



*Fourth Quarter and Full Year Financial and Operating Results  
February 26, 2015*

# Safe Harbor Statement

## Forward Looking Statements

*The forward-looking statements contained herein include, without limitation, statements relating to GAIN Capital's and/or City Index (Holdings) Limited ("City Index") 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 City Index 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 17, 2014, 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 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

*This presentation contains various non-GAAP financial measures, including Adjusted EBITDA, Adjusted Net Income, Adjusted EPS and Cash EPS. These non-GAAP financial measures have certain limitations, including that they do not have a standardized meaning and, therefore, our definitions 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 these non-GAAP financial measures assist investors in evaluating our historical and expected operating performance. However, because these are not measures of financial performance calculated in accordance with GAAP, such measures 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.*

# 4<sup>th</sup> Quarter and Full Year Results Reflect Successful Execution of Strategic Plan

- Over past three years, GAIN has focused on a clear strategy based on:
  - Scaling the business
  - Diversifying revenue streams across products, geographies and customer type
  - Creating operating leverage through control of fixed expenses
  - Strategic acquisitions
- Fourth quarter results reflect continued success executing on this plan:
  - Record revenue of \$114.7 million, up 37%, including record retail revenue of \$85.1 million, up 39%<sup>(1)</sup>
  - Revenue growth of 30% in commission-based businesses
  - Core fixed operating expenses reduced by 17%, contributing to adjusted EBITDA of \$35.9 million, up 164%
  - Announced acquisition of City Index following purchase and integration of GFT
  - Finished year with strong balance sheet, including \$139 million in cash

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

# 4<sup>th</sup> Quarter 2014 Financial and Operating Results

- **Financial Results<sup>(1)</sup>**
  - Net revenue: \$114.7 million (up 37%)
  - Adjusted EBITDA<sup>(2)</sup>: \$35.9 million (up 164%)
  - Net income: \$17.6 million (up 309%)
  - EPS (Diluted): \$0.41 (up 273%)
    - Adjusted EPS (Diluted)<sup>(3)</sup>: \$0.45
    - Cash EPS <sup>(4)</sup>: \$0.49
- **Operating Metrics<sup>(1)(5)</sup>**
  - Retail volume: \$730.6 billion (ADV: \$11.2 billion) (up 42%)
  - Institutional volume: \$1,234.7 billion (ADV: \$19.0 billion) (up 11%)
    - GTX volume: \$1,143.9 billion (ADV: \$17.6 billion)
  - Futures contracts: 2.0 million (up 41%)
  - Funded accounts: 133,771 (up 4%)

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

(2) Adjusted EBITDA is a non-GAAP financial measure that represents our earnings before interest, taxes, depreciation, amortization, restructuring, acquisition, non-controlling interest 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. A reconciliation of GAAP EPS to cash EPS is available in the appendix to this presentation.

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

# Full Year 2014 Financial and Operating Results

## • Financial Results

- Net revenue: \$369.5 million (up 38%)
- Adjusted EBITDA<sup>(1)</sup>: \$74.6 million (up 23%)
- Net income: \$31.6 million (up slightly)
- EPS (Diluted): \$0.71 (down 10%)
  - Adjusted EPS (Diluted)<sup>(2)</sup>: \$0.85
  - Cash EPS <sup>(3)</sup>: \$1.02

## • Operating Metrics<sup>(4)</sup>

- Retail volume: \$2,430.5 billion (ADV: \$9.4 billion) (up 35%)
- Institutional volume: \$5,118.0 billion (ADV: \$19.8 billion) (up 29%)
  - GTX volume: \$4,682.3 billion (ADV: \$18.1 billion)
- Futures contracts: 7.0 million (up 30%)
- Client assets: \$759.6 million (up 3%)

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

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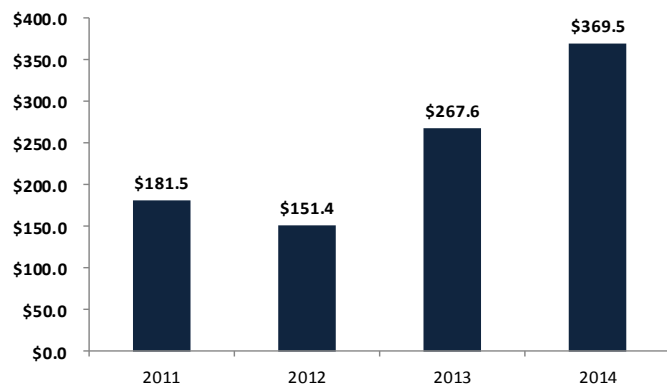
(3) Cash EPS is a non-GAAP financial measure that represents net income per share excluding the impact of depreciation, amortization, purchased intangible amortization and non-cash interest expense. A reconciliation of GAAP EPS to cash EPS is available in the appendix to this presentation.

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

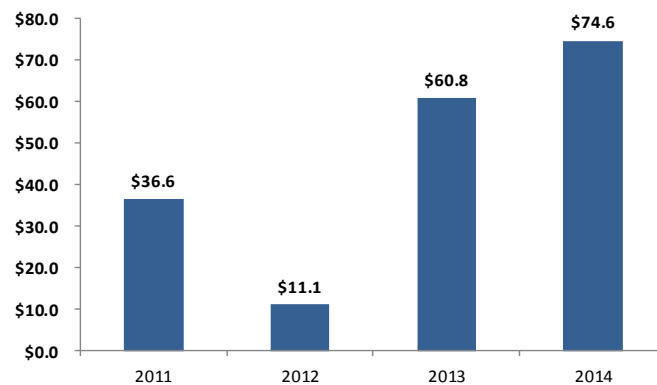
# Successful Execution of Strategy Drives Financial Performance

- Progression of business over past several years shows GAIN's success in executing strategic plan
  - 3-year revenue CAGR of 27%
  - 3-year EBITDA CAGR of 27%
  - Commission-based businesses generated \$127.1 million of revenue and 34% of revenue

