

# Investor Presentation February 2014



This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which reflect FXCM’s current views with respect to, among other things, its operations and financial performance. You can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. FXCM believes these factors include but are not limited to evolving legal and regulatory requirements of the FX industry, the limited operating history of the FX industry, risks related to the protection of its proprietary technology, risks related to its dependence on FX market makers, market conditions and those other risks described under “Risk Factors” as such factors may be updated from time to time in FXCM Inc.’s most recent annual report on Form 10-K, FXCM Inc.’s quarterly reports on Form 10-Q and other SEC filings, which are accessible on the SEC’s website at [sec.gov](http://sec.gov).

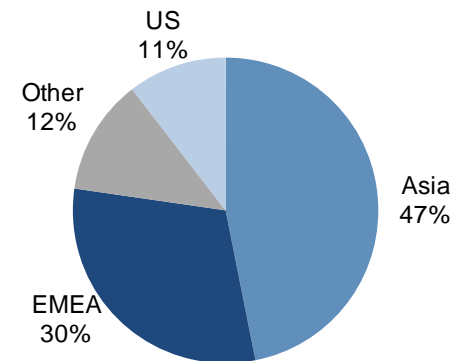
FXCM undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

**Non-GAAP Financial Measures:** This presentation presents certain non-GAAP financial measures. These measures should not be considered in isolation from, or as a substitute for, measures prepared in accordance with generally accepted accounting principles. See the appendix to this presentation for reconciliations of these non-GAAP financial measures to the most comparable measures calculated and presented in accordance with GAAP.

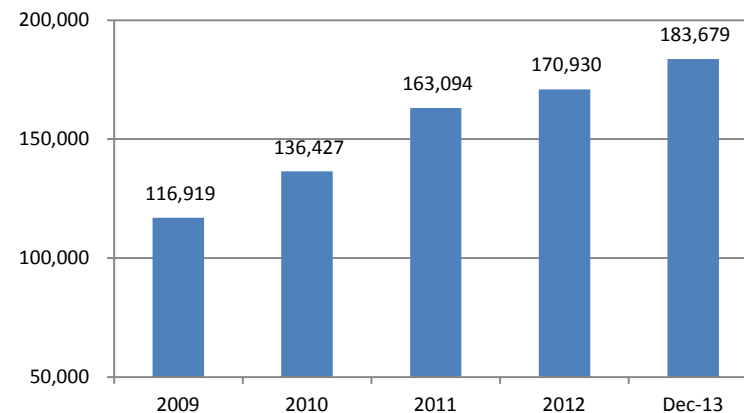
- Founded in 1999 by six Partners
  - Largest retail FX broker in Asia and the U.S.
- Multi-asset class product offering
  - OTC Spot FX, OTC precious metals<sup>(1)</sup>, oil, commodity and equity-index CFD's<sup>(1)(2)</sup>
- Two main revenue streams
  - Retail - agent between retail clients and large FX market makers and earns a spread on trading volume (79% of Q3'13 revenues)
  - Institutional - institutional agency-based business, targeted toward banks, hedge funds, corporations and other institutional money managers (21% of Q3'13 revenue)
- Global reach – content and advertising in 180 countries and 16 languages
- Well-positioned to leverage scale platform to grow client base and expand margins
- FXCM's founders and management own approximately 47% of the business

## Business by Geography (2012)

**Volume by Geography**



## Total Active Accounts <sup>(3)</sup>



## Public Market and Financial Overview

Share Price (01/07/14)	\$17.85	Company Cash (9/30/13)	\$422 (\$mm)
FXCM Inc. Shares O/S (9/30/13) (mm)	43.378	Debt (9/30/13) (\$mm)	\$160
FXCM Holdings Units Fully Exchangable (9/30/13)	38.799	Adj. LTM Pro Forma EBITDA <sup>(4)</sup> (\$mm)	\$161
Total Fully Exchanged Shares O/S (9/30/13)	82.177	Market Capitalization Less Net Cash / LTM Adj. Pro Forma EBITDA <sup>(4)</sup>	7.5
Market Capitalization (\$mm)	\$1,467		

(1) Only offered to non-US residents.

(2) CFD = Contracts-for-Difference.

(3) Account that has traded at least once in the previous twelve months.

(4) See definition of adjusted pro forma EBITDA in Appendix.

*FX is a \$5.3 trillion dollar per day market <sup>(1)</sup> that is expected to grow to \$10 trillion by 2020 <sup>(2)</sup>*

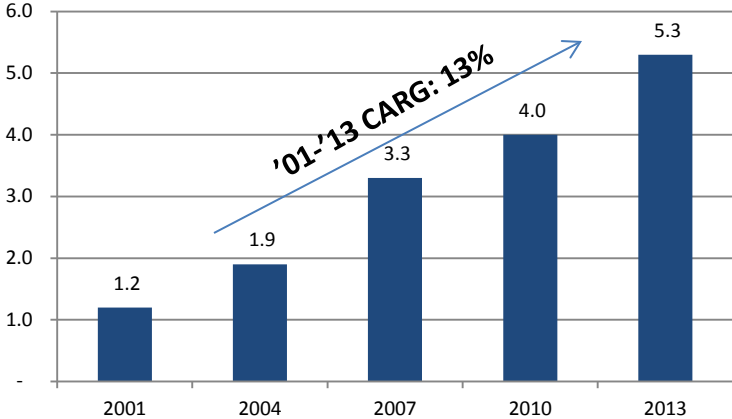
## Retail

- FXCM is one of the largest global retail FX brokers
- Retail FX is the fastest growing segment in FX
  - Large, underpenetrated, fragmented market
  - Represents only ~5-8%<sup>(3)</sup> of total FX volume
- Tighter retail FX regulations reduced competition due to increased barriers to entry
  - 70% reduction in the number of retail FX providers in the U.S. since 2006
- Attractive white label opportunities globally

## Institutional

- FXCM provides an ECN for banks, hedge funds, asset managers and proprietary traders
  - Established institutional platform in 2005
- FXCM has had volume growth of 53% CAGR since 2006 in its institutional business
- June 2012 acquisition of Lucid Markets – leading non-bank market maker in the institutional space
- Internally developed ECN and FastMatch (joint venture with Credit Suisse and Bank of New York) are now doing over half of institutional volume

## FX Trading Volume (\$Bn) <sup>(1)</sup>



(1) BIS Triennial Central Bank Surveys.  
(2) Wall Street research estimates.  
(3) Company estimate



