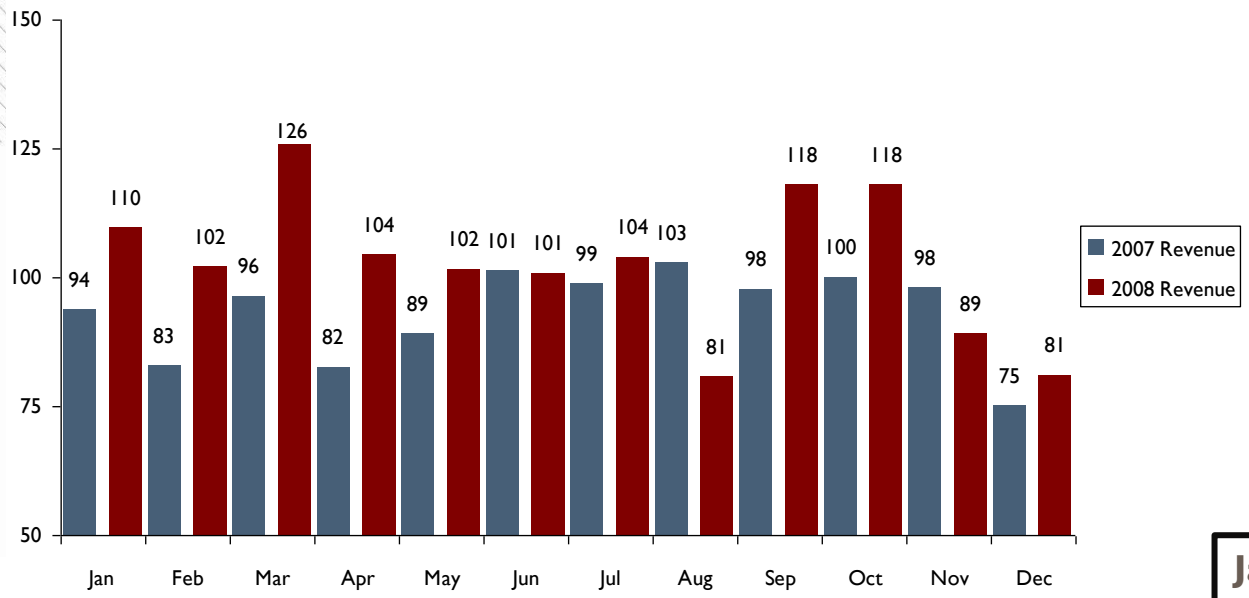
- Non-comp expenses were 32.1% of distributable earnings revenues in 4Q2010 versus 30.8% in 4Q2009
- Pre-tax distributable earnings margin was 14.1% in 4Q2010 vs. 7.7% in 4Q2009
- Post-tax distributable earnings margin was 11.7% in 4Q2010 vs. 5.0% in 4Q2009

Note: FY 2006 based on GAAP pre-tax margin.

