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# Citi Asset Management, Broker Dealer & Exchanges Investor Conference

March 12, 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.

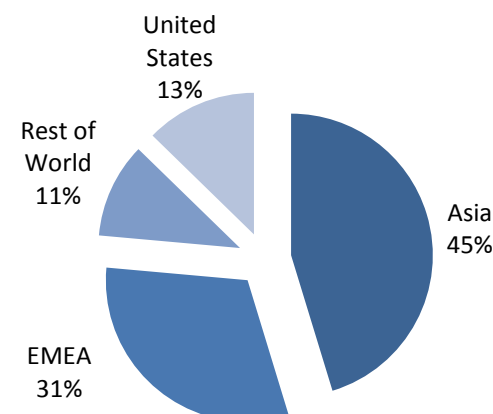
# About FXCM



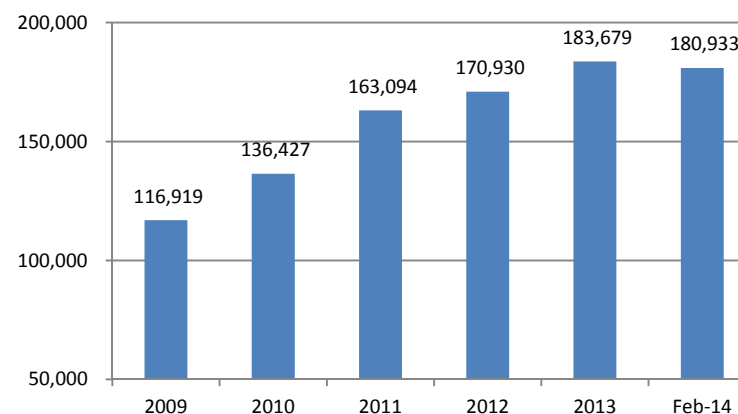
- Founded in 1999 by six Partners
  - Largest retail FX broker in Asia and the U.S.
- Multi-asset class product offering
  - OTC Spot FX, OTC precious metals<sup>(1)</sup>, oil, commodity and equity-index CFD's<sup>(1)(2)</sup>
- Two main revenue streams
  - Retail - agent between retail clients and large FX market makers and earns a spread on trading volume (77% of Q4'13 revenues)
  - Institutional - institutional agency-based business, targeted toward banks, hedge funds, corporations and other institutional money managers (23% of Q4'13 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 45% of the business

## Business by Geography (2013)

Volume by Geography



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



## Public Market and Financial Overview

Share Price (03/07/13)	\$16.21	Company Cash (12/31/13)	\$365
		(\$mm)	
FXCM Inc. Shares		Debt (12/31/13) (\$mm)	\$156
O/S (12/31/13) (mm)	44.7		
FXCM Holdings Units Fully		Adj. Pro Forma EBITDA <sup>(4)</sup>	\$158
Exchangable (6/30/13)	36.8	(\$mm)	
Total Fully Exchanged		Market Capitalization Less	7.0
Shares O/S (6/30/13)	81.5	Net Cash / LTM Adj. Pro Forma	
		EBITDA <sup>(4)</sup>	
Market Capitalization (\$mm)	\$1,321		

(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.