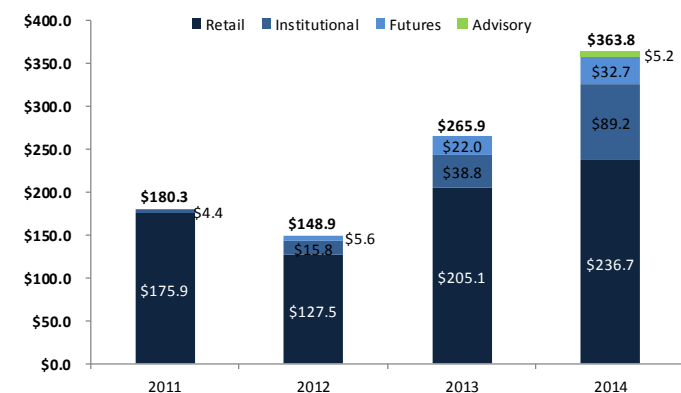
Historical Revenue



Historical EBITDA



Historical Revenue Contribution<sup>(1)</sup>

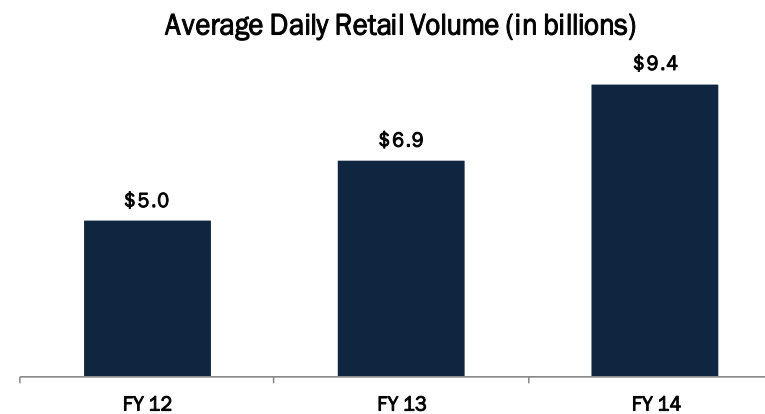
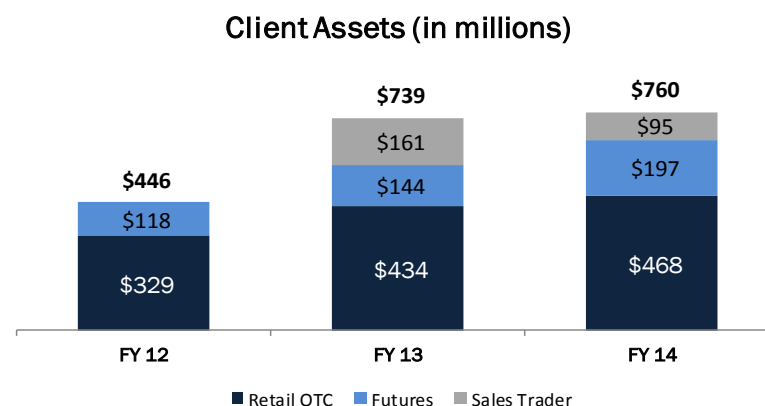
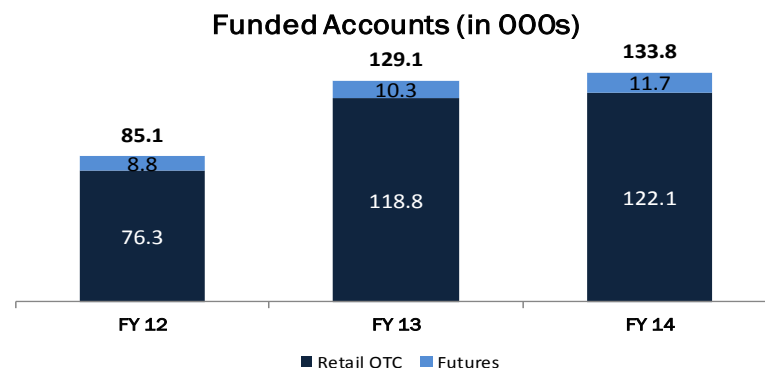


Note: Dollars in millions.

(1) Excludes other revenue and net interest revenue.

# Significant Growth in the Retail OTC Business

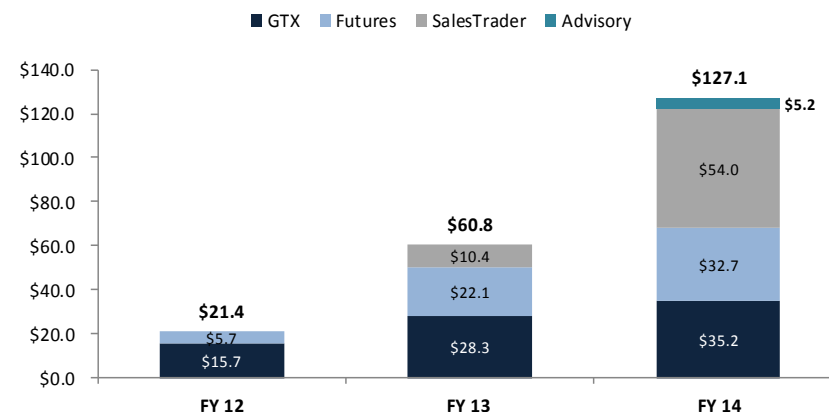
- Strong growth in the retail OTC business over past two years driven by a combination of organic and inorganic initiatives
- Leading retail brand and a proven ability to engage the customer and add accounts directly and through partners:
  - Compound annual growth rate (“CAGR”) of 27% in retail OTC funded accounts
  - CAGR of 19% in retail OTC client assets
  - CAGR of 57% in trading volume



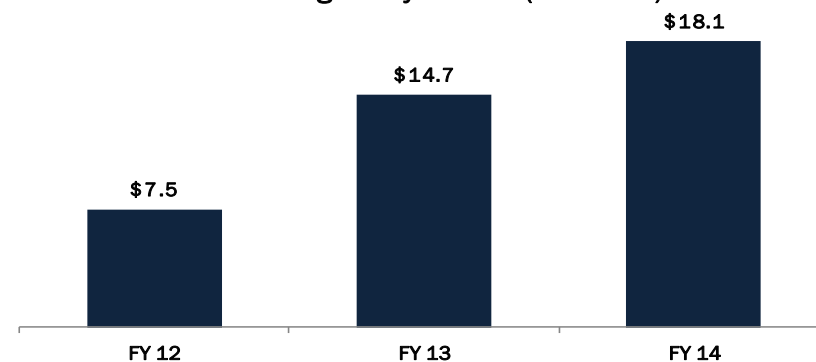
# Commission-Based Business Continues to Expand

- Commission-based businesses delivered \$127.1mm of revenue in 2014 vs. \$60.8mm in 2013
- Growth in revenue driven by:
  - Organic growth of GAIN's GTX business
    - FY 2014 average daily volume: \$18.1bn
    - Strong pipeline
  - Expansion of retail futures offering
    - Acquisition of GAA & TT in Q2
    - FY 2014 total futures contracts: >7mm
  - Addition of advisory-based revenue stream
    - Acquisition of Galvan in Q3
    - CFD advisory business provides another commission-based revenue stream
    - Planned rollout to additional products

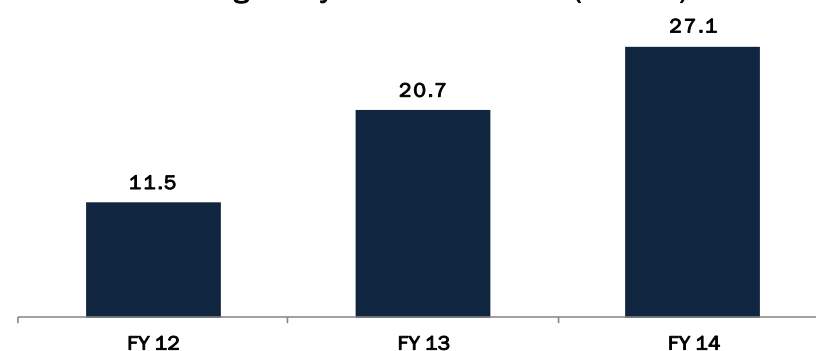
Commission Revenue by Product



GTX Average Daily Volume (in billions)



Average Daily Futures Contracts (in 000s)



Note: Dollars in millions except where noted otherwise.

