



*Q3 2014 Financial and Operating Results*  
*November 6, 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.

# Third Quarter Results Reflect Successful Execution of Strategic Plan

- Strong third quarter results reflect successful execution of strategic plan, including diversification of revenue streams, buoyed by improved market conditions during period
  - Consistent organic and inorganic growth in retail business during periods of weaker market conditions bear fruit when market conditions improve
  - Strong growth in institutional business, increasing to 34% of total revenue from 21% in 3Q13, a major contributor to financial results providing commission-based revenues
  - Delivering on expense management with over 20% reduction in core fixed operating expenses year-over-year
  - Successful navigation of regulatory changes and shifting industry dynamics
- Clear and demonstrated M&A strategy to increase scale, diversify product offering and create a more balanced business across different revenue streams and geographies
  - Closed four acquisitions in 2014
  - Signed City Index acquisition earlier this month

# 3<sup>rd</sup> Quarter 2014 Financial and Operating Results

- **Financial Results<sup>(1)</sup>**
  - Net revenue: \$103.7 million (up 71%)
  - Adjusted EBITDA<sup>(2)</sup>: \$27.5 million (up 127%)
  - Net income: \$15.3 million (up 173%)
  - EPS (Diluted): \$0.33 (up 136%)
    - Adjusted EPS (Diluted)<sup>(3)</sup>: \$0.37
    - Cash EPS <sup>(4)</sup>: \$0.42
  
- **Operating Metrics<sup>(5)</sup>**
  - Retail volume: \$605.4 billion (ADV: \$9.2 billion) (up 53%)
  - Institutional volume: \$1,181.0 billion (ADV: \$17.9 billion) (up 31%)
    - GTX volume: \$1,089.0 billion (ADV: \$16.5 billion)
  - Futures contracts: 1.8 million (up 39%)
  - Funded accounts: 132,021 (up 25%)

(1) Comparisons are referenced to the third quarter of 2013.

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

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

(4) Cash EPS is a non-GAAP financial measure that represents net income per share excluding the impact of depreciation, amortization, purchased intangible amortization and non-cash interest expense.

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

# YTD 2014 Financial and Operating Results

- Financial Results

- Net revenue: \$254.8 million
- Adjusted EBITDA<sup>(1)</sup>: \$37.9 million
- Net income: \$14.0 million
- EPS (Diluted): \$0.30
  - Adjusted EPS (Diluted)<sup>(2)</sup>: \$0.40
  - Cash EPS <sup>(3)</sup>: \$0.54

- Operating Metrics<sup>(4)</sup>

- Retail volume: \$1,699.9 billion (ADV: \$8.8 billion)
- Institutional volume: \$3,878.1 billion (ADV: \$20.0 billion)
  - GTX volume: \$3,538.4 billion (ADV: \$18.2 billion)
- Futures contracts: 5.0 million
- Client assets: \$849.7 million

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

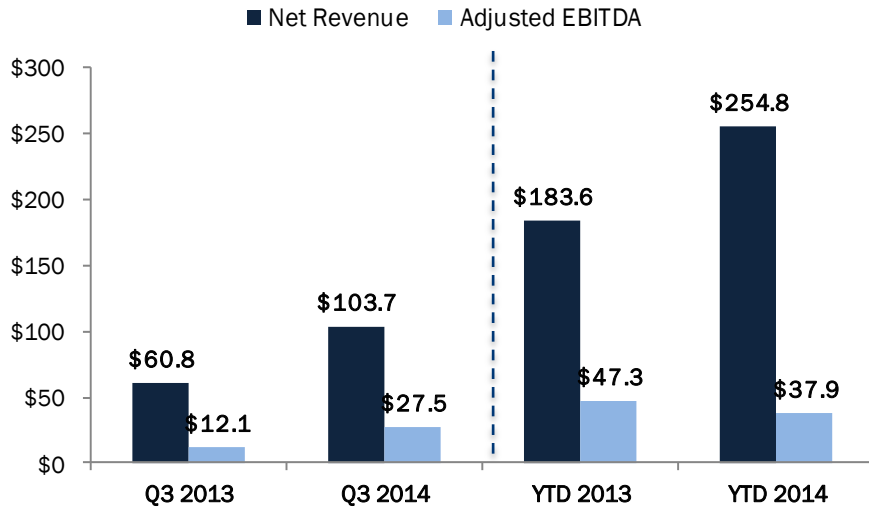
(2) Adjusted EPS is a non-GAAP financial measure that represents net income per share excluding the impact of restructuring, acquisition and integration expenses. A reconciliation of GAAP EPS to adjusted EPS is available in the appendix to this presentation.

(3) Cash EPS is a non-GAAP financial measure that represents net income per share excluding the impact of depreciation, amortization, purchased intangible amortization and non-cash interest expense.

