



Q1 2014 Financial and Operating Results
May 8, 2014

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. The forward-looking statements contained in this presentation include, without limitation, statements relating to GAIN Capital's expectations regarding the opportunities and strengths of the combined company created by the combination of GAIN and GFT, anticipated cost and revenue synergies as well as expected growth in financial and operating metrics, the strategic rationale for the business combination, including expectations regarding product offerings, growth opportunities, value creation, and financial strength. A variety of important factors could cause results to differ materially from such statements. 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 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, including the successful integration of GFT, our ability to effectively compete in the OTC products and futures industries, 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 presentation. GAIN Capital undertakes no obligation to revise or update publicly any forward-looking statement for any reason unless required by law.

First Quarter 2014 Overview

- Continued growth in operating metrics amid challenging trading conditions
- Strong growth in commission-based business
- Successful execution of M&A strategy with three acquisitions year-to-date
- Significant progress on GFT expense synergies and focus on overall expense management

1st Quarter 2014 Financial and Operating Results

- Financial Results

- Net revenue: \$75.8 million
- Adjusted EBITDA⁽¹⁾: \$9.5 million
- Net income: \$1.6 million
- EPS (Diluted): \$0.04
 - Adjusted EPS (Diluted)⁽²⁾: \$0.08

- Operating Metrics⁽³⁾

- Retail volume: \$566.3 billion (ADV: \$9.0 billion)
- Institutional volume: \$1,348.4 billion (ADV: \$21.4 billion)
 - GTX volume: \$1,212.4 billion (ADV: \$19.2 billion)
- Futures contracts: 1.6mm
- Funded accounts: 134,685

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

(2) Adjusted EPS is a non-GAAP financial measure that represents net income per share excluding the impact of restructuring acquisition and integration expenses and other costs. A reconciliation of GAAP EPS to adjusted EPS is available in the appendix to this presentation.

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

Market Conditions

- Currency volatility levels at 5-year lows with downward trend continuing through April 2014



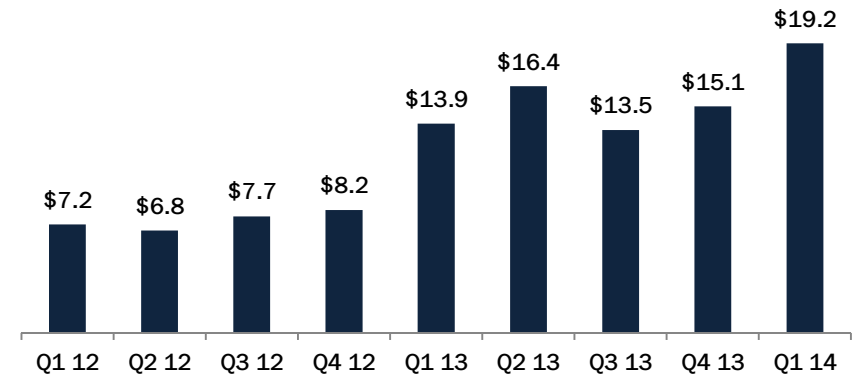
Retail OTC

- Growth in funded accounts continues with 35% year-over-year growth and 4% growth YTD
- Strong client engagement
 - Q1 2014 average daily volume: \$9.0 billion
 - Up 15% compared to Q4 2013
 - Up 34% compared to Q1 2013
- Sales channel mix continues trend toward even volume split between direct and indirect

