

Earning Your Trust With Every Trade™

Knight



Thomas M. Joyce, Chairman & CEO Knight Capital Group, Inc.

CIBC World Markets “Best Ideas” Small & Mid Cap Conference
November 30, 2005

Safe Harbor, Reg G & Disclaimer Statements

Safe Harbor

The presentation may contain 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 and integration, performance and operation of the businesses being acquired by the Company, including ATTAIN and Direct Trading. 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 in this report. Additional factors that could cause the Company's results to differ materially from those described in the forward-looking statements can be found in the 2004 Annual Report on Form 10-K/A for the year ended December 31, 2004 and the Quarterly Report on Form 10-Q for the quarter ended September 30, 2005 of Knight Capital Group, Inc. filed with the Securities and Exchange Commission and available at the Securities and Exchange Commission Internet site (<http://www.sec.gov>).

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 net income (loss) amounts for certain reporting periods before charges, writedowns and discontinued operations to assist the reader in understanding the impact of these charges, writedowns and discontinued operations on the Company's financial results, thereby facilitating more useful period-to-period comparisons of the Company's businesses.

Corporate Disclaimers

Knight Capital Group, Inc. offers its products and services through Knight Equity Markets, L.P., Direct Edge ECN LLC, Direct Trading Institutional, L.P. and Knight Capital Markets LLC, member SIPC and NASD; and Knight Equity Markets International Limited, regulated by the Financial Services Authority in the U.K. and member of the London Stock Exchange.

Deephaven Capital Management LLC is an affiliated company offering asset management services. S3 Asset Management is an unaffiliated company which provides outsourced portfolio financing for asset managers and hedge funds.

Knight Evolution

Old Model – Broker-Dealer Concentration

Online trading boom
Over-expansion
Options & asset
management
purchase

1995 - 2000

Turmoil

Market structure
changes
Internet bubble
bursts
Market cycle hits
bottom
Management
changes

2000 - 2002

Reputation Recovery

Regulatory
settlement and
arbitration conclusion
Growing institutional,
asset management
businesses
Options business
sale

2002 - 2004

New Model – Client Focus

Client-centered
Leveraging the
platform
Recognition of
demand for
electronic services
Cross-selling
Agency businesses

2005-2006

Deephaven Capital Management

At a Glance

- Deephaven Capital Management employs multiple investment strategies
- More than \$3.4 billion in assets as of September 30, 2005
- More than 125 employees

Clients

- Institutional investors
- Fund of funds
- High net worth individuals

Market Neutral Fund Strategies

- Global Convertible and Volatility Arbitrage
- Global Event
- Relative Value Equity
- Distressed Opportunities
- International Credit Arbitrage
- Global Macro Opportunities

Competitive Advantages

- Institutional quality manager
- Multiple strategies
- Risk management
- Dedicated to client service

