



1st Quarter 2011
Financial and Operating Results
and Update on dbFX Acquisition

May 16, 2011

Special Note Regarding Forward-Looking Information

In addition to historical information, this presentation contains "forward-looking" statements that reflect management's expectations for the future. A variety of important factors could cause results to differ materially from such statements. These factors are noted throughout GAIN Capital's annual report on Form 10-K, as filed with the Securities and Exchange Commission on March 30, 2010, and 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, 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, changes in tax policy or accounting rules, fluctuations in foreign exchange rates, adverse changes or volatility in interest rates, as well as general economic, business, credit and financial market conditions, internationally or nationally. The forward-looking statements included herein represent GAIN Capital's views as of the date of this release. GAIN Capital undertakes no obligation to revise or update publicly any forward-looking statement for any reason unless required by law.

Overview

Glenn Stevens, CEO

1st Quarter 2011 Summary

- 1Q 2011 Financial Summary
 - Revenue: \$40.4 million
 - Adjusted EBITDA⁽¹⁾: \$5.0 million
 - Adjusted Net Income⁽²⁾: \$2.5 million
 - Adjusted EPS (Diluted)⁽³⁾: \$0.06
- Operating Metrics⁽⁴⁾
 - Total trading volume: \$512.5 billion
 - Retail: \$402.5 billion
 - Institutional: \$110.1 billion
 - Client assets: \$283.0 million
 - Funded retail accounts: 85,698
 - Retail trading revenue per million: \$99.0

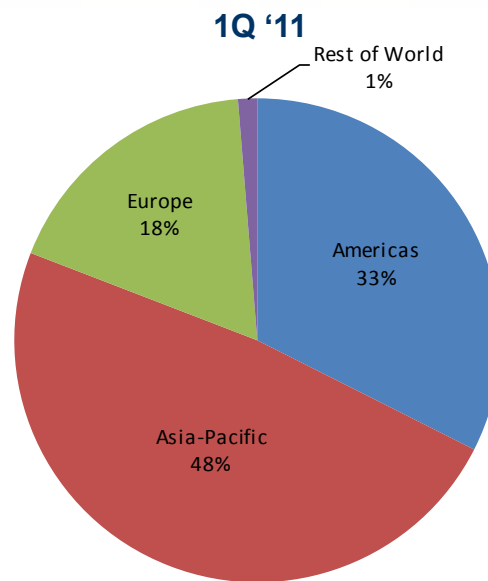
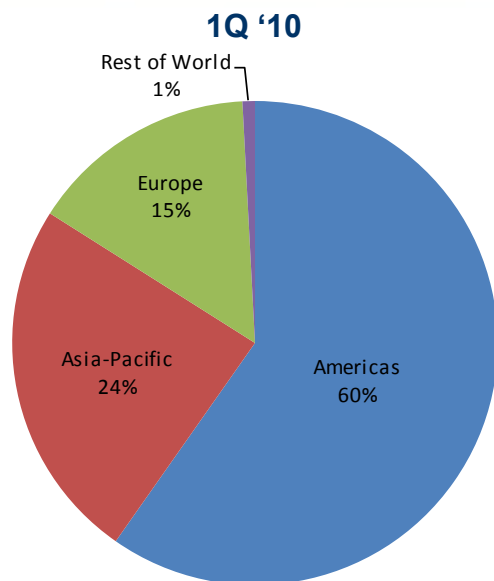
(1) Adjusted EBITDA is a non-GAAP financial measure that prior to the closing of our initial public offering in December 2010 represented our earnings before interest, taxes, depreciation and amortization and excluded the change in fair value of the embedded derivative in our preferred stock. With the consummation of our IPO, all outstanding shares of our preferred stock converted into common stock. A reconciliation of net income to adjusted EBITDA is available in the appendix to this presentation.

(2) Adjusted net income is a non-GAAP financial measure that prior to the closing of our initial public offering in December 2010 represented our net income/(loss) excluding the change in fair value of the embedded derivative in our preferred stock and purchase intangible amortization. With the consummation of our IPO, all outstanding shares of our preferred stock converted into common stock and in 2011 and future periods adjusted net income will no longer reflect an adjustment related to the embedded derivative. A reconciliation of net income to adjusted net income is available in the appendix to this presentation.