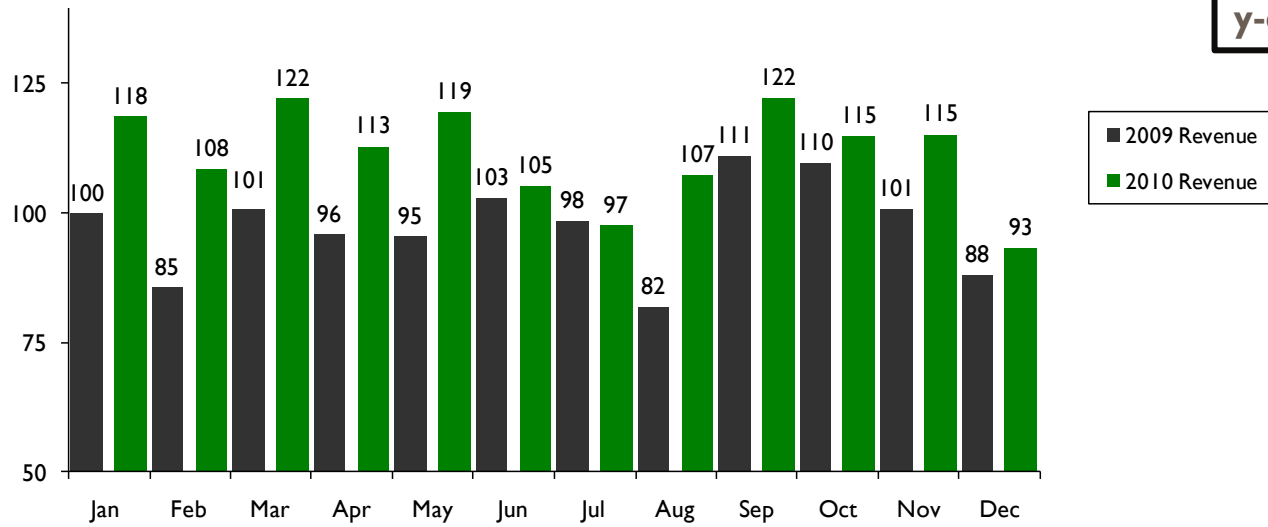


# Strong Monthly Revenue Performance (\$MM)

BGC Monthly Distributable Earnings Revenues (\$MM)



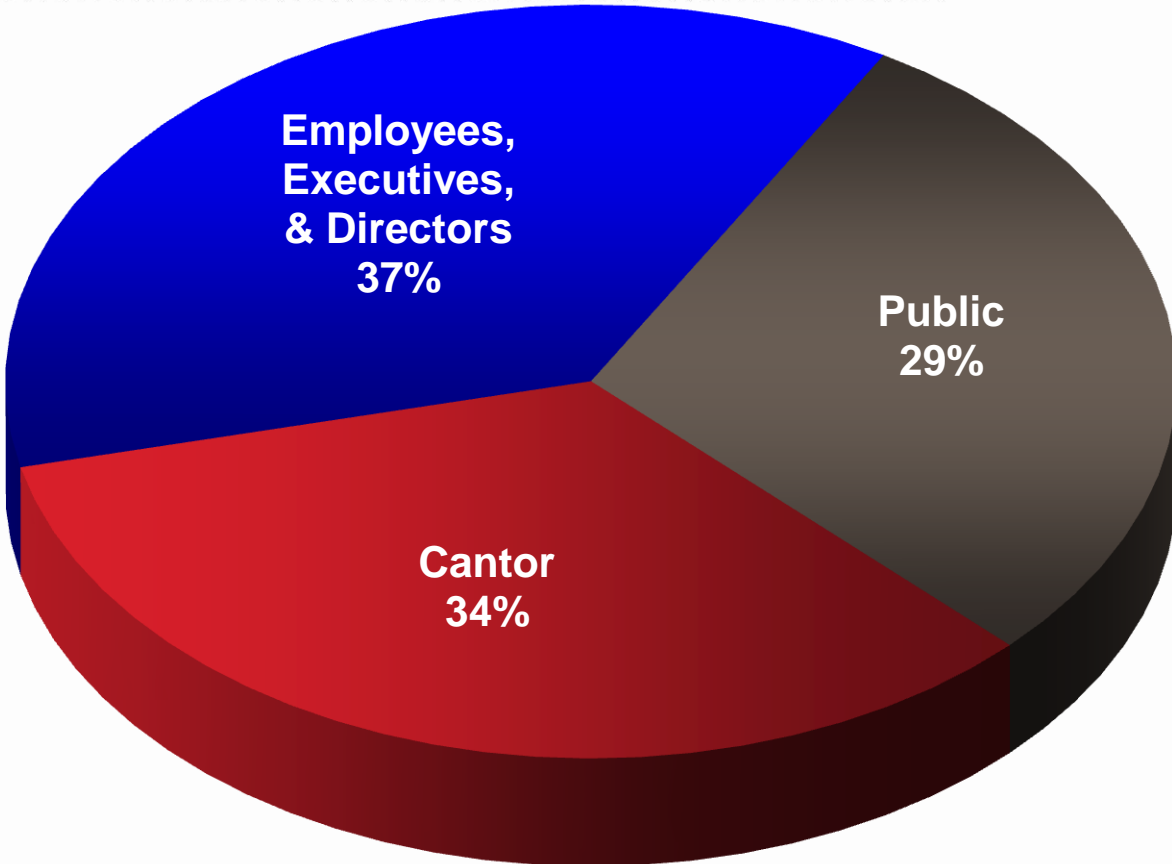
**January 2011**  
 Revenue = 123, up 4%  
 y-o-y



Note: January 2011 revenue number is preliminary.



# BGC Economic Ownership as of 12/31/2010



Note: Employee ownership figure attributes all PSIs, PSUs, RSUs, REUs, BGC units and distribution rights to founding partners & employees and includes all A shares owned by executives and directors. Cantor ownership includes all Cantor A and B shares as well as all Cantor exchangeable units and distribution rights to Cantor partners. Public ownership includes all A shares not owned by insiders. The above chart excludes shares related to convertible debt.