Superior, Stable, Low Risk Business Model

Cutting Edge Technology Platform

Strong International Presence

Significant Growth Potential

Skilled and Disciplined Acquiror with Leadership Position

Seasoned, Invested Management Team

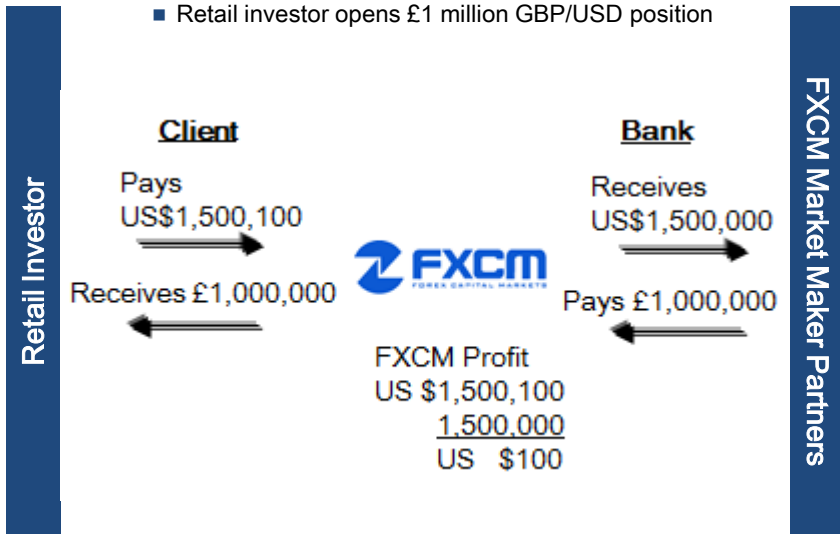
**In addition to a strong and conservative financial profile, FXCM has a compelling business profile which includes:**

- Dominant business in retail FX is the principal or market making model
  - Subject to principal risk on client trades and greater volatility
  - Capital intensive via greater capital requirements
- FXCM made a strategic decision to adopt agency model in 2007
  - Focus on technology and objective to be venue of choice for best execution
  - FXCM presents best bid / offer from liquidity providers -- representing quotes from 16 of the world largest FX banks / market makers
  - Lower risk business model - FXCM is a riskless intermediary to trades
- FXCM introducing a narrow spread, principal model for smaller clients, while operating within established risk parameters

## Market Maker Relationships



## Trade Flow Process<sup>(1)</sup>



## Retail

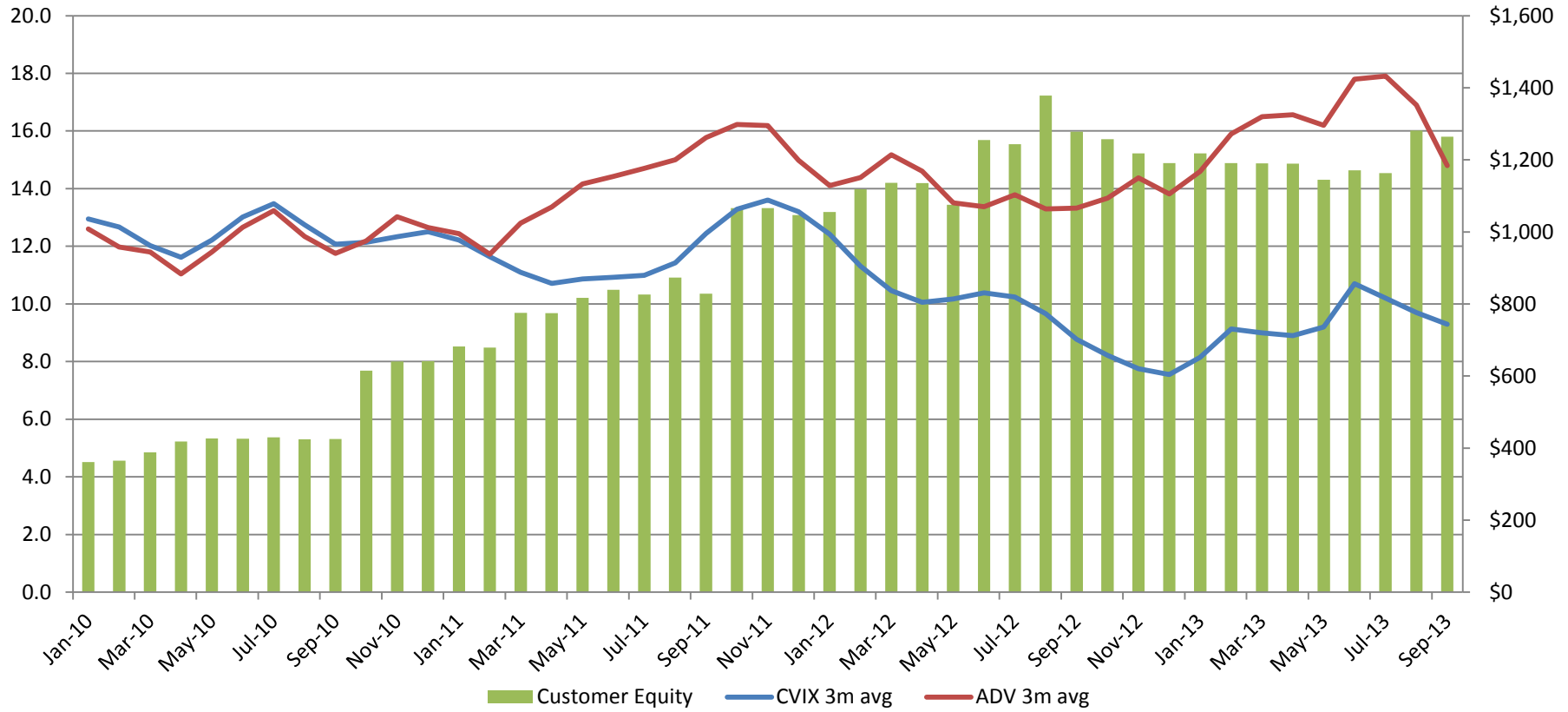
	FXCM Agency	Principal
1 Pricing	■ Best bid/offer from network of market makers, transparent	■ From Broker
2 Execution	■ Back-to-back with market maker who made price; clients receive positive slippage; no re-quotes	■ Broker, re-quotes on price changes, positive slippage kept by broker
3 Risk	■ All agency trades simultaneously offset with market maker; no market risk	■ Maintain open positions subject to market risk
4 Profits	■ Volume-based fees; not related to client profits/losses	■ Predominantly trading gains against client losses
5 Revenues	■ Stable in low volatility, higher growth in volatile markets	■ Driven up and down by market volatility
6 Client Profile	■ Longer client life, actively pursues and caters to active, profitable traders	■ Shorter client life, higher churn, rejects profitable traders

(1) Based on FXCM quote to client of 1.5001/1 GBP/USD and Bank quote to FXCM of 1.5000/1 and mark-up of \$100 per million USD traded.