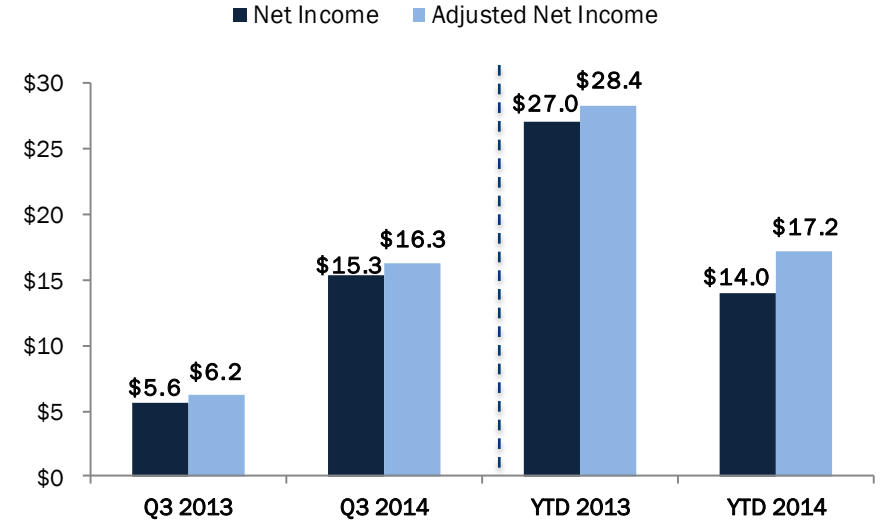
(4) Definitions for all our operating metrics are available in the appendix to this presentation.

# 3<sup>rd</sup> Quarter and YTD 2014 Financial Results

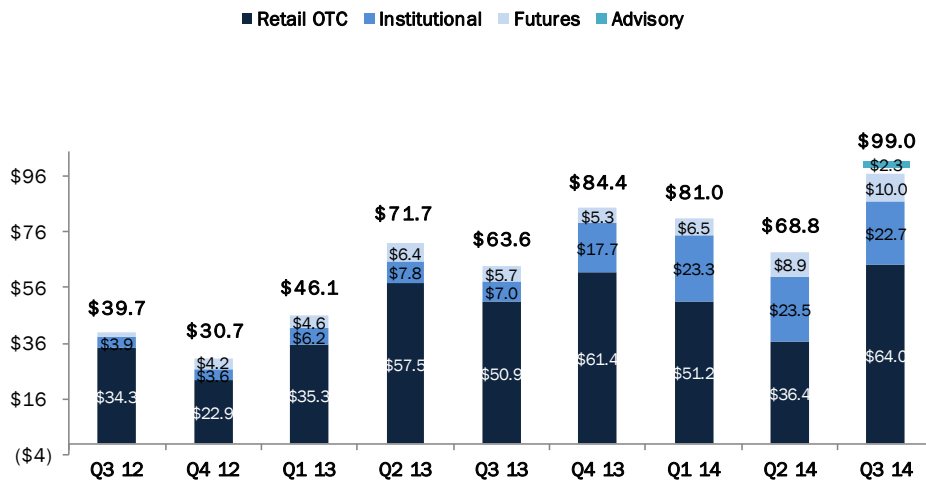
### Net Revenue & Adjusted EBITDA<sup>(1)</sup>



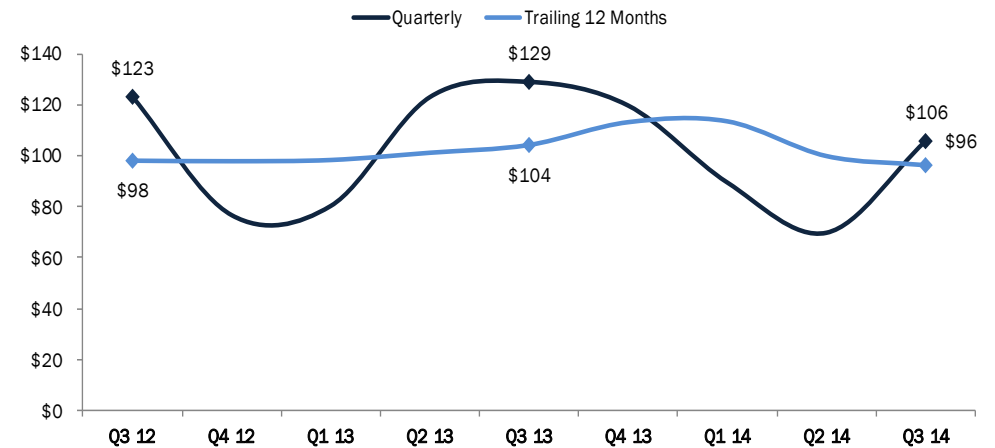
### Net Income & Adjusted Net Income<sup>(2)</sup>



