



**Knight Capital Group, Inc.
KBW 2007 Securities, Brokerage and
Market Structure Conference
November 6, 2007**

**Thomas M. Joyce
Chairman and CEO
Knight Capital Group, Inc.**

Safe Harbor

Certain statements contained herein constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations, estimates and projections about the Company's industry, management's beliefs and certain assumptions made by management. 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. 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; however, readers should carefully review reports or documents the Company files from time to time with the Securities and Exchange Commission including, without limitation, the risks and uncertainties detailed under the headings "Risk Factors" and "Certain Factors Affecting Results of Operations" in the Company's Annual Report on Form 10-K and under the heading "Risk Factors" in the Company's Form 10-Q for the quarterly period ended June 30, 2007. Other risk factors include (i) those associated with the determination made by the Company, at its sole discretion, that if a Deephaven fund with a six-month performance period incurs losses in the performance period ending December 31, 2007, Deephaven will return all or a portion of the incentive allocation fees collected from investors in that fund for the six-month performance period ended June 30, 2007, and the potential adverse impact on the Company's results of operations and (ii) the risks, limitations, restrictions and uncertainties associated with the Company's entrance into its new credit facility with several lenders and the potential incurrence of debt, and continued availability of borrowings, thereunder.

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 (loss) amounts for certain reporting periods before gains on sales of strategic investments and Direct Edge, operating results of Direct Edge and discontinued operations to assist the viewer 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.

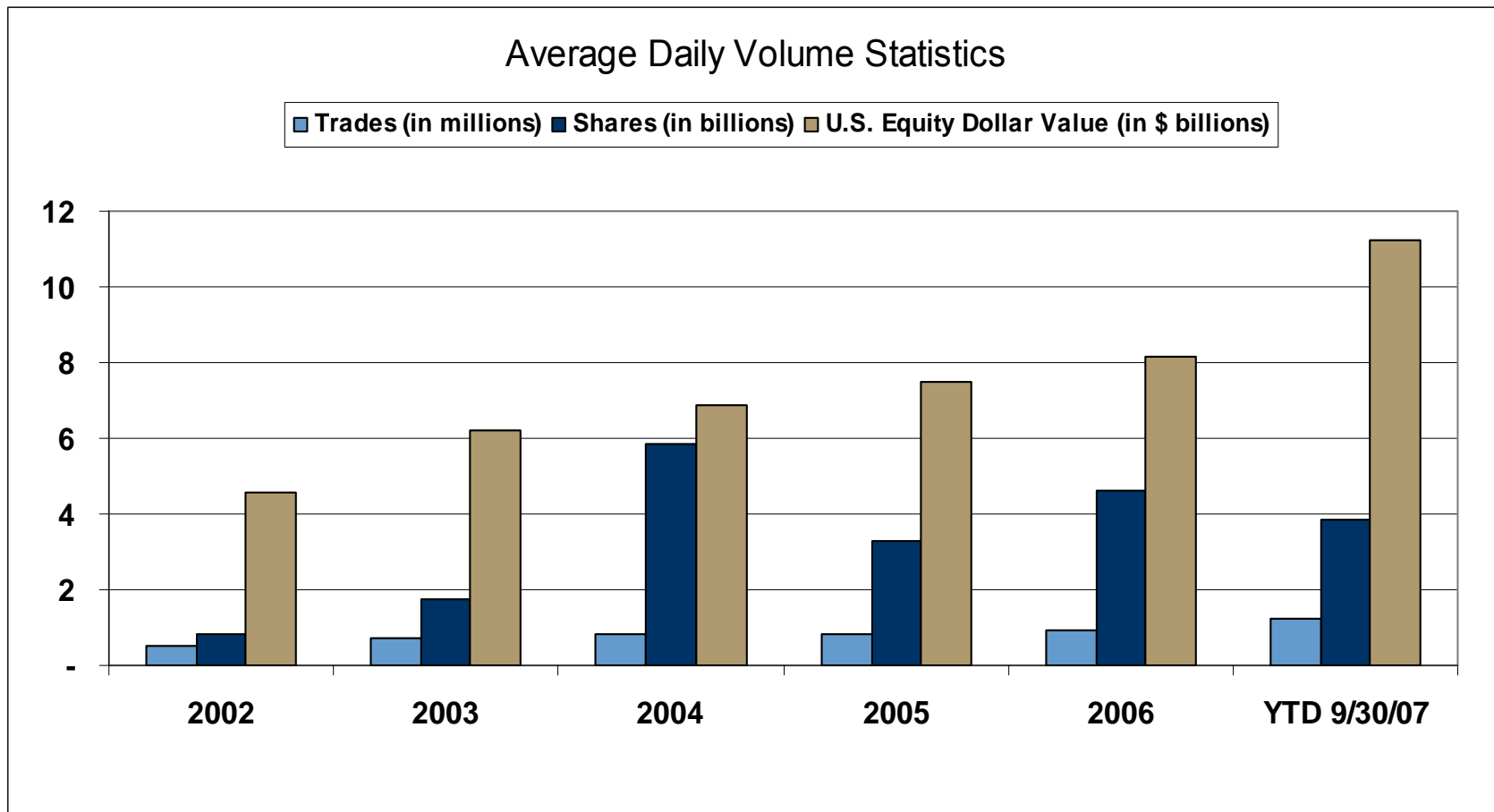
A dynamic capital markets firm providing advanced trading and execution services and asset management, as well as an array of services that support alpha creation and capital formation. A firm that blends exceptional client service with a distinct expertise in mid- and small-cap issues.