# Agency Model + Scale = Consistency in High/Low Markets



FXCM ADV and Customer Equity vs. CVIX<sup>(1)</sup>



# Industry Leading Technology Platform Gives Us a Powerful Competitive Advantage



## Competitive Advantage From a Robust Trading Platform

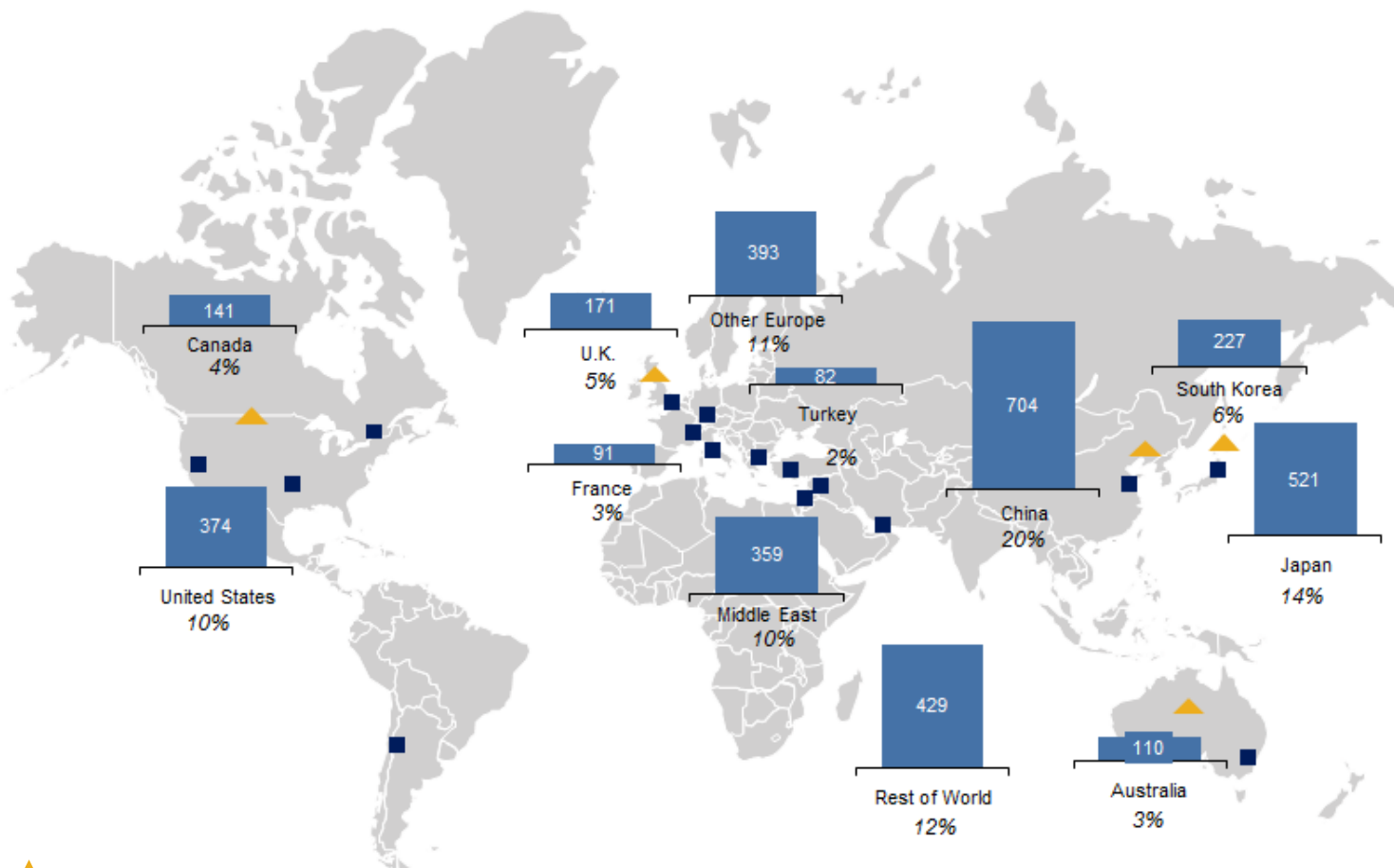
- Our end-to-end trading platform gives us an asymmetrical competitive advantage versus:
  - Our peers in the retail FX world
  - Any new entrants from adjacent spaces
- Single platform used for all markets (unlike other asset classes), leveraging global infrastructure
- Difficult to replicate; significant barriers to entry
- Multiple points where we add unique value
  - Not plug-and-play like equities
  - We do not compete solely on price
- Little additional costs associated with adding White Label partners
  - Even large, sophisticated brokers choose to White Label our platform rather than build their own

## Robust Graphical User Interface





# Retail FX is a Global Market and FXCM has the Global Footprint to Deliver it



- Regulated Entities**
- Forex Capital Markets LLC (US)
  - Forex Capital Markets LTD (UK)
  - FXCM Securities LTD (UK)
  - FXCM Asia LTD (HK)
  - FXCM Japan (Japan)
  - FXCM Australia LTD (Australia)

## Sales Offices

### North America

- New York, New York
- Plano, Texas
- San Francisco, California

### South America

- Santiago, Chile

### Europe & Middle East

- London, United Kingdom
- Berlin, Germany
- Paris, France
- Milan, Italy
- Athens, Greece
- Tel-Aviv, Israel
- Beirut, Lebanon

### Asia Pacific

- Hong Kong, China
- Tokyo, Japan
- Sydney, Australia

## White Label Partnership Opportunities

- Well established white label provider in Asian markets
- Penetrating European white label market for growing retail FX participants
- Recent U.S. client additions include Schwab/optionsXpress unit

## Enhancing Institutional Platform

- Focused on internal development and enhancement of proprietary institutional platform to garner greater market share and drive margin expansion
- Diversify FXCM's retail / institutional mix
- Expand into adjacent markets

## Liberalizing Emerging Markets

- Over half of FXCM's volumes come from emerging markets
- As countries liberalize, FXCM benefits from large account sizes as capital controls are reduced and new currencies are available for all to trade

## Interest Rates

- In 2008, 20% of all revenues came from overnight deposits and interest on customer deposits
- Carry trade returning will have positive impact

# Potential Impact of Interest Rates on FXCM



Retail Trading Revenues

Institutional Trading Revenues

Interest Income

Other Income

Total FXCM Revenues

1. As interest rate differentials increase, customers increase their use of carry trade strategies. Potentially net open positions can increase from current ~\$5 billion held over night to much higher levels. FXCM makes a ~25% margin on net interest received and net interest paid

**e.g., \$15 billion \* 1% interest rate differential \* 25% = \$38 million in additional revenues & EBITDA**

2. Volumes increase (and FXCM earns a markup on each trade) as:

- a. Customers initiate positions before the end of each day to earn the carry trade differential
- b. Interest rates are a major input in most FX models. Currently this is minimal, however, as interest rate differentials and movements increase, models will have more of an impact on trading activity

**e.g., 10% higher retail volume than 2013 or 400 billion \* \$90/million = \$36 million in additional revenues**

**e.g., 10% higher institutional volume than 2013 or 200 billion \* \$10/million = \$2 million in additional revenues**

3. FXCM does not pay interest on most customers' accounts. As interest rates rise, FXCM earns greater interest income on it and its customers cash

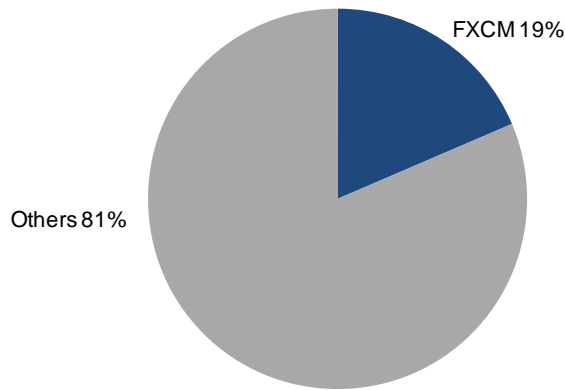
**e.g., At 9/30/13, FXCM had \$421.9 million of its own cash and \$1.264 billion of customer cash \* 1% high interest rate on cash = \$17 million in additional interest income & EBITDA**