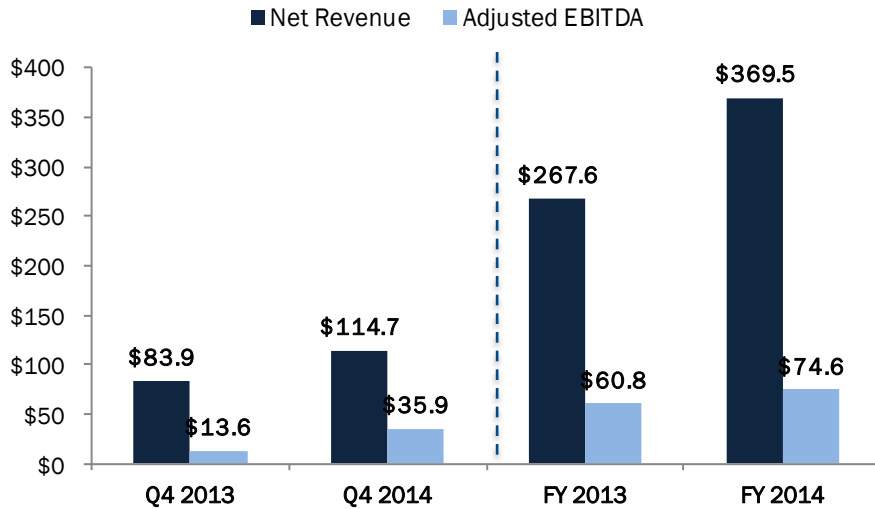


# Global Presence Across Multiple Platforms, Asset Classes

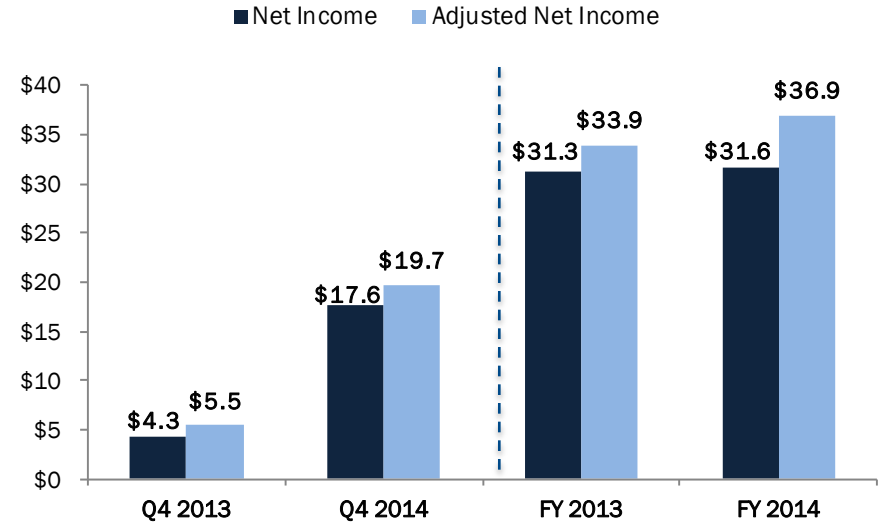
- GAIN is now diversified geographically and by platform, after beginning as a pure U.S.-focused retail OTC FX business
- Geographic diversity to reach customers worldwide:
  - Regulated entities in seven countries
  - Customers resident in over 160 countries
- Multiple platforms, asset classes:
  - 12,500 products ranging across FX, CFDs, commodities, options, futures, with non-FX trading volumes equal to 29% of total 2014 volume (from 8% in 2012)
  - GTX, a fully-independent ECN for institutional traders launched in 2010: \$35.2mm of revenue and \$4.7 trillion of volume in 2014
  - Growing futures business: Over 7 million contracts traded in 2014 and client assets of \$197 million as of 12/31/14
  - Sales trader business which caters to high net worth individuals and smaller institutional customers: 2014 volume of \$435.7 billion
  - Award-winning advisory business providing traders with trade ideas, education and research

# 4<sup>th</sup> Quarter and Full Year 2014 Financial Results

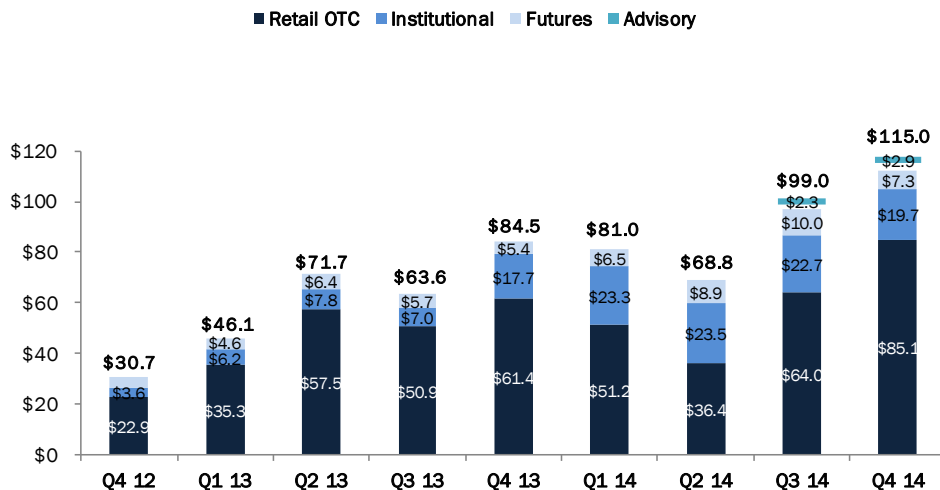
### Net Revenue & Adjusted EBITDA<sup>(1)</sup>



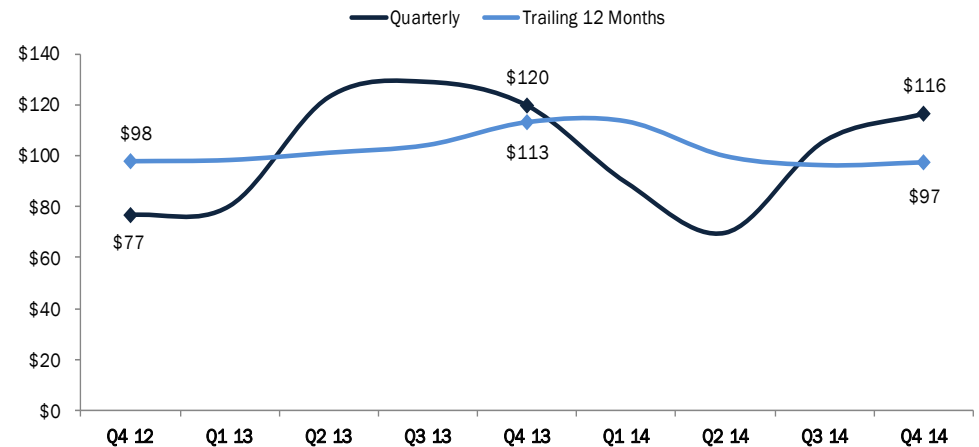
### Net Income & Adjusted Net Income<sup>(2)</sup>