### Revenue by Business Line<sup>(3)</sup>



### Retail Trading Revenue per Million



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

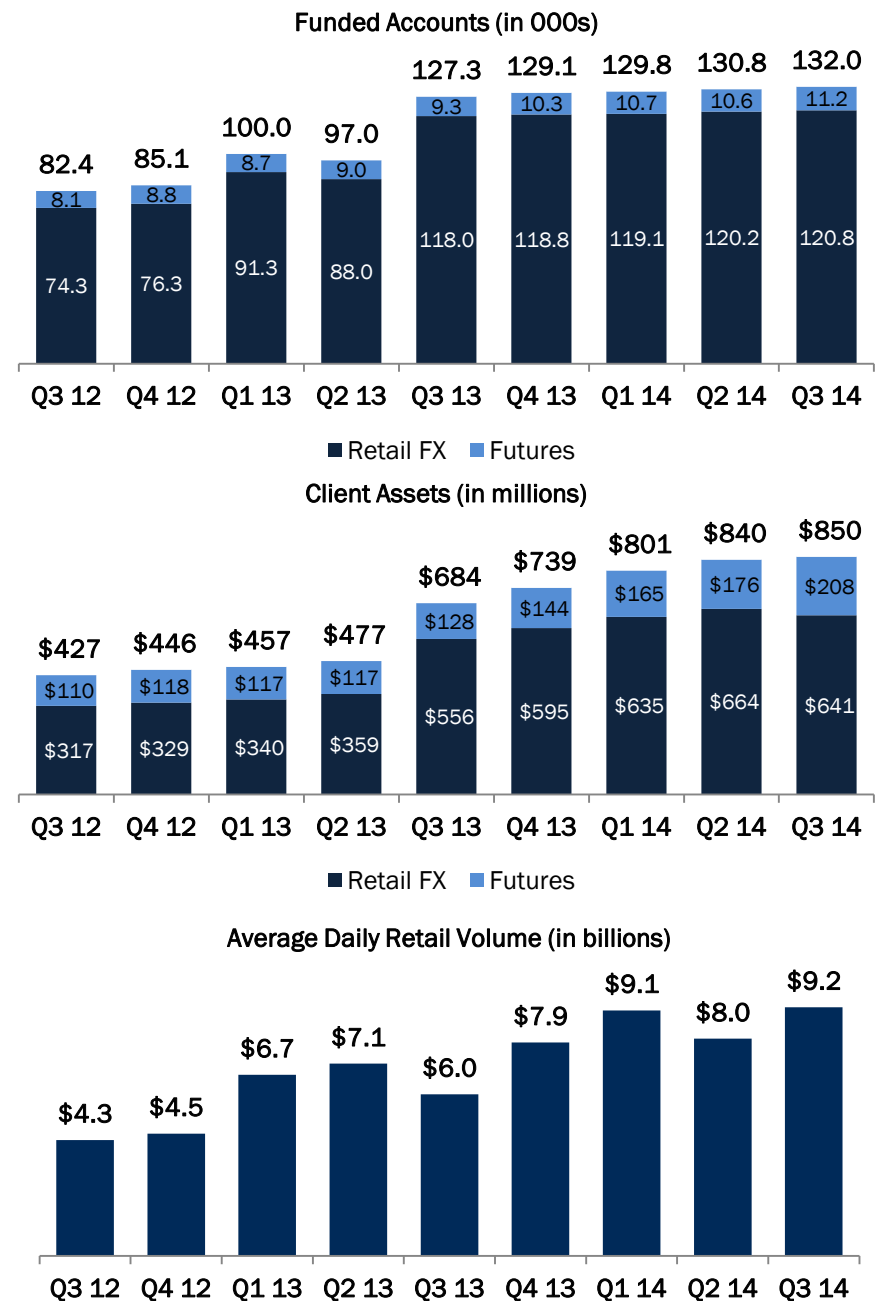
- (1) Reconciliation of net income to adjusted EBITDA is available in the appendix to this presentation.
- (2) Reconciliation of net income to adjusted net income is available in the appendix to this presentation.
- (3) Does not include line item "Other revenue" as shown on the consolidated statement of operations.