# Skilled and Disciplined Acquiror with Leadership Position

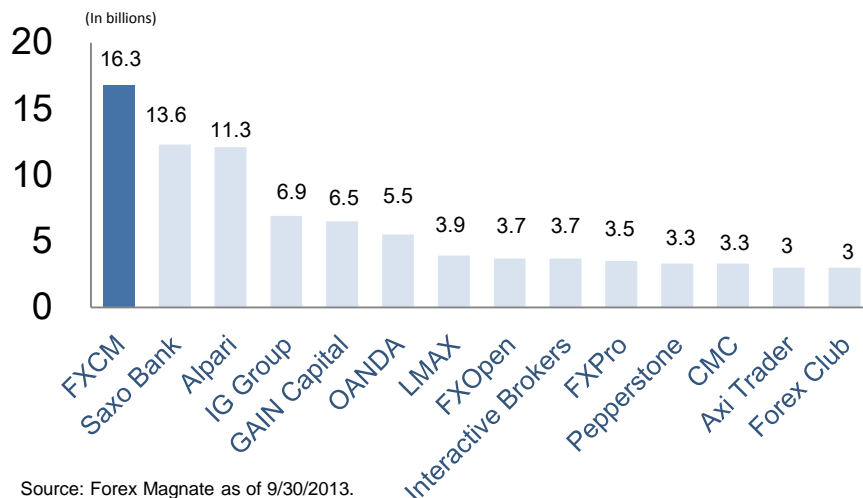


*Proven Acquiror, Well Positioned to Evaluate Opportunities in a Fragmented, but Consolidating Marketplace*

## FX Daily Volumes for Top 15 Retail Brokers (ex. Japan)

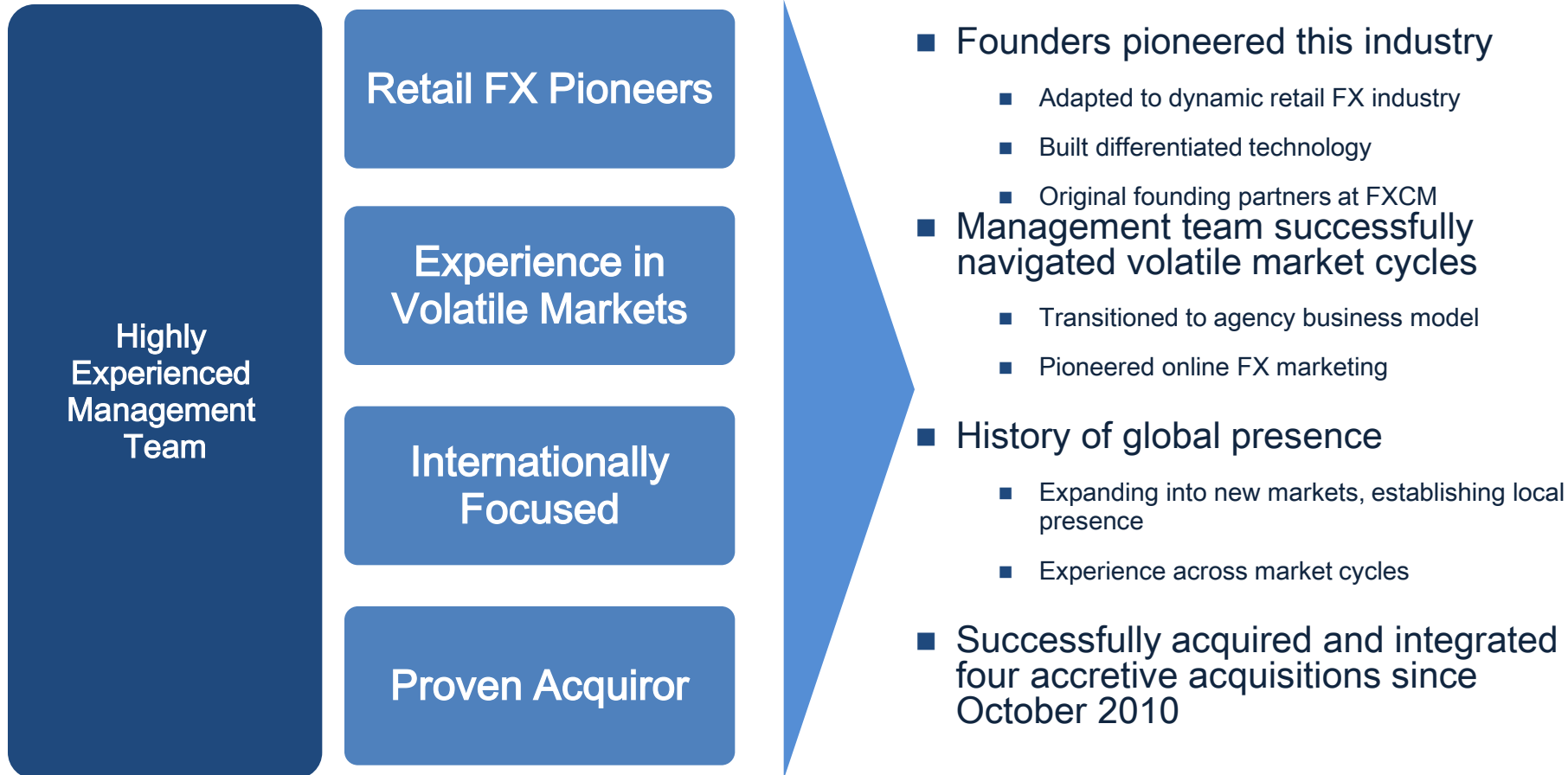


## FX Daily Volumes by Retail Broker (ex. Japan)



Source: Forex Magnate as of 9/30/2013.

- Need for scale and regulatory changes continue to drive consolidation in key geographies
  - Leverage changes in Japan
  - Potential changes in fund segregation rules in US
- Market conditions are creating M&A opportunities as small/mid sized firms struggle to keep up
- Four accretive acquisitions since October 2010
  - ODL Group Limited – October 2010
    - #3 player in the UK
    - Strong CFD business
    - Purchased for appx. \$54MM; <4x EBITDA
  - FXCM Japan – March 2011
    - Long-time White Label of FXCM
    - Purchased for \$5MM in cash; <2x EBITDA
  - Foreland FX – October 2011
    - Japanese business with loyal customer base
    - Purchased for \$17MM in cash; 2x Projected 2012 EBITDA
  - Lucid Markets – June 2012
    - Leading non-bank, electronic market making and trading firm in the institutional foreign exchange market
    - 50.1% purchased for \$178MM (\$91MM in stock & \$87MM in cash); <3.5x 2011 EBITDA



