UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2015

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Numbers: 0-28191, 1-35591

BGC Partners, Inc.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**13-4063515** **(I.R.S. Employer Identification No.)**
499 Park Avenue, New York, NY **(Address of principal executive offices)**	**10022** **(Zip Code)**

(212) 610-2200
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

On August 5, 2015, the registrant had 215,470,105 shares of Class A common stock, $0.01 par value, and 34,848,107 shares of Class B common stock, $0.01 par value, outstanding.

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BGC PARTNERS, INC.

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SPECIAL NOTE ON FORWARD-LOOKING INFORMATION

This Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, which we refer to as the “Securities Act,” and Section 21E of the Securities Exchange Act of 1934, as amended, which we refer to as the “Exchange Act.” Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein or in documents incorporated by reference that are not statements of historical fact may be deemed to be forward-looking statements. For example, words such as “may,” “will,” “should,” “estimates,” “predicts,” “potential,” “continue,” “strategy,” “believes,” “anticipates,” “plans,” “expects,” “intends,” and similar expressions are intended to identify forward-looking statements.

Our actual results and the outcome and timing of certain events may differ significantly from the expectations discussed in the forward-looking statements. Factors that might cause or contribute to such a discrepancy include, but are not limited to, the factors set forth below and may impact either or both of our operating segments:

- market conditions, including trading volume and volatility, potential deterioration of equity and debt capital markets and markets for commercial real estate and related services, and our ability to access the capital markets;
- pricing, commissions and fees, and market position with respect to our products and services and those of our competitors;
- the effect of industry concentration and reorganization, reduction of customers, and consolidation;
- liquidity, regulatory, and clearing capital requirements and the impact of credit market events;
- our relationships with Cantor Fitzgerald, L.P. and its affiliates, which we refer to as “Cantor,” including Cantor Fitzgerald & Co., which we refer to as “CF&Co,” and Cantor Commercial Real Estate Company, L.P., which we refer to as “CCRE,” any related conflicts of interest, any impact of Cantor’s results on our credit ratings and/or the associated outlooks, CF&Co’s acting as our sales agent under our controlled equity or other offerings, CF&Co’s acting as our financial advisor in connection with potential business combinations, dispositions, or other transactions, our participation in various investments, stock loans or cash management vehicles placed by or recommended by CF&Co, and any services by CCRE with respect to finding and reviewing suitable acquisition or partner candidates, structuring transactions, and negotiating and due diligence services;
- economic or geopolitical conditions or uncertainties, the actions of governments or central banks, and the impact of natural disasters or weather-related or similar events, including power failures, communication and transportation disruptions, and other interruptions of utilities or other essential services;
- the effect on our businesses, our clients, the markets in which we operate, and the economy in general of possible shutdowns of the U.S. government, sequestrations, uncertainties regarding the debt ceiling and the federal budget, and other potential political impasses;
- the effect on our businesses of reductions in overall industry volumes in certain of our products as a result of Federal Reserve Board quantitative easing, the ending of quantitative easing, and other factors, including the level and timing of governmental debt issuances and outstanding amounts;
- the effect on our businesses of worldwide governmental debt issuances, austerity programs, increases or decreases in deficits, quantitative easing, and potential political impasses or regulatory requirements, including increased capital requirements for banks and other institutions;
- extensive regulation of our businesses, changes in regulations relating to the financial services, commercial real estate and other industries, and risks relating to compliance matters, including regulatory examinations, inspections, investigations and enforcement actions, and any resulting costs, fines, penalties, sanctions, enhanced oversight, increased financial and capital requirements, and changes to or restrictions or limitations on specific activities, operations, compensatory arrangements, and growth opportunities, including acquisitions, hiring, and new businesses, products, or services;
- factors related to specific transactions or series of transactions, including credit, performance, and unmatched principal risk, trade failures, counterparty failures, and the impact of fraud and unauthorized trading;
- costs and expenses of developing, maintaining, and protecting our intellectual property, as well as employment and other litigation and their related costs, including judgments or settlements paid or received and the impact thereof on our financial results and cash flows in any given period;
- certain financial risks, including the possibility of future losses, reduced cash flows from operations, increased leverage and the need for short- or long-term borrowings or other sources of cash relating to acquisitions, dispositions, or other matters, potential liquidity and other risks relating to our ability to obtain financing or refinancing of existing debt on terms acceptable to us, if at all, and risks of the resulting leverage, including potentially causing a reduction in our credit ratings and/or the associated outlooks and increased borrowing costs, as well as interest rate and foreign currency exchange rate fluctuations;

- risks associated with the temporary or longer-term investment of our available cash, including defaults or impairments on our investments, stock loans or cash management vehicles and collectability of loan balances owed to us by partners, employees, or others;
- our ability to enter new markets or develop new products, trading desks, marketplaces, or services and to induce customers to use these products, trading desks, marketplaces, or services and to secure and maintain market share;
- our ability to enter into marketing and strategic alliances and business combinations or other transactions in the financial services, real estate, and other industries, including acquisitions, tender offers, dispositions, reorganizations, partnering opportunities and joint ventures, and our ability to maintain or develop relationships with independently owned offices in our real estate services business, the anticipated benefits of any such transactions or relationships and the future impact of any such transactions or relationships on our financial results for current or future periods, the integration of any completed acquisitions and the use of proceeds of any completed dispositions, and the value of and any hedging entered into in connection with consideration received or to be received in connection with such dispositions;
- our estimates or determinations of potential value with respect to various assets or portions of our businesses, including with respect to the accuracy of the assumptions or the valuation models or multiples used;
- our ability to hire and retain personnel, including brokers, salespeople, managers, and other professionals;
- our ability to expand the use of technology for hybrid and fully electronic trading in our product and service offerings;
- our ability to effectively manage any growth that may be achieved, while ensuring compliance with all applicable financial reporting, internal control, legal compliance, and regulatory requirements;
- our ability to identify and remediate any material weaknesses in our internal controls that could affect our ability to prepare financial statements and reports in a timely manner, control our policies, practices and procedures, operations and assets, assess and manage our operational, regulatory, and financial risks, and integrate our acquired businesses and brokers, salespeople, managers and other professionals;
- the effectiveness of our risk management policies and procedures, and the impact of unexpected market moves and similar events;
- information technology risks, including, capacity constraints, failures, or disruptions in our systems or those of the clients, counterparties, exchanges, clearing facilities, or other parties with which we interact, including cybersecurity risks and incidents;
- the fact that the prices at which shares of our Class A common stock are sold in one or more of our controlled equity offerings or in other offerings or other transactions may vary significantly, and purchasers of shares in such offerings or transactions, as well as existing stockholders, may suffer significant dilution if the price they paid for their shares is higher than the price paid by other purchasers in such offerings or transactions;
- our ability to meet expectations with respect to payments of dividends and distributions and repurchases of shares of our Class A common stock and purchases or redemptions of limited partnership interests of BGC Holdings, L.P., which we refer to as “BGC Holdings,” or other equity interests in our subsidiaries, including from Cantor, our executive officers, other employees, partners, and others, and the net proceeds to be realized by us from offerings of our shares of Class A common stock; and
- the effect on the market for and trading price of our Class A common stock of various offerings and other transactions, including our controlled equity and other offerings of our Class A common stock and convertible or exchangeable debt securities, our repurchases of shares of our Class A common stock and purchases of BGC Holdings limited partnership interests or other equity interests in our subsidiaries, any exchanges or redemptions of limited partnership units and issuances of shares of Class A common stock in connection therewith, including in partnership restructurings, our payment of dividends on our Class A common stock and distributions on BGC Holdings limited partnership interests, convertible arbitrage, hedging, and other transactions engaged in by holders of our 4.50% convertible notes and counterparties to our capped call transactions, share sales and stock pledge, stock loan, and other financing transactions by holders of our shares (including by Cantor or others), including of shares acquired pursuant to our employee benefit plans, unit exchanges and redemptions, partnership restructurings, acquisitions, conversions of our Class B common stock and our convertible notes, conversions or exchanges of our convertible or exchangeable debt securities, stock pledge, stock loan, or other financing transactions, and distributions from Cantor pursuant to Cantor’s distribution rights obligations and other distributions to Cantor partners, including deferred distribution rights shares.

The foregoing risks and uncertainties, as well as any risks and uncertainties discussed under the headings “Part II, Item 1A—Risk Factors,” “Part I, Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Part I, Item 3—Quantitative and Qualitative Disclosures About Market Risk” and elsewhere in this Form 10-Q, may cause actual results and events to differ materially from the forward-looking statements. The information included herein is given as of the filing date of this Form 10-Q with the Securities and Exchange Commission, and future results or events could differ significantly from these forward-looking statements. We do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the “SEC”). You may read and copy any document we file at the SEC’s Public Reference Room located at One Station Place, 100 F Street, N.E., Washington, D.C. 20549. You can also request copies of the documents, upon payment of a duplicating fee, by writing the Public Reference Section of the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. These filings are also available to the public from the SEC’s website at www.sec.gov.

Our website address is www.bgcpartners.com. Through our website, we make available, free of charge, the following documents as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC: our Annual Reports on Form 10-K; our proxy statements for our annual and special stockholder meetings; our Quarterly Reports on Form 10-Q; our Current Reports on Form 8-K; Forms 3, 4 and 5 and Schedules 13D filed on behalf of Cantor, CF Group Management, Inc. (“CFGM”), our directors and our executive officers; and amendments to those documents. Our website also contains additional information with respect to our industry and business. The information contained on, or that may be accessed through, our website is not part of, and is not incorporated into, this Quarterly Report on Form 10-Q.

PART I—FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
BGC PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(in thousands, except per share data)
(unaudited)

	June 30, 2015	December 31, 2014
Assets		
Cash and cash equivalents	$ 364,013	$ 648,277
Cash segregated under regulatory requirements	8,435	12,144
Securities owned	32,467	32,508
Securities borrowed	237	62,736
Marketable securities	48,278	144,719
Receivables from broker-dealers, clearing organizations, customers and related broker-dealers	1,119,812	640,761
Accrued commissions receivable, net	384,858	292,050
Loans, forgivable loans and other receivables from employees and partners, net	174,843	130,775
Fixed assets, net	147,261	112,020
Investments	33,233	17,392
Goodwill	933,579	392,570
Other intangible assets, net	337,189	27,980
Receivables from related parties	11,054	8,864
Other assets	376,467	228,331
Total assets	$3,971,726	$ 2,751,127
Liabilities, Redeemable Partnership and Noncontrolling interests, and Equity		
Short term borrowings	$ 50,000	$ —
Securities loaned	47,792	—
Accrued compensation	318,086	231,679
Payables to broker-dealers, clearing organizations, customers and related broker-dealers	977,635	646,169
Payables to related parties	38,873	23,326
Accounts payable, accrued and other liabilities	567,863	501,830
Notes payable and collateralized borrowings	841,200	556,700
Notes payable to related parties	—	150,000
Total liabilities	2,841,449	2,109,704
Commitments and contingencies (Note 19)		
Redeemable partnership interest	58,976	59,501
Redeemable noncontrolling interests	345,338	—
Equity		
Stockholders' equity:		
Class A common stock, par value $0.01 per share; 500,000 shares authorized; 249,681 and 220,217 shares issued at June 30, 2015 and December 31, 2014, respectively; and 213,656 and 185,108 shares outstanding at June 30, 2015 and December 31, 2014, respectively	2,497	2,202
Class B common stock, par value $0.01 per share; 100,000 shares authorized; 34,848 shares issued and outstanding at June 30, 2015 and December 31, 2014, convertible into Class A common stock	348	348
Additional paid-in capital	1,018,902	817,158
Contingent Class A common stock	54,481	47,383
Treasury stock, at cost: 36,025 and 35,109 shares of Class A common stock at June 30, 2015 and December 31, 2014, respectively	(206,767)	(200,958)
Retained deficit	(306,513)	(268,920)
Accumulated other comprehensive income (loss)	(16,252)	4,303
Total stockholders' equity	546,696	401,516
Noncontrolling interest in subsidiaries	179,267	180,406
Total equity	725,963	581,922
Total liabilities, redeemable partnership and noncontrolling interests, and equity	$3,971,726	$ 2,751,127

The accompanying Notes to the unaudited Condensed Consolidated Financial Statements are an integral part of these financial statements.

BGC PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Revenues:				
Commissions	$ 487,810	$ 291,666	$ 903,093	$ 595,264
Principal transactions	95,349	72,751	165,117	152,258
Real estate management services	46,528	39,020	87,130	78,846
Fees from related parties	6,095	7,967	12,701	14,999
Market data and software solutions	27,693	2,195	39,220	4,530
Interest income	3,161	1,925	4,866	3,997
Other revenues	2,495	1,678	4,571	12,097
Total revenues	669,131	417,202	1,216,698	861,991
Expenses:				
Compensation and employee benefits	432,176	264,318	778,989	539,617
Allocations of net income and grant of exchangeability to limited partnership units and FPUs	26,200	22,402	63,254	53,725
Total compensation and employee benefits	458,376	286,720	842,243	593,342
Occupancy and equipment	63,108	35,701	106,073	76,622
Fees to related parties	4,121	2,133	8,688	3,940
Professional and consulting fees	14,331	10,156	37,383	21,245
Communications	32,110	21,312	57,047	41,770
Selling and promotion	26,763	18,255	47,239	36,280
Commissions and floor brokerage	10,473	5,575	16,751	9,781
Interest expense	18,439	9,230	34,341	18,565
Other expenses	27,179	13,584	48,220	30,166
Total expenses	654,900	402,666	1,197,985	831,711
Other Income (losses), net:				
Gain on divestiture and sale of investments	894	—	679	—
Gains (losses) on equity method investments	833	(1,288)	1,636	(3,563)
Other income (loss)	1,331	1,667	32,531	(556)
Total other income (losses), net	3,058	379	34,846	(4,119)
Income from operations before income taxes	17,289	14,915	53,559	26,161
Provision for income taxes	2,272	3,600	12,318	4,344
Consolidated net income	$ 15,017	$ 11,315	$ 41,241	$ 21,817
Less: Net income attributable to noncontrolling interest in subsidiaries	5,670	3,714	17,839	6,208
Net income available to common stockholders	$ 9,347	$ 7,601	$ 23,402	$ 15,609
Per share data:				
Basic earnings per share				
Net income available to common stockholders	$ 9,347	$ 7,601	$ 23,402	$ 15,609
Basic earnings per share	$ 0.04	$ 0.03	$ 0.10	$ 0.07
Basic weighted-average shares of common stock outstanding	244,862	220,770	233,504	220,689
Fully diluted earnings per share				
Net income for fully diluted shares	$ 13,256	$ 11,105	$ 33,997	$ 22,663
Fully diluted earnings per share	$ 0.04	$ 0.03	$ 0.10	$ 0.07
Fully diluted weighted-average shares of common stock outstanding	366,774	326,586	352,707	324,300
Dividends declared per share of common stock	$ 0.14	$ 0.12	$ 0.26	$ 0.24
Dividends declared and paid per share of common stock	$ 0.14	$ 0.12	$ 0.26	$ 0.24

The accompanying Notes to the unaudited Condensed Consolidated Financial Statement are an integral part of these financial statements.

BGC PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Consolidated net income [1]	$15,017	$11,315	$ 41,241	$21,817
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments	2,254	524	(6,932)	1,253
Unrealized loss on securities available for sale	(383)	(726)	(16,351)	(1,159)
Total other comprehensive (loss) income, net of tax	1,871	(202)	(23,283)	94
Comprehensive income	16,888	11,113	17,958	21,911
Less: Comprehensive income attributable to noncontrolling interest in subsidiaries, net of tax [1]	5,940	3,684	15,111	6,223
Comprehensive income attributable to common stockholders	$10,948	$ 7,429	$ 2,847	$15,688

1 Consolidated net income allocated to Noncontrolling Interest in Subsidiaries includes income attributable to Redeemable Noncontrolling Interest.

The accompanying Notes to the unaudited Condensed Consolidated Financial Statements are an integral part of these financial statements.

