

# Second Quarter 2014 Financial and Operating Results

## July 2014 Operating Metrics

August 7, 2014



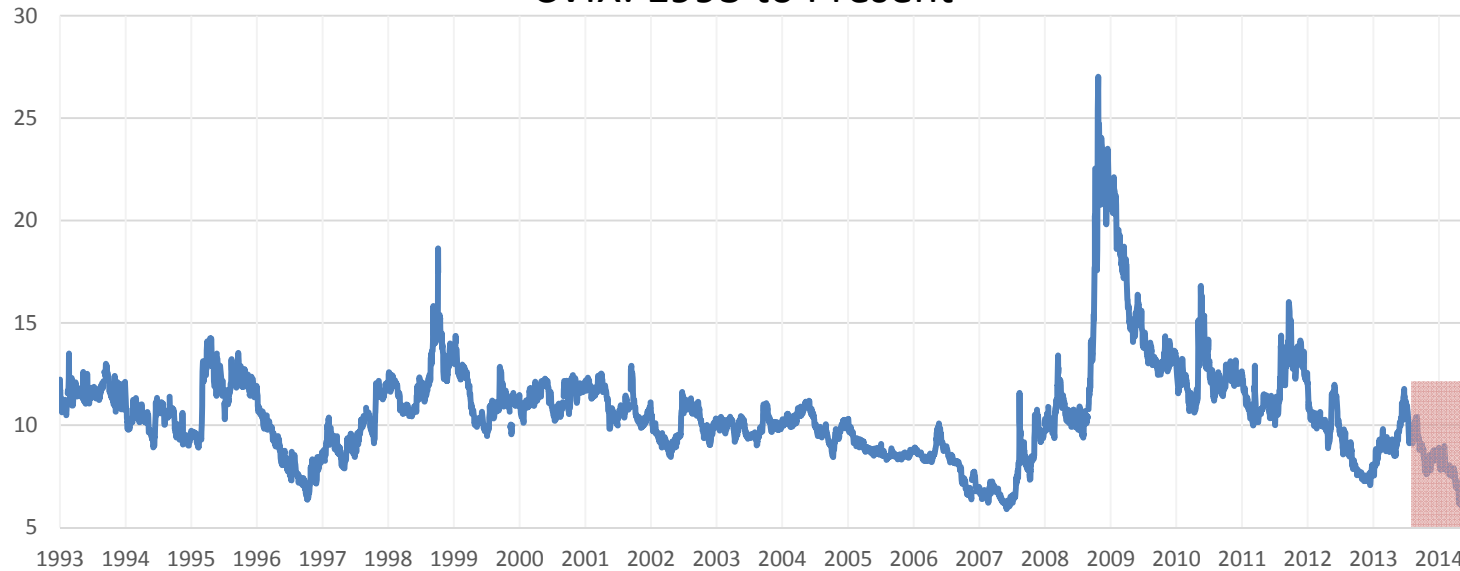
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- **Adjusted Pro Forma revenues<sup>(1)</sup> of \$97.9 million vs. \$140.1 million Q2 '13 and \$111.3 million Q1 '14**
- **Adjusted Pro Forma EBITDA<sup>(1)</sup> of \$13.4 million vs. \$54.5 million Q2 '13 and \$24.6 million Q1 '14**
- **Adjusted Pro Forma EPS<sup>(1)</sup> of (\$0.02) per diluted share vs. \$0.31 per diluted share Q2 '13 and \$0.07 per diluted share Q1 '14**
  - Adding back tax-effected amortization and stock based compensation, Adjusted Pro Forma EPS would be \$0.05 per share for the quarter
- **GAAP EPS of (\$0.08) per diluted share vs. \$0.32 per diluted share Q2 '13 and \$0.05 per diluted share Q1 '14**
- **Growing market share and customer equity – up 10% year to date - despite 25 year lows in volatility**
- **Retail revenue per million at high end of traditional range: \$96/million**
- **Core retail and institutional franchise still strong**