FXCM's founders and management team continue to own ~47% of the business

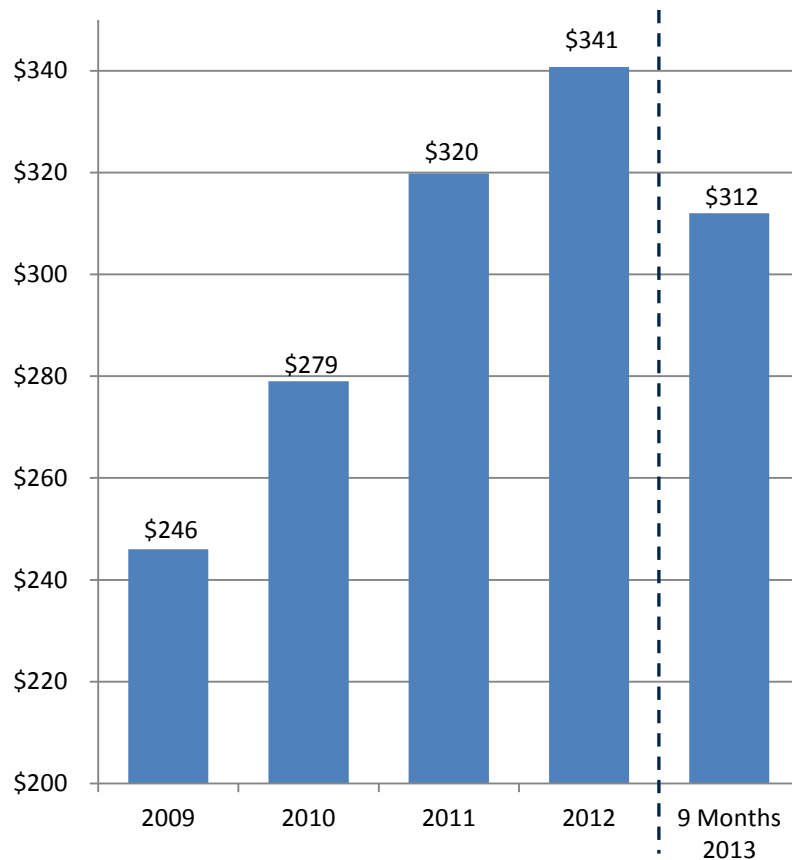
## CVIX (1)



- FXCM saw record or near-record results in 1H 2013 and Q2/13 in particular
  - Having generated strong growth in client equity over the past 5 years, relatively small improvements in trading conditions can lead to significant increases in client volumes
- CVIX had been significantly more muted in Q3 and Q4 2013 although with some signs of improvement more recently

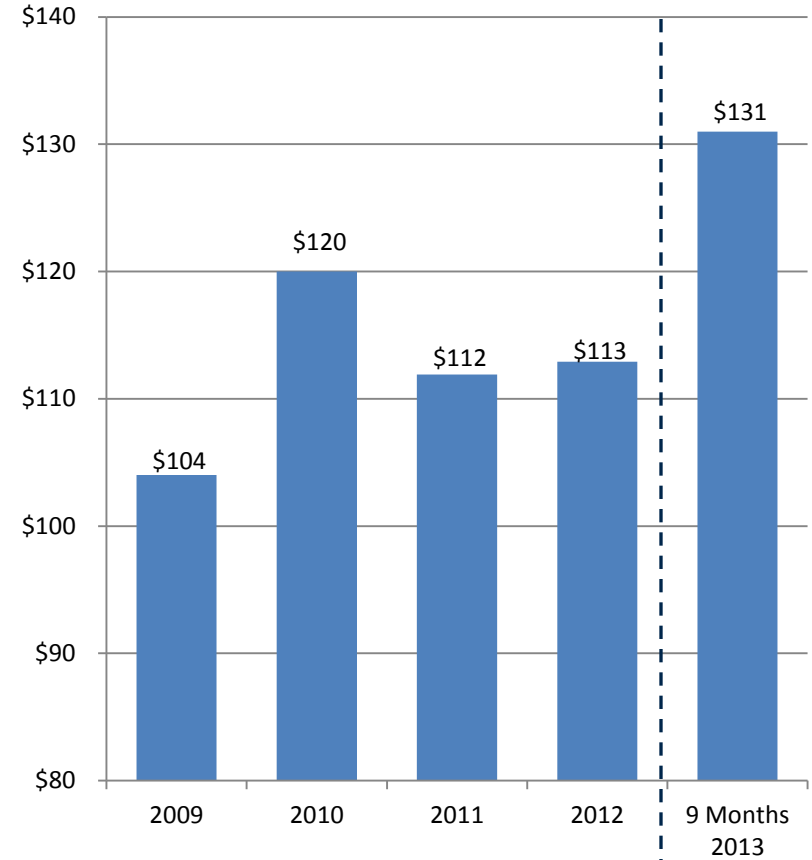
## Revenue Less Referring Broker Fees

(\$ in Millions)



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

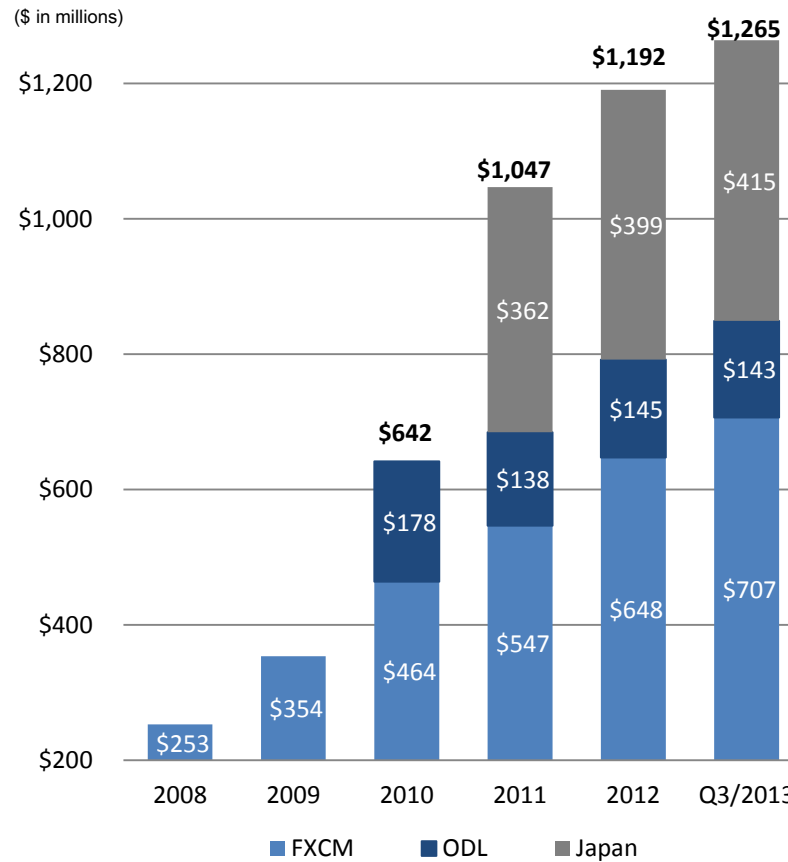
(\$ in Millions)



## Solid Performance Despite Significant Declines in FX Volatility Over Period

(1) Adjusted Pro Forma Net Income and Adjusted Pro Forma EBITDA are non-GAAP financial measures. These measures do not represent and should not be considered as a substitute for net income attributable to FXCM Inc. determined in accordance with GAAP and our calculations of these measures may not be comparable to similarly entitled measures reported by other companies. Please refer to our 3Q 2013 10Q and our 2010 -2012 10K for reconciliations of such measures to the most directly comparable measures calculated in accordance with GAAP.

