



**BGC PARTNERS, INC.**

NASDAQ: BGCP

**HOWARD W. LUTNICK**  
**CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

**JUNE 2014 GENERAL INVESTOR PRESENTATION**

### **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 document any revisions to any forward-looking statements. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see BGC's Securities and Exchange Commission filings, including, but not limited to, the risk factors set forth in our public filings, including our most recent Form 10-K and any updates to such risk factors contained in subsequent Form 10-Q or Form 8-K filings.

### **Note Regarding Financial Tables and Metrics**

Excel files with the Company's quarterly financial results and metrics from full year 2008 through first quarter 2014 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](http://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 penultimate 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", "Differences Between Consolidated Results for Distributable Earnings and GAAP", 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)."

### **Other Items**

"Newmark Grubb Knight Frank" is synonymous in this document with "NGKF" or "Real Estate Services."

On June 28, 2013, BGC sold its fully electronic trading platform for benchmark U.S. Treasury Notes and Bonds to NASDAQ OMX Group, Inc. For the purposes of this document, the assets sold are referred to as "eSpeed," and the businesses remaining with BGC that were not part of the eSpeed sale are referred to as "retained."



## GENERAL OVERVIEW





## SOLID BUSINESS WITH SIGNIFICANT OPPORTUNITIES

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- Two segments: Financial Services & Real Estate Services
- Diversified revenues by geography & product category
- Value of assets of the Company not fully understood by the market
- Accretively acquiring and selectively hiring while reducing overall expense base
- Growing fully electronic trading
- Intermediary-oriented, low-risk business model
- Deep and experienced management team with ability to attract and retain key talent
- Attractive  $\approx 7\%$  dividend yield; current dividend expected to be maintained for the foreseeable future.

Note: BGCP dividend yield calculated based on closing stock price at May 27, 2014

# 1 FIRM, 2 SEGMENTS, 3 BUSINESSES



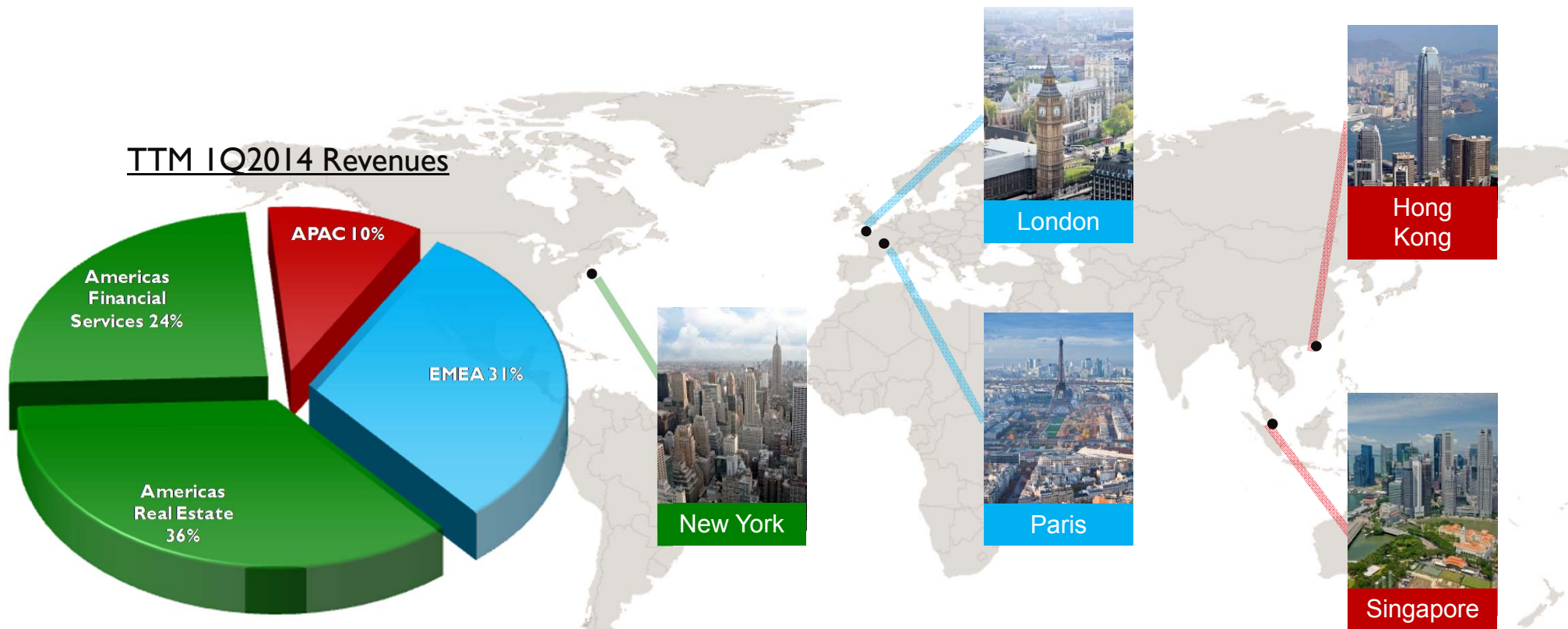
| Financial Services   |  | Real Estate Services  |
|--|--|---|
| Voice/Hybrid   | Fully Electronic   | Commercial Real Estate  |
| <p>→ Key products include:</p> <ul style="list-style-type: none"> <li>• Rates</li> <li>• Credit</li> <li>• Foreign Exchange (“FX”)</li> <li>• Equities</li> <li>• Energy &amp; Commodities</li> </ul> <p>→ 1,497 brokers &amp; salespeople</p> <p>→ ≈ 200 Financial desks</p> <p>→ In 20+ cities</p> | <p>→ Key products include:</p> <ul style="list-style-type: none"> <li>• Interest Rate Derivatives</li> <li>• Credit</li> <li>• FX</li> <li>• Off-the-Run UST</li> <li>• European &amp; Canadian Government Bonds</li> <li>• Market Data</li> <li>• Software Solutions</li> </ul> <p>→ Proprietary network connected to the global financial community</p> <p>→ Substantial investments in creating proprietary technology / network</p> <p>→ In 20+ cities</p> | <p>→ Key products include:</p> <ul style="list-style-type: none"> <li>• Sales</li> <li>• Leasing</li> <li>• Valuation</li> <li>• Property &amp; Facilities Management</li> <li>• Capital Raising</li> </ul> <p>→ 888 brokers &amp; salespeople</p> <p>→ In 50+ cities</p> |
| <p><b>TTM IQ'14</b><br/>Rev ≈ \$1,003MM<br/>Pre-Tax Margin ≈ 12%</p>   | <p><b>TTM IQ'14</b><br/>Rev ≈ \$81 MM<br/>Pre-Tax Margin ≈ 48%</p>   | <p><b>TTM IQ'14</b><br/>Rev ≈ \$619 MM<br/>Pre-Tax Margin ≈ 11%</p>   |

Note: Trailing twelve month (“TTM”) revenues and pre-tax profits exclude Corporate items. Financial Services revenues & margins exclude eSpeed.



## DIVERSIFIED REVENUES BY GEOGRAPHY

- Americas Revenue up 7%, excluding eSpeed
- Europe, Middle East & Africa Revenue down 3% Y/Y
- Asia Pacific Revenue down 10% Y/Y



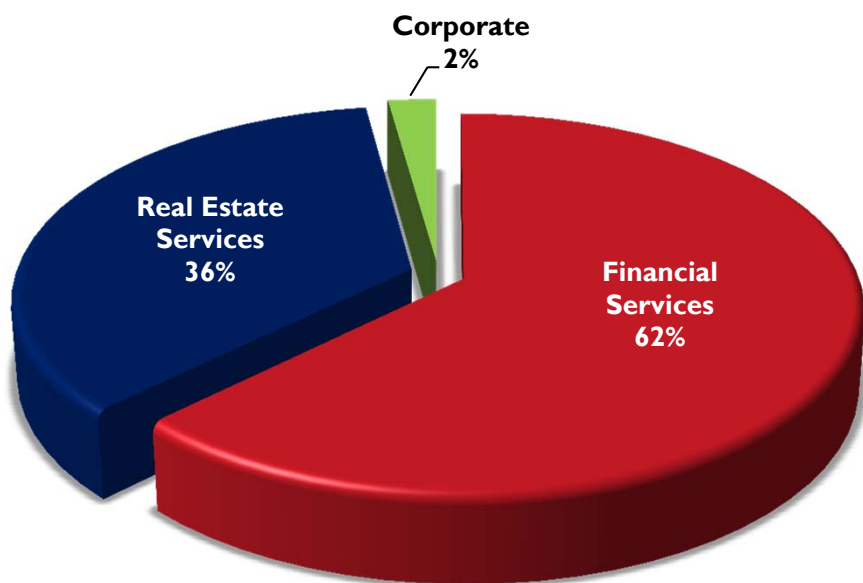
- Real Estate typically seasonally strongest in 4<sup>th</sup> Quarter
- IDBs typically seasonally strongest in 1<sup>st</sup> Quarter

Note: percentages may not sum to 100% due to rounding; amounts exclude prior period results from eSpeed



# DIVERSIFIED REVENUES BY PRODUCT

## TTM 1Q'14 Revenues



| TTM 1Q'14<br>In USD millions | Revenues  | Pre-tax Earnings | Pre-tax Margin |
|------------------------------|-----------|------------------|----------------|
| Financial                    | \$1,083.6 | \$163.4          | 15.1%          |
| Real Estate                  | \$618.5   | \$69.1           | 11.2%          |
| Corporate                    | \$38.4    | (\$53.2)         | NMF            |

| TTM 1Q'13<br>In USD millions | Revenues  | Pre-tax Earnings | Pre-tax Margin |
|------------------------------|-----------|------------------|----------------|
| Financial                    | \$1,108.3 | \$147.3          | 13.3%          |
| Real Estate                  | \$548.0   | \$45.0           | 8.2%           |
| Corporate                    | \$43.0    | (\$64.0)         | NMF            |

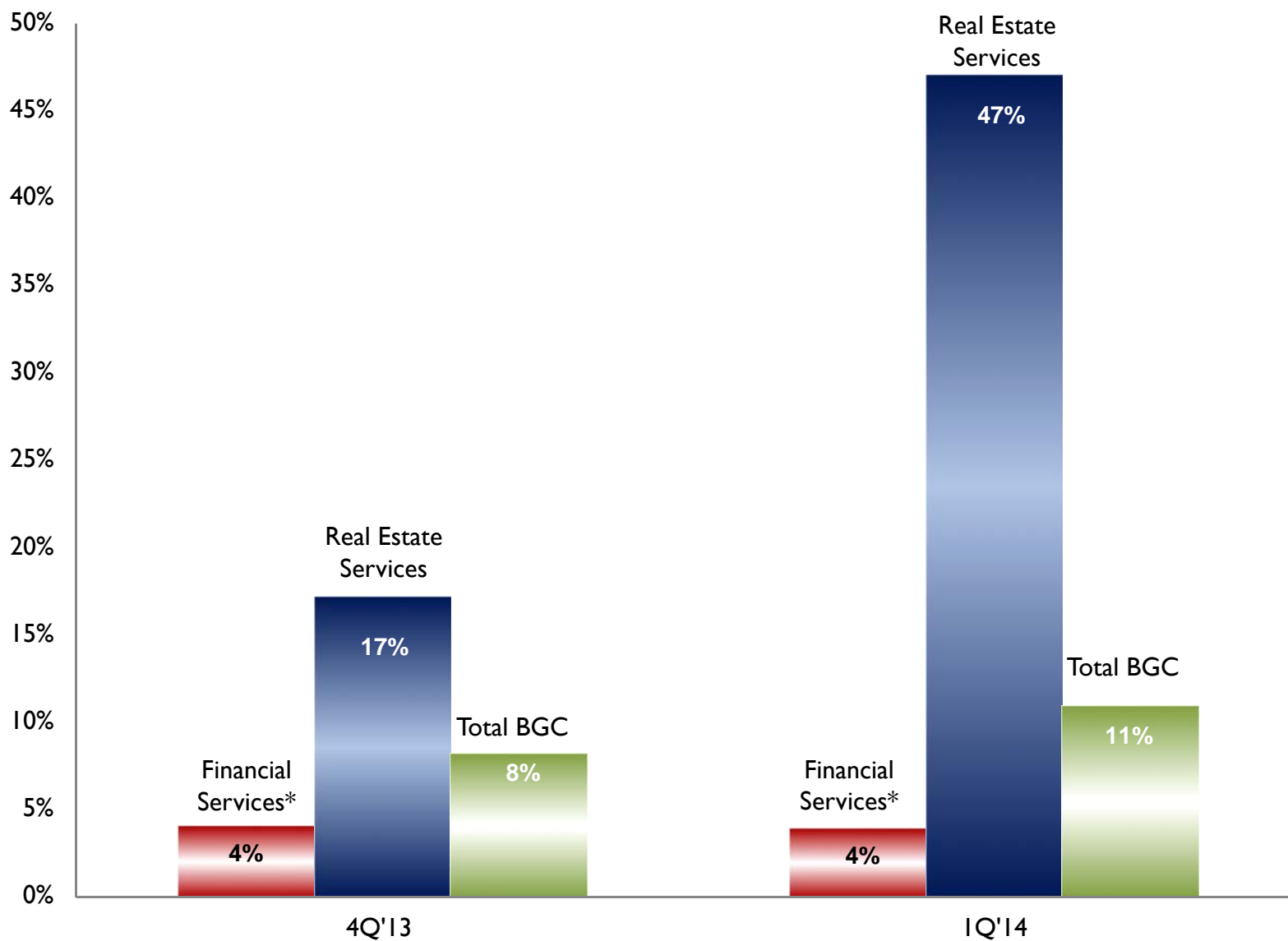
- Excluding eSpeed and including NASDAQ earn-out, Financial Service revenues down 2.2% for TTM 1Q'14
- Real Estate typically seasonally strongest in 4Q; IDBs typically seasonally strongest in 1Q

**Note:** Amounts are exclusive of prior period results from eSpeed



# BROKER PRODUCTIVITY TRENDING UPWARD

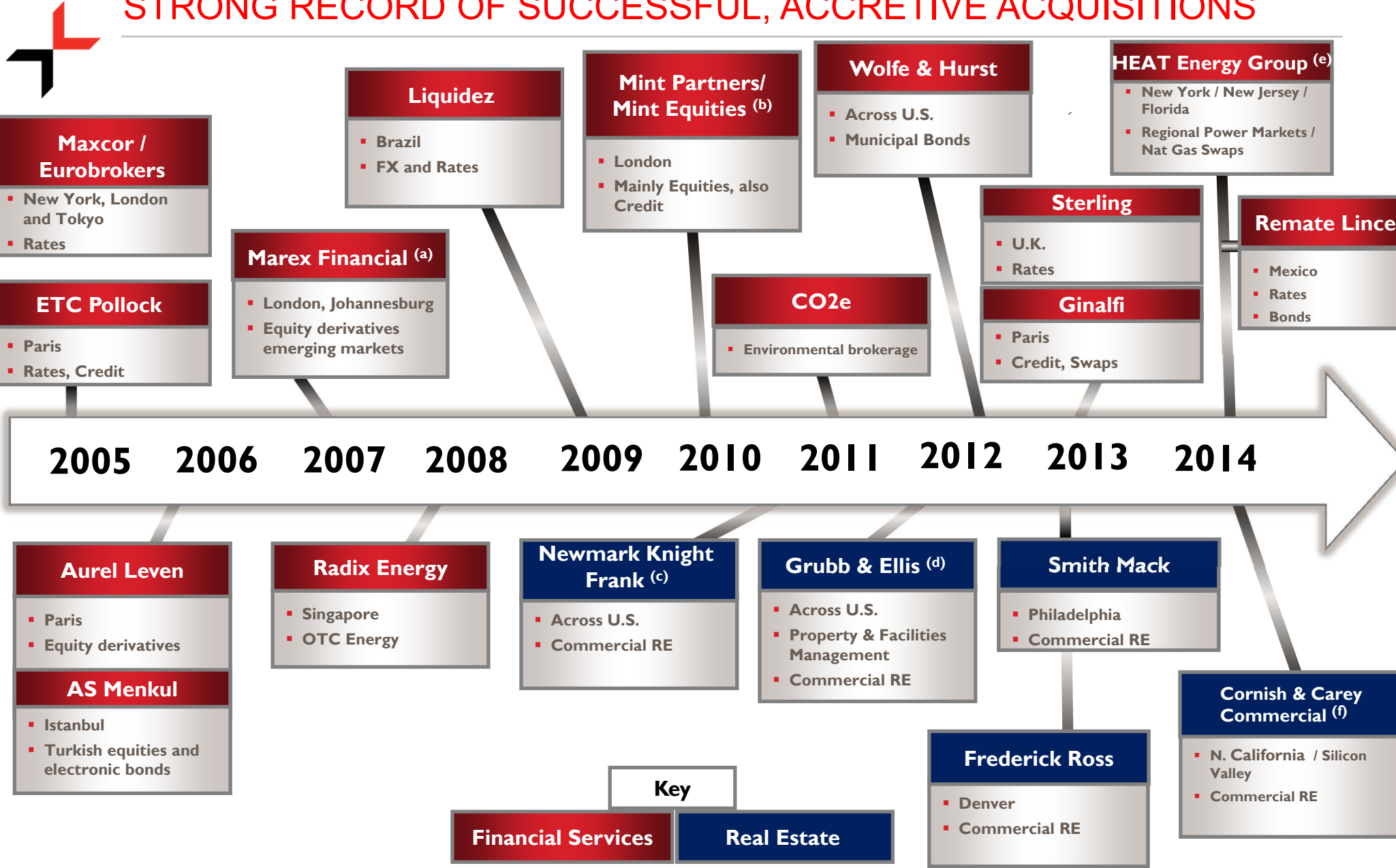
Y/Y % Change in Production per Broker/Salesperson



\* Change excludes revenues and headcount from eSpeed



# 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 operates as "Newmark Knight Frank" in the United States and is associated with London-based Knight Frank. (d) BGC acquired substantially all the assets of Grubb & Ellis. (e) BGC acquired the assets of HEAT Energy Group during Q1 2014. (f) Announced in Q1 2014 and pending close as of 5-27-2014.

