



*June 2013*

# Safe Harbor Statement

## Forward-Looking Statements

The forward-looking statements contained herein include, without limitation, statements relating to GAIN Capital's and/or Global Futures & Forex, Ltd.'s ("GFT") expectations regarding the opportunities and strengths of the combined company created by the proposed business combination, anticipated cost and revenue synergies, the strategic rationale for the proposed business combination, including expectations regarding product offerings, growth opportunities, value creation, and financial strength, and the timing of the closing. All forward looking statements are based upon current expectations and beliefs and various assumptions. There can be no assurance that GAIN Capital or GFT will realize these expectations or that these beliefs will prove correct. In addition, 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 18, 2013, and under Part II, Item 1A in our quarterly report on Form 10-Q, as filed with the Securities and Exchange Commission on May 10, 2013, 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, including changes in regulation of the futures companies, errors or malfunctions in GAIN Capital's or GFT's 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. 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.

## Non-GAAP Financial Measures

EBITDA is a non-GAAP financial measure that represents our historical and pro forma earnings before interest, taxes, depreciation, amortization and non-recurring expenses. This non-GAAP financial measure has certain limitations, including that it does not have a standardized meaning and, therefore, our definition may be different from similar non-GAAP financial measures used by other companies and/or analysts. Thus, it may be more difficult to compare our financial performance to that of other companies. We believe our reporting of EBITDA assists investors in evaluating our historical and expected operating performance. However, because EBITDA is not a measure of financial performance calculated in accordance with GAAP, such measure should be considered in addition to, but not as a substitute for, other measures of our financial performance reported in accordance with GAAP, such as net income.

# GCAP: Global Markets for Active Traders

- Multi-brand and multi-asset class offering
- Retail & institutional client base



## Retail OTC

Award-winning service supports traders in 180 countries with access to over 450 FX and CFD products

## Clients

Self-directed retail traders



## Institutional

State-of-the-art FX ECN<sup>(1)</sup> technology and tools, complemented by 24-hour specialty execution services

## Clients

Hedge funds and institutions



## Futures

Innovative online futures broker with proprietary trading technology and strong sales distribution

## Clients

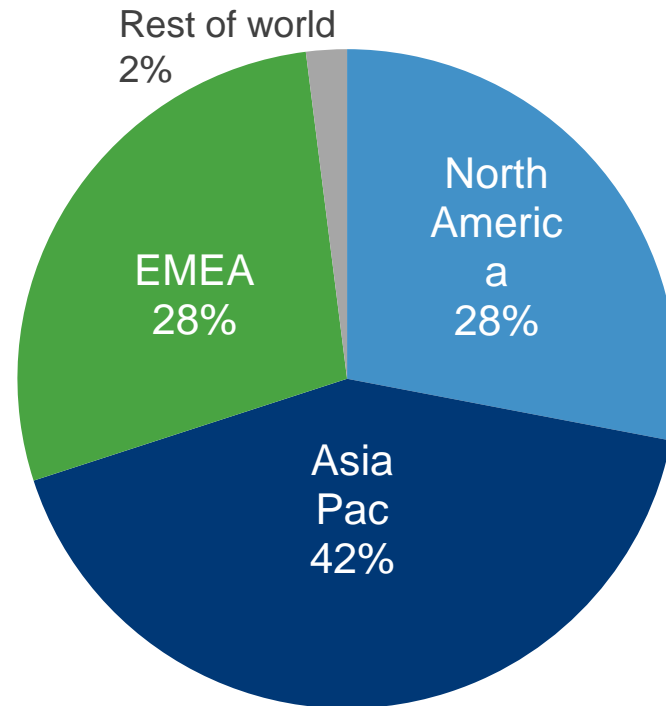
Retail and institutional traders

(1) ECN: Electronic Communication Network.