## Customer Cash Balance



FXCM has 5 times the client equity today than in 2008 when it achieved record results



## FXCM Inc. Operating Costs

*Adjusted pro forma basis & excluding referring  
broker fees and depreciation & amortization  
(US\$ 000's)*

	Three Months Ended			
	<u>9/30/2013</u>	<u>6/30/2013</u>	<u>3/31/2013</u>	<u>12/31/2012</u>
Compensation and benefits	\$ 23,194	\$ 24,529	\$ 21,471	\$ 21,591
Advertising and marketing	6,305	6,157	7,351	7,594
Communication and technology	10,111	9,765	8,355	10,522
Trading costs, prime brokerage and clearing fees	6,809	8,961	7,938	6,748
General and administrative	12,949	13,423	12,471	14,152
	<u>\$ 59,368</u>	<u>\$ 62,835</u>	<u>\$ 57,586</u>	<u>\$ 60,607</u>

# Balance Sheet

As of September 30, 2013 and December 31, 2012  
(Condensed)

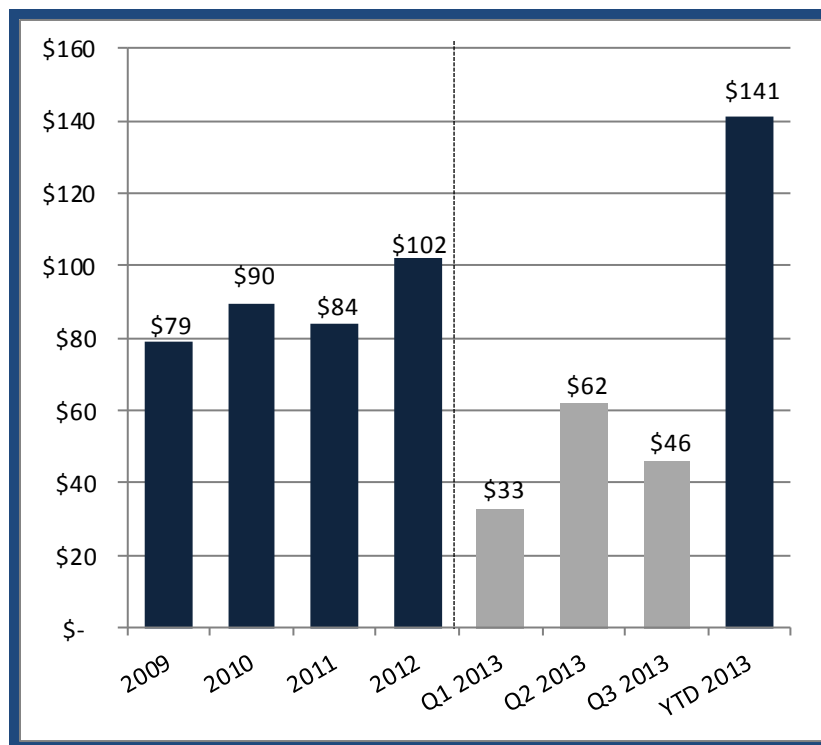


(In Thousands)	(Unaudited) September 30, 2013	December 31, 2012	\$ Change
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 421,945	\$ 272,332	\$ 149,613
Cash and cash equivalents, held for customers	1,264,265	1,190,762	73,503
Other current assets	24,240	30,126	(5,886)
<b>Total current assets</b>	<b>1,710,450</b>	<b>1,493,220</b>	<b>217,230</b>
Office, communication and computer equipment, net	51,743	50,316	1,427
Goodwill and Intangible assets, net	389,095	383,446	5,649
Other assets	183,199	138,188	45,011
<b>Total assets</b>	<b>\$ 2,334,487</b>	<b>\$ 2,065,170</b>	<b>\$ 269,317</b>
<b>Liabilities and Equity</b>			
Current liabilities			
Customer account liabilities	\$ 1,264,265	\$ 1,190,762	\$ 73,503
Credit agreement	-	85,000	(85,000)
Note payable	15,300	22,867	(7,567)
Other current liabilities	129,142	87,798	41,344
<b>Total current liabilities</b>	<b>1,408,707</b>	<b>1,386,427</b>	<b>22,280</b>
Senior convertible notes	145,043	-	145,043
Other liabilities	143,029	103,828	39,201
<b>Total liabilities</b>	<b>1,696,779</b>	<b>1,490,255</b>	<b>206,524</b>
<b>Commitments and Contingencies</b>			
<b>Stockholders' Equity</b>			
Total stockholders' equity FXCM Inc.	254,340	181,559	72,781
Non-controlling interest	383,368	393,356	(9,988)
<b>Total stockholders' equity</b>	<b>637,708</b>	<b>574,915</b>	<b>62,793</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,334,487</b>	<b>\$ 2,065,170</b>	<b>\$ 269,317</b>

\*Under U.S. GAAP. Certain totals may not foot due to rounding. See accompanying notes to the condensed consolidated financial statements that will be filed with our 10-Q on or before November 8, 2013

## Net Cash Flow from Operating Activities

(\$ in Millions, Unaudited)



(\$ Millions)									
Depreciation & Amort.	6.5	9.3	20.1	36.8	12.0	12.5	12.8	37.3	
Equity-based Comp	-	0.7	9.5	23.0	3.2	3.3	3.4	9.9	

- After-tax cash flow from operations of \$141M for first 9 months 2013 already \$102M for full year 2012

*FXCM Inc. Nine Months Ended September 30, 2013*  
(\$ Millions)

**After-Tax Cash Flow from Operations \$ 140.8**  
Less: Capital Expenditures 16.8  
**\$ 124.0**

Other Sources (Uses):

Issuance of Convertible Bond	\$ 166.5
Option Exercises	21.9
Investments	( 6.9)
Dividends and member distributions	(17.5)
Common Stock Repurchases	(16.3)
Convertible Bond Hedge, net	(10.5)
Repayment of Credit Facility	(85.0)
Repayment of Lucid Note	(22.9)
Other	<u>( 3.6)</u>
<b>Total Other Sources</b>	<b>\$ 25.7</b>

**Net Change in Cash \$ 149.7**

- **Solid results in muted trading environment during Third Quarter 2013**
- **1H2013 offers a glimpse of the earnings power of FXCM in a more favorable trading environment**
  - **High incremental margins**
- **Continued expense discipline**
- **With over \$422 million in cash and \$205 million undrawn on credit facility, FXCM has the firepower to pursue meaningful acquisitions**
- **Cash flow generation strong**

# Appendix

	Three Months Ended								
	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
	(Dollars in thousands, except as noted)								
Net Account Additions <sup>(1)</sup>	(2,010)	4,631	5,412	(12,177)	(2,717)	4,401	2,104	23,287	181
Total Tradable Accounts <sup>(2)</sup>	188,988	190,998	195,629	190,217	202,394	205,111	196,710	194,606	171,319
Total Active Accounts <sup>(3)</sup>	182,146	182,225	173,265	170,930	171,274	174,218	171,296	163,094	156,053
Total Customer Trading Volume (dollars in billions)	980	1,151	1,041	886	861	869	985	973	1,042
Trading Days in Period	66	65	63	64	65	65	65	65	66
Daily Average Trades	417,845	516,960	438,065	366,015	345,790	367,051	379,289	423,413	438,599
Daily Average Trades per Active Account <sup>(4)</sup>	2.3	2.8	2.5	2.1	2.0	2.1	2.2	2.7	2.8
Retail Trading Revenue per Million Traded	\$89	\$90	\$88	\$ 95	\$ 99	\$ 90	\$ 94	\$ 98	\$93
Total Customer Equity (dollars in millions)	\$1,264.3	\$1,171.5	\$1,190.4	\$ 1,190.8	\$ 1,278.4	\$ 1,254.7	\$ 1,135.9	\$ 1,047.0	\$828.2
Customer Trading Volume by Region (dollars in billions)									
-Asia	462	519	476	401	421	387	490	\$ 459	\$ 461
-EMEA	293	360	311	283	260	275	272	271	316
-United States	123	148	138	86	92	101	95	112	124
-Rest of World	<u>101</u>	<u>124</u>	<u>116</u>	<u>116</u>	<u>89</u>	<u>106</u>	<u>128</u>	<u>131</u>	<u>141</u>
Total	<b>\$980</b>	<b>\$1,151</b>	<b>\$1,041</b>	<b>\$ 886</b>	<b>\$ 861</b>	<b>\$ 869</b>	<b>\$ 985</b>	<b>\$ 973</b>	<b>\$ 1,042</b>

<sup>(1)</sup> Net account additions represents new accounts funded less accounts closed by our customers.