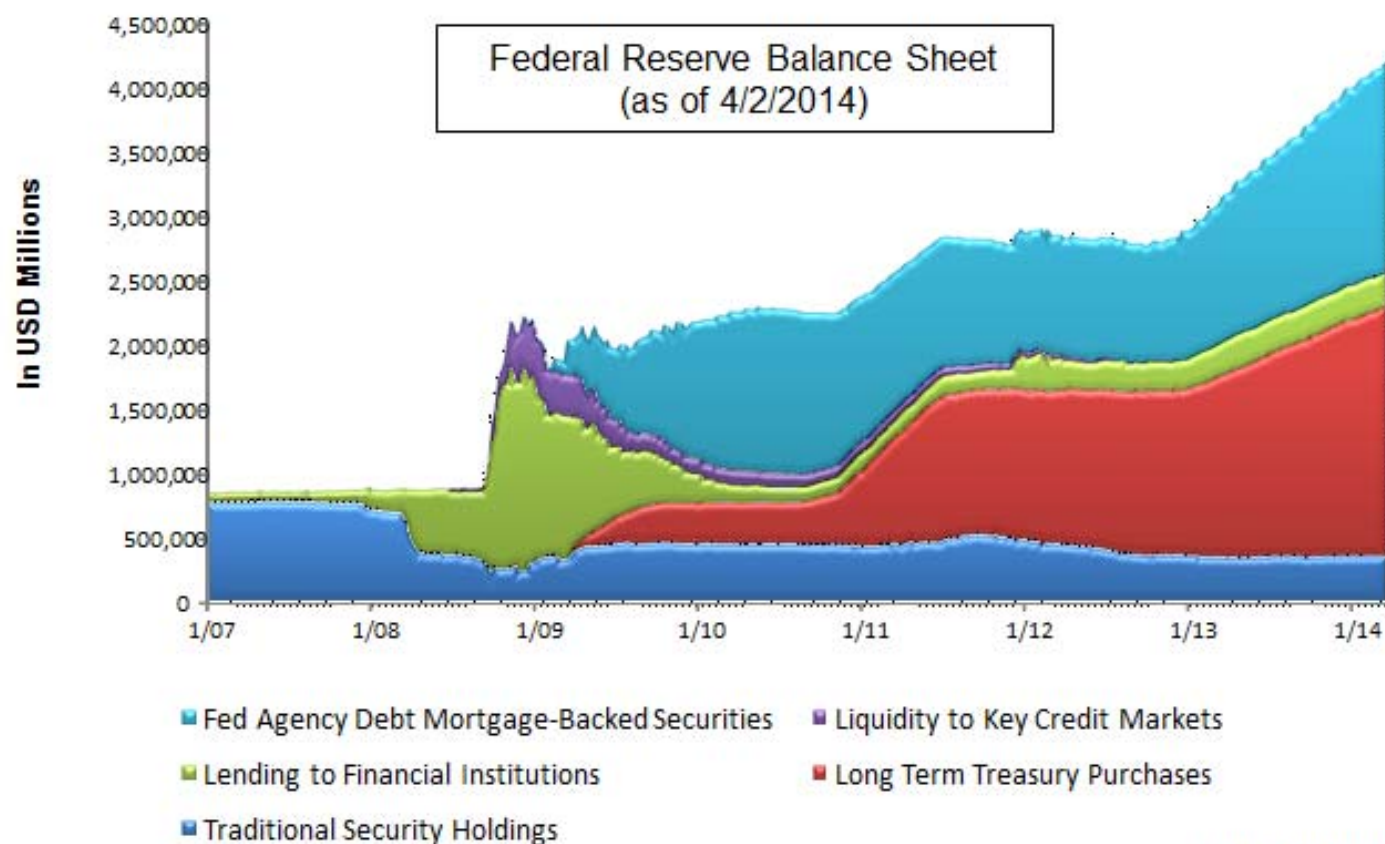
# CENTRAL BANK POLICY: AIDING REAL ESTATE SERVICES, HINDERING FINANCIAL SERVICES ACTIVITY

## Global Monetary Policy

- Fed tapering its quantitative easing ("QE") program at a rate of \$10 billion per FOMC meeting
- ECB facing deflationary pressures; may cut rates and/or introduce QE measures
- Fed, ECB, BOJ and BoE to remain accommodative

## Global Monetary Policy Effect On BGC Operations

- Current monetary policy expected to benefit NGKF
- Low rates and QE by major central banks negatively impact volatility and volumes across global Rates and FX markets
- Ending or unwinding of QE should eventually provide tailwinds to our Rates and FX business



Source: Federal Reserve Bank of Cleveland



## FINANCIAL SERVICES SEGMENT OVERVIEW



# WELL DIVERSIFIED FINANCIAL SERVICES SEGMENT

## Overview

- TTM IQ'14 Rev \$1,084MM
- Pre-tax margin TTM  $\approx$ 15%
- Rates
- Credit
- FX
- Equities & Other (commodities, energy, etc)
- Market data, Software & Other
- Both cash & derivatives across asset classes

## Drivers

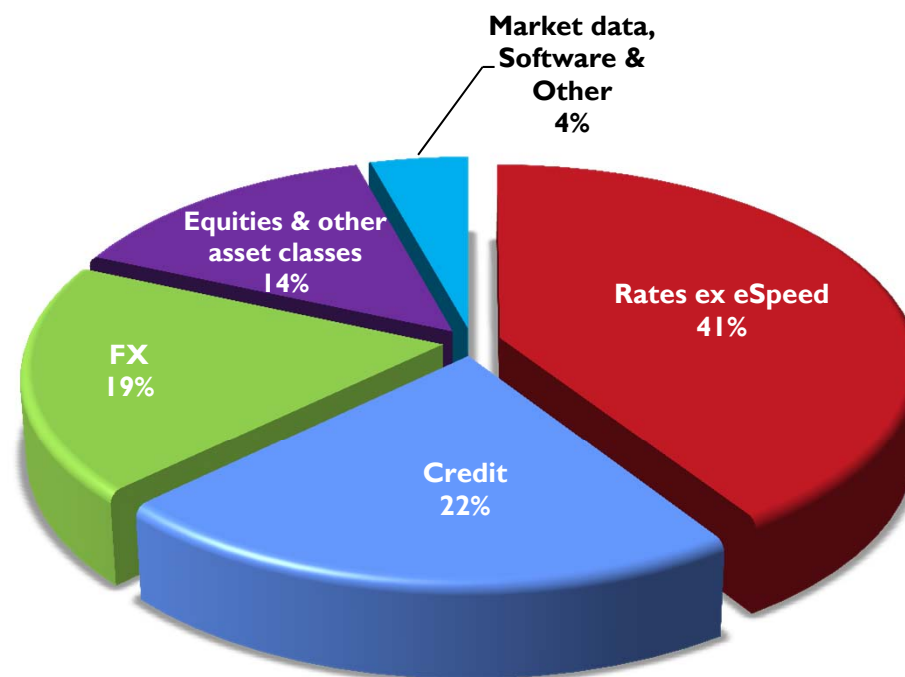
### Long-term:

- Growth of fully electronic trading
- Dodd-Frank compliant trading
- Corporate & other issuance

### Near-term:

- Eliminated less profitable brokers
- Lower industry volumes & volatility
- Regulatory uncertainty in the U.S.