Asset Management 2005

Challenges

Challenging market conditions, specifically convertible market in first half

Decreased investor interest in multi-strategy funds

Continued influence by fund-of-fund clients

Accomplishments

Diversified Offering Through Single-Strategy Funds

- Long/Short
- Event
- Convertible Select
- Credit Opportunity

Diversified Investor Base

Expanded Geographic Footprint

- Asia
- Europe

Enhanced Back Office

Asset Management 2006

Key Initiatives

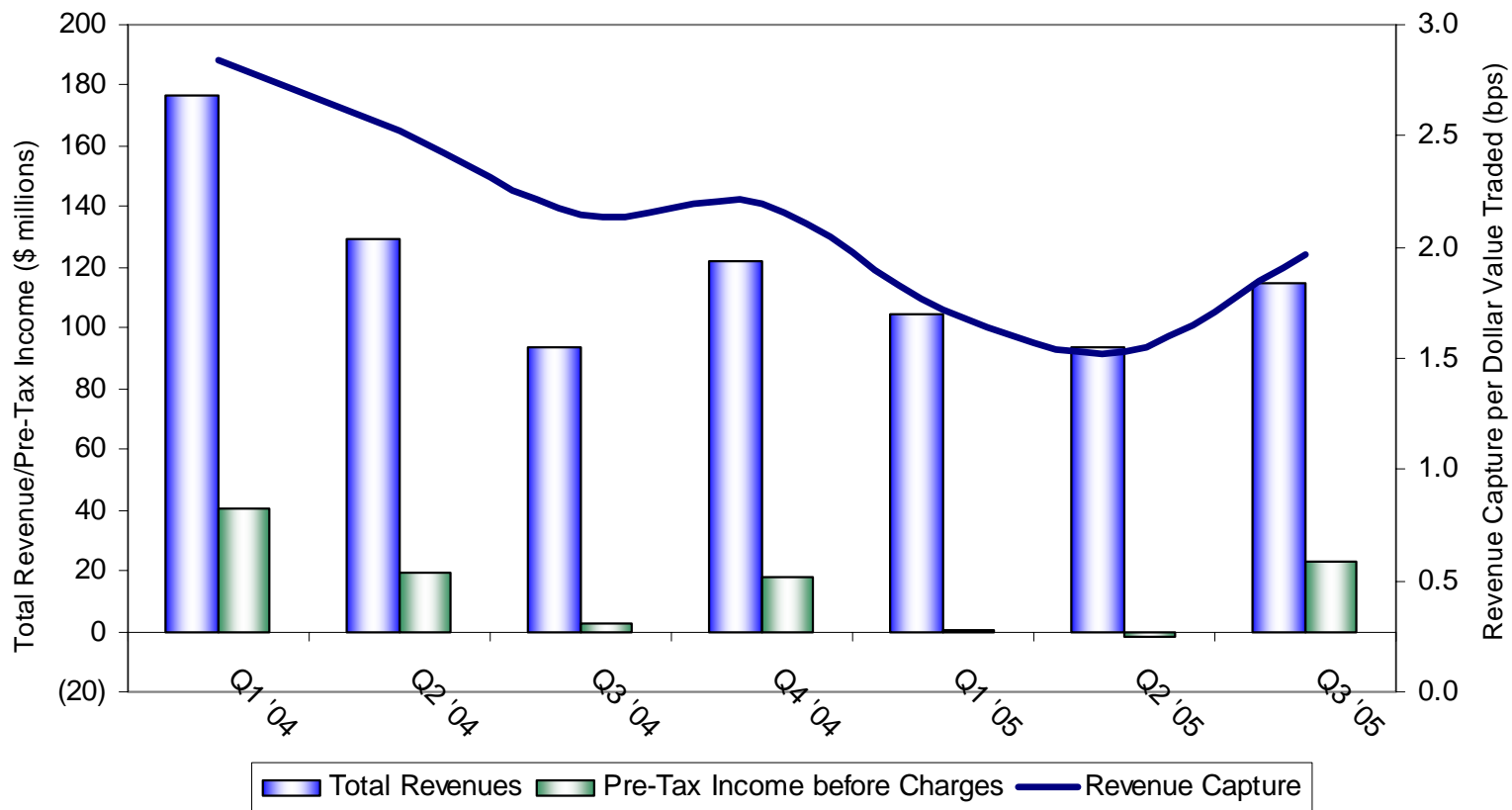
Increase performance against benchmarks

Launch new products

Expand distribution

Expand geographic footprint

Equity Markets – Impact of Revenue Capture



Broker-Dealer 2005

Challenges

Industry focus on execution quality and statistics

Control of variable and fixed cost base

Managing capital usage

Change in personnel

Increasing competition

Accomplishments

Reorganized Broker-Dealer group

- Cash trading
- Electronic trading
- Client service/operations
- Relationship management/sales

Increased automation through electronic trading model

Enhanced risk management capabilities

Adjusted product offering through revised execution protocols and rebate rates

Overall Improvement in Execution Statistics while Maintaining Revenue Capture

Summary of Knight Execution Speed for 2005

NASDAQ-100	January through August '05	September '05
Execution Speed	1.80 seconds	0.95 seconds
At-or-Better	92.30%	93.24%
Effective/Quoted Spread	103.31%	97.86%
Price Improvement	41.70%	50.40%
All NASDAQ	January through August '05	September '05
Execution Speed	2.10 seconds	1.85 seconds
At-or-Better	91.77%	93.10%
Effective/Quoted Spread	105.88%	104.22%
Price Improvement	39.30%	46.54%

Source: Transaction Auditing Group, Inc. (TAG) & Market Systems, Inc. (MSI)

Broker-Dealer 2006

Key Initiatives

Enhance client relationship management

Focus on balancing client profitability, rebates and revenue capture

Outsource market making services

Build the bench of Electronic Trading

Integrate with Direct Edge ECN

Further automation

Institutional 2005

Challenges

Smaller institutional commission wallet

Penetrating key accounts with “execution-only” offering

Increased competition for commission dollars from low-touch offerings (direct market access and crossing networks)

