


IQ2013

EARNINGS PRESENTATION

May 2, 2013



DISCLAIMER

Discussion of Forward-Looking Statements by BGC Partners

Statements in this document regarding BGC Partners' business that are not historical facts are "forward-looking statements" that involve risks and uncertainties. Except as required by law, BGC undertakes no obligation to release any revisions to any forward-looking statements. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see BGC's Securities and Exchange Commission (SEC) filings, including, but not limited to, the risk factors set forth in our public filings, including our most recent Form 10-K and any updates to such risk factors contained in subsequent Form 10-Q or Form 8-K filings. These risks include those related to the possibility that the proposed NASDAQ OMX transaction does not close in a timely manner or at all; the possibility that the conditions to completion of the proposed transaction, including receipt of required regulatory approvals, are not satisfied; the possibility that any of the anticipated benefits of the proposed transaction will not be realized; the effect of the announcement of the proposed transaction on BGC's business relationships, operating results and business generally; general competitive, economic, political and market conditions and fluctuations; and actions taken or conditions imposed by regulatory authorities.

Note Regarding Financial Tables and Metrics

Excel files with the Company's quarterly financial results and metrics from full year 2008 through 1Q2013 are accessible in the various financial results press releases at the "Investor Relations" section of <http://www.bgcpartners.com>. They are also available directly at ir.bgcpartners.com/news-releases/news-releases.

Distributable Earnings

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

Adjusted EBITDA

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



ESPEED TRANSACTION DETAILS

- On April 1, 2013 BGC announced its intention to sell its on-the-run, benchmark 2-, 3-, 5-, 7-, 10-, and 30-year fully electronic trading platform for U.S. Treasury Notes and Bonds to NASDAQ OMX. This platform generated just under \$100 million in revenues for BGC in 2012, less than 6% of overall BGC revenues.
- Total consideration for this transaction – is expected to be \$1.234 billion – which was approximately equal to BGC's current fully diluted market capitalization as of April 1, 2013. The purchase price includes \$750 million in cash, plus an earn-out of up to \$484 million in NASDAQ OMX common stock to be paid ratably over 15 years following the closing, provided that NASDAQ OMX as a whole produces \$25 million in gross revenues each year.
- BGC will retain its other voice, hybrid, and fully electronic trading, market data, and software businesses, including voice, hybrid and electronic brokerage of off-the-run U.S. Treasuries, as well as Treasury Bills, Treasury Swaps, Treasury Repos, Treasury Spreads, and Treasury Rolls.
- The remaining technology-based businesses in BGC's Financial Services segment had a 27% CAGR for the two year period ending December 31, 2012, and grew 11% YoY in 1Q 2013 to \$22.7MM.

Note: Please see the BGC release dated 4/01/2013 in the Investor Relations section of our website for complete announcement details.



SELECT 1Q2013 RESULTS COMPARED TO 1Q2012

<u>Highlights of Consolidated Results</u> (\$ millions, except per share data)	<u>1Q2013</u>	<u>1Q2012</u>	<u>Change</u> (%)
Revenues for distributable earnings	\$449.8	\$403.9	11.4
Pre-tax distributable earnings before non-controlling interest in subsidiaries and taxes	45.1	58.2	(22.5)
Pre-tax distributable earnings per share	0.14	0.21	(33.3)
Post-tax distributable earnings	38.5	50.9	(24.4)
Post-tax distributable earnings per share	0.12	0.19	(36.8)
Adjusted EBITDA	59.7	75.1	(20.5)
Effective tax rate	14.5%	14.2%	
Pre-tax earnings margin	10.0%	14.4%	
Post-tax earnings margin	8.6%	12.6%	

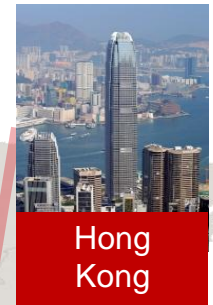
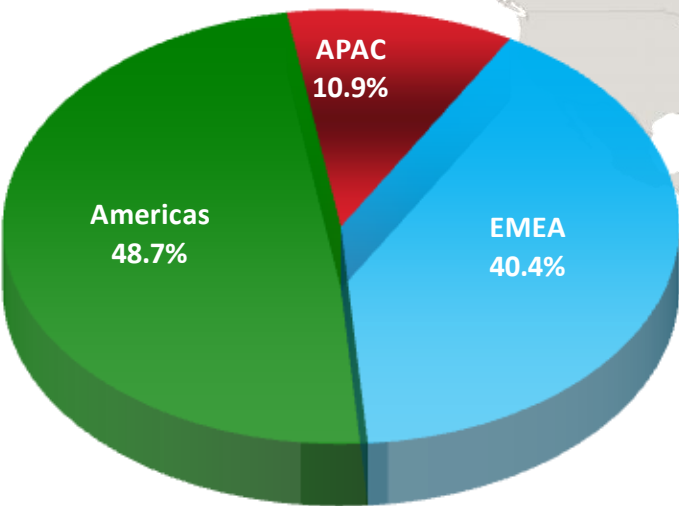
- BGC Partners' Board of Directors declared a quarterly cash dividend of \$0.12 per share payable on May 31, 2013 to Class A and Class B common stockholders of record as of May 17, 2013



1Q2013 GLOBAL REVENUE BREAKDOWN

- Americas Revenue up 32% YoY
- Europe, Middle East & Africa Revenue flat YoY
- Asia Pacific Revenue down 13% YoY

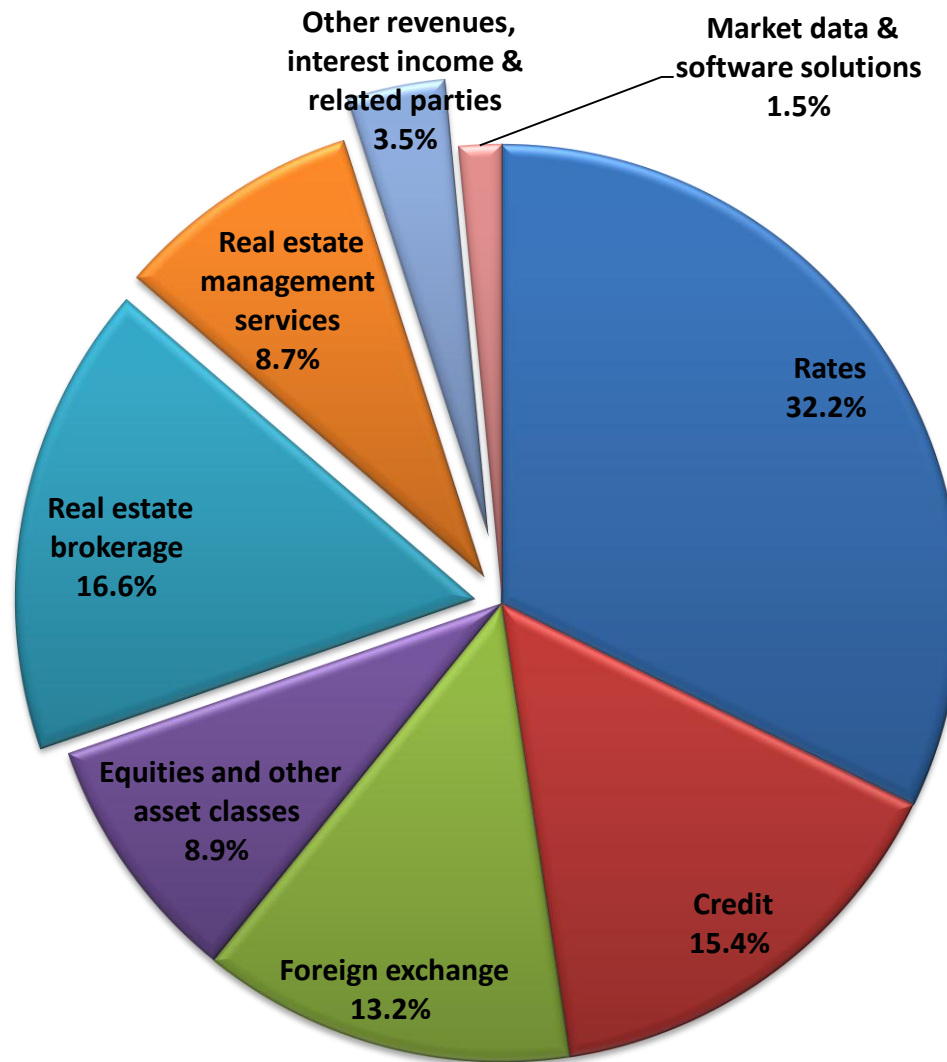
1Q2013 Revenues



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



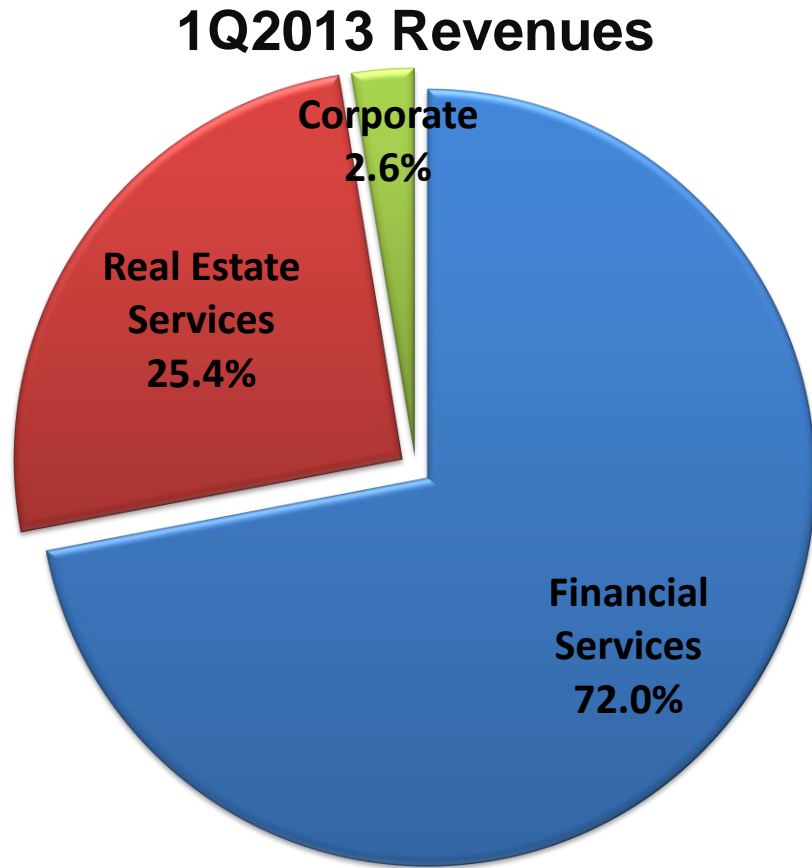
1Q2013 PRODUCT DIVERSITY



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



1Q2013 SEGMENT DATA



1Q2013 In USD millions	Revenues	Pre-tax Earnings	Pre-tax Margin
Financial	\$323.8	\$64.1	19.8%
Real Estate	\$114.2	\$2.3	2.0%
Corporate	\$11.7	(\$21.2)	NMF