BGC PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net income	$ 41,241	$ 21,817
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Fixed asset depreciation and intangible asset amortization	40,283	21,608
Employee loan amortization and reserves on employee loans	19,761	14,284
Equity-based compensation and allocations of net income to limited partnership units and FPUs	73,256	60,049
Deferred compensation expense	11,360	—
(Gains) Losses on equity method investments	(1,636)	3,563
Accretion of discount on convertible notes	2,958	2,388
Unrealized (gain) loss on marketable securities	(837)	1,171
Impairment of fixed assets	17,679	3,723
Deferred tax (benefit) provision	2,160	1,116
Sublease provision adjustment	(924)	225
Cumulative realized gain on marketable securities (see Note 9 – “Marketable Securities”)	(29,040)	—
Gain on sale of divestitures	(537)	—
Forfeitures of Class A common stock	(1,102)	—
Consolidated net income, adjusted for non-cash and non-operating items	174,622	129,944
Decrease (increase) in operating assets:		
Receivables from broker-dealers, clearing organizations, customers and related broker-dealers	229,099	(462,130)
Loans, forgivable loans and other receivables from employees and partners, net	(50,015)	(26,090)
Accrued commissions receivable, net	1,977	(4,058)
Securities borrowed	62,499	—
Securities owned	4,142	(2,660)
Receivables from related parties	(1,659)	3,477
Cash segregated under regulatory requirements	3,868	(7,134)
Other assets	4,033	(21,223)
Increase (decrease) in operating liabilities:		
Payables to broker-dealers, clearing organizations, customers and related broker-dealers	(308,983)	439,277
Payables to related parties	15,755	3,693
Securities sold, not yet purchased	(1,557)	1,652
Securities loaned	47,792	—
Accounts payable, accrued and other liabilities	(117,301)	(30,884)
Accrued compensation	(70,959)	5,294
Net cash provided by (used in) operating activities	$ (6,687)	$ 29,158
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	$ (14,210)	$ (5,204)
Capitalization of software development costs	(6,948)	(7,271)
Purchase of equity method investments	(687)	(6,942)
Payments for acquisitions, net of cash acquired	(155,518)	(12,955)
Purchase of marketable securities	—	(7,795)
Disposal of assets and liabilities held for sale, net	(5,633)	—
Capitalization of trademarks, patent defense and registration costs	(742)	(144)
Net cash used in investing activities	$ (183,738)	$ (40,311)

The accompanying Notes to the unaudited Condensed Consolidated Financial Statements are an integral part of these financial statements.

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BGC PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)
(in thousands)
(unaudited)

	Six Months Ended June 30, 2015	2014
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of collateralized borrowings	(1,643)	(1,599)
Issuance of collateralized borrowings, net of deferred issuance costs	27,886	—
Earnings distributions	(39,155)	(26,709)
Redemption and repurchase of limited partnership interests	(14,400)	(18,900)
Dividends to stockholders	(60,995)	(52,498)
Repurchase of Class A common stock	(5,886)	(47,685)
Cancellation of restricted stock units in satisfaction of withholding tax requirements	(488)	(538)
Proceeds from exercise of stock options	275	—
Repayments of short-term borrowings	(20,000)	—
Net cash used in financing activities	(114,406)	(147,929)
Cash and cash equivalents classified as assets held for sale	23,228	—
Effect of exchange rate changes on cash and cash equivalents	(2,661)	355
Net decrease in cash and cash equivalents	(284,264)	(158,727)
Cash and cash equivalents at beginning of period	648,277	716,919
Cash and cash equivalents at end of period	$ 364,013	$ 558,192
Supplemental cash information:		
Cash paid during the period for taxes	$ 15,374	$ 51,591
Cash paid during the period for interest	25,660	16,174
Supplemental non-cash information:		
Issuance of Class A common stock upon exchange of limited partnership interests	$ 32,998	$ 34,923
Issuance of Class A and contingent Class A common stock for acquisitions	32,263	—
Issuance of Class A common stock upon conversion of 8.75% convertible notes	150,000	—

The accompanying Notes to the unaudited Condensed Consolidated Financial Statements are an integral part of these financial statements.

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BGC PARTNERS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Year Ended December 31, 2014
(in thousands, except share amounts)

	BGC Partners, Inc. Stockholders								
	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Contingent Class A Common Stock	Treasury Stock	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (loss)	Noncontrolling Interest in Subsidiaries	Total
Balance, January 1, 2014	$ 2,027	$ 348	$745,678	$ 12,051	$(121,753)	$(167,923)	$ (6,060)	$ 238,379	$ 702,747
Consolidated net income	—	—	—	—	—	4,135	—	(7,974)	(3,839)
Other comprehensive gain, net of tax	—	—	—	—	—	—	10,363	1,938	12,301
Equity-based compensation, 987,831 shares	10	—	2,275	—	—	—	—	1,047	3,332
Dividends to common stockholders	—	—	—	—	—	(105,132)	—	—	(105,132)
Earnings distributions to limited partnership interests and other noncontrolling interests	—	—	—	—	—	—	—	(55,821)	(55,821)
Grant of exchangeability and redemption of limited partnership interests, issuance of 11,899,558 shares	119	—	59,207	—	—	—	—	30,741	90,067
Issuance of Class A common stock (net of costs), 47,896 shares	—	—	275	—	—	—	—	86	361
Redemption of FPUs, 2,494,896 units	—	—	—	—	—	—	—	(2,359)	(2,359)
Repurchase of Class A common stock, 14,020,586 shares	—	—	1,011	—	(79,205)	—	—	(24,526)	(102,720)
Cantor purchase of Cantor units from BGC Holdings upon redemption of founding/working partner units and subsequent repurchases by BGC Holdings, 3,142,257 units	—	—	—	—	—	—	—	(13,716)	(13,716)
Re-allocation of equity due to additional investment by founding/working partners	—	—	—	—	—	—	—	(110)	(110)
Issuance of Class A common stock for acquisitions, 1,912,630 shares	19	—	8,976	(3,635)	—	—	—	1,640	7,000
Issuance of contingent shares and limited partnership interests in connection with acquisitions	—	—	—	38,967	—	—	—	11,940	50,907
Purchases of Newmark noncontrolling interest	—	—	(234)	—	—	—	—	(169)	(403)
Other	27	—	(30)	—	—	—	—	(690)	(693)
Balance, December 31, 2014	$ 2,202	$ 348	$817,158	$ 47,383	$(200,958)	$(268,920)	$ 4,303	$ 180,406	$ 581,922

The accompanying Notes to the unaudited Condensed Consolidated Financial Statement are an integral part of these financial statements.

BGC PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY—(Continued)
For the Six Months Ended June 30, 2015
(in thousands, except share amounts)
(unaudited)

	BGC Partners, Inc. Stockholders								
	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Contingent Class A Common Stock	Treasury Stock	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (loss)	Noncontrolling Interest in Subsidiaries	Total
Balance, January 1, 2015	$ 2,202	$ 348	$ 817,158	$ 47,383	$(200,958)	$(268,920)	$ 4,303	$ 180,406	$581,922
Consolidated net income	—	—	—	—	—	23,402	—	17,839	41,241
Less income attributable to Redeemable Noncontrolling interests	—	—	—	—	—	—	—	(1,080)	(1,080)
Other comprehensive gain, net of tax	—	—	—	—	—	—	(20,555)	(2,728)	(23,283)
Equity-based compensation, 648,747 shares	6	—	1,500	—	—	—	—	753	2,259
Dividends to common stockholders	—	—	—	—	—	(60,995)	—	—	(60,995)
Earnings distributions to limited partnership interests and other noncontrolling interests	—	—	—	—	—	—	—	(39,155)	(39,155)
Grant of exchangeability and redemption of limited partnership interests, issuance of 3,962,745 shares	40	—	32,547	—	—	—	—	17,990	50,577
Issuance of Class A common stock (net of costs), 52,968 shares	1	—	372	—	—	—	—	112	485
Redemption of FPUs, 27,574 units	—	—	—	—	—	—	—	(156)	(156)
Repurchase of Class A common stock, 741,081 shares	—	—	—	—	(4,499)	—	—	(1,387)	(5,886)
Forfeitures of restricted Class A common stock, 175,123 shares	—	—	465	—	(1,310)	—	—	(257)	(1,102)
Re-allocation of equity due to additional investment by founding/working partners	—	—	—	—	—	—	—	(80)	(80)
Issuance of Class A common stock for acquisitions, 757,287 shares	8	—	16,369	(2,684)	—	—	—	5,770	19,463
Issuance of contingent shares and limited partnership interests in connection with acquisitions	—	—	—	9,782	—	—	—	3,018	12,800
Conversion of 8.75% Convertible Notes to Class A common stock, 24,042,599 shares	240	—	149,760	—	—	—	—	—	150,000
Purchases of Newmark noncontrolling interest	—	—	731	—	—	—	—	(1,219)	(488)
Other	—	—	—	—	—	—	—	(559)	(559)
Balance, June 30, 2015	$ 2,497	$ 348	$1,018,902	$ 54,481	$(206,767)	$(306,513)	$ (16,252)	$ 179,267	$725,963

The accompanying Notes to the unaudited Condensed Consolidated Financial Statement *are an integral part of these financial statements.*

BGC PARTNERS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Organization and Basis of Presentation

Business Overview

BGC Partners, Inc. (together with its subsidiaries, "BGC Partners," "BGC" or the "Company") is a leading global brokerage company servicing the financial and real estate markets through its two segments, Financial Services and Real Estate Services. The Company's Financial Services segment specializes in the brokerage of a broad range of products, including fixed income securities, interest rate swaps, foreign exchange, equities, equity derivatives, credit derivatives, commodities, futures and structured products. It also provides a wide 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 in many markets, fully electronic brokerage services in connection with transactions executed either over-the-counter ("OTC") or through an exchange. Through its BGC Trader™ and BGC Market Data brands, BGC Partners offers financial technology solutions, market data, and analytics related to select financial instruments and markets.

Newmark Grubb Knight Frank ("NGKF") is a full-service commercial real estate platform that comprises the Company's Real Estate Services segment, offering commercial real estate tenants, owners, investors and developers a wide range of services, including leasing and corporate advisory, investment sales and financial services, consulting, project and development management, and property and facilities management.

On February 26, 2015, the Company successfully completed a tender offer to acquire shares of common stock, par value $0.01 per share (the "Shares"), of GFI Group Inc. ("GFI") for $6.10 per share in cash and accepted for purchase 54.3 million shares (the "Tendered Shares") tendered to the Company pursuant to our offer (the "Offer"). The Tendered Shares, together with the 17.1 million Shares already owned by the Company, represent approximately 56% of GFI's outstanding shares. On April 28, 2015 a subsidiary of BGC purchased approximately 43.0 million newly issued shares of GFI's common stock (the "New Shares") at the price of $5.81 per share for an aggregate purchase price of $250 million, increasing our ownership in GFI to approximately 67.0%. The purchase price was paid to GFI in the form of a note due on June 19, 2018 that bears an interest rate of LIBOR plus 200 basis points. GFI is a leading intermediary and provider of trading technologies and support services to the global OTC and listed markets. GFI serves more than 2,500 institutional clients in operating electronic and hybrid markets for cash and derivative products across multiple asset classes.

The Company's customers include many of the world's largest banks, broker-dealers, investment banks, trading firms, hedge funds, governments, corporations, property owners, real estate developers and investment firms. BGC Partners has offices in dozens of major markets, including New York and London, as well as Atlanta, Beijing, Boston, Charlotte, Chicago, Copenhagen, Dallas, Denver, Dubai, Hong Kong, Houston, Istanbul, Johannesburg, Los Angeles, Mexico City, Miami, Moscow, Nyon, Paris, Philadelphia, Rio de Janeiro, San Francisco, Santa Clara, São Paulo, Seoul, Singapore, Sydney, Tokyo, Toronto, Washington, D.C. and Zurich.

Basis of Presentation

The Company's unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") and in conformity with accounting principles generally accepted in the U.S. ("U.S. GAAP"). The Company's unaudited condensed consolidated financial statements include the Company's accounts and all subsidiaries in which the Company has a controlling interest. Intercompany balances and transactions have been eliminated in consolidation. Certain reclassifications have been made to previously reported amounts to conform to the current presentation.

During the year ended December 31, 2014, the Company changed the presentation of certain line items in the unaudited condensed consolidated statements of operations. The Company now presents a new section entitled "Other income (losses), net" which is comprised of Gain on divestiture and sale of investments, Gains (losses) on equity method investments and Other income. Gain on divestiture and sale of investments and Gains (losses) on equity method investments were both previously presented as separate revenue line items.

During the three months ended March 31, 2015 the Company created a new line item for the remaining noncontrolling interest shareholders of GFI, a consolidated subsidiary of the Company. On April 29, 2015, the Company announced that a subsidiary of BGC purchased from GFI approximately 43.0 million New Shares at that date's closing price of $5.81 per share, for an aggregate purchase price of $250 million. The purchase price was paid to GFI in the form of a note due on June 19, 2018 that bears an interest rate of LIBOR plus 200 basis points. Due to intercompany elimination, the New Shares and the note will have no impact on the consolidated balance sheet of BGC. Following the issuance of the New Shares, BGC owns approximately 67.0% of GFI's outstanding common stock. The Company accounts for the noncontrolling interest in GFI outside of permanent capital, as "Redeemable noncontrolling interest," in the Company's unaudited condensed consolidated statements of financial condition. This classification is applicable, as these shares are redeemable at a price of $6.10 per share pursuant to the tender offer, for cash and/or BGC shares.

During the three months ended March 31, 2015 the Company changed the presentation of certain line items in our unaudited condensed consolidated statements of operations. We combined "Market data" and Software solutions" into one line item "Market data and software solutions." Reclassifications have been made to previously reported amounts to conform to the current presentation.

The unaudited condensed consolidated financial statements contain all normal and recurring adjustments that, in the opinion of management, are necessary for a fair presentation of the unaudited condensed consolidated statements of financial condition, the unaudited condensed consolidated statements of operations, the unaudited condensed consolidated statements of comprehensive income, the unaudited condensed consolidated statements of cash flows and the unaudited condensed consolidated statements of changes in equity of the Company for the periods presented.

Recent Accounting Pronouncements

In April 2014, the FASB issued ASU No. 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components on an Entity, which amends the requirements for reporting discontinued operations in ASC 205-20. The ASU includes changes in the criteria and required disclosures for disposals qualifying as discontinued operations, as well as additional required disclosures for disposals not considered discontinued operations. The amendments in this update are effective for the annual period beginning on January 1, 2015 for the Company. The adoption of this FASB guidance did not have a material impact on the Company's unaudited condensed consolidated financial statements.

On May 28, 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, which relates to how an entity recognizes the revenue it expects to be entitled to for the transfer of promised goods and services to customers. The ASU will replace certain existing revenue recognition guidance when it becomes effective on January 1, 2018. Early adoption is permitted. The standard permits the use of either the retrospective or cumulative effect transition method. Management is currently evaluating the impact of the future adoption of the ASU on the Company's unaudited condensed consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15, Presentation of Financial Statements—Going Concern, which relates to disclosure of uncertainties about an entity's ability to continue as a going concern. The ASU provides additional guidance on management's responsibility to evaluate the condition of an entity and the required disclosures based on this assessment. The amendments in this update are effective for the annual period ending after December 15, 2016, and early application is permitted. The adoption of this FASB guidance would not impact the Company's unaudited condensed consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03, Interest—Imputation of Interest, which relates to simplifying the presentation of debt issuance costs. The ASU requires that debt issuance costs related to a recognized liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The amendments in this update are effective for the annual period beginning January 1, 2016 for the Company, and early adoption is permitted. The adoption of this FASB guidance would not impact the Company's unaudited condensed consolidated financial statements.

2. Divestiture

In connection with the successful completion of the Tender Offer to acquire GFI on February 26, 2015, the Company acquired Kyte Group Limited ("KGL") which primarily included GFI's clearing business, and Kyte Broking Limited ("KBL"). On January 24, 2015, GFI entered into an agreement to sell its 100% equity ownership of KGL, and the transaction was completed in March 2015. The total cash consideration received by the Company was approximately $10.6 million. The loss incurred from the sale of KGL of $0.2 million is recorded as "Gain on divestiture and sale of investments" in the Company's unaudited condensed consolidated statements of operations.

On February 3, 2015, GFI entered into an agreement to sell 100% equity ownership of KBL. In May 2015, the Company completed the sale of KBL. The Company recorded a gain on the sale of $0.8 million, which was included within "Gain on divestiture and sale of investments" in the unaudited condensed consolidated statements of operations. KBL's operations prior to the completion of the transaction are included in the unaudited condensed consolidated statements of operations for the three and six months ended June 30, 2015.

3. Limited Partnership Interests in BGC Holdings

BGC Holdings, L.P. ("BGC Holdings") is a consolidated subsidiary of the Company for which the Company is the general partner. The Company and BGC Holdings jointly own BGC Partners, L.P. ("BGC US") and BGC Global Holdings L.P. ("BGC Global"), the two operating partnerships. Listed below are the limited partnership interests in BGC Holdings. The founding/working partner units, limited partnership units and limited partnership interests held by Cantor Fitzgerald, L.P. ("Cantor") ("Cantor units"), each as described below, collectively represent all of the "limited partnership interests" in BGC Holdings.