<sup>(2)</sup> A tradable account represents an account with sufficient funds to place a trade in accordance with firm policies.

<sup>(3)</sup> An active account represents an account that has traded at least once in the previous 12 months.

<sup>(4)</sup> Daily average trades per active account represents the total daily average trades per average active account in the period.

# Reconciliation of Adjusted Pro Forma Results to

## U.S. GAAP – Quarter Ended September 30, 2013

(000's except per share amounts, unaudited)



	Three Months Ended September 30,					
	2013			2012		
	As Reported	Adjustments	Adjusted Pro Forma	As Reported	Adjustments	Adjusted Pro Forma
<b>Revenues</b>						
Retail trading revenue	\$ 86,974	-	\$ 86,974	\$ 85,237	-	\$ 85,237
Institutional trading revenue	22,856	-	22,856	25,868	-	25,868
Trading revenue	109,830	-	109,830	111,105	-	111,105
Interest income	537	-	537	990	-	990
Brokerage interest expense	(63)	-	(63)	(66)	-	(66)
Net interest income	474	-	474	924	-	924
Other operating income	2,944	-	2,944	2,919	-	2,919
<b>Total net revenues</b>	<b>113,248</b>	<b>-</b>	<b>113,248</b>	<b>114,948</b>	<b>-</b>	<b>114,948</b>
<b>Operating Expenses</b>						
Compensation and benefits	28,809	(5,615) <sup>(1)</sup>	23,194	24,156	(2,378) <sup>(5)</sup>	21,778
Allocation of net income to Lucid members for services provided	2,996	(2,996) <sup>(2)</sup>	-	-	-	-
Total compensation and benefits	31,805	(8,611)	23,194	24,156	(2,378)	21,778
Referring broker fees	20,709	-	20,709	18,708	-	18,708
Advertising and marketing	6,305	-	6,305	7,509	-	7,509
Communication and technology	10,111	-	10,111	9,600	-	9,600
Trading costs, prime brokerage and clearing fees	6,809	-	6,809	6,981	-	6,981
General and administrative	27,949	(15,000) <sup>(6)</sup>	12,949	13,681	(501) <sup>(6)</sup>	13,180
Depreciation and amortization	12,849	-	12,849	11,717	-	11,717
Total operating expenses	116,537	(23,611)	92,926	92,352	(2,879)	89,473
<b>Total operating income (loss)</b>	<b>(3,289)</b>	<b>23,611</b>	<b>20,322</b>	<b>22,596</b>	<b>2,879</b>	<b>25,475</b>
Loss on equity method investments, net	183	-	183	-	-	-
Interest on borrowings	2,869	-	2,869	1,158	-	1,158
<b>Income (loss) before income taxes</b>	<b>(6,341)</b>	<b>23,611</b>	<b>17,270</b>	<b>21,438</b>	<b>2,879</b>	<b>24,317</b>
Income tax provision	2,444	2,692 <sup>(3)</sup>	5,136	3,598	3,799 <sup>(3)</sup>	7,397
<b>Net income (loss)</b>	<b>(8,785)</b>	<b>20,919</b>	<b>12,134</b>	<b>17,840</b>	<b>(920)</b>	<b>16,920</b>
Net income (loss) attributable to non-controlling interest in FXCM Holdings, LLC	(3,133)	3,133 <sup>(4)</sup>	-	8,946	(8,946) <sup>(4)</sup>	-
Net income (loss) attributable to non-controlling interest in Lucid Markets Trading Limited and Faros Trading LLC	(530)	2,996 <sup>(2)</sup>	2,466	4,381	-	4,381
Net income (loss) attributable to FXCM Inc.	<b>\$ (5,122)</b>	<b>\$ 14,790</b>	<b>\$ 9,668</b>	<b>\$ 4,513</b>	<b>\$ 8,026</b>	<b>\$ 12,539</b>
Diluted weighted average shares outstanding as reported and pro forma fully exchanged, fully diluted weighted average shares outstanding						
	<b>34,469</b>		<b>76,374</b> <sup>(7)</sup>	<b>26,913</b>		<b>75,103</b> <sup>(7)</sup>
Diluted net income (loss) per share as reported and adjusted pro forma net income per fully exchanged, fully diluted weighted average shares outstanding						
	<b>\$ (0.15)</b>		<b>\$ 0.13</b>	<b>\$ 0.17</b>		<b>\$ 0.17</b>

\* See footnotes following

# Reconciliation of Adjusted Pro Forma Results to U.S. GAAP - Quarter Ended September 30, 2013 (Footnotes)



<sup>(1)</sup> Represents the elimination of equity-based compensation associated with the IPO and a charge incurred in connection with the termination of an employment contract in the Company's retail business.

<sup>(2)</sup> Represents the reclassification of the portion of the 49.9% of Lucid's earnings attributed to non-controlling interest recorded as compensation for U.S. GAAP purposes to Net income attributable to non-controlling interest in Lucid Markets Trading Limited.

<sup>(3)</sup> Represents an adjustment to reflect an effective corporate tax rate of approximately 29.7% and 30.4% for the three months ended September 30, 2013 and 2012, respectively assuming a full exchange of existing unitholders FXCM Holdings, LLC ("Holdings") units for shares of Class A common stock of the Company and the tax effect of any pro forma adjustments.

<sup>(4)</sup> Represents the elimination of the non-controlling interest associated with the ownership by existing unitholders of Holdings (excluding FXCM, Inc.), as if the unitholders had fully exchanged their Holdings units for shares of Class A common stock of the Company.

<sup>(5)</sup> Represents the elimination of equity-based compensation associated with the IPO, severance and equity-based compensation in connection with the renegotiation of certain employment contracts in the Company's institutional and retail businesses.

<sup>(6)</sup> Represents the elimination of certain acquisition-related costs and the elimination of costs (including client reimbursements) associated with settling historical trade execution issues with the Financial Services Agency of Japan.

<sup>(7)</sup> Fully diluted shares assuming all unitholders had fully exchanged their Holdings units for shares of Class A common stock of the Company.

<sup>(8)</sup> Represents an adjustment to reflect a reserve established relating to ongoing discussions with the Financial Conduct Authority (the "FCA") in the United Kingdom ("UK") regarding pre August 2010 trade execution practices.