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

1Q VOLATILITY REMAINED LOW



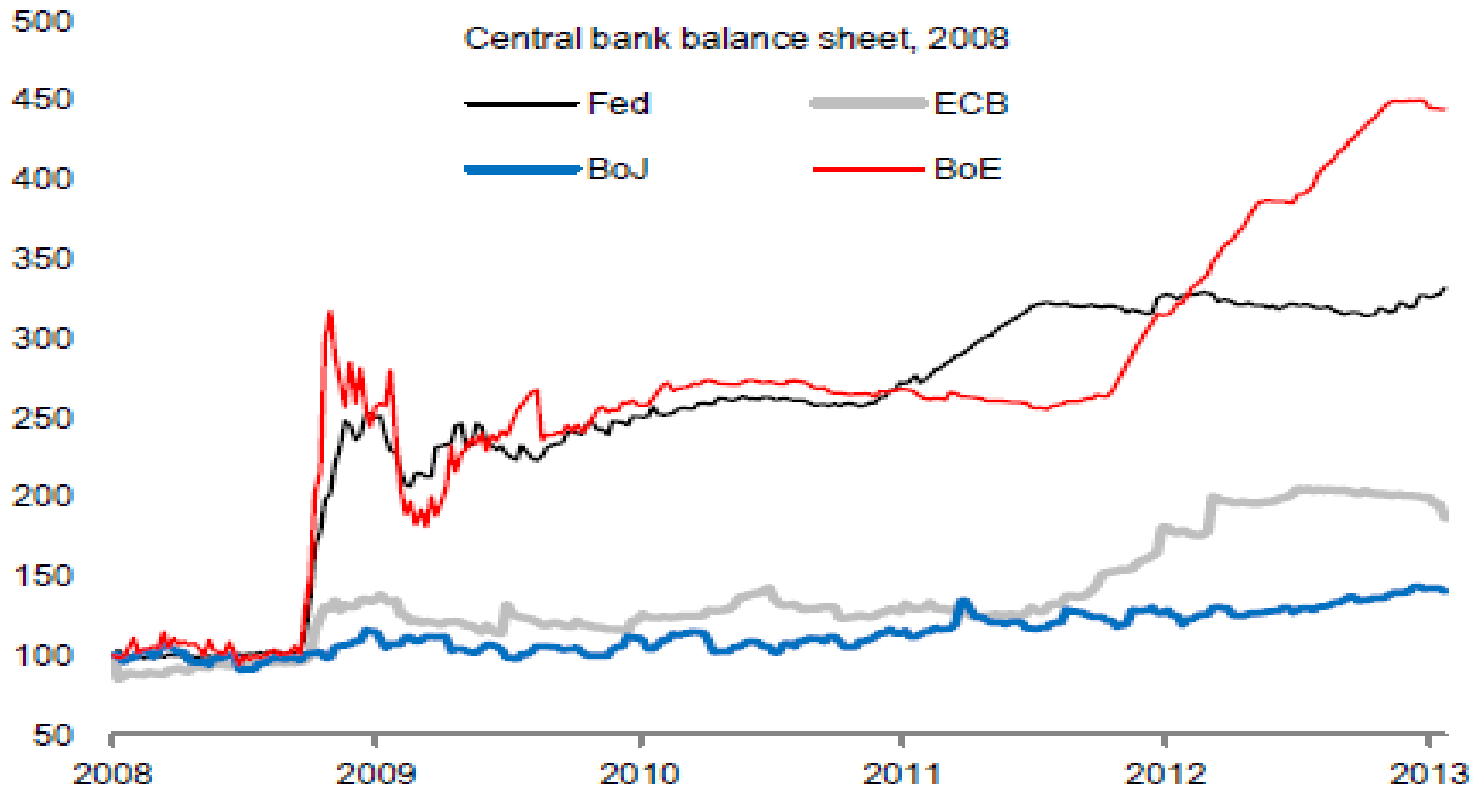
- BAML's GFSI Index, which reflects financial stress across multiple asset classes, averaged -0.23 in 1Q2013 versus the 5-year average of 0.51 and 10-year average of 0.20

The Global Financial Stress Index is a Bank of America Merrill Lynch calculated, cross market measure of risk, hedging demand and investor flows in the global financial system. Levels greater/less than 0 indicate more/less financial market stress than normal. GFSI is a weighted average of three sub-indices, IRISK, IFLOW and ISKEW. These indices are further divided into sub-components; for details see ALLX IRISK, ALLX IFLOW and ALLX ISKEW.



QUANTITATIVE EASING = CURRENT HEADWIND AND FUTURE TAILWIND

Central Banks Balance Sheet Growth, 2008 - Present (2008 = 100)



- Quantitative easing by Fed and other major central banks lowered 1Q2013 rates volatility and volumes

Source: Thomson Reuters, Credit Suisse research

BUSINESS OVERVIEW: RATES

Example of Products

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

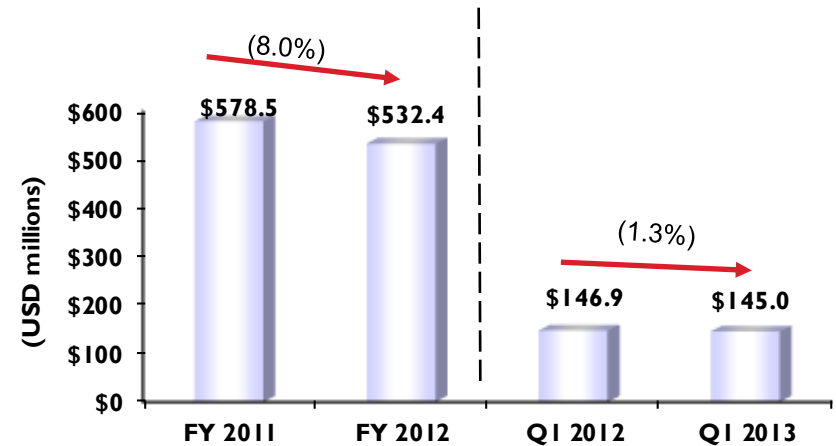
Drivers

- Global sovereign and corporate debt issuance cause long-term tailwinds in our Rates business
- Near-term headwinds due to quantitative easing
- Low interest rates in most major economies holding down volumes
- Reduced front office headcount and consolidated desks to improve long term profitability in this asset class but lowered revenues short-term

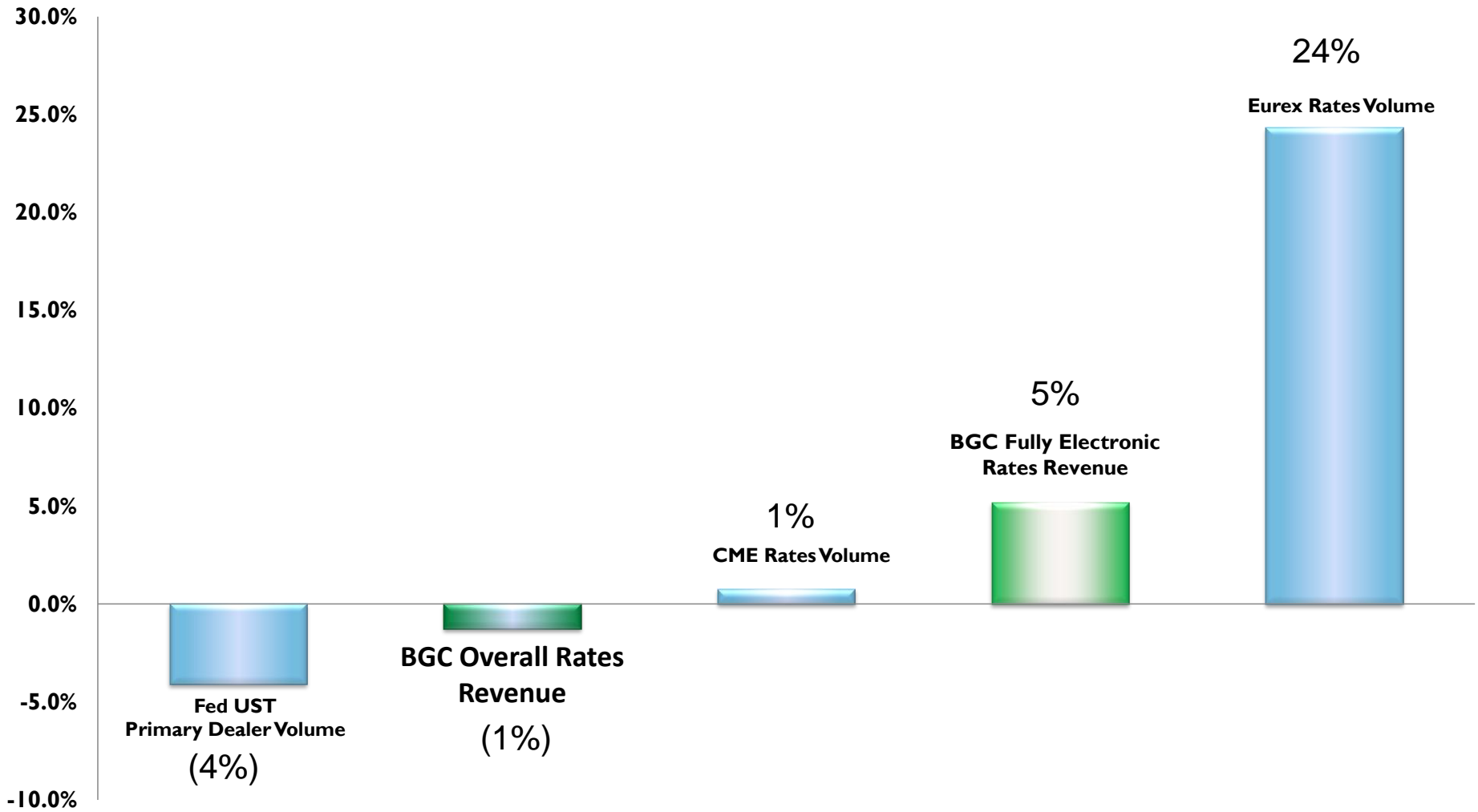
% of 1Q2013 Total Distributable Earnings Revenue



Rates Revenue Growth



BGC RATES REVENUES REFLECT INDUSTRY HEADWINDS



- The U.S. Federal Reserve is more aggressive than it's European Counterparts in terms of Quantitative Easing

Source: CME/Eurex - Futures Industry Association - Monthly Volume Report - (www.cme.com, www.eurexchange.com)

Fed US-T Volume (www.newyorkfed.org/markets/statrel.html - Federal Reserve Bank).