## % of TTM IQ'14 Segment Revenues

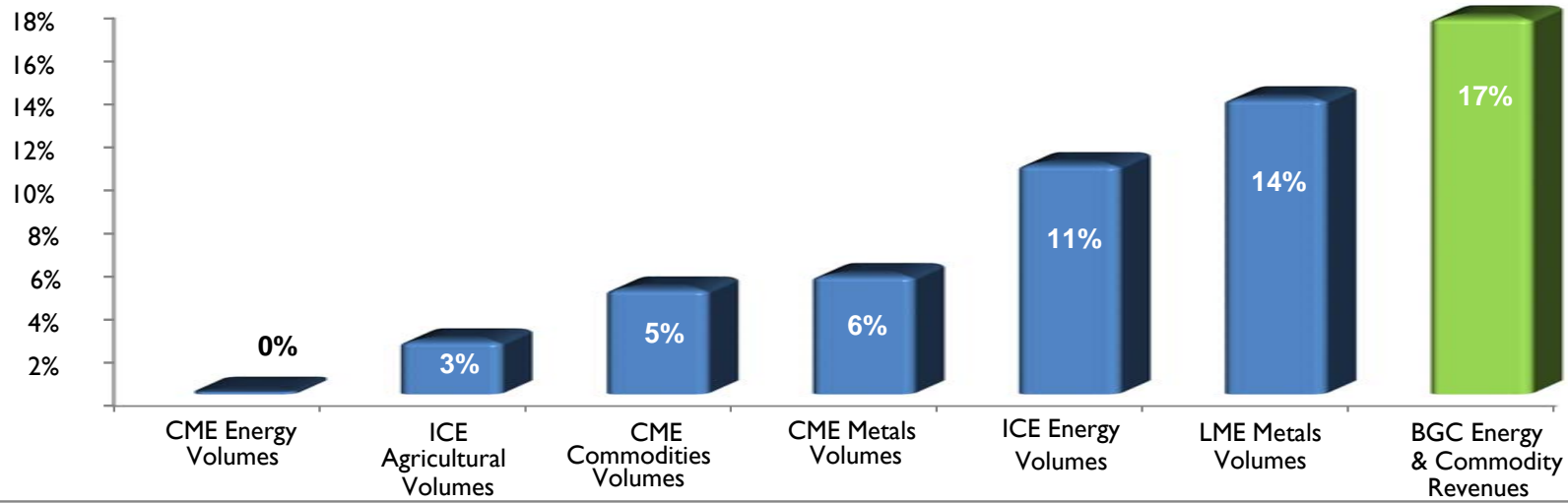


**Note:** All amounts and figures shown are exclusive of prior period results from eSpeed

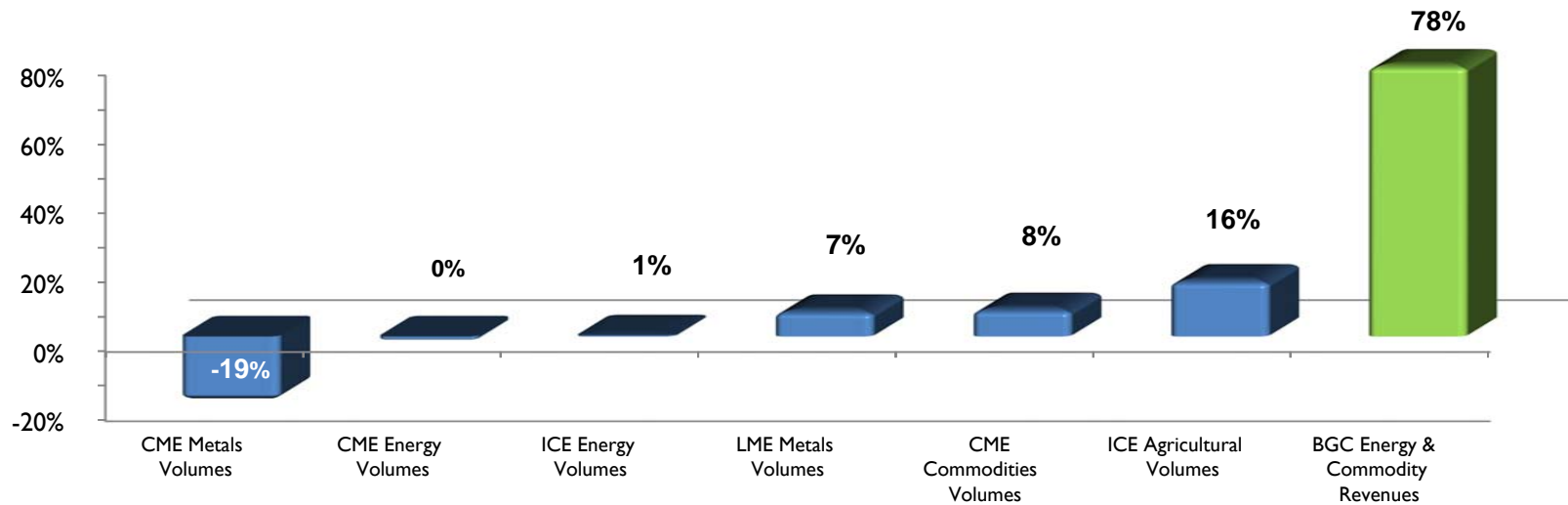
# BGC HAS OUTPACED SOLIDLY GROWING OVERALL ENERGY & COMMODITIES MARKET



### 2010- TTM IQ'14 CAGR

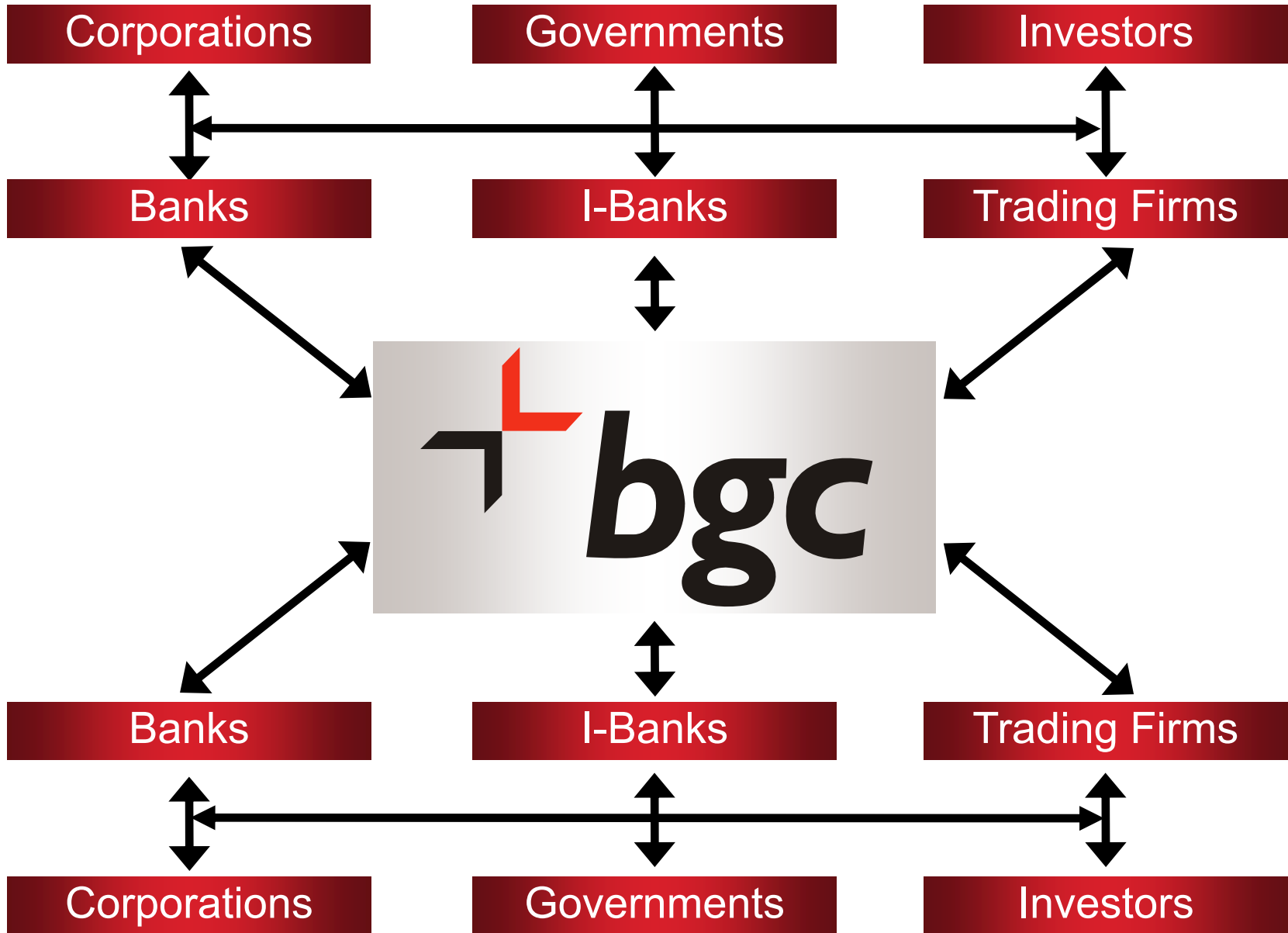


### IQ'13 to IQ'14 Growth

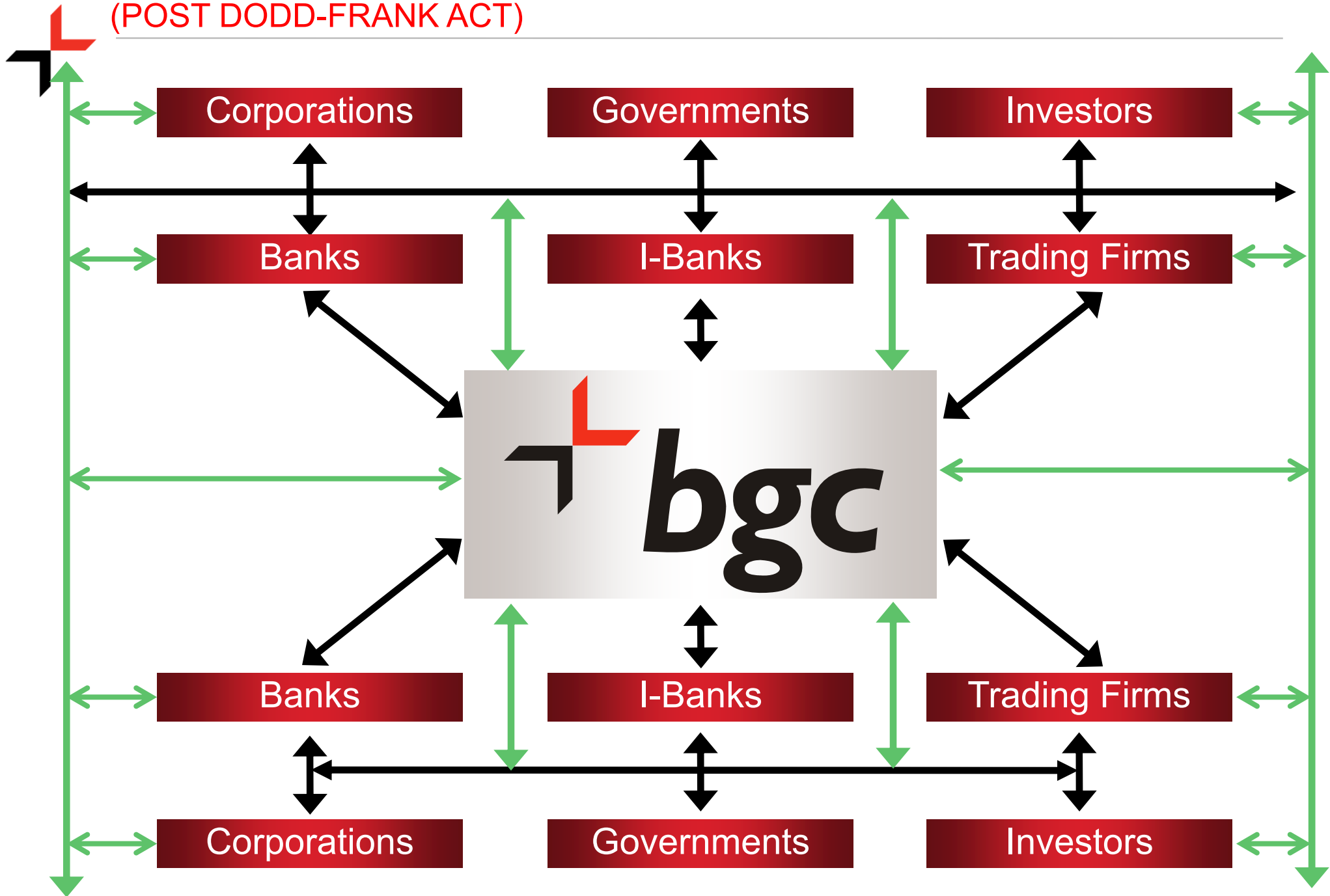




# A LEADING INTER-DEALER BROKER (PRE DODD-FRANK ACT)



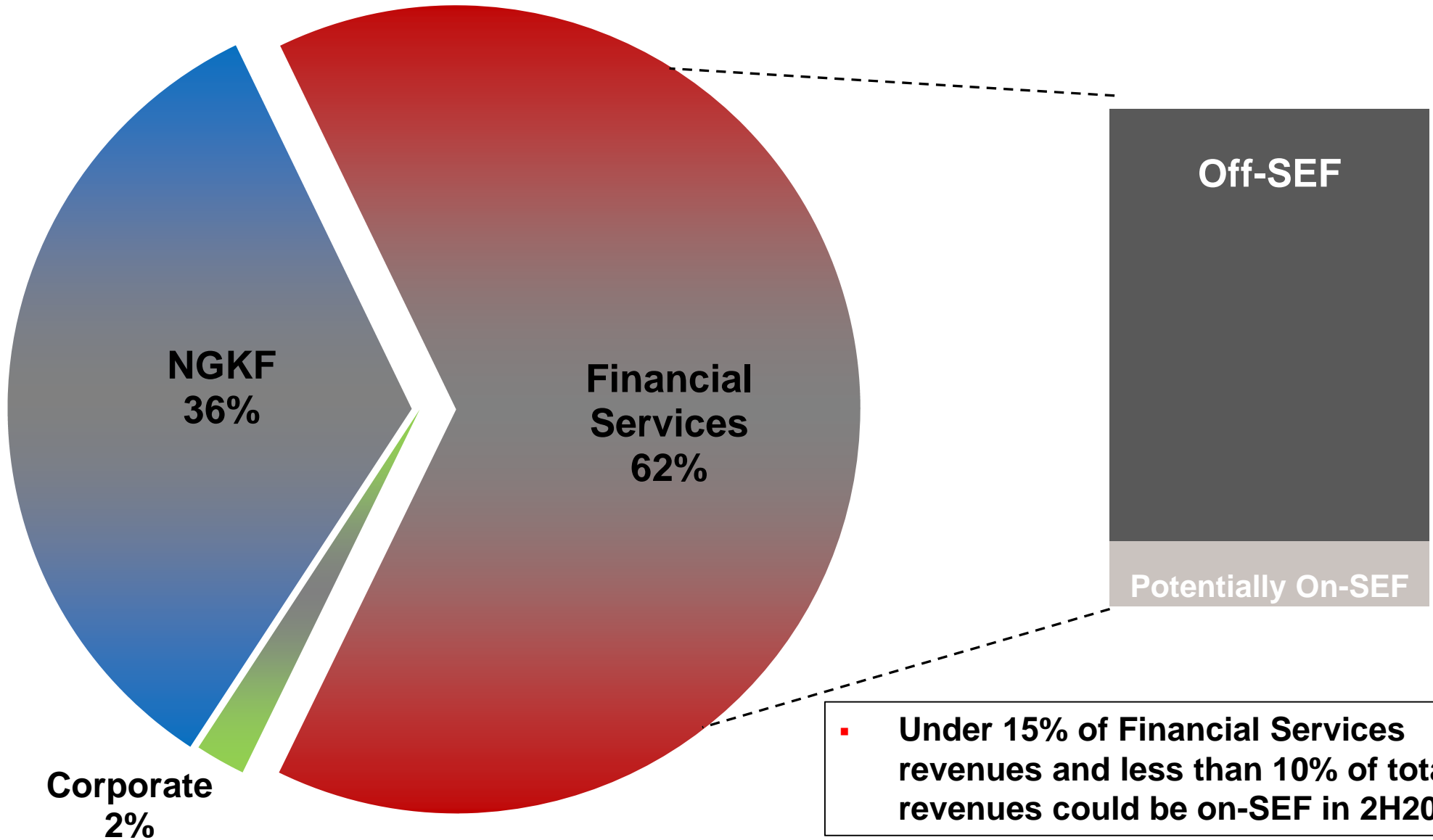
BGC MAY BE ABLE TO GREATLY EXPAND ITS CUSTOMER BASE OVER TIME  
(POST DODD-FRANK ACT)



# SMALL PERCENTAGE OF REVENUES EXPECTED TO BE IMPACTED BY SEF TRADING IN 2014



**TTM IQ'14 DE Revenues = \$1,741MM**

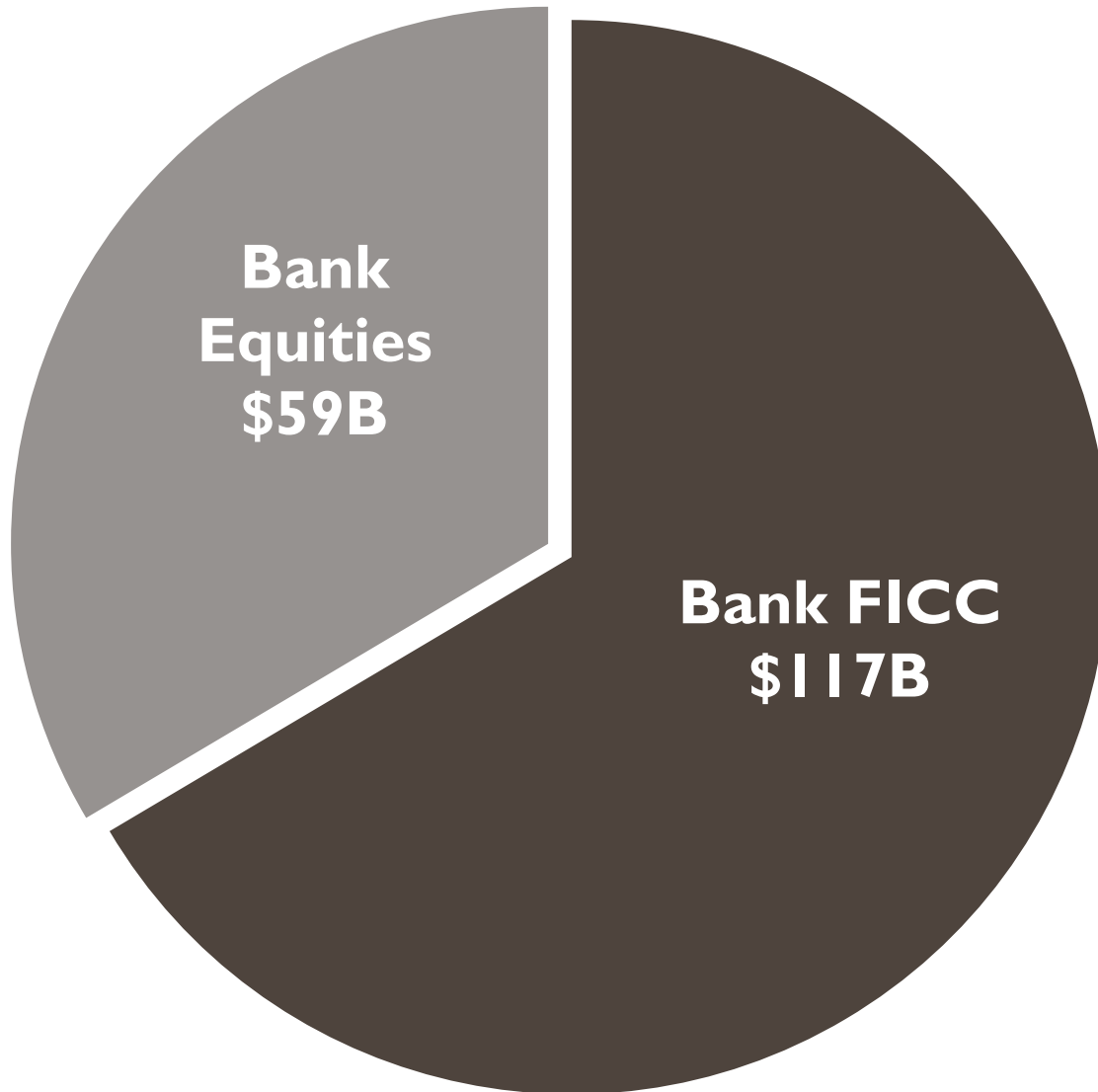


**Note:** Amounts exclude revenues generated from eSpeed in prior periods

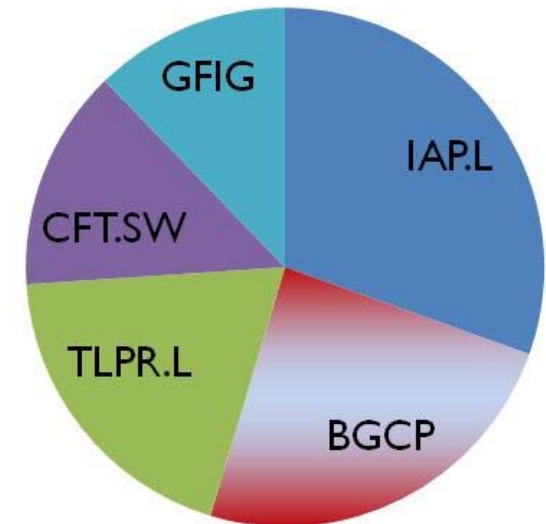


SMALL SLICE FROM BANKS = SIGNIFICANT POTENTIAL OPPORTUNITY FOR BGC

\$176B Global Bank Sales & Trading Revenues in 2013



\$8.1B Global Revenues Public IDBs



Sources: Bank revenues from Morgan Stanley Research and Oliver Wyman, March 2014. IDB Revenues are from Bloomberg for actual FY13 revenues for CFT.SW, TLPR.L, and GFIG and FY14 (ending 3/31/14) for IAP.L, all adjusted to historically appropriate \$USD exchange rates. BGCP = FY13 DE revenues.

# AS OF 2Q2014, WELL OVER HALF OF BGC'S DESKS OFFER FULLY ELECTRONIC TRADING



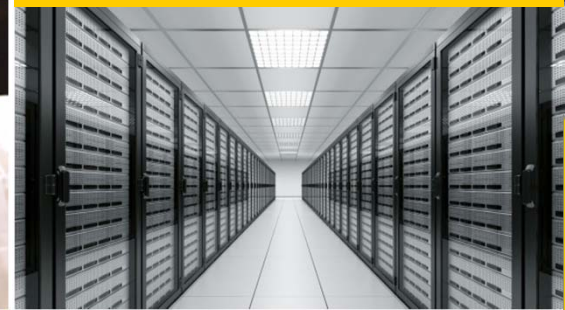
Phone Prices

Screen Prices and Streaming

**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
- ◆ European Power
- ◆ Precious Metal ETFs

- ◆ Cash Equities
- ◆ Basis Swaps
- ◆ Floating Rate Notes
- ◆ Base Metals
- ◆ Covered Bonds

- ◆ UST Curve Swaps
- ◆ UST Off-the-Runs
- ◆ Equity Derivatives (Global)
- ◆ Emerging Market Bonds
- ◆ Japanese Corporates
- ◆ Convertible Bonds
- ◆ US Cash Bonds
- ◆ Asset Backed Securities

- ◆ TIPS and Inflation Swaps
- ◆ Repos
- ◆ FX Options
- ◆ Corporates (EU & Aust.)
- ◆ APAC Sovereigns
- ◆ Single-Name CDS (Global)
- ◆ IRS (multiple currencies)
- ◆ IR Options (multiple currencies)
- ◆ Non-deliverable Forwards
- ◆ Metals Options
- ◆ European Govt Bonds

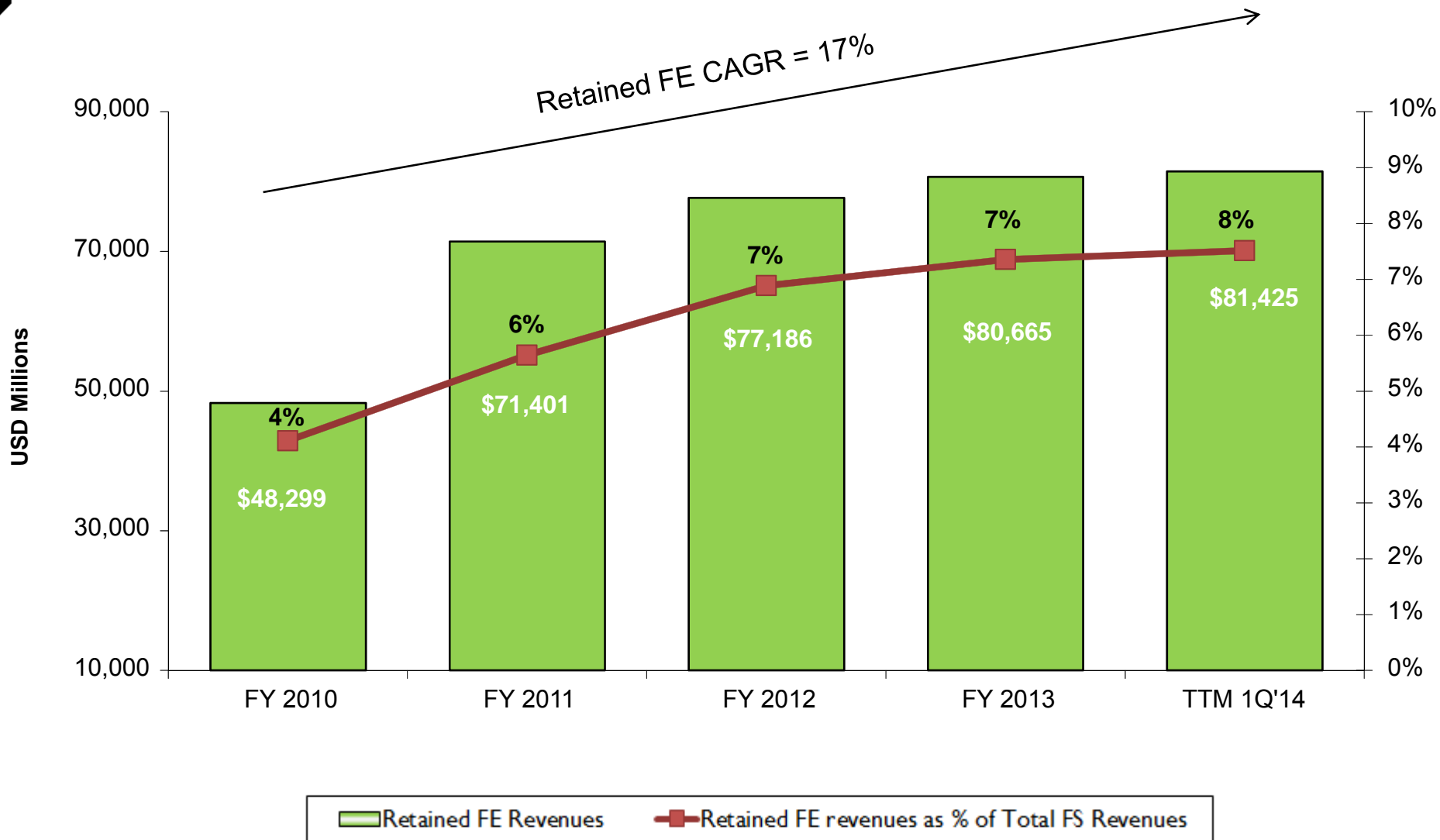
- ◆ Spot FX
- ◆ Canadian Sovereigns
- ◆ Sovereign CDS
- ◆ CDS Indices (Global)

VOLUME GROWTH



Note: The above is only a partial list.