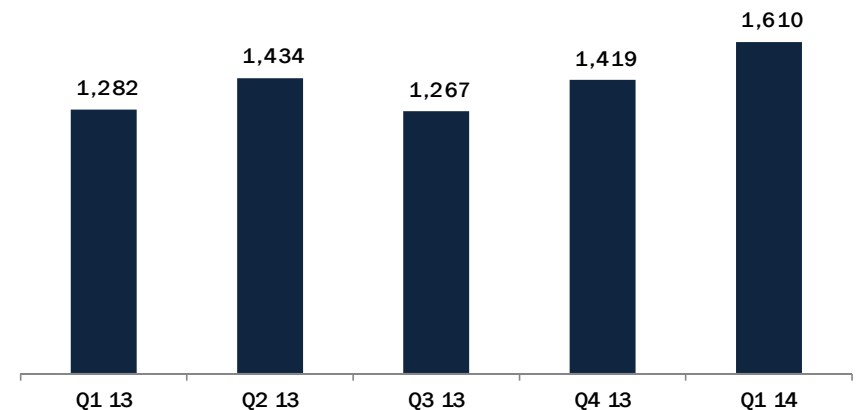
Commission-Based Business

- Commission-based businesses delivered \$29.8mm of revenue in Q1 2014 vs. \$10.9mm in Q1 2013
- **GTX**
 - Growth in volume and market share continues
 - Robust pipeline for new business
- **Sales Trader**
 - Accounts up >50% since deal announcement
- **Futures**
 - Client assets up 40% to \$164mm
 - Expansion through M&A

GTX Average Daily Volume



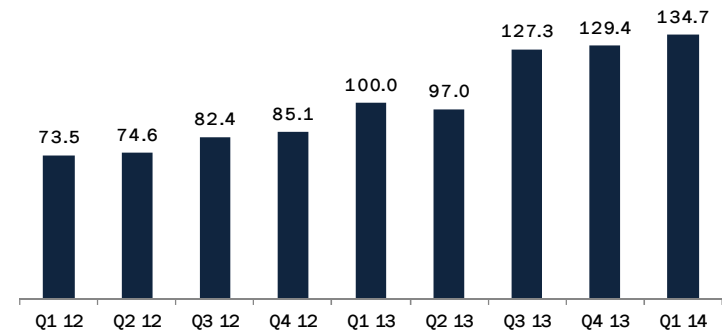
Futures Contracts (in 000s)



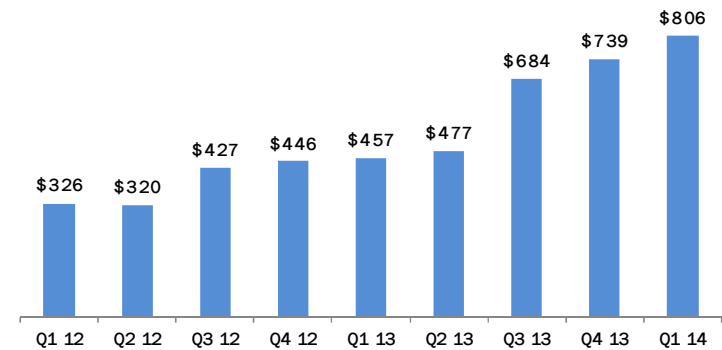
Strength of Core Operating Metrics

- Despite challenging trading conditions, retail metrics continue upward trend
- Continuing to grow funded account base and client assets
 - Both organically and through M&A
- Increase in both assets and accounts resulting in more trading activity from clients
 - Average daily volume increased 34% year-over-year
 - 8% quarterly growth since Q1 2013

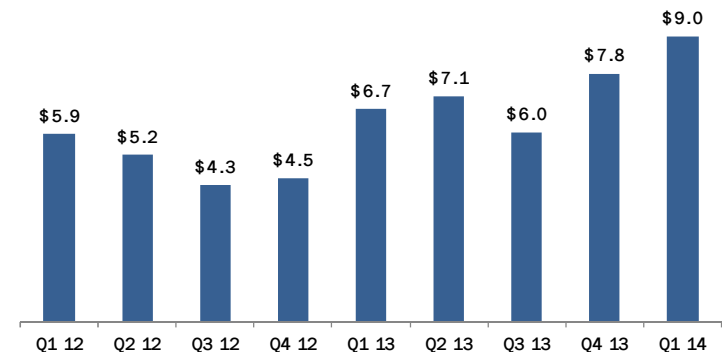
Funded Accounts (in 000s)



Client Assets (in millions)