## CVIX: 1993 to Present

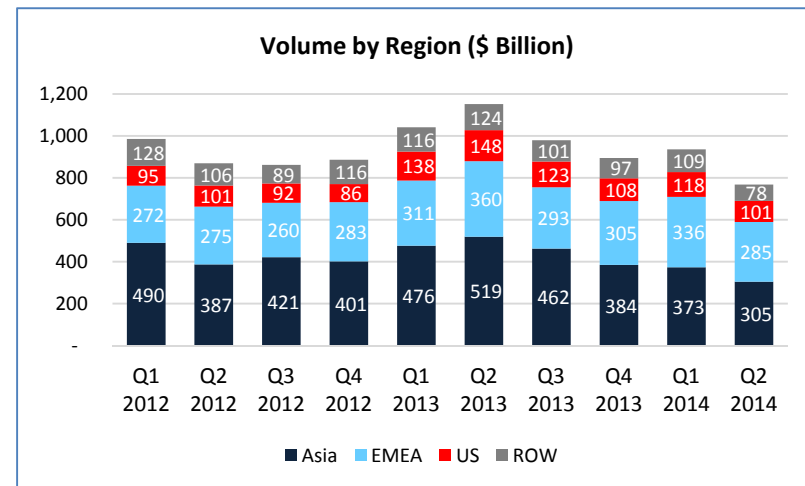
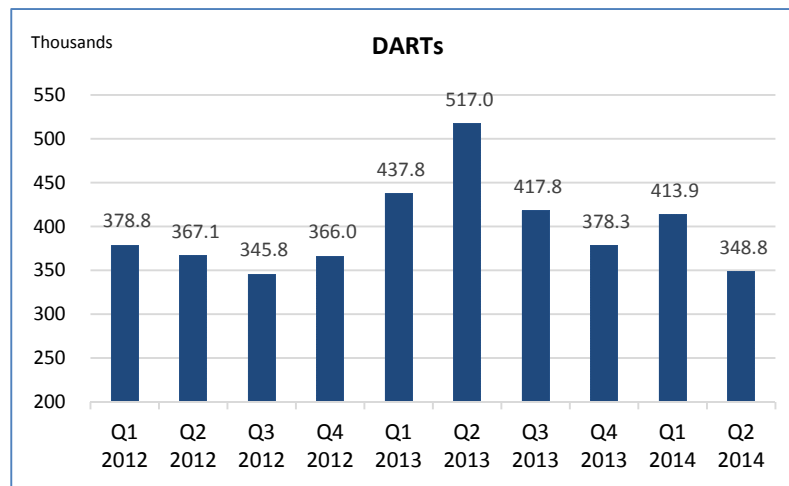
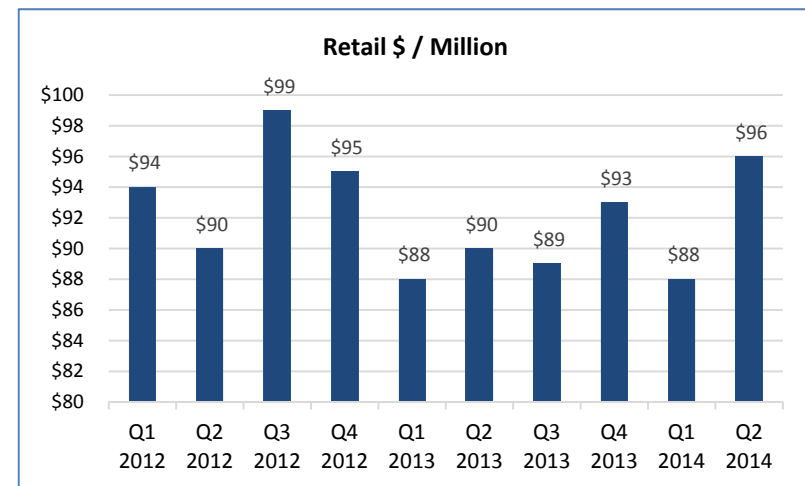
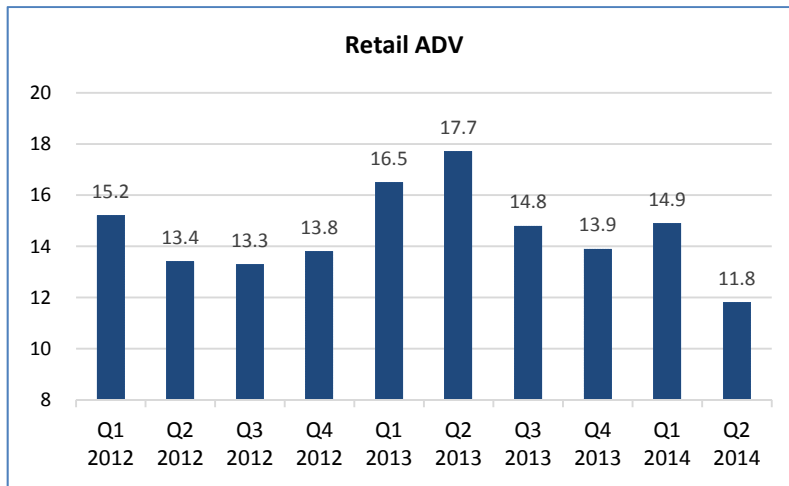


- **CVIX has declined steadily over last 12 months**
- **Currently at levels not seen in over 25 years**
- **Trading ranges year-to-date reinforce advantages of agency model, lead to market share gains**