In a fragmented market, with best execution mandates, Knight's hybrid market model has tremendous appeal to firms with diverse styles and strategies.

Objectives:

1. Grow the client base of buy- and sell-side firms with significant trade execution needs
2. Capture an ever-greater share of client order flow from across multiple asset classes
3. Cross-sell complementary products and services that support alpha creation

Global Markets: Growth in Average Daily Volume

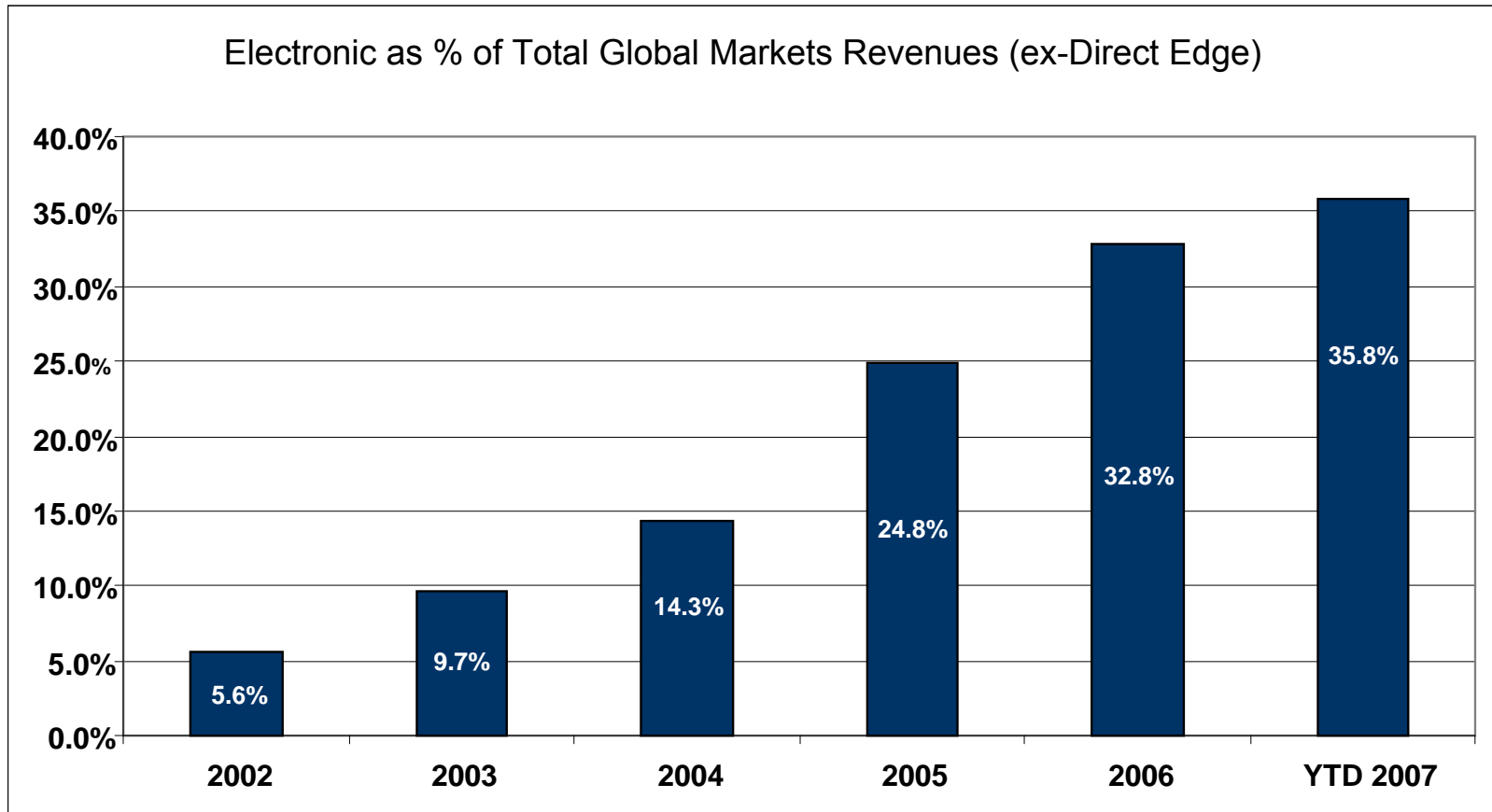


