



*2nd Quarter 2013 Financial and Operating Results*  
*August 7, 2013*

# Special Note Regarding Forward-Looking Information

In addition to historical information, this presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements regarding intent, belief or current expectations are included in these forward-looking statements. Investors are cautioned that any such forward-looking statements speak only as of the date they are made, are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. In particular, GAIN can provide no assurance that it will be able to complete the proposed acquisition of GFT on acceptable terms, or at all, due to a number of factors, including but not limited to the failure to satisfy all applicable closing conditions. Additional important risk factors regarding GAIN may be found under the heading "Risk Factors" in GAIN's Form 10-K for the year ended December 31, 2012, and are incorporated herein by reference. These factors include, but are not limited to, the actions of both current and potential new competitors, fluctuations in market trading volumes, financial market volatility, evolving industry regulations, including changes in regulation of the futures companies, errors or malfunctions in our systems or technology, rapid changes in technology, effects of inflation, customer trading patterns, the success of our products and service offerings, our ability to continue to innovate and meet the demands of our customers for new or enhanced products, our ability to successfully integrate assets and companies we have acquired, our ability to effectively compete in the futures industry, changes in tax policy or accounting rules, fluctuations in foreign exchange rates and commodity prices, adverse changes or volatility in interest rates, as well as general economic, business, credit and financial market conditions, internationally or nationally, and our ability to continue paying a quarterly dividend in light of future financial performance and financing needs. GAIN expressly disclaims any obligation to update any forward-looking statements, except as may be required by law.

# Highlights

- Record quarterly revenue driven by:
  - Increased retail client engagement amid more favorable market conditions
  - Continued growth of futures business
  - Expansion of GTX business
- Strong margins exhibit significant operating leverage available in GAIN's business
- Positive results across all key operating metrics; record level of client assets

# 2<sup>nd</sup> Quarter 2013 Results Overview

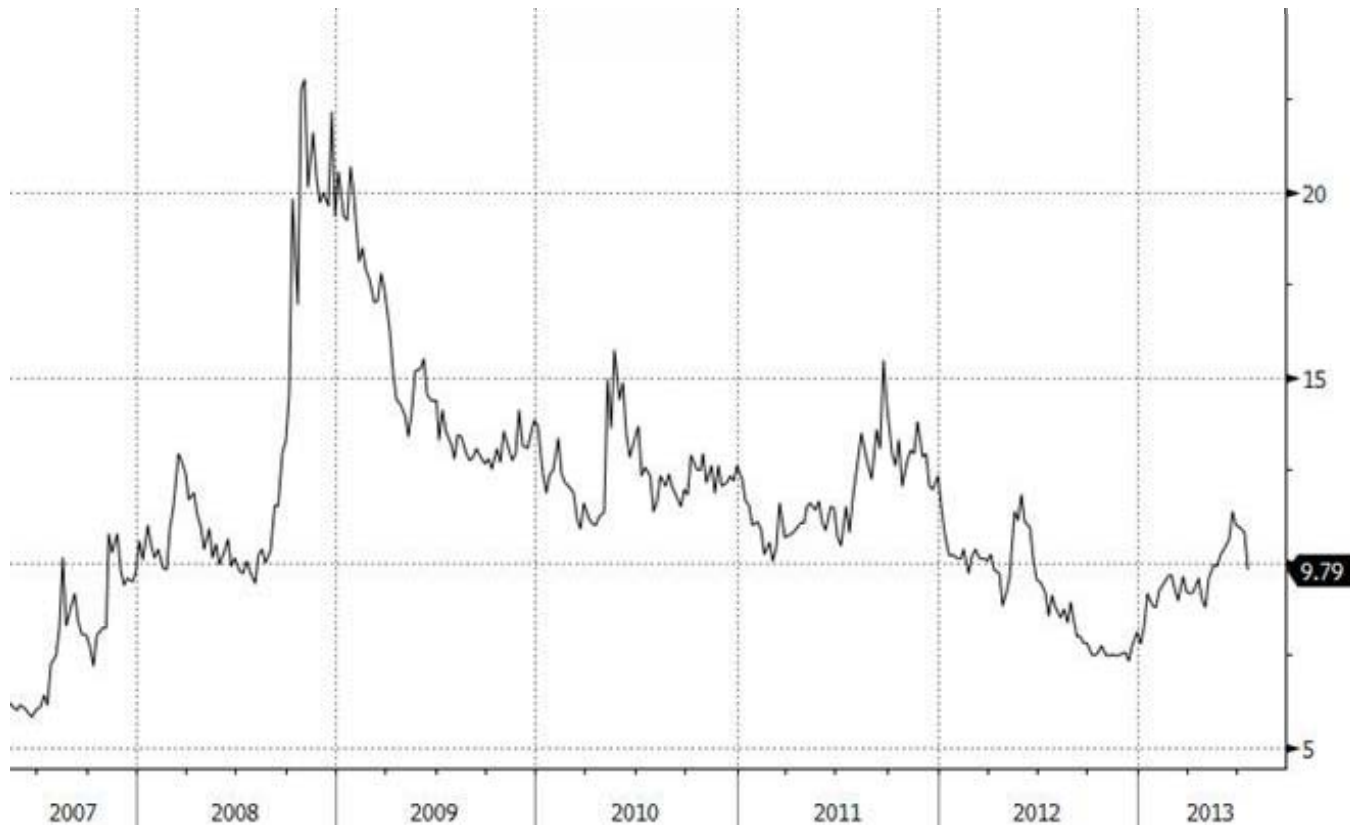
- Q2 2013 Financial Summary
  - Net revenue of \$73.0 million compared with \$45.7 million
  - EBITDA<sup>(1)</sup> of \$26.9 million compared with \$8.9 million
  - Net Income of \$17.2 million compared with \$4.4 million
  - EPS (Diluted): \$0.44
- Operating Metrics<sup>(2)</sup>
  - Retail volume increased 36% to \$462.1 billion
  - Institutional volume increased 141% to \$1.1 trillion
  - Futures DARTs of 14,382
- Funded accounts up 30% to 96,977
- Client assets up 49% to \$476.8 million as of June 30, 2013