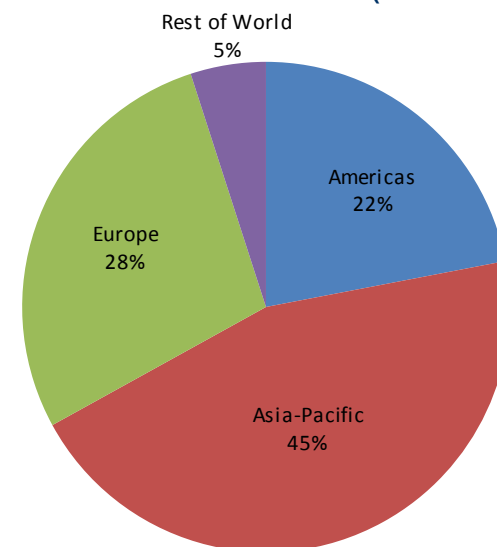
(3) Reconciliation of EPS to adjusted EPS available in appendix.

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

Retail Volume by Geography⁽¹⁾⁽²⁾



Global Retail FX Market (FY 2008)⁽³⁾



<u>Country/Region</u>	<u>Q1 2010</u>	<u>Q1 2011</u>	<u>% Growth</u>
Americas	\$174.0	\$130.6	(25%)
Asia-Pacific	70.7	194.9	176%
Europe	44.2	71.8	62%
Rest of World	2.4	5.1	113%
Total	\$291.4	\$402.5	38%

Note: Dollars in billions.

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

(2) For period ended March 31.

(3) Source: Aite Group.

Business Development Highlights

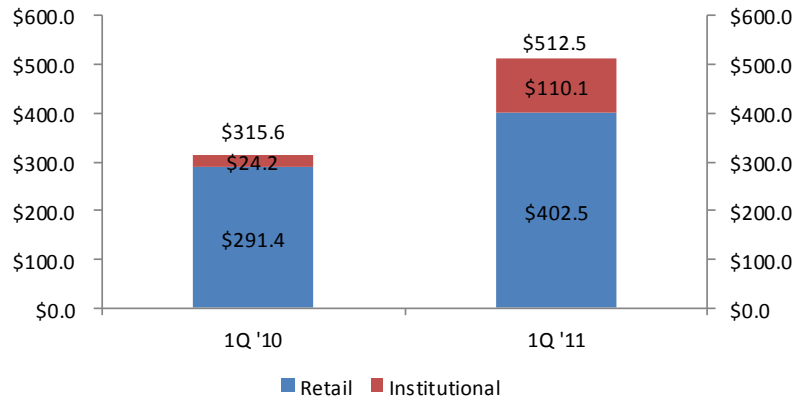
- dbFX Acquisition
 - On May 13, we completed our acquisition of the client assets of dbFX
 - Based on preliminary figures, approximately 1,650 accounts and approximately \$55.0 million assets transferred
 - Deal structure
 - Upfront and follow-on payments that align the interests of both GAIN Capital and Deutsche Bank
- China
 - CBRC regulatory approval
 - Beijing rep office
- GTX
 - Launch of GTX Direct
 - Leverage international expansion