## CVIX: July 2013 to July 2014

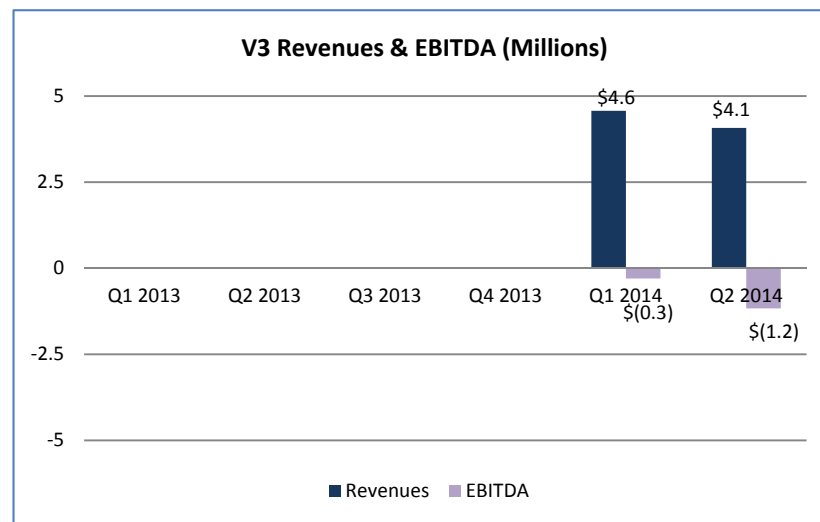
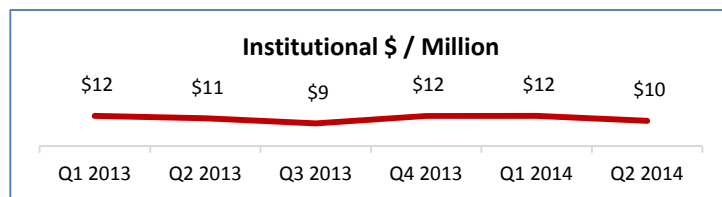
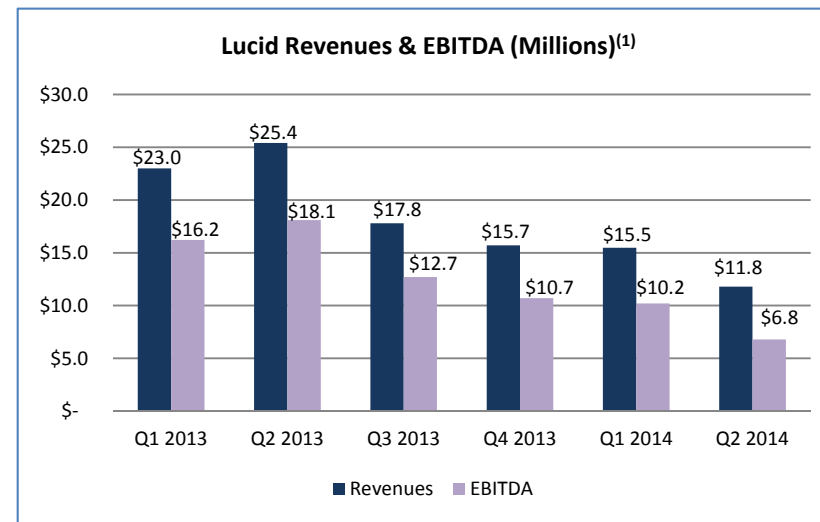
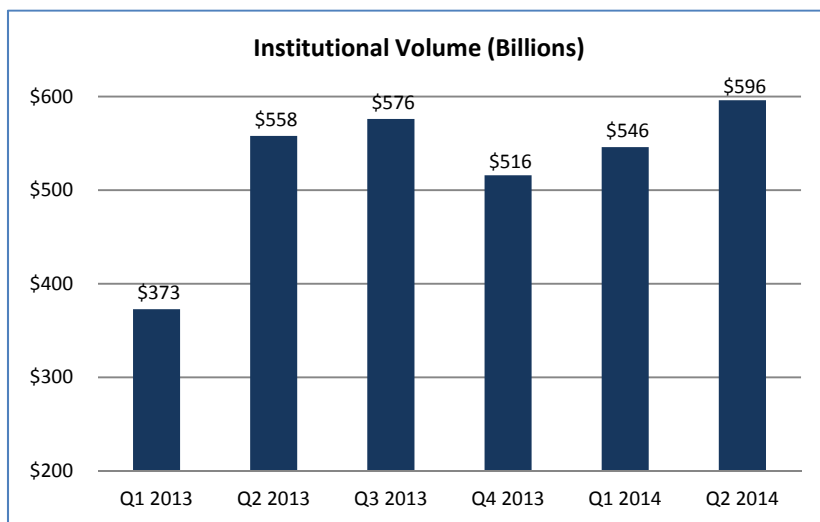


# Retail FX Operating Metrics



\* Definitions of certain operating metrics are available in the appendix to this presentation.

# Institutional Operating Metrics



- **FXCM Pro & FastMatch gaining market share**
- **Lucid & V3 being effected by low market volatility**
  - V3 integration proceeding as planned
  - Expect operation to be break-even even if environment continues by year-end

(1) Adjusted pro forma EBITDA for Lucid further excluding the \$781K/quarter in amortization of the value of liquidity restrictions put on the FXCM Class A common shares issuable to the Lucid sellers recorded under US GAAP as compensation expense.

- **Global brand, scale and reach still fueling organic growth**
  - Growing client equity and holding steady in active accounts
  - Retail gaining share in major markets (UK, France, Australia & Germany<sup>1</sup>)
  - Institutional platforms continue to grow
- **Significant M&A discussions still in progress**
  - Multiple opportunities
  - Remain committed to a disciplined acquisition approach
- **Extraordinary market conditions bringing many opportunities – extending timeline by 6 months before deciding on use of corporate cash / share buybacks**

- **Strong quarter for CFDs**
  - CFD volume 26% of total retail volume Q2/14 up from 21% Q1/14
  - Potential for further increases
- **CFD single share offering being soft launched shortly**
  - Sizeable revenue opportunity for FXCM
  - Eliminating main reason European clients give for not choosing FXCM for their primary account
- **Focus on cost containment**
  - If environment persists & M&A does not materialize then meaningful cost reductions will be initiated



# Cost Discipline



## FXCM Inc. Operating Costs

Adjusted proforma basis; excluding referring broker fees and depreciation & amortization (US\$ millions)

### Consolidated (excl. V3 Markets)

	<u>Q2/14</u>	<u>Q1/14</u>	<u>Q4/13</u>	<u>Q3/13</u>	<u>Q2/13</u>	<u>Q1/13</u>	<u>Q4/12</u>	<u>Q3/12</u>
Compensation Expense	25.2	26.3	24.0	23.2	24.5	21.5	21.6	22.0
Marketing Expense	7.1	6.5	7.3	6.3	6.2	7.4	7.6	7.5
Tech & Comm	9.7	10.2	10.2	10.1	9.8	8.4	10.5	9.6
Trading Costs	7.0	7.4	7.1	6.8	9.0	7.9	6.7	6.9
G&A	13.6	12.1	12.5	13.0	13.4	12.5	14.2	12.9
	<u>62.6</u>	<u>62.4</u>	<u>61.1</u>	<u>59.4</u>	<u>62.8</u>	<u>57.6</u>	<u>60.6</u>	<u>59.0</u>

### V3 Markets

	<u>Q2/14</u>	<u>Q1/14</u>
Compensation Expense	1.4	1.4
Marketing Expense	-	-
Tech & Comm	2.3	1.8
Trading Costs	1.0	0.9
G&A	0.5	0.8
	<u>5.2</u>	<u>4.9</u>