Founding/Working Partner Units

Founding/working partners have a limited partnership interest in BGC Holdings. The Company accounts for founding/working partner units ("FPUs") outside of permanent capital, as "Redeemable partnership interest," in the Company's unaudited condensed consolidated statements of financial condition. This classification is applicable to founding/working partner units because these units are redeemable upon termination of a partner, including a termination of employment, which can be at the option of the partner and not within the control of the issuer.

Founding/working partner units are held by limited partners who are employees and generally receive quarterly allocations of net income. Upon termination of employment or otherwise ceasing to provide substantive services, the founding/working partner units are generally redeemed, and the unit holders are no longer entitled to participate in the quarterly allocations of net income. Since these allocations of net income are cash distributed on a quarterly basis and are contingent upon services being provided by the unit holder, they are reflected as a component of compensation expense under “Allocations of net income and grant of exchangeability to limited partnership units and FPUs” in the Company’s unaudited condensed consolidated statements of operations.

Limited Partnership Units

Certain employees hold limited partnership interests in BGC Holdings (e.g., REUs, RPUs, PSUs, PSIs and LPUs, collectively the “limited partnership units”). Generally, such units receive quarterly allocations of net income, which are cash distributed and generally are contingent upon services being provided by the unit holders. As prescribed in FASB guidance, the quarterly allocations of net income on such limited partnership units are reflected as a component of compensation expense under “Allocations of net income and grant of exchangeability to limited partnership units and FPUs” in the Company’s unaudited condensed consolidated statements of operations. From time to time the Company issues limited partnership units as part of the consideration for acquisitions. These units are not entitled to a distribution of earnings.

Certain of these limited partnership units entitle the holders to receive post-termination payments equal to the notional amount of the units in four equal yearly installments after the holder’s termination. These limited partnership units are accounted for as post-termination liability awards, and in accordance with FASB guidance, the Company records compensation expense for the awards based on the change in value at each reporting date in the Company’s unaudited condensed consolidated statements of operations as part of “Compensation and employee benefits.”

The Company has also awarded certain preferred partnership units (“Preferred Units”). Each quarter, the net profits of BGC Holdings are allocated to such units at a rate of either 0.6875% (which is 2.75% per calendar year) or such other amount as set forth in the award documentation (the “Preferred Distribution”). These allocations are deducted before the calculation and distribution of the quarterly partnership distribution for the remaining partnership units and are generally contingent upon services being provided by the unit holder. The Preferred Units are not entitled to participate in partnership distributions other than with respect to the Preferred Distribution. Preferred Units may not be made exchangeable into the Company’s Class A common stock and are only entitled to the Preferred Distribution, and accordingly they are not included in the Company’s fully diluted share count. The quarterly allocations of net income on Preferred Units are reflected in compensation expense under “Allocations of net income and grant of exchangeability to limited partnership units and FPUs” in the Company’s unaudited condensed consolidated statements of operations. After deduction of the Preferred Distribution, the remaining partnership units generally receive quarterly allocations of net income based on their weighted-average pro rata share of economic ownership of the operating subsidiaries.

Cantor Units

Cantor units are reflected as a component of “Noncontrolling interest in subsidiaries” in the Company’s unaudited condensed consolidated statements of financial condition. Cantor receives allocations of net income, which are cash distributed on a quarterly basis and are reflected as a component of “Net income attributable to noncontrolling interest in subsidiaries” in the Company’s unaudited condensed consolidated statements of operations.

General

Certain of the limited partnership interests, described above, have been granted exchangeability into Class A common stock on a one-for-one basis (subject to adjustment); additional limited partnership interests may become exchangeable for Class A common stock on a one-for-one basis (subject to adjustment). Any exchange of limited partnership interests into Class A common shares would not impact the fully diluted number of shares and units outstanding. Because these limited partnership interests generally receive quarterly allocations of net income, such exchange would have no significant impact on the cash flows or equity of the Company. Each quarter, net income is allocated between the limited partnership interests and the common stockholders. In quarterly periods in which the Company has a net loss, the loss allocation for FPUs, limited partnership units and Cantor units is allocated to Cantor and reflected as a component of “Net income attributable to noncontrolling interest in subsidiaries” in the Company’s unaudited condensed consolidated statements of operations. In subsequent quarters in which the Company has net income, the initial allocation of income to the limited partnership interests is to “Net income attributable to noncontrolling interests in subsidiaries,” to recover any losses taken in earlier quarters, with the remaining income allocated to the limited partnership interests. This income (loss) allocation process has no impact on the net income allocated to common stockholders.

4. Acquisitions

Financial Services

On February 26, 2015, the Company successfully completed our tender offer to acquire shares of common stock, par value $0.01 per share, of GFI for $6.10 per share in cash and accepted for purchase 54.3 million shares tendered to us pursuant to the offer. The Tendered Shares, together with the 17.1 million Shares already owned by us, represented approximately 56% of the then outstanding shares of GFI. The Company issued payment for the Tendered Shares on March 4, 2015 in the aggregate amount of $331.1 million. On April 28, 2015, a subsidiary of the Company purchased from GFI approximately 43.0 million New Shares at that date's closing price of $5.81 per share, for an aggregate purchase price of $250 million. The purchase price was paid to GFI in the form of a note due on June 19, 2018 that bears an interest rate of LIBOR plus 200 basis points. The New Shares and the note eliminate on consolidation of the Company. Following the issuance of the New Shares, we own approximately 67% of GFI's outstanding common stock, which now gives the Company control over the timing and process for the completion of the back-end merger pursuant to the tender offer agreement. GFI is a leading intermediary and provider of trading technologies and support services to the global OTC and listed markets. GFI serves more than 2,500 institutional clients in operating electronic and hybrid markets for cash and derivative products across multiple asset classes. The excess of total consideration over the fair value of the total net assets acquired, of approximately $428.9 million, has been recorded to goodwill and was allocated to the Company's Financial Services segment. In addition, "Total revenues" in the Company's unaudited condensed consolidated statements of operations for the three and six months ended June 30, 2015 included $172.5 million and $236.9 million, respectively, related to GFI from the date of acquisition.

The following tables summarize the components of the purchase consideration transferred and the preliminary allocation of the assets acquired and liabilities assumed based on the fair values as of the acquisition date (in millions). The Company expects to finalize its analysis of the assets acquired and liabilities assumed within the first year of the acquisition, and therefore adjustments to assets and liabilities may occur.

Calculation of purchase consideration transferred

	February 26, 2015
Cash	$ 331.1
Fair value of shares already owned (17,075,464 shares at $6.10 per share)	104.1
Total purchase consideration	435.2
Redeemable noncontrolling interest (56,435,876 shares at $6.10 per share)	344.3
Total purchase consideration and noncontrolling interest	$ 779.5

Preliminary allocation of the assets acquired and the liabilities assumed

	February 26, 2015
Cash and cash equivalents	$ 238.8
Receivables from broker-dealers, clearing organizations, customers and related-broker dealers	696.7
Accrued commissions receivable, net	93.6
Fixed assets, net	58.0
Other assets	189.2
Assets held for sale	208.3
Short-term borrowings	(70.0)
Accrued compensation	(141.7)
Payables to broker-dealers, clearing organizations, customers and related broker-dealers	(641.5)
Accounts payable, accrued and other liabilities	(165.0)
Notes payable and collateralized borrowings	(255.3)
Liabilities held for sale	(175.5)
Pre-existing noncontrolling interest	(2.1)
Finite-lived intangible assets:	
Non-compete agreement	15.4
Technology	39.2
Customer relationships	163.7
Acquired intangibles	6.7
Infinite-lived intangible assets:	
Trade name	92.1
Goodwill	428.9
Total	$ 779.5

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The following unaudited pro forma summary presents consolidated information of the Company as if the acquisition of GFI had occurred on January 1, 2014, and as if the Company owns 67% of GFI from the date of acquisition. The unaudited pro forma results are not indicative of operations that would have been achieved, nor are they indicative of future results of operations. The unaudited pro forma results do not reflect any potential cost savings or other operations efficiencies that could result from the acquisition. In addition, the unaudited pro forma condensed combined financial information does not include any adjustments in respect of certain expenses recorded in the GFI financial statements that were associated with non-recurring events unrelated to the acquisition (for example, a $121.6 million charge related to the impairment of goodwill) and does not include any adjustments in respect of any potential future sales of assets. However, the unaudited pro forma results below for the six months ended June 30, 2015 do include non-recurring pro forma adjustments directly related to the acquisition which mainly consisted of: (a) Prior to the acquisition, GFI had entered into an agreement with the CME Group Inc. (“CME”) for CME to acquire GFI. The CME transaction was terminated and as a result, GFI incurred breakage costs of approximately $24.7 million; (b) Severance and compensation restructuring charges of $22.2 million incurred by GFI; and (c) The aggregate of BGC’s and GFI’s professional fees incurred which totaled $24.9 million.

In millions

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Pro forma revenues	$ 669.1	$ 633.1	$1,379.9	$1,315.5
Pro forma consolidated net income	$ 9.3	$ (40.5)	$ 33.1	$ (32.9)

Real Estate Services

During May and June 2015, the Company completed the acquisition of certain entities of Apartment Realty Advisors (“ARA”) and its members. ARA is the nation’s largest privately held, full service investment brokerage network, focusing exclusively on the multi-housing industry.

During May 2015, the Company completed the acquisition of Computerized Facility Integration, LLC (“CFI”). CFI is a premier real estate strategic consulting and systems integration firm that provides corporate real estate, facilities management, and enterprise asset management information consulting and technology solutions.

The total consideration for acquisitions during the six months ended June 30, 2015, within the Real Estate Services segment was approximately $122.9 million, comprised of cash, shares of BGCP Class A common stock and BGC Holdings limited partnership units. The total consideration included contingent consideration of approximately 0.3 million restricted shares of the Company’s Class A common stock (with an acquisition date fair value of approximately $2.3 million), 1.3 million limited partnership units (with an acquisition date fair value of approximately $10.5 million) and $24.2 million in cash that may be issued contingent on certain targets being met through 2018. The excess of the consideration over the fair value of the net assets acquired has been recorded as goodwill of approximately $110.9 million.

The results of operations of the Company’s acquisitions have been included in the Company’s unaudited condensed consolidated financial statements subsequent to their respective dates of acquisition. The Company has made a preliminary allocation of the consideration to the assets acquired and liabilities assumed as of the acquisition date, and expects to finalize its analysis with respect to acquisitions within the first year after the completion of the transaction. Therefore, adjustments to preliminary allocations may occur.

5. Earnings Per Share

FASB guidance on Earnings Per Share (“EPS”) establishes standards for computing and presenting EPS. Basic EPS excludes dilution and is computed by dividing net income available to common stockholders by the weighted-average shares of common stock outstanding and contingent shares for which all necessary conditions have been satisfied except for the passage of time. Net income is allocated to the Company’s outstanding common stock, FPUs, limited partnership units and Cantor units (see Note 3—“Limited Partnership Interests in BGC Holdings”).

The Company's earnings for the three and six months ended June 30, 2015 and 2014 were allocated as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net income available to common stockholders	$ 9,347	$ 7,601	$23,402	$15,609
Allocation of income to limited partnership interests in BGC Holdings	$ 5,119	$ 4,536	$15,257	$ 8,407

The following is the calculation of the Company's basic EPS (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Basic earnings per share:				
Net income available to common stockholders	$ 9,347	$ 7,601	$ 23,402	$ 15,609
Basic weighted-average shares of common stock outstanding	244,862	220,770	233,504	220,689
Basic earnings per share	$ 0.04	$ 0.03	$ 0.10	$ 0.07

Fully diluted EPS is calculated utilizing net income available for common stockholders plus net income allocations to the limited partnership interests in BGC Holdings, as well as adjustments related to the interest expense on the Convertible Notes, if applicable (see Note 17—"Notes Payable, Collateralized and Short-Term Borrowings"), and expense related to dividend equivalents for certain RSUs, if applicable, as the numerator. The denominator is comprised of the Company's weighted-average outstanding shares of common stock and, if dilutive, the weighted-average number of limited partnership interests and other contracts to issue shares of common stock, including Convertible Notes, stock options and RSUs. Except for the Preferred Units, the limited partnership interests generally are potentially exchangeable into shares of Class A common stock and are entitled to remaining earnings after the deduction for the Preferred Distribution; as a result, they are included in the fully diluted EPS computation to the extent that the effect would be dilutive.

The following is the calculation of the Company's fully diluted EPS (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Fully diluted earnings per share				
Net income available to common stockholders	$ 9,347	$ 7,601	$ 23,402	$ 15,609
Allocation of net income to limited partnership interests in BGC Holdings, net of tax	3,909	3,504	10,595	7,052
Dividend equivalent expense on RSUs, net of tax	—	—	—	2
Net income for fully diluted shares	$ 13,256	$ 11,105	$ 33,997	$ 22,663
Weighted-average shares:				
Common stock outstanding	244,862	220,770	233,504	220,689
Limited partnership interests in BGC Holdings	120,122	104,083	117,359	102,071
RSUs (Treasury stock method)	944	685	944	762
Other	846	1,048	900	778
Fully diluted weighted-average shares of common stock outstanding	366,774	326,586	352,707	324,300
Fully diluted earnings per share	$ 0.04	$ 0.03	$ 0.10	$ 0.07

For the three months ended June 30, 2015 and 2014, respectively, approximately 20.8 million and 44.4 million potentially dilutive securities were not included in the computation of fully diluted EPS because their effect would have been anti-dilutive. Anti-dilutive securities for the three months ended June 30, 2015 included, on a weighted-average basis, 19.7 million shares underlying Convertible Notes and 1.1 million other securities or other contracts to issue shares of common stock.

Additionally, as of June 30, 2015 and 2014, respectively, approximately 11.4 million and 5.8 million shares of contingent Class A common stock and limited partnership units were excluded from the fully diluted EPS computations because the conditions for issuance had not been met by the end of the respective periods.

6. Stock Transactions and Unit Redemptions

Class A Common Stock

Changes in shares of the Company's Class A common stock outstanding for the three and six months ended June 30, 2015 and 2014 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Shares outstanding at beginning of period	186,952,687	185,166,111	185,108,316	181,583,001
Share issuances:				
Exchanges of limited partnership interests [1]	1,804,434	2,037,023	3,962,745	7,761,497
Vesting of restricted stock units (RSUs)	220,514	112,980	648,747	743,008
Acquisitions	656,962	656,962	757,287	757,287
Other issuances of Class A common stock [2]	13,120	11,176	52,968	22,877
Conversion of 8.75% Convertible Notes to Class A common stock	24,042,599	—	24,042,599	—
Treasury stock repurchases	(6,520)	(3,982,825)	(741,081)	(6,866,243)
Forfeitures of restricted Class A common stock	(27,338)	—	(175,123)	—
Shares outstanding at end of period	213,656,458	184,001,427	213,656,458	184,001,427

1 The issuance related to redemptions and exchanges of limited partnership interests did not impact the fully diluted number of shares and units outstanding.

2 The Company did not issue shares of Class A common stock for general corporate purposes during the three and six months ended June 30, 2015 or June 30, 2014.

Class B Common Stock

The Company did not issue any shares of Class B common stock during the three and six months ended June 30, 2015 and 2014. As of June 30, 2015 and 2014, the Company's Class B common stock outstanding was 34,848,107 shares.

Controlled Equity Offering

The Company has entered into a controlled equity offering sales agreement with Cantor Fitzgerald & Co. ("CF&Co"), ("November 2014 Sales Agreement") pursuant to which the Company may offer and sell up to an aggregate of 20 million shares of Class A common stock. Shares of the Company's Class A common stock sold under its controlled equity offering sales agreements are used primarily for redemptions and exchanges of limited partnership interests in BGC Holdings. CF&Co is a wholly owned subsidiary of Cantor and an affiliate of the Company. Under this Agreement, the Company has agreed to pay CF&Co 2% of the gross proceeds from the sale of shares. As of June 30, 2015, the Company has sold 2,492,563 shares of Class A common stock under this Agreement.