Financial and Operating Metric Review

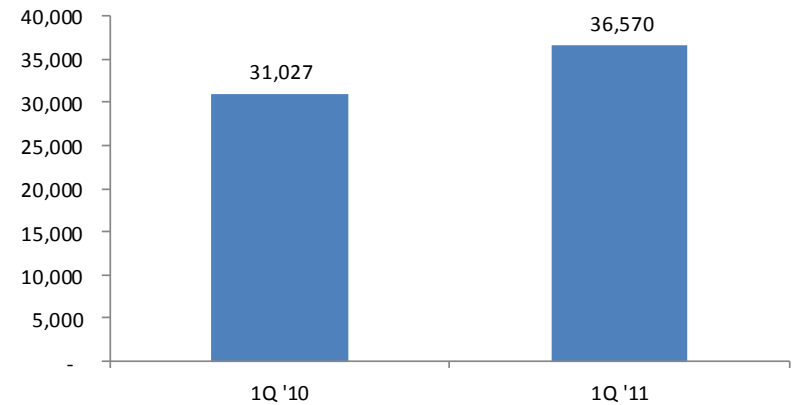
Henry Lyons, CFO

Operating Metrics⁽¹⁾

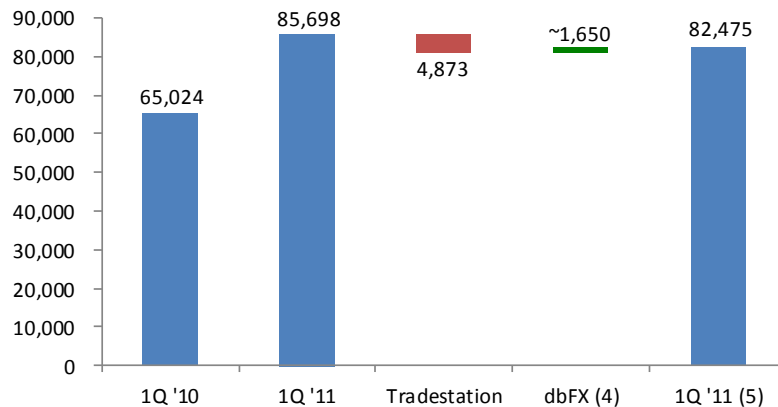
Total Trading Volume⁽²⁾



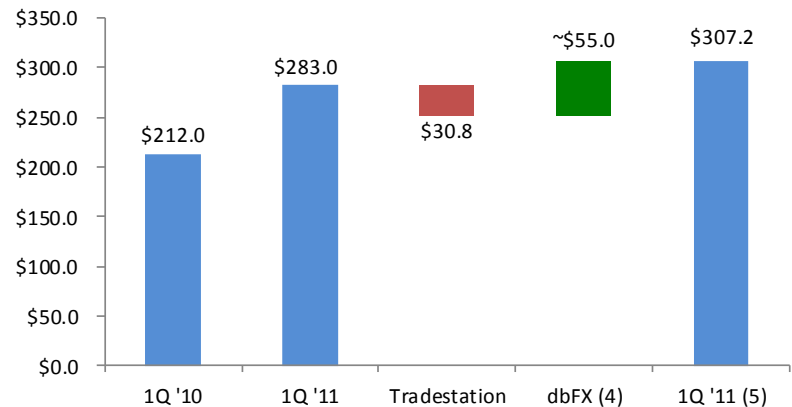
Traded Retail Accounts (Period)⁽²⁾



Funded Retail Accounts⁽³⁾



Client Assets⁽³⁾



Note: Trading volume in billions. Client assets in millions.

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

(2) For period ending March 31.

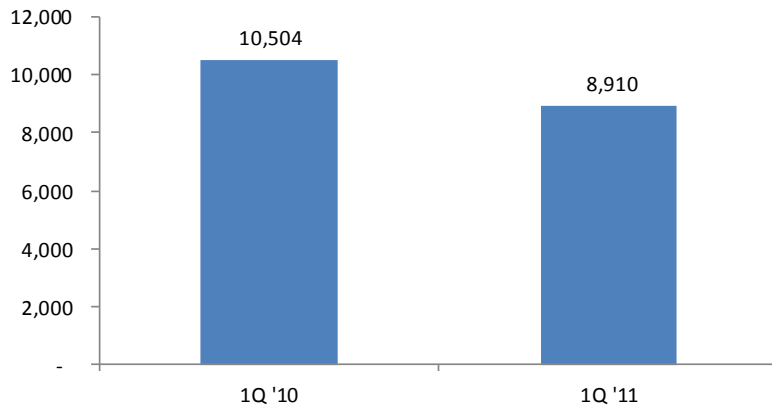
(3) As of March 31.

(4) Based on preliminary figures as of May 13, 2011.