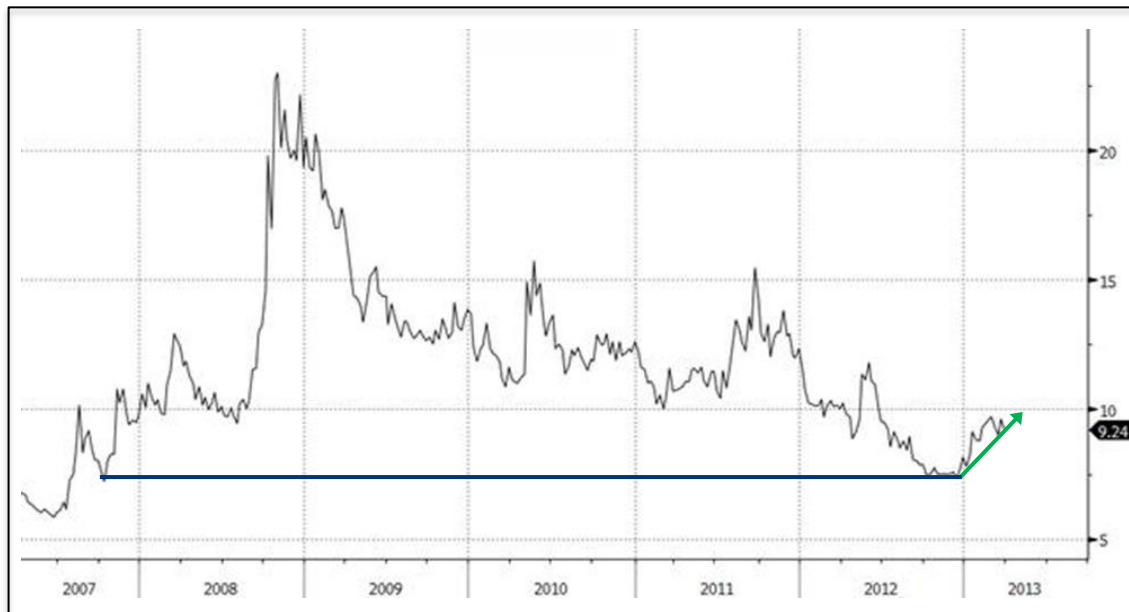
# Retail OTC

- Retail customers in 180 countries
- Geographically diversified business; multi-language offering targeting high growth markets in Middle East and Asia Pacific
  - Fully localized FOREX.com service in Chinese, Japanese, Arabic, Russian & German
- 38% of 2012 volume from indirect channel partners - introducing brokers and white label partners
- 450+ products covering FX and CFDs on Commodities (Metals, Energy, Ags), Indices and Rates
- Product range to expand to 12,500+ upon close of GFT acquisition - additional CFDs, spread bets, binary options & FX options

**FY 2012 Retail OTC Volume**



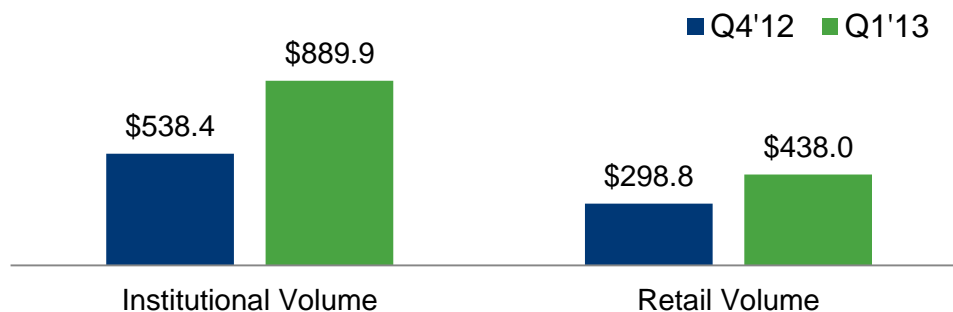
# Improving Market Conditions



JPMorgan's G7 Volatility Index

- Q1 2013 market conditions rose from five-year low in Q4 2012
- Retail and institutional volumes and revenue both rose sharply in Q1 2013
- Additional upside potential as volatility still at historically low levels
- GAIN's expanded client base positions it well to take advantage of improving market conditions