# RETAINED FULLY ELECTRONIC (FE) REVENUE GROWTH HAS OUTPACED OVERALL FINANCIAL SERVICES, AIDING MARGINS

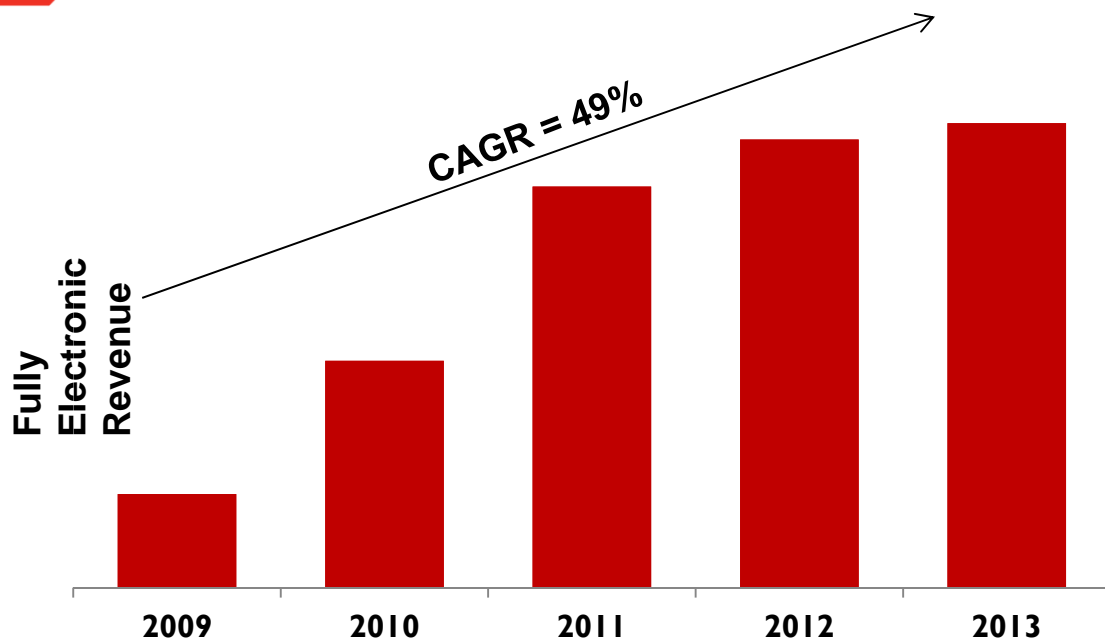


- Fully electronic pre-tax margin ≈ 48% for TTM ended 3/31/2014

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

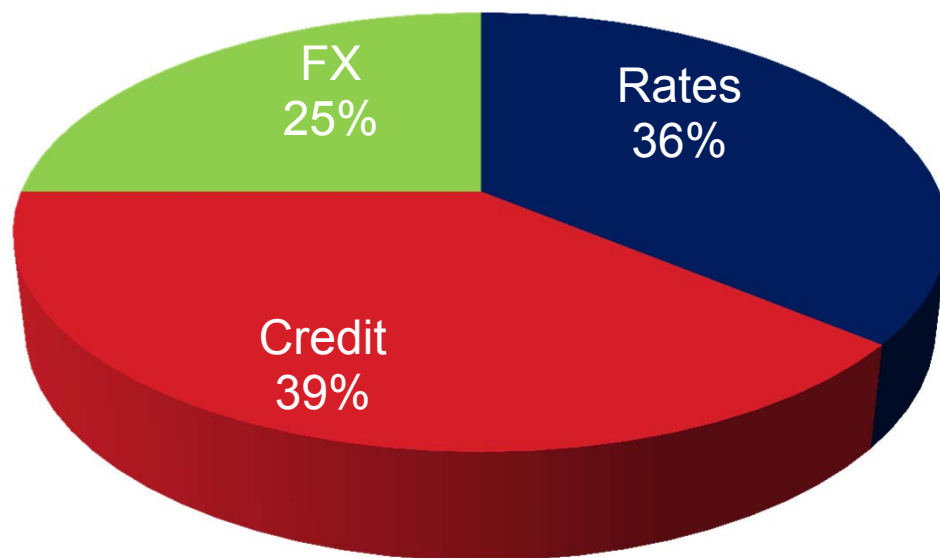
Note: All amounts above are exclusive of prior period results from eSpeed

# STRONG FULLY ELECTRONIC BROKERAGE REVENUE GROWTH FOR BGC TRADER AND BGC SPOT FX



Retained FE Brokerage By Asset Class

- Fully electronic brokerage revenues have grown significantly faster than overall company revenues (excluding eSpeed and Freedom)
- On the same basis, Credit and FX have become significant contributors to the fully electronic brokerage revenues in 1Q2014







Newmark Grubb  
Knight Frank

# REAL ESTATE OVERVIEW



# BUSINESS OVERVIEW: REAL ESTATE SERVICES

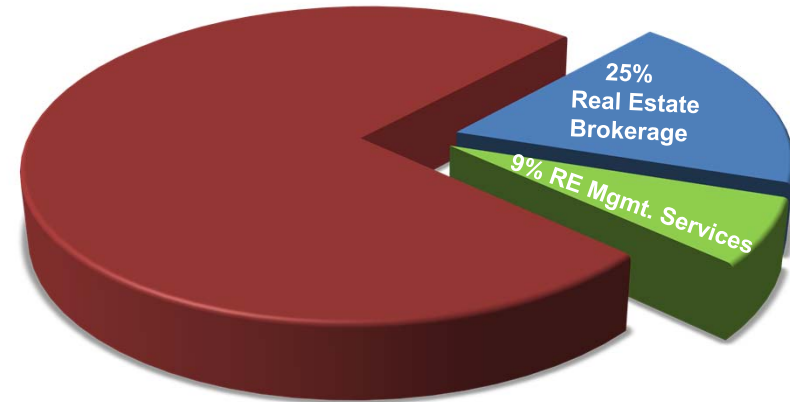
## Example of Products

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

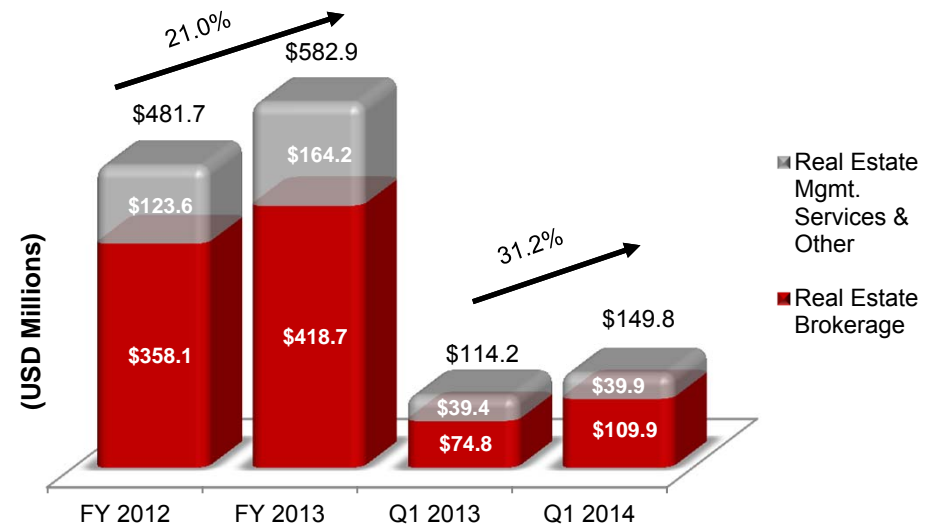
## Drivers

- Prior period hires and acquisitions ramping up productivity
- Superior yields in low interest rate environment continue to make Real Estate an attractive investment class
- Strengthening U.S. economy and accommodative monetary policy aids the Real Estate recovery
- Brokerage revenues up 47% year-over-year in 1Q2014
- Pre-tax DE up 562% and DE margins expanded 810bps in 1Q2014

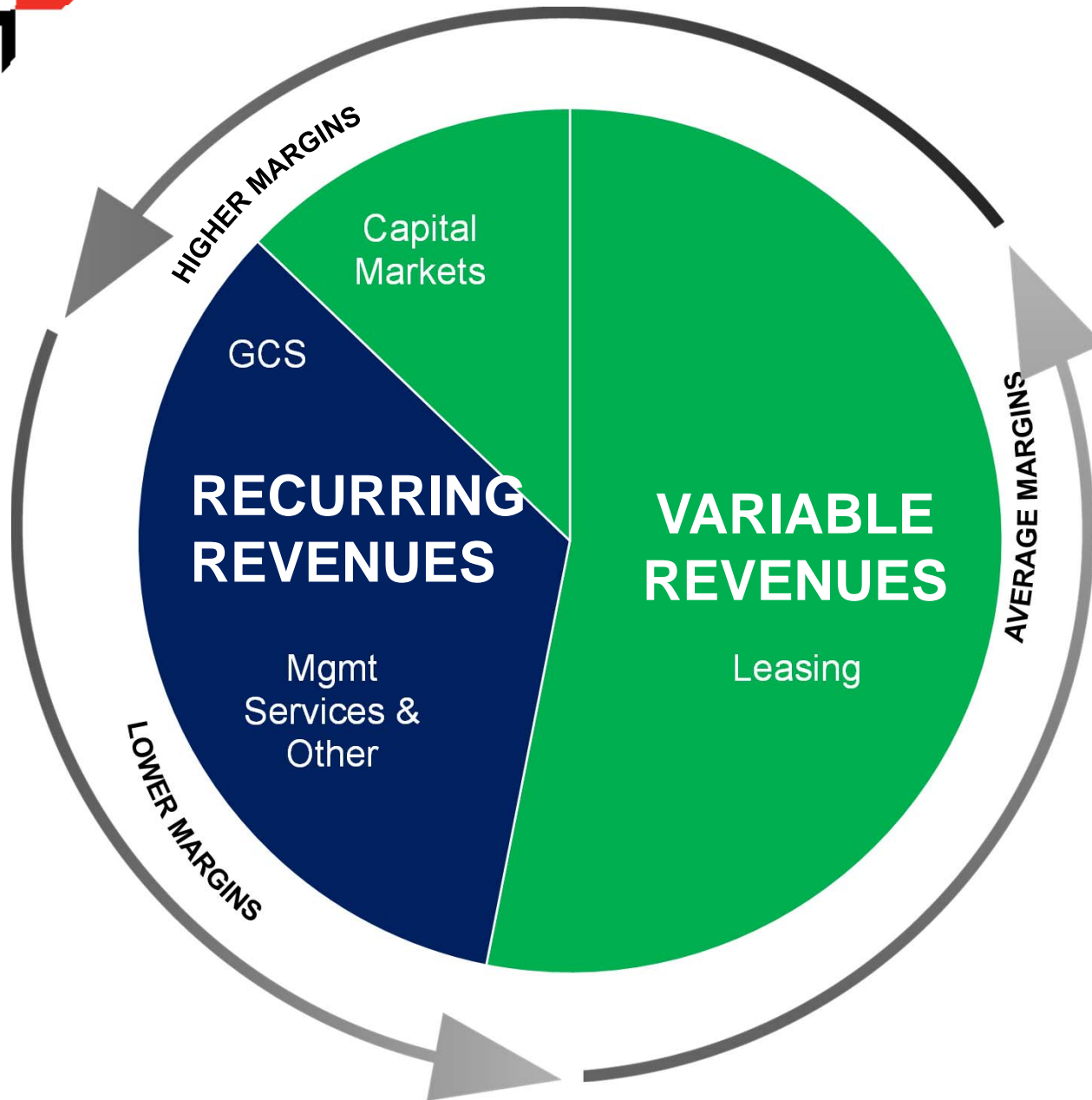
## % of Q1 2014 Total Distributable Earnings Revenue



## Real Estate Services Revenue



# NGKF REVENUES ARE DIVERSIFIED AND SIGNIFICANTLY RECURRING



- Nearly 40% of NGKF's revenues are from relatively predictable and recurring sources
- Global Corporate Services revenues were up almost 80% YOY in 1Q2014
- Capital markets brokerage revenues were up by over 70% YOY in 1Q2014 and  $\approx$  20% of total commission revenues for the period
- Capital markets generally has highest margins for commercial real estate services firms

Note: Recurring revenue includes Global Corporate Services, Property Management, Facilities Management. Sources: NGKF, Goldman Sachs, Real Capital Analytics, Moody's and CoStar.

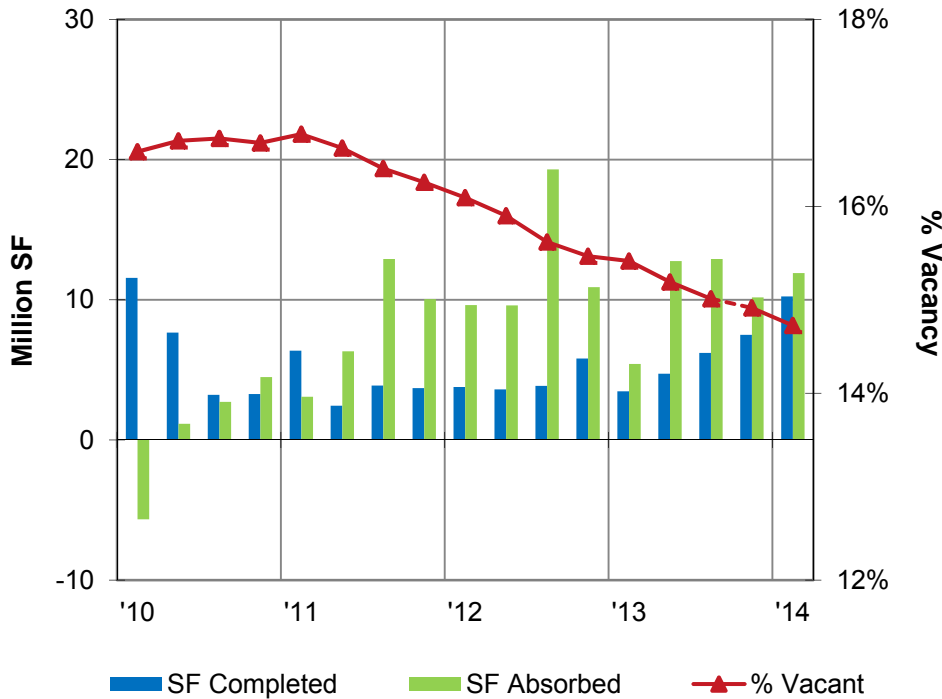




# LEASING TRENDS CONTINUE TO GAIN MOMENTUM

## U.S. Office Market

Gradual Recovery to Continue, Led by Demand in Tech and Oil Markets

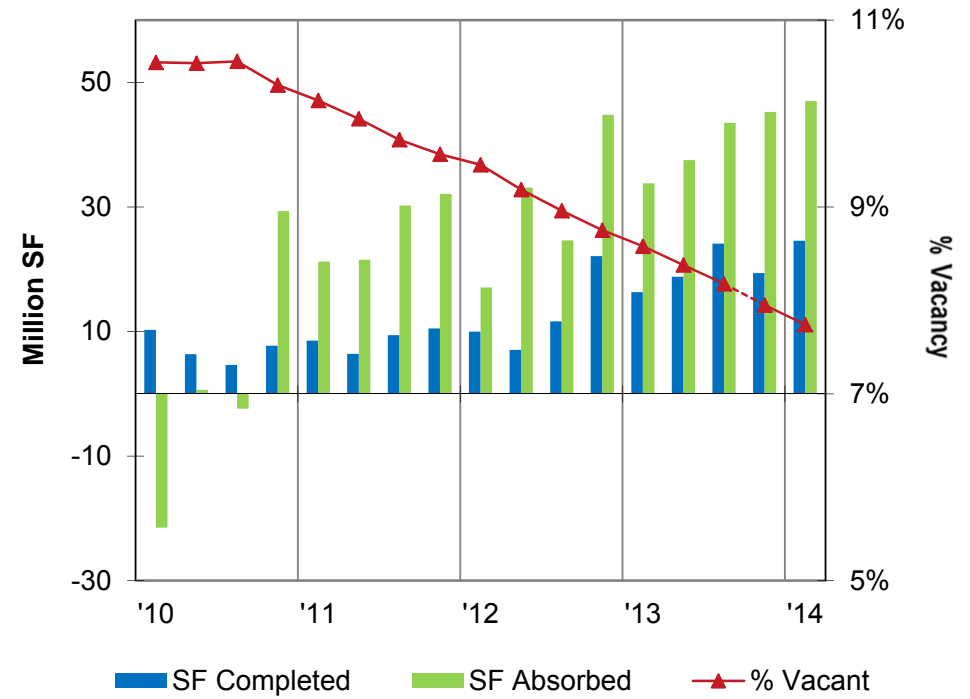


- ◆ 16<sup>th</sup> consecutive quarter of positive net absorption in U.S. office market
- ◆ Desire for new commercial space remains strong in core markets such as New York City, Boston, Houston and Seattle
- ◆ Leasing fundamentals are healthy with positive absorption, declining vacancy and modest rental growth

Source: NGKF Research, CoStar

## U.S. Industrial Market

Demand Driven by e-Commerce Business Cap-ex, Trade, Supply Chain Optimization



- ◆ Q1 vacancy of 7.7% ties pre-recession low in 2007-Q1
- ◆ Q1 net absorption hit 6-year high of 47M SF, led by DFW w/4.2M SF
- ◆ Construction pipeline around ½ its pre-recession peak
- ◆ Recovery has spread to regional markets with less new supply