# Third Quarter Results Reflect Long-Term Focus on Execution of Strategic Plan

- Strategic plan has been focused on:
  - Scaling the retail business by continuing to build market-leading brands and providing a superior customer experience
  - Diversifying revenue streams across products, geographies, direct vs. indirect and nature of revenue (e.g., commission-based)
  - Executing on strategic M&A to add complementary products, diversify revenue streams and add scale
  - Rationalizing fixed expenses while investing in new business lines and high growth areas

# Scaling the Retail Business

- Over a two-year period, organic and inorganic initiatives have resulted in 27% CAGR in funded accounts
- Client assets have grown at a CAGR of 41% over the two-year period, reflecting the effective execution of organic marketing campaigns along with M&A
- Over the same two-year period, average daily trading volume in the retail business has grown at a CAGR of 46%, reflecting a continued ability to engage the customer and deliver a superior experience, while growing funded accounts and assets



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



# Diversifying Revenue Streams

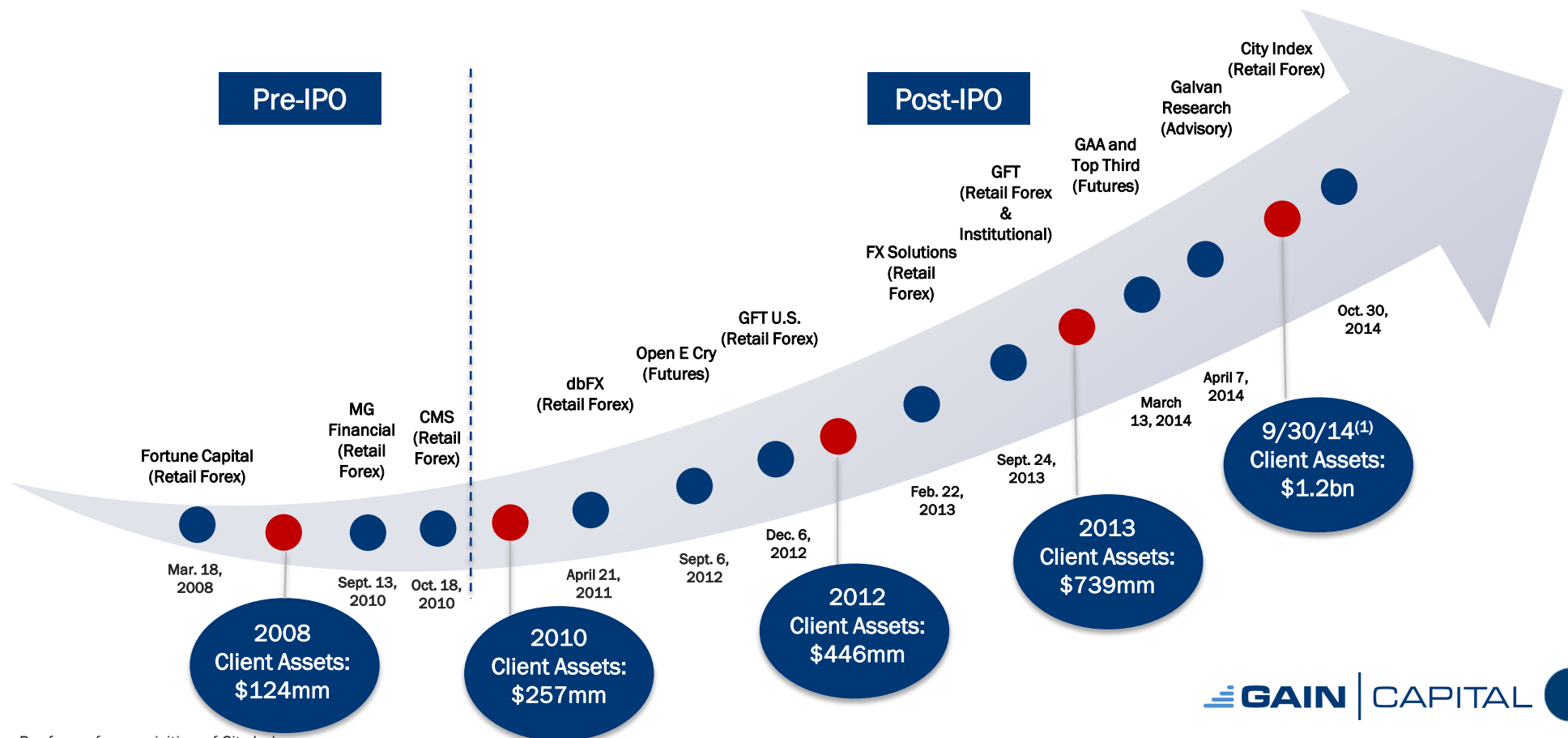
- Over the past several years, GAIN has added new business lines and diversified its product offering
- New business lines:
  - The institutional business (GTX – launched in 2010 and Sales Traders – acquired in 2013) comprised 22% of total revenue in the third quarter versus 11% and 10% one and two years earlier
  - The futures business (acquired in 2012) has grown to \$208 million in client assets (from \$98 million at acquisition) and 10% of total revenue versus 9% and 4% of total revenue one and two years earlier
- Product diversification
  - Trading volume from trading in FX products was 73% of total trading volume versus 78% and 92% one and two years earlier
  - Acquisition of Galvan provided retail customers with advisory services, a commission-based business that can be rolled out internationally and expanded across products