## Capitalizing on higher volatility

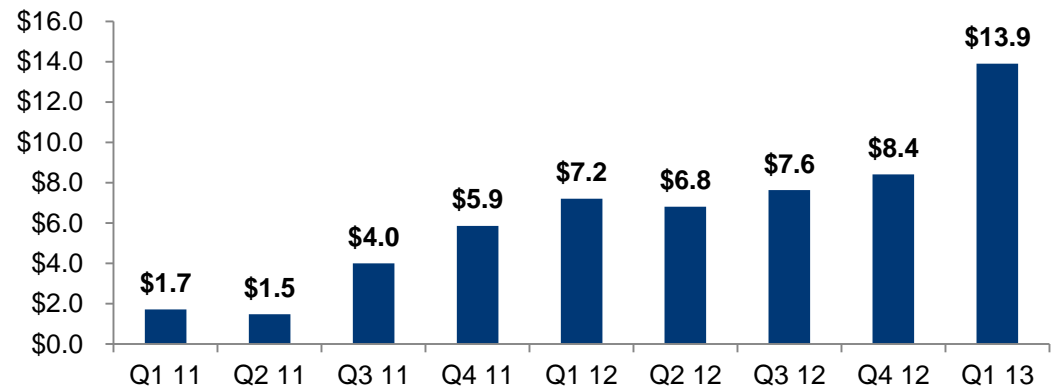


# GTX: A Growing Force in Institutional FX Trading

- FX ECN for hedge funds and institutions launched in late 2010
  - Peer-to-peer trading capabilities
  - Prime brokerage credit, central clearing model
- Rapidly growing volume as peers report weakening metrics
- Revenue rose more than 3x 2011-2012
- Increasing liquidity pool drawing more clients

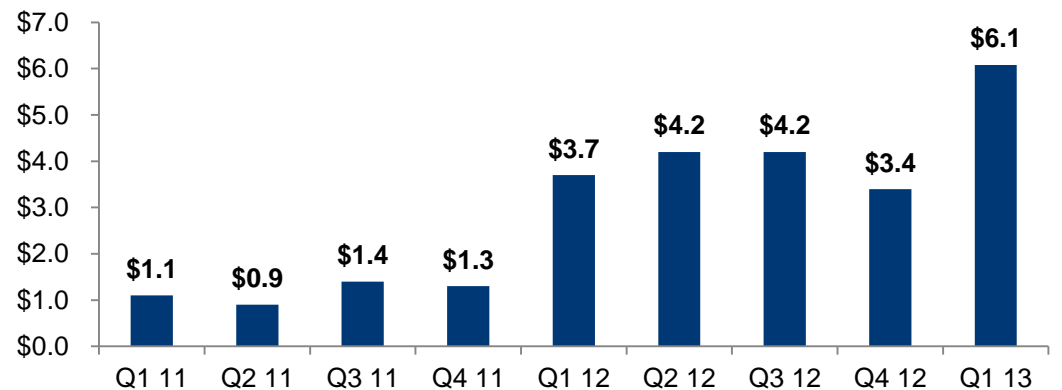
## Average Daily Volume

(\$ in billions)



## Quarterly Revenue

(\$ in billions)