BUSINESS OVERVIEW: CREDIT

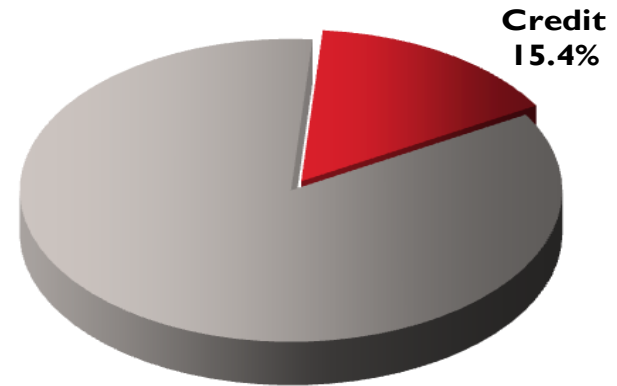
Example of Products

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

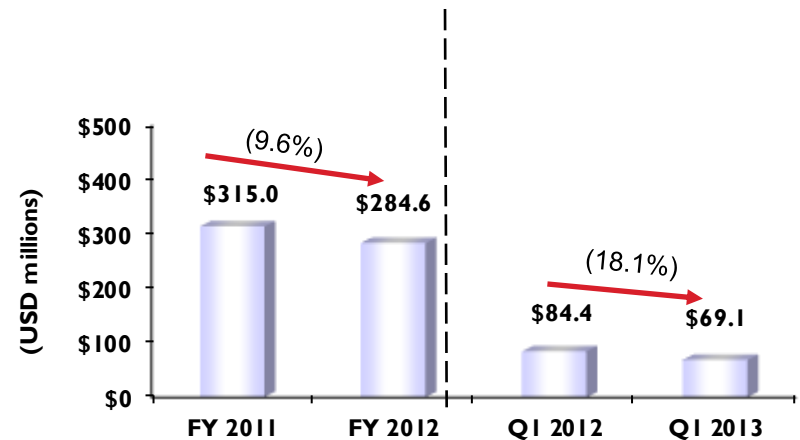
Drivers

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

% of 1Q2013 Total Distributable Earnings Revenue

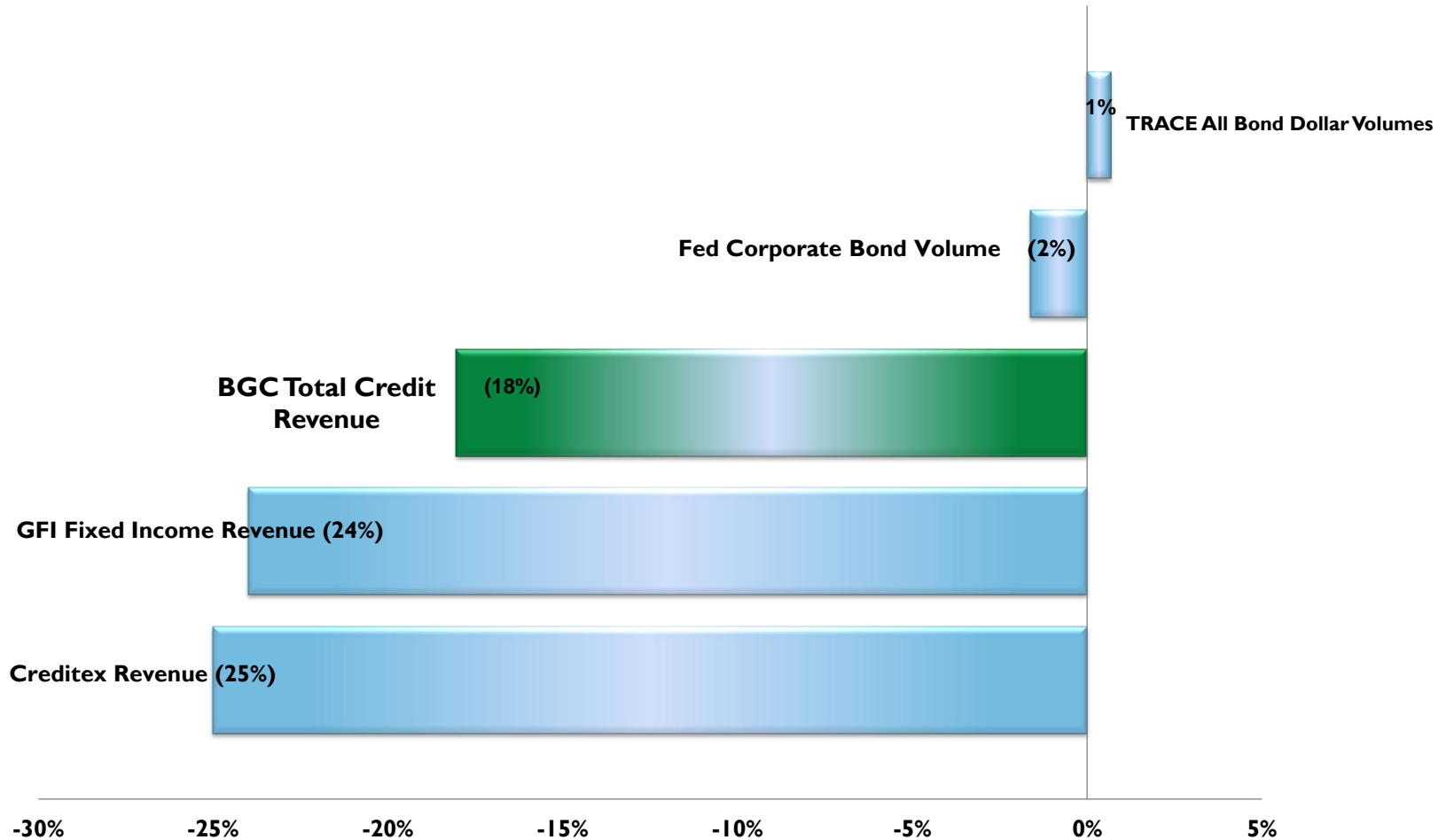


Credit Revenue Growth



BGC'S CREDIT DESKS IMPACTED BY WEAKER MARKET TRENDS

1Q2013 YoY Growth



Sources: Dealogic, Credit Suisse, company press releases
Company websites, "TRACE" (Trade Reporting and Compliance Engine). Creditex is ICE's OTC credit execution business.

BUSINESS OVERVIEW: FOREIGN EXCHANGE

Example of Products

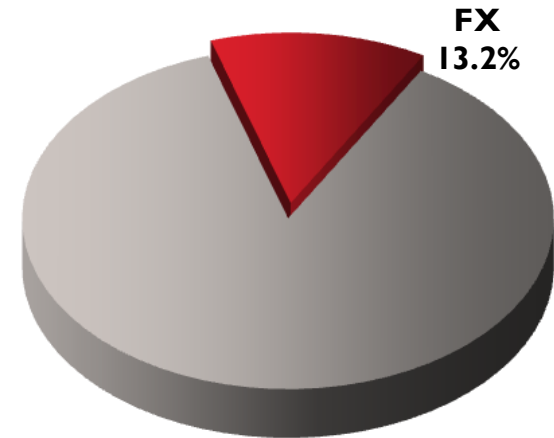
In virtually all currency pairs

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

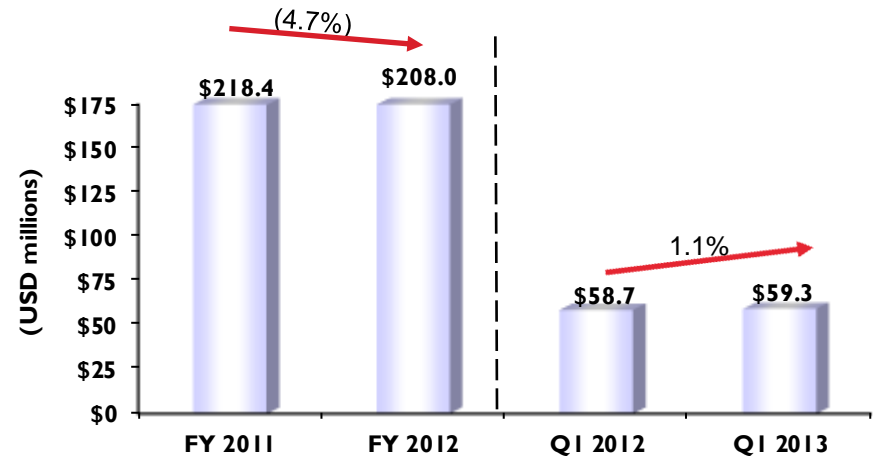
Drivers

- BGC's fully electronic FX revenues have continued to grow faster than overall FX revenues, driven by both derivatives and spot
- Low interest rates made carry trade strategies less attractive

% of 1Q2013 Total Distributable Earnings Revenue



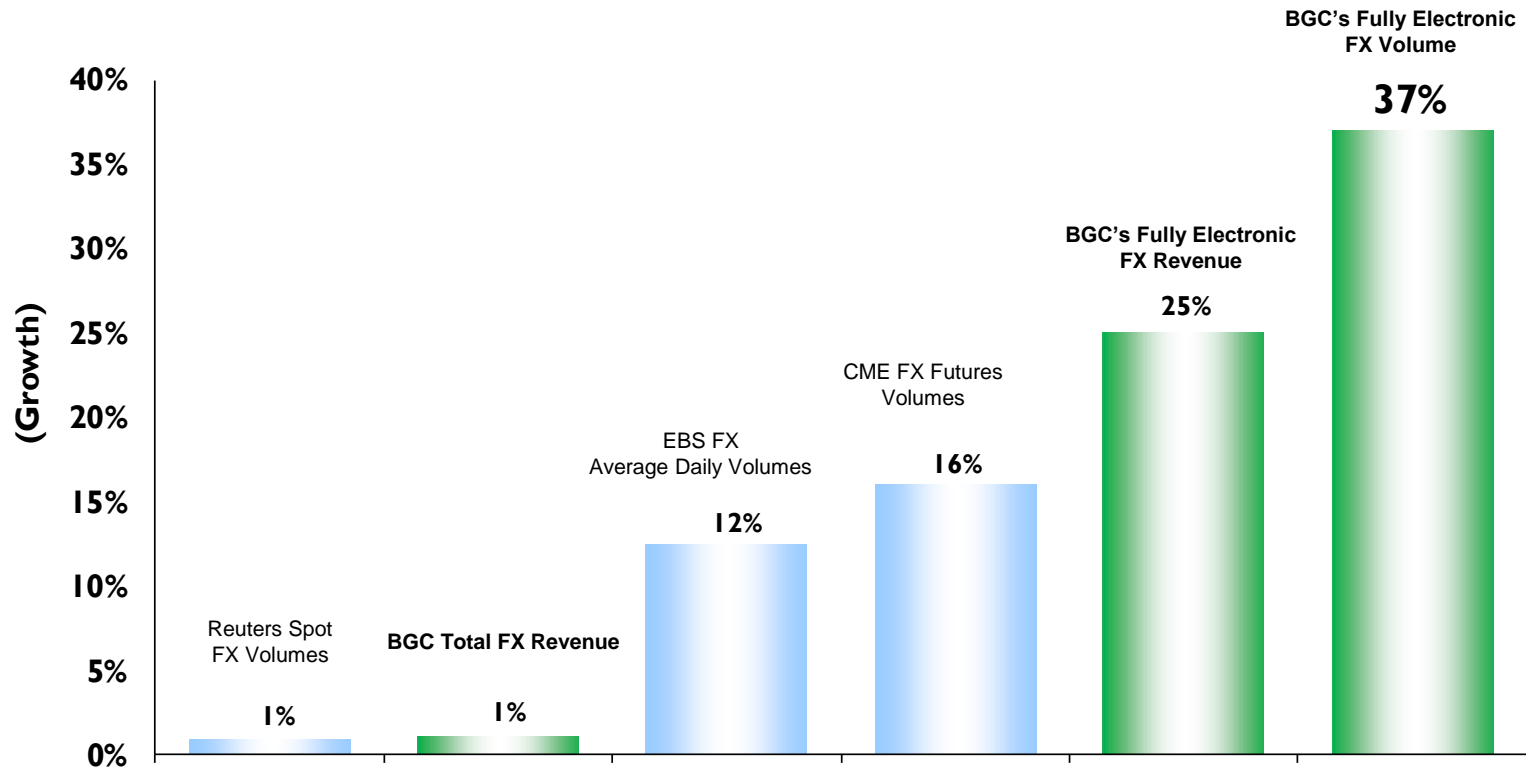
Foreign Exchange Revenue Growth





BGC'S FULLY ELECTRONIC FX REVENUES OUTPERFORMS MARKET

1Q2013 YoY Growth



Left Graph: Source: ICAP, CME, Reuters websites. CME FX Futures growth based on total volume, ICAP Spot FX and Reuters Spot FX based on average daily volume.