### Consolidated

	<u>Q2/14</u>	<u>Q1/14</u>
Compensation Expense	26.6	27.7
Marketing Expense	7.1	6.5
Tech & Comm	12.0	12.0
Trading Costs	8.0	8.2
G&A	14.1	12.9
	<u>67.8</u>	<u>67.3</u>

# Adjusted Pro Forma Income

3 and 6 Months Ended June 30, 2014 and 2013 (unaudited)



(\$ In Thousands)	Adjusted Pro Forma (Unaudited)					
	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	% Change	2014	2013	% Change
<b>Revenues</b>						
Retail trading revenues	\$ 73,736	\$ 104,068	-29%	\$ 156,396	\$ 195,322	-20%
Institutional trading revenues	21,787	31,792	-31%	47,937	59,348	-19%
Trading revenue	95,523	135,860	-30%	204,333	254,670	-20%
Interest Income	693	670	3%	1,256	1,349	-7%
Brokerage interest expense	(164)	(69)	138%	(260)	(124)	110%
Net interest income	529	601	-12%	996	1,225	-19%
Other Income	1,875	3,672	-49%	3,934	7,102	-45%
<b>Total net revenues</b>	<b>97,927</b>	<b>140,133</b>	<b>-30%</b>	<b>209,263</b>	<b>262,997</b>	<b>-20%</b>
Referring broker fees	16,495	22,422	-26%	35,617	43,772	-19%
<b>Net revenues</b>	<b>81,432</b>	<b>117,711</b>	<b>-31%</b>	<b>173,646</b>	<b>219,225</b>	<b>-21%</b>
<b>Expenses</b>						
Compensation and benefits	26,589	24,529	8%	54,305	45,999	18%
Allocation of net income to Lucid members for services provided	-	-		-	-	
Total compensation and benefits	26,589	24,529	8%	54,305	45,999	18%
Advertising and marketing	7,084	6,157	15%	13,581	13,508	1%
Communication and technology	12,031	9,765	23%	24,044	18,120	33%
Trading costs, prime brokerage and clearing fees	8,030	8,961	-10%	16,236	16,899	-4%
General and administrative	14,067	13,423	5%	26,935	25,894	4%
Loss on equity method investments, net	224	397	-44%	534	545	-2%
Total operating expenses	68,025	63,232	8%	135,635	120,965	12%
<b>EBITDA</b>	<b>13,407</b>	<b>54,479</b>	<b>-75%</b>	<b>38,011</b>	<b>98,260</b>	<b>-61%</b>
Depreciation and amortization	13,122	12,481	5%	25,752	24,455	5%
Interest on borrowings	3,096	1,290	140%	6,093	2,107	189%
Income before income taxes	(2,811)	40,708	-107%	6,166	71,698	-91%
Income tax provision	(724)	9,365	-108%	1,454	18,960	-92%
<b>Net (loss) income</b>	<b>(2,087)</b>	<b>31,343</b>	<b>-107%</b>	<b>4,712</b>	<b>52,738</b>	<b>-91%</b>
Net income attributable to non-controlling interest in FXCM Holdings, LLC	-	-		-	-	
Net (loss) income attributable to other non-controlling interests	(553)	8,043	-107%	1,051	11,921	-91%
<b>Net (loss) income attributable to FXCM Inc.</b>	<b>\$ (1,534)</b>	<b>\$ 23,300</b>	<b>-107%</b>	<b>\$ 3,661</b>	<b>\$ 40,817</b>	<b>-91%</b>
Pro Forma fully exchanged, diluted weighted average shares outstanding	76,169	75,715	1%	78,139	75,750	3%
<b>Adjusted Pro Forma net (loss) income per fully exchanged, fully diluted weighted average shares outstanding</b>	<b>\$ (0.02)</b>	<b>\$ 0.31</b>	<b>-106%</b>	<b>\$ 0.05</b>	<b>\$ 0.54</b>	<b>-100%</b>