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



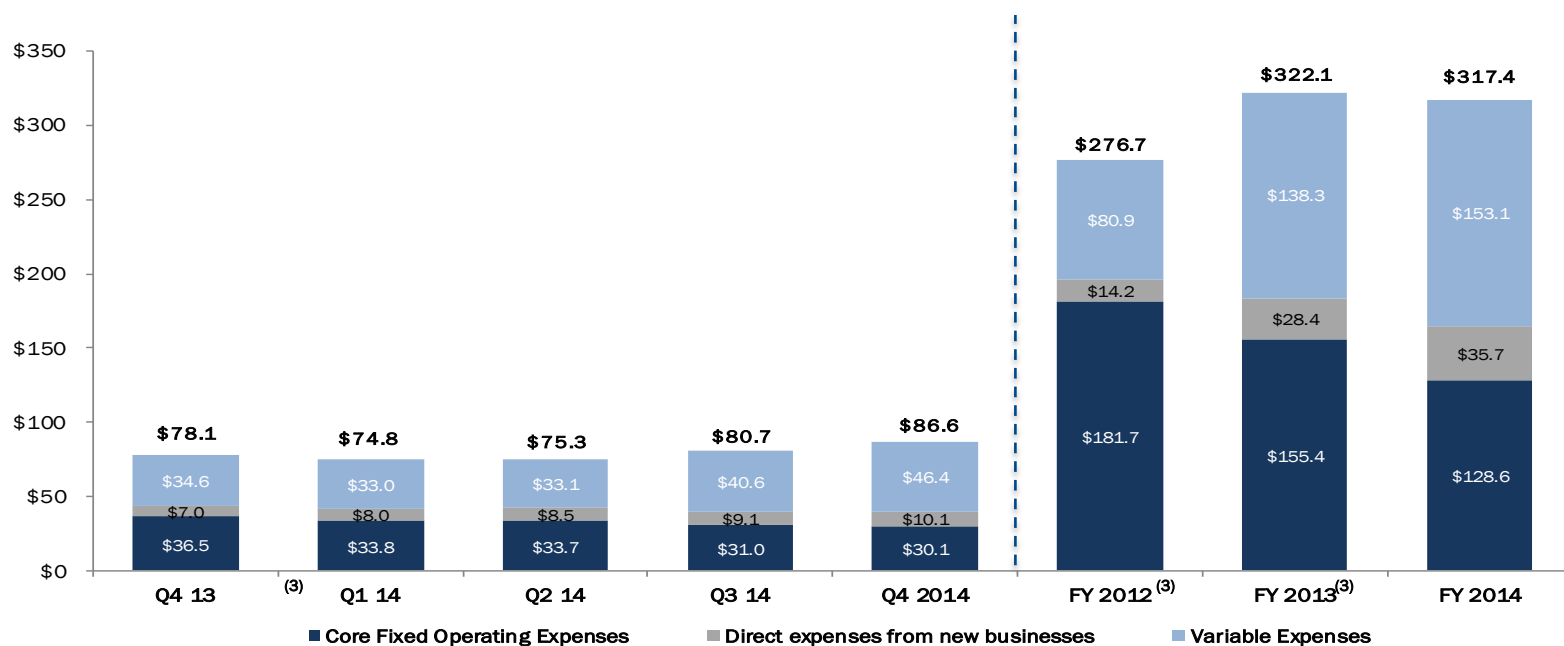
### Retail Trading Revenue per Million



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.

# Fixed Operating Expenses



- Cut \$53 million of fixed operating expenses from the combined GAIN/GFT annual fixed operating expense base in 2012, exceeding the upper end of our forecasted range of \$35-\$45 million
- Core fixed operating expenses in 2014 down 17% and 29% versus 2013 and 2012<sup>(1)</sup>
- Total fixed operating expenses down 11% and 14% compared to 2013 and 2012<sup>(2)</sup>, reflecting cost control while making investments in institutional, futures and retail advisory businesses

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.

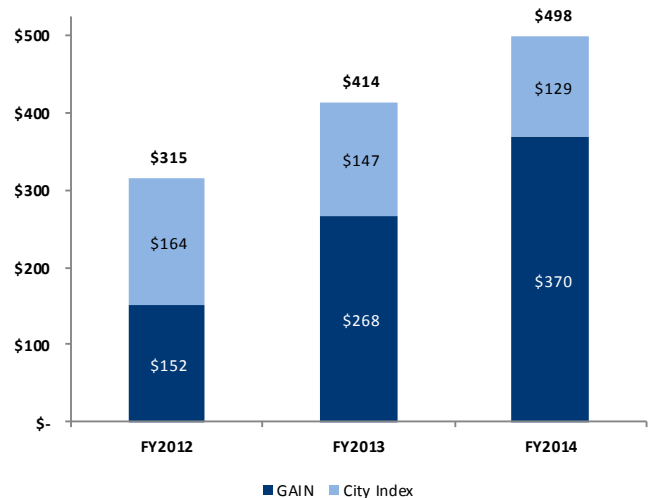
(3) Pro-forma for the acquisition of GFT.

# Return of Capital

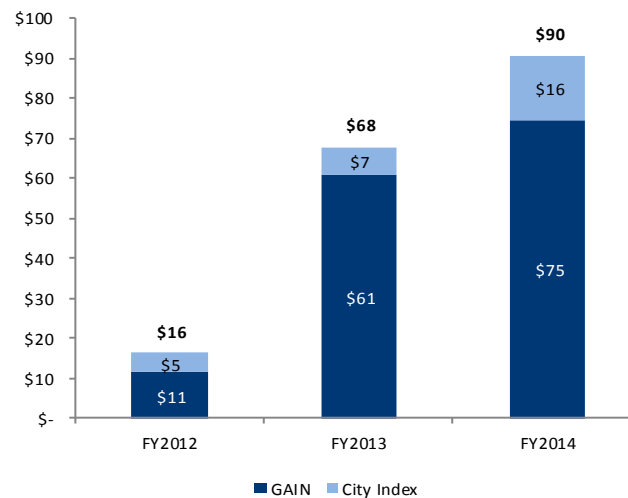
- Return of capital to shareholders
  - \$0.05 per share quarterly dividend approved
    - Record date: March 13, 2015
    - Payment date: March 23, 2015
- Share repurchase
  - Program remains in place and will continue to be opportunistic

# GAIN and City Index - Transformational Combination

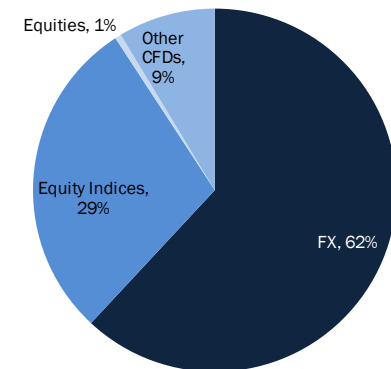
## Historical Pro Forma Revenue



## Historical Pro Forma Adjusted EBITDA<sup>(1)</sup>



## Pro Forma TTM Retail Volume by Asset Class



FY Pro Forma Volume: \$3.4 trillion

Acquisition of City Index significant scales GAIN's business and provides further diversification of products and geographies

The combination of GAIN Capital and City Index creates a company with:

- Revenue: >\$498mm
- Adjusted EBITDA (pre-synergies): ~\$90mm (18% margin)
- Adjusted EBITDA (post-synergies)<sup>(2)</sup>: ~\$140mm (28% margin)
- Pro forma retail volume: \$3.4 trillion (ADV: \$13.0 billion)