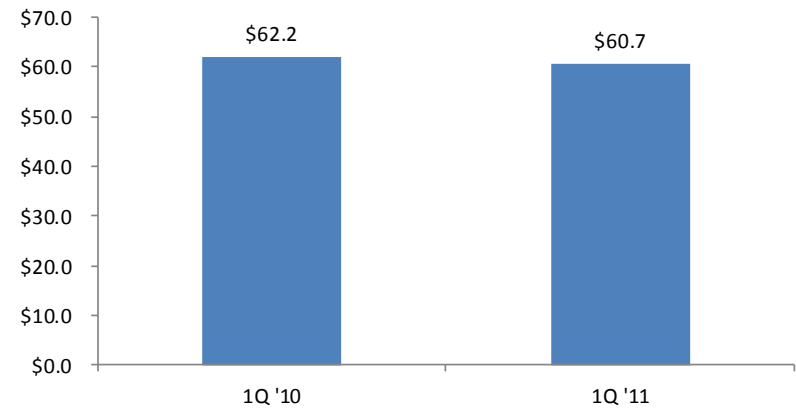
(5) Includes acquisition of approximate accounts and assets from dbFX, based on preliminary figures as of May 13, 2011, and loss of accounts and assets from Tradestation.

Operating Metrics (cont.)⁽¹⁾

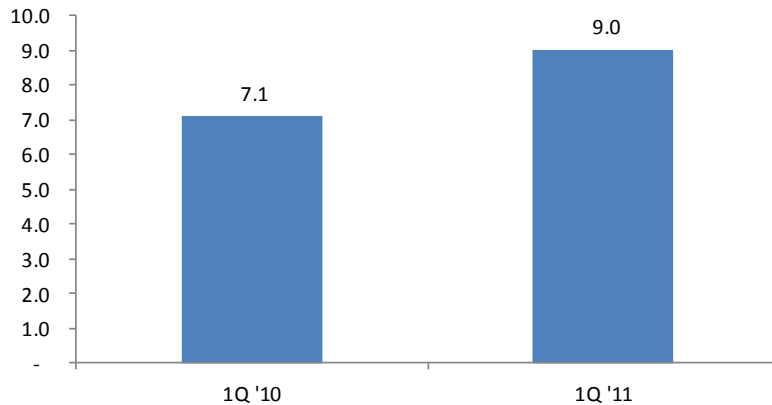
New Retail Accounts⁽²⁾



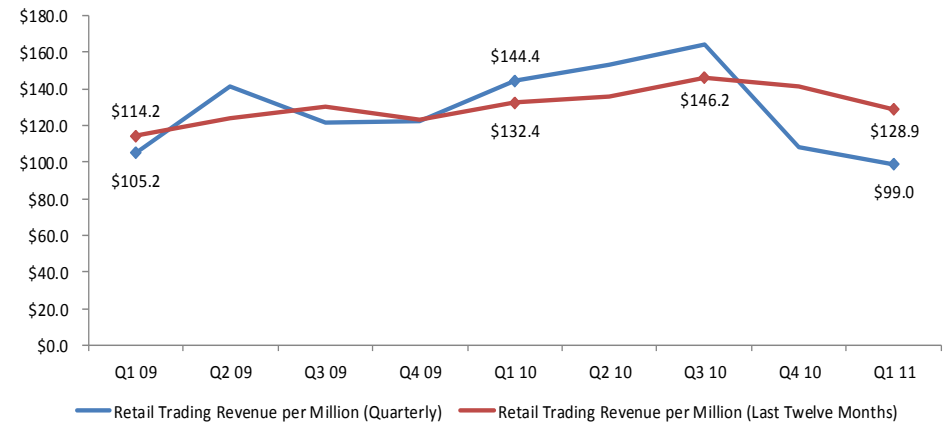
Net Deposits from Retail Customers⁽²⁾



Trades⁽²⁾



Retail Trading Revenue per Million⁽²⁾⁽³⁾



Note: Net deposits and trades in millions.

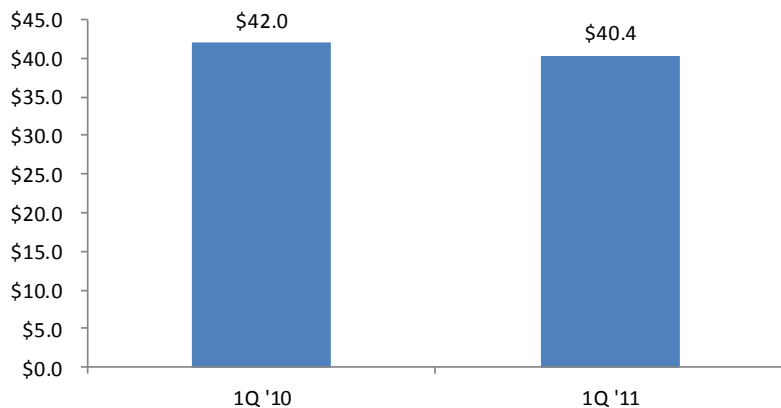
(1) Definitions for all our operating metrics are available in the appendix to this presentation.