*(Comparisons are referenced to Q2 2012)*

(1) EBITDA is a non-GAAP financial measure that represents our earnings before interest, taxes, depreciation, amortization and non-recurring expenses. A reconciliation of net income to EBITDA is available in the appendix to this presentation.

(2) Definitions for all our operating metrics are available in the appendix to this presentation.

# Q2 2013 Market Conditions



- Elevated volatility in Q2, but still below levels seen from 2009 – 2011
- Index has increased ~35% since beginning of 2013

# Retail OTC

- **Increased client engagement**
  - Highest quarterly retail volume since Q2 2011
  - Average daily volume up 37% to \$7.1bn/day
  - Active OTC accounts increased 4% to 64,144
- **Continue to optimize marketing spend to highest performing regions**

# Commission-Based Business

- **Institutional**

- Significant volume growth continues
  - 37% CAGR quarterly growth since Q2 2011
- Strong pipeline of new customers

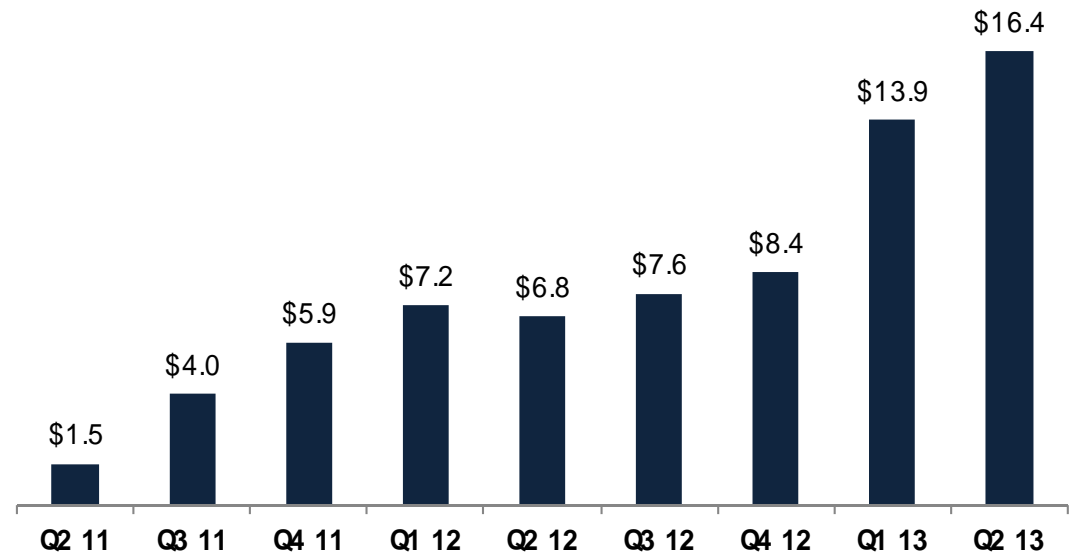
- **Futures**

- Increasing client engagement
  - Q2 2013 DARTs: 14,382 (9% growth over Q1 2013)

- **Commission-based business represented ~19% of revenue in Q2 2013**

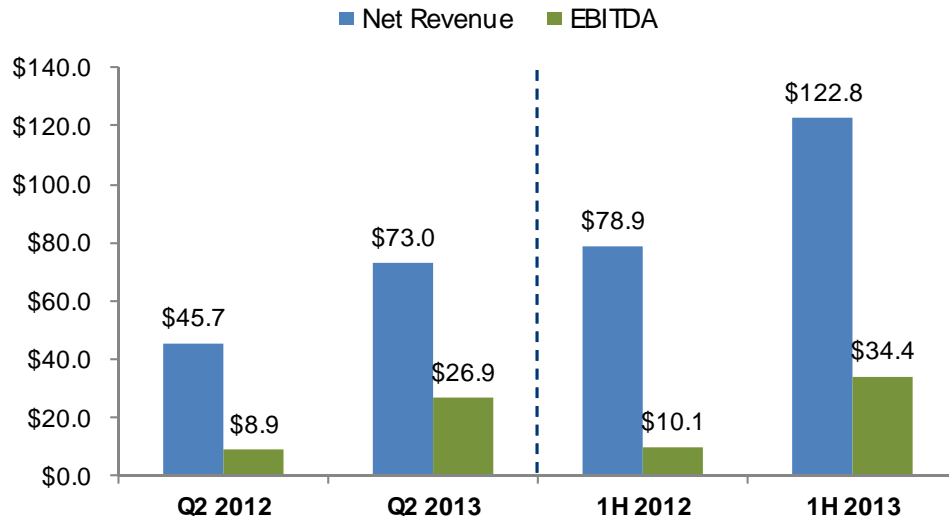
- Expect to be >20% for FY 2013 and increasing in future