# Strong Balance Sheet

- Simple Balance Sheet
- Low leverage
- Safe securities position – no “mark to model” assets
- BGC brokers trades either on a name-give-up basis ( $\approx 70\%$ ) or on a matched principal basis ( $\approx 30\%$ )
  - Generally do not have inventory
- BGC does not generally engage in proprietary trading, have margin accounts with customers, or otherwise use its balance sheet for trading purposes

# Taxable Equivalent Yield Analysis

## TAX ASSUMPTIONS

	Qualified	Ordinary
Federal	15.0%	35.0%
New York State	9.0%	9.0%
New York City	3.9%	3.9%
Net itemized deduction	-4.5%	-4.5%
effective rate	23.3%	43.3%

## BGCP STOCK ASSUMPTIONS

Annual Dividend	BGCP Price	Pre-Tax Yield
\$ 0.56	\$ 8.77	6.4%

## NON-TAXABLE PERCENTAGE OF BGCP DIVIDEND ASSUMPTIONS

Scenario 1:	10	% is non-taxable
Scenario 2:	18	" "
Scenario 3:	40	" "
Scenario 4:	80	" "
Scenario 5:	100	" "

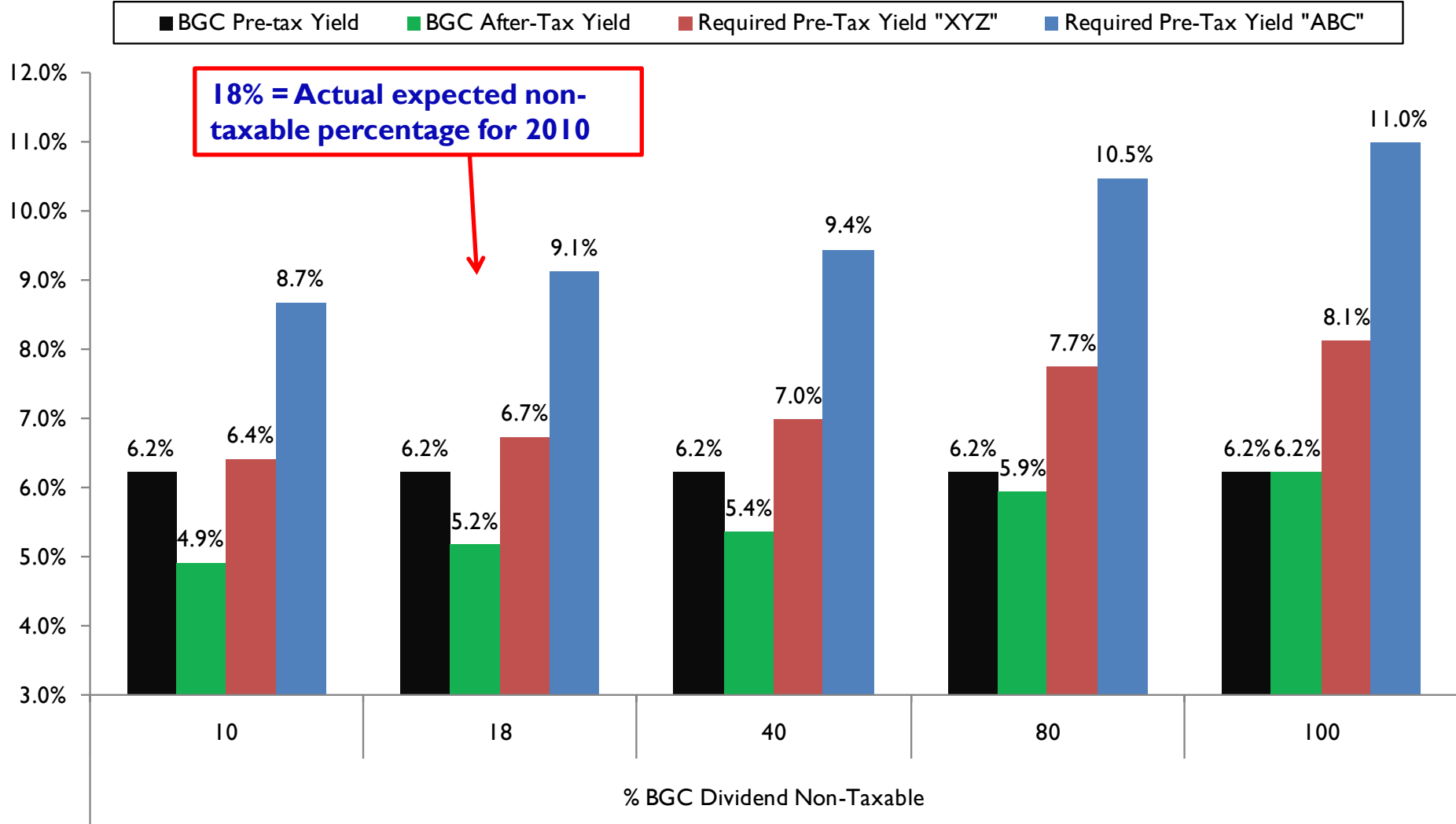
## ASSUMPTIONS ABOUT ALTERNATIVE INVESTMENTS

XYZ Corporation = pays qualified dividend, 100% taxable  
 ABC Fund = pays distribution taxable as ordinary income