(2) For period ending March 31.

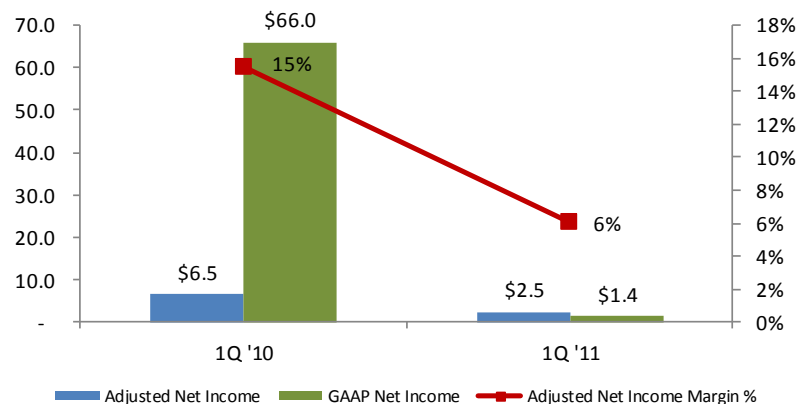
(3) 2008 data excludes our China trading operations.

Financial Results

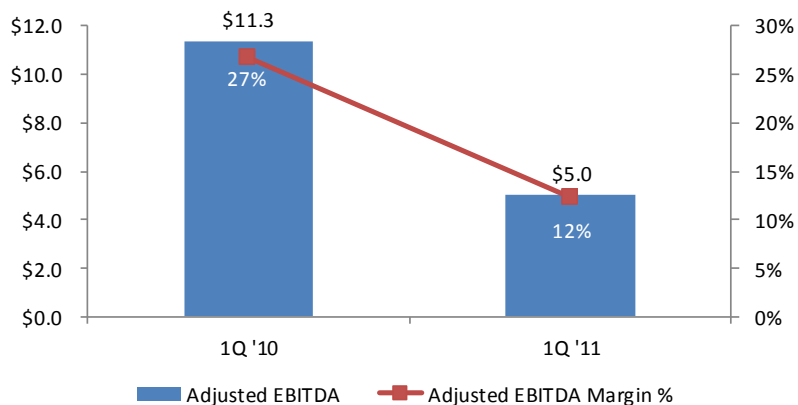
Revenue



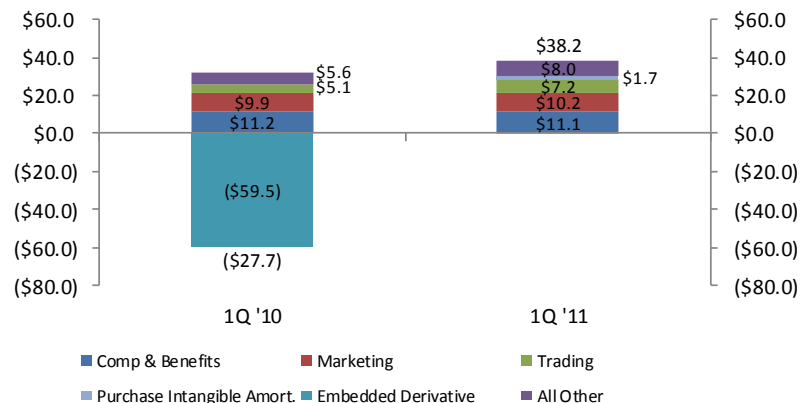
GAAP & Adjusted Net Income⁽¹⁾ & Margin %



Adjusted EBITDA⁽²⁾ & Margin %



Total Expenses



Note: Dollars in millions.

(1) Reconciliation of net income to adjusted net income available in appendix.

(2) Reconciliation of net income to adjusted EBITDA available in appendix.

