



**Knight Capital Group, Inc.**  
**Goldman Sachs**  
**U.S. Financial Services Conference 2008**  
**December 10, 2008**



## 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 the costs, integration, performance and operation of businesses recently acquired, or that may be acquired in the future, by the Company, and risks associated with the unprecedented current market conditions and the resulting volatility, credit tightening and counterparty risk, as well as the negative effect on performance and assets under management in our Asset Management business and the suspension of redemptions and withdrawals announced in the Form 8-K filed by the Company on October 30, 2008. 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, 2007, 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, 2007, 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 revenues and pre-tax income (loss) amounts for certain reporting periods before operating results of Direct Edge ECN and after minority interest expense to assist the reader 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.

## **Knight Capital Group, Inc.**

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Knight Capital Group, Inc. (Nasdaq: NITE) is a leading capital markets firm that provides electronic and voice access to the capital markets across multiple asset classes for buy-side, sell-side and corporate clients.

In Global Markets, we provide market access and trade execution services in nearly every U.S. equity security and a large number of international securities, fixed income, foreign exchange, futures and options. We also provide related capital markets services to corporate issuers.

In Asset Management, Knight owns a 51 percent stake in Deephaven Capital Management Holdings with Deephaven Partners controlling the remaining 49 percent as of February 1, 2008. Deephaven ([www.deephavenfunds.com](http://www.deephavenfunds.com)) is a global, multi-strategy alternative investment manager serving institutions and private clients.