# Diversifying Revenue Streams

- Growth in GAIN's institutional business has accelerated over the past year – 22% of total revenue in 3Q14 versus 11% in 3Q13
- The institutional business consists of:
  - The GTX business, which provides an innovative ECN for trading by financial institutions and high net worth individuals through the internet and voice brokers
  - The Sales Trader business, which provides high-touch trading services to high net worth individuals and smaller institutional investors
- Growth of the institutional business:
  - GTX has experienced growth in average daily trading volume of 46% CAGR over the past two years
  - Since being acquired in September 2013, the Sales Trader business has experienced growth of 59% in revenue

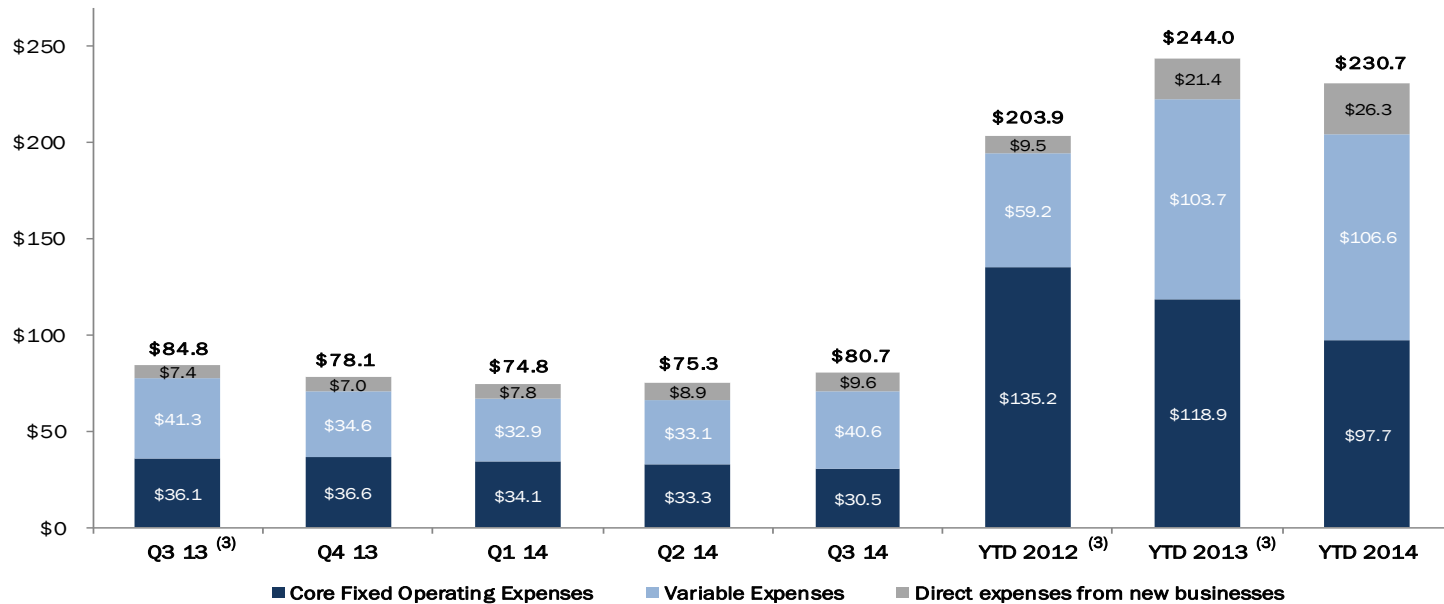
# Executing on M&A Strategy

- Successful execution of M&A strategy has provided:
  - Scale: Pro forma for the City Index acquisition, GAIN Capital's asset base has nearly tripled in the past 2 years and increased by >4x since IPO
  - New business lines: Futures, Sales Traders, retail advisory services
  - Diversification of products: CFDs, spread-bets, futures



(1) Pro forma for acquisition of City Index.

# Fixed Operating Expenses



- YTD core fixed operating expenses down 18% and 28% versus YTD 2013 and 2012<sup>(1)</sup>
- Total fixed operating expenses down 11% and 14% compared to YTD 2013 and 2012<sup>(2)</sup>, reflecting cost control while making investments in commission-based institutional, futures and retail advisory businesses
- On target to achieve \$35 - \$45 million in lower fixed operating expense synergies from the acquisition of GFT

Note: Dollars in millions.