Allocation of Capital

- Continued investment in organic business
 - Products
 - Geographies
- Robust corporate development pipeline
 - Consolidation transactions
 - Introducing broker and white label arrangements
- Return of capital to shareholders
 - Stock repurchase plan

Closing Remarks

Glenn Stevens, CEO

Closing Remarks

- **Macroeconomic**
 - Industry fundamentals remain positive
 - Increasing acknowledgement of FX as an asset class
 - Geopolitical events will influence FX market conditions
- **GAIN Capital**
 - Record quarterly trading volume
 - Growing institutional volume
 - Retail revenue per million returning to historical rates
 - dbFX transaction demonstrates our continued commitment to industry consolidation
 - Robust acquisition and product development pipeline

Appendix

Consolidated Statements of Operations

	Three Months Ended March 31,	
	2011	2010
Revenue		
Trading revenue	\$ 39.8	\$ 42.1
Other revenue	1.0	0.4
Total non-interest revenue	40.8	42.5
Interest revenue	0.1	0.1
Interest expense	(0.5)	(0.6)
Total net interest revenue/(expense)	(0.4)	(0.5)
Net Revenue	40.4	42.0
Expenses		
Compensation and benefits	11.1	11.2
Selling and marketing	10.2	9.9
Trading expenses and commissions	7.2	5.1
Bank fees	1.0	1.0
Depreciation and amortization	0.9	0.8
Purchase intangible amortization	1.7	-
Communication and data processing	0.7	0.8
Occupancy and equipment	1.2	1.0
Bad debt provision/(recovery)	0.5	0.2
Professional fees	1.9	0.7
Change in fair value of convertible, redeemable preferred stock embedded derivative ⁽¹⁾	-	(59.5)
Other	1.8	1.1
Total	38.2	(27.7)
Income before income tax expense and equity in earnings of equity method investment	2.2	69.7
Income tax expense	0.8	4.1
Net income	1.4	65.6
Net income/(loss) applicable to non-controlling interest	-	(0.4)
Net income/(loss) applicable to GAIN Capital Holdings, Inc.	\$ 1.4	\$ 66.0
Earnings per share ⁽²⁾ :		
Basic	\$ 0.04	\$ 22.22
Diluted	\$ 0.04	\$ 1.80
Weighted averages shares outstanding ⁽²⁾ :		
Basic	33,797,165	2,969,194
Diluted	38,888,775	36,575,912

Note: Dollars in millions.

(1) For the periods prior to the closing of our initial public offering in December 2010, in accordance with Financial Accounting Standards Board Accounting Standards Codification 815, Derivatives and Hedging, we accounted for an embedded derivative liability attributable to the redemption feature of our previously outstanding preferred stock and amortization of purchase intangibles. This redemption feature and the associated embedded derivative liability was no longer required to be recognized following the conversion of all of our preferred stock to common stock in connection with our IPO.

(2) In connection with the completion of the Company's IPO, the Company's board of directors approved a 2.29-for-1 stock split of the Company's common stock effective immediately prior to the completion of the Company's December 2010 IPO, as well as the settlement of the primary share offering which was allocated to all common shareholders on a pro-rata basis resulting in an effective stock split of 2.26-for-1. As a result, all references to shares and per share data have been retroactively restated to reflect the stock split for the three months ended March 31, 2010.

Balance Sheet

	<u>March 31,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
Assets		
Cash and cash equivalents	\$ 337.4	\$ 284.2
Short Term Investments	0.1	0.1
Trading Securities	-	20.1
Receivables from brokers	87.7	98.1
Property and equipment - net of accumulated depreciation	7.3	7.3
Prepaid Assets	10.6	9.9
Deferred financing costs	0.1	0.1
Goodwill	3.1	3.1
Intangible assets, net	7.4	9.1
Other Assets	9.7	11.1
Total assets	<u>\$ 463.4</u>	<u>\$ 443.1</u>
Liabilities and Shareholder's Equity		
Payables to brokers, dealers, FCM'S and other regulated entities	\$ 13.1	\$ 6.1
Payable to customers	269.9	250.6
Accrued compensation & benefits payable	1.3	5.1
Accrued expenses and other liabilities	8.8	10.5
Income tax payable	0.4	2.5
Notes payable	15.8	18.4
Total liabilities	<u>\$ 309.3</u>	<u>\$ 293.2</u>
Shareholders' Equity	<u>\$ 154.1</u>	<u>\$ 149.9</u>
Total liabilities and shareholders' equity	<u>\$ 463.4</u>	<u>\$ 443.1</u>

Note: Dollars in millions.