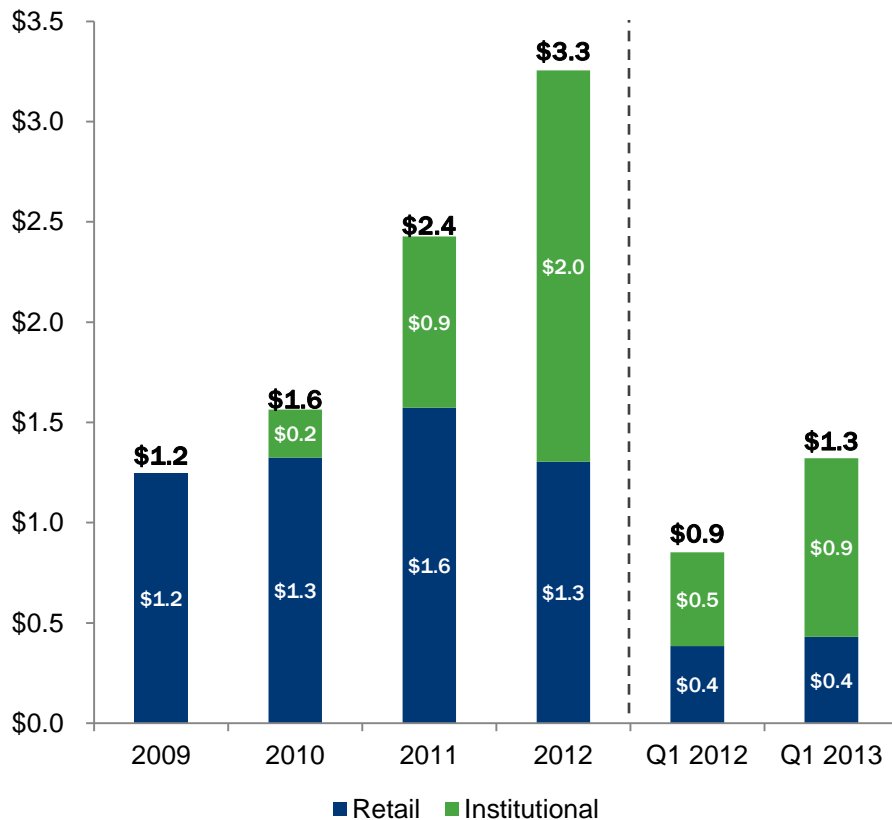
# OEC: Exchange-Traded Futures

- Strategic entry into exchange-traded futures via acquisition from Schwab in Q3 2012
  - Complementary product with retail FX
  - Commission-based revenue stream
- **Business is already integrated and delivering strong results**
  - Customer assets up 23% since July 2012
  - Run-rate revenue rising (~\$19mm based on Q1 2013)
  - Over 8,750 accounts as of April 30, 2013
  - April 2013 DARTs: 14,773
- **New initiatives to boost growth and margins**
  - Enhanced marketing efforts to grow direct business
  - New sales team in place to attract institutional customers and partners

# Key Operating Metrics

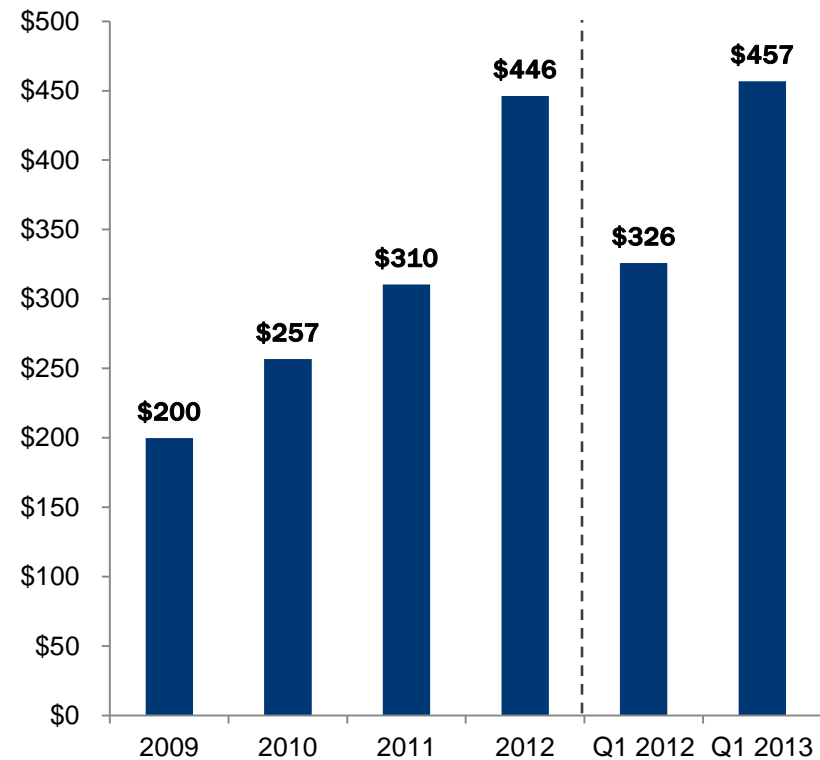
## Trading Volume

(\$ in trillions)



## Client Assets

(\$ in millions)