Institutional Average Daily Volume

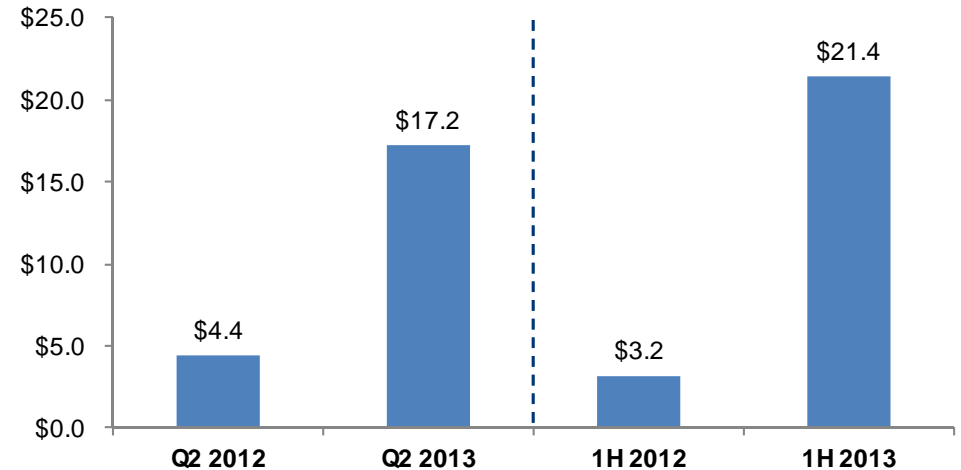


# 2<sup>nd</sup> Quarter and 1H 2013 Financial Results

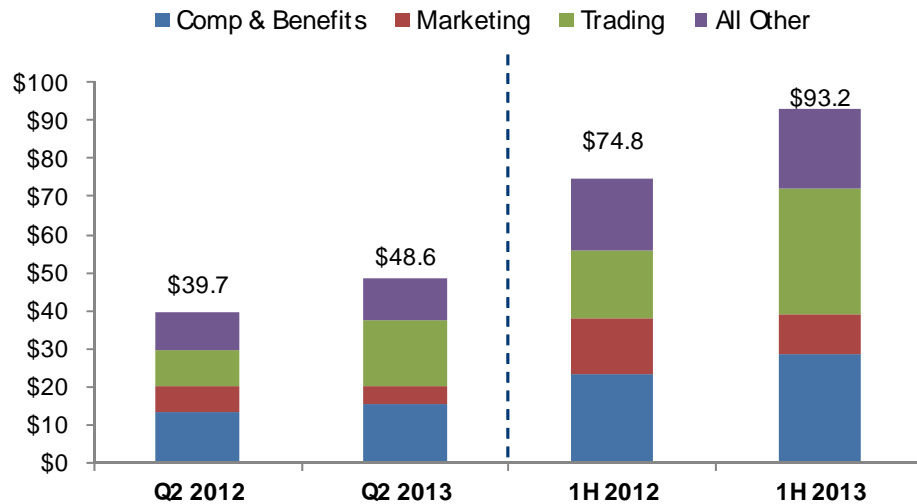
## Net Revenue & EBITDA<sup>(1)</sup>



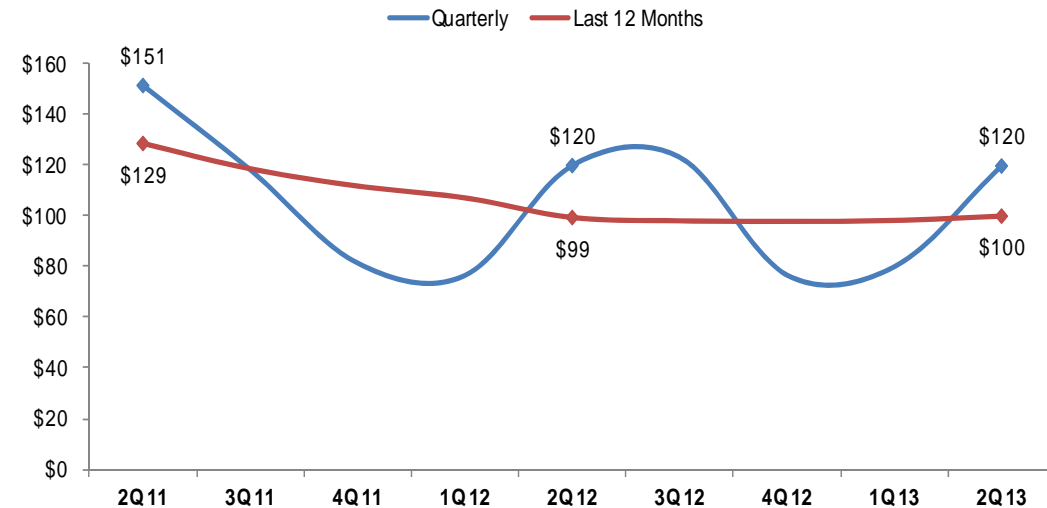
## Net Income



## Total Expenses



## Retail Trading Revenue per Million



Note: Dollars in millions.

(1) Reconciliation of net income to EBITDA is available in the appendix to this presentation.



# Quarterly Dividend & Share Buyback

- \$0.05 per share quarterly dividend approved
  - Record Date: September 12, 2013
  - Payment Date: September 20, 2013
- Share repurchase program
  - Nearly all of the previously approved \$15.0 million remains available to opportunistically buy back GAIN shares

# GFT Transaction & Closing Remarks

- GFT transaction
  - Closing subject to conditions, not all of which satisfied to date; continuing to work through issues
  - No update can be provided regarding timing, and changes to the terms, if any, of the transaction at this time
- 1H 2013 results show operating leverage of business model
- Currency volatility still relatively low compared to recent years
- Focusing marketing spend on high performance retail markets
- Commission-based business poised for further growth