A 20% CAGR in U.S. equity dollar value traded

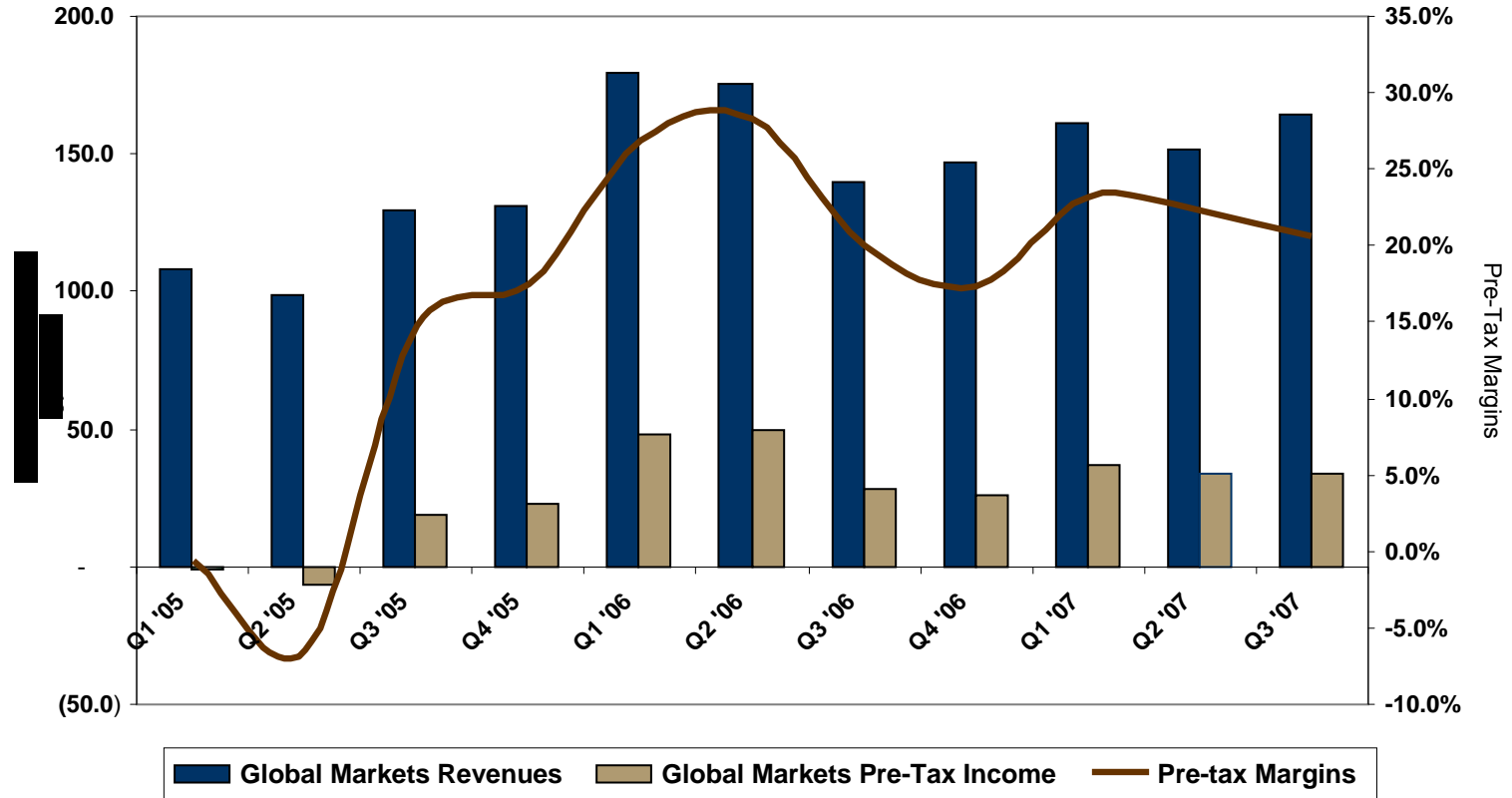
Average Daily Dollar Volume Comparisons since January 2006



Global Markets: Electronic Access Product Revenues



Global Markets: Pre-Tax Margins



Note: Metrics above exclude the results of Direct Edge ECN

Deephaven Capital Management is a global, multi-strategy alternative investment manager, that pursues a broad range of strategies, including credit- and event-driven, fundamental security selection, quantitative and volatility-driven.