# Our Major Business Segments



*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>*

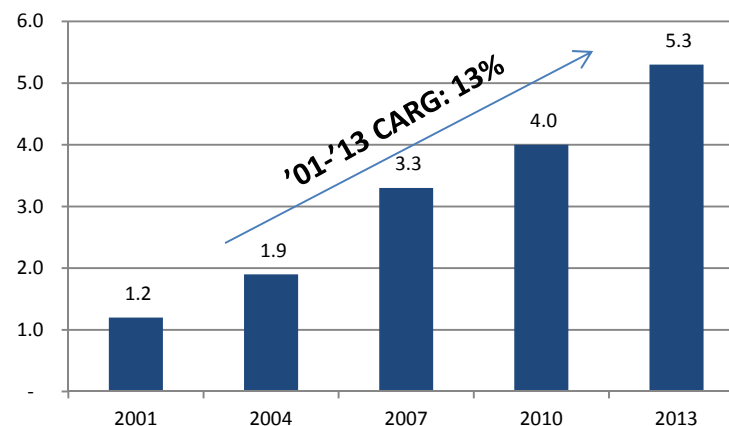
## Retail

- 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



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

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

# Superior, Stable, Low Risk Business Model

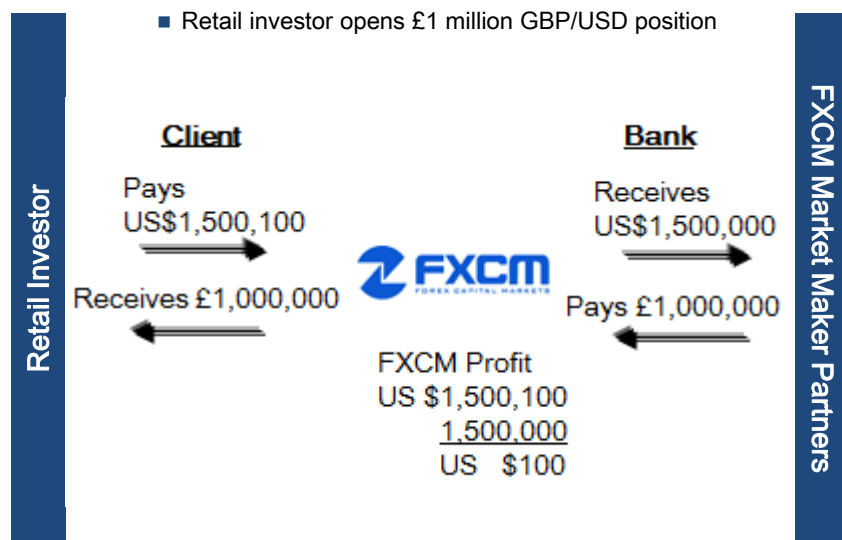


- Dominant business in retail FX is the principal or market making model
  - Subject to principal risk on client trades and greater volatility
  - Capital intensive via greater capital requirements
- FXCM made a strategic decision to adopt agency model in 2007
  - Focus on technology and objective to 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.

# Industry Leading Technology Platform Gives Us a Powerful Competitive Advantage



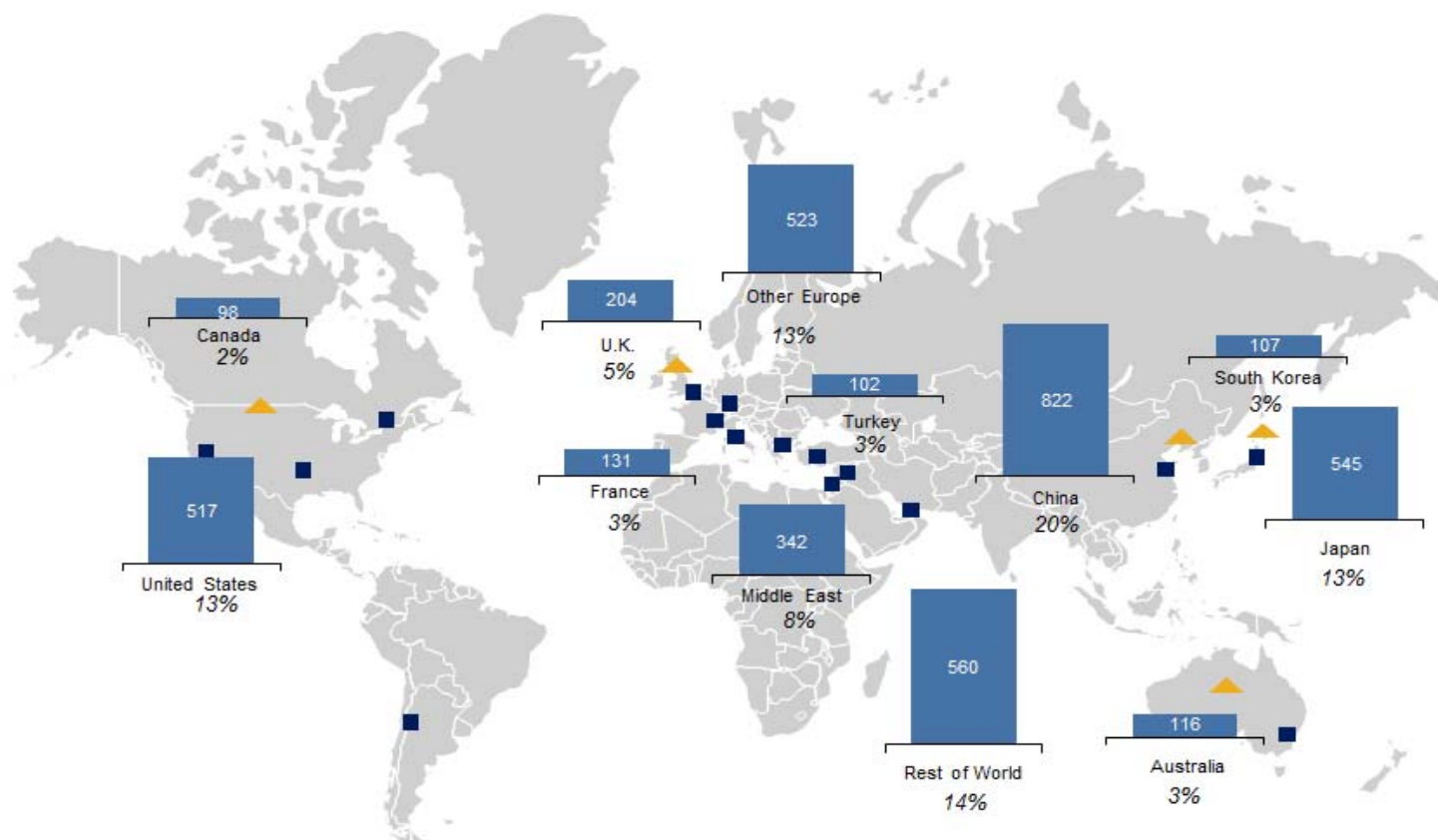
## Competitive Advantage From a Robust Trading Platform