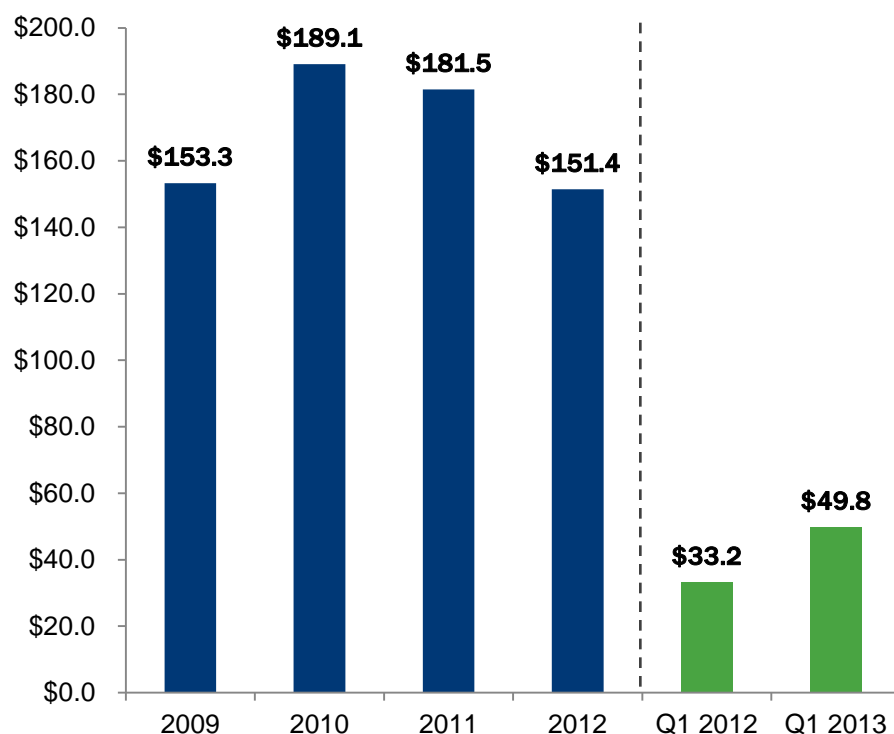




# Financial Highlights

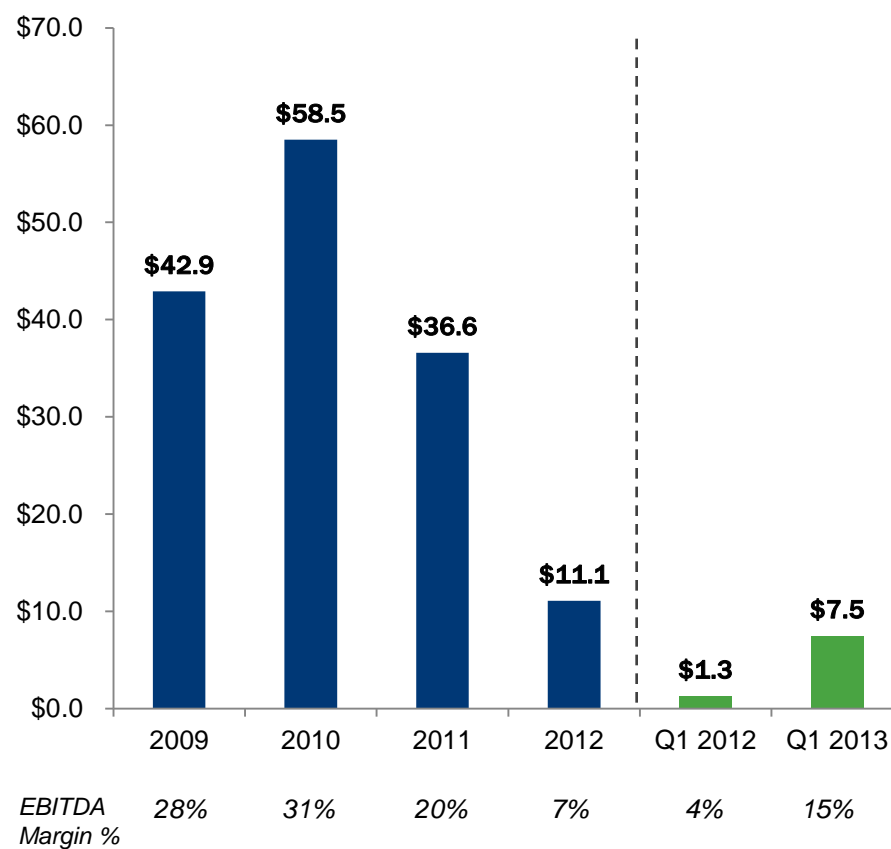
## Revenue

(\$ in millions)