# Appendix

# Consolidated Statements of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
<b>Revenue</b>				
Trading revenue	\$ 57.5	\$ 40.8	\$ 92.8	\$ 70.3
Commission revenue	14.2	4.3	25.1	8.1
Other revenue	1.1	0.6	4.7	0.6
Total non-interest revenue	72.8	45.7	122.6	79.0
Interest revenue	0.3	0.2	0.4	0.3
Interest expense	0.1	0.2	0.2	0.4
Total net interest revenue/ (expense)	0.2	-	0.2	(0.1)
Net revenue	73.0	45.7	122.8	78.9
<b>Expenses</b>				
Employee compensation and benefits	15.5	13.2	28.8	23.5
Selling and marketing	4.7	7.2	10.1	14.4
Trading expenses and commissions	17.3	9.2	33.0	17.9
General & Administrative	6.5	5.3	12.0	9.5
Depreciation and amortization	1.8	1.1	3.4	2.1
Purchased intangible amortization	0.6	1.0	1.2	2.9
Communication and technology	2.0	1.9	4.3	3.7
Bad debt provision	0.2	0.2	0.4	0.2
Restructuring <sup>(1)</sup>	-	0.6	-	0.6
Total	48.6	39.7	93.2	74.8
<b>Income before tax expense</b>	24.4	6.0	29.6	4.1
Income tax expense	7.2	1.6	8.2	0.9
<b>Net income</b>	\$ 17.2	\$ 4.4	\$ 21.4	\$ 3.2
<b>Earnings per common share:</b>				
Basic	\$0.48	\$0.13	\$0.60	\$0.09
Diluted	\$0.44	\$0.11	\$0.56	\$0.08
Weighted averages common shares outstanding used in computing earnings per common share:				
Basic	35,570,587	34,945,835	35,309,364	34,710,915
Diluted	38,795,950	38,677,417	38,213,715	38,605,108

Note: Unaudited. Dollars in millions, except per share data.

(1) Non-recurring expenses relating to cost savings effected in Q2 2012.

# Consolidated Balance Sheet

	June 30, 2013	December 31, 2012
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 60.0	\$ 36.8
Cash and securities held for customers	476.8	446.3
Short term investments	0.8	1.4
Receivables from banks and brokers	97.4	89.9
Property and equipment - net of accumulated depreciation	11.0	11.0
Prepaid assets	7.2	7.7
Goodwill	9.7	9.0
Intangible assets, net	8.1	9.9
Other assets	18.4	17.9
<b>Total assets</b>	<b>\$ 689.4</b>	<b>\$ 629.9</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>		
Payables to customer, brokers, dealers, FCM'S and other regulated entities	\$ 476.8	\$ 446.3
Accrued compensation & benefits	9.9	6.1
Accrued expenses and other liabilities	10.5	12.5
Income tax payable	3.2	1.3
Loan payable	10.0	-
<b>Total liabilities</b>	<b>\$ 510.4</b>	<b>\$ 466.2</b>
<b>Shareholders' Equity</b>	<b>\$ 179.0</b>	<b>\$ 163.7</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 689.4</b>	<b>\$ 629.9</b>

Note: Unaudited. Dollars in millions.

# Current Liquidity

	As of	
	<u>6/30/13</u>	<u>12/31/12</u>
Cash and cash equivalents	\$60.0	\$36.8
Cash and securities held for customers	476.8	446.3
Short term investments <sup>(1)</sup>	0.8	1.4
Receivables from banks and brokers <sup>(2)</sup>	97.4	89.9
Total Operating Cash	<u>\$635.0</u>	<u>\$574.4</u>
Less: Cash and securities held for customers	(476.8)	(446.3)
Free Operating Cash	<u>\$158.2</u>	<u>\$128.1</u>
Less: Minimum regulatory capital requirements	(48.7)	(45.6)
Less: Loan payable	(10.0)	-
<b>Free Cash Available<sup>(3)</sup></b>	<u><b>\$99.5</b></u>	<u><b>\$82.5</b></u>

Note: Dollars in millions.

(1) Reflects cash that would be received upon the liquidation of short term investments.

(2) Reflects cash that would be received from brokers following the close-out of all open positions.