- 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

Note: Percentages represent percentage of total global FXCM retail volume for the year ended 12/31/13.



# Significant Growth Potential



## 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

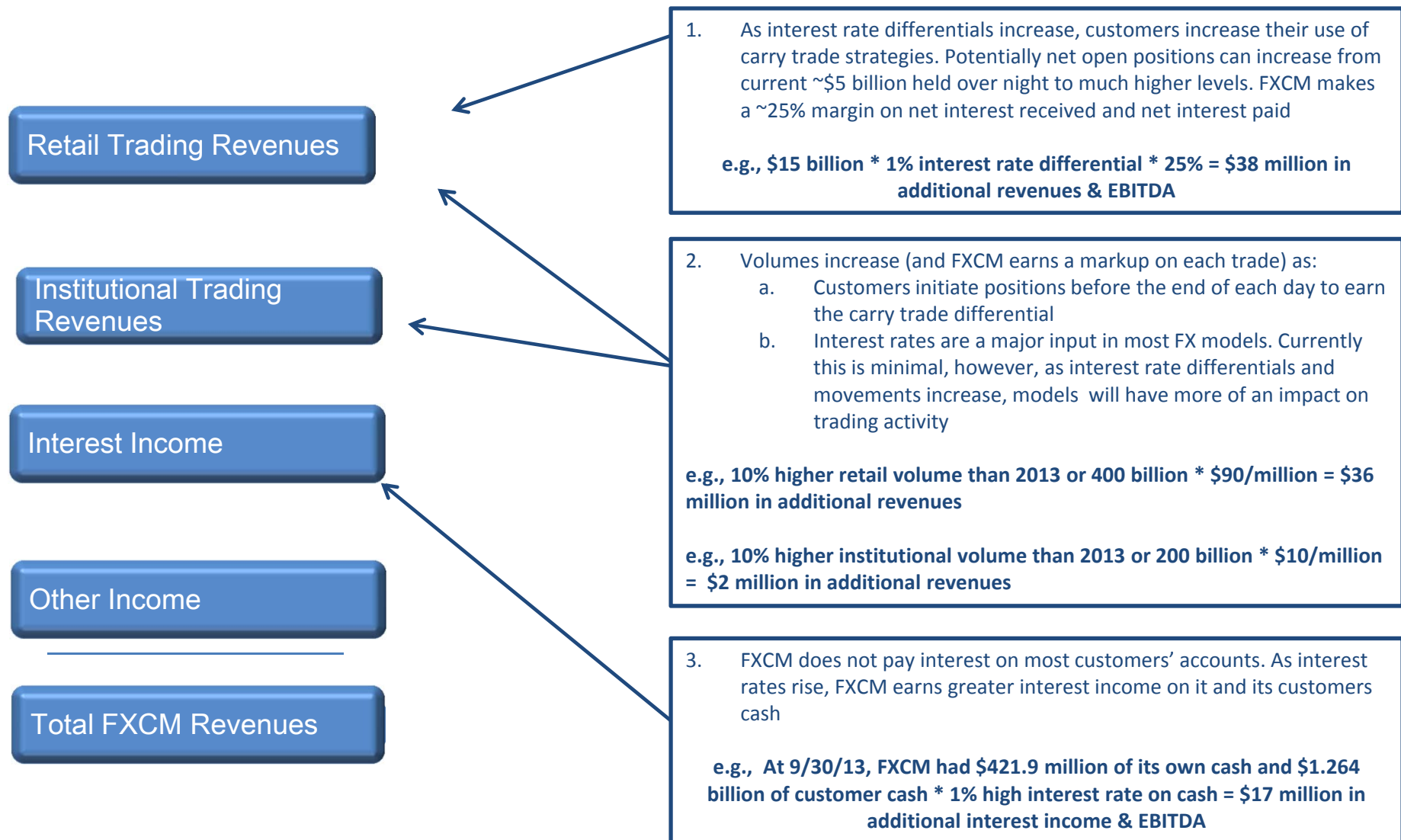
## Liberalizing Emerging Markets

- 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



# Opportunities for 2014

## Broadening of Lucid Offering



- FXCM has now closed on the purchase of selected assets of Infinium
- Lucid principals to take 49.9% stake in a new JV called V3 Markets
- New operation will combine the algorithmic strategies of Lucid to a broader array of instruments
- Lucid should benefit from having a high speed network
- After cost cutting and reducing number of trading desks moved to V3, expect to be cash flow positive with a modest contribution in first half 2014 and more meaningful in the second half 2014
- Many OTC derivatives in FX such as options, NDFs and forwards are migrating to exchanges due to Dodd Frank / Basel 3