## EBITDA<sup>(1)</sup>

(\$ in millions)



EBITDA Margin %  
 28%    31%    20%    7%    4%    15%

(1) EBITDA is a non-GAAP financial measure that represents earnings before interest, taxes, depreciation, amortization and non-recurring expenses.

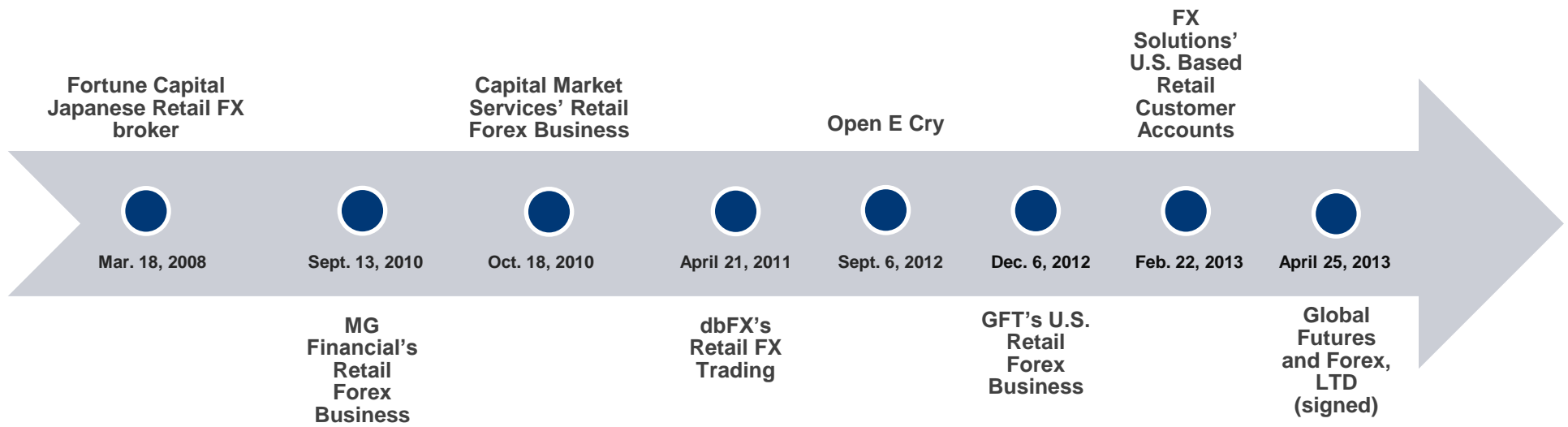
# Building a Diversified Business

- Historically, GAIN's revenue stream was primarily driven by retail trading revenue
- GAIN is focusing on reducing earnings volatility through diversification of revenue streams
- Through product expansion and M&A, GAIN has increased its commission revenue contribution to >20%
  - Rapidly growing institutional business
  - Acquisition of OEC
  - GFT acquisition (expected to close Q3 2013)
- Continuing to explore organic and M&A opportunities to further expand commission-based revenue streams



# Active Acquirer in a Rapidly Consolidating Industry

- Increasing capital requirements and regulatory compliance costs continue to drive industry consolidation
- M&A amplifies our expansion into new products, customer segments and geographies
- Strength in M&A driven by previous transaction experience; partner of choice
- Expertise in valuation ensures fair price for major purchases