# Reconciliation of Adjusted Pro Forma Results to

## U.S. GAAP – 9 Months Ended September 30, 2013



(000's except per share amounts, unaudited)

	Nine Months Ended September 30,					
	2013			2012		
	As Reported	Adjustments	Adjusted Pro Forma	As Reported	Adjustments	Adjusted Pro Forma
<b>Revenues</b>						
Retail trading revenue	\$ 282,296	-	\$ 282,296	\$255,833	-	\$ 255,833
Institutional trading revenue	82,204	-	82,204	42,908	-	42,908
Trading revenue	364,500	-	364,500	298,741	-	298,741
Interest income	1,886	-	1,886	2,910	-	2,910
Brokerage interest expense	(187)	-	(187)	(235)	-	(235)
Net interest income	1,699	-	1,699	2,675	-	2,675
Other operating income	10,046	-	10,046	7,805	-	7,805
<b>Total net revenues</b>	<b>376,245</b>	<b>-</b>	<b>376,245</b>	<b>309,221</b>	<b>-</b>	<b>309,221</b>
<b>Operating Expenses</b>						
Compensation and benefits	78,929	(9,736) <sup>(1)</sup>	69,193	81,175	(18,458) <sup>(5)</sup>	62,717
Allocation of net income to Lucid members for services provided	18,000	(18,000) <sup>(2)</sup>	-	-	-	-
Total compensation and benefits	96,929	(27,736)	69,193	81,175	(18,458)	62,717
Referring broker fees	64,481	-	64,481	58,865	-	58,865
Advertising and marketing	19,813	-	19,813	23,266	-	23,266
Communication and technology	28,231	-	28,231	26,591	-	26,591
Trading costs, prime brokerage and clearing fees	23,708	-	23,708	10,187	-	10,187
General and administrative	53,843	(15,000) <sup>(8)</sup>	38,843	48,891	(4,426) <sup>(6)</sup>	44,465
Depreciation and amortization	37,304	-	37,304	24,761	-	24,761
Total operating expenses	324,309	(42,736)	281,573	273,736	(22,884)	250,852
<b>Total operating income</b>	<b>51,936</b>	<b>42,736</b>	<b>94,672</b>	<b>35,485</b>	<b>22,884</b>	<b>58,369</b>
Loss on equity method investments, net	728	-	728	-	-	-
Interest on borrowings	4,976	-	4,976	1,698	-	1,698
<b>Income before income taxes</b>	<b>46,232</b>	<b>42,736</b>	<b>88,968</b>	<b>33,787</b>	<b>22,884</b>	<b>56,671</b>
Income tax provision	16,793	7,303 <sup>(3)</sup>	24,096	4,856	13,633 <sup>(3)</sup>	18,489
<b>Net income</b>	<b>29,439</b>	<b>35,433</b>	<b>64,872</b>	<b>28,931</b>	<b>9,251</b>	<b>38,182</b>
Net income attributable to non-controlling interest in FXCM Holdings, LLC	21,190	(21,190) <sup>(4)</sup>	-	17,717	(17,717) <sup>(4)</sup>	-
Net income (loss) attributable to non-controlling interest in Lucid Markets Trading Limited and Faros Trading LLC	(3,613)	18,000 <sup>(2)</sup>	14,387	5,254	-	5,254
Net income attributable to FXCM Inc.	<b>\$ 11,862</b>	<b>\$ 38,623</b>	<b>\$ 50,485</b>	<b>\$ 5,960</b>	<b>\$ 26,968</b>	<b>\$ 32,928</b>
Diluted weighted average shares outstanding as reported and pro forma fully exchanged, fully diluted weighted average shares outstanding	<b>32,009</b>		<b>75,952</b> <sup>(7)</sup>	<b>22,416</b>		<b>73,548</b> <sup>(7)</sup>
Diluted net income per share as reported and adjusted pro forma net income per fully exchanged, fully diluted weighted average shares outstanding	<b>\$ 0.37</b>		<b>\$ 0.66</b>	<b>\$ 0.27</b>		<b>\$ 0.45</b>

\* See footnotes following

# Reconciliation of Adjusted Pro Forma Results to U.S. GAAP- 9 Months Ended September 30, 2013 (Footnotes)



<sup>(1)</sup> Represents the elimination of equity-based compensation associated with the IPO and a charge incurred in connection with the termination of an employment contract in the Company's retail business.

<sup>(2)</sup> Represents the reclassification of the portion of the 49.9% of Lucid's earnings attributed to non-controlling interest recorded as compensation for U.S. GAAP purposes to Net income attributable to non-controlling interest in Lucid Markets Trading Limited.

<sup>(3)</sup> Represents an adjustment to reflect an effective corporate tax rate of approximately 27.1% and 32.6% for the nine months ended September 30, 2013 and 2012, respectively assuming a full exchange of existing unitholders Holdings units for shares of Class A common stock of the Company and the tax effect of any pro forma adjustments.

<sup>(4)</sup> Represents the elimination of the non-controlling interest associated with the ownership by existing unitholders of Holdings (excluding FXCM, Inc.), as if the unitholders had fully exchanged their Holdings units for shares of Class A common stock of the Company.

<sup>(5)</sup> Represents the elimination of equity-based compensation associated with the IPO, severance and equity-based compensation in connection with the renegotiation of certain employment contracts in the Company's institutional and retail businesses.

<sup>(6)</sup> Represents the elimination of certain acquisition-related costs and the elimination of costs (including client reimbursements) associated with settling historical trade execution issues with the Financial Services Agency of Japan.

<sup>(7)</sup> Fully diluted shares assuming all unitholders had fully exchanged their Holdings units for shares of Class A common stock of the Company.

<sup>(8)</sup> Represents an adjustment to reflect a reserve established relating to ongoing discussions with the FCA in the UK regarding pre August 2010 trade execution practices.

# Reconciliation of EBITDA to U.S. GAAP Net Income

## 3 and 9 Months Ended September 30, 2013



(000's except per share amounts, unaudited)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	Adjusted Pro Forma		U.S. GAAP		Adjusted Pro Forma		U.S. GAAP	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenues	\$ 113,248	\$ 114,948	\$ 113,248	\$ 114,948	\$ 376,245	\$ 309,221	\$ 376,245	\$ 309,221
Net income (loss) attributable to FXCM Inc.	\$ 9,668	\$ 12,539	\$ (5,122)	\$ 4,513	\$ 50,485	\$ 32,928	\$ 11,862	\$ 5,960
Net income (loss) attributable to non-controlling interest in FXCM Holdings, LLC	-	-	(3,133)	8,946	-	-	21,190	17,717
Net income (loss) attributable to non-controlling interest in Lucid Markets Trading Limited and Faros Trading LLC	2,466	4,381	(530)	4,381	14,387	5,254	(3,613)	5,254
Provision for income taxes	5,136	7,397	2,444	3,598	24,096	18,489	16,793	4,856
Depreciation and amortization	12,849	11,717	12,849	11,717	37,304	24,761	37,304	24,761
Interest on borrowings	2,869	1,158	2,869	1,158	4,976	1,698	4,976	1,698
<b>EBITDA</b>	<b>\$ 32,988</b>	<b>\$ 37,192</b>	<b>\$ 9,377</b>	<b>\$ 34,313</b>	<b>\$ 131,248</b>	<b>\$ 83,130</b>	<b>\$ 88,512</b>	<b>\$ 60,246</b>