

## CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended December 31, (In thousands, except per share amounts)	2008	2007	2006
<b>Revenues</b>			
Commissions and fees	\$ 538,875	\$435,966	\$393,226
Net trading revenue	446,707	286,199	243,761
Asset management fees	46,344	116,777	213,888
Interest, net	7,579	17,560	16,364
Investment (loss) income and other, net	(6,607)	28,718	72,219
Total revenues	1,032,898	885,220	939,458
<b>Transaction-based expenses</b>			
Execution and clearance fees	107,402	120,261	106,908
Soft dollar expense	60,749	49,838	53,369
Payments for order flow and ECN rebates	43,639	54,564	42,191
Total transaction-based expenses	211,790	224,663	202,468
<b>Revenues, net of transaction-based expenses</b>	821,108	660,557	736,990
<b>Other direct expenses</b>			
Employee compensation and benefits	370,778	346,476	352,353
Communications and data processing	47,461	36,956	33,120
Depreciation and amortization	27,494	22,075	20,641
Occupancy and equipment rentals	20,494	14,083	13,536
Professional fees	19,483	19,360	20,568
Business development	18,221	15,997	14,343
Interest expense	5,014	182	337
Writedown of assets and lease loss accrual, net	1,236	(2,470)	8,480
Other	12,617	15,418	17,101
Total other direct expenses	522,798	468,077	480,479
<b>Other Income</b>			
Non-operating gain from subsidiary stock issuance	15,947	8,757	–
Income from continuing operations before income taxes and minority interest	314,257	201,237	256,511
Income tax expense	130,193	77,560	98,165
Income from continuing operations before minority interest	184,064	123,677	158,346
Minority interest expense	6,153	–	–
Income from continuing operations	177,911	123,677	158,346
Loss from discontinued operations, net of tax	–	(1,437)	–
<b>Net income</b>	\$ 177,911	\$122,240	\$158,346
Basic earnings per share from continuing operations	\$ 2.01	\$ 1.27	\$ 1.56
Diluted earnings per share from continuing operations	\$ 1.94	\$ 1.23	\$ 1.49
Basic and diluted earnings per share from discontinued operations	\$ –	\$ (0.01)	\$ –
Basic earnings per share	\$ 2.01	\$ 1.26	\$ 1.56
Diluted earnings per share	\$ 1.94	\$ 1.21	\$ 1.49
Shares used in computation of basic earnings per share	88,407	97,050	101,420
Shares used in computation of diluted earnings per share	91,760	100,796	106,243

The accompanying notes are an integral part of these consolidated financial statements.