



**Knight Capital Group, Inc.
Acquisition of EdgeTrade Inc.
November 19, 2007**



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 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 the business acquired 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 detailed under the headings "Certain Factors Affecting Results of Operations" and "Risks Affecting our Business" in the Company's Annual Report on Form 10-K and under the heading "Risk Factors" in the Company's Form 10-Q's for the quarterly periods ended June 30, 2007 and September 30, 2007, respectively, and in other reports or documents the Company files from time to time with the Securities and Exchange Commission.

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.

Acquisition rationale

- A dynamic capital markets firm that provides advanced trading and execution services as well as an array of services that support alpha creation
- Algorithmic trading is on the rise driven by demand from buy-side firms
- The EdgeTrade acquisition expands our capabilities in U.S. equities trade execution services
- Presents an opportunity to cross-sell EdgeTrade's algorithms to Knight clients and provides a vehicle for future development of new algorithms



EdgeTrade Inc.

- Client order-driven algorithmic trading solutions
 - Smart order execution
 - Benchmark
 - Liquidity aggregation
 - Customized algorithms
- Agency-only trade execution firm
 - Direct market access platform

220 buy- and sell-side clients

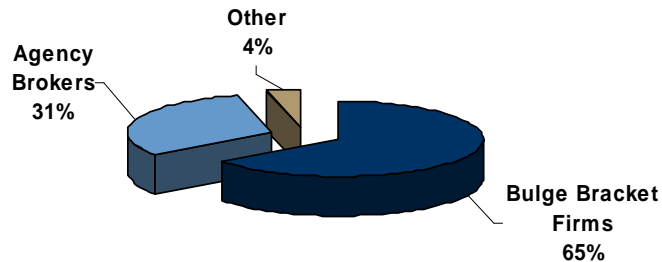
- Firms in North America, Europe and Asia



Industry backdrop

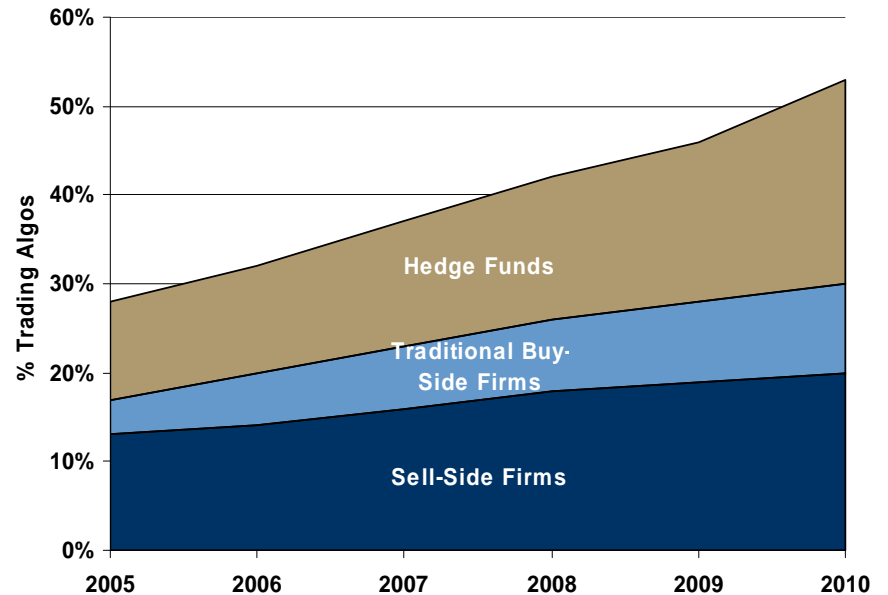
- Strong demand for seamless algorithmic trading solutions from the buy-side
- Resulting “arms race” to acquire and build algorithmic trading solutions
- 94% of buy-side firms are using U.S. equity algorithms – up from 77% in 2006
- Algorithmic trading – which accounted for 28% of equity volume in 2005 – will increase to 46% by 2009

Share of Algorithmic Trading Service Market by Type of Provider



SOURCE: Aite Group estimates (November 2006)

Projected Growth of Algorithmic Trading



SOURCE: Aite Group estimates (November 2006)

Knight Capital Group: Acquisition of EdgeTrade

Firm	Front-End	Pre-Trade Analytics	Post-Trade Analytics	Internal Crossing	ECN / ATS	Investor in Other Execution Venues
Knight / EdgeTrade†	•	•	•	•	•	•
Banc of America Securities	•	•	•	•		•
Bear Stearns	•	•	•	•		•
Citigroup	•	•	•	•	•	•
Credit Suisse		•	•	•	•	•
Goldman Sachs	•	•	•	•	•	•
JPMorgan	•	•	•	•	•	•
Lehman Brothers	•	•	•	•	•	•
Morgan Stanley	•	•	•	•	•	•
Susquehanna Financial Group	•	•	•			
UBS	•	•	•	•	•	•

