

Knight Capital Group, Inc.
Goldman Sachs U.S. Financial Services
Conference

December 8, 2010



Safe Harbor & Regulation G

Safe Harbor

Certain statements contained herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not historical facts and are based on current expectations, estimates and projections about the Company's industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, readers are cautioned that any such forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict including, without limitation, risks associated with changes in market structure, legislative or regulatory rule changes, the costs, integration, performance and operation of businesses recently acquired or developed organically, or that may be acquired in the future, by the Company. Since such statements involve risks and uncertainties, the actual results and performance of the Company may turn out to be materially different from the results expressed or implied by such forward-looking statements. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Unless otherwise required by law, the Company also disclaims any obligation to update its view of any such risks or uncertainties or to announce publicly the result of any revisions to the forward-looking statements made herein. Readers should carefully review the risks and uncertainties disclosed in the Company's reports with the U.S. Securities and Exchange Commission (SEC), including, without limitation, those detailed under the headings "Certain Factors Affecting Results of Operations" and "Risk Factors" in the Company's Annual Report on Form 10-K for the year-ended December 31, 2009, "Risk Factors" in the Company's Quarterly Report on Form 10-Q for the quarter-ended March 31, 2010, and in other reports or documents the Company files with, or furnishes to, the SEC from time to time. This information should also be read in conjunction with the Company's Consolidated Financial Statements and the Notes thereto contained in the Company's Annual Report on Form 10-K for the year-ended December 31, 2009, and in other reports or documents the Company files with, or furnishes to, the SEC from time to time.

Regulation G

In an effort to provide investors with additional information regarding the Company's results as determined by generally accepted accounting principles (GAAP), the Company also discloses certain non-GAAP information which management believes provides useful information to investors. Within this presentation, the Company has disclosed its pre-tax operating income amounts before discontinued operations, operations of Direct Edge ECN and lease loss charges and benefits to assist the participant in understanding the impact of these items on the Company's financial results, which management believes will facilitate more useful period-to-period comparisons of the Company's businesses.

Website Disclosure

We intend to use our website, www.knight.com, as a means for disclosing material non-public information and for complying with SEC Regulation FD and other disclosure obligations.

A Growing, Global Financial Services Firm



Knight's Development Since 1995

Founding

- A NASDAQ market-maker for discount brokers

Equities

- Expanded sell-side client base
- Established trading capabilities for buy-side firms
- Deepened liquidity across the U.S. equities market
- Knight grew into the **#1 source of advertised U.S. equity liquidity*** among securities firms*

Technology

- Transitioned from manual to electronic market-making
- Invested in trading technology to increase connectivity, capacity, efficiency and reliability
- Developed electronic trading offerings for buy- and sell-side firms
- Added intellectual capital to develop principal trading capabilities

Asset Classes

- Added fixed income for buy- and sell-side firms
- Added foreign exchange for buy-side firms
- Added options for buy- and sell-side firms

Global Presence

- Expanded buy- and sell-side capabilities in Europe
- Established buy-side capabilities in the Asia-Pacific region

Research

- Enhanced research offering to include Capital Structure research

Capital Markets

- Established Capital Markets team
- Formed alliance with investment bank Houlihan Lokey