# Knights' Accomplishments and Key Differentiators

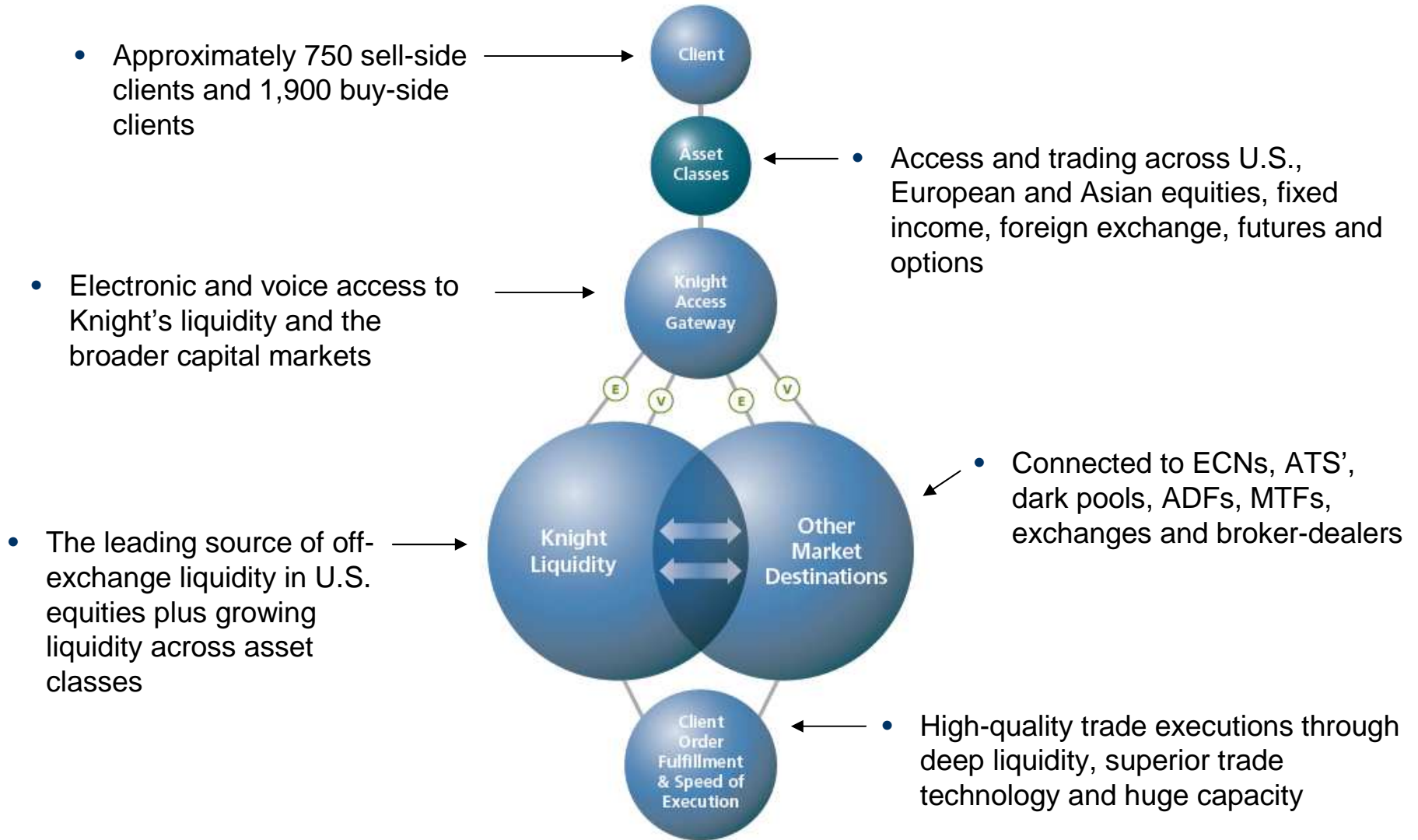
## Accomplishments

- Automated processes to increase internal trading efficiencies
- Established the hybrid market model with dual electronic and voice capabilities
- Grew sell-side and buy-side client base
- Added asset classes beyond U.S. equities
- Diversified revenues across clients, order flow, products and services
- Implemented high-velocity algorithmic trading models to optimize order routing and trade execution
- Set the stage for expansion in Europe and Asia

## Key Differentiators

- Client-centered philosophy
- Deep, natural liquidity in our virtual exchange
- Hybrid Market Model offers dual electronic and voice capabilities
- Expertise in sourcing liquidity across fragmented markets
- Reliable, efficient and scalable trade technology infrastructure
- Client network connectivity
- Multi-asset class market access and trade execution services
- High-quality trade executions according to regulatory and client-defined measures

# Global Markets: Our Virtual Exchange



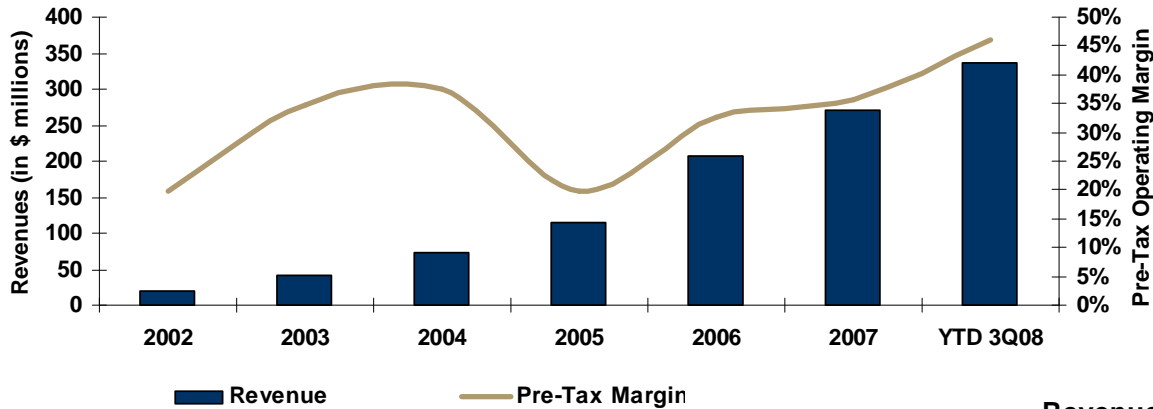
# Global Markets: Our Hybrid Market Model