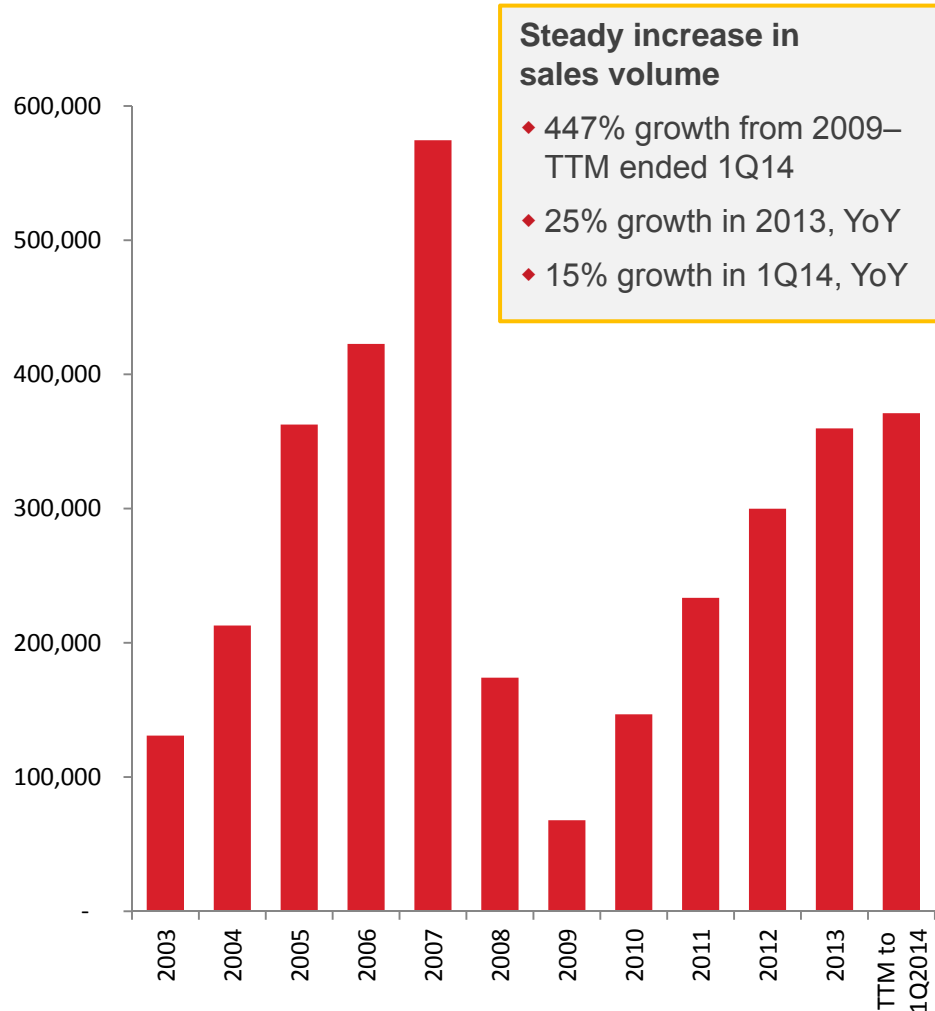




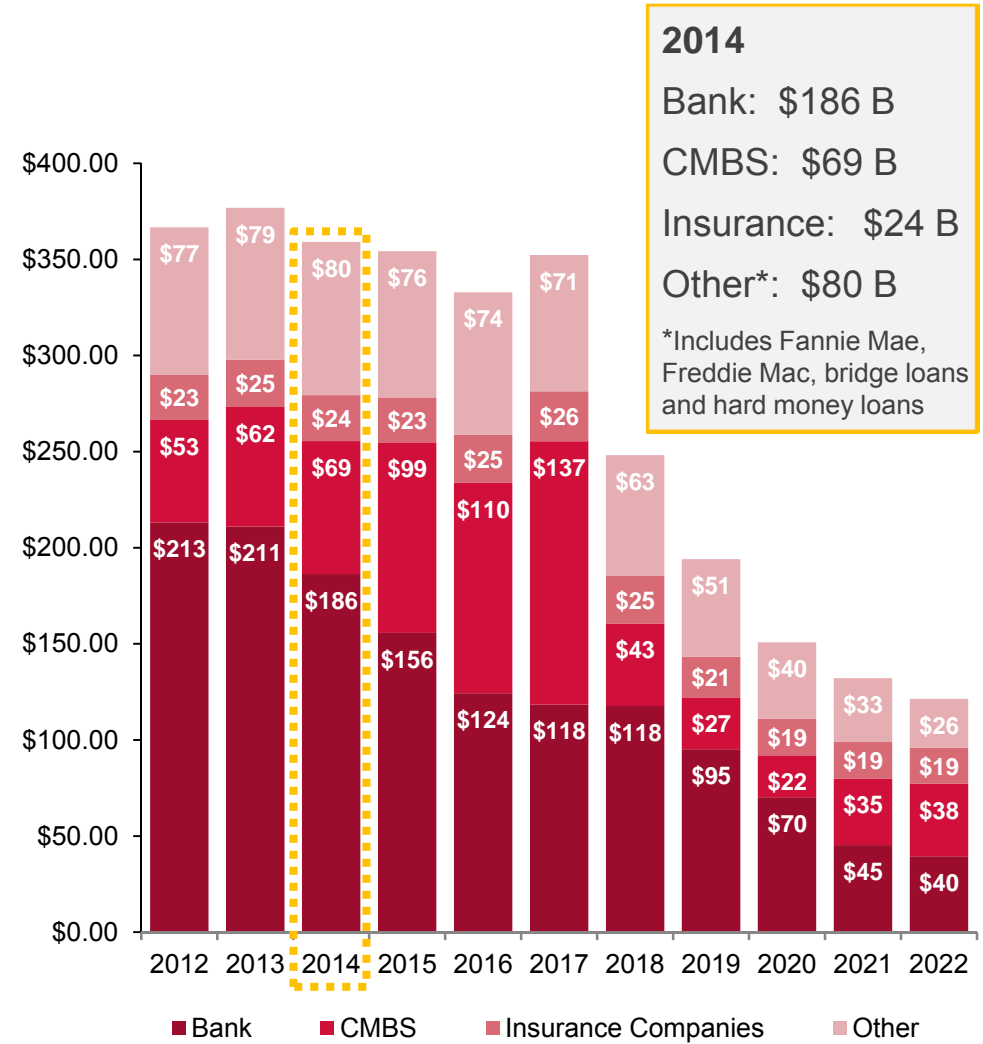
# STRONG CAPITAL MARKETS METRICS

## U.S. Investment Sales Volume (\$MM)

All Property Types



## U.S. Commercial Mortgage Maturities

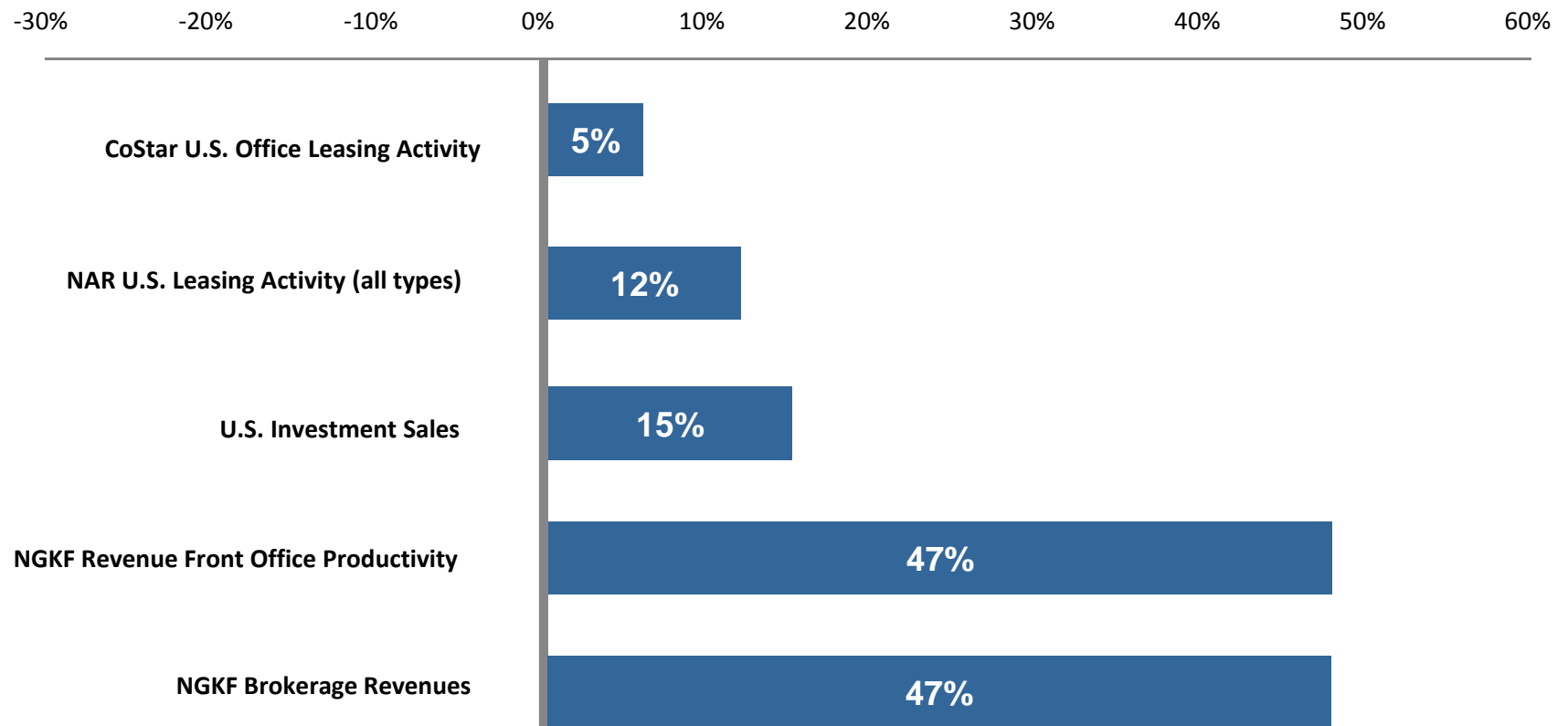


Source: Real Capital Analytics, NGKF Research, Trepp with Federal Reserve Flow of Funds Data



# NGKF BROKERAGE REVENUE GROWTH OUTPACED INDUSTRY

## Year-over-Year Change Across Commercial Real Estate Sector

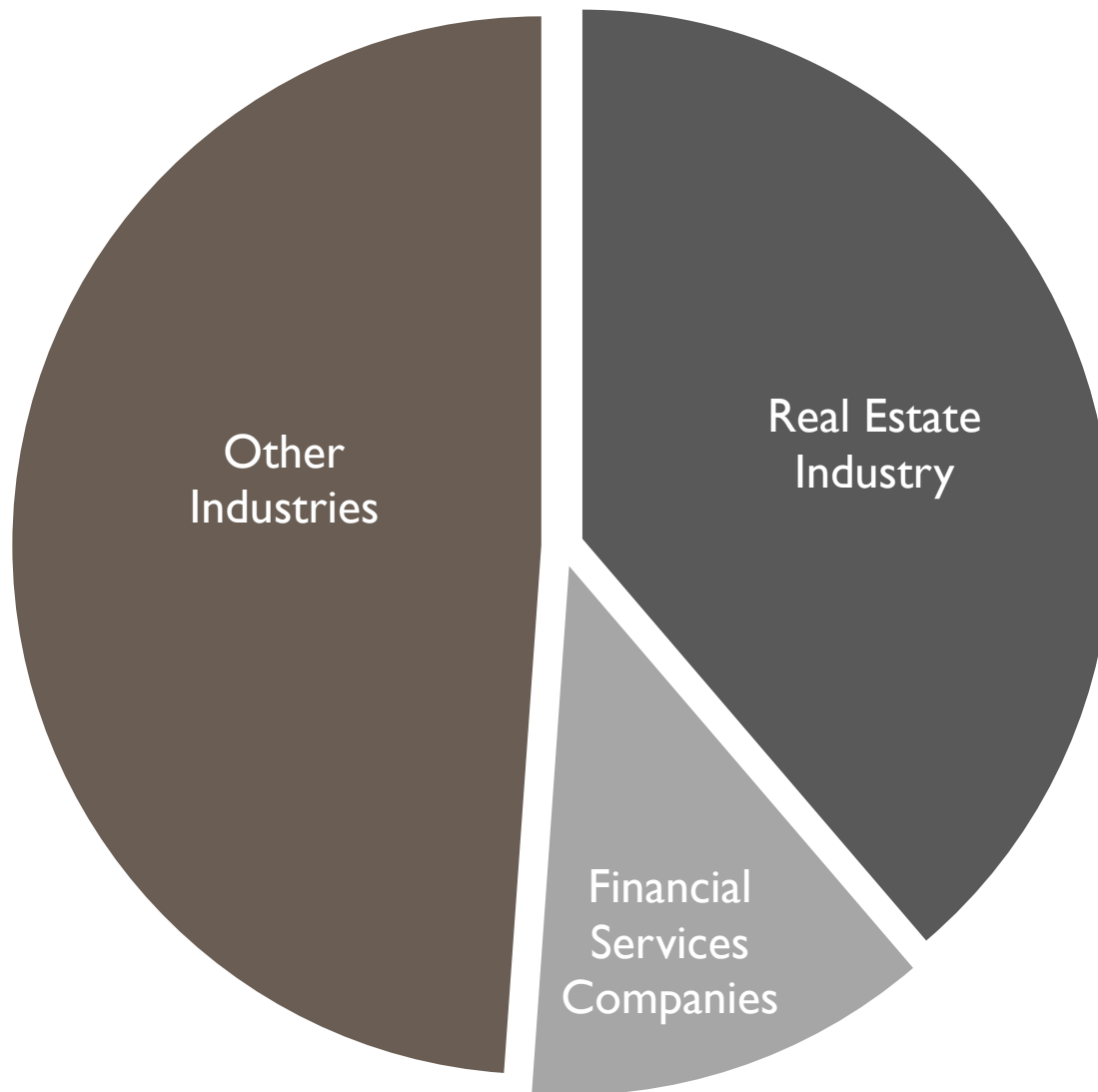


Note: Investment sales data is based on Real Capital Analytics data for the first quarter of 2014 compared to the prior year period for office, industrial, hotel, apartment, and retail properties. Leasing activity is based on National Association of Realtors (“NAR”) Commercial RE Market Surveys and compares 1Q’14 vs. 1Q’13 across all commercial property types. CoStar office leasing activity is TTM 1Q’14 vs. TTM 1Q’13.



# NGKF GREATLY BROADENS BGCP CUSTOMER BASE

## NGKF's Customer Diversity



Note: Based on NGKF's largest customers.



# CONCLUSION



## BGC'S ASSETS AND BUSINESSES HAVE SIGNIFICANT VALUE



- Cash position as of 3/31/2014 = \$717MM; Debt = \$408MM
- Expected to receive 13.9MM NDAQ shares ratably over next 14 years, ≈508MM (as of May 14, 2014)
- The Company retains fast growing and profitable assets, including NGKF and BGC's higher margin retained fully electronic businesses, in addition to profitable \$1B+ voice/hybrid business

(\$ in millions)

|                                  | <b>TTM IQ'14<br/>Revenue</b> | <b>TTM IQ'14<br/>Pre-Tax Margin</b> | <b>Average Peer<br/>2013 P/S</b> | <b>Average Peer<br/>2013 P/E</b> |
|----------------------------------|------------------------------|-------------------------------------|----------------------------------|----------------------------------|
| <b>Retained Fully Electronic</b> | \$81                         | ≈48%                                | ≈7.2x                            | ≈24.2x                           |
| <b>Financial Services Voice</b>  | \$1,003                      | ≈12%                                | ≈0.9x                            | ≈14.1x                           |
| <b>Real Estate Segment</b>       | \$619                        | ≈11%                                | ≈1.8x                            | ≈20.7x                           |

Note: BGC currently expects a 15% Tax Rate for Distributable Earnings

Notes: \$ in millions. "TTM" = trailing twelve months ended 3-31-2014. P/S = Price to Sales ratio. "Retained Tech" excludes eSpeed revenues for applicable periods. Data for NDAQ stock price and for peer multiples is from Bloomberg as of 5-14-2014 market close. Tech peers = BVMF3 BZ, CBOE US, CME US, DB1 GR, 388 HK (HKEX), ICE US, ITG US, KCG US, LSE LN, MKTX US, & NDAQ US. Voice peer tickers: IAP LN, CFT SW, & TLPR LN. GFIG US is included for voice P/S, but not P/E. For ICAP, FY ended 3/31/2014 used. Real Estate Peers = CBG US, FSV CN, HF US, JLL US & SVS LN. These segment/business line pre-tax distributable earnings figures are before corporate allocations. For the TTM ended 3/31/2014, BGC's corporate items generated revenues of \$38MM and a pre-tax loss of \$53MM. The Company's cash position includes "cash and cash equivalents", "marketable securities", and unencumbered "securities owned" held for liquidity purposes. All BGC figures exclude revenues and/or earnings from eSpeed.