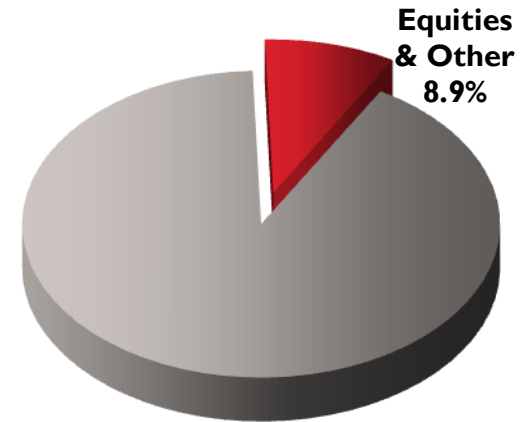
Note: BGC fully electronic FX volume and revenues include all spot and derivative products

BUSINESS OVERVIEW: EQUITIES & OTHER ASSET CLASSES

Example of Products

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

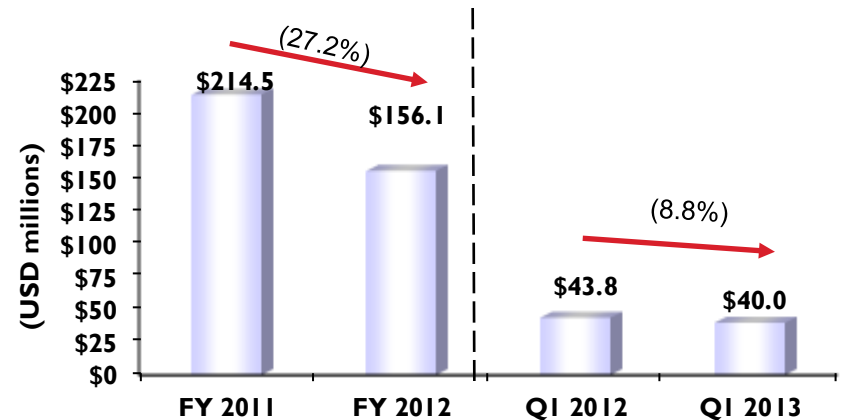
% of 1Q2013 Total Distributable Earnings Revenue



Drivers

- Lower global equity cash & derivatives volumes industry-wide
- Negatively impacted by the French & Italian Financial Transaction Taxes
- Reduced front office headcount and consolidated desks to improve long term profitability in this asset class but lowered revenues short-term

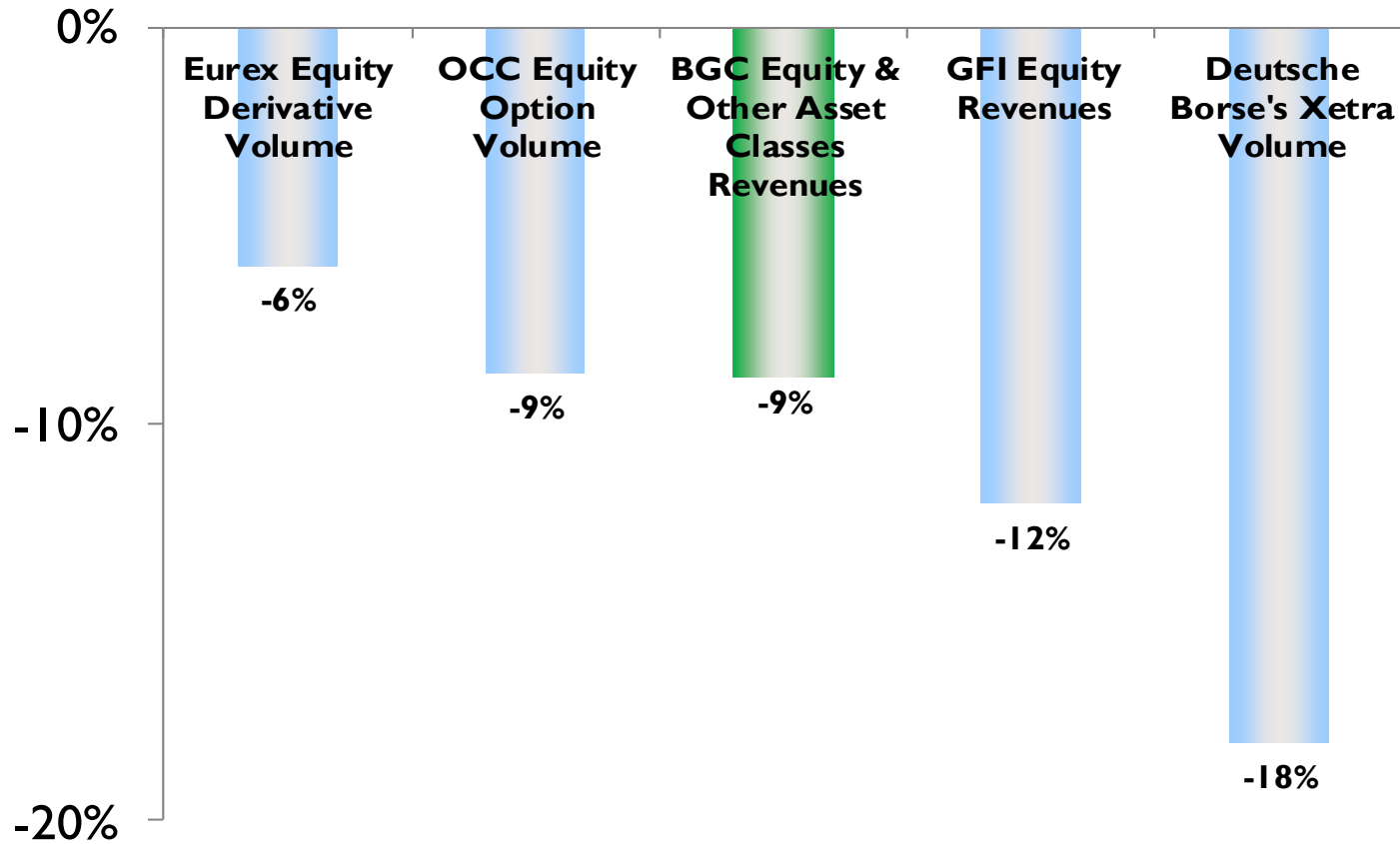
Equities & Other Asset Classes Revenue Growth





“EQUITIES AND OTHER”: REFLECTS LOWER INDUSTRY VOLUMES

1Q2013 YoY Change



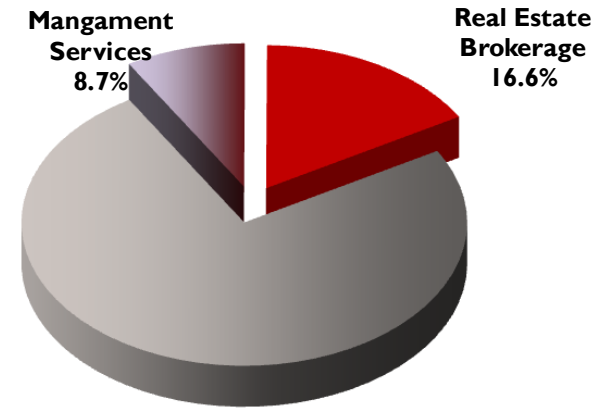
Note: Cash equities growth percentages based on average daily shares traded for US exchanges. Equity derivatives based on equity option average daily volume from Eurex, and Euronext. For Euronext, growth is based on total European equity derivative product volume. Sources: erdesk.com for US equities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

BUSINESS OVERVIEW: REAL ESTATE SERVICES

Example of Products

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

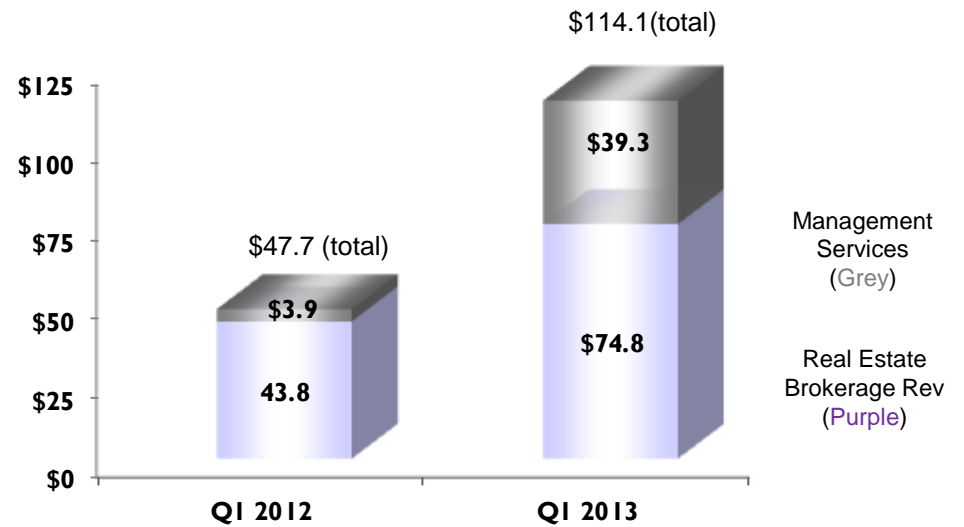
% of 1Q2013 Total Distributable Earnings Revenue



Drivers

- Average rents and vacancies improve YoY
- Real Capital Analytics commercial sales volumes up 35% YoY
- Low interest rates make Real Estate a more attractive investment class
- CoStar Value Weighted Composite Index up 5.1% YoY
- 1Q seasonally slowest

Real Estate Services Revenue



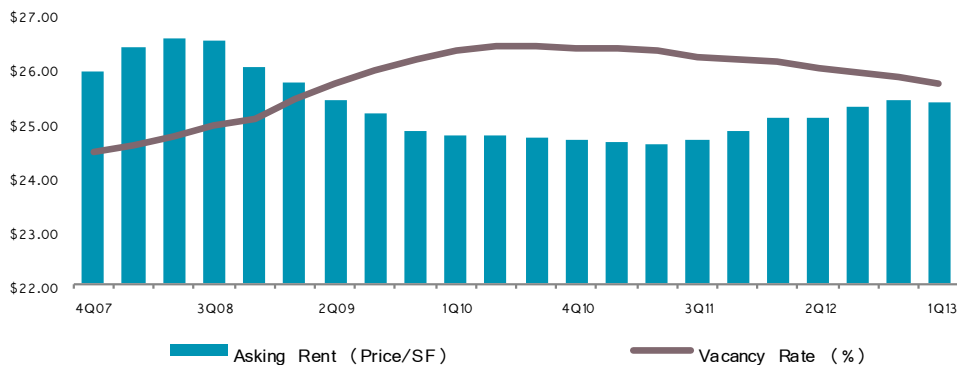
Sources: Newmark Grubb Knight Frank, Real Capital Analytics, Moody's and CoStar.



REAL ESTATE MARKET IMPROVING NATIONALLY

US Office & Industrial Market Asking Rent & Vacancy

Asking Rent & Vacancy (Office)



Asking Rent & Vacancy (Industrial)



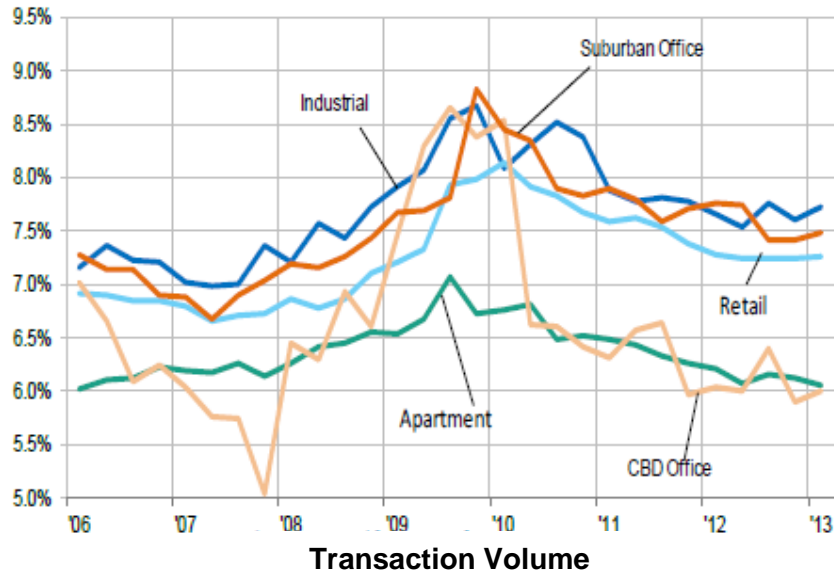
- Asking Rent up 1.2% YoY (Office)
- Vacancy Rate improved 1 percentage point (Office)

- Asking Rent up 2.6% YoY (Industrial)
- Vacancy Rate improved 1 percentage point YoY (Industrial)

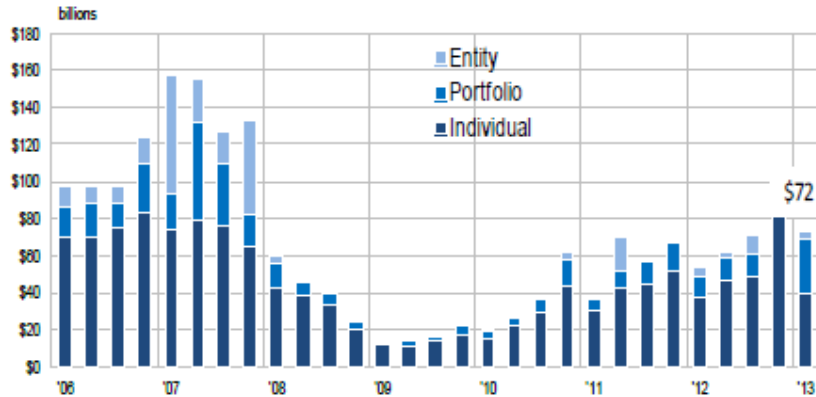
Notes: The two charts show data for 30 key U.S. office markets
 Sources: Newmark Grubb Knight Frank, and CoStar.