**E** Electronic Access    **V** Voice Access    **S** Settlement

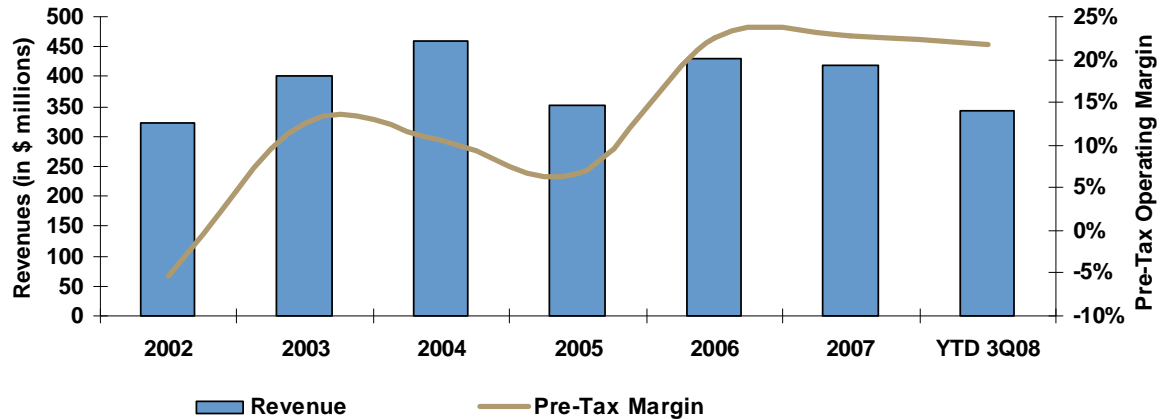


# Global Markets: Electronic and Voice Access

**Revenue Growth and Pre-Tax Margins  
Electronic Access**



**Revenue Growth and Pre-Tax Margins  
Voice Access**



NOTE: Metrics exclude the results of Direct Edge

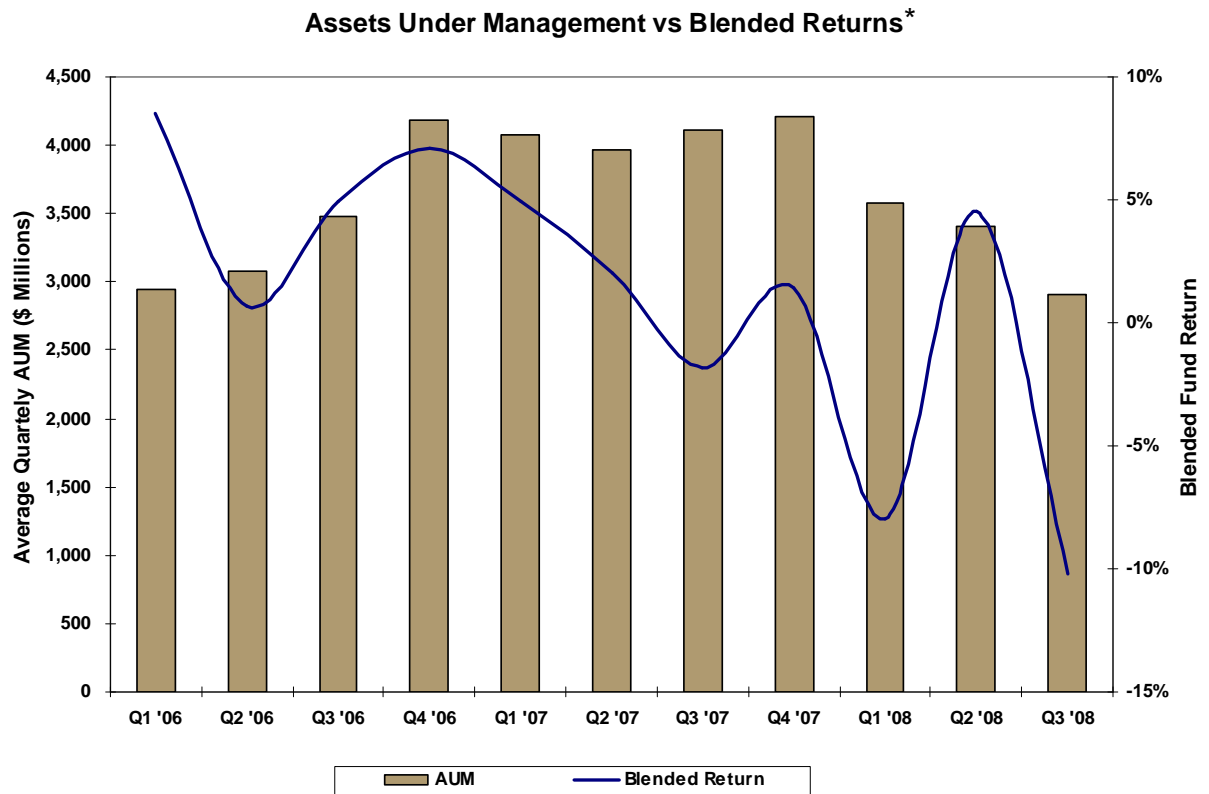


# Asset Mgmt: Deephaven Capital Management LLC

- A global, multi-strategy alternative investment manager
  - Founded in 1994 with offices in Minnetonka, London and Hong Kong