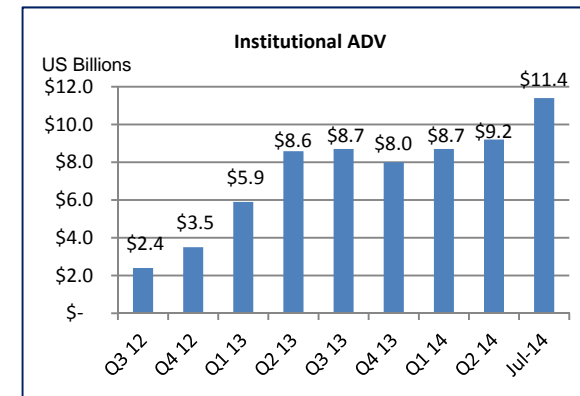
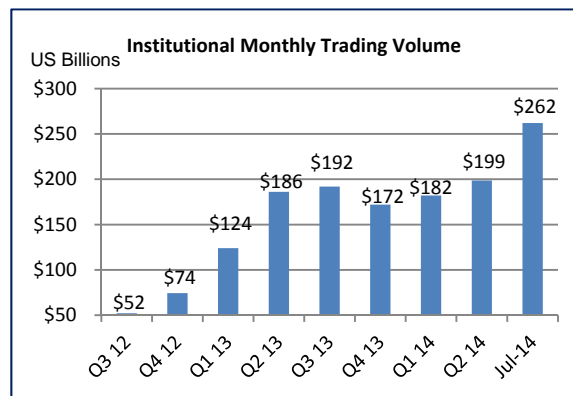
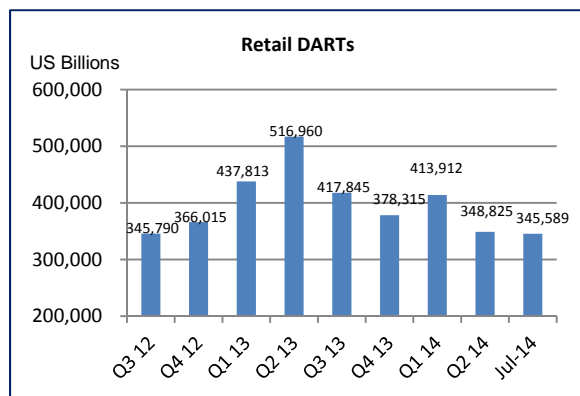
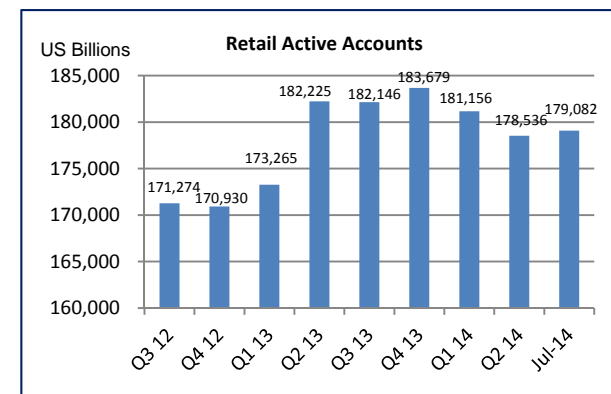
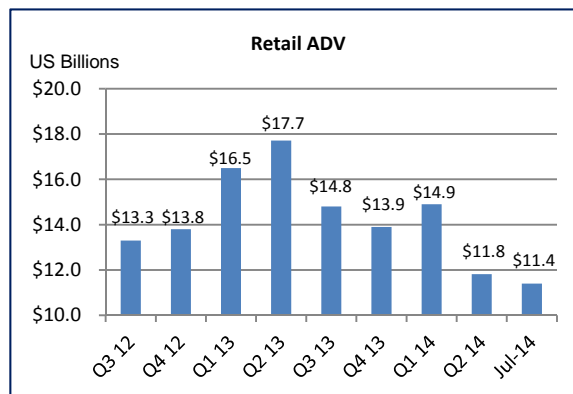
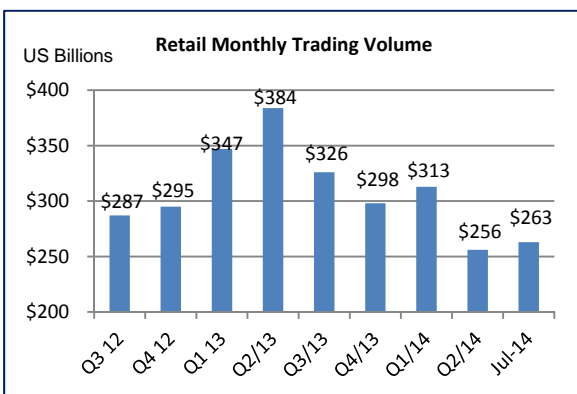
# Balance Sheet

As of June 30, 2014 and December 31, 2013 (Condensed)



	(Unaudited) June 30, 2014	December 31, 2013	\$ Change
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 348,763	\$ 365,245	\$ (16,482)
Cash and cash equivalents, held for customers	1,312,270	1,190,880	121,390
Trading securities	614	-	614
Due from brokers	24,357	5,450	18,907
Other current assets	30,776	31,716	(940)
Total current assets	<u>1,716,780</u>	<u>1,593,291</u>	<u>123,489</u>
Office, communication and computer equipment, net	50,654	49,165	1,489
Goodwill and intangible assets, net	398,160	384,649	13,511
Other assets	210,356	196,842	13,514
<b>Total assets</b>	<b><u>\$ 2,375,950</u></b>	<b><u>\$ 2,223,947</u></b>	<b><u>\$ 152,003</u></b>
<b>Liabilities and Equity</b>			
Current liabilities			
Customer account liabilities	\$ 1,312,270	\$ 1,190,880	\$ 121,390
Due to brokers	15,699	8,652	7,047
Credit Agreement	25,000	-	25,000
Notes payable	7,460	9,800	(2,340)
Other current liabilities	75,347	88,285	(12,938)
Total current liabilities	<u>1,435,776</u>	<u>1,297,617</u>	<u>138,159</u>
Senior convertible notes	148,900	146,303	2,597
Other liabilities	146,553	144,646	1,907
<b>Total liabilities</b>	<u>1,731,229</u>	<u>1,588,566</u>	<u>142,663</u>
<b>Commitments and Contingencies</b>			
<b>Stockholders' Equity</b>			
Total stockholders' equity FXCM Inc.	264,000	256,882	7,118
Non-controlling interests	380,721	378,499	2,222
<b>Total stockholders' equity</b>	<u>644,721</u>	<u>635,381</u>	<u>9,340</u>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 2,375,950</u></b>	<b><u>\$ 2,223,947</u></b>	<b><u>\$ 152,003</u></b>

# July 2014 Operating Metrics



\* Definitions of certain operating metrics are available in the appendix to this presentation.