- (1) Core fixed operating expenses calculated as total expenses less referral fees, bad debt, depreciation & amortization, purchased intangible amortization, acquisition costs, restructuring costs, integration costs, a one-time charge taken by GFT prior to the acquisition, direct expenses from new businesses and variable compensation expense (sales commissions and the variable portion of bonus expense).
- (2) Total fixed operating expenses calculated as core operating expenses plus the direct expenses from new businesses.
- (3) Pro-forma for the acquisition of GFT.

# Return of Capital

- Return of capital to shareholders
  - \$0.05 per share quarterly dividend approved
    - Record date: December 12, 2014
    - Payment date: December 22, 2014
- Share repurchase
  - Program remains in place and will continue to be opportunistic

# Closing Remarks

- Strong third quarter results reflect successful execution of strategic plan, buoyed by improved market conditions during period
- Continued focus on growing fundamental operating metrics in retail business
- Institutional business growing rapidly and a major contributor to financial results
- Delivering on expense management with over 20% reduction in core fixed operating expenses year-over-year
- Clear and demonstrated M&A strategy to increase scale and diversify product offering and revenue streams

# Appendix

# Market Conditions

Currency volatility improved throughout the quarter driven by increased sentiment of global interest rate divergence





# Consolidated Statements of Operations

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
<b>Revenue</b>				
Trading revenue	\$ 64.0	\$ 50.9	\$ 151.6	\$ 143.7
Commission revenue	35.0	12.7	97.2	37.7
Other revenue	4.5	(3.0)	5.2	1.7
Total non-interest revenue	103.5	60.6	254.0	183.1
Interest revenue	0.3	0.2	1.1	0.6
Interest expense	0.1	-	0.3	0.1
Total net interest revenue	0.2	0.2	0.8	0.5
Net revenue	103.7	60.8	254.8	183.6
<b>Expenses</b>				
Employee compensation and benefits	25.5	17.8	71.4	50.3
Selling and marketing	4.8	5.7	16.1	15.8
Referral fees	24.7	12.4	65.9	33.6
Trading expense	6.0	4.1	20.1	12.2
General & Administrative	9.1	5.7	28.1	16.7
Depreciation and amortization	1.7	1.9	5.8	5.2
Purchased intangible amortization	2.3	0.5	4.8	1.7
Communication and technology	3.8	2.2	11.6	6.5
Bad debt provision	1.5	0.8	2.7	1.2
Acquisition costs	0.9	0.5	1.5	1.5
Restructuring	0.4	0.4	1.0	0.4
Integration costs	-	-	1.7	-
Total operating expense	80.7	52.0	230.7	145.1
<b>Operating income</b>	23.0	8.8	24.1	38.5
Interest on long term borrowings	1.5	0.2	4.4	0.3
<b>Income before tax expense</b>	21.5	8.6	19.7	38.2
Income tax expense	5.4	3.0	4.7	11.2
<b>Net income</b>	16.1	5.6	15.0	27.0
Net income attributable to non-controlling interest	0.8	-	1.0	-
<b>Net income applicable to Gain Capital Holdings Inc.</b>	<b>\$ 15.3</b>	<b>\$ 5.6</b>	<b>\$ 14.0</b>	<b>\$ 27.0</b>
<b>Earnings per common share:</b>				
Basic	\$0.35	\$0.16	\$0.32	\$0.76
Diluted	\$0.33	\$0.14	\$0.30	\$0.69
Weighted averages common shares outstanding used in computing earnings per common share:				
Basic	41,038,782	36,062,659	40,243,330	35,563,701
Diluted	43,523,862	39,730,857	43,054,959	38,722,667

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

# Consolidated Balance Sheet

	September 30, 2014	December 31, 2013
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 82.2	\$ 39.9
Cash and securities held for customers	849.7	739.3
Short term investments	0.9	0.8
Receivables from banks and brokers	165.3	227.6
Property and equipment - net of accumulated depreciation	19.7	17.1
Prepaid assets	4.2	8.8
Goodwill	30.4	15.7
Intangible assets, net	63.8	34.8
Other assets	43.8	28.6
<b>Total assets</b>	<b>\$ 1,260.0</b>	<b>\$ 1,112.6</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>		
Payables to customer, brokers, dealers, FCM'S and other regulated entities	\$ 849.7	\$ 739.3
Accrued compensation & benefits	10.2	13.0
Accrued expenses and other liabilities	63.9	56.7
Income tax payable	5.8	3.8
Loan payable	67.7	65.4
<b>Total liabilities</b>	<b>\$ 997.3</b>	<b>\$ 878.2</b>
<b>Non-controlling interest</b>	<b>\$ 10.4</b>	<b>\$ -</b>
<b>Shareholders' Equity</b>	<b>252.3</b>	<b>234.4</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,260.0</b>	<b>\$ 1,112.6</b>

Note: Unaudited. Dollars in millions.