- Blended fund performance of  $-11.7\%^*$  for the nine-month period ended September 30, 2008
- AUM of approximately \$2.7 billion as of October 1, 2008
- Multi- and single-strategy funds
- Clients include banks, insurance companies, funds of hedge funds, corporate and public pension plan sponsors, trusts, endowments, foundations and private clients

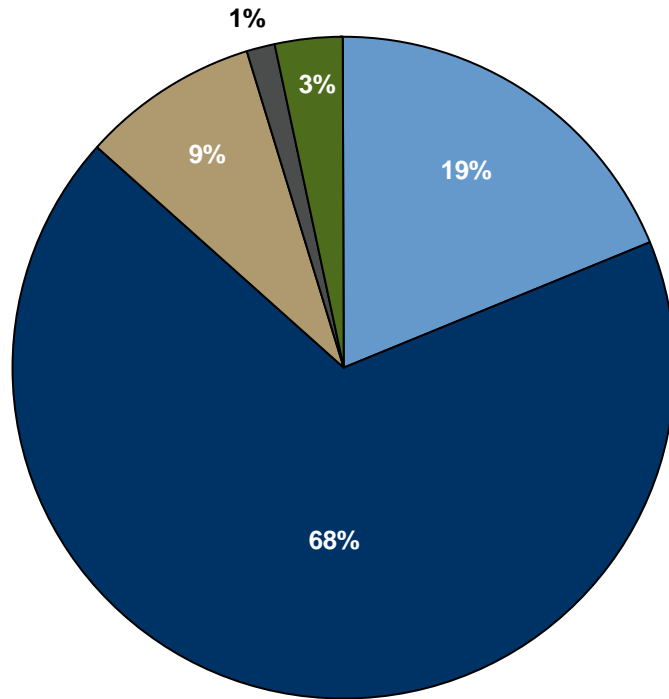
\* Excluding performance of the Deephaven Event Fund for which Deephaven is no longer taking fees

\*\* Please refer to the Knight Capital Group, Inc. Form 8-K filed on October 30, 2008