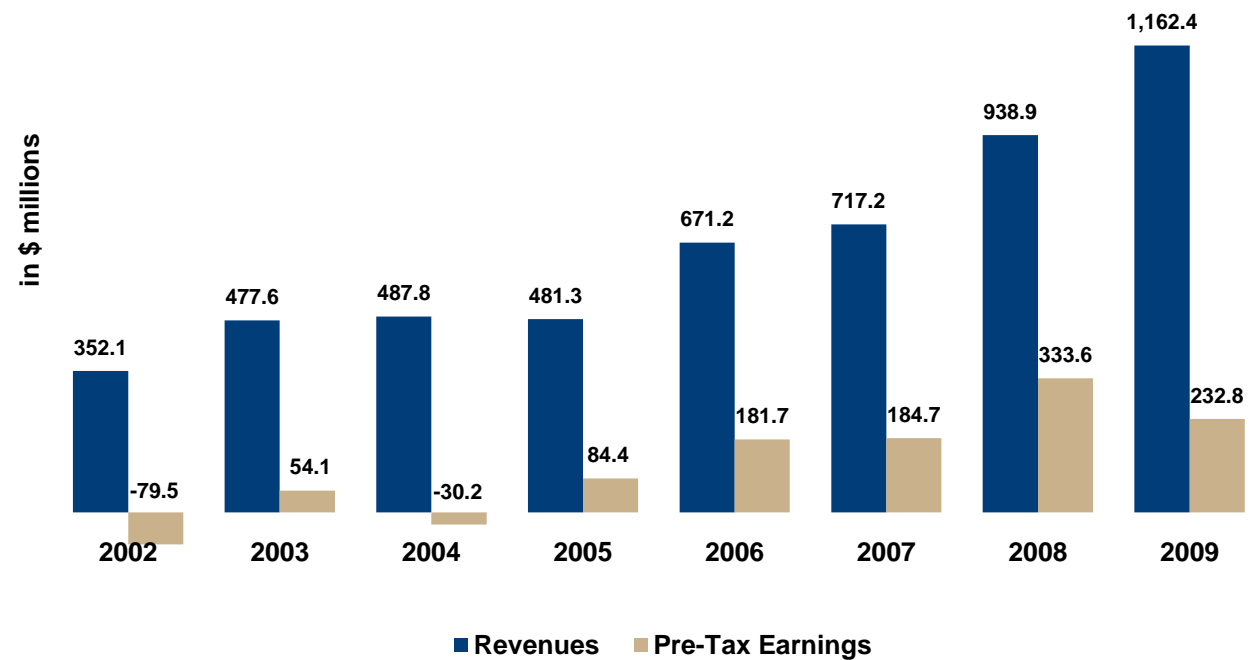
Asset Management

- Acquired Astor Asset Management

* Source: AutEx advertised trade volume for the full year 2009 through the first three quarters of 2010.

Results from Continuing Operations Since 2002

Revenues increased at a CAGR of 18.6%* while pre-tax earnings rose at a CAGR of 27.5%**



* CAGR from 2002 to 2009; ** CAGR from 2003 to 2009

Equities Market-Making

Our deep liquidity provides the foundation for the execution quality our clients demand.

Primary Dimensions of the Client Experience

- Execution Quality
- Client Service
- Reliability
- Innovation

Top Listed (U.S.) Securities Brokers*

Rank	Broker	Advertised Share Volume	% of Total
1	Knight	100,409,943	19.0%
2	UBS	77,468,634	14.6%
3	Merrill Lynch	59,375,103	11.2%
4	Morgan Stanley	48,089,760	9.1%
5	Citigroup	38,456,885	7.3%

Top Russell 2000 Securities Brokers*

Rank	Broker	Advertised Share Volume	% of Total
1	Knight	10,514,956	25.6%
2	UBS	5,822,690	14.2%
3	Morgan Stanley	2,878,440	7.0%
4	Citigroup	2,836,236	6.9%
5	Merrill Lynch	2,496,736	6.1%