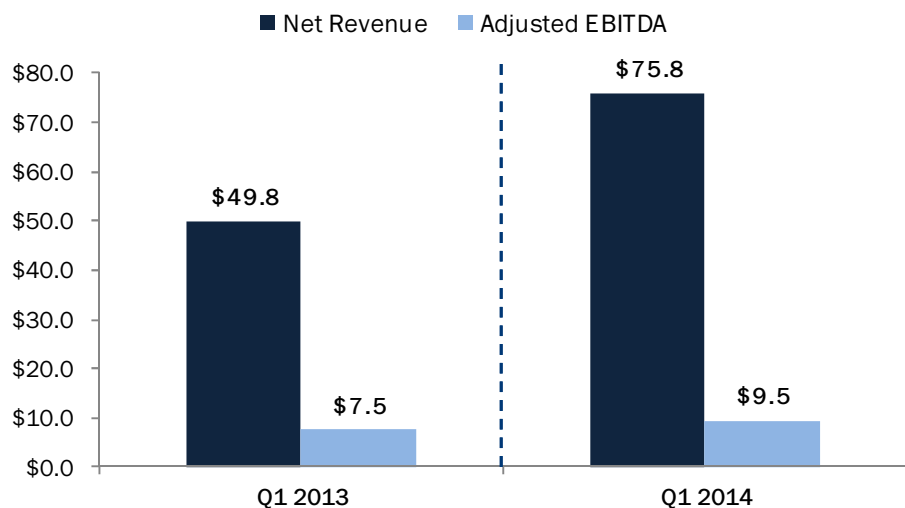
Average Daily Retail Volume (in billions)



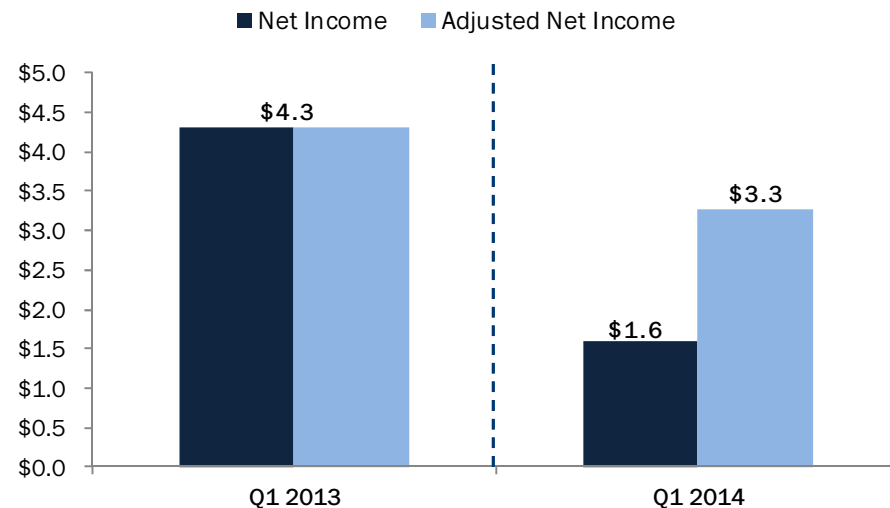
Note: Definitions for all our operating metrics are available in the appendix to this presentation.