Adjusted Net Income / Margin Reconciliation

	Three Months Ended March 31,	
	2011	2010
Revenue	\$ 40.4	\$ 42.0
Net income/(loss) applicable to GAIN Capital Holdings, Inc.	\$ 1.4	\$ 66.0
Change in fair value of convertible, redeemable preferred stock embedded derivative	-	(59.5)
Plus: Purchase intangible amortization (net of tax)	1.1	-
Adjusted Net Income	<u>\$ 2.5</u>	<u>\$ 6.5</u>
Adjusted Earnings per Share ⁽¹⁾		
Basic	<u>\$ 0.07</u>	<u>\$ 2.19</u>
Diluted	<u>\$ 0.06</u>	<u>\$ 0.18</u>
Net Income Margin %	3%	157%
Adjusted Net Income Margin %	6%	15%

Note: Dollars in millions.

(1) In connection with the completion of the Company's IPO, the Company's board of directors approved a 2.29-for-1 stock split of the Company's common stock effective immediately prior to the completion of the Company's December 2010 IPO, as well as the settlement of the primary share offering which was allocated to all common shareholders on a pro-rata basis resulting in an effective stock split of 2.26-for-1. As a result, all references to share and per share data have been retroactively restated for the three months ended March 31, 2010 to reflect the stock split.

Adjusted EBITDA / Margin Reconciliation

	Three Months Ended March 31,	
	2011	2010
Revenue	\$ 40.4	\$ 42.0
Interest on Note Payable	0.2	0.3
Revenue (ex. Interest on Note)	<u>\$ 40.5</u>	<u>\$ 42.3</u>
Net income/(loss) applicable to GAIN Capital Holdings, Inc.	\$ 1.4	\$ 66.0
Change in fair value of convertible, redeemable preferred stock embedded derivative	-	(59.5)
Plus: Depreciation & amortization	0.9	0.8
Plus: Purchase intangible amortization	1.7	-
Plus: Interest expense of note payable	0.2	0.3
Plus: Income tax expense	0.8	4.1
Less: Net income/(loss) applicable to non-controlling interest	-	(0.4)
Adjusted EBITDA	<u>\$ 5.0</u>	<u>\$ 11.3</u>
Adjusted EBITDA Margin %	12%	27%

Adjusted EPS (Diluted) Reconciliation

	Three Months Ended March 31,	
	2011	2010
GAAP Earnings per Share (Diluted)	\$ 0.04	\$ 1.80
Change in fair value of convertible, redeemable preferred stock embedded derivative	-	(1.62)
Plus: Purchase intangible amortization ⁽¹⁾	0.02	-
Adjusted Earnings per Share (Diluted) ⁽²⁾	\$ 0.06	\$ 0.18

(1) Net of tax.

(2) In connection with the completion of the Company's IPO, the Company's board of directors approved a 2.29-for-1 stock split of the Company's common stock effective immediately prior to the completion of the Company's December 2010 IPO, as well as the settlement of the primary share offering which was allocated to all common shareholders on a pro-rata basis resulting in an effective stock split of 2.26-for-1. As a result, all references to share and per share data have been retroactively restated for the three months ended March 31, 2010 to reflect the stock split.

Q1 2011 Financial Summary

	3 Mos. Ended March 31,		'11 v '10 % Change
	1Q '11	1Q '10	
Revenue	\$40.4	\$42.0	(4%)
Interest Expense on Note Payable	0.2	0.3	
Revenue (ex. Interest on Note)	\$40.5	\$42.3	(4%)
Operating Expenses	35.5	31.0	15%
Adjusted EBITDA ⁽¹⁾	\$5.0	\$11.3	(56%)
GAAP Net Income	\$1.4	\$66.0	(98%)
Adjusted Net Income ⁽²⁾	2.5	6.5	(62%)
GAAP EPS (Diluted)	\$0.04	\$1.80	(98%)
Adjusted EPS (Diluted) ⁽³⁾	0.06	0.18	(67%)
Adjusted EBITDA Margin %	12%	27%	(14 pts)
Net Income Margin %	3%	157%	(154 pts)
Adjusted Net Income Margin %	6%	15%	(9 pts)

Note: Dollars in millions, except per share data.

