

# BGC Partners to Acquire the U.S. Business of Newmark Knight Frank

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## -- Acquisition Positions Leading Commercial Real Estate Brokerage for Further Growth --

NEW YORK, Apr 28, 2011 (BUSINESS WIRE) -- BGC Partners, Inc. (NASDAQ:BGCP), ("BGC Partners" or "BGC"), one of the world's leading voice and electronic brokers serving the global wholesale financial markets, today announced that it has entered into an agreement to acquire Newmark, the real estate advisory firm which operates as Newmark Knight Frank in the U.S. and which is associated with London-based Knight Frank, which has extensive offices throughout the rest of the world. The transaction, which encompasses approximately 425 Newmark brokers and includes Newmark's New York business as well as a majority interest in over 25 other domestic offices and certain of its affiliates, will be immediately accretive to BGC.

Howard W. Lutnick, Chairman and CEO of BGC said, "This is the beginning of a dramatic new footprint in commercial real estate by BGC, and the definitive starting point of BGC's strategy to grow in this sector. In financial services brokerage over the last five years, we have added more than 1,000 brokers, grown revenues to over \$1.3 billion, massively invested in our world-class proprietary technology, and increased our distributable earnings margin hundreds of basis points. We will use the same strategies to position Newmark for dramatic growth. We expect our model will prove to be just as profitable for Newmark's business as we build scale, and generate the same kind of outstanding margins as in our financial brokerage business."

Newmark is one of the fastest growing real estate services companies in the global property markets. Its brand is recognized for providing seamless, sophisticated, comprehensive real estate solutions to prominent corporate and institutional clients across the globe.

Mr. Lutnick stated "Hiring and acquiring key experienced brokers, continuously investing in our proprietary technology, and expanding into new markets are the drivers for BGC's growth, and we will apply those drivers to create new capabilities and opportunities in commercial real estate brokerage. By applying our world-class technology platform and management skills, we will provide superior support to Newmark's brokers, further building Newmark's business as we've done consistently with BGC."

Mr. Lutnick added "BGC's partnership, dividend, and compensation models, along with our hiring and retention incentives, have been key factors in our growth and success, and will also substantially contribute to generating growth in our real estate brokerage business. Both BGC and

Newmark count the world's leading banks and investment banks as clients, and we see exciting opportunities for cross-marketing, given the outstanding suite of transactional and consultative services Newmark offers the corporate and institutional market."

Newmark's management, led by CEO Barry M. Gosin, are expected to become partners in BGC upon the closing of the acquisition. Mr. Gosin will continue to oversee Newmark's day-to-day business as CEO, and will report to Mr. Lutnick.

Mr. Gosin said "As a board member of BGC's predecessor, eSpeed, Inc., I had come to know and admire BGC's management team and business model. The synergy in the structure of our brokerage businesses, along with improving fundamentals and deal velocity in the commercial real estate marketplace, are excellent signals of Newmark's growth prospects as part of BGC. In addition, we expect that BGC's deep and long-standing relationships with the world's leading financial institutions can only enhance Newmark's reach in the marketplace."

James D. Kuhn, President of Newmark, added "This is a terrific development for Newmark's brokers and our clients. Our business will capitalize on BGC's cutting-edge platform and continuing investment in technology, and our brokers will be able to increase their productivity and continue to expand the range of services they offer our clients."

Cantor Fitzgerald & Co., an affiliate of Cantor Fitzgerald, L.P., acted as an adviser in connection with this transaction. Miller Buckfire advised Newmark on this transaction.

### **About BGC Partners, Inc.**

BGC Partners is a leading global intermediary to the wholesale financial markets, specializing in the brokering of a broad range of financial products, including fixed income securities, interest rate swaps, foreign exchange, equities, equity derivatives, credit derivatives, commodities, futures, structured products and other instruments. BGC Partners also provides a full range of services, including trade execution, broker-dealer services, clearing, processing, information, and other back office services to a broad range of financial and non-financial institutions. BGC Partners' integrated platform is designed to provide flexibility to customers with regard to price discovery, execution and processing of transactions, and enables them to use voice, hybrid, or, where available, fully electronic brokerage services in connection with transactions executed either OTC or through an exchange.

Through its eSpeed, BGC Trader, and BGCantor Market Data brands, the Company also offers financial technology solutions, market data, and analytics related to select financial instruments and markets. BGC Partners' customers include many of the world's largest banks, broker-dealers, investment banks, trading firms, hedge funds, governments and investment firms. Named after fixed income trading innovator B. Gerald Cantor, BGC Partners has offices located in 24 cities, including

New York and London, as well as Aspen, Beijing, Chicago, Copenhagen, Dubai, Garden City, Hong Kong, Istanbul, Johannesburg, Mexico City, Moscow, Nyon, Paris, Rio de Janeiro, São Paulo, Sarasota, Seoul, Singapore, Sydney, Tokyo, Toronto and West Palm Beach. For more information, visit: [www.bgcpartners.com](http://www.bgcpartners.com).

## **Discussion of Forward-Looking Statements by BGC Partners**

Statements in this press release regarding BGC Partners' business that are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see BGC Partners' Securities and Exchange Commission (SEC) filings, including, but not limited to, the risk factors set forth in our public filings which we incorporate by reference, including our Form 10-K for the year ended December 31, 2010, as filed with the SEC on March 16, 2011 and any updates to such risk factors contained in subsequent 10-Q filings.

## **About Newmark**

Newmark offers a full-service platform for corporate and institutional local clients. Newmark's integrated services platform provides clients a single source solution for every phase of occupying or owning a property, from planning, design, construction and initial occupancy to ongoing cost-effective operations. We assist corporations in managing their real estate operations and portfolios by creating and executing long- and short-term strategic plans with the goals of reducing occupancy costs, increasing efficiency, and maximizing value.

Newmark has consistently focused on developing and expanding our service lines in order to optimally meet the changing needs of our clients. Building from our leasing advisory roots, Newmark's integrated services include global corporate services, investment sales and financial services, consulting, project and development management, and property and facilities management.

SOURCE: BGC Partners, Inc.

### **BGC Partners, Inc.**

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