1st Quarter 2014 Financial Results

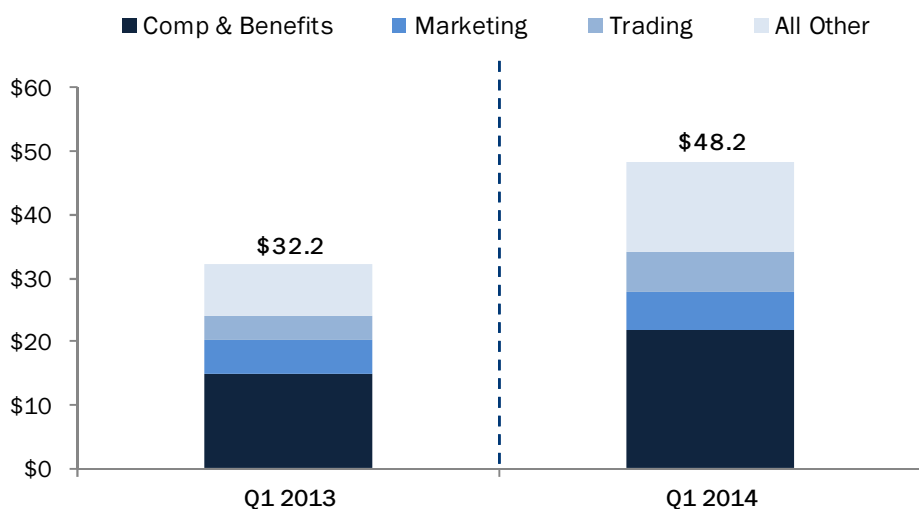
Net Revenue & Adjusted EBITDA⁽¹⁾



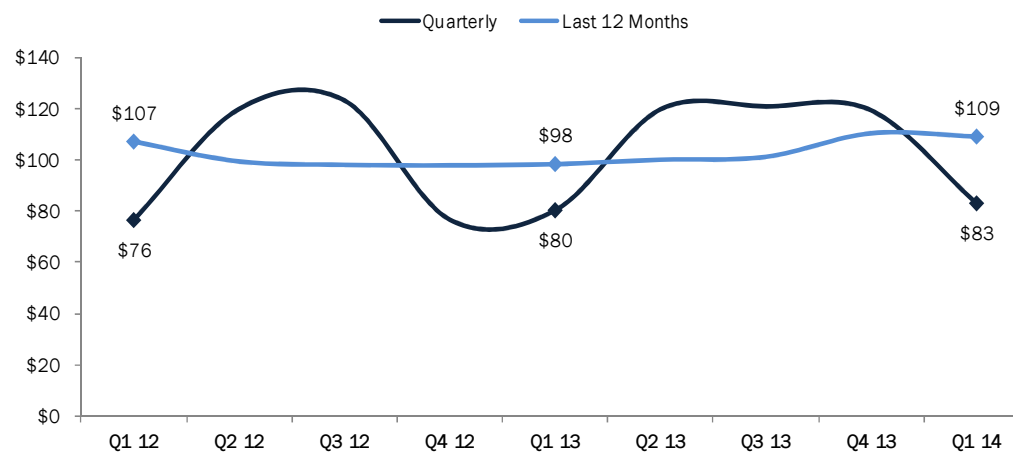
Net Income & Adjusted Net Income⁽²⁾



Fixed Operating Expenses⁽³⁾



Retail Trading Revenue per Million



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

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

(2) Reconciliation of net income to adjusted net income is available in the appendix to this presentation.

(3) Fixed operating expenses represent total expenses less referral fees, depreciation, amortization, restructuring, acquisition and integration expenses.

Progress on GFT Synergies

- Successfully reduced cost base by more than \$4 million (on a run-rate basis) during the quarter
 - Headcount reductions completed
 - Consolidated marketing spend
 - Streamlined market data and IT infrastructure
 - Office space consolidation
 - Reduced administrative expenses
- Expect to achieve an incremental \$4 million reduction in the expense base in Q2 2014
- On track to achieve annual run-rate expense savings of \$35-45 million by Q4 2014

Return of Capital

- Return of capital to shareholders
 - \$0.05 per share quarterly dividend approved
 - Record date: June 12, 2014
 - Payment date: June 20, 2014
- Share repurchase
 - Program remains in place and will continue to be opportunistic

YTD 2014 Acquisitions

- **Futures**
 - Announced acquisition of 55% of both Global Asset Advisors and Top Third Ag Marketing in early March
 - Global Asset Advisors (“GAA”)
 - Strengthens direct futures offering
 - President of GAA appointed head of GAIN’s futures division
 - Top Third Ag Marketing
 - Provides new client base – agricultural hedgers
 - Expect to grow futures topline by more than 50% and increase EBITDA margins
- **Galvan Research**
 - Announced acquisition in early April
 - Provides CFD advisory and trade recommendations
 - Continues GAIN’s strategy of diversification into more commission-based revenue streams
- **Future M&A pipeline remains robust with several transactions in various stages of negotiations**