Unit Redemptions and Share Repurchase Program

The Company's Board of Directors and Audit Committee have authorized repurchases of the Company's Class A common stock and redemptions of BGC Holdings limited partnership interests or other equity interests in the Company's subsidiaries. In February 2014, our Audit Committee authorized such repurchases of stock or units from Cantor employees and partners. On July 30, 2014, the Company's Board of Directors and Audit Committee increased the BGC Partners share repurchase and unit redemption authorization to $250 million. As of June 30, 2015, the Company had approximately $111.3 million remaining from its share repurchase and unit redemption authorization. From time to time, the Company may actively continue to repurchase shares and/or redeem units.

The table below represents unit redemption and share repurchase activity for the three and six months ended June 30, 2015:

Period	Total Number of Units Redeemed or Shares Repurchased	Average Price Paid per Unit or Share	Approximate Dollar Value of Units and Shares That May Yet Be Redeemed/Purchased Under the Plan
Redemptions [1,2]			
January 1, 2015—March 31, 2015	2,040,190	$ 8.65	
April 1, 2015—June 30, 2015	1,242,622	8.83	
Repurchases [3,4]			
January 1, 2015—March 31, 2015	734,561	$ 7.96	
April 1, 2015—April 30, 2015	6,520	6.29	
May 1, 2015—May 31, 2015	—	—	
June 1, 2015—June 30, 2015	—	—	
Total Repurchases	741,081	$ 7.94	
Total Redemptions and Repurchases	4,023,893	$ 8.58	$ 111,323,385

1 During the three months ended June 30, 2015, the Company redeemed approximately 1.2 million limited partnership units at an average price of $8.85 per unit and approximately 17.6 thousand FPUs at an average price of $7.39 per unit. During the three months ended June 30, 2014, the Company redeemed approximately 1.9 million limited partnership units at an average price of $6.87 per unit and approximately 0.1 million FPUs at an average price of $7.16 per unit.

2 During the six months ended June 30, 2015, the Company redeemed approximately 3.3 million limited partnership units at an average price of $8.73 per unit and approximately 27.6 thousand FPUs at an average price of $7.83 per unit. During the six months ended June 30, 2014, the Company redeemed approximately 4.2 million limited partnership units at an average price of $6.58 per unit and approximately 0.3 million FPUs at an average price of $6.96 per unit.

3 During the three months ended June 30, 2015, the Company repurchased approximately 6.5 thousand shares of its Class A common stock at an aggregate purchase price of approximately $41.0 thousand for an average price of $6.29 per share. During the three months ended June 30, 2014, the Company repurchased approximately 4.0 million shares of its Class A common stock at an aggregate purchase price of approximately $28.6 million for an average price of $7.17 per share.

4 During the six months ended June 30, 2015, the Company repurchased approximately 0.7 million shares of its Class A common stock at an aggregate purchase price of approximately $5.9 million for an average price of $7.94 per share. During the six months ended June 30, 2014, the Company repurchased approximately 6.9 million shares of its Class A common stock at an aggregate purchase price of approximately $47.7 million for an average price of $6.94 per share.

Redeemable Partnership Interest

The changes in the carrying amount of redeemable partnership interest for the six months ended June 30, 2015 and 2014 were as follows (in thousands):

	Six Months Ended June 30,	
	2015	**2014**
Balance at beginning of period	$ 59,501	$ 66,918
Consolidated net income allocated to FPUs	—	1,483
Earnings distributions	—	(822)
Re-allocation of equity due to additional investment by founding/working partners	80	286
FPUs exchanged	(546)	(695)
FPUs redeemed	(59)	(855)
Other	—	1,751
Balance at end of period	$ 58,976	$ 68,066

7. Securities Owned and Securities Sold, Not Yet Purchased

Securities owned primarily consist of unencumbered U.S. Treasury bills held for liquidity purposes. Total securities owned were $32.5 million as of June 30, 2015 and December 31, 2014. There were no securities sold, not yet purchased as of June 30, 2015 and December 31, 2014. For additional information, see Note 12—"Fair Value of Financial Assets and Liabilities".

8. Collateralized Transactions

Securities Borrowed

Securities borrowed transactions are recorded at the contractual amount for which the securities will be returned plus accrued interest. As of June 30, 2015, the Company entered into securities borrowed transactions of $0.2 million. As of December 31, 2014, the Company entered into securities borrowed transactions of $62.7 million to cover failed trades.

Securities Loaned

As of June 30, 2015, the Company has Securities loaned transactions of $47.8 million with CF&Co. The market value of the securities lent was $48.0 million. The cash collateral received from CF&Co bears an interest rate of 0.75%. Securities loaned transactions are included in "Securities loaned" in the Company's unaudited condensed consolidated statements of financial condition.

9. Marketable Securities

Marketable securities consist of the Company's ownership of various investments. The investments had a fair value of $48.3 million and $144.7 million as of June 30, 2015 and December 31, 2014, respectively.

Marketable securities includes $48.1 million of NASDAQ OMX common stock received in connection with the earn-out from the sale of eSpeed. These shares of NASDAQ OMX common stock are classified as trading securities and accordingly measured at fair value, with any changes in fair value recognized currently in earnings and included in "Other income (loss)" in the Company's unaudited condensed consolidated statements of operations. From time to time the Company has entered into hedging transactions using derivative contracts to minimize the effect of price changes of the Company's NASDAQ OMX shares (see Note 11—"Derivatives"). During the three months ended June 30, 2015 and 2014, the Company recognized a loss of $2.1 million and a gain of $1.7 million respectively, related to the mark to market on the NASDAQ shares and the related hedging transactions when applicable. During the six months ended June 30, 2015 and 2014, the Company recognized a gain of $0.8 million and a loss of $0.6 million respectively, related to the mark to market on the NASDAQ shares and the related hedging transactions when applicable.

Marketable securities also includes securities classified as available-for-sale. As of June 30, 2015 and December 31, 2014, the Company had $0.2 million and $97.5 million, respectively, related to securities classified as available-for-sale which are recorded at fair value. Unrealized gains or losses on marketable securities classified as available-for-sale are included as part of "Accumulated other comprehensive loss" in the Company's unaudited condensed consolidated statements of financial condition. The securities classified as available for sale as of December 31, 2014 included $93.1 million in fair value of GFI common stock (initial cost of $75.1 million). In connection with the Company's successful completion of the tender offer to acquire GFI on February 26, 2015 (see Note 1—"Organization and Basis of Presentation"), these shares were considered part of the purchase consideration. Upon acquisition of GFI, the unrealized gain previously recorded in "Accumulated other comprehensive loss" was recorded as a $29.0 million gain in "Other income (loss)" in the Company's unaudited condensed statements of financial condition.

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10. Receivables from and Payables to Broker-Dealers, Clearing Organizations, Customers and Related Broker-Dealers.

Receivables from and payables to broker-dealers, clearing organizations, customers and related broker-dealers primarily represent amounts due for undelivered securities, cash held at clearing organizations and exchanges to facilitate settlement and clearance of matched principal transactions, spreads on matched principal transactions that have not yet been remitted from/to clearing organizations and exchanges and amounts related to open derivative contracts, including derivative contracts into which the Company may enter into to minimize the effect of price changes of the Company's NASDAQ OMX shares (see Note 11—"Derivatives"). As of June 30, 2015 and December 31, 2014, receivables from and payables to broker-dealers, clearing organizations, customers and related broker-dealers consisted of the following (in thousands):

	June 30, 2015	December 31, 2014
Receivables from broker-dealers, clearing organizations, customers and related broker-dealers:		
Contract values of fails to deliver	$ 963,667	$ 559,142
Receivables from clearing organizations	130,548	60,300
Other receivables from broker-dealers and customers	21,172	16,927
Net pending trades	427	884
Open derivative contracts	3,998	3,508
Total	$1,119,812	$ 640,761
Payables to broker-dealers, clearing organizations, customers and related broker-dealers:		
Contract values of fails to receive	$ 892,464	$ 552,790
Payables to clearing organizations	57,909	79,848
Other payables to broker-dealers and customers	25,655	13,378
Open derivative contracts	1,607	153
Total	$ 977,635	$ 646,169

A portion of these receivables and payables are with Cantor. See Note 13—"Related Party Transactions," for additional information related to these receivables and payables.

Substantially all open fails to deliver, open fails to receive and pending trade transactions as of June 30, 2015 have subsequently settled at the contracted amounts.

11. Derivatives

In the normal course of operations, the Company enters into derivative contracts. These derivative contracts primarily consist of interest rate swaps, futures, forwards, foreign exchange/commodities options, and foreign exchange swaps. The Company enters into derivative contracts to facilitate client transactions, hedge principal positions and facilitate hedging activities of affiliated companies.

Derivative contracts can be exchange-traded or OTC. Exchange-traded derivatives typically fall within Level 1 or Level 2 of the fair value hierarchy depending on whether they are deemed to be actively traded or not. The Company generally values exchange-traded derivatives using their closing prices. OTC derivatives are valued using market transactions and other market evidence whenever possible, including market-based inputs to models, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. For OTC derivatives that trade in liquid markets, such as generic forwards, swaps and options, model inputs can generally be verified and model selection does not involve significant management judgment. Such instruments are typically classified within Level 2 of the fair value hierarchy.

The Company does not designate any derivative contracts as hedges for accounting purposes. FASB guidance requires that an entity recognize all derivative contracts as either assets or liabilities in the unaudited condensed consolidated statements of financial condition and measure those instruments at fair value. The fair value of all derivative contracts is recorded on a net-by-counterparty basis where a legal right to offset exists under an enforceable netting agreement. Derivative contracts are recorded as part of "Receivables from broker-dealers, clearing organizations, customers and related broker-dealers" and "Payables to broker-dealers, clearing organizations, customers and related broker-dealers" in the Company's unaudited condensed consolidated statements of financial condition.

The fair value of derivative contracts, computed in accordance with the Company's netting policy, is set forth below (in thousands):

	June 30, 2015		December 31, 2014	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	$ 290	$ —	$ 410	$ —
Futures	459	—	—	—
Forwards	1,931	953	—	—
Foreign exchange/commodities options	708	159	—	—
Foreign exchange swaps	610	495	3,098	153
Total	$3,998	$ 1,607	$3,508	$ 153

The notional amounts of these derivative contracts at June 30, 2015 and December 31, 2014 were $19.0 billion and $0.3 billion, respectively. At June 30, 2015, the notional amounts primarily consisted of long futures of $9.3 billion and short futures of $9.4 billion. As of June 30, 2015, these notional values of long and short futures contracts were primarily related to fixed income futures in a consolidated VIE acquired in the acquisition of GFI, of which the Company's exposure to economic loss is approximately $5.8 million.

The interest rate swaps represent matched customer transactions settled through and guaranteed by a central clearing organization. Certain of the Company's foreign exchange swaps are with Cantor. See Note 13—"Related Party Transactions," for additional information related to these transactions.

The replacement cost of contracts in a gain position at June 30, 2015 was $4.0 million.

The change in fair value of interest rate swaps, futures, foreign exchange/commodities options and foreign exchange swaps is reported as part of "Principal transactions" in the Company's unaudited condensed consolidated statements of operations, and the change in fair value of equity options related to the NASDAQ OMX hedges and forwards are included as part of "Other income (loss)" in the Company's unaudited condensed consolidated statements of operations. The table below summarizes gains and losses on derivative contracts for the three and six months ended June 30, 2015 and 2014 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
Derivative contract	2015	2014	2015	2014
Interest rate swaps	$ (22)	$ 15	$ (61)	$ 21
Futures	3,474	—	5,102	—
Forwards	443	—	910	—
Foreign exchange/commodities options	6,001	—	6,418	—
Foreign exchange swaps	1	(115)	(33)	(172)
Equity options	—	—	—	615
Gain (loss)	$ 9,897	$ (100)	$ 12,336	$ 464

As described in Note 17—"Notes Payable, Collateralized and Short-Term Borrowings," on July 29, 2011, the Company issued an aggregate of $160.0 million principal amount of 4.50% Convertible Senior Notes due 2016 (the "4.50% Convertible Notes") containing an embedded conversion feature. The conversion feature meets the requirements to be accounted for as an equity instrument, and the Company classifies the conversion feature within "Additional paid-in capital" in the Company's unaudited condensed consolidated statements of financial condition. At the issuance of the 4.50% Convertible Notes, the embedded conversion feature was measured at approximately $19.0 million on a pre-tax basis ($16.1 million net of taxes and issuance costs) as the difference between the proceeds received and the fair value of a similar liability without the conversion feature and is not subsequently remeasured.

Also in connection with the issuance of the 4.50% Convertible Notes, the Company entered into capped call transactions. The capped call transactions meet the requirements to be accounted for as equity instruments, and the Company classifies the capped call transactions within "Additional paid-in capital" in the Company's unaudited condensed consolidated statements of financial condition. The purchase price of the capped call transactions resulted in a decrease to "Additional paid-in capital" of $11.4 million on a pre-tax basis ($9.9 million on an after-tax basis) at the issuance of the 4.50% Convertible Notes, and such capped call transactions are not subsequently remeasured.

12. Fair Value of Financial Assets and Liabilities

As required by FASB guidance, assets and liabilities are classified in their entirety based on the lowest level of FASB guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 measurements—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 measurements—Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3 measurements—Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

As required by FASB guidance, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following tables set forth by level within the fair value hierarchy financial assets and liabilities accounted for at fair value under FASB guidance at June 30, 2015 and December 31, 2014 (in thousands):

	Assets at Fair Value at June 30, 2015				
	Level 1	Level 2	Level 3	Netting and Collateral	Total
Government debt	$ 32,467	$ —	$ —	$ —	$ 32,467
Marketable Securities	48,193	85	—	—	48,278
Interest rate swaps	—	290	—	—	290
Forwards	—	1,931	—	—	1,931
Foreign exchange/commodities options	708	—	—	—	708
Foreign exchange swaps	—	610	—	—	610
Futures	—	459	—	—	459

Total	$ 81,368	$3,375	$ —	$ —	$ 84,743

	Liabilities at Fair Value at June 30, 2015				
	Level 1	Level 2	Level 3	Netting and Collateral	Total
Forwards	$ —	$ 953	$ —	$ —	$ 953
Foreign exchange/commodities options	159	—	—	—	159
Foreign exchange swaps	—	495	—	—	495
Total	$ 159	$1,448	$ —	$ —	$ 1,607

	Assets at Fair Value at December 31, 2014				
	Level 1	Level 2	Level 3	Netting and Collateral	Total
Government debt	$ 32,508	$ —	$ —	$ —	$ 32,508
Marketable securities	144,719	—	—	—	144,719
Interest rate swaps	—	410	—	—	410
Foreign exchange swaps	—	3,098	—	—	3,098
Total	$177,227	$3,508	$ —	$ —	$180,735

	Liabilities at Fair Value at December 31, 2014				
	Level 1	Level 2	Level 3	Netting and Collateral	Total
Foreign exchange swaps	$ —	$ 153	$ —	$ —	$ 153
Total	$ —	$ 153	$ —	$ —	$ 153

The following tables present information about the offsetting of derivative instruments and collateralized transactions as of June 30, 2015 and December 31, 2014 (in thousands):

	June 30, 2015					
				Gross Amounts Not Offset		
	Gross Amounts	Gross Amounts Offset	Net Amounts Presented in the Statements of Financial Condition	Financial Instruments	Cash Collateral Received	Net Amount
Assets						
Interest rate swaps	$ 418	$ 128	$ 290	$ —	$ —	$ 290
Forwards	1,931	—	1,931	—	—	1,931
Foreign exchange/commodities options	1,198	490	708	—	—	708
Foreign exchange swaps	875	265	610	—	—	610
Futures	459	—	459	—	—	459
Total	$ 4,881	$ 883	$ 3,998	$ —	$ —	$ 3,998
Liabilities						
Interest rate swaps	$ 128	$ 128	$ —	$ —	$ —	$ —
Forwards	953	—	953	—	—	953
Foreign exchange/commodities options	649	490	159	—	—	159
Foreign exchange swaps	760	265	495	—	—	495
Total	$ 2,490	$ 883	$ 1,607	$ —	$ —	$ 1,607

	December 31, 2014					
				Gross Amounts Not Offset		
	Gross Amounts	Gross Amounts Offset	Net Amounts Presented in the Statements of Financial Condition	Financial Instruments	Cash Collateral Received	Net Amount
Assets						
Interest rate swaps	$ 547	$ 137	$ 410	$ —	$ —	$ 410
Foreign exchange swaps	3,144	46	3,098	—	—	3,098
Total	$ 3,691	$ 183	$ 3,508	$ —	$ —	$ 3,508
Liabilities						
Interest rate swaps	$ 137	$ 137	$ —	$ —	$ —	$ —

Foreign exchange swaps	199	46	153	—	—	153
Total	$ 336	$ 183	$ 153	$ —	$ —	$ 153

Certain of the Company's foreign exchange swaps are with Cantor. See Note 13 "Related Party Transactions," for additional information related to these transactions.