Regulatory uncertainty around soft dollars

Accomplishments

Slightly increased market share

Maintained commission rates

New account growth

Acquired Direct Trading Institutional

Initiated cross-selling

Achieved 30/70 listed/OTC split

Expanded offering

Separated institutional and broker-dealer trading desks

Institutional Offering

Nasdaq

Listed Block

International ADRs
& Ordinaries

OTC BB/ Pink Sheets

Direct Market Access

- Direct Trading Institutional

Corporate Services

International Sales and Trading

Institutional Corporate Access

Knights Match

Portfolio Financing Advisory

- S3 Asset Management

Program Trading

Research – Technical

- Ralph Acampora

Soft Dollar Services

- Donaldson & Co.

Special Situations Group

Three-year Growth – Institutional

	<u>2002</u>	<u>2005</u>
Number of Clients	250	More than 1000
Percent Listed Revenues	0%	Nearly 30%
Sales Traders	29	80+
Market Share*		
Listed	38/58	23/57
OTC	14/47	7/44

* Knight's ranking out of total firms reporting institutional commissions to a third party industry source
Report dated 12/31/04

Institutional 2006

Key Initiatives

Drive greater institutional account penetration with new and existing clients

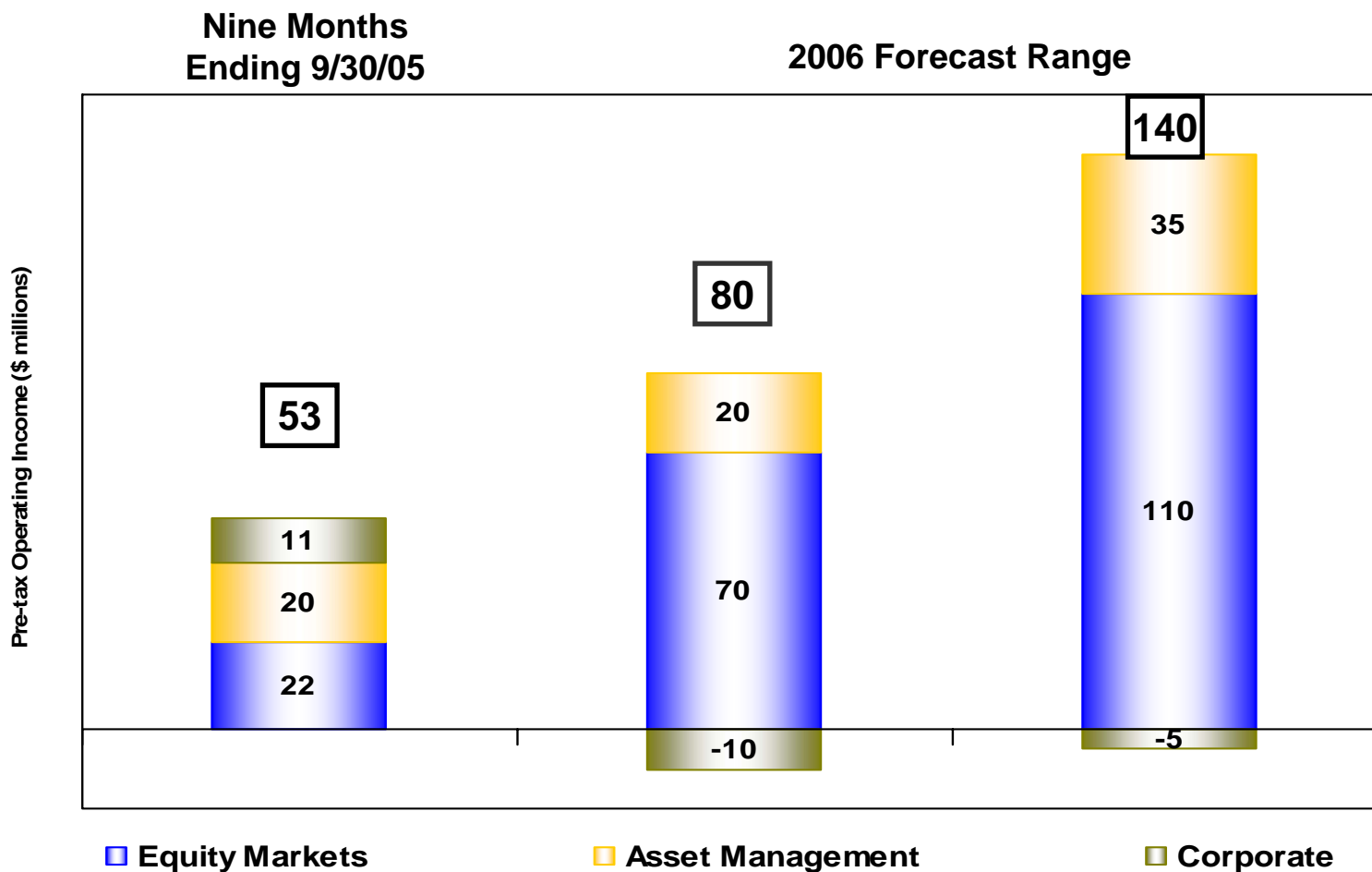
Cross selling by U.S. and London sales trading across client base