  - Until now controlled by banks, represents a significant opportunity for a leading non-bank market maker such as Lucid

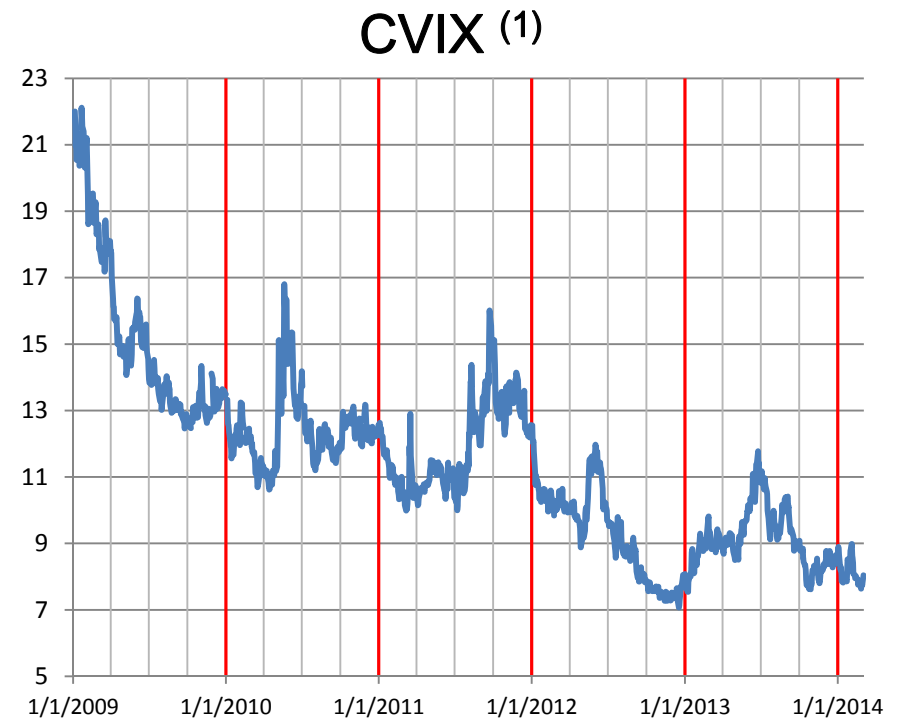
# Opportunities for 2014

## Expansion of CFD Platform



- FXCM has been developing an agency CFD offering
  - Already migrated metals business
- Expect to launch single share CFDs later this year
- With an agency offering together with single share CFDs in product mix, a potentially significant market
- Additionally, could drive account growth as Europeans favor single accounts with both FX and CFDs
- Size of revenue opportunity in Europe is \$1-2 billion

- Continued regulatory burden and muted trading conditions proving difficult for smaller players as scale becomes even more critical
- M&A pipeline remains robust with price expectations starting to align with realities of market place
- Remain optimistic meaningful M&A will occur in 2014 and if not, expect to reassess capital deployment strategy