Top S&P 500 Securities Brokers*

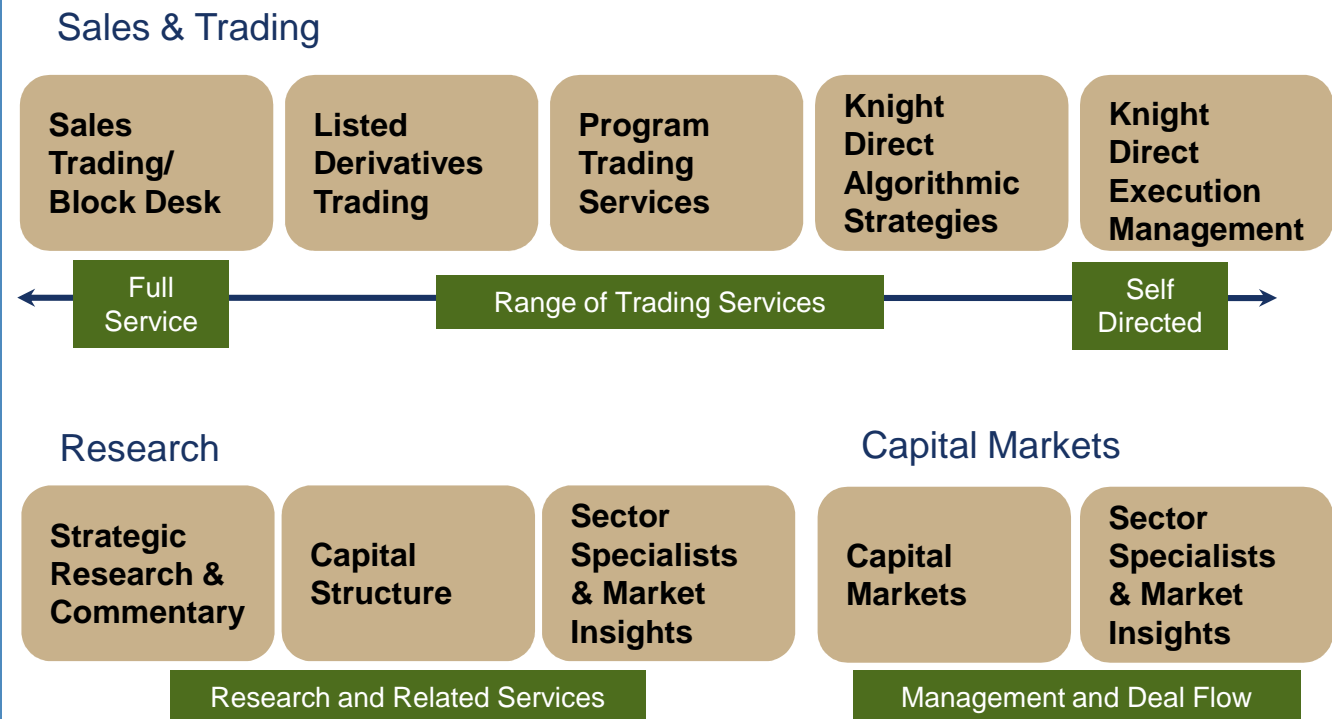
Rank	Broker	Advertised Share Volume	% of Total
1	Knight	19,791,102	15.3%
2	UBS	17,754,759	13.8%
3	Morgan Stanley	13,368,769	10.4%
4	Merrill Lynch	12,992,591	10.1%
5	Citigroup	10,222,959	7.9%

Top ETF Securities Brokers*

Rank	Broker	Advertised Share Volume	% of Total
1	Knight	17,806,564	20.6%
2	UBS	13,463,555	15.6%
3	Merrill Lynch	10,299,743	11.9%
4	JP Morgan	7,092,701	8.2%
5	Citigroup	6,886,432	8.0%

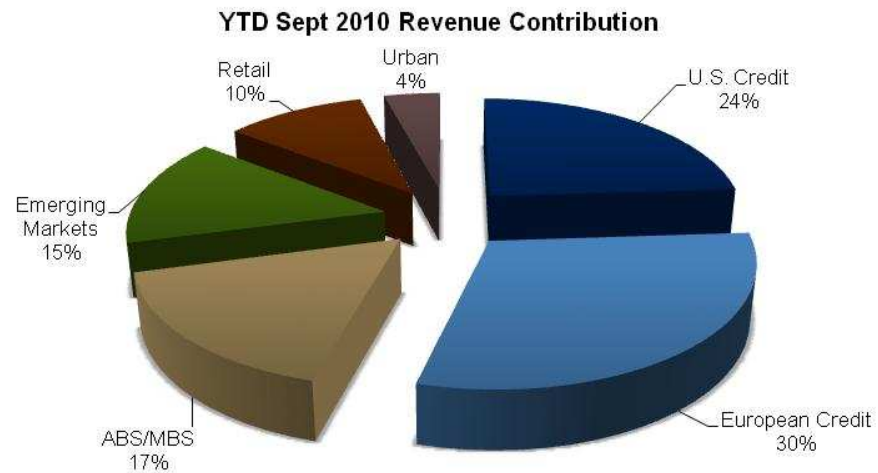
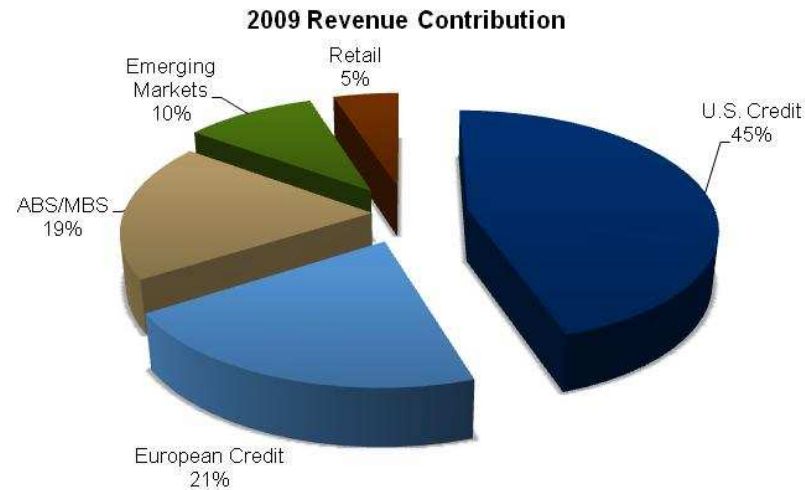
Institutional Equities Sales and Trading