Closing Remarks

- Strong operating metrics amid challenging trading conditions
- Growth in operating metrics to drive financial performance when trading conditions improve
- Diversification of revenue streams continues with larger percentage of top-line generated from commission-based businesses
- M&A remains a key strategy for growth and we continue to explore a number of opportunities across various industries and products

Appendix

Consolidated Statements of Operations

	Three Months Ended	
	March 31,	
	2014	2013
Revenue		
Trading revenue	\$ 47.0	\$ 35.3
Commission revenue	29.8	10.9
Other revenue	0.1	3.6
Total non-interest revenue	76.9	49.8
Interest revenue	0.4	0.1
Interest expense	1.5	0.1
Total net interest expense	(1.1)	-
Net revenue	75.8	49.8
Expenses		
Employee compensation and benefits	21.8	15.0
Selling and marketing	6.1	5.4
Referral fees	19.6	10.2
Trading expense	6.3	3.8
General & Administrative	9.3	5.6
Depreciation and amortization	2.7	1.6
Purchased intangible amortization	1.0	0.6
Communication and technology	4.0	2.2
Bad debt provision	0.6	0.2
Acquisition costs	0.4	-
Restructuring	0.4	-
Integration costs	1.5	-
Total	73.7	44.6
Income before tax expense	2.1	5.2
Income tax expense	0.4	0.9
Net income	1.7	4.3
Net income attributable to non-controlling interest	0.1	-
Net income applicable to Gain Capital Holdings Inc.	\$ 1.6	\$ 4.3
Earnings per common share:		
Basic	\$0.04	\$0.12
Diluted	\$0.04	\$0.11
Weighted averages common shares outstanding used in computing earnings per common share:		
Basic	39,543,586	35,052,375
Diluted	42,627,628	37,331,592

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

Consolidated Balance Sheet

	March 31, 2014	December 31, 2013
ASSETS:		
Cash and cash equivalents	\$ 40.0	\$ 39.9
Cash and securities held for customers	805.9	739.3
Short term investments	0.8	0.8
Receivables from banks and brokers	211.4	227.6
Property and equipment - net of accumulated depreciation	17.0	17.1
Prepaid assets	8.0	8.8
Goodwill	26.2	14.2
Intangible assets, net	41.8	34.8
Other assets	35.8	28.6
Total assets	\$ 1,186.9	\$ 1,111.1
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Payables to customer, brokers, dealers, FCM'S and other regulated entities	\$ 805.9	\$ 739.3
Accrued compensation & benefits	6.2	13.0
Accrued expenses and other liabilities	55.6	55.2
Income tax payable	5.5	3.8
Loan payable	66.5	65.4
Total liabilities	\$ 939.7	\$ 876.7
Non-controlling interest	\$ 8.4	\$ -
Shareholders' Equity	238.8	234.4
Total liabilities and shareholders' equity	\$ 1,186.9	\$ 1,111.1

Note: Unaudited. Dollars in millions.

Current Liquidity

	As of	
	3/31/14	12/31/13
Cash and cash equivalents	\$40.0	\$39.9
Cash and securities held for customers	805.9	739.3
Short term investments ⁽¹⁾	0.8	0.8
Receivables from banks and brokers ⁽²⁾	211.4	227.6
Total Operating Cash	\$1,058.1	\$1,007.6
Less: Cash and securities held for customers	(805.9)	(739.3)
Free Operating Cash	\$252.2	\$268.3
Less: Minimum regulatory capital requirements	(71.6)	(85.7)
Less: Convertible Senior Notes ⁽³⁾	(80.0)	(80.0)
Free Cash Available	\$100.6	\$102.6

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) The convertible senior note incorporates the unamortized discount

Q1 2014 Financial Summary

	3 Months Ended Mar. 31,		'14 v '13 % Change
	2014	2013	
Net Revenue	\$75.8	\$49.8	52%
Interest Expense	1.5	0.1	1400%
Net Revenue (ex. Interest Expense)	\$77.3	\$49.9	55%
Operating Expenses	67.8	42.4	60%
Adjusted EBITDA ⁽¹⁾	\$9.5	\$7.5	27%
Net Income	\$1.6	\$4.3	(63%)
Adjusted EPS (Diluted) ⁽²⁾	\$0.08	\$0.11	(27%)
EPS (Diluted)	\$0.04	\$0.11	(66%)
Adjusted EBITDA Margin % ⁽¹⁾⁽³⁾	12%	15%	(3 pts)
Net Income Margin %	2%	9%	(7 pts)

Note: Dollars in millions, except per share data.