Objectives:

1. Expand offering of multi- and single-strategy funds
2. Increase assets under management and diversify the client base
3. Achieve top-quartile performance versus benchmark funds

A global, multi-strategy alternative investment manager

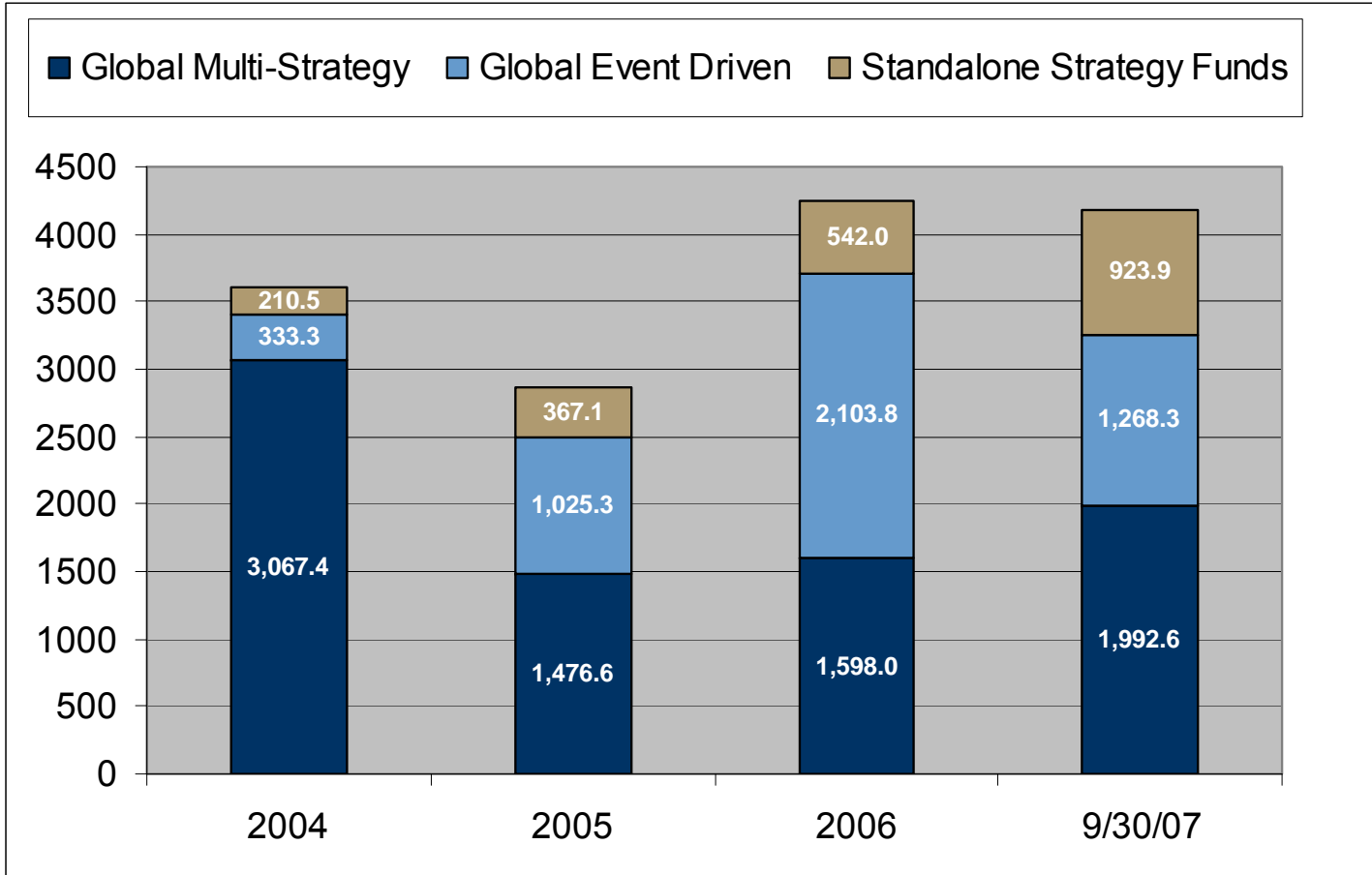
Blended fund performance of 5.3% for the nine-month period ended September 30, 2007