# Current Liquidity

	As of	
	9/30/14	12/31/13
Cash and cash equivalents	\$82.2	\$39.9
Cash and securities held for customers	849.7	739.3
Short term investments <sup>(1)</sup>	0.9	0.8
Receivables from banks and brokers <sup>(2)</sup>	165.3	227.6
Total Operating Cash	<u>\$1,098.1</u>	<u>\$1,007.6</u>
Less: Cash and securities held for customers	<u>(849.7)</u>	<u>(739.3)</u>
Free Operating Cash	\$248.4	\$268.3
Less: Minimum regulatory capital requirements	(89.1)	(85.7)
Less: Convertible Senior Notes <sup>(3)</sup>	<u>(80.0)</u>	<u>(80.0)</u>
<b>Free Cash Available</b>	<u><u>\$79.3</u></u>	<u><u>\$102.6</u></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) The convertible senior note incorporates the unamortized discount.

# 3<sup>rd</sup> Quarter and YTD 2014 Financial Summary

	3 Months Ended September 30,		9 Months Ended September 30,		'14 v '13	
	2014	2013	2014	2013	Q3	9 Months
Net Revenue	\$103.7	\$60.8	\$254.8	\$183.6	71%	39%
Operating Expenses	76.2	48.7	216.9	136.3	56%	59%
Adjusted EBITDA <sup>(1)</sup>	\$27.5	\$12.1	\$37.9	\$47.3	127%	(20%)
Net Income	\$15.3	\$5.6	\$14.0	\$27.0	173%	(48%)
Adjusted EPS (Diluted) <sup>(2)</sup>	\$0.37	\$0.16	\$0.40	\$0.73	131%	(45%)
EPS (Diluted)	\$0.33	\$0.14	\$0.30	\$0.69	136%	(57%)
Adjusted EBITDA Margin % <sup>(1)(3)</sup>	27%	20%	15%	26%	7 pts	(11 pts)
Net Income Margin %	15%	9%	5%	15%	6 pts	NM

Note: Dollars in millions, except per share data.

(1) See page 21 for a reconciliation of GAAP net income to adjusted EBITDA.

(2) See page 22 for a reconciliation of GAAP EPS to adjusted EPS.

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

# Adjusted EBITDA & Margin Reconciliation

	3 Months Ended September 30,		9 Months Ended September 30,	
	2014	2013	2014	2013
<b>Net Revenue</b>	\$ 103.7	\$ 60.8	\$ 254.8	\$ 183.6
Net (Loss)/Income	15.3	5.6	14.0	27.0
<i>Net (Loss)/Income Margin %</i>	15%	9%	5%	15%
<b>Net (Loss)/Income</b>	\$ 15.3	\$ 5.6	\$ 14.0	\$ 27.0
Depreciation & amortization	1.7	1.9	5.8	5.2
Purchase intangible amortization	2.3	0.5	4.8	1.7
Interest expense	1.5	0.2	4.4	0.3
Income tax expense	5.4	3.0	4.7	11.2
Acquisition costs	0.9	0.5	1.5	1.5
Restructuring	0.4	0.4	1.0	0.4
Integration costs	-	-	1.7	-
<b>Adjusted EBITDA</b>	<u>\$ 27.5</u>	<u>\$ 12.1</u>	<u>\$ 37.9</u>	<u>\$ 47.3</u>
<i>Adjusted EBITDA Margin % <sup>(1)</sup></i>	27%	20%	15%	26%

Note: Dollars in millions.

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

# Adjusted Net Income and EPS Reconciliation

	3 Months Ended September 30,		9 Months Ended September 30,	
	2014	2013	2014	2013
<b>Net Income</b>	\$ 15.3	\$ 5.6	\$ 14.0	\$ 27.0
Acquisition costs, net of tax	0.7	0.3	1.1	1.1
Restructuring, net of tax	0.3	0.3	0.8	0.3
Integration costs, net of tax	-	-	1.3	-
<b>Adjusted Net Income</b>	<b>\$ 16.3</b>	<b>\$ 6.2</b>	<b>\$ 17.2</b>	<b>\$ 28.4</b>
Adjusted Earnings per Common Share:				
Basic	\$ 0.40	\$ 0.17	\$ 0.43	\$ 0.80
Diluted	\$ 0.37	\$ 0.16	\$ 0.40	\$ 0.73

	3 Months Ended September 30,		9 Months Ended September 30,	
	2014	2013	2014	2013
GAAP Earnings per Share (Diluted)	\$ 0.33	\$ 0.14	\$ 0.30	\$ 0.69
Restructuring & Other items	0.04	0.02	0.10	0.04
<b>Adjusted Earnings per Share (Diluted)</b>	<b>\$ 0.37</b>	<b>\$ 0.16</b>	<b>\$ 0.40</b>	<b>\$ 0.73</b>

Note: Dollars in millions.