(3) Excludes current liabilities of \$23.6mm and \$19.9mm as of June 30, 2013 and December 31, 2012, respectively, and capital charges associated with open positions.

# Q2 and 1H 2013 Financial Summary

	3 Months Ended June 30,		1 st Half		'13 v '12 % Change	
	2013	2012	2013	2012	Q2	1 st Half
Net Revenue	\$73.0	\$45.7	\$122.8	\$78.9	60%	56%
Interest Expense	0.1	0.2	0.2	0.4	(50%)	(50%)
Net Revenue (ex. Interest Expense)	\$73.1	\$45.9	\$123.0	\$79.3	59%	55%
Operating Expenses	46.2	37.0	88.6	69.2	25%	28%
EBITDA <sup>(1)</sup>	\$26.9	\$8.9	\$34.4	\$10.1	202%	241%
Net Income	\$17.2	\$4.4	\$21.4	\$3.2	291%	569%
EPS (Diluted)	\$0.44	\$0.11	\$0.56	\$0.08	300%	600%
EBITDA Margin % <sup>(1)(2)</sup>	37%	19%	28%	13%	17 pts	15 pts
Net Income Margin %	24%	10%	17%	4%	14 pts	13 pts

Note: Dollars in millions, except per share data.

(1) See page 16 for a reconciliation of GAAP net income to EBITDA.

(2) EBITDA margin is calculated as EBITDA divided by net revenue (ex. interest expense).

# EBITDA & Margin Reconciliation

	3 Months Ended June 30,		1 st Half	
	2013	2012	2013	2012
Net Revenue	\$ 73.0	\$ 45.7	\$ 122.8	\$ 78.9
Interest Expense	0.1	0.2	0.2	0.4
Net Revenue (ex. Interest Expense)	<u>\$ 73.1</u>	<u>\$ 45.9</u>	<u>\$ 123.0</u>	<u>\$ 79.3</u>
Net income	\$ 17.2	\$ 4.4	\$ 21.4	\$ 3.2
Depreciation & amortization	1.8	1.1	3.4	2.1
Purchase intangible amortization	0.6	1.0	1.2	2.9
Interest expense on note	0.1	0.2	0.2	0.4
Restructuring <sup>(1)</sup>	-	0.6	-	0.6
Income tax expense	7.2	1.6	8.2	0.9
EBITDA	<u>\$ 26.9</u>	<u>\$ 8.9</u>	<u>\$ 34.4</u>	<u>\$ 10.1</u>
EBITDA Margin % <sup>(1)</sup>	37%	19%	28%	13%

Note: Dollars in millions.

(1) EBITDA margin is calculated as EBITDA divided by net revenue (ex. interest expense).



# Operating Metrics<sup>(1)</sup>

<i>(Volume in billions; assets in millions)</i>	<b>3 Months Ended,</b>				
	<b>Jun-12</b>	<b>Sep-12</b>	<b>Dec-12</b>	<b>Mar-13</b>	<b>Jun-13</b>
<b>Retail</b>					
OTC Trading Volume	\$340.8	\$278.7	\$298.8	\$431.8	\$462.1
Average Daily Volume	\$5.2	\$4.2	\$4.7	\$6.7	\$7.1
Active OTC Accounts	61,746	59,166	60,219	62,606	64,144
Futures DARTs	-	15,270	13,000	13,238	14,382
Funded Accounts	74,620	82,394	85,099	100,020	96,977
Customer Assets	\$320.2	\$426.6	\$446.3	\$456.9	\$476.8
<b>Institutional</b>					
Trading Volume	\$442.5	\$503.7	\$538.4	\$889.9	\$1,065.8
Average Daily Volume	\$6.8	\$7.6	\$8.4	\$13.9	\$16.4

(1) Definitions for all our operating metrics are available on page 18.

# Definition of Metrics

- **Funded Accounts**
  - Retail accounts who maintain a cash balance
- **Active OTC Accounts**
  - Retail accounts who executed a transaction during a given period
- **Trading Volume**
  - Represents the U.S. dollar equivalent of notional amounts traded
- **Futures DARTs**
  - Represents the average daily trades transacted by OEC customers
- **Customer Assets**
  - Represents amounts due to clients, including customer deposits and unrealized gains or losses arising from open positions



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