Knight provides our clients with a full suite of global trading services coupled with differentiated content and access to capital markets

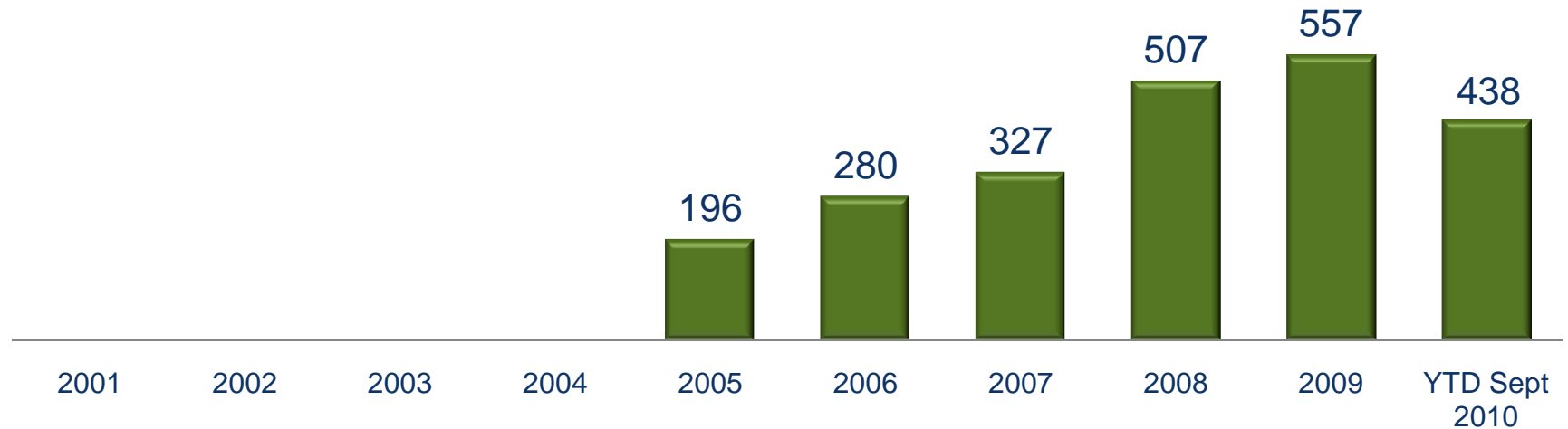


Institutional Fixed Income Sales and Trading

Our capacity and business model enabled us to capture the opportunities presented by the volatile U.S. credit markets of 2009 while our diversity and scale has proven crucial in 2010



Electronic Trading Group



2001	2002	2003	2004	2005	2006	2007	2008	2009	YTD Sept 2010
ETG begins trading	TJ joins Knight and begins a major drive to grow automation	Increase order sizes handled by ETG	Decision to automate trading of all retail flow	New ETG leadership team	Hybrid trading model established	Begin principal trading	Principal trading turns profitable	Begin futures trading	Knight Link revenues exceed retail
Initial orders <500 shares					90% of flow handled by ETG	New Knight Link product expands market to non-retail broker dealers	Knight Link hits 200M shares / day	Europe hits \$1M monthly revenue	Launch options market making business
260 market makers					30-40 market makers		Begin European trading		Begin bond trading

Outlook

Priorities

- Scale up electronic market making and principal trading across asset classes
- Fine-tune the global sales and trading platform
- Accelerate the development of research, capital markets and asset management

2013 Financial Goals

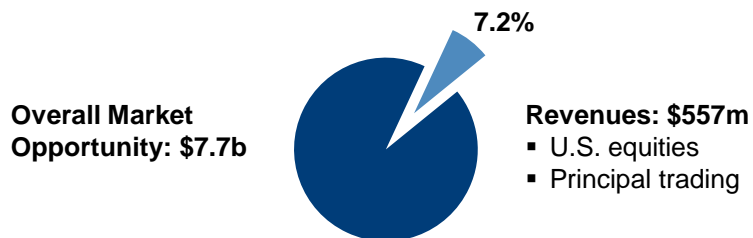
- Revenues of \$1.9 billion
- Pre-tax income of \$450 million
- EPS of \$2.89