# Cash Net Income and EPS Reconciliation

	3 Months Ended September 30,		9 Months Ended September 30,	
	2014	2013	2014	2013
<b>Net Income</b>	\$ 15.3	\$ 5.6	\$ 14.0	\$ 27.0
Depreciation & amortization, net of tax	1.3	1.2	4.4	3.7
Purchase intangible amortization, net of tax	1.7	0.3	3.7	1.2
Non-cash interest expense, net of tax	0.4	-	1.2	-
<b>Cash Net Income</b>	<b>\$ 18.7</b>	<b>\$ 7.1</b>	<b>\$ 23.3</b>	<b>\$ 31.9</b>
Cash Earnings per Common Share:				
Basic	\$ 0.45	\$ 0.20	\$ 0.58	\$ 0.90
Diluted	\$ 0.42	\$ 0.18	\$ 0.54	\$ 0.82

	3 Months Ended September 30,		9 Months Ended September 30,	
	2014	2013	2014	2013
GAAP Earnings per Share (Diluted)	\$ 0.33	\$ 0.14	\$ 0.30	\$ 0.69
Non-cash items	0.09	0.04	0.24	0.13
<b>Adjusted Earnings per Share (Diluted)</b>	<b>\$ 0.42</b>	<b>\$ 0.18</b>	<b>\$ 0.54</b>	<b>\$ 0.82</b>

Note: Dollars in millions.

# Fixed Operating Expenses

	Q3 2013 <sup>(1)</sup>	Q4 2013	Q1 2014	Q2 2014	Q3 2014	2012 <sup>(1)</sup>	9 Months 2013 <sup>(1)</sup>	2014
Total Expenses	\$84.8	\$78.1	\$74.7	\$75.3	\$80.7	\$203.9	\$244.0	\$230.7
Less: Referral Fees & Bad Debt	(19.8)	(19.2)	(21.3)	(21.1)	(26.2)	(38.9)	(58.6)	(68.6)
Less: Depreciation & Amortization	(2.2)	(2.5)	(2.2)	(1.8)	(1.7)	(4.8)	(6.6)	(5.7)
Less: Purchased Intangible Amortization	(1.2)	(1.2)	(1.0)	(1.6)	(2.3)	(5.8)	(4.0)	(4.9)
Less: One-time Expenses <sup>(2)</sup>	(9.7)	(3.9)	(2.2)	(0.7)	(1.3)	(0.6)	(9.7)	(4.2)
Less: Direct expenses from new businesses	(7.4)	(7.0)	(7.8)	(8.9)	(9.6)	(9.5)	(21.4)	(26.3)
Less: Variable Compensation <sup>(3)</sup>	(8.4)	(7.7)	(6.2)	(7.9)	(9.1)	(9.1)	(24.8)	(23.2)
<b>Fixed Operating Expenses</b>	<b>\$36.1</b>	<b>\$36.6</b>	<b>\$34.0</b>	<b>\$33.3</b>	<b>\$30.5</b>	<b>\$135.2</b>	<b>\$118.9</b>	<b>\$97.7</b>

Note: Dollars in millions.

(1) Pro forma for acquisition of GFT.

(2) Includes acquisition costs, restructuring costs, integration costs and a one-time charge taken by GFT prior to the acquisition.

(3) Includes sales commissions paid to employees and the variable portion of bonus expense.



# Quarterly Operating Metrics

<i>(Volume in billions; assets in millions)</i>	3 Months Ended,				
	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14
<b>Retail</b>					
OTC Trading Volume	\$394.8	\$513.0	\$572.3	\$522.2	\$605.4
Average Daily Volume	\$6.0	\$7.9	\$9.1	\$8.0	\$9.2
Active OTC Accounts	103,924	97,194	97,253	94,261	93,779
Futures Contracts	1,267,472	1,402,367	1,572,465	1,710,944	1,764,586
Funded Accounts	127,305	129,130	129,833	130,840	132,021
Customer Assets	\$684.1	\$739.3	\$800.7	\$840.0	\$849.7
<b>Institutional</b>					
Total Institutional Volume	\$901.3	\$1,104.0	\$1,348.4	\$1,348.7	\$1,181.0
Average Daily Volume	\$13.7	\$17.0	\$21.4	\$20.7	\$17.9
GTX Volume	\$889.7	\$978.9	\$1,212.4	\$1,237.0	\$1,089.0
Average Daily GTX Volume	\$13.5	\$15.1	\$19.2	\$19.0	\$16.5

Note: Definitions for all our operating metrics are available on page 24.

# Definition of Metrics

- **Funded Accounts**
  - Retail accounts who maintain a cash balance
- **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
- **Client Assets**
  - Represents amounts due to clients, including customer deposits and unrealized gains or losses arising from open positions



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