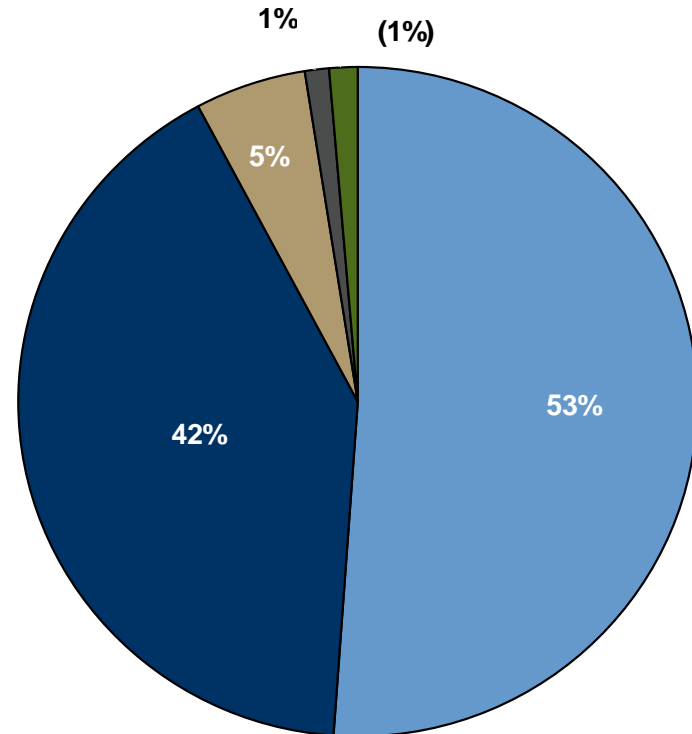


# Financials: Consolidated Revenue Diversification

2002 Revenues



YTD 3Q08 Revenues



■ Commissions and fees   
 ■ Net trading revenue   
 ■ Asset management fees, net  
■ Interest, net   
 ■ Investment income and other, net



## Financials: Consolidated Overview

	2006	2007	9 mos. 2008
Revenues:			
Global Markets	\$ 642.0	\$ 697.9	\$ 691.4
Asset Management	214.9	118.2	38.2
Corporate	66.9	35.8	(11.5)
Total Revenues	<u>\$ 923.8</u>	<u>\$ 851.9</u>	<u>\$ 718.0</u>
Pre- Tax			
Global Markets	\$ 151.5	\$ 184.4	\$ 231.7
Asset Management	74.8	16.5	(19.8)
Corporate	31.4	4.3	(44.9)
Total Pre-Tax	<u>\$ 257.8</u>	<u>\$ 205.2</u>	<u>\$ 167.0</u>

NOTE: Metrics exclude the results of Direct Edge

## Financials: Global Markets Acquisitions Recap

### Acquisitions

- **Fixed income**
  - Knight Libertas (July 2008)
  - Knight BondPoint (October 2006)
- **Foreign exchange**
  - Hotspot FX (April 2006)
- **Agency-only algorithms**
  - EdgeTrade (January 2008)
- **Broker-neutral DMA platform**
  - Knight Direct (June 2005)
- **Commission Management**
  - Donaldson & Co. (December 2003)

### Cost

- Six acquisitions totaling \$326 million
- Revenues of \$136 million YTD as of Sept. 30, 2008 or 20% of total Global Markets revenues
- Pre-tax margins of 12% YTD as of Sept. 30, 2008
- Pre-Tax margins excluding non-cash related deal costs of 16% as of Sept. 30, 2008

## Financials: Strong Consolidated Balance Sheet

### Balance sheet as of Sept. 30, 2008

- \$296 million in cash
- 60% of assets readily convertible to cash
- Over \$200 million in available capital
- Shareholders' equity of \$945 million
- Debt to equity ratio of 0.15
- Book value of \$10.49 per diluted share

### Buyback Summary as of Sept. 30, 2008

- Repurchased 66.8 million shares for \$746 million since inception
- Average cost of shares repurchased was \$11.16
- \$254 million remaining under the \$1 billion program