# GFT Acquisition: Increased scale, broader product offering

- GAIN signed a definitive agreement to acquire Global Futures & Forex, LTD (“GFT”) in April 2013 for \$107.6mm (net of cash acquired: \$27.6mm)
- Significantly enhances GAIN’s scale and position as an industry leader with diverse revenue streams and product offerings
  - **Large scale**
    - Pro forma 2013 run-rate revenue<sup>(1)</sup>: \$329mm
    - Pro forma 2013 run-rate EBITDA<sup>(2)</sup>: \$77mm
    - Pro forma client assets<sup>(3)</sup>: ~\$650mm
  - **Broader product offering**
    - Total of 12,500 financial markets offered
    - OTC FX, CFDs, binary options, spread betting, FX options, exchange-traded futures and options
  - **Diversified revenue streams**
    - Expanded partner-based business
    - New institutional revenue stream from GFT’s Sales Trader business
    - Total commission-based business rises to 22% of revenue<sup>(4)</sup>
- Complementary technology and product functionality
- Operating expense synergies of \$35mm-\$45mm
- Regulatory capital synergies
- Transaction expected to close in early Q3 2013
  - Expected to be modestly accretive to 2H 2013 earnings and significantly accretive to FY 2014 earnings

(1) Based on Q1 2013 results.

(2) Pro forma EBITDA assumes \$40mm of estimated synergies achieved based on mid-point of assumed year 1 synergies of \$35mm-\$45mm.

(3) As of March 31, 2013.

(4) Based on pro forma 2012 financials.

# Pro Forma GAIN Financials & Metrics

- Both GAIN and GFT experienced a decline in financial results during FY 2012, primarily due to the decline in volatility and trading volume in the FX market
- Both companies have seen a significant rebound in financial and operating performance in 2013
- Based on Q1 2013 results and the synergies available via the transaction, GAIN believes that the combined company will demonstrate strong profitability in FY 2013

(\$ in millions) Fiscal Year Ended December 31, 2012

	GAIN	GFT	PF GAIN
Revenue	\$151.4	\$97.8	\$249.2
EBITDA <sup>(1)(2)</sup>	11.1	(23.4)	27.7
EBITDA Margin %	7%	NM	11%

(\$ in millions) Quarter Ended March 31, 2013

	GAIN	GFT	PF GAIN
Revenue	\$49.8	\$32.5	\$82.3
EBITDA <sup>(1)(3)</sup>	7.5	1.8	19.3
EBITDA Margin %	15%	6%	23%

## Key Balance Sheet Data & Operating Metrics

Client Assets	\$456.9	\$192.2	\$649.1
Funded Accounts	100,020	39,690	139,710

## Y-o-Y Q1 Revenue Growth

	50%	35%	
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(\$ in millions)

	FY 2013 Run-Rate <sup>(4)</sup>	FY 2013 Range <sup>(5)(6)</sup>
Revenue	\$329	\$230-\$260
EBITDA	77	35-55
EBITDA Margin %	23%	15%-21%

(1) EBITDA is a non-GAAP financial measure that represents earnings before interest, taxes, depreciation, amortization, and other non-recurring items.

(2) Pro forma EBITDA assumes \$40mm of estimated synergies achieved based on mid-point of assumed year 1 synergies of \$35mm-\$45mm.

(3) Pro forma EBITDA assumes \$10mm of estimated Q1 synergies achieved based on mid-point of assumed year 1 synergies of \$35mm-\$45mm.

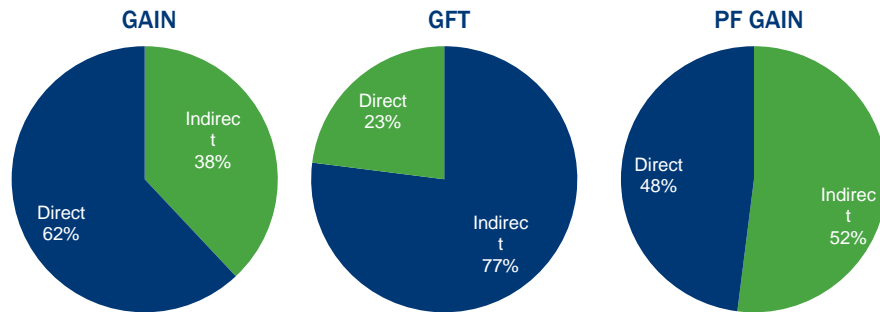
(4) Based on Q1 2013 results. EBITDA assumes \$40mm of \$40mm of estimated synergies achieved based on mid-point of assumed year 1 synergies of \$35mm-\$45mm.

(5) Assumes transaction closes in early Q3 2013.