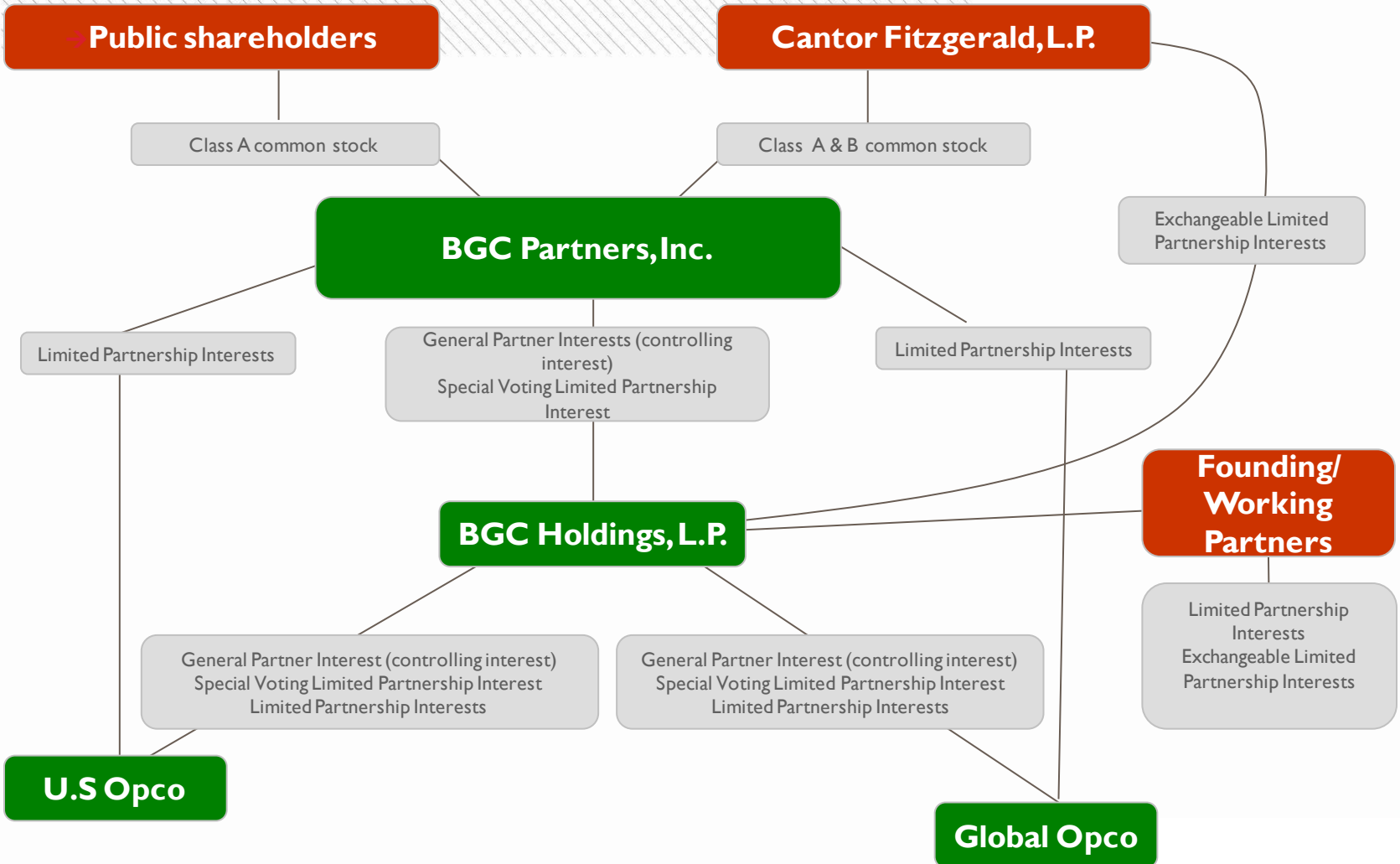
## BGCP VERSUS ALTERNATE INVESTMENTS

		BGC Pre-tax Yield	BGC After-Tax Yield	Required Pre-Tax Yield "XYZ"	Required Pre-Tax Yield "ABC"
% BGC Dividend Non-Taxable	10	6.2%	4.9%	6.4%	8.7%
	18	6.2%	5.2%	6.7%	9.1%
	40	6.2%	5.4%	7.0%	9.4%
	80	6.2%	5.9%	7.7%	10.5%
	100	6.2%	6.2%	8.1%	11.0%

# Taxable Equivalent Yield Analysis (Continued)



# Structure Creates Employee Retention and Lower Effective Tax Rate



→ Our structure allows us to pay a significantly higher dividend than companies with ordinary corporate structures or companies with structures similar to ours that have tax receivable agreements

# Average Exchange Rates

	Average					
	FY 2010	FY 2009	4Q2010	4Q2009	Jan. 2011	Jan. 2010
US Dollar	1	1	1	1	1	1
British Pound	1.546	1.566	1.582	1.633	1.577	1.615
Euro	1.328	1.395	1.360	1.477	1.336	1.426
Hong Kong Dollar	0.129	0.129	0.129	0.129	0.129	0.129
Singapore Dollar	0.734	0.689	0.768	0.717	0.777	0.715
Japanese Yen*	87.750	93.580	82.520	89.810	82.510	91.290

Source: Oanda.com.

\*Inverted.

# Distributable Earnings

BGC Partners uses non-GAAP financial measures including "Revenues for distributable earnings," "pre-tax distributable earnings" and "post-tax distributable earnings," which are supplemental measures of operating performance that are used by management to evaluate the financial performance of the Company and its subsidiaries. BGC Partners believes that distributable earnings best 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. 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. 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 items, such as: Non-cash stock-based equity compensation charges for REUs granted or issued prior to the merger of BGC Partners, Inc. with and into eSpeed, as well as post-merger non-cash, non-dilutive equity-based compensation related to partnership unit exchange or conversion. Allocations of net income to founding/working partner and other units, including REUs, RPUs, PSUs and PSIs. □ Non-cash asset impairment charges, if any. Acquisition-related costs not capitalized under GAAP. 