QUARTERLY SALES MARKET TRENDS CONTINUE TO IMPROVE

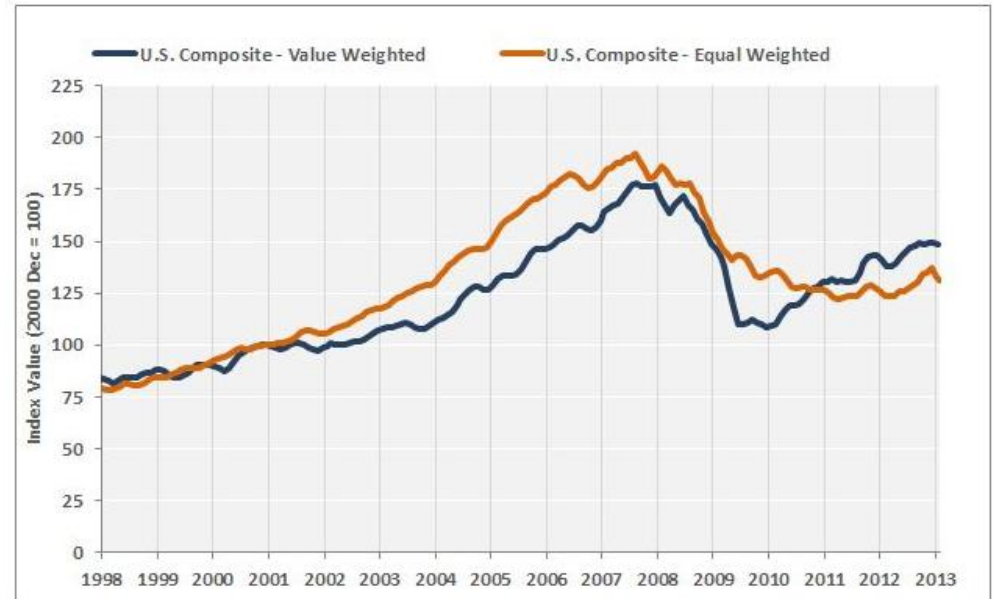
Average Cap Rates by Sector



Transaction Volume



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



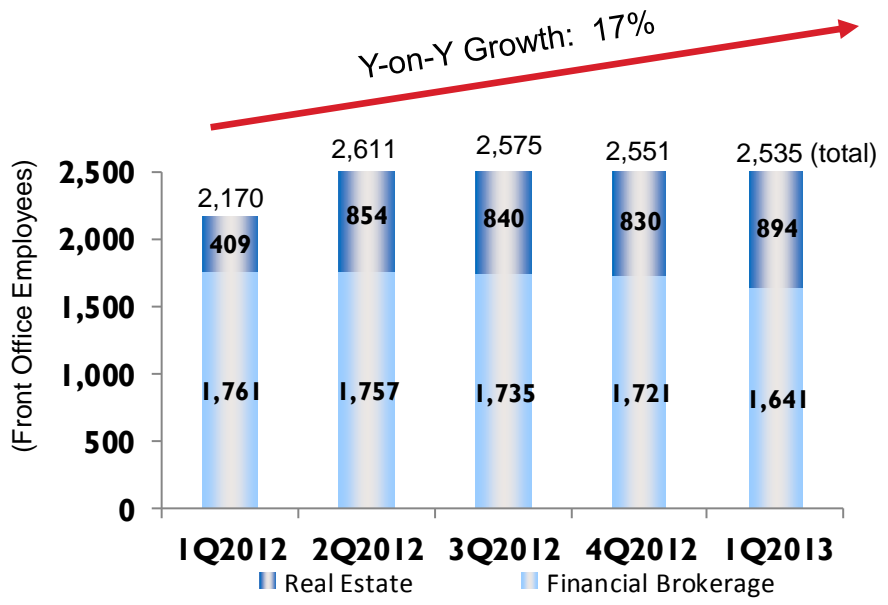
- Value-Weighted up 5.1% YoY
- Equal-Weighted up 6.0% YoY

- Real Capital Analytics commercial sales volumes up 35% YoY
- Cap rates remain well above 10-year UST yields.

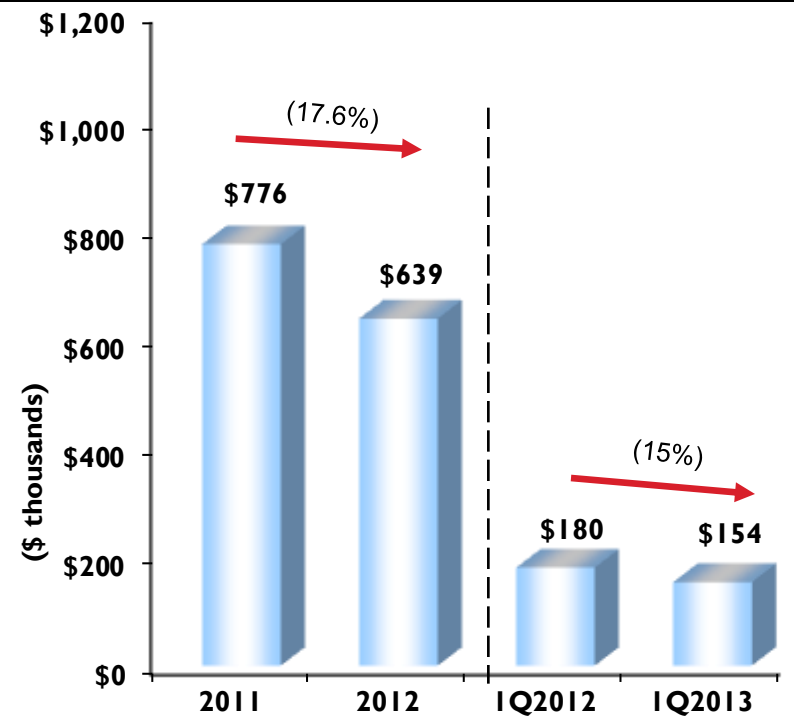
Sources: RCA/Moodys, CoStar

BGC'S FRONT OFFICE OVERVIEW

Front Office Headcount



Front Office Productivity (in thousands)

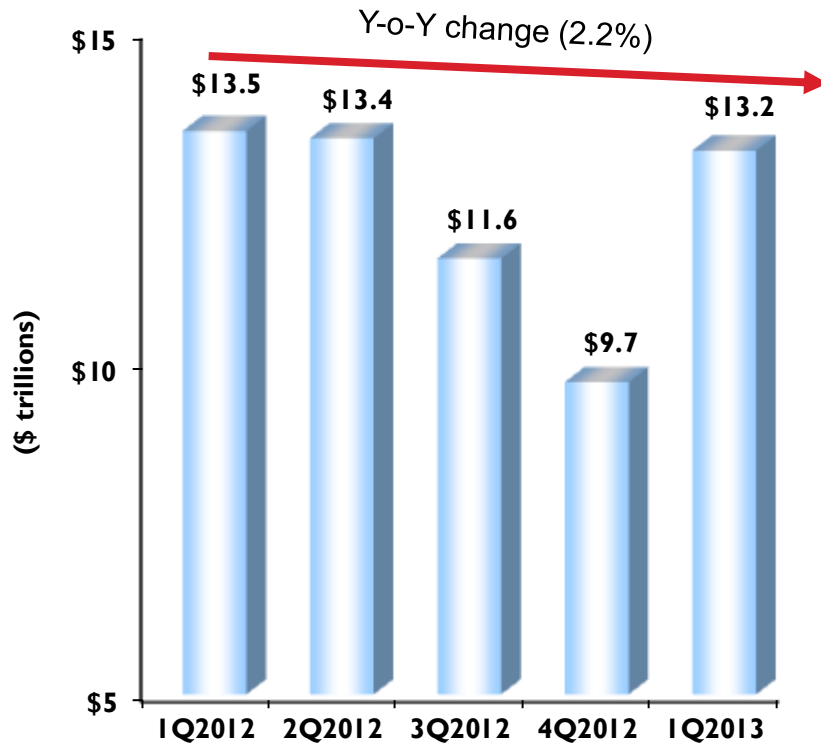


- For IQ2013 Financial Services average revenue per front office employee was \$190k down 3% YoY, while Real Estate Services front office average revenue per front office employee was \$84k down 25% YoY
- Lower overall industry volumes across Financial Services
- Changing mix of businesses in Real Estate Services with addition of Grubb & Ellis
- Commercial Real Estate brokers generally have lower revenue per broker than IDBs

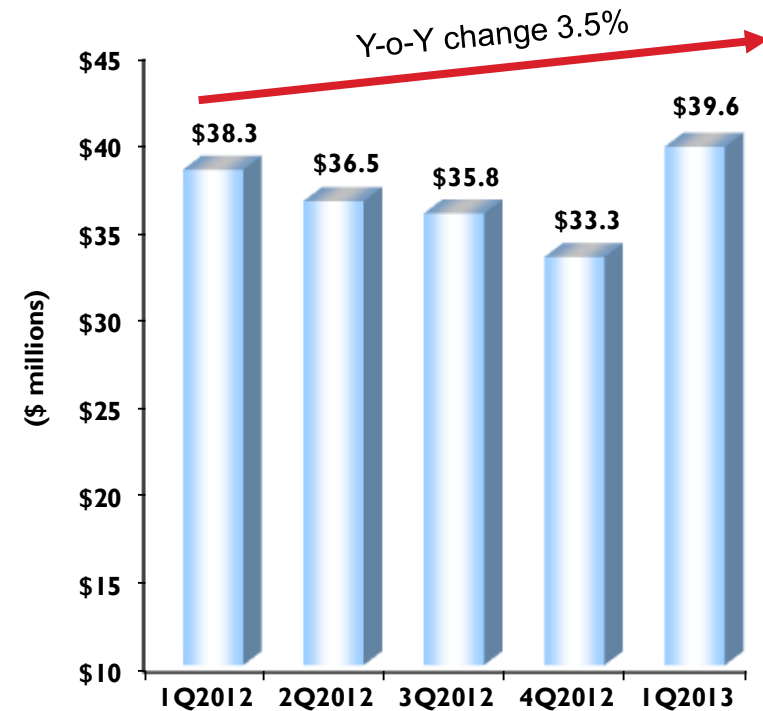
Note: Front office productivity is calculated as "total brokerage revenue," "market data and software sales revenue," and the portion of "fees from related party" line items related to fully electronic trading divided by average front office headcount for the relevant period.