AUM of approximately \$4.4 billion as of October 1, 2007

Multi- and Single-Strategy Funds

- Global Multi-Strategy Fund LLC
- Event Fund LLC
- Credit Opportunities Fund LLC
- Global Value Partners Fund LLC
- International Volatility Strategies Fund LLC
- European Event Fund LLC

Asset Management: Fund Diversification and AUM Growth



Diversified Offering:

- Global Multi-Strategy
- Global Event-Driven
- European Credit-Driven
- Global Value Partners
- International Volatility
- European Event-Driven

Blended Returns:

- 2004: 6.5%
- 2005: 7.2%
- 2006: 22.8%
- 2007: 5.3% (YTD 9/30/07)

Direct Edge ECN

Organic growth as a subsidiary of Knight

- Average daily volumes of 285 million shares traded

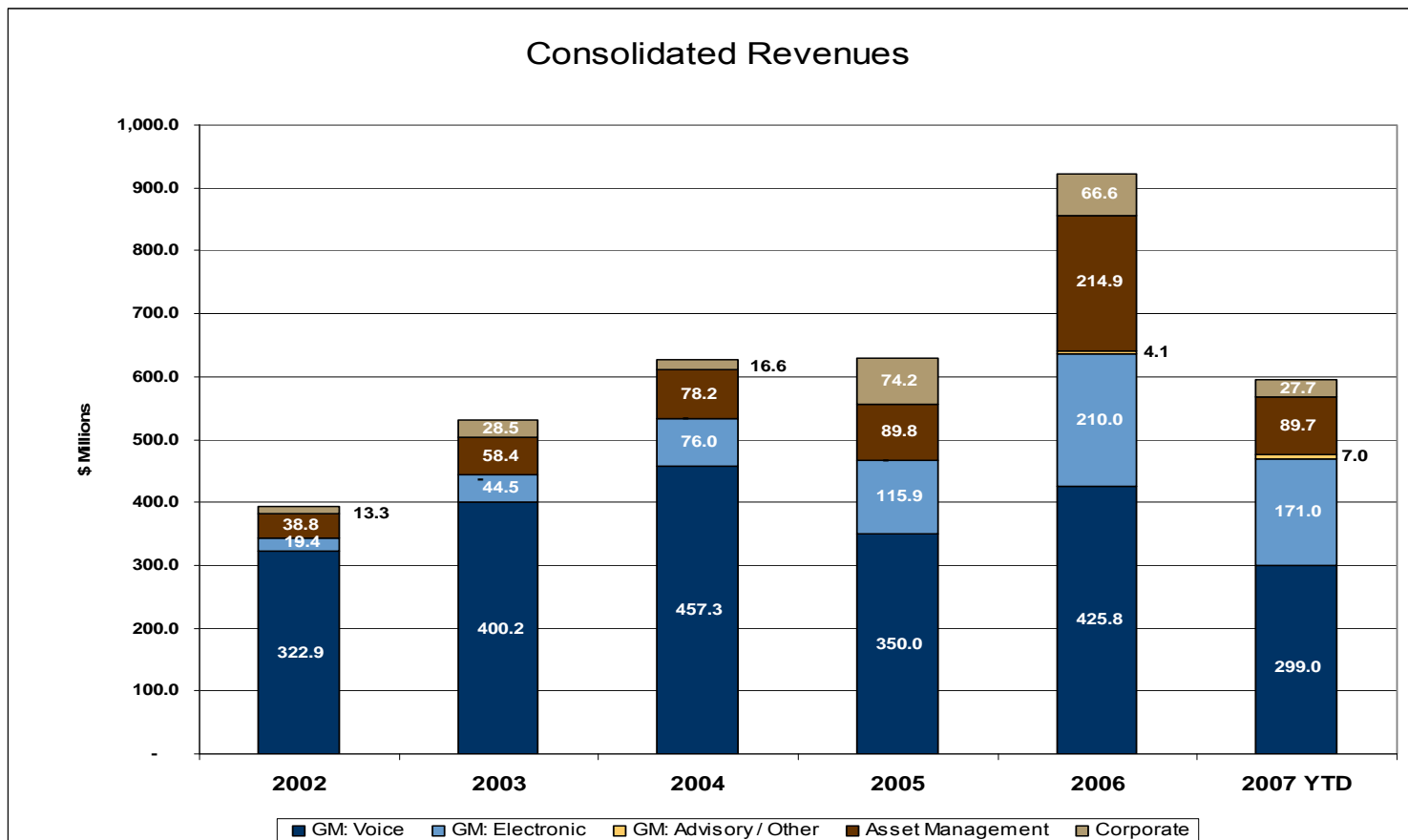
Single-owner to consortium model

- Sale of minority equity interests to Citadel and Goldman Sachs

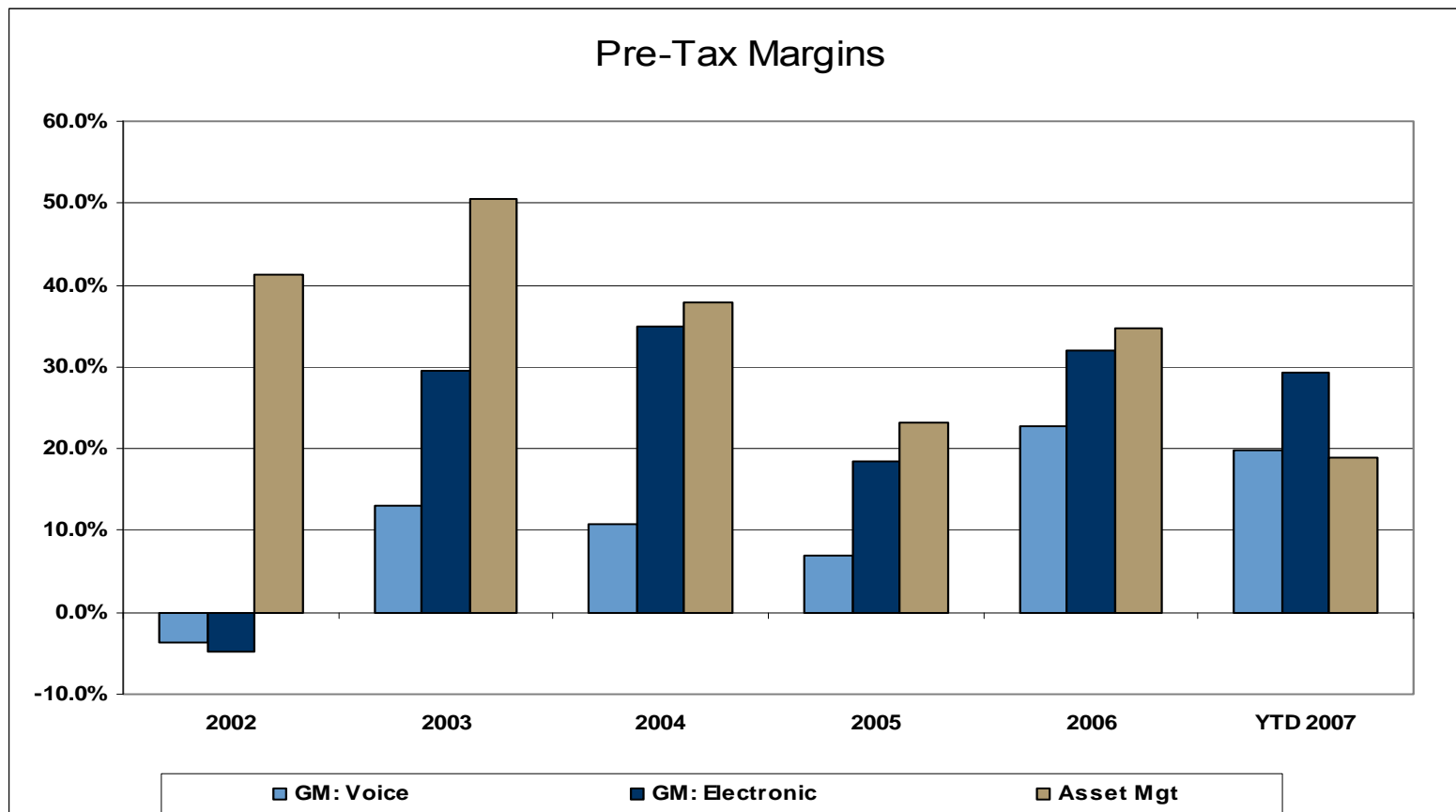
Recent one-day record of 713 million shares touched on November 1, 2007

- Industry utility in a fragmented market environment

Consolidated Revenue Contribution



Pre-Tax Margins By Access Product



Note: Above chart excludes pre-tax margins for GM: Advisory / Other and Corporate