13. Related Party Transactions

Service Agreements

Throughout Europe and Asia, the Company provides Cantor with administrative services, technology services and other support for which it charges Cantor based on the cost of providing such services plus a mark-up, generally 7.5%. In the U.K., the Company provides these services to Cantor through Tower Bridge. The Company owns 52% of Tower Bridge and consolidates it, and Cantor owns 48%. Cantor's interest in Tower Bridge is reflected as a component of "Noncontrolling interest in subsidiaries" in the Company's unaudited condensed consolidated statements of financial condition, and the portion of Tower Bridge's income attributable to Cantor is included as part of "Net income attributable to noncontrolling interest in subsidiaries" in the Company's unaudited condensed consolidated statements of operations. In the U.S., the Company provides Cantor with technology services for which it charges Cantor based on the cost of providing such services.

The administrative services agreement provides that direct costs incurred are charged back to the service recipient. Additionally, the service recipient generally indemnifies the service provider for liabilities that it incurs arising from the provision of services other than liabilities arising from fraud or willful misconduct of the service provider. In accordance with the administrative service agreement, the Company has not recognized any liabilities related to services provided to affiliates.

For the three months ended June 30, 2015 and 2014, the Company recognized related party revenues of $6.1 million and $8.0 million, respectively, for the services provided to Cantor. For the six months ended June 30, 2015 and 2014, the Company recognized related party revenues of $12.7 million and $15.0 million, respectively, for the services provided to Cantor. These revenues are included as part of "Fees from related parties" in the Company's unaudited condensed consolidated statements of operations.

In the U.S., Cantor and its affiliates provide the Company with administrative services and other support for which Cantor charges the Company based on the cost of providing such services. In connection with the services Cantor provides, the Company and Cantor entered into an employee lease agreement whereby certain employees of Cantor are deemed leased employees of the Company. For the three months ended June 30, 2015 and 2014, the Company was charged $10.5 million and $7.4 million, respectively, for the services provided by Cantor and its affiliates, of which $6.4 million and $5.3 million, respectively, were to cover compensation to leased employees for the three months ended June 30, 2015 and 2014. For the six months ended June 30, 2015 and 2014, the Company was charged $21.4 million and $14.9 million, respectively, for the services provided by Cantor and its affiliates, of which $12.7 million and $11.0 million, respectively, were to cover compensation to leased employees for the six months ended June 30, 2015 and 2014. The fees paid to Cantor for administrative and support services, other than those to cover the compensation costs of leased employees, are included as part of "Fees to related parties" in the Company's unaudited condensed consolidated statements of operations. The fees paid to Cantor to cover the compensation costs of leased employees are included as part of "Compensation and employee benefits" in the Company's unaudited condensed consolidated statements of operations.

For the three months ended June 30, 2015 and 2014, Cantor's share of the net profit in Tower Bridge was $0.3 million and $1.4 million, respectively. For the six months ended June 30, 2015 and 2014, Cantor's share of the net profit in Tower Bridge was $1.0 million and $1.6 million, respectively. Cantor's noncontrolling interest is included as part of "Noncontrolling interest in subsidiaries" in the Company's unaudited condensed consolidated statements of financial condition.

Equity Method Investment

On June 3, 2014, the Company's Board of Directors and Audit Committee authorized the purchase of 1,000 Class B Units of LFI Holdings, LLC ("LFI",) a wholly owned subsidiary of Cantor, representing 10% of the issued and outstanding Class B Units of LFI after giving effect to the transaction. On the same day, the Company completed the acquisition for $6.5 million and was granted an option to purchase an additional 1,000 Class B Units of LFI for an additional $6.5 million. LFI is a limited liability corporation headquartered in New York which is a technology infrastructure provider tailored to the financial sector. The Company accounts for the acquisition using the equity method.

Clearing Agreement with Cantor

The Company receives certain clearing services ("Clearing Services") from Cantor pursuant to its clearing agreement. These Clearing Services are provided in exchange for payment by the Company of third-party clearing costs and allocated costs. The costs associated with these payments are included as part of "Fees to related parties" in the Company's unaudited condensed consolidated statements of operations.

Other Agreements with Cantor

The Company is authorized to enter into short-term arrangements with Cantor to cover any failed U.S. Treasury securities transactions and to share equally any net income resulting from such transactions, as well as any similar clearing and settlement issues. As of

June 30, 2015 and December 31, 2014, the Company had not entered into any arrangements to cover any failed U.S. Treasury transactions.

To more effectively manage the Company's exposure to changes in foreign exchange rates, the Company and Cantor agreed to jointly manage the exposure. As a result, the Company is authorized to divide the quarterly allocation of any profit or loss relating to foreign exchange currency hedging between Cantor and the Company. The amount allocated to each party is based on the total net exposure for the Company and Cantor. The ratio of gross exposures of Cantor and the Company is utilized to determine the shares of profit or loss allocated to each for the period. During the three months ended June 30, 2015 and 2014, the Company recognized its share of foreign exchange losses of $25 thousand and gains of $384 thousand, respectively. During the six months ended June 30, 2015 and 2014, the Company recognized its share of foreign exchange gains of $621 thousand and $720 thousand, respectively. These gains are included as part of “Other expenses” in the Company’s unaudited condensed consolidated statements of operations.

In March 2009, the Company and Cantor were authorized to utilize each other’s brokers to provide brokerage services for securities not brokered by such entity, so long as, unless otherwise agreed, such brokerage services were provided in the ordinary course and on terms no less favorable to the receiving party than such services are provided to typical third-party customers.

In August 2013, the Audit Committee authorized the Company to invest up to $350 million in an asset-backed commercial paper program for which certain Cantor entities serve as placement agent and referral agent. The program issues short-term notes to money market investors and is expected to be used by the Company from time to time as a liquidity management vehicle. The notes are backed by assets of highly rated banks. The Company is entitled to invest in the program so long as the program meets investment policy guidelines, including related to ratings. Cantor will earn a spread between the rate it receives from the short-term note issuer and the rate it pays to the Company on any investments in this program. This spread will be no greater than the spread earned by Cantor for placement of any other commercial paper note in the program. As of June 30, 2015 the Company did not have any investments in the program and as of December 31, 2014, the Company had $125 million invested in the program, which is recorded in “Cash and cash equivalents” in the Company’s unaudited condensed consolidated statements of financial condition.

On June 23, 2015, the Audit Committee of the Company authorized management to enter into a revolving credit facility with Cantor of up to $150 million in aggregate principal amount pursuant to which Cantor or BGC would be entitled to borrow funds from each other from time to time. The outstanding balances would bear interest at the higher of the borrower’s or the lender’s short term borrowing rate then in effect plus 1%.

Receivables from and Payables to Related Broker-Dealers

Amounts due to or from Cantor and Freedom International Brokerage, one of our equity method investments, are for transactional revenues under a technology and services agreement with Freedom International Brokerage as well as for open derivative contracts. These are included as part of “Receivables from broker-dealers, clearing organizations, customers and related broker-dealers” or “Payables to broker-dealers, clearing organizations, customers and related broker-dealers” in the Company’s unaudited condensed consolidated statements of financial condition. As of June 30, 2015 and December 31, 2014, the Company had receivables from Freedom International Brokerage of $3.2 million and $3.4 million, respectively. As of June 30, 2015 and December 31, 2014, the Company had $0.9 million and $3.1 million, respectively, in receivables from Cantor related to open derivative contracts. As of June 30, 2015 and December 31, 2014, the Company had $0.7 million and $0.2 million, respectively, in payables to Cantor related to open derivative contracts.

Loans, Forgivable Loans and Other Receivables from Employees and Partners, Net

The Company has entered into various agreements with certain of its employees and partners whereby these individuals receive loans which may be either wholly or in part repaid from the distribution earnings that the individuals receive on some or all of their limited partnership interests or may be forgiven over a period of time. The forgivable portion of these loans is recognized as compensation expense over the life of the loan. From time to time, the Company may also enter into agreements with employees and partners to grant bonus and salary advances or other types of loans. These advances and loans are repayable in the timeframes outlined in the underlying agreements.

As of June 30, 2015 and December 31, 2014, the aggregate balance of employee loans, net of reserve, was $174.8 million and $130.8 million, respectively, and is included as “Loans, forgivable loans and other receivables from employees and partners, net” in the Company’s unaudited condensed consolidated statements of financial condition. Compensation expense for the above mentioned employee loans for the three months ended June 30, 2015 and 2014 was $11.7 million and $7.2 million, respectively. Compensation expense for the above mentioned employee loans for the six months ended June 30, 2015 and 2014 was $19.8 million and $14.3 million, respectively. The compensation expense related to these employee loans is included as part of “Compensation and employee benefits” in the Company’s unaudited condensed consolidated statements of operations.

8.75% Convertible Notes

On April 1, 2010, BGC Holdings issued an aggregate of $150.0 million principal amount of 8.75% Convertible Senior Notes due 2015 (the “8.75% Convertible Notes”) to Cantor in a private placement transaction. The Company used the proceeds of the 8.75% Convertible Notes to repay at maturity $150.0 million aggregate principal amount of Senior Notes due April 1, 2010. On April 13, 2015, the Company’s 8.75% Convertible Notes, due April 15, 2015, were fully converted into 24,042,599 shares of the Company’s Class A common stock, par value $0.01 per share, and issued the shares to Cantor Fitzgerald, L.P. as settlement of the notes. The Company recorded interest expense related to the 8.75% Convertible Notes in the amount of $0.5 million and $3.3 million for the three months ended June 30, 2015 and 2014 respectively. For the six months ended June 30, 2015 and 2014 the Company recorded interest expense related to the 8.75% Convertible Notes in the amount of $3.8 million and $6.6 million, respectively. See Note 17—“Notes Payable, Collateralized and Short-Term Borrowings,” for more information. On June 15, 2015, the Company filed a resale registration statement on Form S-3 pursuant to which 24,042,599 shares of Class A common stock may be sold from time to time by Cantor or by certain of its pledgees, donees, distributees, counterparties, transferees or other successors of interest of the shares, including banks or other financial institutions which may enter into stock pledge, stock loan or other financing transactions with Cantor or its affiliates, as well as by their respective pledgees, donees, distributees, counterparties, transferees or other successors in interest.

Controlled Equity Offerings and Other Transactions with CF&Co

As discussed in Note 6—"Stock Transactions and Unit Redemptions," the Company has entered into controlled equity offering sales agreements with CF&Co, as the Company's sales agent. For the three months ended June 30, 2015 and 2014, the Company was charged approximately $0.2 million and $0.2 million, respectively, for services provided by CF&Co related to the Company's controlled equity offering sales agreements. For the six months ended June 30, 2015 and 2014, the Company was charged approximately $0.5 million and $0.4 million, respectively, for services provided by CF&Co related to the Company's controlled equity offering sales agreements. These expenses are included as part of "Professional and consulting fees" in the Company's unaudited condensed consolidated statements of operations.

The Company has engaged CF&Co and its affiliates to act as financial advisor in connection with one or more third-party business combination transactions as requested by the Company on behalf of its affiliates from time to time on specified terms, conditions and fees. The Company may pay finders', investment banking or financial advisory fees to broker-dealers, including, but not limited to, CF&Co and its affiliates, from time to time in connection with certain business combination transactions, and, in some cases, the Company may issue shares of the Company's Class A common stock in full or partial payment of such fees.

On June 28, 2013, the Company completed the NASDAQ OMX Transaction pursuant to the Purchase Agreement, dated as of April 1, 2013 (the "Purchase Agreement"). In the Purchase Agreement, the Company and Cantor agreed, subject to certain exceptions, not to engage in the business of fully electronic brokerage of benchmark on-the-run U.S. Treasuries and certain transactions in first off-the-run U.S. Treasuries for three years after the closing. The Company and Cantor received from NASDAQ OMX a perpetual and royalty-free market data license and granted to NASDAQ OMX a non-exclusive, irrevocable, royalty-free right and license to use any patents owned in the businesses covered by the Purchased Assets for U.S. Treasury securities transactions. CF&Co also agreed to provide NASDAQ OMX with certain clearing and broker-dealer services for up to nine months following the closing.

On December 9, 2014 the Company issued an aggregate of $300 million principal amount of 5.375% Senior Notes due in 2019 ("the 5.375% Senior Notes"). During the three months ended December 31, 2014, the Company recorded $252 thousand in underwriting or advisory fees payable to CF&Co and $18 thousand to CastleOak, a registered broker dealer affiliate of Cantor, related to these Senior Notes. These fees were recorded as debt issuance costs and are amortized over the term of the notes.

On February 26, 2015, the Company completed the tender offer for GFI shares. In connection with acquisition of GFI, during the six months ended June 30, 2015 the Company recorded advisory fees of $7.1 million payable to CF&Co. These fees were included in "Professional and Consulting Fees" in the Company's unaudited condensed consolidated statements of operations. During the six months ended June 30, 2014, the Company did not record any underwriting or advisory fees payable to CF&Co.

On May 7, 2015 the Audit committee of GFI approved the retention of CF&Co. to assist them in the sale of Trayport.

As of June 30, 2015, the Company has securities loaned transactions of $47.8 million with CF&Co. The market value of the securities lent was $48.0 million. The cash collateral received from CF&Co bears an interest rate of 0.75%. Securities loaned transactions are included in "Securities loaned" in the Company's unaudited condensed consolidated statements of financial condition.

Under rules adopted by the Commodity Futures Trading Commission ("CFTC"), all foreign introducing brokers engaging in transactions with U.S. persons are required to register with the National Futures Association and either meet financial reporting and net capital requirements on an individual basis or obtain a guarantee agreement from a registered Futures Commission Merchant. From time to time, the Company's European-based brokers engage in interest rate swap transactions with U.S.-based counterparties, and therefore the Company is subject to the CFTC requirements. CF&Co has entered into guarantees on behalf of the Company, and the Company is required to indemnify CF&Co for the amounts, if any, paid by CF&Co on behalf of the Company pursuant to this arrangement. There have been no payments made pursuant to this arrangement.

Transactions with Cantor Commercial Real Estate Company, L.P.

On October 29, 2013, the Audit Committee of the Board of Directors authorized the Company to enter into agreements from time to time with Cantor and/or its affiliates, including Cantor Commercial Real Estate Company, L.P. ("CCRE"), to provide services, including finding and reviewing suitable acquisition or partner candidates, structuring transactions, negotiating and due diligence services, in connection with the Company's acquisition and other business strategies in commercial real estate and other businesses. Such services are provided at fees not to exceed the fully-allocated cost of such services plus 10%. In connection with this agreement, the Company did not recognize any expense for the three and six months ended June 30, 2015 and 2014, respectively.

The Company also has a referral agreement in place with CCRE, in which brokers are incentivized to refer business to CCRE through a revenue-share arrangement. In connection with this revenue-share agreement, the Company recognized revenues of $0.1 million and $0.6 million for the three months ended June 30, 2015 and 2014, respectively. For the six months ended June 30 2015, and 2014 the Company recognized revenues of $0.2 million and $0.6 million respectively. This revenue was recorded as part of "Commissions" in the Company's unaudited condensed consolidated statements of operations.

Cantor Rights to Purchase Limited Partnership Interests from BGC Holdings

Cantor has the right to purchase limited partnership interests (Cantor units) from BGC Holdings upon redemption of non-exchangeable FPUs redeemed by BGC Holdings upon termination or bankruptcy of the founding/working partner. Any such Cantor units purchased by Cantor are exchangeable for shares of Class B common stock or, at Cantor's election or if there are no additional authorized but unissued shares of Class B common stock, shares of Class A common stock, in each case on a one-for-one basis (subject to customary anti-dilution adjustments).

During the six months ended June 30, 2015, Cantor did not purchase any exchangeable limited partnership interests from BGC Holdings.

On July 21, 2014, the Company issued exchange rights with respect to, and Cantor purchased, an aggregate of 3,142,257 exchangeable limited partnership units in BGC Holdings consisting of (i) 1,371,058 such units in connection with the redemption by BGC Holdings of an aggregate of 1,371,058 non-exchangeable founding partner units from former Cantor partners who were former founding partners of BGC Holdings, and (ii) 1,771,199 such units in connection with the grant of exchangeability to 1,771,199 units held by former Cantor partners who were former founding partners of BGC Holdings. Such exchangeable limited partnership units were exchangeable by Cantor at any time on a one-for-one basis for shares of common stock of the Company. The aggregate net purchase price paid by Cantor for such units was $10.6 million. Immediately after Cantor's purchases of such exchangeable limited partnership units, also on July 21, 2014, the Company purchased from Cantor an aggregate of 5 million units and shares, consisting of (i) all of such 3,142,257 units and (ii) 1,857,743 previously owned shares of the Company's Class A common stock, for $38.7 million based on the closing price per share of the Class A common stock on the date of such purchases.