- Direct Trading Institutional (direct market access)
- Knight Match (crossing)

Increase trading in listed product with a target of moving from the current OTC/listed split of 70/30 to 65/35

Enhance crossing capabilities with Knight Match

2006 Forecast Range of Pre-tax Operating Income



Expanding the Product Line

Internal Development

- Single Strategy Funds
- Special Situations
- Knight Match

Acquisitions

- Direct Edge ECN
- Direct Trading Institutional

Marketing Alliances

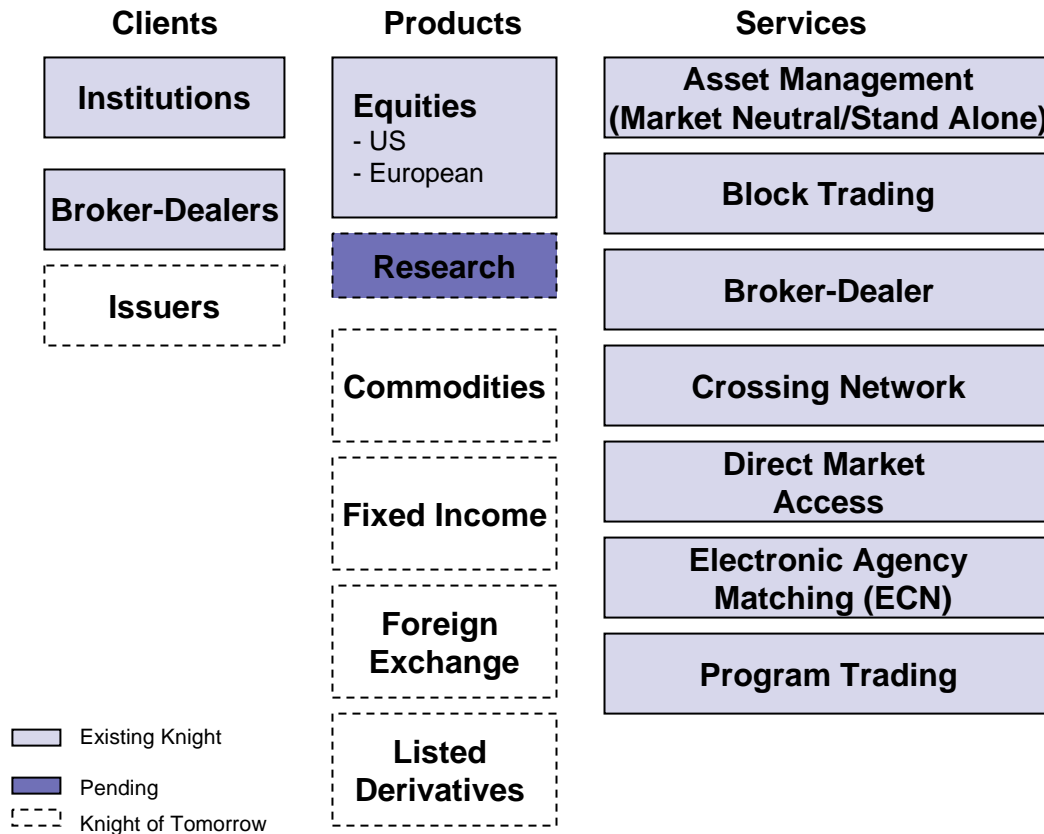
- S3 Asset Management

Strategic Hires

- Technical Research

The Knight of Tomorrow

Today, Knight has established a significant client base, technology capability and platform in both Equity Markets and Asset Management businesses. The Knight of Tomorrow will leverage these strengths into services spanning other asset classes.



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