# Review & Outlook: Global Markets 2008

Regions	North America		Europe		Asia-Pacific (Q109)
<b>Asset Classes</b>	<b>Equities</b> North America, Europe, Asia-Pacific <b>Futures/Options</b> U.S. <b>Fixed Income</b> U.S. and International <b>Foreign Exchange and Precious Metals</b> <b>Credit Derivatives</b>		<b>Equities</b> North America, Europe, Asia-Pacific <b>Futures/Options</b> U.S. <b>Fixed Income</b> U.S. and International <b>Foreign Exchange and Precious Metals</b>		<b>Equities</b> North America, Europe, Asia-Pacific <b>Fixed Income</b> Foreign Exchange and Precious <b>Metals</b>
<b>Products</b>	<b>Electronic</b> Knight Direct EMS Edge Trade Algos Knight Match Knight Link KnightBondPoint HotSpotFX Direct Edge (19.9%)	<b>Voice</b> Broker-Dealer Cash Trading Institutional Block Trading Program Trading Special Situations Knight Libertas	<b>Electronic</b> Knight Direct EdgeTrade Algos (Q109) KnightLink (Q109) HotSpot	<b>Voice</b> Institutional Block Trading Knight Libertas	<b>Voice</b> Institutional Block Trading Knight Libertas Hotspot
<b>Services</b>	Commission Management, Knight Transition Management, Corporate Access, Corporate Services, Knight Portfolio Access, Knight Capital Partners, NetDelta				
<b>Client Base</b>	Broker- Dealer Institutions	Broker- Dealer Institutions	Institutions	Institutions	Institutions
<b>Client Order Flow &amp; Composition</b>	Nasdaq, Listed, Corporate Clients and Street				

## Review & Outlook: 2009 Goals

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- Grow market share in global equities
- Build new pools of liquidity across asset classes
- Expand electronic access and trading capabilities
- Continually develop and refine algorithmic models to enhance trading
- Increase cross-selling to buy- and sell-side clients
- Establish electronic access and trading in Europe
- Establish voice access and trading in Asia
- Continue to add sell-side, buy-side and corporate issuer clients
- Expand capital markets services for corporate issuers





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# Review & Outlook: Global Markets Goal By 2014

Regions	North America		Europe		Asia-Pacific		Latin America
<b>Asset Classes</b>	Equities North America, Europe, Asia-Pacific and Latin America Futures/Options Fixed Income Foreign Exchange and Precious Metals Credit Derivatives		Equities North America, Europe, Asia-Pacific and Latin America Futures/Options Fixed Income Foreign Exchange and Precious Metals Credit Derivatives		Equities North America, Europe, Asia-Pacific and Latin America Futures/Options Fixed Income Foreign Exchange and Precious Metals		Equities North America, Europe, Asia-Pacific and Latin America Fixed Income Foreign Exchange and Precious Metals
<b>Products</b>	<b>Electronic</b> Knight Direct EMS Edge Trade Algos Knight Match Knight Link KnightBondPoint HotSpotFX Direct Edge (19.9%)	<b>Voice</b> Broker-Dealer Cash Trading Institutional Block Trading Program Trading Special Situations Knight Libertas	<b>Electronic</b> Knight Direct EMS Edge Trade Algos Knight Match Knight Link KnightBondPoint HotSpotFX Direct Edge (19.9%)	<b>Voice</b> Broker-Dealer Cash Trading Institutional Block Trading Program Trading Special Situations Knight Libertas	<b>Electronic</b> Knight Direct EdgeTrade Algos KnightLink HotSpot	<b>Voice</b> Institutional Block Trading Knight Libertas	<b>Voice</b> Institutional Block Trading Knight Libertas Hotspot FX Options Self-Clearing Transaction Cost Analysis
<b>Services</b>	<b>New Initiatives:</b> Option MM      Prop Trading Convertibles    Electronic Fixed Income CDS Settlement    FX Options Self-Clearing    Prime Brokerage Risk Metrics      Pollution /Energy Trading Transaction Cost Analysis		<b>New Initiatives:</b> Option MM      Prop Trading CDS Settlement    FX Options Self-Clearing    Prime Brokerage Risk Metrics Transaction Cost Analysis Pollution /Energy Trading		<b>New Initiatives:</b> FX Options Prop Trading Self-Clearing Prime Brokerage Risk Metrics Transaction Cost Analysis Pollution /Energy Trading		
	Commission Management, Knight Transition Management, Corporate Access, Corporate Services, Knight Portfolio Access, Knight Capital Partners, NetDelta						
<b>Client Base</b>	Broker-Dealer Institutions	Broker-Dealer Institutions	Broker-Dealer Institutions	Broker-Dealer Institutions	Broker-Dealer Institutions	Broker-Dealer Institutions	Broker-Dealer Institutions
<b>Client Order Flow &amp; Composition</b>	Nasdaq, Listed, Corporate Clients, Street						