### **Our goal is to continue focusing on the following in order to increase profitability and grow our top line:**

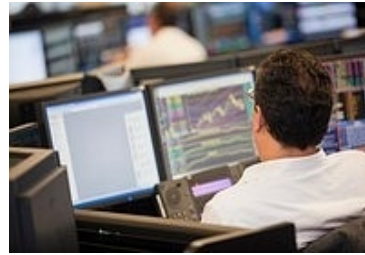
- Accretive acquisitions with returns above our cost of capital across both businesses
- Profitably and selectively adding to front office staff
- Investing in and expanding our hybrid and fully-electronic trading platform as well as market data and software solutions in Financial Services
- Continuing to expand our SEF business, while potentially expanding our customer base
- Continuing to grow in energy/commodities, and gaining market share in this growing multi-billion dollar asset class
- Growing higher-margin Global Corporate Services (consulting) and Capital Markets at NGKF
- Reducing expenses, particularly in our Financial Services business
- BGC's assets and businesses have significant value







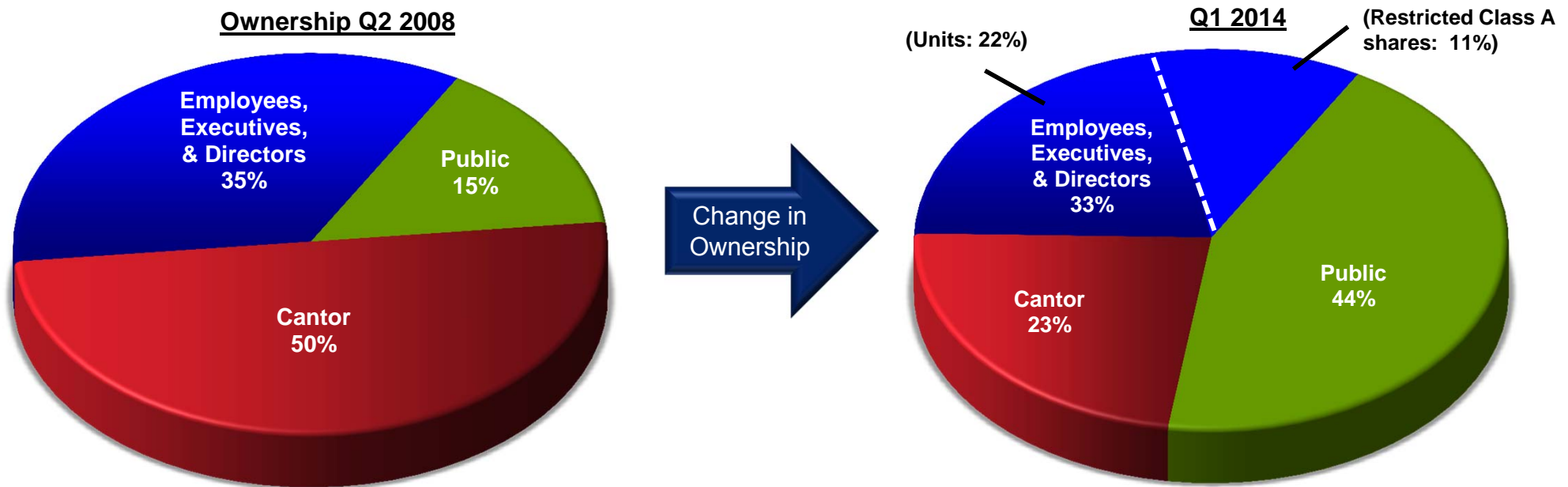
## APPENDIX





## BGC'S ABILITY TO ATTRACT AND RETAIN KEY TALENT

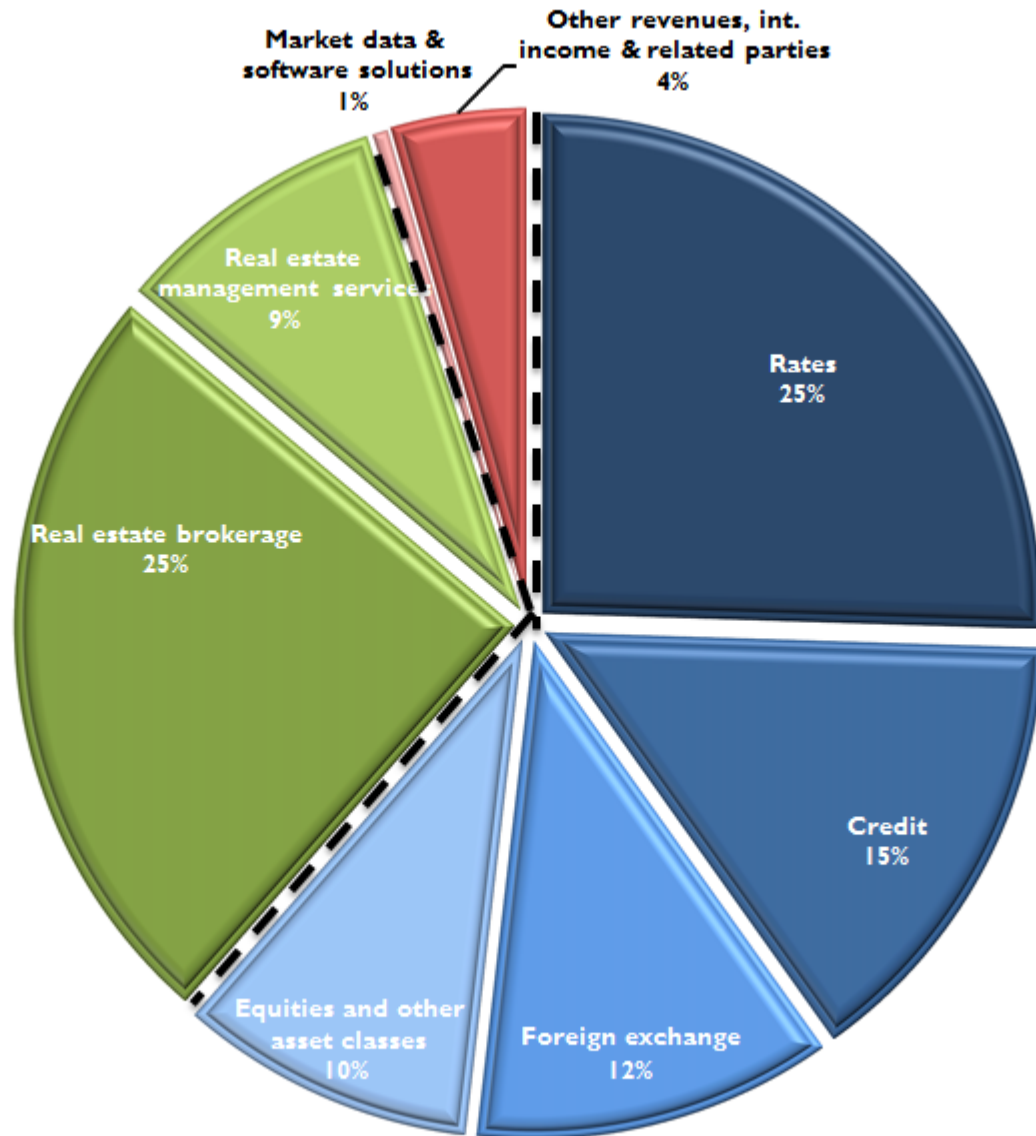
- Structure is tax efficient for both employees and public shareholders
- Fundamentally aligns employees' interests with shareholders'
- Structure is a key tool in attracting and retaining top producers
- Unlike peers, large number of key employees have sizable and mostly restricted equity or unit stakes ( $\approx 33\%$  of fully diluted shares\*)
- Structure combines best aspects of private partnership with public ownership



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 restricted A shares owned by BGC employees, 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. The above chart excludes shares related to convertible debt.

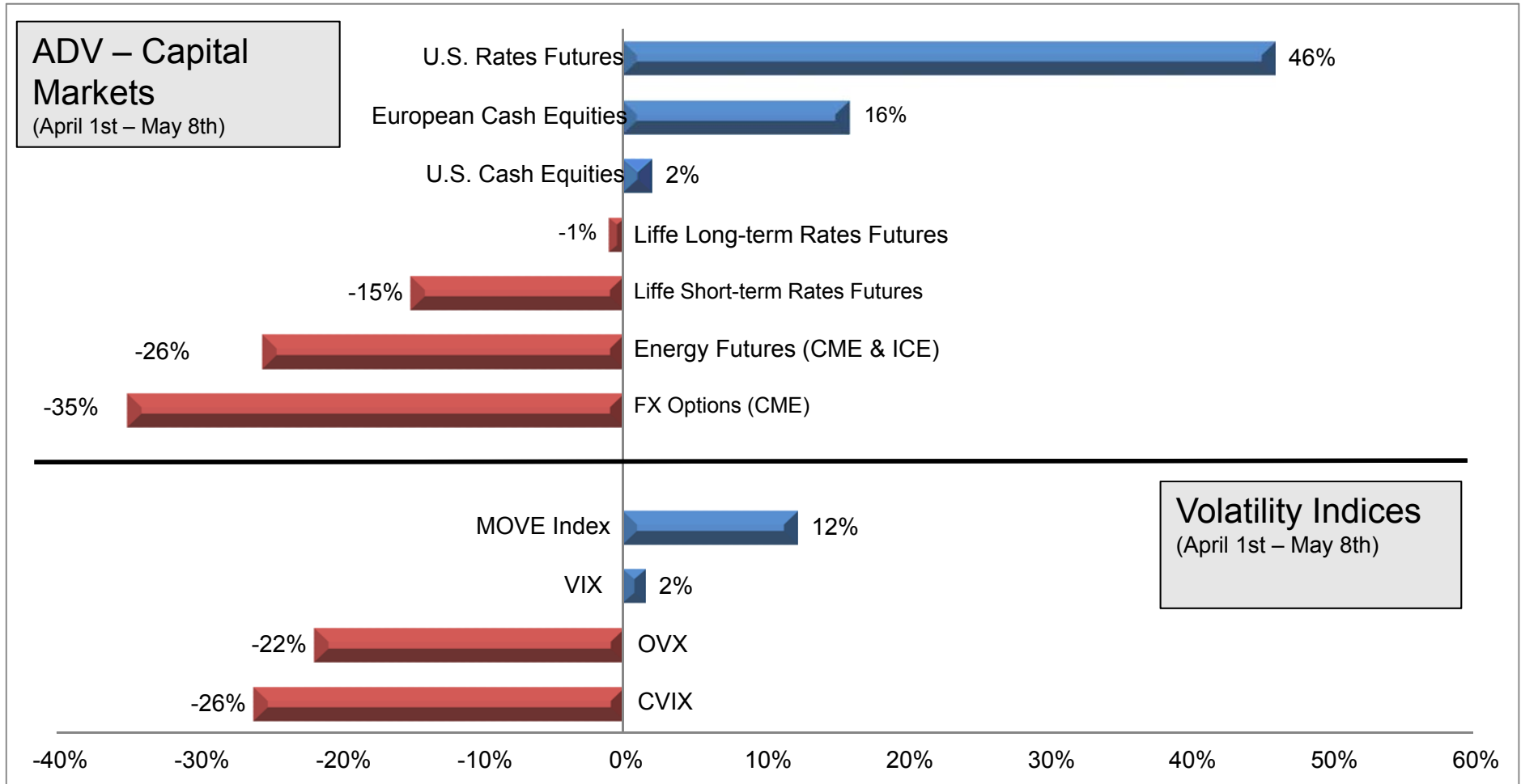


# Q1 2014 PRODUCT DIVERSITY



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

# 2Q'14 TO-DATE VOLUMES REMAIN CHALLENGING ACROSS FINANCIAL SERVICES



Source: Goldman Sachs Global Investment Research  
 Note: 2Q'14TD data is through May 8, 2014

1. U.S. Rates and FX Options data as reported by CME
2. European Rates as reported by Liffe
3. Energy Futures data as reported by CME and ICE

**Definitions:**

**CVIX:** The Deutsche Bank Currency Volatility Index, which measures the implied volatility of currency markets

**VIX:** The Chicago Board Options Exchange Volatility Index reflects a market estimate of future volatility

**Move Index:** The Merrill Lynch Volatility Estimate is a yield curve weighted index of the normalized implied volatility on 1-month Treasury options

**OVX:** CBOE Oil ETF Volatility Index Securities Futures, measures expected volatility of underlying oil ETF

# BUSINESS OVERVIEW: RATES

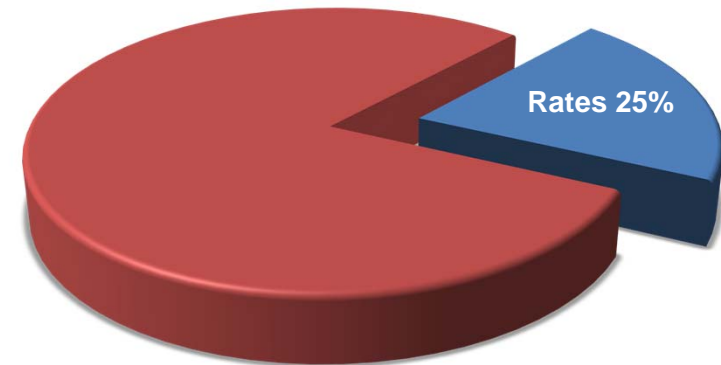
## Example of Products

- Interest Rate Derivatives
- US Treasuries (off-the-run)
- Global Government Bonds
- Agencies
- Interest Rate Futures
- Dollar Derivatives
- Repurchase Agreements
- Non-Deliverable Swaps
- Interest Rate Swaps & Options

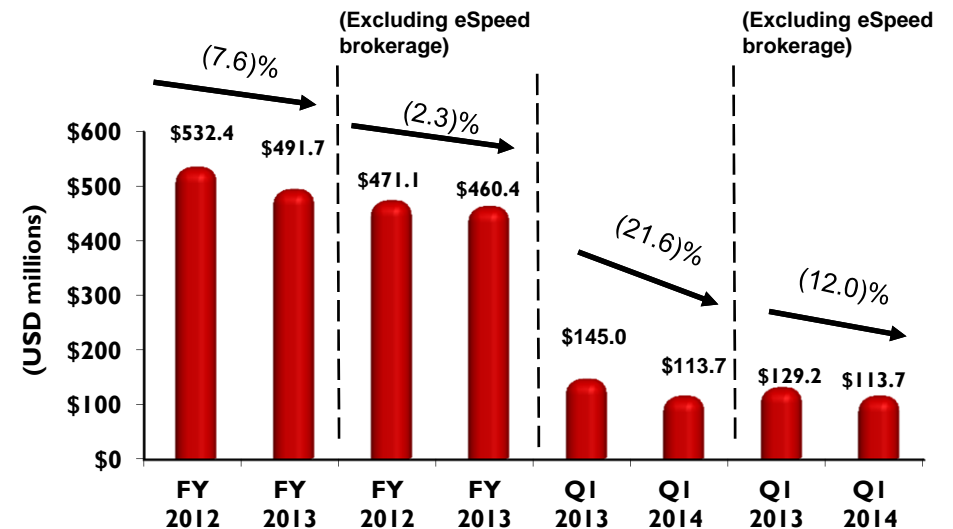
## Drivers

- Global sovereign and corporate debt issuance cause long-term tailwinds in our Rates business
- Near-term headwinds due to continued QE efforts
- Low interest rates in most major economies continue to hold down volumes
- Interest rate volatility has remained below historical 10-year averages
- Industry volumes trending lower Y/Y

## % of Q1 2014 Total Distributable Earnings Revenue



## Rates Revenue Growth



# BUSINESS OVERVIEW: CREDIT

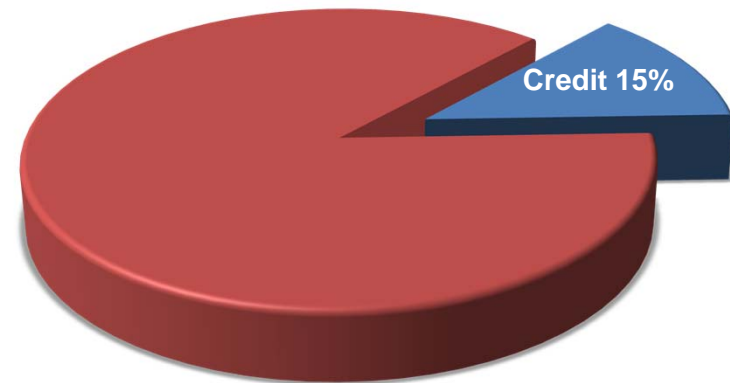
## Example of Products

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

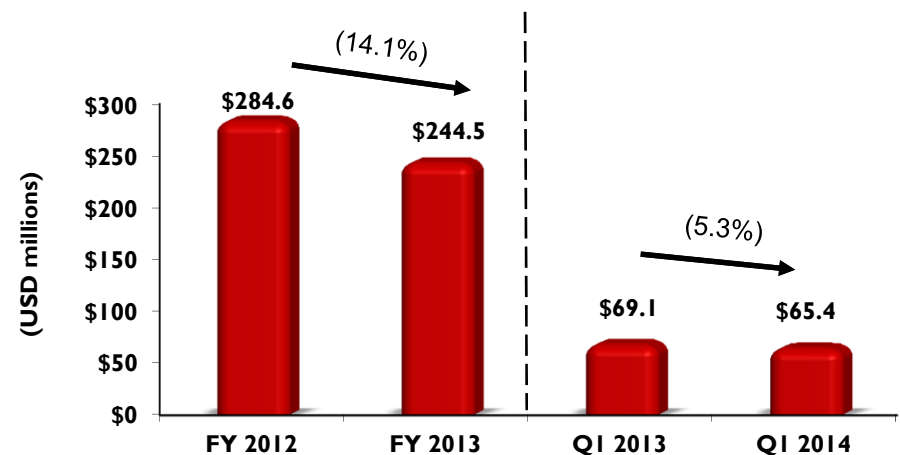
## Drivers

- Regulatory uncertainty resulting in lower inter-dealer derivative volumes
- Large bank corporate bond trading activity impacted due in part to Basel III capital requirements and dealer deleveraging / “de-risking”

## % of Q1 2014 Total Distributable Earnings Revenue



## Credit Revenue Growth



# BUSINESS OVERVIEW: FOREIGN EXCHANGE

## Example of Products

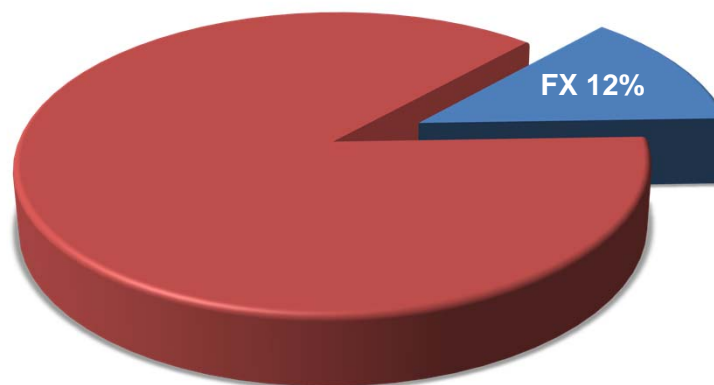
In virtually all currency pairs:

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

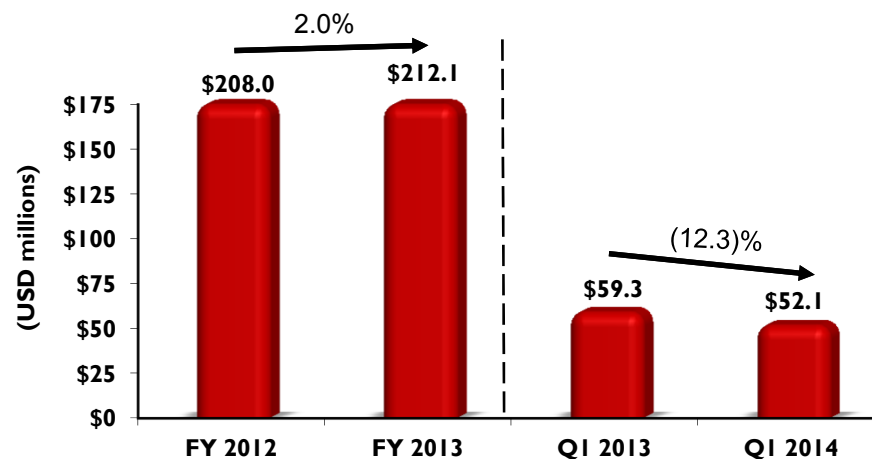
## Drivers

- FX volumes tracked significant lower globally for most currency products during the quarter
- BGC Fully Electronic FX spot business outperformed overall industry
- Growth of the Fully Electronic FX business provided improved margins
- Challenging regulatory environment for the FX businesses of several banks

## % of Q1 2014 Total Distributable Earnings Revenue



## Foreign Exchange Revenue Growth



# BUSINESS OVERVIEW: EQUITIES & OTHER ASSET CLASSES

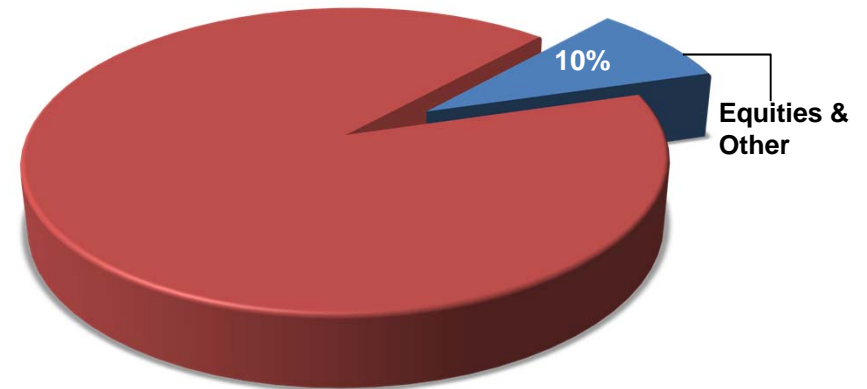
## Example of Products

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

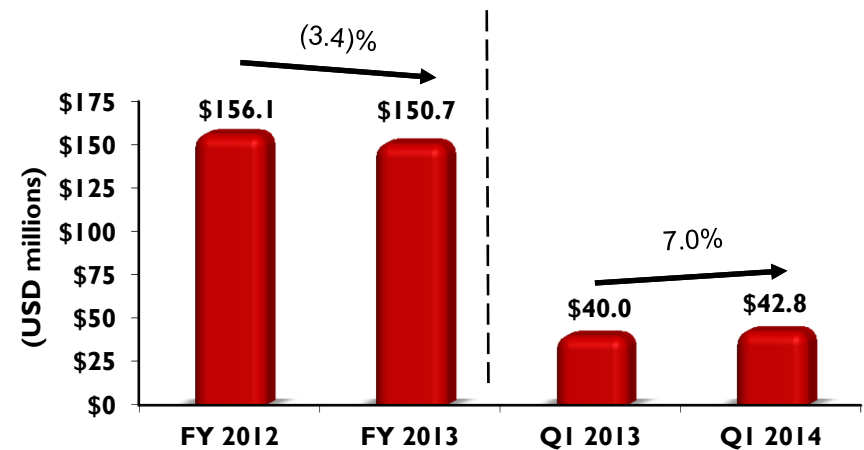
## Drivers

- U.S. and Euro cash equity volumes were up Y/Y
- Global equity derivative volumes were generally mixed from a year ago
- Equity volatility levels elevated Y/Y
- Industry-wide energy volumes relatively flat Y/Y
- 75% Y/Y growth in BGC's Energy & Commodities businesses

## % of Q1 2014 Total Distributable Earnings Revenue



## Equities & Other Asset Classes Revenue Growth





# FULLY ELECTRONIC MARGINS HAVE REMAINED STABLE DESPITE Q2'13 SALE OF ESPEED, WHICH HAD MARGINS OF ~60%



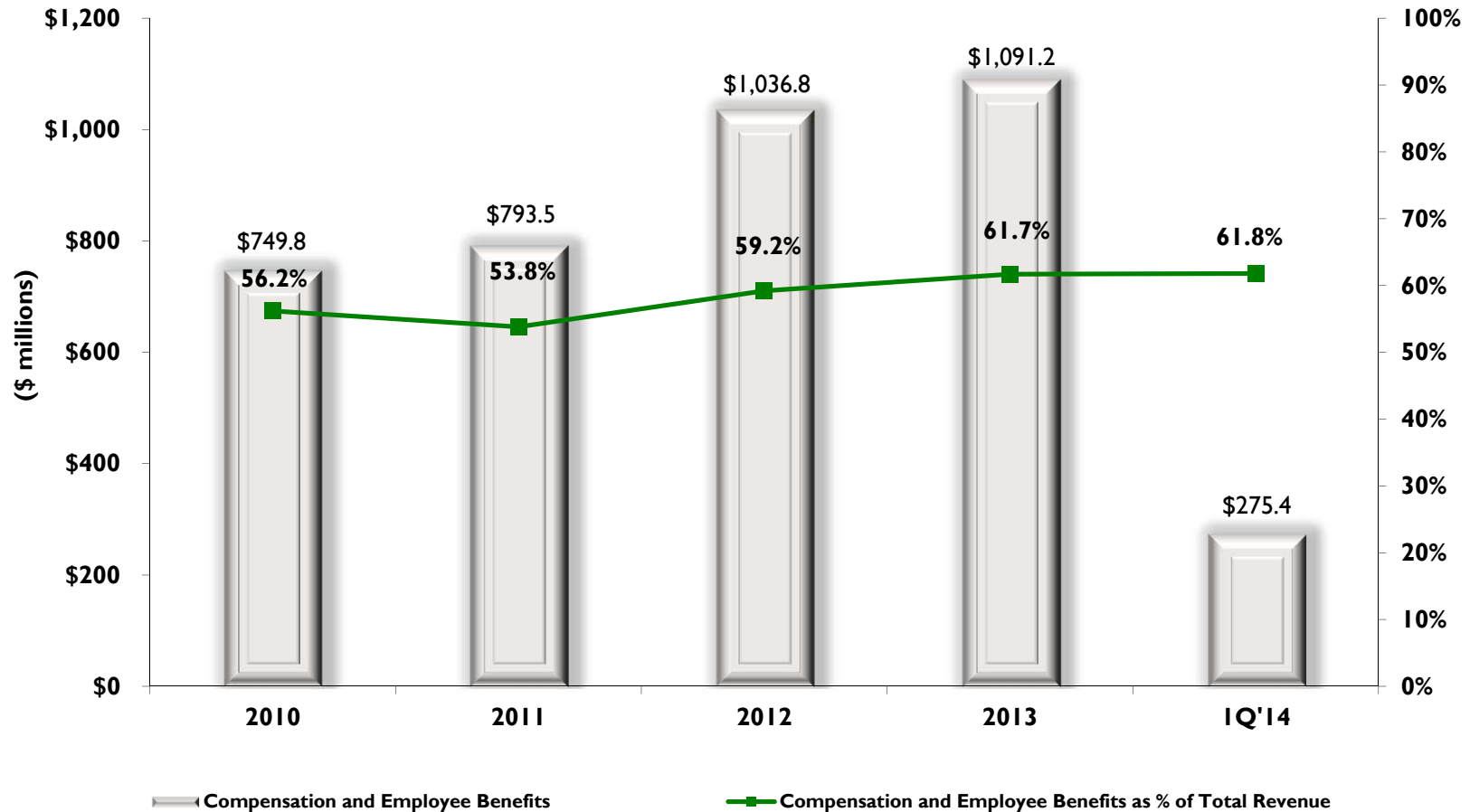
|                          | <u>Q1 2014</u>                     |                                      |                             | <u>Q1 2013</u>                     |                                      |                             |
|--------------------------|------------------------------------|--------------------------------------|-----------------------------|------------------------------------|--------------------------------------|-----------------------------|
|                          | Fully Electronic<br>(ex. eSpeed)   | Financial Services<br>Voice / Hybrid | Financial Services<br>Total | Fully Electronic<br>(incl. eSpeed) | Financial Services<br>Voice / Hybrid | Financial Services<br>Total |
| <b>Revenue</b>           | \$24                               | \$264                                | \$287                       | \$46                               | \$278                                | \$324                       |
| <b>Pre-Tax DE</b>        | \$12                               | \$46                                 | \$59                        | \$25                               | \$39                                 | \$64                        |
| <b>Pre-tax DE Margin</b> | 53%                                | 18%                                  | 21%                         | 54%                                | 14%                                  | 20%                         |
|                          | <u>FY2013</u>                      |                                      |                             | <u>FY2012</u>                      |                                      |                             |
|                          | Fully Electronic<br>(incl. eSpeed) | Financial Services<br>Voice / Hybrid | Financial Services<br>Total | Fully Electronic<br>(incl. eSpeed) | Financial Services<br>Voice / Hybrid | Financial Services<br>Total |
| <b>Revenue</b>           | \$127                              | \$1,016                              | \$1,143                     | \$171                              | \$1,050                              | \$1,221                     |
| <b>Pre-Tax DE</b>        | \$65                               | \$118                                | \$183                       | \$84                               | \$130                                | \$214                       |
| <b>Pre-tax DE Margin</b> | 51%                                | 12%                                  | 16%                         | 49%                                | 12%                                  | 18%                         |

Revenue and Pre-Tax DE amounts denoted in USD millions (numbers may not sum due to rounding)

**Note:** For all periods, fully electronic revenues include 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. All of the aforementioned are reported within the Financial Services segment. “Voice/Hybrid” and “Other” from “Financial Services” segment, and also includes \$9.4 million and \$18.5 million from the NASDAQ OMX stock earn-out for 1Q14 and FY13, respectively. Prior periods include eSpeed which had pre-tax margins of ~60%.



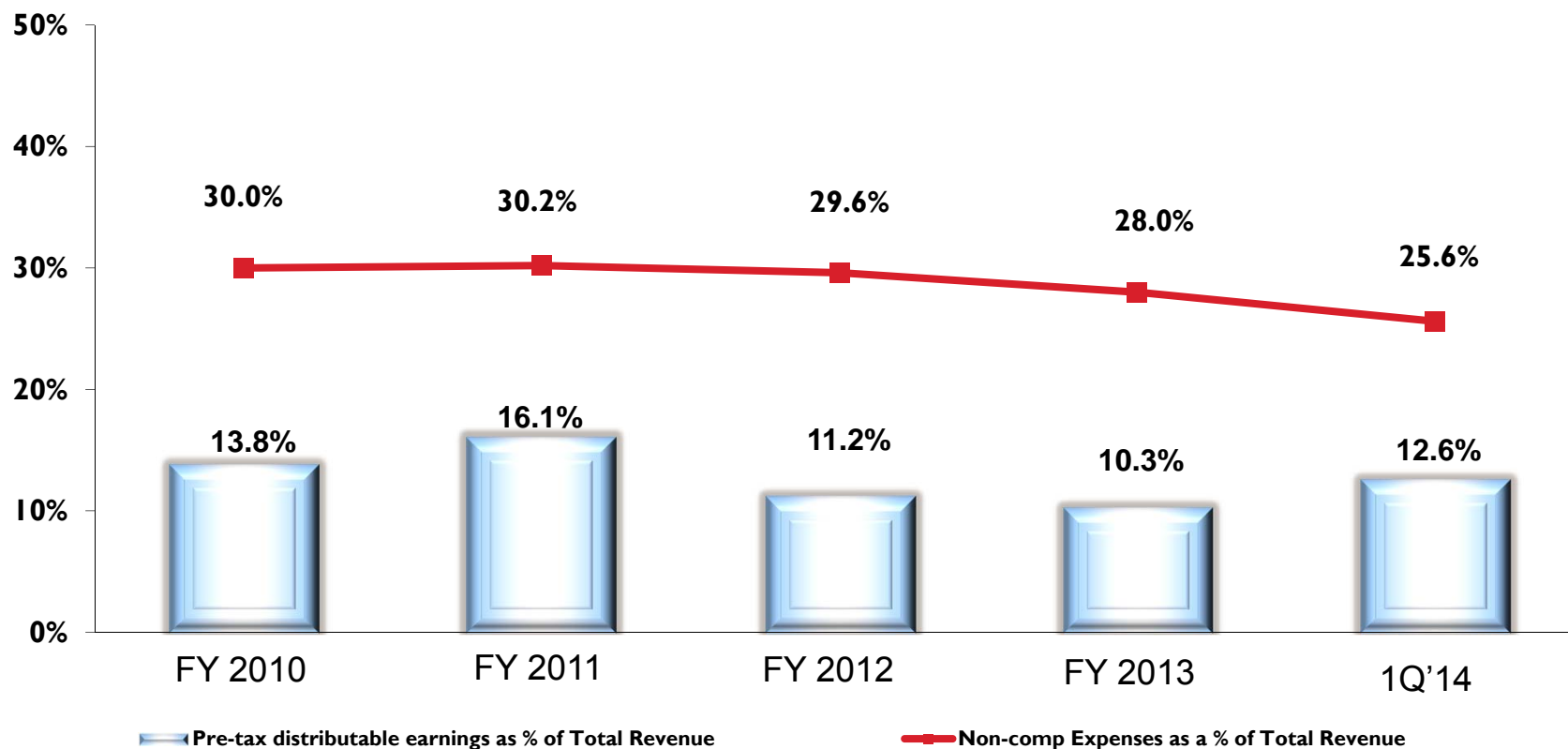
# BGC PARTNERS COMPENSATION RATIO



- Q1 2014 BGC Partners Compensation Ratio was 61.8% vs. 61.7% in Q1 2013
- Commercial Real Estate brokers generally have a higher compensation ratio than IDBs with significant electronic trading revenues.



## NON-COMPENSATION EXPENSES & PRE-TAX MARGIN

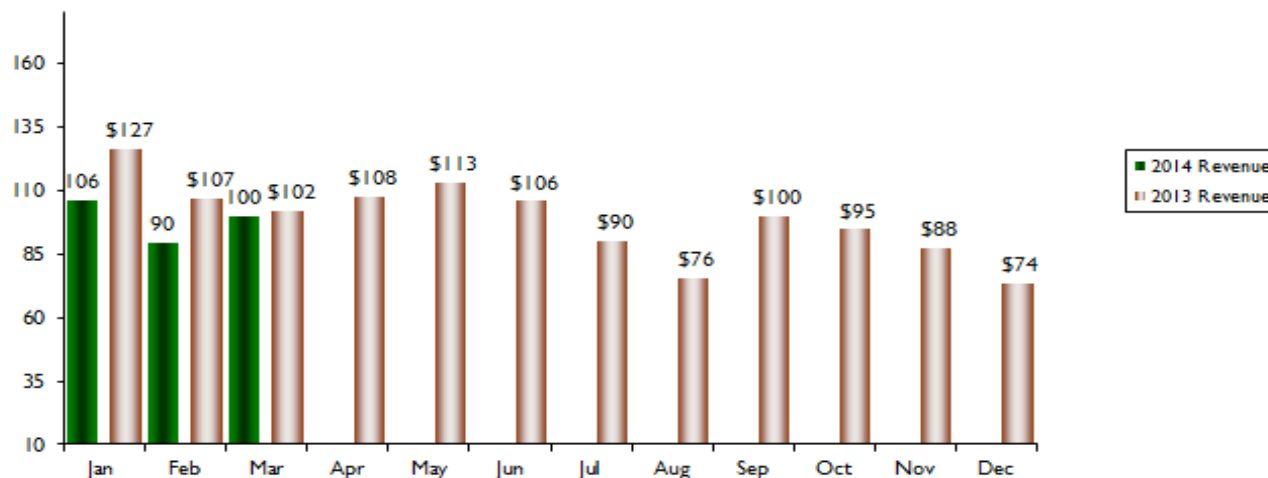
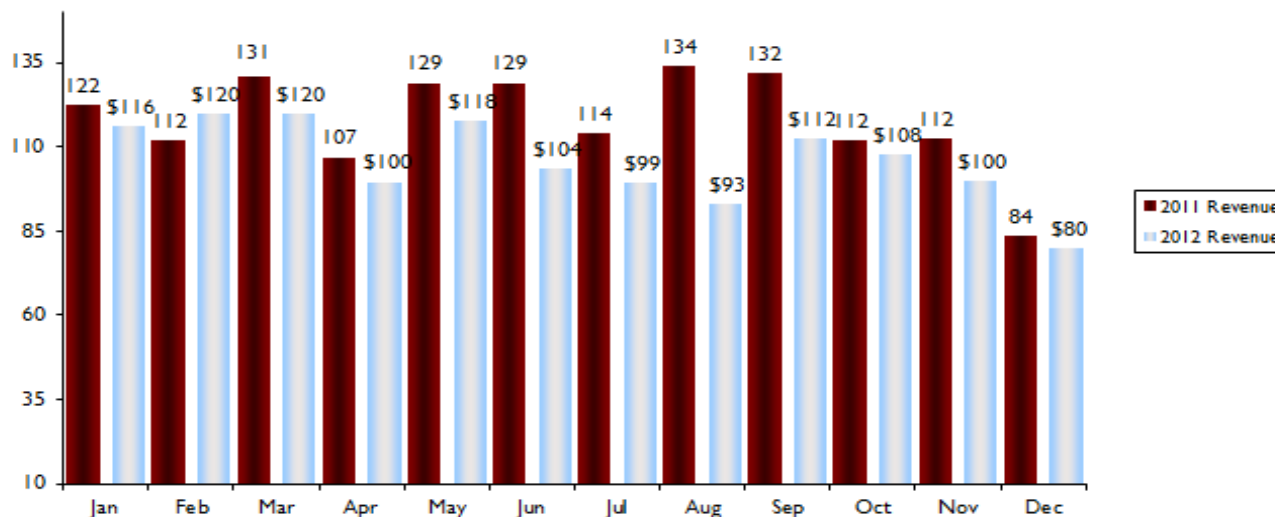