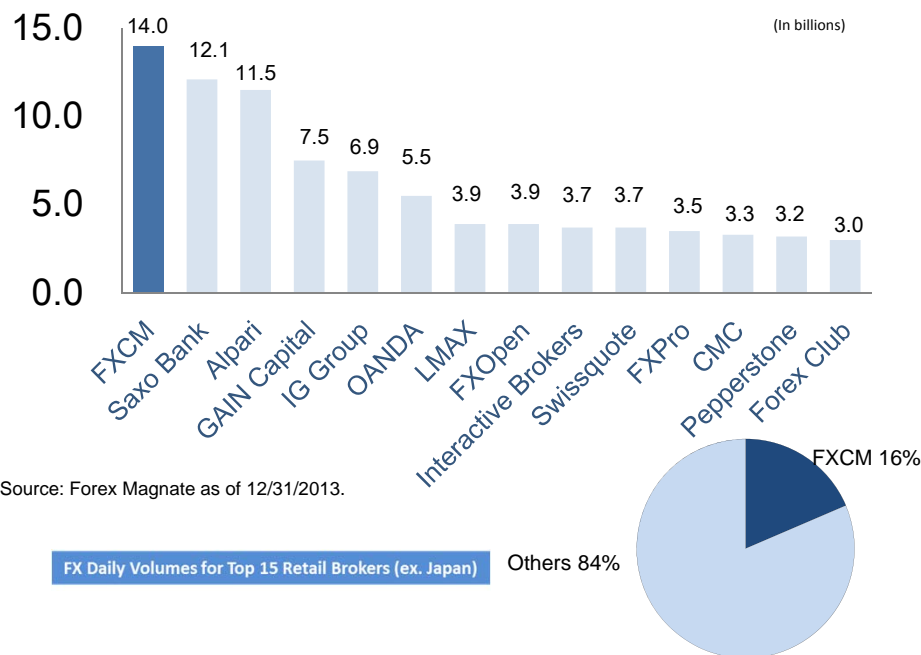


# Skilled and Disciplined Acquiror with Leadership Position



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

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



Source: Forex Magnate as of 12/31/2013.

- 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

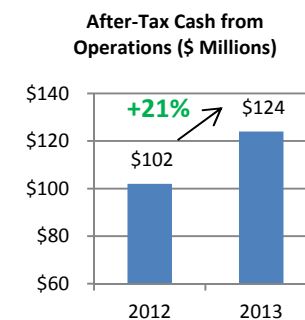
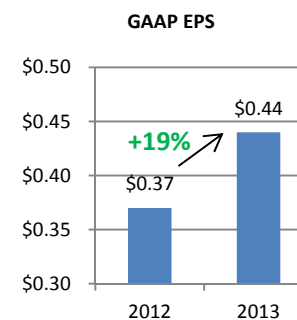
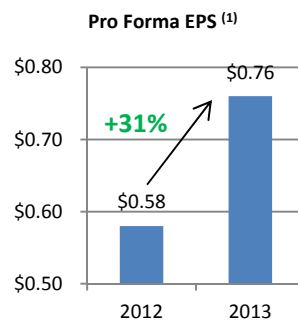
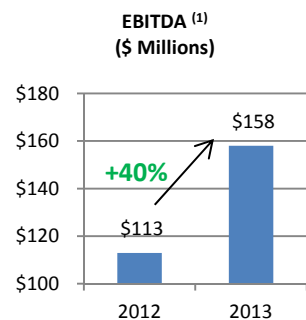
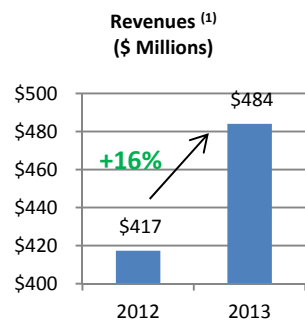
- Four accretive acquisitions since October 2010
  - ODL Group Limited – October 2010
    - #3 player in the UK
    - Strong CFD business
    - Purchased for appx. \$54MM; <4x EBITDA
  - FXCM Japan – March 2011
    - Long-time White Label of FXCM
    - Purchased for \$5MM in cash; <2x EBITDA
  - Foreland 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
  - V3 Markets – February 2014
    - Together with principals of Lucid acquired selected assets of Infinium Capital Holdings LLC and affiliates
    - New venture to be called V3 Markets
    - Purchase price included approx. \$11.9MM owed by Infinium to FXCM and the Lucid principals