BGC'S FULLY ELECTRONIC BROKERAGE METRICS

Fully Electronic Brokerage Notional Volumes (in trillions)



Fully Electronic Revenues (in millions)*



- Excluding the assets being sold to NASDAQ OMX, BGC's technology based revenues would have been up by 11.2% YoY to \$23MM. Over time, higher fully electronic revenues have improved margins.
- Percent of fully electronic revenue* in the Financial Services segment was 12.2% vs 11.1% in 1Q2012
- Percent of technology based revenue** in the Financial Services segment was 14.3% vs 13.3% in 1Q2012

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

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



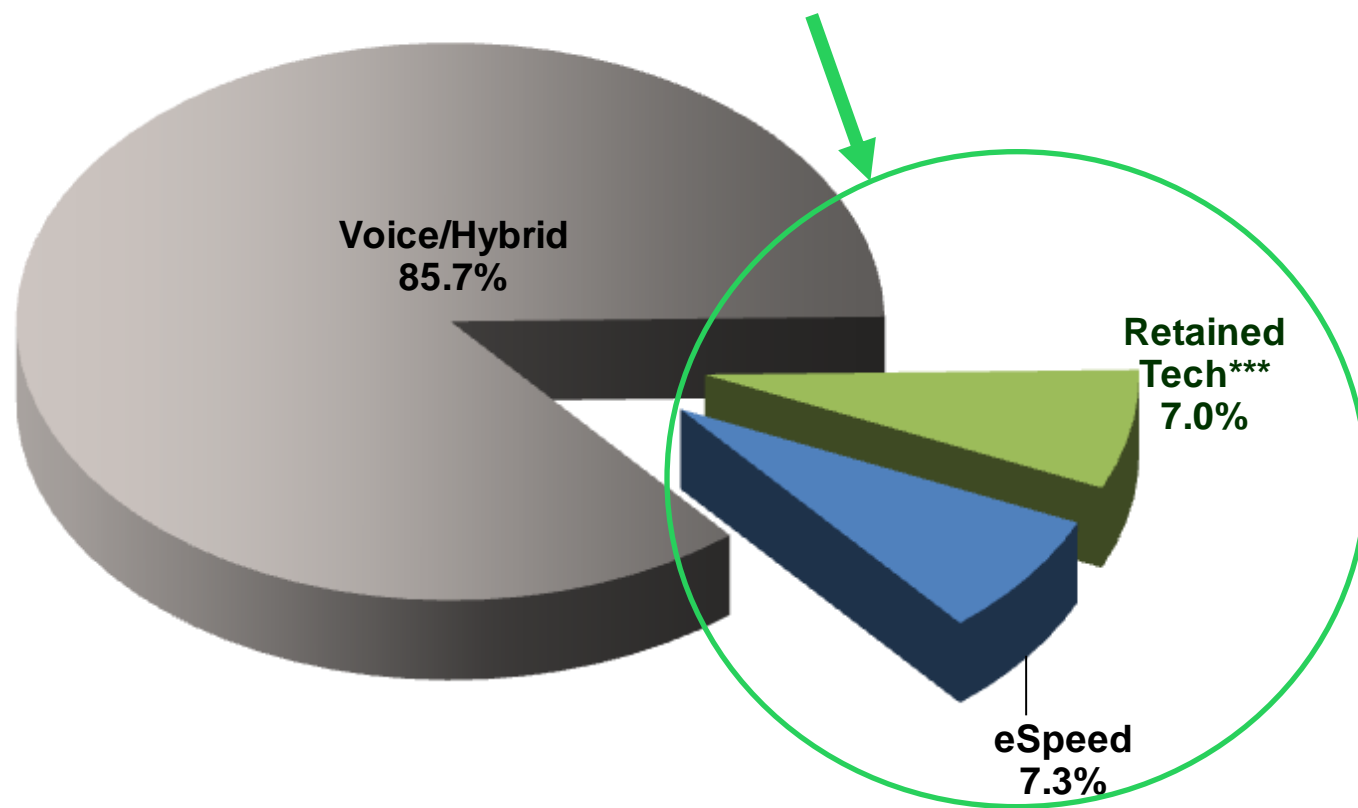
BGC'S TECHNOLOGY-BASED BUSINESSES HAVE HIGHER MARGINS

- Percentage of fully electronic from each of ≈ 105 e-brokered desks range from $<10\%$ to 100%
- Profit margins = highest for US Treasuries, spot FX, Market Data and Software Solutions
- Profit margins for retained electronic products vary, though are generally higher than for voice-brokered products
- Over time, we believe margins for newer e-brokered products should expand as their markets mature

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

TECHNOLOGY BASED BREAKDOWN 1Q2013

Technology-Based Products** = 14.3% of Total Financial Services Revenues

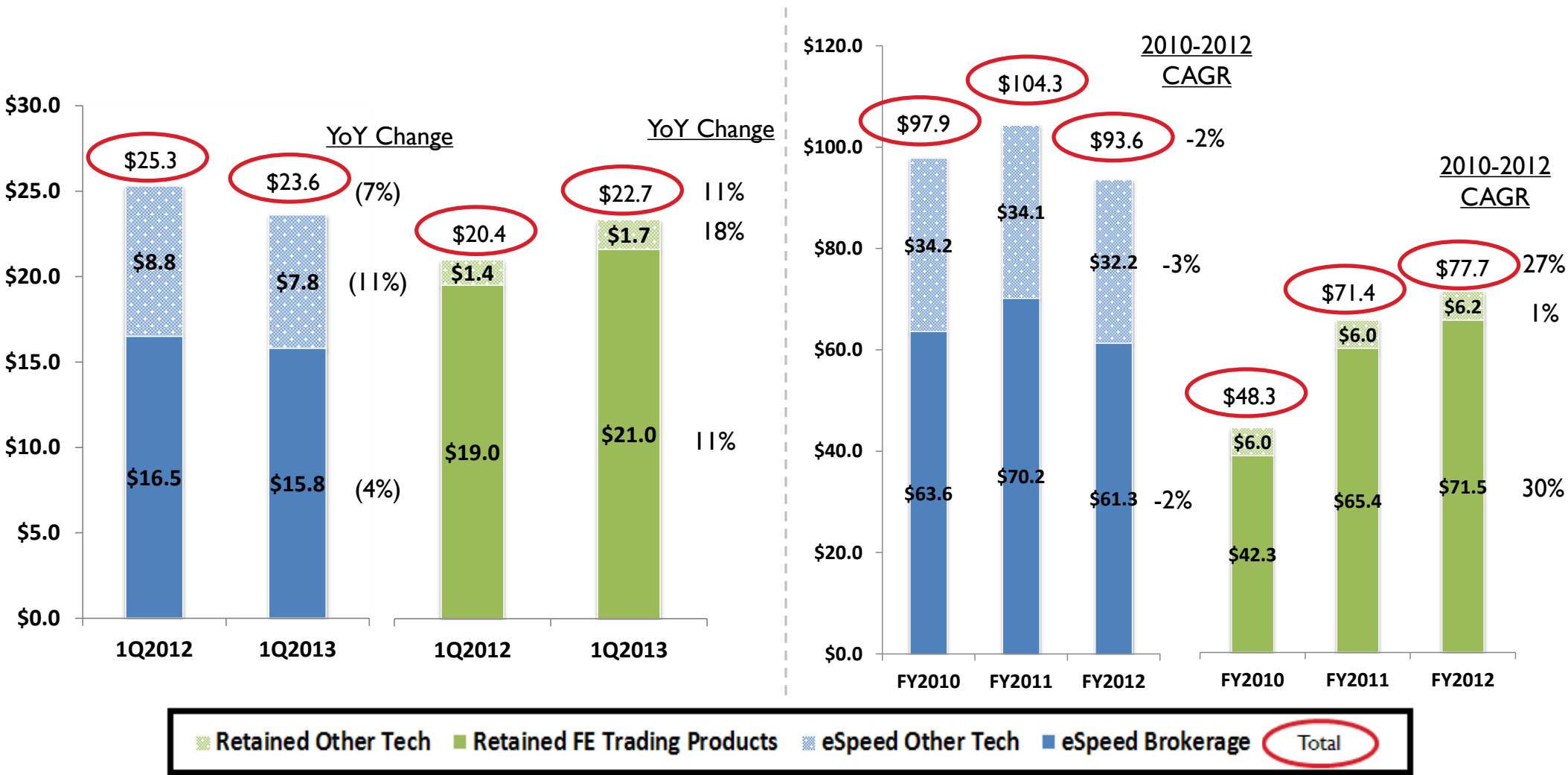


*BGC is selling only its on-the-run, benchmark 2-, 3-, 5-, 7-, 10-, and 30-year fully electronic trading platform for U.S. Treasury Notes and Bonds. For the purposes of this analysis, the assets being sold to NASDAQ OMX are referred to as “eSpeed.”

**Other Technology Revenues = fully electronic brokerage, fees from related parties related to fully electronic trading, market data, and software solutions.

*** Retained Tech remains with BGC

NEWER TECH BASED PRODUCTS SHOW FASTER GROWTH



Note: eSpeed figures exclude revenues included in corporate items.
 BGC is selling only its on-the-run, benchmark 2-, 3-, 5-, 7-, 10-, and 30-year fully electronic trading platform for U.S. Treasury Notes and Bonds



REVENUE AND PROFIT BY EXECUTION METHOD

	<u>Q1 2013</u>				<u>Q1 2012</u>			
	<u>Technology</u> <u>- Based</u>	<u>Voice /</u> <u>Hybrid</u>	<u>Corporate /</u> <u>Other</u>	<u>Total</u>	<u>Technology</u> <u>- Based</u>	<u>Voice /</u> <u>Hybrid</u>	<u>Corporate /</u> <u>Other</u>	<u>Total</u>
Revenue	\$46	\$392	\$12	\$450	\$46	\$347	\$11	\$404
Pre-Tax DE	\$25	\$41	(\$21)	\$45	\$24	\$53	(\$19)	\$58
Pre-tax DE Margin	54%	10%	NMF	10%	53%	15%	NMF	14%
	<u>FY2012</u>				<u>FY2011</u>			
	<u>Technology</u> <u>- Based</u>	<u>Voice /</u> <u>Hybrid</u>	<u>Corporate /</u> <u>Other</u>	<u>Total</u>	<u>Technology</u> <u>- Based</u>	<u>Voice /</u> <u>Hybrid</u>	<u>Corporate /</u> <u>Other</u>	<u>Total</u>
Revenue	\$171	\$1,532	\$48	\$1,751	\$176	\$1,251	\$50	\$1,476
Pre-Tax DE	\$85	\$173	(\$62)	\$196	\$90	\$208	(\$61)	\$237
Pre-tax DE Margin	50%	11%	NMF	11%	51%	17%	NMF	16%

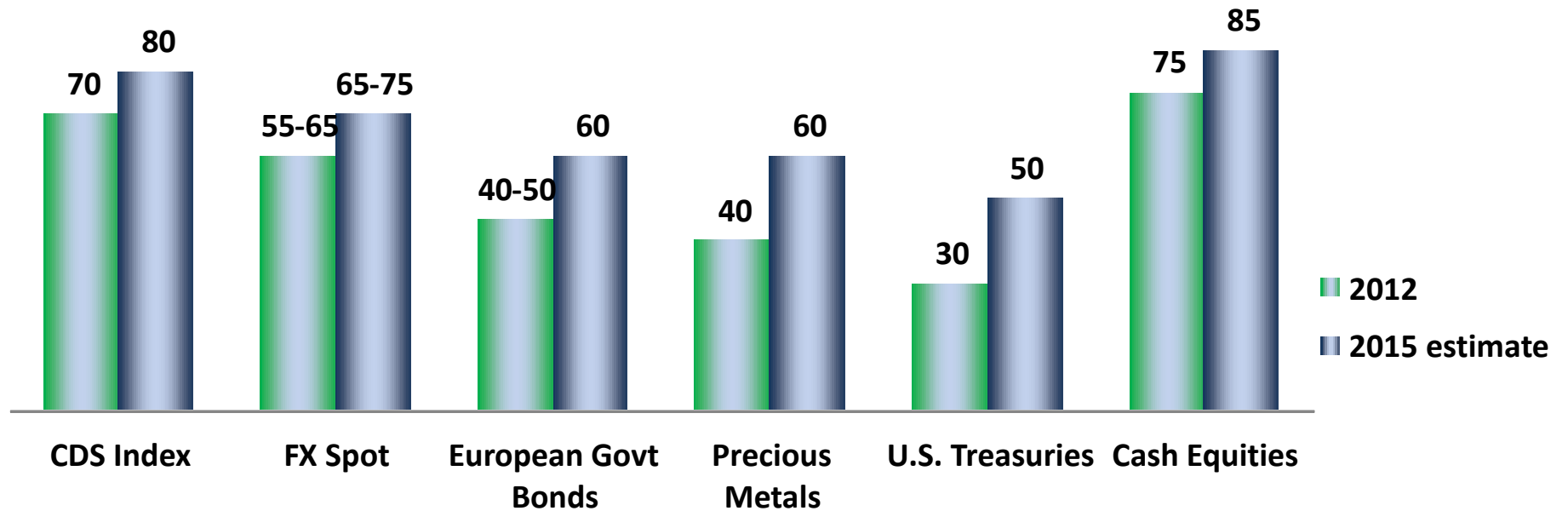
In \$MM

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.