Assumptions

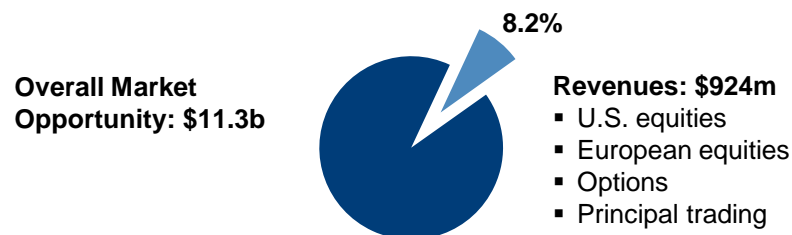
- Overall U.S. equities ADV of 9 billion shares
- Knight's Capital expenditures remain roughly at current levels

Knight's Primary Addressable Markets

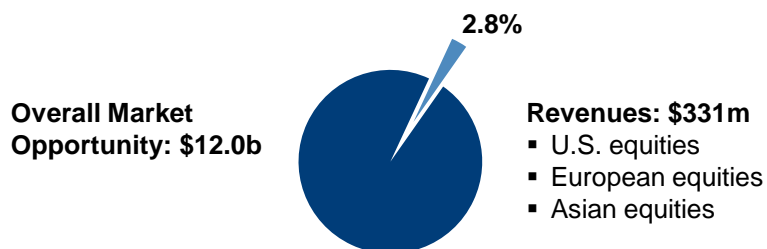
2009 Global Market-Making



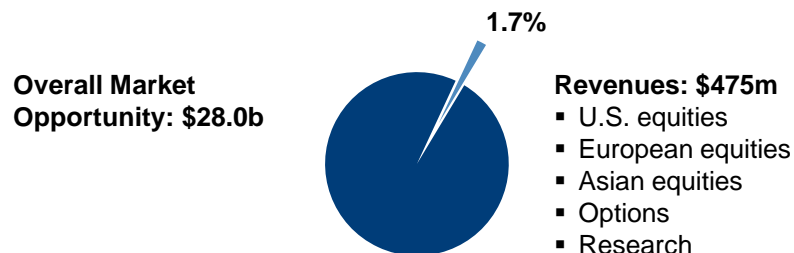
2013 Global Market-Making



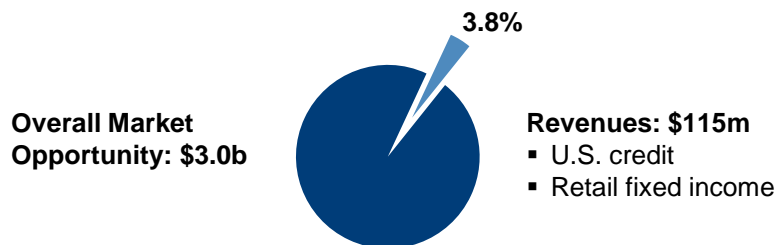
2009 Global Sales & Trading



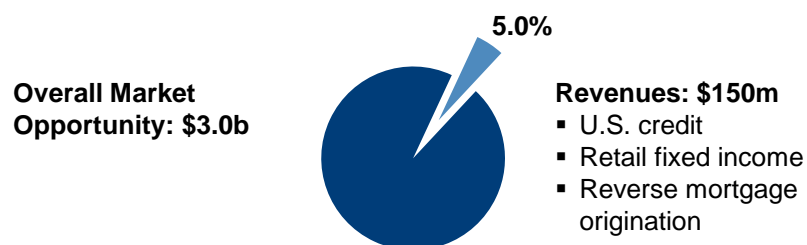
2013 Global Sales & Trading



2009 U.S. Fixed Income



2013 U.S. Fixed Income



Sources: AMEX, BOX, CBOE, ISE, PCX, PHLX, NSDQ, Options Clearing Corporation, Thomson, Aite Group, World Federation of Exchanges, Tabb Group, Rosenblatt, Greenwich Associates., FINRA, TRACE, Bloomberg, HUD, MSRB and company estimates.