# FXCM: Executing its Strategy in 2013

## Full Year Highlights



- 2013 Adjusted Pro Forma Revenues<sup>(1)</sup> of \$483.8 million → +16% from 2012
- 2013 Adjusted Pro Forma EBITDA<sup>(1)</sup> of \$158.0 million → +40% from 2012 and 40% EBITDA margin on net revenues
- 2013 Adjusted Pro Forma EPS of \$0.76/share → + 31% from 2012
- 2013 GAAP EPS of \$0.44/share → + 19% from 2012
- 2013 After-tax cash flow from operations of \$123.6 million → + 21% from 2012



## FXCM Inc. Operating Costs

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

	<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	24.0	23.2	24.5	21.5	21.6	22.0
Marketing Expense	7.3	6.3	6.2	7.4	7.6	7.5
Tech & Comm	10.2	10.1	9.8	8.4	10.5	9.6
Lucid Expense/Trading Costs	7.1	6.8	9.0	7.9	6.7	6.9
G&A	12.5	13.0	13.4	12.5	14.2	12.9
	<u>61.1</u>	<u>59.4</u>	<u>62.8</u>	<u>57.6</u>	<u>60.6</u>	<u>59.0</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

- Continued organic growth across retail and institutional segments despite muted macro environment
- First half 2013 offered a glimpse of the earnings power of FXCM's current platform and its high incremental margins in a more favorable trading environments
- Despite muted conditions in the second half 2013, cash flow generation strong / considerable liquidity available
- A number of initiatives set for 2014 should accelerate organic growth
- We remain optimistic on opportunities to expand platform via accretive acquisitions in 2014

# Appendix

# Operating Metrics



	Three Months Ended									
	December 31, 2013	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 Tradable Account Additions <sup>(1)</sup>	(858)	(2,010)	4,631	5,412	(12,177)	(2,717)	4,401	2,104	23,287	181
Total Tradable Accounts <sup>(2)</sup>	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>	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)	895	980	1,151	1,041	886	861	869	985	973	1,042
Trading Days in Period	64	66	65	63	64	65	65	65	65	66
Daily Average Trades	378,315	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>	2.1	2.3	2.8	2.5	2.1	2.0	2.1	2.2	2.7	2.8
Retail Trading Revenue per Million Traded	\$93	\$89	\$90	\$88	\$95	\$99	\$90	\$94	\$98	\$93
Total Customer Equity (dollars in millions)	\$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	384	462	519	476	401	421	387	490	\$ 459	\$ 461
-EMEA	305	293	360	311	283	260	275	272	271	316
-United States	97	123	148	138	86	92	101	95	112	124
-Rest of World	<u>108</u>	<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>\$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 – Year Ended December 31, 2013



(000's except per share amounts, unaudited)

**FXCM Inc.**  
**Adjusted Pro Forma Consolidated Statement of Operations**  
(In thousands, except per share amounts)  
(Unaudited)

	Year Ended December 31,					
	2013			2012		
	As Reported	Adjustments	Adjusted Pro Forma	As Reported	Adjustments	Adjusted Pro Forma
<b>Revenues</b>						
Retail trading revenue	\$ 365,285	-	\$ 365,285	\$339,685	-	\$339,685
Institutional trading revenue	103,994	-	103,994	62,033	-	62,033
Trading revenue	469,279	-	469,279	401,718	-	401,718
Interest income	2,614	-	2,614	3,571	-	3,571
Brokerage interest expense	(258)	-	(258)	(277)	-	(277)
Net interest income	2,356	-	2,356	3,294	-	3,294
Other operating income	17,953	(5,750) <sup>(8)</sup>	12,203	12,303	-	12,303
<b>Total net revenues</b>	<b>489,588</b>	<b>(5,750)</b>	<b>483,838</b>	<b>417,315</b>	<b>-</b>	<b>417,315</b>
<b>Operating Expenses</b>						
Compensation and benefits	105,470	(12,289) <sup>(1)</sup>	93,181	105,779	(21,475) <sup>(5)</sup>	84,304
Allocation of income to Lucid members for services provided	21,290	(21,290) <sup>(2)</sup>	-	-	-	-
Total compensation and benefits	126,760	(33,579)	93,181	105,779	(21,475)	84,304
Referring broker fees	84,231	-	84,231	76,585	-	76,585
Advertising and marketing	27,091	-	27,091	30,860	-	30,860
Communication and technology	38,441	-	38,441	37,113	-	37,113
Trading costs, prime brokerage and clearing fees	30,821	-	30,821	16,935	-	16,935
General and administrative	68,230	(16,908) <sup>(6)</sup>	51,322	63,043	(4,426) <sup>(9)</sup>	58,617
Depreciation and amortization	53,729	(3,454) <sup>(10)</sup>	50,275	36,773	-	36,773
Total operating expenses	429,303	(53,941)	375,362	367,088	(25,901)	341,187
<b>Total operating income</b>	<b>60,285</b>	<b>48,191</b>	<b>108,476</b>	<b>50,227</b>	<b>25,901</b>	<b>76,128</b>
Loss on equity method investments, net	752	-	752	-	-	-
Interest on borrowings	7,673	-	7,673	2,763	-	2,763
<b>Income before income taxes</b>	<b>51,860</b>	<b>48,191</b>	<b>100,051</b>	<b>47,464</b>	<b>25,901</b>	<b>73,365</b>
Income tax provision	17,024	8,783 <sup>(3)</sup>	25,807	8,986	15,403 <sup>(3)</sup>	24,389
<b>Net income</b>	<b>34,836</b>	<b>39,408</b>	<b>74,244</b>	<b>38,478</b>	<b>10,498</b>	<b>48,976</b>
Net income attributable to non-controlling interest in FXCM Holdings, LLC	24,850	(24,850) <sup>(4)</sup>	-	23,131	(23,131) <sup>(4)</sup>	-
Net income (loss) attributable to other non-controlling interests	(4,846)	21,290 <sup>(2)</sup>	16,444	6,389	-	6,389
Net income attributable to FXCM Inc.	\$ 14,832	\$ 42,968	\$ 57,800	\$ 8,958	\$ 33,629	\$ 42,587
Diluted weighted average shares outstanding as reported and pro forma fully exchanged, fully diluted weighted average shares outstanding	33,957		76,361 <sup>(7)</sup>	24,086		73,896 <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	\$ 0.44		\$ 0.76	\$ 0.37		\$ 0.58