# Appendix



## Reconciliation of GAAP Revenues to Non-GAAP Revenues

<b>9 Months ending September 30, 2008</b>	<b>Global Markets</b>	<b>Asset Management</b>	<b>Corporate</b>	<b>Consolidated</b>
<b>GAAP Revenues</b>	\$ 691	\$ 38	\$ (11)	\$ 718
Direct Edge Revenues	-	-	-	-
<b>Revenues, excluding Direct Edge</b>	<u>\$ 691</u>	<u>\$ 38</u>	<u>\$ (11)</u>	<u>\$ 718</u>

<b>2007</b>	<b>Global Markets</b>	<b>Asset Management</b>	<b>Corporate</b>	<b>Consolidated</b>
<b>GAAP Revenues</b>	\$ 751	\$ 118	\$ 36	\$ 905
Direct Edge Revenues	(54)	-	-	(54)
<b>Revenues, excluding Direct Edge</b>	<u>\$ 698</u>	<u>\$ 118</u>	<u>\$ 36</u>	<u>\$ 852</u>

<b>2006</b>	<b>Global Markets</b>	<b>Asset Management</b>	<b>Corporate</b>	<b>Consolidated</b>
<b>GAAP Revenues</b>	\$ 675	\$ 215	\$ 67	\$ 956
Direct Edge Revenues	(33)	-	-	(33)
<b>Revenues, excluding Direct Edge</b>	<u>\$ 642</u>	<u>\$ 215</u>	<u>\$ 67</u>	<u>\$ 923</u>

## Reconciliation of GAAP Income to Non-GAAP Income

<b>9 Months ending September 30, 2008</b>	<b>Global Markets</b>	<b>Asset Management</b>	<b>Corporate</b>	<b>Consolidated</b>
<b>GAAP Pre-Tax Income</b>	\$ 232	\$ (16)	\$ (45)	\$ 171
Minority Interest	-	(4)	-	(4)
<b>Pre-Tax Income after minority interest</b>	<u>\$ 232</u>	<u>\$ (20)</u>	<u>\$ (45)</u>	<u>\$ 167</u>
<b>2007</b>				
	<b>Global Markets</b>	<b>Asset Management</b>	<b>Corporate</b>	<b>Consolidated</b>
<b>GAAP Pre-Tax Income</b>	\$ 180	\$ 17	\$ 4	\$ 201
Direct Edge Pre-Tax Loss	4	-	-	4
<b>Pre-Tax Income, excluding Direct Edge</b>	<u>\$ 184</u>	<u>\$ 17</u>	<u>\$ 4</u>	<u>\$ 205</u>
<b>2006</b>				
	<b>Global Markets</b>	<b>Asset Management</b>	<b>Corporate</b>	<b>Consolidated</b>
<b>GAAP Pre-Tax Income</b>	\$ 150	\$ 75	\$ 31	\$ 257
Direct Edge Pre-Tax Loss	1	-	-	1
<b>Pre-Tax Income, excluding Direct Edge</b>	<u>\$ 152</u>	<u>\$ 75</u>	<u>\$ 31</u>	<u>\$ 258</u>

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