As of June 30, 2015, there were 1,656,357 non-exchangeable FPUs remaining in which BGC Holdings had the right to redeem and Cantor had the right to purchase an equivalent number of Cantor units.

Transactions with Executive Officers and Directors

On January 21, 2014, the Compensation Committee authorized the acceleration of restrictions with respect to an aggregate of 1,254,723 shares of restricted Class A common stock held by the Company's executive officers as follows: Mr. Lutnick, 628,872 shares (Mr. Lutnick does not currently intend to sell any of these shares); Mr. Lynn, 424,347 shares; Mr. Merkel, 14,689 shares; Mr. Windeatt, 146,843 shares; and Mr. Sadler, 39,972 shares. The Compensation Committee authorized the Company to repurchase any or all of such shares from the executive officers at a price of $6.51 per share, which was the closing price of our Class A common stock on January 21, 2014.

On February 5, 2014, certain executive officers elected to sell, and we agreed to purchase, an aggregate of 636,841 shares of Class A common stock from such executive officers at a price of $6.51 per share as follows: Mr. Lynn, 424,347 shares; Mr. Merkel, 14,689 shares; Mr. Windeatt, 157,833 shares (of which 146,843 shares were previously restricted and an additional 10,990 freely tradable shares); and Mr. Sadler, 39,972 shares.

On May 9, 2014, partners of BGC Holdings approved the Tenth Amendment to the Agreement of Limited Partnership of BGC Holdings (the "Tenth Amendment") effective as of May 9, 2014. In order to facilitate partner compensation and for other corporate purposes the Tenth Amendment creates a new class of partnership units ("NPSUs"), which are working partner units.

NPSUs are not entitled to participate in Partnership distributions, will not be allocated any items of profit or loss and may not be made exchangeable into shares of the Company's Class A common stock. Upon grant, NPSUs may be assigned a written vesting schedule pursuant to which a certain number of NPSUs would be converted for limited partnership units on each vesting date, subject to terms and conditions determined by the General Partner of the Partnership in its sole discretion, including that the recipient continue to provide substantial services to the Company and comply with his or her partnership obligations. The Tenth Amendment was approved by the Audit Committee of the Board of Directors and by the full Board of Directors.

On May 9, 2014, the Compensation Committee authorized the grant of 4 million NPSUs to Mr. Lutnick and 1 million NPSUs to Mr. Merkel. The NPSUs granted to Mr. Lutnick will vest ratably on January 1 of each year beginning January 1, 2015 and ending January 1, 2018, such that an equal number of NPSUs will vest and automatically be converted into an equivalent number of limited partnership units on each vesting date. The NPSUs granted to Mr. Merkel will vest ratably on January 1 of each year beginning January 1, 2015 and ending January 1, 2021, such that an equal number of NPSUs will vest and automatically be converted into an equivalent number of limited partnership units on each vesting date. Exchange rights with respect to any non-exchangeable limited partnership units will be determined in accordance with the Company's practices when determining discretionary bonuses or awards, which may include the Compensation Committee's exercise of negative discretion to reduce or withhold any such awards.

On January 1, 2015, (i) 1,000,000 of Mr. Lutnick's NPSUs converted into 550,000 PSUs and 450,000 PPSUs, of which Mr. Lutnick has the right to exchange for shares and cash, which he waived under our policy (described below), 239,739 PSUs and 196,150 PPSUs, and (ii) 142,857 of Mr. Merkel's NPSUs converted into 78,571 PSUs and 64,286 PPSUs, of which 5,607 PSUs and 4,588 PPSUs were made exchangeable and repurchased by the Company at the average price of shares of Class A common stock sold under our Controlled Equity Offering less 2%, or $91,558.

On January 30, 2015, the Compensation Committee granted 4,000,000 NPSUs to Mr. Lutnick and 1,000,000 NPSUs to Mr. Lynn that vest ratably on January 1 of each year beginning January 1, 2016 and ending January 1, 2020, such that an equal number of NPSUs will vest and automatically be converted into an equivalent number of vested non-exchangeable PSUs/PPSUs for Mr. Lutnick and vested non-exchangeable LPUs/PLPUs for Mr. Lynn on each vesting date. The grant of exchange rights with respect to such vested PSUs/PPSUs and LPUs/PLPUs will be determined in accordance with the Company's practices when determining discretionary bonuses or awards, which may include the Compensation Committee's exercise of negative discretion to reduce or withhold any such awards.

Transactions with Relief Fund

During the year ended December 31, 2013, the Company committed to make charitable contributions to the Relief Fund in the amount of $25.0 million, which the Company recorded in “Other expenses” in the Company’s consolidated statements of operations for the year ended December 31, 2013. As of June 30, 2015 the remaining liability associated with this commitment was $16.5 million which is included in “Accounts payable, accrued and other liabilities” in the Company’s unaudited condensed consolidated statements of financial condition.

Other Transactions

The Company is authorized to enter into loans, investments or other credit support arrangements for Aqua Securities L.P. (“Aqua”), an alternative electronic trading platform that offers new pools of block liquidity to the global equities markets, of up to $11.6 million in the aggregate; such arrangements are proportionally and on the same terms as similar arrangements between Aqua and Cantor. The Company has been further authorized to provide counterparty or similar guarantees on behalf of Aqua from time to time, provided that liability for any such guarantees, as well as similar guarantees provided by Cantor, would be shared proportionally with Cantor. Aqua is 51% owned by Cantor and 49% owned by the Company. Aqua is accounted for under the equity method of accounting. During the three months ended June 30, 2015 and June 30, 2014, the Company made $0.5 million and $0.3 million, respectively, in cash contributions to Aqua. During the six months ended June 30, 2015, the Company made $0.7 million and $0.4 million, respectively, in cash contributions to Aqua. These contributions are recorded as part of “Investments” in the Company’s unaudited condensed consolidated statements of financial condition.

The Company has also entered into a Subordinated Loan Agreement with Aqua, whereby the Company agreed to lend Aqua the principal sum of $980 thousand. The scheduled maturity date on the subordinated loan is September 1, 2017, and the current rate of interest on the loan is three month LIBOR plus 600 basis points. The loan to Aqua is recorded as part of “Receivables from related parties” in the Company’s unaudited condensed consolidated statements of financial condition.

14. Investments

	June 30, 2015	December 31, 2014
Equity method investments	$31,675	$ 17,392
Cost method investments	1,558	—
	$33,233	$ 17,392

Equity Method and Similar Investments

For the three and six months ended June 30, 2015 the Company’s share of gains was $0.4 million and $0.6 million, respectively, related to its equity method investments. For the three and six months ended June 30, 2014, the Company’s share of losses was $1.3 million and $3.6 million, respectively, related to its equity method investments. As a result of the GFI acquisition, the Company also has certain investments in brokerage businesses in which the Company has a contractual right to receive a percentage of revenues, less certain direct expenses. The Company accounts for these investments in a manner similar to the equity method of accounting. The Company’s share of gains was $0.4 million related to these entities for the three months ended June 30, 2015 and $1.0 million for the six months ended June 30, 2015. The Company’s total shares of gains and losses is reflected in “Gains (losses) on equity method investments” in the Company’s unaudited condensed consolidated statement of operations.

See Note 13—“Related Party Transactions,” for information regarding related party transactions with unconsolidated entities included in the Company’s unaudited condensed consolidated financial statements.

Investments in Variable Interest Entities

Certain of the Company’s equity method investments included in the tables above are considered Variable Interest Entities (“VIEs”), as defined under the accounting guidance for consolidation. The Company is not considered the primary beneficiary of, and therefore does not consolidate, any of the VIEs in which it holds a variable interest. The Company’s involvement with such entities is in the form of direct equity interests and related agreements. The Company’s maximum exposure to loss with respect to the VIEs is its investment in such entities as well as a credit facility and a subordinated loan.

The following table sets forth the Company's investment in its unconsolidated VIEs and the maximum exposure to loss with respect to such entities as of June 30, 2015 and December 31, 2014. The amounts presented in the "Investment" column below are included in, and not in addition to, the equity method investment table above (in thousands):

	June 30, 2015		December 31, 2014	
	Investment	**Maximum Exposure to Loss**	**Investment**	**Maximum Exposure to Loss**
Variable interest entities [1]	$ 3,205	$ 4,315	$ 710	$ 1,690

[1] The Company has entered into a subordinated loan agreement with a VIE (Aqua), whereby the Company agreed to lend the principal sum of $980 thousand. As of June 30, 2015, the Company's maximum exposure to loss with respect to its VIEs primarily includes the sum of its equity investments in Aqua, BIP Trading and QUBED Derivatives and the $980 thousand subordinated loan to Aqua.

Consolidated VIEs

Through the acquisition of GFI, the Company is invested in a limited company that is focused on developing a proprietary trading business. The limited company is a VIE and it was determined that the Company is the primary beneficiary of this VIE because the Company, through GFI was the provider of the majority of this VIE's start-up capital and has the power to direct the activities of this VIE that most significantly impact its economic performance, primarily through its voting percentage and consent rights on the activities that would most significantly influence the entity. The consolidated VIE had total assets of $11.1 million at June 30, 2015, which primarily consisted of clearing margin. There were no material restrictions on the consolidated VIE's assets. The consolidated VIE had total liabilities of $3.0 million at June 30, 2015. The Company's exposure to economic loss on these VIEs is approximately $5.8 million.

Cost Method Investments

As a result of the GFI Acquisition, the Company acquired Investments for which they did not have the ability to exert significant influence over operating and financial policies. These investments are generally accounted for using the cost method of accounting in accordance with ASC 325-10, Investments—Other ("ASC 325-10"). At June 30, 2015 the Company had cost method investments of $1.6 million.

15. Fixed Assets, Net

Fixed assets, net consisted of the following (in thousands):

	June 30, 2015	December 31, 2014
Computer and communications equipment	$275,020	$ 151,808
Software, including software development costs	214,728	103,872
Leasehold improvements and other fixed assets	153,685	105,389
	643,433	361,069
Less: accumulated depreciation and amortization	496,172	249,049
Fixed assets, net	$147,261	$ 112,020

Depreciation expense was $7.6 million and $7.4 million for the three months ended June 30, 2015 and 2014, respectively. Depreciation expense was $15.5 million and $15.2 million for the six months ended June 30, 2015 and 2014, respectively. Depreciation is included as part of "Occupancy and equipment" in the Company's unaudited condensed consolidated statements of operations.

The Company has approximately $4.0 million of asset retirement obligations related to certain of its leasehold improvements. The associated asset retirement cost is capitalized as part of the carrying amount of the long-lived asset. The liability is discounted and accretion expense is recognized using the credit adjusted risk-free interest rate in effect when the liability was initially recognized.

For the three months ended June 30, 2015 and 2014, software development costs totaling $3.9 million and $4.7 million, respectively, were capitalized. For the six months ended June 30, 2015 and 2014, software development costs totaling $7.0 million and $7.3 million, respectively, were capitalized. Amortization of software development costs totaled $7.4 million and $2.8 million for the three months ended June 30, 2015 and 2014, respectively. Amortization of software development costs totaled $11.2 million and $5.2 million for the six months ended June 30, 2015 and 2014, respectively. Amortization of software development costs is included as part of "Occupancy and equipment" in the Company's unaudited condensed consolidated statements of operations.

Impairment charges of $13.2 million and $0.5 million were recorded for the three months ended June 30, 2015 and 2014, respectively, related to the evaluation of capitalized software projects for future benefit and for fixed assets no longer in service. Impairment charges of $17.7 million and $3.7 million were recorded for the six months ended June 30, 2015 and 2014, respectively, related to the evaluation of capitalized software projects for future benefit and for fixed assets no longer in service. In connection with the acquisition of GFI, the Company evaluated the combined portfolios of capitalized software projects and fixed assets and, as a result, identified certain redundancies and assets no longer in service which resulted in impairment charges. The impairment charges for the three and six months ended June 30, 2015 and 2014 were related to the Financial Services segment. Impairment charges related to capitalized software and fixed assets are reflected in "Occupancy and equipment" in the Company's unaudited condensed consolidated statements of operations.

16. Goodwill and Other Intangible Assets, Net

The changes in the carrying amount of goodwill by reportable segment for the six months ended June 30, 2015 were as follows (in thousands):

	Financial Services	Real Estate Services	Total
Balance at December 31, 2014	$ 134,898	$ 257,672	$392,570
Acquisitions	428,856	110,923	539,779
Measurement period adjustments	(151)	3,135	2,984
Cumulative translation adjustment	(1,754)	—	(1,754)
Balance at June 30, 2015	$ 561,849	$ 371,730	$933,579

During the six months ended June 30, 2015, the Company recognized additional goodwill of approximately $428.9 million and $110.9 million, which was allocated to the Company's Financial Services segment and the Company's Real Estate Services segment, respectively.

During the six months ended June 30, 2015, the Company recognized measurement period adjustments of approximately $(0.2) million relating to Financial Services, and $3.1 million for Real Estate Services. The Company considers the adjustments insignificant to its unaudited condensed consolidated financial statements and accordingly the Company's consolidated statements of financial position at December 31, 2014 were not retrospectively adjusted.

Goodwill is not amortized and is reviewed annually for impairment or more frequently if impairment indicators arise, in accordance with FASB guidance on Goodwill and Other Intangible Assets.

Other intangible assets consisted of the following (in thousands, except weighted average life):

	June 30, 2015			
	Gross Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Life (Years)
Definite life intangible assets:				
Patents	$ 7,988	$ 6,629	$ 1,359	2.7
Acquired intangibles	258,017	28,599	229,418	15.3
Noncompete agreements	1,790	1,659	131	0.3
All other	2,130	114	2,016	7.8
Total definite life intangible assets	269,925	37,001	232,924	15.2
Indefinite life intangible assets:				
Trade names	102,765	—	102,765	N/A
Horizon license	1,500	—	1,500	N/A
Total indefinite life intangible assets	104,265	—	104,265	N/A
Total	$ 374,190	$ 37,001	$ 337,189	15.2

	December 31, 2014			
	Gross Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Remaining Life (Years)
Definite life intangible assets:				
Patents	$ 7,554	$ 6,336	$ 1,218	2.3
Acquired intangibles	28,004	14,815	13,189	2.1
Noncompete agreements	1,790	1,436	354	0.8
All other	2,182	1,148	1,034	4.2
Total definite life intangible assets	39,530	23,735	15,795	2.2
Indefinite life intangible assets:				
Trade names	10,685	—	10,685	N/A
Horizon license	1,500	—	1,500	N/A
Total indefinite life intangible assets	12,185	—	12,185	N/A
Total	$ 51,715	$ 23,735	$ 27,980	2.2

Intangible amortization expense was $8.7 million and $0.6 million for the three months ended June 30, 2015 and 2014, respectively. Intangible amortization expense was $13.6 million and $1.2 million for the six months ended June 30, 2015 and 2014, respectively. Intangible amortization is included as part of “Other expenses” in the Company’s unaudited condensed consolidated statements of operations.

The estimated future amortization expense of definite life intangible assets as of June 30, 2015 is as follows (in millions):

2015	$ 14.9
2016	24.7
2017	21.4
2018	17.6
2019	15.9
2020 and thereafter	138.4
Total	$232.9

17. Notes Payable, Collateralized and Short-Term Borrowings

Notes payable, collateralized and short-term borrowings consisted of the following (in thousands):

	June 30, 2015	December 31, 2014
8.75% Convertible Notes	$ —	$ 150,000
4.50% Convertible Notes	154,911	152,527
8.125% Senior Notes	109,084	109,022
5.375% Senior Notes	295,610	295,151
8.375% Senior Notes	255,300	—
Collateralized borrowings	26,295	—
Loans pursuant to Credit Agreement	50,000	—
Total	$891,200	$ 706,700

The Company's Convertible Notes and Senior Notes are recorded at amortized cost. As of June 30, 2015 and December 31, 2014, the carrying amounts and estimated fair values of the Company's Convertible Notes and Senior Notes were as follows (in thousands):

	June 30, 2015		December 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
8.75% Convertible Notes	$ —	$ —	$ 150,000	$220,213
4.50% Convertible Notes	154,911	169,200	152,527	170,800
8.125% Senior Notes	109,084	123,075	109,022	123,075
5.375% Senior Notes	295,610	312,750	295,151	295,500
8.375% Senior Notes	255,300	271,200	—	—
Total	$ 814,905	$876,225	$ 706,700	$809,588

The fair value of the 8.75% Convertible Notes was estimated based on a jump-diffusion convertible pricing model, which among other inputs incorporates the scheduled coupon and principal payments, the conversion feature inherent in the 8.75% Convertible Notes, the Company's Class A common stock price and a stock price volatility assumption. The stock price volatility assumptions are based on the historic volatility of the Company's Class A common stock. The fair value measurements of the 8.75% Convertible Notes are based on significant inputs observable in the market and are considered Level 2 within the fair value hierarchy. The fair values of the Senior Notes and 4.50% Convertible Notes were determined using observable market prices as these securities are traded and are considered Level 1 and Level 2, respectively, within the fair value hierarchy, based on whether they are deemed to be actively traded.