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. Since distributable earnings are calculated on a pre-tax basis, management intends to also report "post-tax distributable earnings" and "post-tax distributable earnings per fully diluted share": "Post-tax distributable earnings" are defined as pre-tax distributable earnings adjusted to assume that all pre-tax distributable earnings were taxed at the same effective rate. "Post-tax distributable earnings per fully diluted share" are defined as post-tax distributable earnings divided by the weighted-average number of fully diluted shares for the period. In the event that there is a GAAP loss but positive distributable earnings, the distributable earnings per share calculation will include all fully diluted shares that would be excluded under GAAP to avoid anti-dilution, but will exclude quarterly interest expense, net of tax, associated with the convertible notes. 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 share. In addition to the Company's quarterly dividend to common stockholders, BGC Partners expects to pay a pro rata distribution of net income to BGC Holdings founding/working partner and other units, including REUs, RPUs, PSUs and PSIs, and to Cantor for its noncontrolling interest. The amount of all of these payments is expected to be determined using the above definition of pre-tax distributable earnings per share. Most employees who are holders of RSUs are granted pro-rata payments equivalent to the amount of dividends paid to common stockholders. Under GAAP, dividend equivalents on RSUs are required to be taken as a compensation charge in the period paid. However, to the extent that they represent cash payments made from the prior period's distributable earnings, they do not dilute existing stockholders and are therefore excluded from the calculation of distributable earnings. Distributable earnings is not meant to be an exact measure of cash generated by operations and available for distribution, nor should it be considered in isolation or as an alternative to cash flow from operations or income (loss) for fully diluted shares. The Company views distributable earnings as a metric that is not necessarily indicative of liquidity or the cash available to fund its operations. Pre- and post-tax distributable earnings are not intended to replace the 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 both this description and a reconciliation to GAAP, see the sections of BGC's most recent financial results press release titled "Distributable Earnings" and "Reconciliation of GAAP Income To Distributable Earnings", which are incorporated by reference, and available in the "Investor Relations" section of our website at <http://www.bgcpartners.com>.