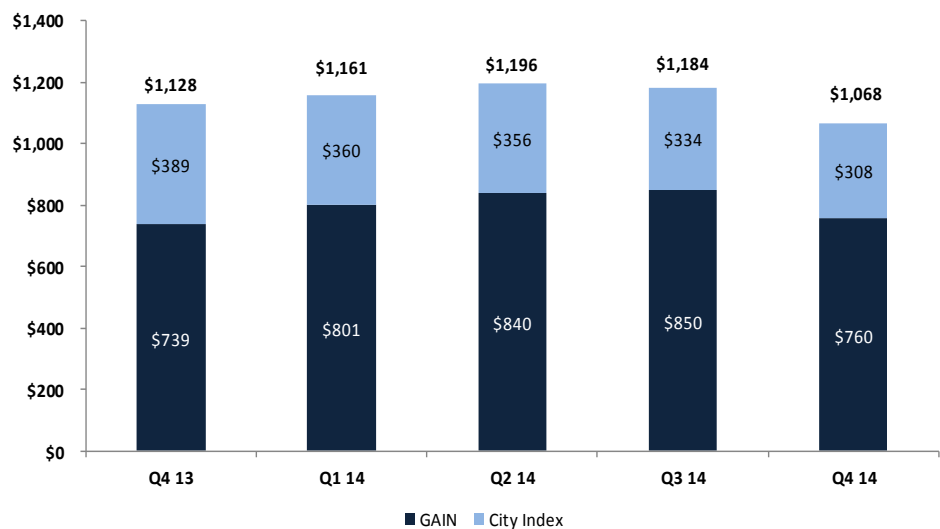
GAIN expects to close the transaction in early Q2, pending shareholder and regulatory approvals

Note: Dollars in millions. All pro forma financials represent the combination of GAIN Capital and City Index via simple addition. Gain Capital financials presented under U.S. GAAP and City Index financials presented under U.K. GAAP. Based on GBP/USD exchange rate of 1.55.

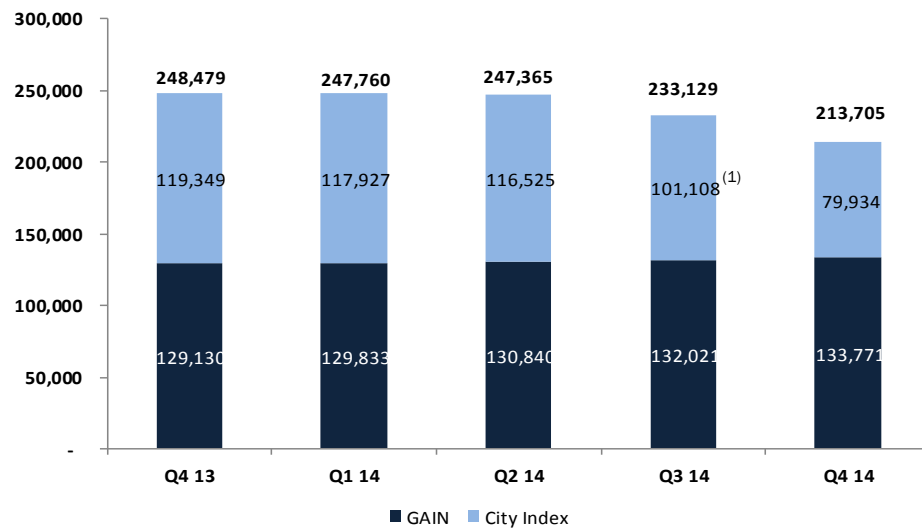
- (1) Adjusted EBITDA is a non-GAAP financial measure that represents earnings before interest, taxes, depreciation, amortization, and other one-time expenses. A reconciliation of net income to adjusted EBITDA is available in the appendix to this presentation.
- (2) Assumes \$50mm of fixed operating expense synergies based on midpoint of \$45mm-\$55mm estimated synergies over the first 2 years post-closing.

# GAIN and City Index - Transformational Combination (cont.)

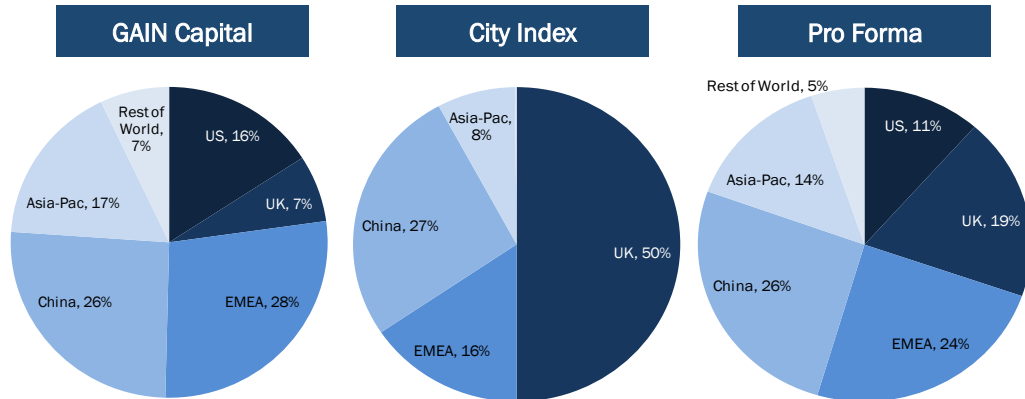
## Client Assets



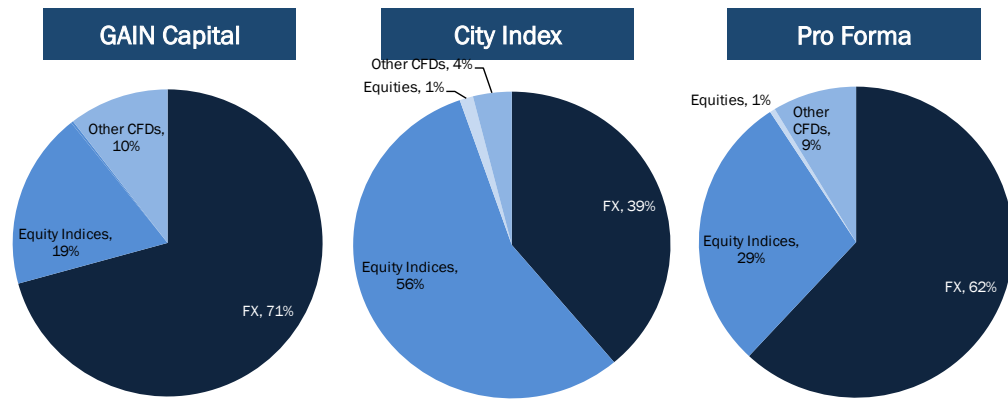
## Funded Accounts



## Retail Trading Volume (by Geography)<sup>(2)</sup>



## Retail Trading Volume (by Asset Class)<sup>(2)</sup>



Note: Client assets in millions. Trading volume in billions. Based on GBP/USD exchange rate of 1.55.

(1) Inactivity fee initiated in July 2014 resulted in the closure of a significant number of dormant accounts.