Summary

KCG
LISTED
NYSE
EURONEXT

- Client focus
- Sophisticated trading technology
- Large and diverse client network
- A global, multi-asset class platform
- Specialized capital markets expertise
- Tangible growth opportunities

Addendum

Knight

▶ THE SCIENCE OF TRADING
▶ THE STANDARD OF TRUST®

Continuing Operations Results by Segment

	2008	2009	YTD 3Q09	YTD 3Q10
Revenues				
Equities	\$ 851.5	\$ 891.0	\$ 659.1	\$ 700.6
FICC	79.3	266.7	196.4	188.0
Corporate	8.1	4.7	(3.6)	(1.5)
Total Revenues	<u>\$ 939.0</u>	<u>\$ 1,162.4</u>	<u>\$ 859.1</u>	<u>\$ 890.0</u>
Pre-Tax				
Equities	\$ 346.4	\$ 227.6	\$ 170.5	\$ 197.1
FICC	12.3	47.8	40.6	9.1
Corporate	(26.4)	(55.4)	(42.5)	(51.6)
Total Pre-Tax	<u>\$ 332.3</u>	<u>\$ 220.0</u>	<u>\$ 168.6</u>	<u>\$ 154.6</u>

Consolidated Margin Analysis

	2008	2009	YTD 3Q10
Percentage Revenue			
Employee Compensation	37	45	46
Execution and Clearance	12	15	15
Payments for Order Flow	5	6	3
Other Operating Expenses	16	15	18
<u>Pre-Tax Operating Income</u>	<u>31</u>	<u>19</u>	<u>17</u>
Headcount	910	1,126	1,297

Operating Cash Flows

	2008	2009	Trailing 12 Months
(in \$ millions)			
Income from Continuing Operations	\$ 193.7	\$ 151.6	\$ 125.9
Total Non-Cash Items, Net of Tax	67.7	74.2	91.8
Free Cash Flows from Operations	234.3	196.2	181.0
Free Cash Flow Yield (Annualized)	15.8%	11.9%	12.7%
<u>Capital Expenditures</u>	<u>\$ 37.5</u>	<u>\$ 42.4</u>	<u>\$ 46.6</u>

Consolidated Balance Sheet

Balance sheet as of September 30, 2010:

- \$4.8 Billion in Assets – 82% of which is readily convertible into cash
- \$481 million in cash
- Over \$300 million in available capital
- Shareholders' equity of over \$1.3 billion
- Low debt to equity ratio of 0.23
- Book value per diluted share of \$14.43 (Tangible book value of \$10.05)

Buyback summary as of September 30, 2010:

- Repurchased 70.7 million shares for \$804 million since inception
- \$196.0 million remaining under the \$1 billion program

Return on equity:

- Annualized ROE of 9% YTD (10% excluding restructuring charges) as of September 30, 2010 compared to 14% in 2009
- Annualized Tangible ROE of 12% YTD (14% excluding restructuring charges) as of September 30, 2010 compared to 19% in 2009

Reconciliation of GAAP Pre-Tax to Non-GAAP Pre-tax

In \$ millions

	Equities	FICC	Corporate	Consolidated
YTD Sept. 30, 2010				
GAAP Income	\$ 193	\$ 9	\$ (40)	\$ 137
Lease Loss Charge	1	–	–	1
Restructuring Expense	3	13	1	17
Pre-Tax Income, ex-Lease Loss	<u>\$ 197</u>	<u>\$ 9</u>	<u>\$ (40)</u>	<u>\$ 138</u>
YTD Sept. 30, 2009				
GAAP Income	\$ 170	\$ 41	\$ (30)	\$ 182
Lease Loss Benefit	–	–	(13)	(13)
Pre-Tax Income, ex-Lease Loss	<u>\$ 170</u>	<u>\$ 41</u>	<u>\$ (43)</u>	<u>\$ 169</u>
2009				
GAAP Income	\$ 227	\$ 48	\$ (42)	\$ 233
Lease Loss Benefit	–	–	(13)	(13)
Pre-Tax Income, ex-Lease Loss	<u>\$ 227</u>	<u>\$ 48</u>	<u>\$ (55)</u>	<u>\$ 220</u>
2008				
GAAP Income	\$ 346	\$ 12	\$ (25)	\$ 334
Lease Loss Benefit	–	–	(1)	(1)
Pre-Tax Income, ex-Lease Loss	<u>\$ 346</u>	<u>\$ 12</u>	<u>\$ (26)</u>	<u>\$ 332</u>

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