Consolidated Pre-Tax Margins (ex-Direct Edge Operations)

Consolidated pre-tax margins

- 2005 17% (9% excluding gains on strategic investments)
- 2006 28% (25% excluding gains on strategic investments)
- YTD 9/30/07 21% (19% excluding gains on sale of Direct Edge)

Expense range

- Employee compensation 40%-44%
- Execution and clearance 10%-14%
- Rebates / soft dollars 12%-14%
- All other operating expenses \$27-\$31 million per quarter

Strong Financial Condition

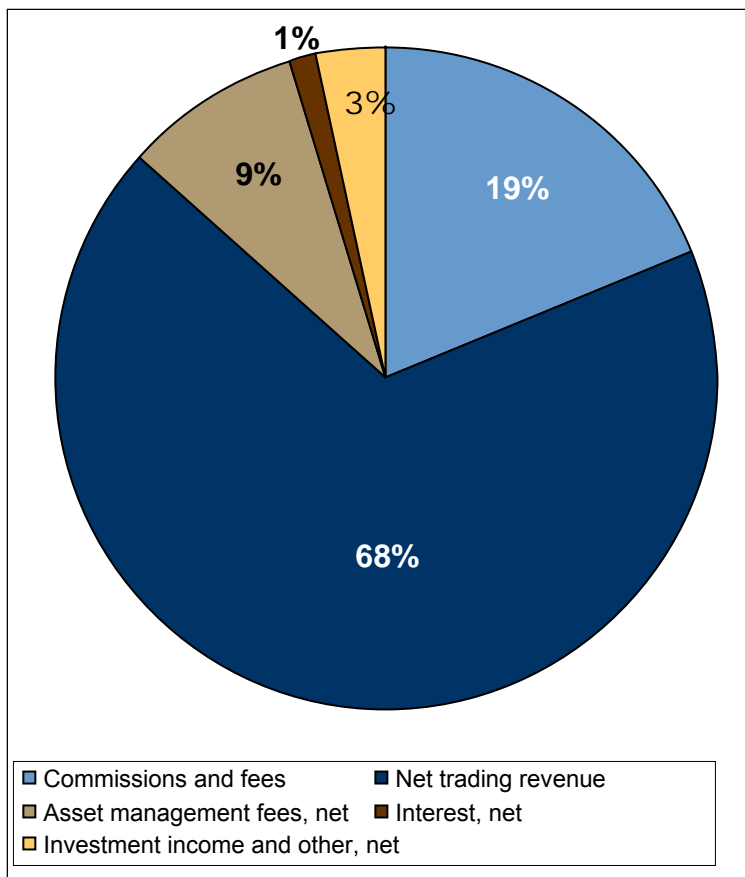
Balance sheet as of September 30, 2007

- \$143 million in cash
- Corporate investment in Deephaven Funds of \$200 million
- Shareholders' equity of \$915 million
- Debt-free balance sheet
 - \$140 million unused credit facility established in Q4
- Book value per share of \$9.31

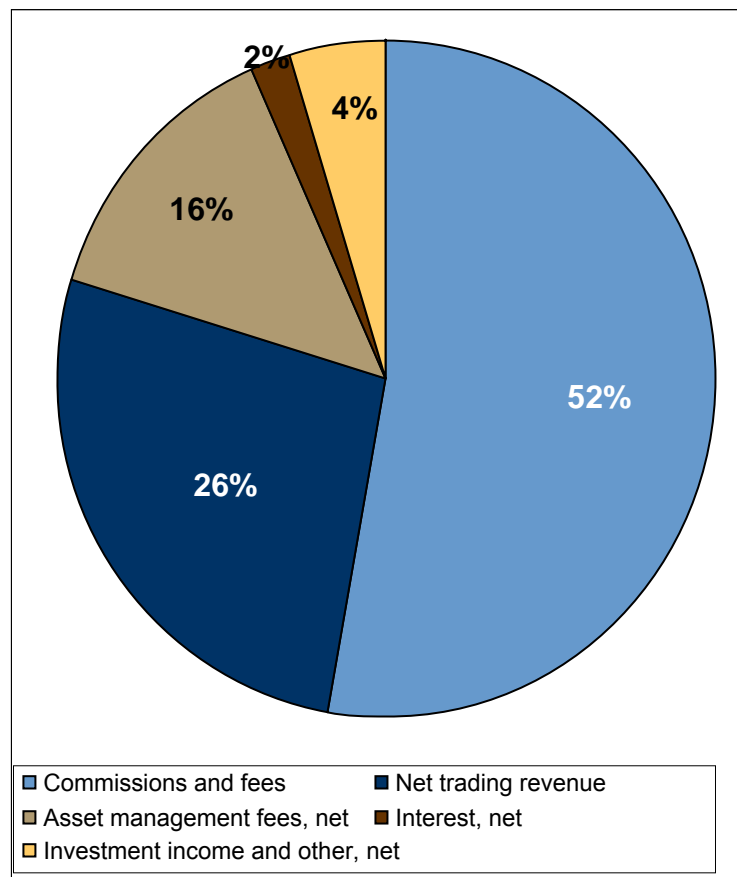
Stock repurchase program as of September 30, 2007