- **Historically depressed trading environment**
- **Continued success in drawing large customers – showing strong customer equity growth despite the low volatility and low interest rates**
- **Institutional business gaining market share**
- **We remain optimistic on acquisitions in 2014**
- **Focus has been on cost containment – however, if environment persists & M&A does not materialize then meaningful cost reductions will be initiated**

# Appendix

# Operating Metrics



	Three Months Ended											
	<u>June 30, 2014</u>	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>September 30, 2013</u>	<u>June 30, 2013</u>	<u>March 31, 2013</u>	<u>December 31, 2012</u>	<u>September 30, 2012</u>	<u>June 30, 2012</u>	<u>March 31, 2012</u>	<u>December 31, 2011</u>	<u>September 30, 2011</u>
	(Dollars in thousands, except as noted)											
Net Tradable Account Additions <sup>(1)</sup>	19,102	1,133	(858)	(2,010)	(4,631)	5,412	(12,177)	(2,717)	8,401	2,104	23,287	181
Total Tradable Accounts <sup>(2)</sup>	208,365	189,263	188,130	188,988	190,998	195,629	190,217	202,394	205,111	196,710	194,606	171,319
Total Active Accounts <sup>(3)</sup>	178,536	181,156	183,679	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)	769	936	895	980	1,152	1,041	886	861	869	985	973	1,042
Trading Days in Period	65	63	64	66	65	63	64	65	65	65	65	66
Daily Average Trades	348,825	413,912	378,315	417,845	516,960	437,813	366,015	345,790	367,051	379,289	423,413	438,599
Daily Average Trades per Active Account <sup>(4)</sup>	2.0	2.3	2.1	2.3	2.8	2.5	2.1	2.0	2.1	2.2	2.7	2.8
Retail Trading Revenue per Million Traded	\$96	\$88	\$93	\$89	\$90	\$88	\$95	\$99	\$90	\$94	\$98	\$93
Total Customer Equity (dollars in millions)	\$1,312.3	\$1,245.3	\$1,190.9	\$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	305	373	384	462	519	476	401	421	387	490	\$459	\$461
-EMEA	285	336	305	293	360	311	283	260	275	272	271	316
-United States	101	118	97	123	148	138	86	92	101	95	112	124
-Rest of World	78	109	108	101	124	116	116	89	106	128	131	141
<b>Total</b>	<b>\$768</b>	<b>\$936</b>	<b>\$895</b>	<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 – 3 Months Ended June 30, 2014 and 2013



(000's except per share amounts, unaudited)

	Three Months Ended June 30,					
	2014			2013		
	As Reported	Adjustments	Adjusted Pro Forma	As Reported	Adjustments	Adjusted Pro Forma
<b>Revenues</b>						
Retail trading revenue	\$ 73,736	\$ -	\$ 73,736	\$104,068	\$ -	\$104,068
Institutional trading revenue	21,787	-	21,787	31,792	-	31,792
Trading revenue	95,523	-	95,523	135,860	-	135,860
Interest income	693	-	693	670	-	670
Brokerage interest expense	(164)	-	(164)	(69)	-	(69)
Net interest income	529	-	529	601	-	601
Other income	1,875	-	1,875	3,672	-	3,672
<b>Total net revenues</b>	<b>97,927</b>	<b>-</b>	<b>97,927</b>	<b>140,133</b>	<b>-</b>	<b>140,133</b>
<b>Operating Expenses</b>						
Compensation and benefits	28,821	(2,232) <sup>(2)</sup>	26,589	26,587	(2,058) <sup>(2)</sup>	24,529
Allocation of net income to Lucid members for services provided	2,315	(2,315) <sup>(4)</sup>	-	15,004	(15,004) <sup>(4)</sup>	-
Total compensation and benefits	31,136	(4,547)	26,589	41,591	(17,062)	24,529
Referring broker fees	16,495	-	16,495	22,422	-	22,422
Advertising and marketing	7,084	-	7,084	6,157	-	6,157
Communication and technology	12,031	-	12,031	9,765	-	9,765
Trading costs, prime brokerage and clearing fees	8,030	-	8,030	8,961	-	8,961
General and administrative	15,611	(1,544) <sup>(6)</sup>	14,067	13,423	-	13,423
Depreciation and amortization	13,122	-	13,122	12,481	-	12,481
Total operating expenses	103,509	(6,091)	97,418	114,800	(17,062)	97,738
<b>Total operating (loss) income</b>	<b>(5,582)</b>	<b>6,091</b>	<b>509</b>	<b>25,333</b>	<b>17,062</b>	<b>42,395</b>
Loss on equity method investments, net	224	-	224	397	-	397
Interest on borrowings	3,096	-	3,096	1,290	-	1,290
<b>(Loss) Income before income taxes</b>	<b>(8,902)</b>	<b>6,091</b>	<b>(2,811)</b>	<b>23,646</b>	<b>17,062</b>	<b>40,708</b>
Income tax (benefit) provision	(747)	23 <sup>(8)</sup>	(724)	6,390	2,975 <sup>(8)</sup>	9,365
<b>Net (loss) income</b>	<b>(8,155)</b>	<b>6,068</b>	<b>(2,087)</b>	<b>17,256</b>	<b>14,087</b>	<b>31,343</b>
Net (loss) income attributable to non-controlling interest in FXCM Holdings, LLC	(2,209)	2,209 <sup>(9)</sup>	-	14,093	(14,093) <sup>(9)</sup>	-
Net (loss) income attributable to other non-controlling interests	(2,868)	2,315 <sup>(10)</sup>	(553)	(6,961)	15,004 <sup>(10)</sup>	8,043
Net (loss) income attributable to FXCM Inc.	<b>\$ (3,078)</b>	<b>\$ 1,544</b>	<b>\$ (1,534)</b>	<b>\$ 10,124</b>	<b>\$ 13,176</b>	<b>\$ 23,300</b>
Diluted weighted average shares outstanding as reported and pro forma fully exchanged, fully diluted weighted average shares outstanding	<b>40,287</b>		<b>76,169<sup>(11)</sup></b>	<b>31,829</b>		<b>75,715<sup>(11)</sup></b>
Diluted net (loss) income per share as reported and adjusted pro forma net (loss) income per fully exchanged, fully diluted weighted average shares outstanding	<b>\$ (0.08)</b>		<b>\$ (0.02)</b>	<b>\$ 0.32</b>		<b>\$ 0.31</b>