(1) See page 19 for a reconciliation of GAAP net income to adjusted EBITDA.

(2) See page 21 for a reconciliation of GAAP EPS to adjusted EPS.

(3) Adjusted EBITDA margin is calculated as adjusted EBITDA divided by net revenue (ex. interest expense).

Adjusted EBITDA & Margin Reconciliation

	3 Months Ended Mar. 31,	
	2014	2013
Net Revenue	\$ 75.8	\$ 49.8
Interest Expense	1.5	0.1
Net Revenue (ex. Interest Expense)	<u>\$ 77.3</u>	<u>\$ 49.9</u>
Net income	\$ 1.6	\$ 4.3
Depreciation & amortization	2.7	1.6
Purchase intangible amortization	1.0	0.6
Interest expense	1.5	0.1
Income tax expense	0.4	0.9
Acquisition costs	0.4	-
Restructuring	0.4	-
Integration costs	1.5	-
Adjusted EBITDA	<u>\$ 9.5</u>	<u>\$ 7.5</u>
<i>Adjusted EBITDA Margin %⁽¹⁾</i>	<i>12%</i>	<i>15%</i>

Note: Dollars in millions.

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

Adjusted Net Income Reconciliation

	3 Months Ended Mar. 31,	
	2014	2013
Net Income	\$ 1.6	\$ 4.3
Acquisition costs, net of tax	0.3	-
Restructuring, net of tax	0.3	-
Integration costs, net of tax	1.1	-
Adjusted Net Income	<u>\$ 3.3</u>	<u>\$ 4.3</u>
Adjusted Earnings per Common Share:		
Basic	\$ 0.08	\$ 0.12
Diluted	<u>\$ 0.08</u>	<u>\$ 0.11</u>

Note: Dollars in millions.

Adjusted EPS Reconciliation

	3 Months Ended Mar. 31,	
	2014	2013
GAAP Earnings per Share (Diluted)	\$ 0.04	\$ 0.11
Restructuring & Other items	0.04	-
Adjusted Earnings per Share (Diluted)	<u>\$ 0.08</u>	<u>\$ 0.11</u>

Operating Metrics

<i>(Volume in billions; assets in millions)</i>	3 Months Ended,				
	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
Retail					
OTC Trading Volume	\$431.8	\$462.1	\$394.8	\$508.0	\$566.3
Average Daily Volume	\$6.7	\$7.1	\$6.0	\$7.8	\$9.0
Active OTC Accounts	62,606	64,144	103,924	97,194	97,253
Futures Contracts	1,282,066	1,434,478	1,267,472	1,419,206	1,609,796
Funded Accounts	100,020	96,977	127,305	129,375	134,685
Customer Assets	\$456.9	\$476.8	\$684.1	\$739.3	\$805.9
Institutional					
Total Institutional Volume	\$889.9	\$1,065.8	\$901.3	\$1,104.0	\$1,348.4
Average Daily Volume	\$13.9	\$16.4	\$13.7	\$17.0	\$21.4
GTX Volume	\$889.9	\$1,065.8	\$889.7	\$978.9	\$1,212.4
Average Daily GTX Volume	\$13.9	\$16.4	\$13.5	\$15.1	\$19.2

Note: Definitions for all our operating metrics are available on page 23.

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 Contracts**
 - Represents the total contracts transacted by customers of GAIN's futures division
- **Customer Assets**
 - Represents amounts due to clients, including customer deposits and unrealized gains or losses arising from open positions



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