LARGE BANKS AND IDBS EXPECTED TO GROW ELECTRONIC TRADING INDUSTRY-WIDE

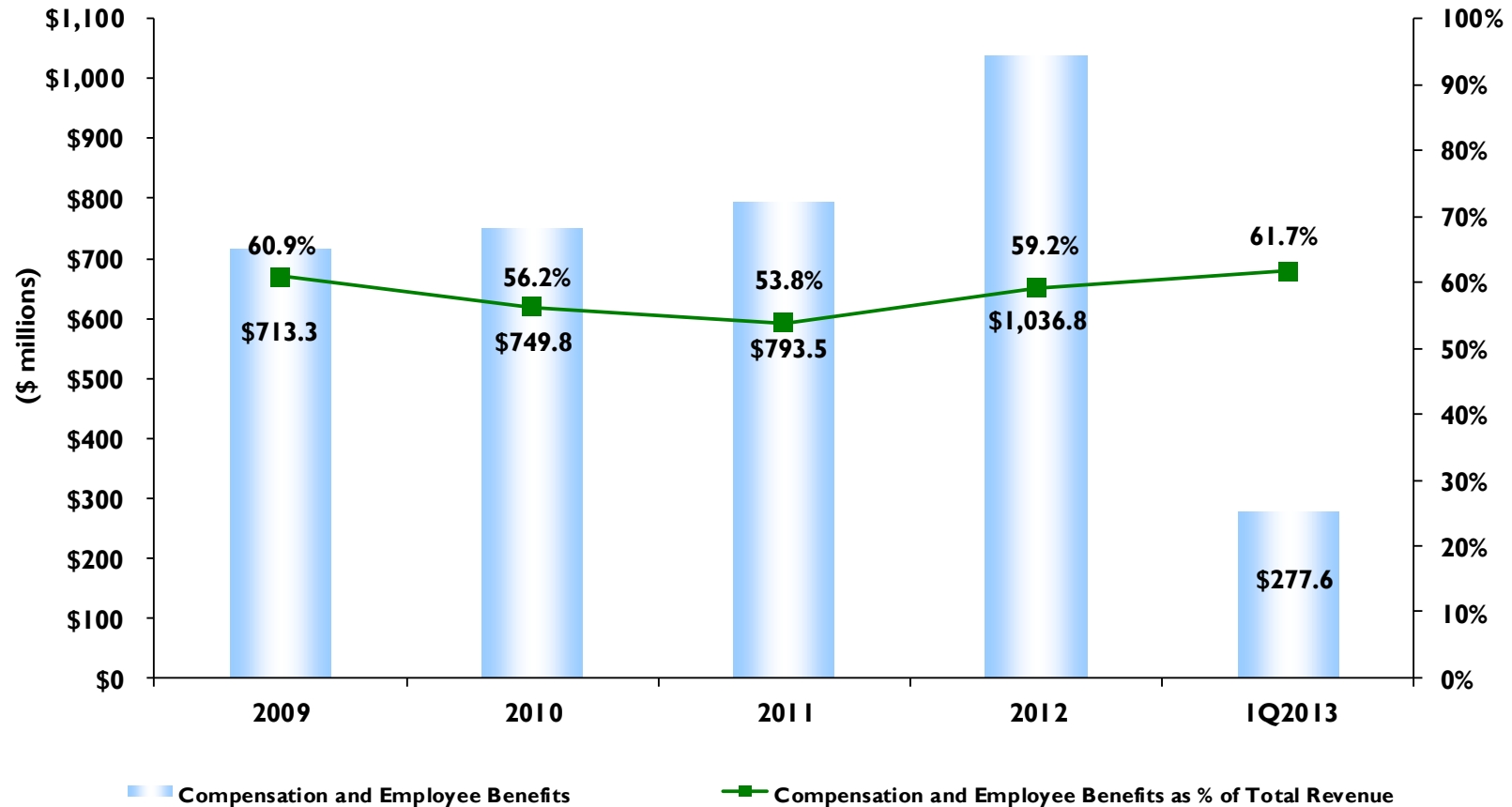
Industry Fixed Income & Equities electronic trading volumes (%) by asset class



Estimates per McKinsey, Oliver Wyman, Greyspark, JP Morgan



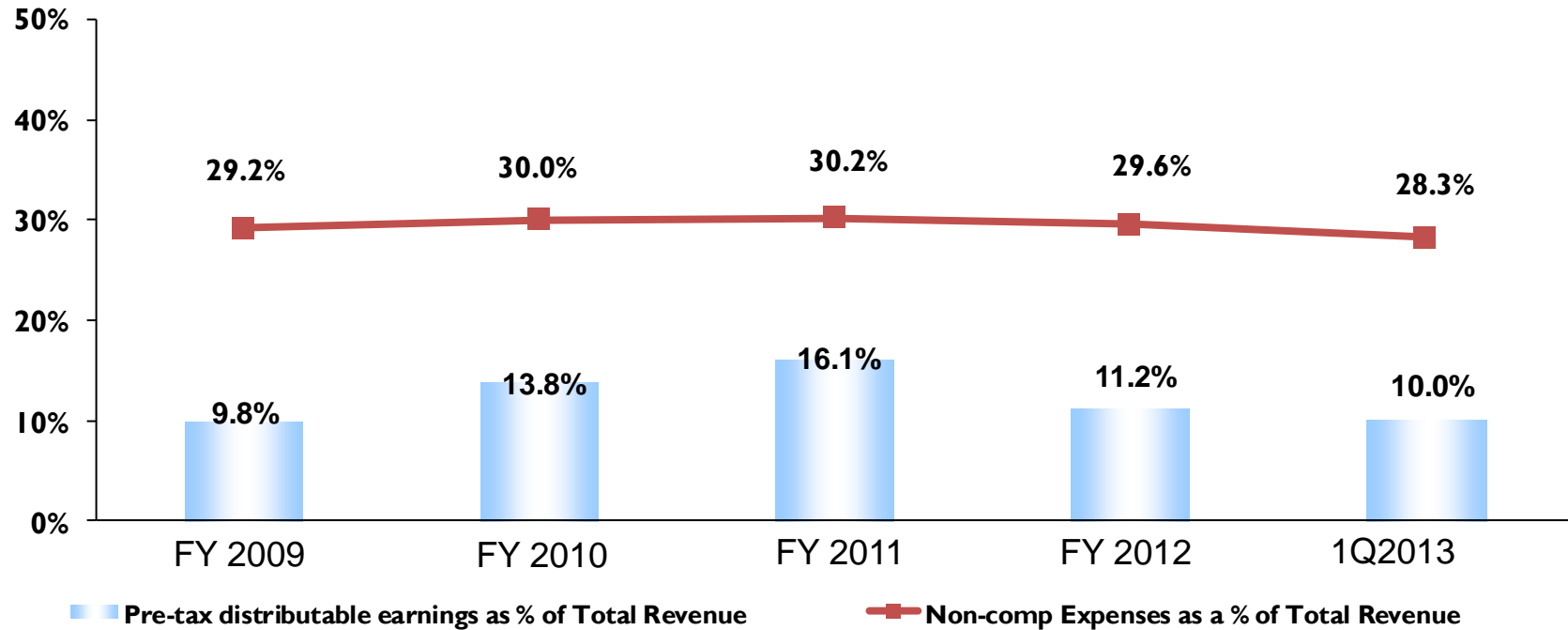
BGC PARTNERS COMPENSATION RATIO



- IQ2013 BGC Partners Compensation Ratio = 61.7% vs. 55.6% in IQ2012
- Commercial Real Estate brokers generally have a higher compensation ratio than IDBs with significant electronic trading revenues.



NON-COMPENSATION EXPENSES & PRE-TAX MARGIN



- Non-comp expenses were 28.3% of distributable earnings revenues in 1Q2013 versus 29.9% in 1Q2012
- Pre-tax distributable earnings margin was 10.0% in 1Q2013 vs. 14.4% in 1Q2012
- Post-tax distributable earnings margin was 8.6% in 1Q2013 vs. 12.6% in 1Q2012



ADJUSTED EBITDA

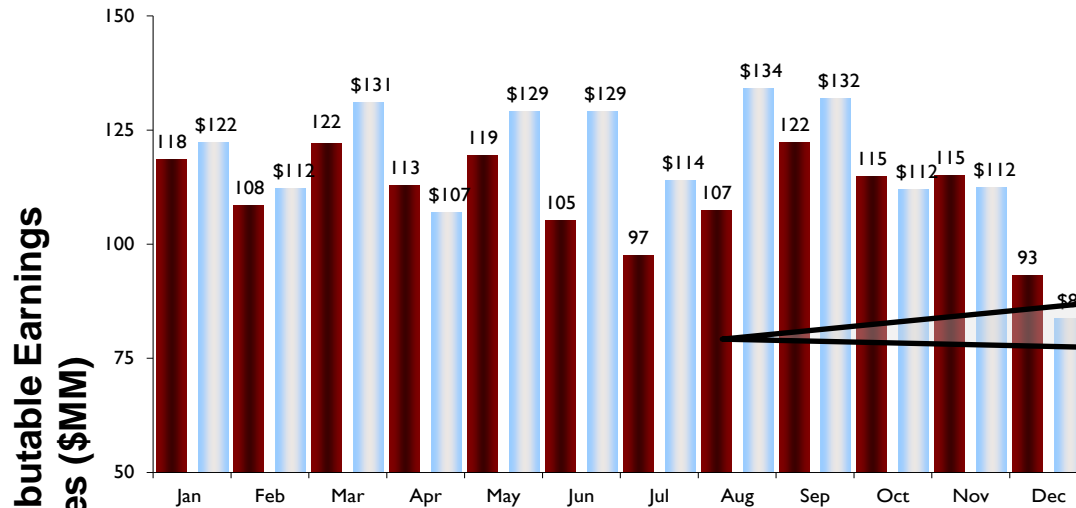
BGC Partners, Inc
Reconciliation of GAAP Income to Adjusted EBITDA
(and Comparison to Pre-Tax Distributable Earnings, in \$000s)