(2) Based on trailing twelve months ended December 31, 2014. GAIN Capital: \$2.5 trillion; City Index: \$0.9 billion; and Pro Forma: \$3.4 trillion.

# Looking Ahead

- As a result of GAIN's strong risk management capabilities and framework, GAIN successfully navigated the Swiss franc event in mid-January
  - GAIN is well-positioned with significant liquidity and excess net capital to take advantage of opportunities from market dislocation
- GAIN has also seen a sizable increase in new accounts since January 15
- City Index acquisition on track to close in early Q2
  - Pro forma client assets of \$1.1 billion
  - Reiterate \$45-\$55mm 2-year synergy target
- Well-positioned to deliver earnings growth and significant value for shareholders in FY 2015

# Closing Remarks

- Record results reflect successful execution of strategic plan, amid improved market conditions
- Diversification of business across retail OTC, institutional and futures businesses
- Successful M&A strategy, with closing of City Index on track
- Market dislocation unsettling competitors and leading to strong Q1 account growth rate
- Strong balance sheet provides stability and dry powder for opportunistic M&A



# Appendix

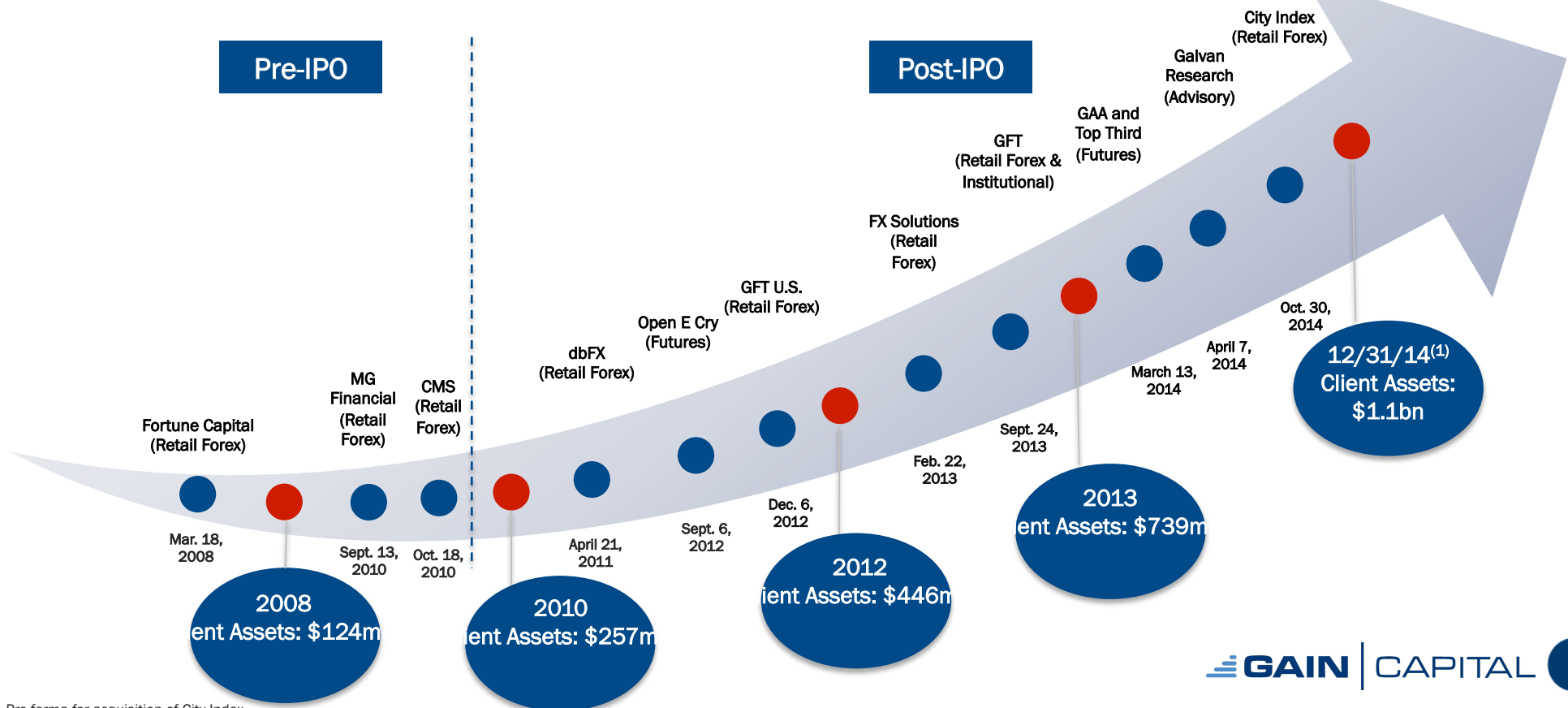
# Market Conditions

Currency volatility continued to improve in the fourth quarter driven by a range of geo-political and economic factors coupled with increasing sentiment of interest rate divergence



# 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
  - Positioned to take on additional acquisitions as consolidator of choice



(1) Pro forma for acquisition of City Index.

# Consolidated Statements of Operations

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
<b>Revenue</b>				
Trading revenue	\$ 85.1	\$ 61.4	\$ 236.7	\$ 205.1
Commission revenue	29.9	23.0	127.1	60.8
Other revenue	(0.3)	(0.6)	4.9	1.1
Total non-interest revenue	<u>114.7</u>	<u>83.8</u>	<u>368.7</u>	<u>267.0</u>
Interest revenue	0.3	0.2	1.4	0.8
Interest expense	0.3	0.1	0.6	0.2
Total net interest revenue	<u>-</u>	<u>0.1</u>	<u>0.8</u>	<u>0.6</u>
Net revenue	<u>114.7</u>	<u>83.9</u>	<u>369.5</u>	<u>267.6</u>
<b>Expenses</b>				
Employee compensation and benefits	28.0	23.8	99.5	74.2
Selling and marketing	4.1	6.4	20.2	22.3
Referral fees	25.2	18.9	91.1	52.5
Trading expense	6.2	6.0	26.3	18.1
General & Administrative	10.3	10.1	38.5	26.9
Depreciation and amortization	1.4	2.6	7.1	7.8
Purchased intangible amortization	3.3	1.2	8.1	2.9
Communication and technology	4.0	4.8	15.6	11.3
Bad debt provision	1.0	0.3	3.7	1.5
Acquisition costs	2.0	0.3	3.5	1.8
Restructuring	0.2	1.2	1.2	1.6
Integration costs	0.8	1.9	2.5	1.9
Impairment on investment	0.1	0.5	0.1	0.5
Total operating expense	<u>86.6</u>	<u>78.0</u>	<u>317.4</u>	<u>223.3</u>
<b>Operating income</b>	<u>28.1</u>	<u>5.9</u>	<u>52.1</u>	<u>44.3</u>
Interest on long term borrowings	1.7	0.9	6.1	1.2
Gain on extinguishment of debt	-	2.0	-	2.0
<b>Income before tax expense</b>	<u>26.4</u>	<u>7.0</u>	<u>46.0</u>	<u>45.1</u>
Income tax expense	8.4	2.7	13.0	13.8
<b>Net income</b>	<u>18.0</u>	<u>4.3</u>	<u>33.0</u>	<u>31.3</u>
Net income attributable to non-controlling interest	0.4	-	1.4	-
<b>Net income applicable to Gain Capital Holdings Inc.</b>	<u>\$ 17.6</u>	<u>\$ 4.3</u>	<u>\$ 31.6</u>	<u>\$ 31.3</u>
<b>Earnings per common share<sup>(1)</sup></b>				
Basic	<u>\$0.43</u>	<u>\$0.11</u>	<u>\$0.76</u>	<u>\$0.85</u>
Diluted	<u>\$0.41</u>	<u>\$0.11</u>	<u>\$0.71</u>	<u>\$0.79</u>
Weighted averages common shares outstanding used in computing earnings per common share:				
Basic	<u>41,506,205</u>	<u>39,492,413</u>	<u>40,561,644</u>	<u>36,551,246</u>
Diluted	<u>43,684,324</u>	<u>42,646,162</u>	<u>43,214,895</u>	<u>39,632,878</u>

Note: Dollars in millions, except per share data.