\* See footnotes following

# Reconciliation of Adjusted Pro Forma Results to U.S. GAAP - Year Ended December 31, 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 other non-controlling interests.
- <sup>(3)</sup> Represents an adjustment to reflect an effective corporate tax rate of approximately 25.8% and 33.2% for the years ended December 31, 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 stock-based compensation in connection with the renegotiation and the termination of certain employment contracts in the Company's institutional and retail businesses.
- <sup>(6)</sup> Represents an adjustment to eliminate a reserve established relating to a settlement with UK FCA regarding pre August 2010 trade execution practices.
- <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 the elimination of a \$6.9 million benefit recorded to reduce the initial contingent consideration recorded for the Faros acquisition and the elimination of \$1.2 million of expense attributable to the remeasurement of Due to related parties pursuant to tax receivable agreement relating to the change in our U.S. federal tax rate.
- <sup>(9)</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>(10)</sup> Represents the elimination of an amount related to an impairment adjustment to the carrying value of an electronic foreign exchange options trading platform in the Company's institutional business.

# Reconciliation of Adjusted Pro Forma Results to U.S. GAAP – 3 Months Ended December 31, 2013

(000's except per share amounts, unaudited)



**FXCM Inc.**  
**Adjusted Pro Forma Consolidated Statement of Operations**  
(In thousands, except per share amounts)  
(Unaudited)