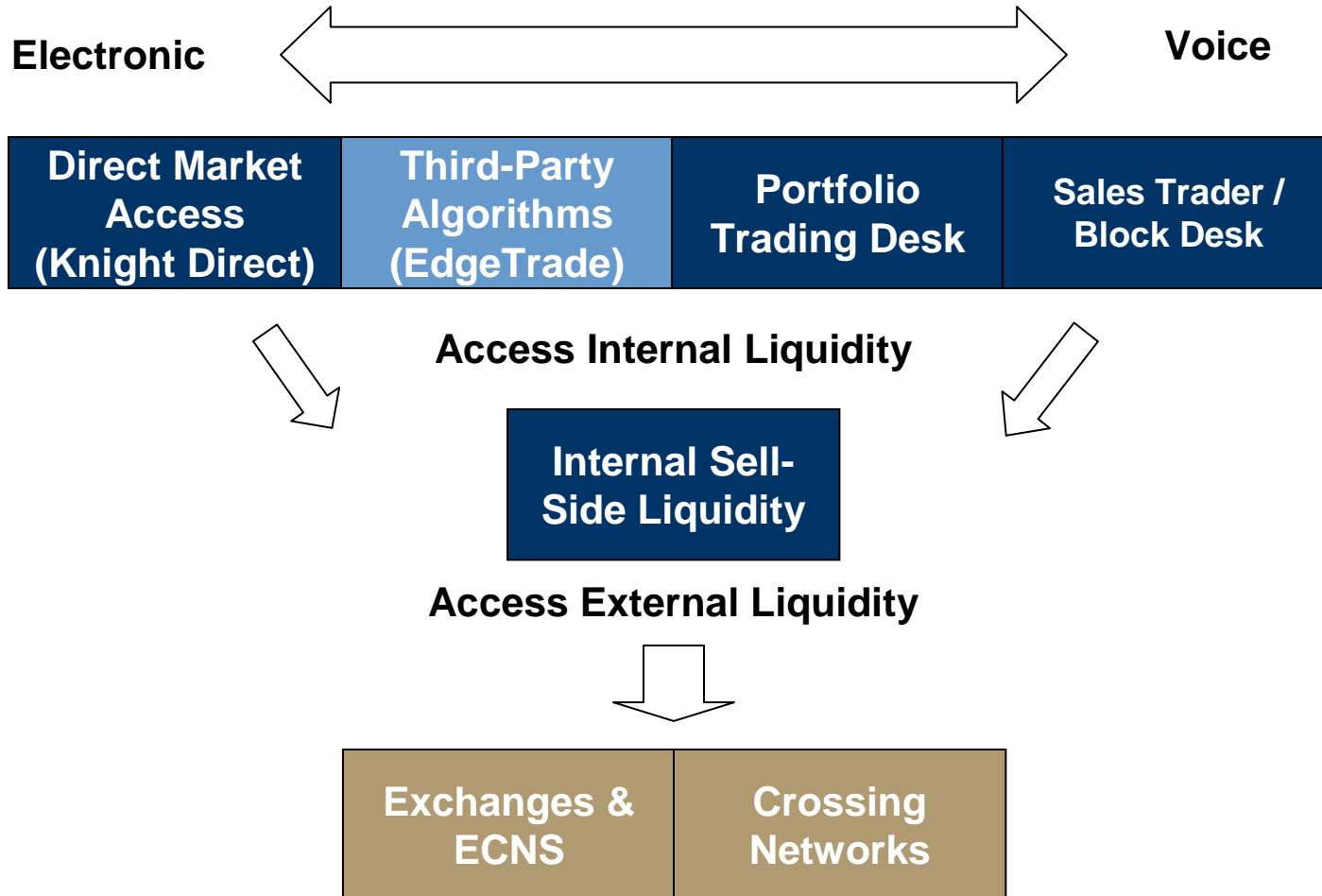
SOURCE: Aite Group survey of firms (November 2006)

† SOURCE: Knight / EdgeTrade

NOTE: Table updated by Knight (November 2007)

Knight Capital Group: Acquisition of EdgeTrade

EdgeTrade enhances our electronic and complements Knight's voice trade execution services



Knight Capital Group: Acquisition of EdgeTrade

2008 opportunities

- Cross-sell EdgeTrade's algorithms into Knight's client base
- Cross-sell trading in additional asset classes to EdgeTrade's client base
- Add EdgeTrade's algorithms into Knight Direct
- Transition EdgeTrade DMA clients to the Knight Direct platform

2009 opportunities

- Migrate smart order entry and benchmark algorithms to European equities
- Develop algorithms in other asset classes including foreign exchange and options

Benefits and efficiencies

- Reduce market access and connectivity costs
- Lower execution and clearing costs



Transaction summary

- Approximately \$59.5 million
 - \$29.5 million of cash and 2.3 million shares of unregistered Knight stock
 - Subject to adjustment based on Knight's stock price prior to closing and the working capital of EdgeTrade at the closing
- Acquisition is expected to be cash flow positive immediately following the closing of the transaction
- Expected to be slightly dilutive in 2008 and accretive in 2009
- The close of the transaction is subject to receipt of regulatory approvals which is expected during the first quarter of 2008

Conclusions

- EdgeTrade is a recognized leader in developing algorithmic trading strategies
- Acquisition will expand Knight's electronic trade execution services
 - Enhances Knight's client order-driven algorithmic trading capabilities
- Significant cross-selling opportunity
 - EdgeTrade's algorithms into Knight's client base
- Opportunities for the development of algorithms covering international equities and additional asset classes such as foreign exchange and options
- Potential to increase both fee-based income and trading volumes



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Q&A



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