(1) See page 18 for a reconciliation of GAAP net income to adjusted EBITDA.

(2) See page 17 for a reconciliation of GAAP net income to adjusted net income.

(3) See page 19 for a reconciliation of GAAP EPS to adjusted EPS.

Q1 2011 Operating Metrics

	1st Quarter		'11 v '10 % Change
	2011	2010	
<u>For Period Ending March 31,</u>			
Total Trading Volume (billions)	\$512.5	\$315.6	62%
Retail	402.5	291.4	38%
Institutional	110.1	24.2	355%
Traded Retail Accounts (Period)	36,570	31,027	18%
Traded Retail Accounts (Last 12 Months)	66,115	55,568	19%
New Retail Accounts	8,910	10,504	(15%)
Net Deposits from Retail Customers	\$60.7	\$62.2	(2%)
Trades	9,025,828	7,095,699	27%
Retail Trading Revenue per Million	\$99.0	\$144.4	(31%)
<u>As of March 31,</u>			
Funded Retail Accounts	85,698	65,024	32%
Client Assets	\$283.0	\$212.0	34%
Average Excess Net Capital ⁽¹⁾	\$45.2	\$49.0	(8%)

Note: Dollars in millions, except retail trading revenue per million.

(1) Average calculated using excess net capital balance at month-end.

Monthly Operating Metrics⁽¹⁾

<u>Month</u>	<u>Funded Retail Accts.⁽²⁾</u>	<u>New Retail Accounts⁽³⁾</u>	<u>Client Assets⁽²⁾</u>
Apr 2010	66,138	3,431	\$222.6
May 2010	64,477	3,451	218.4
Jun 2010	65,348	3,234	222.2
Jul 2010	65,948	2,824	220.4
Aug 2010	66,525	2,999	229.6
Sep 2010	70,858	3,056 ⁽⁴⁾	222.4
Oct 2010	81,793	3,345 ⁽⁵⁾	241.6
Nov 2010	84,985	3,054	263.2
Dec 2010	85,562	2,525	256.7
Jan 2011	86,236	2,904	277.0
Feb 2011	87,049	2,874	286.3
Mar 2011	85,698	3,132	283.0

Note: Dollars in millions.

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

(2) As of period ended.

(3) For period ended.

(4) Excludes 3,632 accounts from GAIN Capital's acquisition of MG Financial.

(5) Excludes 13,091 accounts from GAIN Capital's acquisition of CMS Forex.

Quarterly Operating Metrics⁽¹⁾

<u>Quarter</u>	<u>Volume</u>		<u>Traded Retail Accts. (Period)</u>	<u>Net Deposits From Retail Customers</u>	<u>Trades</u>
	<u>Retail</u>	<u>Institutional</u>			
Q2 10	\$355.6	\$67.9	34,174	\$75.6	8,954,401
Q3 10	311.6	43.3	32,976	68.7	7,535,907
Q4 10	366.3	103.9	36,241	61.4	8,161,012
Q1 11	402.5	110.1	36,570	60.7	9,025,828

Note: For period ended. Volume in billions. Net deposits in millions.

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

Definition of Metrics

- **Total Trading Volume**
 - Represents the U.S. dollar equivalent of notional amounts traded
- **Traded Retail Accounts**
 - Retail accounts who executed a transaction during a given period
- **Funded Retail Accounts**
 - Retail accounts who maintain a cash balance
- **Client Assets**
 - Represents amounts due to clients, including customer deposits and unrealized gains or losses arising from open positions
- **New Retail Accounts**
 - The number of customer accounts that have initially opened and funded their accounts
- **Net Deposits from Retail Customers**
 - Represents customers' deposits less withdrawals for a given period
- **Trades**
 - The number of transactions retail customers have completed for a given period
- **Retail Trading Revenue per Million**
 - The revenue we realize from our forex, CFDs and metals trading activities per one million of U.S. dollar-equivalent trading volume
- **Excess Net Capital**
 - Represents the excess funds held over the regulatory minimum capital requirements, as defined by the regulatory bodies that regulate our operating subsidiaries



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