	Three Months Ended December 31,					
	2013			2012		
	As Reported	Adjustments	Adjusted Pro Forma	As Reported	Adjustments	Adjusted Pro Forma
<b>Revenues</b>						
Retail trading revenue	\$ 82,989	-	\$ 82,989	\$ 83,852	-	\$ 83,852
Institutional trading revenue	21,790	-	21,790	19,125	-	19,125
Trading revenue	104,779	-	104,779	102,977	-	102,977
Interest income	728	-	728	661	-	661
Brokerage interest expense	(71)	-	(71)	(42)	-	(42)
Net interest income	657	-	657	619	-	619
Other operating income	7,907	(5,750) <sup>(5)</sup>	2,157	4,498	-	4,498
<b>Total net revenues</b>	<b>113,343</b>	<b>(5,750)</b>	<b>107,593</b>	<b>108,094</b>	<b>-</b>	<b>108,094</b>
<b>Operating Expenses</b>						
Compensation and benefits	26,541	(2,553) <sup>(1)</sup>	23,988	24,604	(3,013) <sup>(2)</sup>	21,591
Allocation of net income to Lucid members for services provided	3,290	(3,290) <sup>(6)</sup>	-	-	-	-
Total compensation and benefits	29,831	(5,843)	23,988	24,604	(3,013)	21,591
Referring broker fees	19,750	-	19,750	17,720	-	17,720
Advertising and marketing	7,278	-	7,278	7,594	-	7,594
Communication and technology	10,210	-	10,210	10,522	-	10,522
Trading costs, prime brokerage and clearing fees	7,113	-	7,113	6,748	-	6,748
General and administrative	14,387	(1,908) <sup>(7)</sup>	12,479	14,152	-	14,152
Depreciation and amortization	16,425	(3,454) <sup>(8)</sup>	12,971	12,012	-	12,012
Total operating expenses	104,994	(11,205)	93,789	93,352	(3,013)	90,339
<b>Total operating income</b>	<b>8,349</b>	<b>5,455</b>	<b>13,804</b>	<b>14,742</b>	<b>3,013</b>	<b>17,755</b>
Loss on equity method investments, net	24	-	24	-	-	-
Interest on borrowings	2,697	-	2,697	1,065	-	1,065
<b>Income before income taxes</b>	<b>5,628</b>	<b>5,455</b>	<b>11,083</b>	<b>13,677</b>	<b>3,013</b>	<b>16,690</b>
Income tax provision	231	1,480 <sup>(3)</sup>	1,711	4,130	1,770 <sup>(3)</sup>	5,900
<b>Net income</b>	<b>5,397</b>	<b>3,975</b>	<b>9,372</b>	<b>9,547</b>	<b>1,243</b>	<b>10,790</b>
Net income attributable to non-controlling interest in FXCM Holdings, LLC	3,660	(3,660) <sup>(4)</sup>	-	5,413	(5,413) <sup>(4)</sup>	-
Net income attributable to other non-controlling interests	(1,233)	3,290 <sup>(6)</sup>	2,057	1,136	-	1,136
Net income attributable to FXCM Inc.	\$ 2,970	\$ 4,345	\$ 7,315	\$ 2,998	\$ 6,656	\$ 9,654
Diluted weighted average shares outstanding as reported and pro forma fully exchanged, fully diluted weighted average shares outstanding						
	39,055		76,887 <sup>(9)</sup>	27,750		74,935 <sup>(9)</sup>
Diluted net income per share as reported and adjusted pro forma net income per fully exchanged, fully diluted weighted average shares outstanding						
	\$ 0.08		\$ 0.10	\$ 0.11		\$ 0.13

\* See footnotes following

# Reconciliation of Adjusted Pro Forma Results to U.S. GAAP - Quarter Ended December 31, 2013 (Footnotes)



- (1) Represents the elimination of stock-based compensation for stock options granted subsequent to the IPO.
- (2) Represents the elimination of stock-based compensation associated with the IPO, severance and stock-based compensation in connection with the renegotiation of certain employment contracts in the Company's institutional and retail businesses.
- (3) Represents an adjustment to reflect the assumed effective corporate tax rate of approximately 15.4% and 35.4% for the three months ended December 31, 2013 and 2012, 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 of FXCM Holdings, LLC ("Holdings") Units for shares of Class A common stock of the Company and reflects the tax effect of any pro forma adjustments.
- (4) Represents the elimination of the non-controlling interest associated with the ownership by existing unitholders of Holdings Units (excluding FXCM, Inc.), as if the unitholders had fully exchanged their Holdings Units for shares of Class A common stock of the Company.
- (5) Represents the elimination of a \$6.9 million benefit recorded to reduce the initial contingent consideration recorded for the Faros acquisition and the elimination of \$1.2 million of expense attributable to the remeasurement of Due to related parties pursuant to tax receivable agreement relating to the change in our U.S. federal tax rate.
- (6) Represents the reclassification of the 49.9% of Lucid's earnings allocated among the non-controlling members of Lucid based on services provided for U.S. GAAP purposes to Net income attributable to other non-controlling interests.
- (7) Represents an adjustment to eliminate a reserve established relating to a settlement with United Kingdom Financial Conduct Authority ("UK FCA") regarding pre August 2010 trade execution practices.
- (8) Represents the elimination of an amount related to an impairment adjustment to the carrying value of an electronic foreign exchange options trading platform in the Company's institutional business.
- (9) Fully diluted weighted average shares assuming all unitholders had fully exchanged their Holdings units for shares of Class A common stock of the Company.



As of 12/31/13:

- FXCM effectively has 81.5 million shares outstanding (44.7 million shares outstanding at FXCM Inc. and 36.8 million FXCM Holdings LLC units exchangeable 1-1 into FXCM Inc. Class A shares)
  - FXCM Inc. owns 54.8% of FXCM Holdings LLC
  - At \$17.84 closing price on 12/31/13 would imply a market capitalization of \$1.45 billion