	Q1 2013	Q1 2012	FY 2012	FY 2011
Income from operations before income taxes	\$ 13,697	\$ 18,912	\$ 55,737	\$ 54,359
Add back:				
Employee loan amortization	9,459	6,953	35,596	31,785
Interest expense	9,700	7,558	34,885	24,606
Fixed asset depreciation and intangible asset amortization	12,569	12,515	50,985	49,281
Impairment of fixed assets	413	773	1,255	785
Exchangeability charges (1)	10,584	25,930	127,112	108,341
Losses on equity investments	3,288	2,456	11,775	6,605
Adjusted EBITDA	\$ 59,710	\$ 75,097	\$ 317,345	\$ 275,762
Pre-tax distributable earnings	\$ 45,119	\$ 58,239	\$ 196,015	\$ 236,952

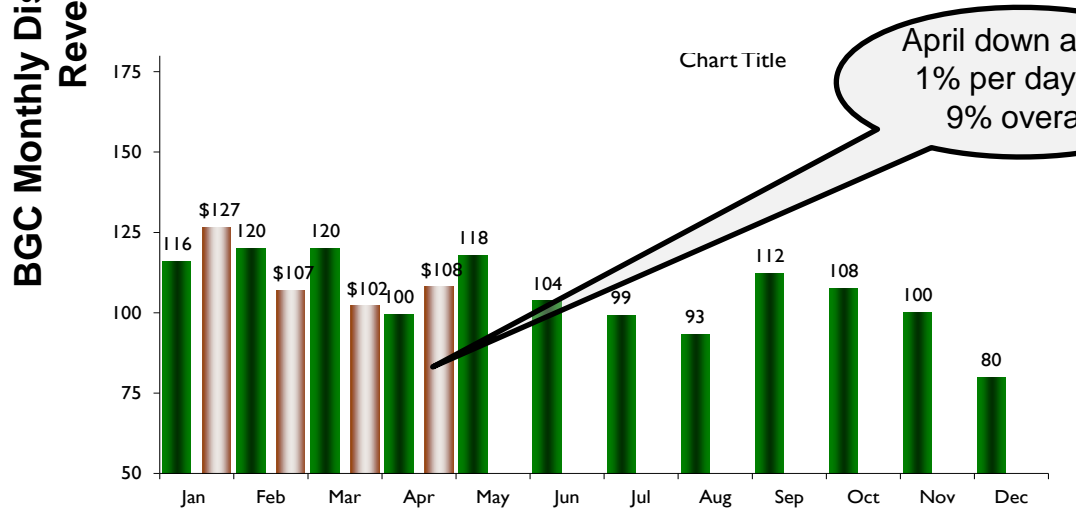
(1) Represents non-cash, non-economic, and non-dilutive charges relating to grants of exchangeability to limited partnership units.



MONTHLY REVENUE EXCLUDING REAL ESTATE SERVICES (\$MM)



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



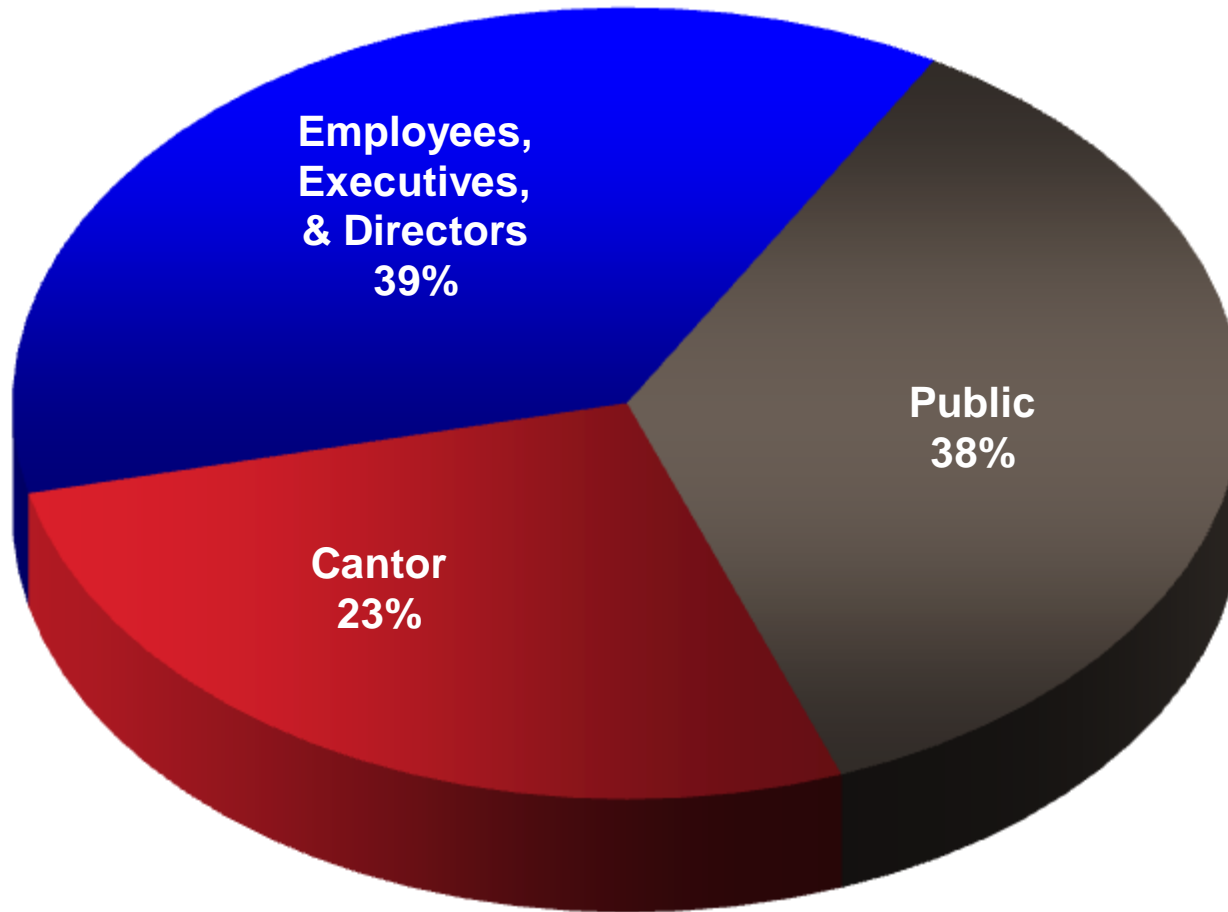
April down about 1% per day, up 9% overall

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

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



BGC'S ECONOMIC OWNERSHIP AS OF 3/31/13



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



NGKF REVENUE ANALYSIS

Because BGC purchased certain assets of Grubb & Ellis out of bankruptcy last year, NGKF collected 23.5 million dollars for the trailing twelve months, not related to the ongoing NGKF business.

(\$ in millions)

	<u>2Q2012</u>	<u>3Q2012</u>	<u>4Q2012</u>	<u>1Q2013</u>	<u>SUM</u>
Actual Revenues	\$144.1	\$141.1	\$148.7	\$114.2	\$548.0
Actual YoY Revenue Change	NA	NA	\$91.6	\$66.3	NA
Actual YoY % Change	NA	NA	160%	139%	NA
Adjusted Revenues	\$132.1	\$135.9	\$144.2	\$112.4	\$524.5
Adjusted YoY Revenue Change	NA	NA	\$87.1	\$64.5	NA
Adjusted YoY % Change	NA	NA	152%	135%	NA

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



AVERAGE EXCHANGE RATES

	Average			
	<u>IQ2013</u>	<u>IQ2012</u>	<u>April 2013</u>	<u>April 2012</u>
US Dollar	1	1	1	1
British Pound	1.554	1.571	1.530	1.600
Euro	1.321	1.311	1.301	1.317
Hong Kong Dollar	0.129	0.129	0.129	0.129
Singapore Dollar	0.808	0.791	0.808	0.799
Japanese Yen*	92.210	79.270	97.780	81.430

* Inverted

Source: Oanda.com. *Inverted.



RECENT FINANCIAL INDUSTRY RECOGNITION

Asia Risk
Interdealer Rankings 2013



#1 Overall

#1 in Rates & Equities

Energy Risk and Risk
Commodity Rankings 2013



#1 in Singapore – Jet Kerosene products

#1 in Singapore – Gas Oil products



RECENT NGKF INDUSTRY RECOGNITION



#5 & #6

Brokerage

Property Managers

Top 25 "Best of the Best" 2012



#5 & #4

Most Powerful Brokerage Firms

Top Property Managers

Distinguished Achievement 2012



TOP 100

Outsourcing Firms 2012

InformationWeek

500

Masters of Technology 2012

Real Estate Forum

#4

Top Management Firms 2012




11

Awards in the Last 11 Years



#4

New York's Largest Commercial Property Managers 2012



DISCLAIMER

BGC Partners uses non-GAAP financial measures including "Revenues for distributable earnings," "pre-tax distributable earnings" and "post-tax distributable earnings," which are supplemental measures of operating performance that are used by management to evaluate the financial performance of the Company and its subsidiaries. BGC Partners believes that distributable earnings best reflect the operating earnings generated by the Company on a consolidated basis and are the earnings which management considers available for distribution to BGC Partners, Inc. and its common stockholders, as well as to holders of BGC Holdings partnership units during any period. As compared with "income (loss) from operations before income taxes," "net income (loss) for fully diluted shares," and "fully diluted earnings (loss) per share," all prepared in accordance with GAAP, distributable earnings calculations primarily exclude certain non-cash compensation and other expenses which generally do not involve the receipt or outlay of cash by the Company, which do not dilute existing stockholders, and which do not have economic consequences, as described below. In addition, distributable earnings calculations exclude certain gains and charges that management believes do not best reflect the ordinary operating results of BGC. Revenues for distributable earnings are defined as GAAP revenues excluding the impact of BGC Partners, Inc.'s non-cash earnings or losses related to its equity investments, such as in Aqua Securities, L.P. and ELX Futures, L.P., and its holding company general partner, ELX Futures Holdings LLC. Revenues for distributable earnings include the collection of receivables which would have been recognized for GAAP other than for the effect of acquisition accounting. Revenues for distributable earnings also exclude certain one-time or unusual gains that are recognized under GAAP, because the Company does not believe such gains are reflective of its ongoing, ordinary operations. Pre-tax distributable earnings are defined as GAAP income (loss) from operations before income taxes excluding items that are primarily non-cash, non-dilutive, and non-economic, such as: Non-cash stock-based equity compensation charges for REUs granted or issued prior to the merger of BGC Partners, Inc. with and into eSpeed, as well as post-merger non-cash, non-dilutive equity-based compensation related to partnership unit exchange or conversion. Allocations of net income to founding/working partner and other limited partnership units, including REUs, RPU, PSUs, LPU, and PSIs. Non-cash asset impairment charges, if any. Distributable earnings calculations also exclude charges related to purchases, cancellations or redemptions of partnership interests and certain unusual, one-time or non-recurring items, if any. "Compensation and employee benefits" expense for distributable earnings will also include broker commission payouts relating to the aforementioned collection of receivables. BGC's definition of distributable earnings was revised also excluded certain gains and charges with respect to acquisitions, dispositions, and resolutions of litigation. 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 the dilutive instruments, such as the Convertible Senior Notes, but excludes the associated interest expense, net of tax, when the impact would be dilutive; or The fully diluted share count excludes the shares related to these instruments, but includes the associated interest expense, net of tax. Each quarter, the dividend to common stockholders is expected to be determined by the Company's Board of Directors with reference to post-tax distributable earnings per fully diluted share. In addition to the Company's quarterly dividend to common stockholders, BGC Partners expects to pay a pro-rata distribution of net income to BGC Holdings founding/working partner and other limited partnership units, including REUs, RPU, 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 in our earnings release entitled "Reconciliation of Revenues Under GAAP and Distributable Earnings," and "Reconciliation of GAAP Income to Distributable Earnings" which provides a summary reconciliation between pre- and post-tax distributable earnings and the corresponding GAAP measures for the Company in the periods discussed in this presentation.