(1) Adjusted for the effect of the GAA/TT put option.

# Consolidated Balance Sheet

	December 31, 2014	December 31, 2013
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 139.4	\$ 39.9
Cash and securities held for customers	759.6	739.3
Short term investments	0.2	0.8
Receivables from banks and brokers	134.9	227.6
Property and equipment - net of accumulated depreciation	18.8	17.1
Prepaid assets	2.5	8.8
Goodwill	34.9	15.7
Intangible assets, net	60.8	34.8
Other assets	35.1	28.6
<b>Total assets</b>	<b>\$ 1,186.2</b>	<b>\$ 1,112.6</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>		
Payables to customer, brokers, dealers, FCM'S and other regulated entities	\$ 759.6	\$ 739.3
Accrued compensation & benefits	16.9	13.0
Accrued expenses and other liabilities	64.7	56.7
Income tax payable	1.2	3.8
Loan payable	68.4	65.4
<b>Total liabilities</b>	<b>\$ 910.8</b>	<b>\$ 878.2</b>
<b>Non-controlling interest</b>	<b>\$ 10.2</b>	<b>\$ -</b>
<b>Shareholders' Equity</b>	<b>265.2</b>	<b>234.4</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,186.2</b>	<b>\$ 1,112.6</b>

Note: Dollars in millions.

# Current Liquidity

	As of	
	12/31/14	12/31/13
Cash and cash equivalents	\$139.4	\$39.9
Cash and securities held for customers	759.6	739.3
Short term investments <sup>(1)</sup>	0.2	0.8
Receivables from banks and brokers <sup>(2)</sup>	134.9	227.6
<b>Total Operating Cash</b>	<b>\$1,034.1</b>	<b>\$1,007.6</b>
Less: Cash and securities held for customers	(759.6)	(739.3)
<b>Free Operating Cash</b>	<b>\$274.5</b>	<b>\$268.3</b>
Less: Minimum regulatory capital requirements	(76.3)	(85.7)
Less: Convertible Senior Notes <sup>(3)</sup>	(80.0)	(80.0)
<b>Free Cash Available</b>	<b>\$118.2</b>	<b>\$102.6</b>

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.

# 4<sup>rd</sup> Quarter and FY 2014 Financial Summary

	3 Months Ended December 31,		12 Months Ended December 31,		'14 v '13	
	2014	2013	2014	2013	Q4	12 Months
Net Revenue	\$114.7	\$83.9	\$369.5	\$267.6	37%	38%
Operating Expenses	78.8	70.3	294.9	206.8	12%	43%
Adjusted EBITDA <sup>(1)</sup>	\$35.9	\$13.6	\$74.6	\$60.8	164%	23%
Net Income	\$17.6	\$4.3	\$31.6	\$31.3	309%	1%
Adjusted EPS (Diluted) <sup>(2)</sup>	\$0.45	\$0.13	\$0.85	\$0.86	246%	(1%)
EPS (Diluted)	\$0.41	\$0.11	\$0.71	\$0.79	273%	(10%)
Adjusted EBITDA Margin % <sup>(1)(3)</sup>	31%	16%	20%	23%	15 pts	(3 pts)
Net Income Margin %	15%	5%	9%	12%	10 pts	3%

Note: Dollars in millions, except per share data.

(1) See page 24 for a reconciliation of GAAP net income to adjusted EBITDA.

(2) See page 25 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 December 31,		12 Months Ended December 31,	
	2014	2013	2014	2013
<b>Net Revenue</b>	\$ 114.7	\$ 83.9	\$ 369.5	\$ 267.6
Net (Loss)/Income	17.6	4.3	31.6	31.3
<i>Net (Loss)/Income Margin %</i>	15%	5%	9%	12%
<b>Net (Loss)/Income</b>	\$ 17.6	\$ 4.3	\$ 31.6	\$ 31.3
Depreciation & amortization	1.4	2.6	7.1	7.8
Purchase intangible amortization	3.3	1.2	8.1	2.9
Interest expense	1.7	0.9	6.1	1.2
Income tax expense	8.4	2.7	13.0	13.8
Acquisition costs	2.0	0.3	3.5	1.8
Restructuring	0.2	1.2	1.2	1.6
Integration costs	0.8	1.9	2.5	1.9
Net income attributable to non-controlling interest	0.4	-	1.4	-
Other non-recurring items	0.1	(1.5)	0.1	(1.5)
<b>Adjusted EBITDA</b>	<b>\$ 35.9</b>	<b>\$ 13.6</b>	<b>\$ 74.6</b>	<b>\$ 60.8</b>
<i>Adjusted EBITDA Margin % <sup>(1)</sup></i>	31%	16%	20%	23%

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 December 31,		12 Months Ended December 31,	
	2014	2013	2014	2013
<b>Net Income</b>	\$ 17.6	\$ 4.3	\$ 31.6	\$ 31.3
Acquisition costs, net of tax	1.4	0.2	2.5	1.2
Restructuring, net of tax	0.1	0.7	0.9	1.1
Integration costs, net of tax	0.5	1.2	1.8	1.3
Other non-recurring items	0.1	(0.9)	0.1	(1.0)
<b>Adjusted Net Income</b>	<b>\$ 19.7</b>	<b>\$ 5.5</b>	<b>\$ 36.9</b>	<b>\$ 33.9</b>
Adjusted Earnings per Common Share:				
Basic	\$ 0.47	\$ 0.14	\$ 0.91	\$ 0.93
Diluted	\$ 0.45	\$ 0.13	\$ 0.85	\$ 0.86

	3 Months Ended December 31,		12 Months Ended December 31,	
	2014	2013	2014	2013
GAAP Earnings per Share (Diluted)	\$ 0.41	\$ 0.11	\$ 0.71	\$ 0.79
Restructuring & Other items	0.04	0.02	0.14	0.07
<b>Adjusted Earnings per Share (Diluted)</b>	<b>\$ 0.45</b>	<b>\$ 0.13</b>	<b>\$ 0.85</b>	<b>\$ 0.86</b>

Note: Dollars in millions.