- Non-comp expenses were 25.6% of distributable earnings revenues in 1Q 2014 versus 28.3% in 1Q 2013
- Pre-tax distributable earnings margin was 12.6% in 1Q 2014 vs. 10.0% in 1Q 2013
- Post-tax distributable earnings margin was 10.6% in 1Q 2014 vs. 8.6% in 1Q 2013



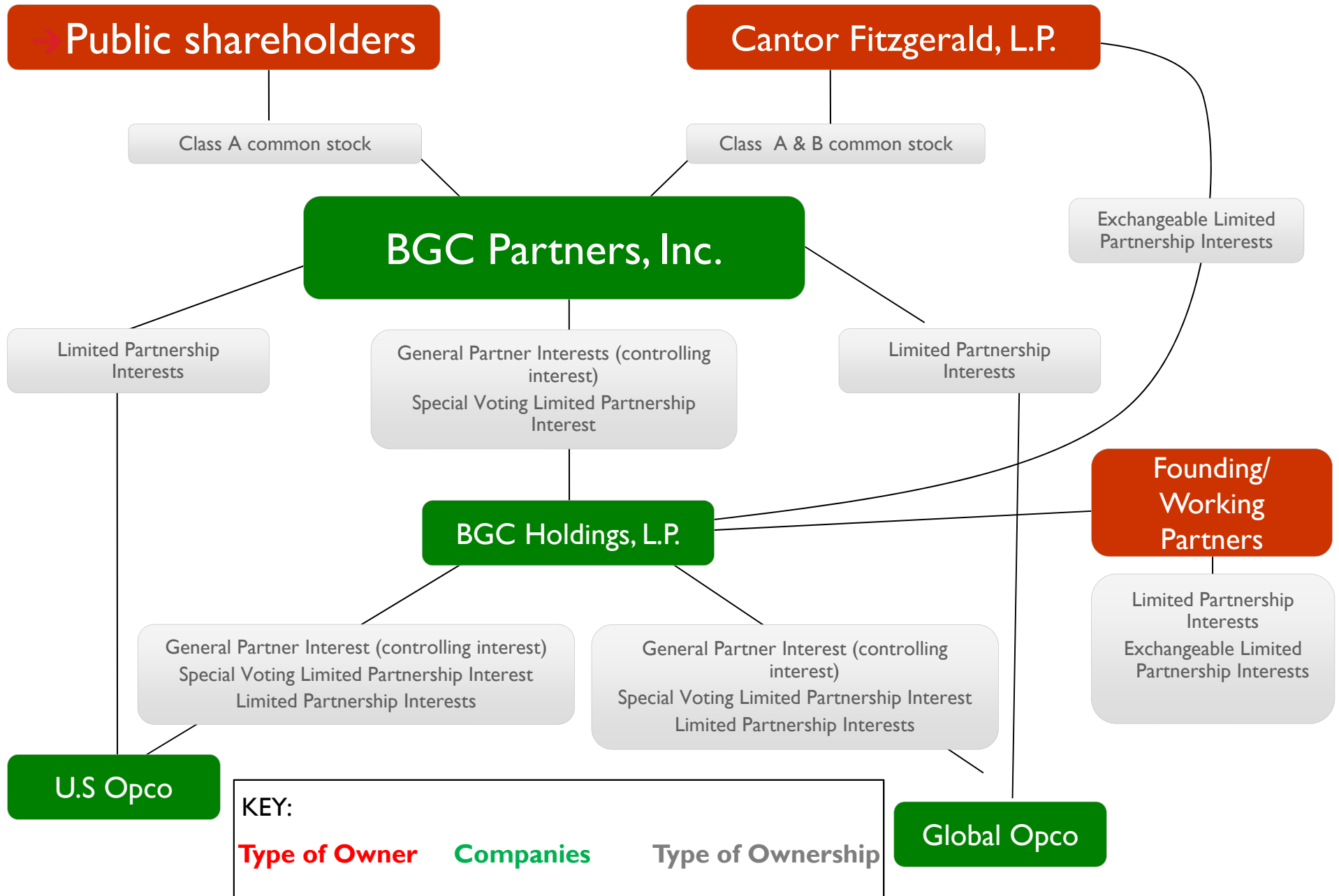
# MONTHLY REVENUE EXCLUDING REAL ESTATE SERVICES (\$MM)

BGC Monthly Distributable Earnings Revenues (\$MM)



Notes: Figures from before 3Q2013 include eSpeed revenues. Monthly revenue prior to 2011 is available in previous earnings presentations at [www.ir.bgcpartners.com](http://www.ir.bgcpartners.com)

# STRUCTURE CREATES EMPLOYEE RETENTION AND LOWER EFFECTIVE TAX RATE





## ADJUSTED EBITDA

BGC Partners, Inc

**Reconciliation of GAAP Income to Adjusted EBITDA  
(and Comparison to Pre-Tax Distributable Earnings)  
(in thousands) (unaudited)**

|   | <u>Q1 2014</u>          | <u>Q1 2013</u>          |
|---|-------------------------|-------------------------|
| <b>GAAP Income from continuing operations before income taxes</b> | <b>\$ 11,246</b>        | <b>\$ 13,697</b>        |
| <b>Add back:</b>  |                         |                         |
| Employee loan amortization  | 7,090                   | 9,459                   |
| Interest expense  | 9,335                   | 9,700                   |
| Fixed asset depreciation and intangible asset amortization        | 10,819                  | 12,569                  |
| Impairment of fixed assets (1)                                    | 4,704                   | 413                     |
| Exchangeability charges (2)                                       | 29,137                  | 10,584                  |
| Losses on equity investments                                      | 2,275                   | 3,288                   |
| <b>Adjusted EBITDA</b>  | <b><u>\$ 74,606</u></b> | <b><u>\$ 59,710</u></b> |
| <b>Pre-Tax distributable earnings</b>                             | <b><u>\$ 56,243</u></b> | <b><u>\$ 45,119</u></b> |

(1) Includes a \$1.5 million charge related to lease impairment.

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



# RECONCILIATION OF INCOME UNDER GAAP TO DISTRIBUTABLE EARNINGS

## BGC Partners, Inc. RECONCILIATION OF GAAP INCOME TO DISTRIBUTABLE EARNINGS

(in thousands, except per share data)

(unaudited)


|  | Q1 2014          | Q1 2013          |
|--|------------------|------------------|
| GAAP income before income taxes  | \$ 11,246        | \$ 13,697        |
| Pre-tax adjustments:   |                  |                  |
| Dividend equivalents to RSUs   | 3                | 5                |
| Non-cash losses related to equity investments, net   | 2,275            | 3,288            |
| Real Estate purchased revenue, net of compensation and other expenses (a)  | 748              | 5,405            |
| Allocations of net income and grant of exchangeability to limited partnership units and FPU's  | 31,323           | 18,022           |
| NASDAQ OMX earn-out revenue (b)  | 11,612           | -                |
| Gains and charges with respect to acquisitions, dispositions and / or resolutions of litigation, charitable contributions and other non-cash, non-dilutive, non-economic items | (964)            | 4,702            |
| Total pre-tax adjustments  | 44,997           | 31,421           |
| <b>Pre-tax distributable earnings</b>  | <b>\$ 56,243</b> | <b>\$ 45,119</b> |
| GAAP net income available to common stockholders   | \$ 8,008         | \$ 6,998         |
| Allocation of net income to Cantor's noncontrolling interest in subsidiaries   | 1,933            | 3,519            |
| Total pre-tax adjustments (from above)   | 44,997           | 31,421           |
| Income tax adjustment to reflect effective tax rate  | (7,692)          | (3,447)          |
| <b>Post-tax distributable earnings</b>   | <b>\$ 47,245</b> | <b>\$ 38,492</b> |
| Pre-tax distributable earnings per share (c)   | \$ 0.17          | \$ 0.14          |
| Post-tax distributable earnings per share (c)  | \$ 0.15          | \$ 0.12          |
| Fully diluted weighted-average shares of common stock outstanding  | 362,087          | 357,488          |

### Notes and Assumptions

- (a) Represents revenues related to the collection of receivables, net of compensation, and non-cash charges on acquired receivables, which would have been recognized for GAAP other than for the effect of acquisition accounting.
- (b) Distributable earnings for the first quarter of 2014 includes \$11.6 million of adjustments associated with the NASDAQ OMX transaction. BGC had a loss of \$2.2 million for GAAP and recognized \$9.4 million for distributable earnings for the quarter ended March 31, 2014.
- (c) On April 1, 2010, BGC Partners issued \$150 million in 8.75 percent Convertible Senior Notes due 2015. On July 29, 2011, BGC Partners issued \$160 million in 4.50 percent Convertible Senior Notes due 2016. The distributable earnings per share calculations for the quarters ended March 31, 2014 and 2013 include an additional 40.0 million and 39.7 million shares, respectively, underlying these Notes. The distributable earnings per share calculations exclude the interest expense, net of tax, associated with these Notes.

Note: Certain numbers may not add due to rounding.





## RECONCILIATION OF REVENUES UNDER GAAP AND DISTRIBUTABLE EARNINGS

### BGC Partners, Inc.

### RECONCILIATION OF REVENUES UNDER GAAP AND DISTRIBUTABLE EARNINGS

(in thousands)

(unaudited)

|   | <u>Q1 2014</u>    | <u>Q1 2013</u>    |
|---|-------------------|-------------------|
| <b>GAAP Revenue</b>   | \$ 440,291        | \$ 444,969        |
| Adjustments:  |                   |                   |
| NASDAQ OMX Earn-out Revenue (1)   | 11,612            | -                 |
| Other revenue with respect to acquisitions, dispositions, and resolutions of litigation | (8,973)           | -                 |
| Non-cash losses related to equity investments   | 2,275             | 3,288             |
| Real Estate purchased revenue   | 717               | 1,523             |
| <b>Distributable Earnings Revenue</b>   | <u>\$ 445,922</u> | <u>\$ 449,780</u> |

(1) \$2.2 million loss in Q1 2014 for GAAP and \$9.4 million recognized for distributable earnings



## AVERAGE EXCHANGE RATES

|                  | Average |         |                          |                          |
|------------------|---------|---------|--------------------------|--------------------------|
|                  | Q1 2014 | Q1 2013 | April 1 - April 28, 2014 | April 1 - April 28, 2013 |
| US Dollar        | 1       | 1       | 1                        | 1                        |
| British Pound    | 1.655   | 1.554   | 1.673                    | 1.529                    |
| Euro             | 1.370   | 1.321   | 1.380                    | 1.301                    |
| Hong Kong Dollar | 0.129   | 0.129   | 0.129                    | 0.129                    |
| Singapore Dollar | 0.788   | 0.808   | 0.797                    | 0.808                    |
| Japanese Yen*    | 102.840 | 92.210  | 102.510                  | 97.770                   |

\* Inverted

Source: Oanda.com



# DISTRIBUTABLE EARNINGS

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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, RPUs, PSUs, LPUs, and PSIs. Non-cash asset impairment charges, if any.

Distributable earnings calculations also exclude charges related to purchases, cancellations or redemptions of partnership interests and certain unusual, one-time or non-recurring items, if any.

"Compensation and employee benefits" expense for distributable earnings will also include broker commission payouts relating to the aforementioned collection of receivables.

BGC's definition of distributable earnings also excludes certain gains and charges with respect to acquisitions, dispositions, or resolutions of litigation. This exclusion pertains to the one-time gain related to the NASDAQ OMX transaction. Management believes that excluding these gains and charges best reflects the operating performance of BGC. However, because NASDAQ OMX is expected to pay BGC in an equal amount of stock on a regular basis for 15 years as part of the transaction, the payments associated with BGC's receipt of such stock are expected to be included in the Company's calculation of distributable earnings. To make quarter-to-quarter comparisons more meaningful, one-quarter of the annual contingent earn-out amount will be included in the Company's calculation of distributable earnings each quarter as "other revenues."

Since distributable earnings are calculated on a pre-tax basis, management intends to also report "post-tax distributable earnings" and "post-tax distributable earnings per fully diluted share": "Post-tax distributable earnings" are defined as pre-tax distributable earnings adjusted to assume that all pre-tax distributable earnings were taxed at the same effective rate. "Post-tax distributable earnings per fully diluted share" are defined as post-tax distributable earnings divided by the weighted-average number of fully diluted shares for the period.

BGC's distributable earnings per share calculations assume either that: The fully diluted share count includes the shares related to the dilutive instruments, such as the Convertible Senior Notes, but excludes the associated interest expense, net of tax, when the impact would be dilutive; or The fully diluted share count excludes the shares related to these instruments, but includes the associated interest expense, net of tax.

Each quarter, the dividend to common stockholders is expected to be determined by the Company's Board of Directors with reference to post-tax distributable earnings per fully diluted share. In addition to the Company's quarterly dividend to common stockholders, BGC Partners expects to pay a pro-rata distribution of net income to BGC Holdings founding/working partner and other limited partnership units, including REUs, RPUs, LPUs, PSUs and PSIs, and to Cantor for its non-controlling interest. The amount of all of these payments is expected to be determined using the above definition of pre-tax distributable earnings per share.

Certain employees who are holders of RSUs are granted pro-rata payments equivalent to the amount of dividends paid to common stockholders. Under GAAP, a portion of the dividend equivalents on RSUs is required to be taken as a compensation charge in the period paid. However, to the extent that they represent cash payments made from the prior period's distributable earnings, they do not dilute existing stockholders and are therefore excluded from the calculation of distributable earnings.

Distributable earnings is not meant to be an exact measure of cash generated by operations and available for distribution, nor should it be considered in isolation or as an alternative to cash flow from operations or GAAP net income (loss). The Company views distributable earnings as a metric that is not necessarily indicative of liquidity or the cash available to fund its operations.

Pre- and post-tax distributable earnings are not intended to replace the Company's presentation of GAAP financial results. However, management believes that they help provide investors with a clearer understanding of BGC Partners' financial performance and offer useful information to both management and investors regarding certain financial and business trends related to the Company's financial condition and results of operations. Management believes that distributable earnings and the GAAP measures of financial performance should be considered together.

Management does not anticipate providing an outlook for GAAP "revenues," "income (loss) from operations before income taxes," "net income (loss) for fully diluted shares," and "fully diluted earnings (loss) per share," because the items previously identified as excluded from pre-tax distributable earnings and post-tax distributable earnings are difficult to forecast. Management will instead provide its outlook only as it relates to revenues for distributable earnings, pre-tax distributable earnings and post-tax distributable earnings.

For more information on this topic, please see the tables in this document entitled "Reconciliation of Revenues Under GAAP and Distributable Earnings," and "Reconciliation of GAAP Income to Distributable Earnings" which provide a summary reconciliation between pre- and post-tax distributable earnings and the corresponding GAAP measures for the Company in the periods discussed in this document.



## ADJUSTED EBITDA

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BGC also provides an additional non-GAAP financial measure, “adjusted EBITDA,” which it defines as GAAP income from operations before income taxes, adjusted to add back interest expense as well as the following non-cash items:

- Employee loan amortization;
- Fixed asset depreciation and intangible asset amortization;
- Non-cash impairment charges;
- Charges relating to grants of exchangeability to limited partnership interests;
- Charges related to redemption of units;
- Charges related to issuance of restricted shares; and
- Non-cash earnings or losses related to BGC’s equity investments, such as in Aqua Securities, L.P. and ELX Futures, L.P., and its holding company general partner, ELX Futures Holdings LLC.

The Company’s management believes that this measure is useful in evaluating BGC’s operating performance compared to that of its competitors, because the calculation of adjusted EBITDA generally eliminates the effects of financing and income taxes and the accounting effects of capital spending and acquisitions, which would include impairment charges of goodwill and intangibles created from acquisitions. Such items may vary for different companies for reasons unrelated to overall operating performance. As a result, the Company’s management uses these measures to evaluate operating performance and for other discretionary purposes. BGC believes that adjusted EBITDA is useful to investors to assist them in getting a more complete picture of the Company’s financial results and operations.

Since adjusted EBITDA is not a recognized measurement under GAAP, when analyzing BGC’s operating performance, investors should use adjusted EBITDA in addition to GAAP measures of net income. Because not all companies use identical EBITDA calculations, the Company’s presentation of adjusted EBITDA may not be comparable to similarly titled measures of other companies. Furthermore, adjusted EBITDA is not intended to be a measure of free cash flow, because adjusted EBITDA does not consider certain cash requirements such as tax and debt service payments

For a reconciliation of adjusted EBITDA to GAAP income from operations before income taxes, the most comparable financial measure calculated and presented in accordance with GAAP, see the section of this document titled “Reconciliation of GAAP Income to Adjusted EBITDA (and Comparison to Pre-Tax Distributable Earnings.)”