- Repurchased 52.6 million shares for \$537 million since inception
- \$463 million remaining under the current program

Consolidated Revenue Diversification: 2002 to YTD 9/30/07



2002



YTD 9/30/07

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▶ THE STANDARD OF TRUST

Q&A



Reconciliation of GAAP Revenues to Non-GAAP Revenues

| 9 Months ending September 30, 2007 | Asset | | | |
|--|-----------------------|-------------------------|------------------|---------------------|
| | Global Markets | Management | Corporate | Consolidated |
| GAAP Revenues | \$ 531 | \$ 90 | \$ 28 | \$ 648 |
| Direct Edge Revenues | (54) | - | - | (54) |
| Gain on Sales of Investments and Direct Edge | - | - | (13) | (13) |
| Revenues, excluding Direct Edge and gain on sales | <u>\$ 477</u> | <u>\$ 90</u> | <u>\$ 15</u> | <u>\$ 581</u> |
| 2006 | | | | |
| | Global Markets | Asset Management | Corporate | Consolidated |
| GAAP Revenues | \$ 675 | \$ 215 | \$ 67 | \$ 956 |
| Direct Edge Revenues | (33) | - | - | (33) |
| Gain on Sales of Investments | - | - | (30) | (30) |
| Revenues, excluding Direct Edge and gain on sales | <u>\$ 642</u> | <u>\$ 215</u> | <u>\$ 37</u> | <u>\$ 893</u> |
| 2005 | | | | |
| | Global Markets | Asset Management | Corporate | Consolidated |
| GAAP Revenues | \$ 471 | \$ 90 | \$ 74 | \$ 635 |
| Direct Edge Revenues | (4) | - | - | (4) |
| Gain on Sales of Investments | - | - | (56) | (56) |
| Revenues, excluding Direct Edge and gain on sales | <u>\$ 467</u> | <u>\$ 90</u> | <u>\$ 18</u> | <u>\$ 575</u> |

Reconciliation of GAAP Income to Non-GAAP Income

| 9 Months ending September 30, 2007 | Global Markets | Asset Management | Corporate | Consolidated |
|--|-----------------------|-------------------------|------------------|---------------------|
| | | | | |
| GAAP Pre-Tax Income | \$ 101 | \$ 17 | \$ 4 | \$ 122 |
| Direct Edge Pre-Tax Loss | 4 | - | - | 4 |
| Gain on Sales of Investments and Direct Edge | - | - | (13) | (13) |
| Pre-Tax Income, excluding Direct Edge and gain on sales | <u>\$ 105</u> | <u>\$ 17</u> | <u>\$ (9)</u> | <u>\$ 113</u> |

| 2006 | Global Markets | Asset Management | Corporate | Consolidated |
|--|-----------------------|-------------------------|------------------|---------------------|
| | | | | |
| GAAP Pre-Tax Income | \$ 150 | \$ 75 | \$ 31 | \$ 257 |
| Direct Edge Pre-Tax Loss | 1 | - | - | 1 |
| Gain on Sales of Investments | - | - | (30) | (30) |
| Pre-Tax Income, excluding Direct Edge and gain on sales | <u>\$ 152</u> | <u>\$ 75</u> | <u>\$ 1</u> | <u>\$ 228</u> |

| 2005 | Global Markets | Asset Management | Corporate | Consolidated |
|--|-----------------------|-------------------------|------------------|---------------------|
| | | | | |
| GAAP Revenues | \$ 35 | \$ 21 | \$ 49 | \$ 105 |
| Direct Edge Pre-Tax Loss | 0 | - | - | 0 |
| Gain on Sales of Investments | - | - | (56) | (56) |
| Pre-Tax Income, excluding Direct Edge and gain on sales | <u>\$ 35</u> | <u>\$ 21</u> | <u>\$ (7)</u> | <u>\$ 49</u> |

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