\* See footnotes following



# Reconciliation of Adjusted Pro Forma Results to U.S. GAAP – 6 Months Ended June 30, 2014 and 2013



(000's except per share amounts, unaudited)

	Six Months Ended June 30,					
	2014			2013		
	As Reported	Adjustments	Adjusted Pro Forma	As Reported	Adjustments	Adjusted Pro Forma
<b>Revenues</b>						
Retail trading revenue	\$156,396	\$ -	\$156,396	\$195,322	\$ -	\$195,322
Institutional trading revenue	47,937	-	47,937	59,348	-	59,348
Trading revenue	204,333	-	204,333	254,670	-	254,670
Interest income	1,256	-	1,256	1,349	-	1,349
Brokerage interest expense	(260)	-	(260)	(124)	-	(124)
Net interest income	996	-	996	1,225	-	1,225
Other income	7,606	(3,672) <sup>(1)</sup>	3,934	7,102	-	7,102
<b>Total net revenues</b>	<b>212,935</b>	<b>(3,672)</b>	<b>209,263</b>	<b>262,997</b>	<b>-</b>	<b>262,997</b>
<b>Operating Expenses</b>						
Compensation and benefits	58,711	(4,406) <sup>(3)</sup>	54,305	50,120	(4,121) <sup>(2)</sup>	45,999
Allocation of net income to Lucid members for services provided	5,288	(5,288) <sup>(4)</sup>	-	15,004	(15,004) <sup>(4)</sup>	-
Total compensation and benefits	63,999	(9,694)	54,305	65,124	(19,125)	45,999
Referring broker fees	35,617	-	35,617	43,772	-	43,772
Advertising and marketing	13,581	-	13,581	13,508	-	13,508
Communication and technology	24,250	(206) <sup>(5)</sup>	24,044	18,120	-	18,120
Trading costs, prime brokerage and clearing fees	16,236	-	16,236	16,899	-	16,899
General and administrative	31,679	(4,744) <sup>(7)</sup>	26,935	25,894	-	25,894
Depreciation and amortization	25,752	-	25,752	24,455	-	24,455
Total operating expenses	211,114	(14,644)	196,470	207,772	(19,125)	188,647
<b>Total operating income</b>	<b>1,821</b>	<b>10,972</b>	<b>12,793</b>	<b>55,225</b>	<b>19,125</b>	<b>74,350</b>
Loss on equity method investments, net	534	-	534	545	-	545
Interest on borrowings	6,093	-	6,093	2,107	-	2,107
<b>(Loss) Income before income taxes</b>	<b>(4,806)</b>	<b>10,972</b>	<b>6,166</b>	<b>52,573</b>	<b>19,125</b>	<b>71,698</b>
Income tax provision	504	950 <sup>(8)</sup>	1,454	14,349	4,611 <sup>(8)</sup>	18,960
<b>Net (loss) income</b>	<b>(5,310)</b>	<b>10,022</b>	<b>4,712</b>	<b>38,224</b>	<b>14,514</b>	<b>52,738</b>
Net income attributable to non-controlling interest in FXCM Holdings, LLC	218	(218) <sup>(9)</sup>	-	24,323	(24,323) <sup>(9)</sup>	-
Net (loss) income attributable to other non-controlling interests	(4,527)	5,578 <sup>(10)</sup>	1,051	(3,083)	15,004 <sup>(10)</sup>	11,921
Net (loss) income attributable to FXCM Inc.	\$ (1,001)	\$ 4,662	\$ 3,661	\$ 16,984	\$ 23,833	\$ 40,817
Diluted weighted average shares outstanding as reported and pro forma fully exchanged, fully diluted weighted average shares outstanding	37,793		78,139 <sup>(11)</sup>	30,759		75,750 <sup>(11)</sup>
Diluted net (loss) income per share as reported and adjusted pro forma net income per fully exchanged, fully diluted weighted average shares outstanding	\$ (0.03)		\$ 0.05	\$ 0.55		\$ 0.54

\* See footnotes following

# Reconciliation of Adjusted Pro Forma Results to U.S. GAAP – 3 & 6 Months Ended June 30, 2014 and 2013 (footnotes)



(000's except per share amounts, unaudited)

- (1) Represents the elimination of a \$3.7 million benefit recorded to reduce the contingent consideration related to the Faros acquisition.
- (2) Represents the elimination of IPO stock-based compensation.
- (3) Represents the elimination of \$4.1 million of IPO stock-based compensation and \$0.3 million of compensation cost related to the V3 Markets, LLC ("V3") acquisition.
- (4) Represents the reclassification of the 49.9% of Lucid's earnings allocated among the non-controlling interests recorded as compensation for U.S. GAAP purposes to Net (loss) income attributable to other non-controlling interests.
- (5) Represents the elimination of V3 acquisition costs.
- (6) Represents \$0.2 million to eliminate costs associated with regulatory settlements and a \$1.3 million charge related to a put option payment for Online Courses.
- (7) Represents the elimination of \$0.7 million of V3 acquisition costs, \$2.7 million to eliminate costs associated with regulatory settlements and a \$1.3 million charge related to a put option payment for Online Courses.
- (8) Represents an adjustment to reflect the assumed effective corporate tax rate of approximately 25.8% and 23.0% for the three months ended June 30, 2014 and 2013, respectively, and 23.6% and 26.4% for the six months ended June 30, 2014 and June 30, 2013, respectively, which includes a provision for U.S. federal income taxes and assumes the highest statutory rates apportioned to each state, local and/or foreign jurisdiction. The adjustment assumes full exchange of existing unitholders FXCM Holdings, LLC ("Holdings") units for shares of Class A common stock of the Company and reflects the tax effect of any proforma adjustments.
- (9) 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.
- (10) Represents the reclassification of the 49.9% of Lucid's earnings allocated among the non-controlling interests recorded as compensation for U.S. GAAP purposes to Net (loss) income attributable to other non-controlling interests and the impact of other proforma adjustments impacting non-controlling interests.
- (11) Diluted shares assuming all unitholders had fully exchanged their Holdings units for shares of Class A common stock of the Company.