Convertible Notes

On April 1, 2010, BGC Holdings issued an aggregate of $150.0 million principal amount of the 8.75% Convertible Notes to Cantor in a private placement transaction. The Company used the proceeds of the 8.75% Convertible Notes to repay $150.0 million principal amount of Senior Notes that matured on April 1, 2010. The 8.75% Convertible Notes are senior unsecured obligations and rank equally and ratably with all existing and future senior unsecured obligations of the Company. The 8.75% Convertible Notes bear an annual interest rate of 8.75%, payable semi-annually in arrears on April 15 and October 15 of each year, beginning on October 15, 2010. On April 13, 2015, the Company's 8.75% Convertible Notes, were fully converted into 24,042,599 shares of the Company's Class A common stock, par value $0.01 per share, and issued to Cantor Fitzgerald L.P. The Company recorded interest expense related to the 8.75% Convertible Notes of $0.5 million and $3.3 million for the three months ended June 30, 2015 and 2014, respectively. The Company recorded interest expense related to the 8.75% Convertible Notes of $3.8 million and $6.6 million for the six months ended June 30, 2015 and 2014, respectively.

On July 29, 2011, the Company issued an aggregate of $160.0 million principal amount of 4.50% Convertible Notes due 2016. The 4.50% Convertible Notes are general senior unsecured obligations of the Company. The 4.50% Convertible Notes pay interest semiannually at a rate of 4.50% per annum and were priced at par. The 4.50% Convertible Notes will mature on July 15, 2016, unless earlier repurchased, exchanged or converted. The Company recorded interest expense related to the 4.50% Convertible Notes of $3.0 million for both the three months ended June 30, 2015 and 2014. The Company recorded interest expense related to the 4.50% Convertible Notes of $6.0 million and $5.9 million for the six months ended June 30, 2015 and 2014, respectively.

As of June 30, 2015, the 4.50% Convertible Notes were convertible, at the holder's option, at a conversion rate of 101.6260 shares of Class A common stock per $1,000 principal amount of notes, subject to adjustment in certain circumstances, including stock dividends and stock splits on the Class A common stock and the Company's payment of a quarterly cash dividend in excess of $0.17 per share of Class A common stock. Upon conversion, the Company will pay or deliver cash, shares of the Company's Class A common stock, or a combination thereof at the Company's election. As of June 30, 2015, the 4.50% Convertible Notes were convertible into approximately 16.3 million shares of Class A common stock.

As prescribed by FASB guidance, *Debt* , the Company recognized the value of the embedded conversion feature of the 4.50% Convertible Notes as an increase to "Additional paid-in capital" of approximately $19.0 million on a pre-tax basis ($16.1 million net of taxes and issuance costs). The embedded conversion feature was measured as the difference between the proceeds received and the fair value of a similar liability without the conversion feature. The value of the conversion feature is treated as a debt discount and reduced the initial carrying value of the 4.50% Convertible Notes to $137.2 million, net of debt issuance costs of $3.8 million allocated to the debt component of the instrument. The discount is amortized as interest cost and the carrying value of the 4.50% Convertible Notes will accrete up to the face amount over the term of the 4.50% Convertible Notes.

In connection with the offering of the 4.50% Convertible Notes, the Company entered into capped call transactions, which are expected to reduce the potential dilution of the Company's Class A common stock upon any conversion of the 4.50% Convertible Notes in the event that the market value per share of the Company's Class A common stock, as measured under the terms of the capped call transactions, is greater than the strike price of the capped call transactions ($10.71 as of June 30, 2015, subject to adjustment in certain circumstances). The capped call transactions had an initial cap price equal to $12.30 per share (50% above the last reported sale price of the Company's Class A common stock on the NASDAQ on July 25, 2011), and had a cap price equal to approximately $13.39 per share as of June 30, 2015. The purchase price of the capped call transactions resulted in a decrease to "Additional paid-in capital" of $11.4 million on a pre-tax basis ($9.9 million on an after-tax basis). The capped call transactions cover approximately 14.9 million shares of BGC's Class A common stock as of June 30, 2015, subject to adjustment in certain circumstances.

Below is a summary of the Company's Convertible Notes (in thousands, except share and per share amounts):

	4.50% Convertible Notes		8.75% Convertible Notes	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Principal amount of debt component	$ 160,000	$ 160,000	$ —	$ 150,000
Unamortized discount	(5,089)	(7,473)	—	—
Carrying amount of debt component	154,911	152,527	—	150,000
Equity component	18,972	18,972	—	—
Effective interest rate	7.61%	7.61%	—	8.75%
Maturity date (period through which discount is being amortized)	7/15/2016	7/15/2016	4/15/2015	4/15/2015
Conversion price	$ 9.84	$ 9.84	$ —	$ 6.25
Number of shares to be delivered upon conversion	16,260,160	16,260,160	—	23,990,604
Amount by which the notes' if-converted value exceeds their principal amount	—	—	$ —	$ 69,514

Below is a summary of the interest expense related to the Company's Convertible Notes (in thousands):

	4.50% Convertible Notes For the three months ended		8.75% Convertible Notes For the three months ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Coupon interest	$ 1,800	$ 1,800	$ 547	$ 3,281
Amortization of discount	1,197	1,160	—	—
Total interest expense	$ 2,997	$ 2,960	$ 547	$ 3,281

	4.50% Convertible Notes For the six months ended		8.75% Convertible Notes For the six months ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Coupon interest	$ 3,600	$ 3,600	$ 3,828	$ 6,562
Amortization of discount	2,384	2,312	—	—
Total interest expense	$ 5,984	$ 5,912	$ 3,828	$ 6,562

8.125% Senior Notes

On June 26, 2012, the Company issued an aggregate of $112.5 million principal amount of 8.125% Senior Notes due 2042. The 8.125% Senior Notes are senior unsecured obligations of the Company. The 8.125% Senior Notes may be redeemed for cash, in whole or in part, on or after June 26, 2017, at the Company's option, at any time and from time to time, until maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date. The 8.125% Senior Notes are listed on the New York Stock Exchange under the symbol "BGCA." The Company used the proceeds to repay short-term borrowings under its unsecured revolving credit facility and for general corporate purposes, including acquisitions.

The initial carrying value of the 8.125% Senior Notes was $108.7 million, net of debt issuance costs of $3.8 million. The issuance costs are amortized as interest cost, and the carrying value of the 8.125% Senior Notes will accrete up to the face amount over the term of the 8.125% Senior Notes. The Company recorded interest expense related to the 8.125% Senior Notes of $2.3 million for both the three months ended June 30, 2015 and 2014, respectively. The Company recorded interest expense related to the 8.125% Senior Notes of $4.6 million for both the six months ended June 30, 2015 and 2014, respectively.

5.375% Senior Notes

On December 9, 2014, the Company issued an aggregate of $300.0 million principal amount of 5.375% Senior Notes due 2019 ("the 5.375% Senior Notes"). The 5.375% Senior Notes are general senior unsecured obligations of the Company. These Senior Notes bear interest at a rate of 5.375% per year, payable in cash on June 9 and December 9 of each year, commencing June 9, 2015. The interest rate payable on the notes will be subject to adjustments from time to time based on the debt rating assigned by specified rating agencies to the notes, as set forth in the Indenture. The 5.375% Senior Notes will mature on December 9, 2019. The Company may redeem some or all of the notes at any time or from time to time for cash at certain “make-whole” redemption prices (as set forth in the Indenture). If a “Change of Control Triggering Event” (as defined in the Indenture) occurs, holders may require the Company to purchase all or a portion of their notes for cash at a price equal to 101% of the principal amount of the notes to be purchased plus any accrued and unpaid interest to, but excluding, the purchase date.

The initial carrying value of the 5.375% Senior Notes was $295.1 million, net of the discount and debt issuance costs of $4.9 million. The issuance costs are amortized as interest cost, and the carrying value of the 5.375% Senior Notes will accrete up to the face amount over the term of the notes. The Company recorded interest expense related to the 5.375% Senior Notes of $4.3 million and $8.6 million for the three and six months ended June 30, 2015, respectively. There was no interest expense related to the 5.375% Senior Notes for the three or six months ended June 30, 2014.

8.375% Senior Notes

As part of the GFI acquisition, the Company acquired $240.0 million in aggregate principal amount of 8.375% Senior Notes (the “8.375% Senior Notes”) due July 2018. The carrying value of these notes as of June 30, 2015 was $255.3 million. Interest on these notes is payable, semi-annually in arrears on the 19th of January and July. Due to the cumulative effect of downgrades to GFI’s credit rating, the 8.375% Senior Notes were subjected to 200 basis points penalty interest. On April 28, 2015, a subsidiary of the Company purchased from GFI approximately 43.0 million New Shares. This increased BGC’s ownership to approximately 67% of GFI’s outstanding common stock and gives us the ability to control the timing and process with respect to a full merger. Also on July 10, 2015, the Company guaranteed the obligations of GFI under the 8.375% Senior Notes. These actions resulted in recent upgrades of GFI’s credit ratings which reduces the penalty interest to 25 basis points effective July 19, 2015. The Company recorded interest expense related to the 8.375% Senior Notes of $6.2 million and $8.3 million for the three and six months ended June 30, 2015, respectively.

Collateralized Borrowings

Secured loan arrangements

On March 13, 2015, the Company entered into a secured loan arrangement of $28.2 million under which it pledged certain fixed assets as security for the loan. This arrangement incurs interest at a fixed rate of 3.70% and matures on March 11, 2019. The Company did not have any secured loan arrangements outstanding as of December 31, 2014. As of June 30, 2015, the Company had a $26.3 million secured loan arrangement outstanding which includes $0.3 million of deferred financing costs. The value of the fixed assets pledged as of June 30, 2015 was $16.0 million.

The Company recorded interest expense related to the secured loan arrangement of $0.2 million for the three months ended June 30, 2015. The Company did not have any secured loan arrangements outstanding as of June 30, 2014. The Company recorded interest expense related to the secured loan arrangement of $0.3 million for the six months ended June 30, 2015.

Short Term Borrowings

As part of the GFI Acquisition, the Company acquired a credit agreement as amended, (the “Credit Agreement”) with Bank of America, N.A. and certain other lenders. The Credit Agreement provides for maximum revolving loans of up to $75.0 million through December 2015. The interest rate of the outstanding loan under the credit agreement was 5.75% as of June 30, 2015. As of June 30, 2015 there was $50.0 million of borrowings outstanding. For the three and six months ended June 30, 2015, the Company recorded interest expense related to the Credit Agreement of $0.8 million and $1.0 million, respectively.

18. Compensation

The Company’s Compensation Committee may grant various equity-based awards, including restricted stock units, restricted stock, stock options, limited partnership units and exchange rights for shares of the Company’s Class A common stock upon exchange of limited partnership units and FPUs. A maximum of 300 million shares of the Company’s Class A common stock are authorized to be delivered or cash settled pursuant to awards granted. As of June 30, 2015, the limit on the aggregate number of shares authorized to be delivered allows for the grant of future awards relating to 137.9 million shares. Upon vesting of RSUs, issuance of restricted stock or exercise of employee stock options, the Company generally issues new shares of the Company’s Class A common stock.

Limited Partnership Units

A summary of the activity associated with limited partnership units is as follows:

	Number of Units
Balance at December 31, 2014	53,561,990
Granted	16,807,711
Redeemed/exchanged units	(4,924,915)
Forfeited units	(1,076,505)
Balance at June 30, 2015	64,368,281

During the three months ended June 30, 2015 and 2014, the Company granted exchangeability on 2.7 million and 3.0 million limited partnership units for which the Company incurred compensation expense, before associated income taxes, of $25.6 million and $20.0 million, respectively. During the six months ended June 30, 2015 and 2014, the Company granted exchangeability on 7.1 million and 7.5 million limited partnership units for which the Company incurred compensation expense, before associated income taxes, of $62.2 million and $49.2 million, respectively.

As of June 30, 2015 and December 31, 2014, the number of limited partnership units exchangeable into shares of Class A common stock at the discretion of the unit holder was 4.1 million and 2.0 million, respectively.

As of June 30, 2015 and December 31, 2014, the notional value of the limited partnership units with a post-termination pay-out amount held by executives and non-executive employees, awarded in lieu of cash compensation for salaries, commissions and/or discretionary or guaranteed bonuses was $107.4 million and $68.8 million, respectively. As of June 30, 2015 and December 31, 2014, the aggregate estimated fair value of these limited partnership units was $18.5 million and $11.8 million. The number of outstanding limited partnership units with a post-termination pay-out as of June 30, 2015 and December 31, 2014 was 14.6 million and 9.8 million, respectively, of which 9.2 million and 6.9 million were unvested.

Certain of the limited partnership units with a post-termination pay-out have been granted in connection with the Company's acquisitions. As of June 30, 2015 and December 31, 2014, the aggregate estimated fair value of these acquisition related limited partnership units was $26.4 million and $24.2 million respectively.

Compensation expense related to limited partnership units with a post-termination pay-out amount is recognized over the stated service period. These units generally vest between three and five years from the date of grant. The Company recognized compensation expense, before associated income taxes, related to these limited partnership units that were not redeemed of $2.8 million and $2.3 million for the three months ended June 30, 2015 and 2014, respectively, The Company recognized compensation expense, before associated income taxes, related to these limited partnership units that were not redeemed of $7.3 million and $3.4 million for the six months ended June 30, 2015 and 2014, respectively. These are included in Compensation and employee benefits in the Company's unaudited condensed consolidated statements of operations.

The limited partnership units generally receive quarterly allocations of net income, which are cash distributed on a quarterly basis and generally contingent upon services being provided by the unit holders. The allocation of income to limited partnership units and FPUs was $0.6 million and $2.4 million for the three months ended June 30, 2015 and 2014, respectively. The allocation of income to limited partnership units and FPUs was $1.1 million and $4.5 million for the six months ended June 30, 2015 and 2014, respectively.

Restricted Stock Units

A summary of the activity associated with RSUs is as follows:

	Restricted Stock Units	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (Years)
Balance at December 31, 2014	2,140,932	$ 4.70	1.74
Granted	461,685	8.46	
Delivered units	(845,395)	4.95	
Forfeited units	(65,383)	5.29	
Balance at June 30, 2015	1,691,839	$ 5.58	1.80

The fair value of RSUs awarded to employees and directors is determined on the date of grant based on the market value of Class A common stock (adjusted if appropriate based upon the award's eligibility to receive dividends), and is recognized, net of the effect of estimated forfeitures, ratably over the vesting period. The Company uses historical data, including historical forfeitures and turnover rates, to estimate expected forfeiture rates for both employee and director RSUs. Each RSU is settled in one share of Class A common stock upon completion of the vesting period.

During the six months ended June 30, 2015 and 2014, the Company granted 0.5 million and 0.8 million, respectively, of RSUs with aggregate estimated grant date fair values of approximately $3.9 million and $4.4 million, respectively, to employees and directors. These RSUs were awarded in lieu of cash compensation for salaries, commissions and/or discretionary or guaranteed bonuses. RSUs granted to these individuals generally vest over a two- to four-year period.

For RSUs that vested during the six months ended June 30, 2015 and 2014, the Company withheld shares valued at $1.2 million and $0.8 million, respectively, to pay taxes due at the time of vesting.

As of June 30, 2015 and December 31, 2014, the aggregate estimated grant date fair value of outstanding RSUs was approximately $9.4 million and $10.1 million, respectively.

Compensation expense related to RSUs, before associated income taxes, was approximately $1.2 million and $1.0 million for the three months ended June 30, 2015 and 2014, respectively. Compensation expense related to RSUs, before associated income taxes, was approximately $2.7 million and $2.9 million for the six months ended June 30, 2015 and 2014, respectively. As of June 30, 2015, there was approximately $11.2 million of total unrecognized compensation expense related to unvested RSUs.