# Cash Net Income and EPS Reconciliation

	3 Months Ended December 31,		12 Months Ended December 31,	
	2014	2013	2014	2013
<b>Net Income</b>	\$ 17.6	\$ 4.3	\$ 31.6	\$ 31.3
Depreciation & amortization, net of tax	1.0	1.6	5.1	5.4
Purchase intangible amortization, net of tax	2.3	0.7	5.8	2.0
Non-cash interest expense, net of tax	0.4	0.1	1.5	0.1
<b>Cash Net Income</b>	<b>\$ 21.3</b>	<b>\$ 6.6</b>	<b>\$ 44.0</b>	<b>\$ 38.8</b>
Cash Earnings per Common Share:				
Basic	\$ 0.51	\$ 0.17	\$ 1.09	\$ 1.06
Diluted	<u>\$ 0.49</u>	<u>\$ 0.16</u>	<u>\$ 1.02</u>	<u>\$ 0.98</u>

	3 Months Ended December 31,		12 Months Ended December 31,	
	2014	2013	2014	2013
GAAP Earnings per Share (Diluted)	\$ 0.41	\$ 0.11	\$ 0.71	\$ 0.79
Non-cash items	0.08	0.05	0.31	0.19
<b>Cash Earnings per Share (Diluted)</b>	<b><u>\$ 0.49</u></b>	<b><u>\$ 0.16</u></b>	<b><u>\$ 1.02</u></b>	<b><u>\$ 0.98</u></b>

Note: Dollars in millions.

# Fixed Operating Expenses

	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2012 <sup>(1)</sup>	12 Months 2013 <sup>(1)</sup>	2014
Total Expenses	\$78.0	\$74.8	\$75.3	\$80.7	\$86.6	\$276.7	\$322.0	\$317.4
Less: Referral Fees & Bad Debt	(19.2)	(21.3)	(21.1)	(26.2)	(26.2)	(52.7)	(77.8)	(94.8)
Less: Depreciation & Amortization	(2.6)	(2.2)	(1.8)	(1.7)	(1.4)	(7.0)	(9.2)	(7.1)
Less: Purchased Intangible Amortization	(1.2)	(1.0)	(1.6)	(2.3)	(3.3)	(7.3)	(5.2)	(8.2)
Less: One-time Expenses <sup>(2)</sup>	(3.9)	(2.3)	(0.7)	(1.3)	(3.1)	(0.7)	(13.6)	(7.4)
Less: Direct expenses from new businesses	(7.0)	(8.0)	(8.5)	(9.1)	(10.1)	(14.2)	(28.4)	(35.7)
Less: Variable Compensation <sup>(3)</sup>	(7.7)	(6.2)	(7.9)	(9.1)	(12.4)	(13.2)	(32.5)	(35.6)
<b>Fixed Operating Expenses</b>	<b>\$36.4</b>	<b>\$33.8</b>	<b>\$33.7</b>	<b>\$31.0</b>	<b>\$30.1</b>	<b>\$181.7</b>	<b>\$155.3</b>	<b>\$128.6</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,				
	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
<b>Retail</b>					
OTC Trading Volume	\$513.0	\$572.3	\$522.2	\$605.4	\$730.6
Average Daily Volume	\$7.9	\$9.1	\$8.0	\$9.2	\$11.2
Active OTC Accounts	97,194	97,253	94,261	93,779	94,895
Futures Contracts	1,402,367	1,572,465	1,710,944	1,764,586	1,979,013
Funded Accounts	129,130	129,833	130,840	132,021	133,771
Customer Assets	\$739.3	\$800.7	\$840.0	\$849.7	\$759.6
<b>Institutional</b>					
Total Institutional Volume	\$1,104.0	\$1,353.6	\$1,348.7	\$1,181.0	\$1,234.7
Average Daily Volume	\$17.0	\$21.4	\$20.7	\$17.9	\$19.0
GTX Volume	\$978.9	\$1,212.4	\$1,237.0	\$1,089.0	\$1,143.9
Average Daily GTX Volume	\$15.1	\$19.2	\$19.0	\$16.5	\$17.6

Note: Definitions for all our operating metrics are available on page 31.

# City Index Historical Financials & Operating Metrics

	3 Months Ended					12 Months Ended		
	31-Dec-13	31-Mar-14	30-Jun-14	30-Sep-14	31-Dec-14	31-Dec-12	31-Dec-13	31-Dec-14
Revenue	\$35.4	\$27.9	\$22.6	\$35.1	\$43.3	\$163.6	\$146.7	\$129.0
Less: Referral Fees	(7.0)	(6.8)	(5.6)	(6.1)	(6.6)	(42.6)	(37.5)	(25.1)
Net Revenue	\$28.4	\$21.1	\$17.0	\$29.1	\$36.7	\$121.1	\$109.2	\$103.9
Less: Other Operating Expenses	(21.1)	(20.0)	(21.5)	(22.6)	(24.0)	(116.3)	(102.3)	(88.1)
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$7.3</b>	<b>\$1.1</b>	<b>(\$4.5)</b>	<b>\$6.5</b>	<b>\$12.7</b>	<b>\$4.8</b>	<b>\$6.9</b>	<b>\$15.8</b>
Revenue Growth %	3%	(5%)	(5%)	15%	22%	278%	(5%)	(5%)
EBITDA Margin %	21%	4%	NA	18%	29%	3%	5%	12%

## Key Operating Metrics & Balance Sheet Data

Customer Trading Volume (billions)	\$213.0	\$234.7	\$201.7	\$219.5	\$270.9	\$1,191.1	\$1,002.7	\$926.9
Average Daily Volume (billions)	\$3.3	\$3.7	\$3.1	\$3.3	\$4.2	\$4.7	\$3.9	\$3.6
Funded Accounts	119,349	117,927	116,525	101,108 <sup>(2)</sup>	79,934	143,580	119,349	79,934
Client Assets	\$388.8	\$359.9	\$355.9	\$334.1	\$308.2	\$348.9	\$388.8	\$308.2
PnL/mm	\$166	\$119	\$112	\$160	\$160	\$137	\$146	\$139

Note: Dollars in millions, except where noted otherwise. Gain Capital financials presented under U.S. GAAP and City Index financials presented under U.K. GAAP. Based on GBP/USD exchange rate of 1.55.

- (1) Adjusted EBITDA is a non-GAAP financial measure that represents earnings before interest, taxes, depreciation, amortization, and other one-time expenses. A reconciliation of net income to adjusted EBITDA is available in the appendix to this presentation.
- (2) Inactivity fee initiated in July 2014 resulted in the closure of a significant number of dormant accounts.

# City Index Adjusted EBITDA & Margin Reconciliation

	12 Months Ended		
	31-Dec-12	31-Dec-13	31-Dec-14
<b>Revenue</b>	<b>\$163.6</b>	<b>\$146.7</b>	<b>\$129.0</b>
<b>Net Income</b>	<b>(\$24.0)</b>	<b>(\$25.9)</b>	<b>(\$11.5)</b>
Depreciation & Amortization	26.5	28.3	20.9
One-Time Expenses	2.3	4.5	6.4
<b>Adjusted EBITDA</b>	<b>\$4.8</b>	<b>\$6.9</b>	<b>\$15.8</b>
<i>Adjusted EBITDA Margin %</i>	3%	5%	12%

Note: Dollars in millions. Gain Capital financials presented under U.S. GAAP and City Index financials presented under U.K. GAAP. Based on GBP/USD exchange rate of 1.55.

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

# 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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