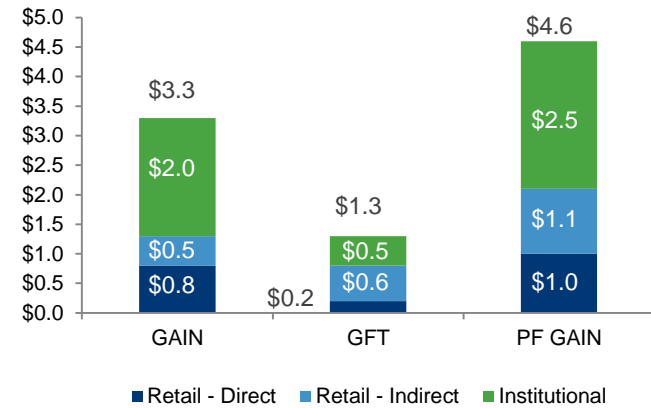
(6) FY 2013 EBITDA range assumes \$20mm of estimated synergies achieved.

# Pro Forma GAIN Financials & Metrics

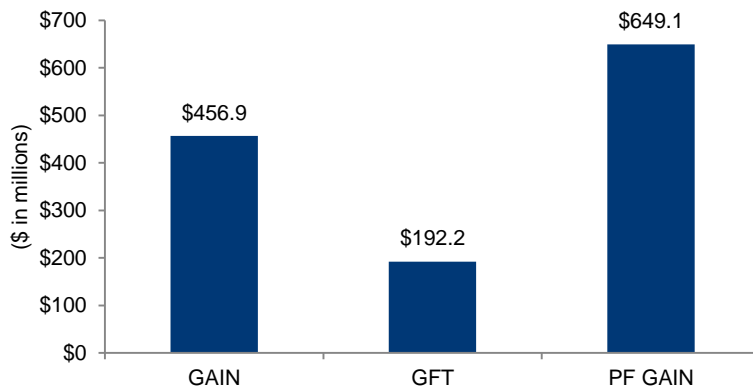
FY 2012 Retail Volume Contribution %



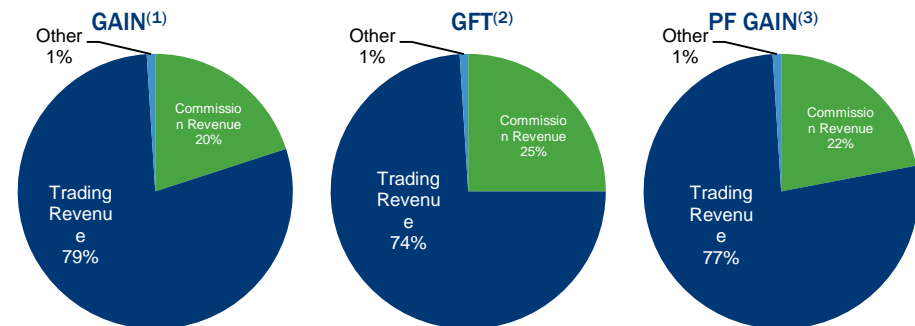
FY 2012 Trading Volume (\$ in trillions)



3/31/2013 Client Assets



FY 2012 Revenue Contribution %



- (1) Commission revenue represents PF 2012 to include full-year impact of OEC acquisition.
- (2) Commission revenue represents revenue from Sales Trader clients.
- (3) Commission revenue represents revenue from Sales Trader clients, GTX and full-year impact of OEC acquisition.

# OTC Agency vs. Principal: A Red Herring

- Like all retail OTC firms, GAIN employs a hybrid execution model: no firm is 100% agency or 100% principal
- Benefit of principal execution to customers includes 25-30% lower transaction costs and improved execution speed/quality
- Agency execution is nonstandard and unproven for non-FX asset classes such as CFDs and options
- All of GAIN's competitors derive significant revenue from market making

# Conclusion

- Maintain momentum in asset and account gathering to continue capitalizing on improving market conditions
- Increase commission-based revenue stream through expansion of GTX and exchange-traded futures
- Successful integration of GFT: execute expense synergies, leverage expanded product offering
- Continue to focus on M&A consolidation and expansion opportunities





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