# Reconciliation of Non-GAAP Measures to Nearest GAAP Results – 3 and 6 Months Ended June 30, 2014 and 2013



(000's except per share amounts, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
<b>GAAP Net (loss) income attributable to FXCM Inc.</b>	<b>\$ (3,078)</b>	<b>\$ 10,124</b>	<b>\$ (1,001)</b>	<b>\$ 16,984</b>
Contingent Consideration - Faros Follow-On Payment	-	-	(3,672) <sup>(1)</sup>	-
IPO Stock Options	2,232 <sup>(2)</sup>	2,058 <sup>(2)</sup>	4,134 <sup>(2)</sup>	4,121 <sup>(2)</sup>
V3 Acquisition related costs	-	-	1,213 <sup>(3)</sup>	-
On-line Courses put option payment	1,297 <sup>(8)</sup>	-	1,297 <sup>(8)</sup>	-
Regulatory fees and fines	247 <sup>(4)</sup>	-	2,712 <sup>(4)</sup>	-
Non-Controlling interest adjustment related to the above adjustments	-	-	(290)	-
FXCM Holdings Conversion	(2,209) <sup>(6)</sup>	14,093 <sup>(6)</sup>	218 <sup>(6)</sup>	24,323 <sup>(6)</sup>
Tax adjustments related to the above	(23) <sup>(5)</sup>	(2,975) <sup>(5)</sup>	(950) <sup>(5)</sup>	(4,611) <sup>(5)</sup>
<b>Non GAAP Adjusted Proforma Net (Loss) Income</b>	<b>\$ (1,534)</b>	<b>\$ 23,300</b>	<b>\$ 3,661</b>	<b>\$ 40,817</b>
All other stock compensation	1,256	1,232	2,566	2,398
Amortization of intangibles	7,387	6,969	14,368	13,996
Amortization of debt discount	1,302	390	2,597	390
Non-Controlling interest adjustment related to the above adjustments	(3,358)	(3,029)	(6,642)	(6,058)
Tax adjustments related to the above	(1,596) <sup>(5)</sup>	(1,189) <sup>(5)</sup>	(2,415) <sup>(5)</sup>	(2,579) <sup>(5)</sup>
<b>Non GAAP Adjusted Proforma Net Income excluding other stock compensation and amortization</b>	<b>\$ 3,457</b>	<b>\$ 27,673</b>	<b>\$ 14,135</b>	<b>\$ 48,964</b>
<b>GAAP Weighted average Class A shares outstanding - Diluted</b>	<b>40,287</b>	<b>31,829</b>	<b>37,793</b>	<b>30,759</b>
FXCM Holdings Conversion	35,882 <sup>(7)</sup>	43,886 <sup>(7)</sup>	40,346 <sup>(7)</sup>	44,991 <sup>(7)</sup>
<b>Non GAAP Weighted average Proforma shares outstanding - Diluted</b>	<b>76,169</b>	<b>75,715</b>	<b>78,139</b>	<b>75,750</b>
<b>GAAP Net (Loss) Income per Class A Share -Diluted</b>	<b>\$ (0.08)</b>	<b>\$ 0.32</b>	<b>\$ (0.03)</b>	<b>\$ 0.55</b>
<b>Non GAAP Adjusted Proforma Net (Loss) Income per Proforma Share - Diluted</b>	<b>\$ (0.02)</b>	<b>\$ 0.31</b>	<b>\$ 0.05</b>	<b>\$ 0.54</b>
<b>Non GAAP Adjusted Proforma Net Income excluding other stock compensation and amortization per Proforma Share - Diluted</b>	<b>\$ 0.05</b>	<b>\$ 0.37</b>	<b>\$ 0.18</b>	<b>\$ 0.65</b>

# Reconciliation of Non-GAAP Measures to Nearest GAAP Results – 3 & 6 Months Ended June 30, 2014 and 2013

(footnotes) (000's except per share amounts, unaudited)



- (1) Represents the elimination of a \$3.7 million benefit recorded to reduce the contingent consideration related to the Faros acquisition.
- (2) Represents the elimination of stock-based compensation associated with the IPO.
- (3) Represents the elimination of V3 acquisition costs.
- (4) Represents the net expense relating to pre-August 2010 trade execution practices and other regulatory fees and fines.
- (5) Represents an adjustment to reflect the assumed effective corporate tax rate of approximately 25.8% and 23.0% for the three months ended June 30, 2014 and 2013, respectively, and 23.6% and 26.4% for the six months ended June 30, 2014 and June 30, 2013, respectively, which includes a provision for U.S. federal income taxes and assumes the highest statutory rates apportioned to each state, local and/or foreign jurisdiction. The adjustment assumes full exchange of existing unitholders FXCM Holdings, LLC ("Holdings") units for shares of Class A common stock of the Company and reflects the tax effect of any proforma adjustments.
- (6) 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.
- (7) Diluted shares assuming all unitholders had fully exchanged their Holdings units for shares of Class A common stock of the Company.
- (8) Represents \$1.3 million charge related to a put option payment for Online Courses.

## As of 6/30/14:

- FXCM effectively has 81.7 million shares outstanding (45.9 million shares outstanding at FXCM Inc. and 35.8 million FXCM Holdings LLC units exchangeable 1-1 into FXCM Inc. Class A shares)
  - FXCM Inc. owns 56.2% of FXCM Holdings LLC
  - At \$14.96 closing price on 6/30/14 would imply a market capitalization of \$1.2 billion