Restricted Stock

Pursuant to the Global Partnership Restructuring Program in June 2013, the Company granted approximately 41 million restricted shares of the Company's Class A common stock. Transferability of the shares of restricted stock is not subject to continued employment or service with the Company or any affiliate or subsidiary of the Company; however, transferability is subject to compliance with BGC Partners' and its affiliates' customary noncompete obligations. During the three months ended June 30, 2015 approximately 27 thousand shares were forfeited in connection with this clause. The restricted shares are generally saleable by partners in five to ten years. Partners who agree to extend the length of their employment agreements and/or other contractual modifications sought by the Company are expected to be able to sell their restricted shares over a shorter time period. During the six months ended June 30, 2015 and 2014, the Company released the restrictions with respect to approximately 1.9 million and 5.6 million of such shares, respectively.

Deferred Cash Compensation

As part of the acquisition of GFI, the Company now maintains a Deferred Cash Award Program which was adopted by GFI on February 12, 2013, and provides for the grant of deferred cash incentive compensation to eligible employees. The Company may pay certain bonuses in the form of deferred cash compensation awards, which generally vest over a future service period. In addition, prior to the completion of the tender offer, GFI's outstanding RSUs were converted into the right to receive an amount in cash equal to $6.10 per unit, with such cash payable on and subject to the terms and conditions of the original vesting schedule of each RSU. The total compensation expense recognized in relation to the deferred cash compensation awards for the three months ended June 30, 2015 was $8.2 million. The total compensation expense recognized in relation to the deferred cash compensation awards for the six months ended June 30, 2015 was $11.4 million. Total unrecognized compensation cost related to deferred cash compensation prior to the consideration of forfeitures, was approximately $44.5 million and is expected to be recognized over a weighted-average period of 1.55 years.

Stock Options

A summary of the activity associated with stock options is as follows:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Balance at December 31, 2014	2,184,238	$ 9.66	2.3	$ —
Granted	—	—		
Exercised options	(30,000)	8.98		
Forfeited options	(5,000)	9.57		
Options exercisable at June 30, 2015	2,149,238	$ 9.67	1.9	$ —

The Company did not grant any stock options during the three months ended June 30, 2015 and 2014. There were 30 thousand stock options exercised during the six months ended June 30, 2015. There were no stock options exercised during the six months ended June 30, 2014.

The Company did not record any compensation expense related to stock options for the three or six months ended June 30, 2015 or 2014, as all of these options had vested in prior years. As of June 30, 2015, all of the compensation expense related to stock options was fully recognized.

19. Commitments, Contingencies and Guarantees

Contingencies

In the ordinary course of business, various legal actions are brought and are pending against the Company and its affiliates in the U.S. and internationally. In some of these actions, substantial amounts are claimed. The Company is also involved, from time to time, in reviews, examinations, investigations and proceedings by governmental and self-regulatory agencies (both formal and informal) regarding the Company's business, which may result in judgments, settlements, fines, penalties, injunctions or other relief. The following generally does not include matters that the Company has pending against other parties which, if successful, would result in awards in favor of the Company or its subsidiaries.

Employment, Competitor-Related and Other Litigation

From time to time, the Company and its affiliates are involved in litigation, claims and arbitrations in the U.S. and internationally, relating to various employment matters, including with respect to termination of employment, hiring of employees currently or previously employed by competitors, terms and conditions of employment and other matters. In light of the competitive nature of the brokerage industry, litigation, claims and arbitration between competitors regarding employee hiring are not uncommon.

On March 9, 2012, a purported derivative action was filed in the Supreme Court of the State of New York, County of New York captioned International Painters and Allied Trades Industry Pension Fund, etc. v. Cantor Fitzgerald L.P., CF Group Management, Cantor Fitzgerald & Co., the Company and its directors, Index No. 650736-2012. The complaint was dismissed on September 23, 2013. The suit alleged that the terms of the April 1, 2010 8.75% Convertible Notes issued to Cantor were unfair to the Company, the Company's Controlled Equity Offerings unfairly benefited Cantor at the Company's expense and the August 2011 amendment to the change in control agreement of Mr. Lutnick was unfair to the Company. It sought to recover for the Company unquantified damages, disgorgement of payments received by defendants, a declaration that the 8.75% Convertible Notes are void and attorneys' fees (the "New York Complaint"). On April 2, 2012, a purported derivative action was filed in the Court of Chancery of the State of Delaware captioned Samuel Pill v. Cantor Fitzgerald L.P., CF Group Management, Cantor Fitzgerald & Co., the Company and its directors, Civil Action No. 7382-CS, which suit made similar allegations to the New York Complaint, and seeks the same relief (the "Delaware Complaint"). On April 12, 2012, the Delaware Complaint was subsequently amended to delete any claim for relief in connection with the 8.75% Convertible Notes. On June 19, 2012, Plaintiff Samuel Pill voluntarily dismissed the Delaware action, without prejudice. On the same date, Plaintiff Pill refiled his complaint in the Supreme Court of the State of New York, County of New York, captioned Samuel Pill v. Cantor Fitzgerald, L.P., CF Group Management, Cantor Fitzgerald & Co., the Company and its directors, Index No. 652126-2012. The two actions filed in New York were consolidated. Defendants filed a motion to dismiss the consolidated action on August 10, 2012, the motion was fully briefed and argued, and the motion to dismiss was granted on September 23, 2013 without prejudice. Thereafter, Plaintiffs filed a motion to reargue on October 15, 2013. The Plaintiff' motion to reargue was denied on March 12, 2014, and a final judgment dismissing the consolidated action with prejudice was entered on April 21, 2014. On April 24, 2014, Plaintiffs filed a notice of appeal and pre-argument statement. On January 23, 2015, the Plaintiffs-Appellants filed their opening brief on appeal. The Defendants-Respondents filed their opposition brief on March 25, 2015. Plaintiffs-Appelants filed their reply brief on April 3, 2015.

In the ordinary course of business, various legal actions are brought and may be pending against the Company. The Company is also involved, from time to time, in other reviews, investigations and proceedings by governmental and self-regulatory agencies (both formal and informal) regarding the Company's business. Any such actions may result in judgments, settlements, fines, penalties, injunctions or other relief.

Legal reserves are established in accordance with FASB guidance on Accounting for Contingencies, when a material legal liability is both probable and reasonably estimable. Once established, reserves are adjusted when there is more information available or when an event occurs requiring a change. The outcome of such items cannot be determined with certainty. The Company is unable to estimate a possible loss or range of loss in connection with specific matters beyond its current accrual and any other amounts disclosed. Management believes that, based on currently available information, the final outcome of these current pending matters will not have a material adverse effect on the Company's consolidated financial statements and disclosures taken as a whole.

Letter of Credit Agreements

The Company has irrevocable uncollateralized letters of credit with various banks, where the beneficiaries are clearing organizations through which it transacted, that are used in lieu of margin and deposits with those clearing organizations. As of June 30, 2015, the Company was contingently liable for $1.4 million under these letters of credit.

Risk and Uncertainties

The Company generates revenues by providing financial intermediary, securities trading and brokerage activities, and commercial real estate services to institutional customers and by executing and, in some cases, clearing transactions for institutional counterparties. Revenues for these services are transaction-based. As a result, revenues could vary based on the transaction volume of global financial and real estate markets. Additionally, financing is sensitive to interest rate fluctuations, which could have an impact on the Company's overall profitability.

Guarantees

The Company provides guarantees to securities clearinghouses and exchanges which meet the definition of a guarantee under FASB interpretations. Under these standard securities clearinghouse and exchange membership agreements, members are required to guarantee, collectively, the performance of other members and, accordingly, if another member becomes unable to satisfy its obligations to the clearinghouse or exchange, all other members would be required to meet the shortfall. In the opinion of management, the Company's liability under these agreements is not quantifiable and could exceed the cash and securities it has posted as collateral. However, the potential of being required to make payments under these arrangements is remote. Accordingly, no contingent liability has been recorded in the Company's unaudited condensed consolidated statements of financial condition for these agreements.

Indemnification

In connection with the sale of eSpeed, the Company has indemnified NASDAQ OMX for amounts over a defined threshold against damages arising from breaches of representations, warranties and covenants. In addition, in connection with the acquisition of GFI, the Company has indemnified the Directors and Officers of GFI. As of June 30, 2015, no contingent liability has been recorded in the Company's unaudited condensed consolidated statements of financial condition for this indemnification, as the potential for being required to make payments under this indemnification is remote.

20. Income Taxes

The Company's unaudited condensed consolidated financial statements include U.S. federal, state and local income taxes on the Company's allocable share of the U.S. results of operations, as well as taxes payable to jurisdictions outside the U.S. In addition, certain of the Company's entities are taxed as U.S. partnerships and are subject to the Unincorporated Business Tax ("UBT") in New York City. Therefore, the tax liability or benefit related to the partnership income or loss, except for UBT, rests with the partners (see Note 3—"Limited Partnership Interests in BGC Holdings" for discussion of partnership interests), rather than the partnership entity. Income taxes are accounted for using the asset and liability method, as prescribed in FASB guidance on Accounting for Income Taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the unaudited condensed consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded against deferred tax assets if it is deemed more likely than not that those assets will not be realized. As of June 30, 2015, the Company had $287.7 million of undistributed foreign pre-tax earnings, it is our intention to permanently reinvest them in the Company's foreign operations. It is not practicable to determine the amount of additional tax that may be payable in the event these earnings are repatriated due to the fluctuation of the relative ownership percentages of the foreign subsidiaries between the Company and BGC Holdings. Pursuant to FASB guidance on Accounting for Uncertainty in Income Taxes, the Company provides for uncertain tax positions based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. As of June 30, 2015, the Company had $8.0 million of unrecognized tax benefits, all of which would affect the Company's effective tax rate if recognized. As of December 31, 2014, there were no unrecognized tax benefits. The increase of uncertain tax benefits is due to acquired positions as a result of the GFI Acquisition. The Company recognizes interest and penalties related to income tax matters in "Interest expense" and "Other expenses," respectively, in the Company's unaudited condensed consolidated statements of operations. As of June 30, 2015, the Company had approximately $1.3 million of accrued interest related to uncertain tax positions. As of December 31, 2014, there were no accrued interest and penalties related to uncertain tax positions. The increase of accrued interest and penalties related to uncertain tax positions is due to acquired positions as a result of the GFI Acquisition.

21. Regulatory Requirements

Many of the Company's businesses are subject to regulatory restrictions and minimum capital requirements. These regulatory restrictions and capital requirements may restrict the Company's ability to withdraw capital from its subsidiaries.

Certain U.S. subsidiaries of the Company are registered as U.S. broker-dealers or Futures Commissions Merchants subject to Rule 15c3-1 of the SEC and Rule 1.17 of the Commodity Futures Trading Commission, which specify uniform minimum net capital requirements, as defined, for their registrants, and also require a significant part of the registrants' assets be kept in relatively liquid form. As of June 30, 2015, the Company's U.S. subsidiaries had net capital in excess of their minimum capital requirements.

Certain European subsidiaries of the Company are regulated by the Financial Conduct Authority (the "FCA") and must maintain financial resources (as defined by the FCA) in excess of the total financial resources requirement of the FCA. As of June 30, 2015, the European subsidiaries had financial resources in excess of their requirements.

Certain other subsidiaries of the Company are subject to regulatory and other requirements of the jurisdictions in which they operate.

The regulatory requirements referred to above may restrict the Company's ability to withdraw capital from its regulated subsidiaries. As of June 30, 2015, $514.1 million of net assets were held by regulated subsidiaries. These subsidiaries had aggregate regulatory net capital, as defined, in excess of the aggregate regulatory requirements, as defined, of $243.7 million.

22. Segment and Geographic Information

Segment Information

The Company's business segments are determined based on the products and services provided and reflect the manner in which financial information is evaluated by management. The Company's operations consist of two reportable segments, Financial Services and Real Estate Services.

Accordingly, all segment information presented herein reflects the Company's revised segment reporting structure for all periods presented. The Company's Financial Services segment specializes in the brokerage of a broad range of products, including fixed income securities, interest rate swaps, foreign exchange, equities, equity derivatives, credit derivatives, commodities, futures and structured products. It 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. The Company's Real Estate Services segment offers commercial real estate tenants, owners, investors and developers a wide range of services, including leasing and corporate advisory, investment sales and financial services, consulting, project and development management, and property and facilities management.

The Company evaluates the performance and reviews the results of the segments based on each segment's "Income (loss) from operations before income taxes."

The amounts shown below for the Financial Services and Real Estate Services segments reflect the amounts that are used by management to allocate resources and assess performance, which is based on each segment's "Income (loss) from operations before income taxes." In addition to the two business segments, the tables below include a "Corporate Items" category. Corporate revenues include fees from related parties and interest income as well as gains that are not considered part of the Company's ordinary, ongoing business such as the

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realized gain related to the GFI shares owned by the Company prior to the completion of the tender offer to acquire GFI on February 26, 2015. Corporate expenses include non-cash compensation expenses (such as the grant of exchangeability to limited partnership units; redemption/exchange of partnership units, issuance of restricted shares and a reserve on compensation-related partnership loans; and allocations of net income to limited partnership units and FPUs) as well as unallocated expenses such as certain professional and consulting fees, executive compensation and interest expense, which are managed separately at the corporate level.

Certain financial information for the Company's segments is presented below. Certain reclassification have been made to previously reported amounts to conform to the current presentation. See Note 16—"Goodwill and Other Intangible Assets, Net," for goodwill by reportable segment.

Three months ended June 30, 2015 (in thousands):

	Financial Services	Real Estate Services	Corporate Items	Total
Brokerage revenues:				
Rates	$126,346	$ —	$ —	$126,346
Credit	74,194	—	—	74,194
Foreign exchange	82,404	—	—	82,404
Energy and commodities	54,815	—	—	54,815
Equities and other asset classes	54,001	—	—	54,001
Leasing and other services	—	130,221	—	130,221
Real Estate capital markets	—	61,178	—	61,178
Real estate management services	—	46,528	—	46,528
Fees from related parties	83	—	6,012	6,095
Market data and software solutions	27,693	—	—	27,693
Other revenues	1,858	445	192	2,495
Total non-interest revenues	421,394	238,372	6,204	665,970
Interest income	327	325	2,509	3,161
Total revenues	421,721	238,697	8,713	669,131
Interest expense	185	12	18,242	18,439
Non-interest expenses	366,451	211,650	58,360	636,461
Total expenses	366,636	211,662	76,602	654,900
Other income (losses), net:				
Gain on divestiture	—	—	894	894
Gains on equity method investments	—	—	833	833
Other income (losses)	(2,097)	—	3,428	1,331
Total other income, (losses) net	(2,097)	—	5,155	3,058
Income (loss) from operations before income taxes	$ 52,988	$ 27,035	$(62,734)	$ 17,289

For the three months ended June 30, 2015, the Financial Services segment income from operations before income taxes includes a $2.1 million loss related to the NASDAQ OMX Transaction consideration and the associated mark-to-market movements and/or hedging. For the three months ended June 30, 2015, the Real Estate Services segment income from operations before income taxes excludes $0.5 million related to the collection of receivables and associated expenses that were recognized at fair value as part of acquisition accounting.

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Three months ended June 30, 2014 (in thousands):

	Financial Services	Real Estate Services	Corporate Items	Total
Brokerage revenues:				
Rates	$104,677	—	—	$104,677
Credit	58,923	—	—	58,923
Foreign exchange	49,279	—	—	49,279
Energy and commodities	13,154	—	—	13,154
Equities and other asset classes	30,483	—	—	30,483
Leasing and other services	—	87,035	—	87,035
Real Estate capital markets	—	20,866	—	20,866
Real estate management services	—	39,020	—	39,020
Fees from related parties	52	—	7,915	7,967
Market data and software solutions	2,195	—	—	2,195
Other revenues	1,302	—	376	1,678
Total non-interest revenues	260,065	146,921	8,291	415,277
Interest income	380	118	1,427	1,925
Total revenues	260,445	147,039	9,718	417,202
Interest expense	962	—	8,268	9,230
Non-interest expenses	220,668	142,340	30,428	393,436
Total expenses	221,630	142,340	38,696	402,666
Other income (losses), net:				
Gain on divestiture	—	—	—	—
Losses on equity method investments	—	—	(1,288)	(1,288)
Other income	1,667	—	—	1,667
Total other income (losses), net	1,667	—	(1,288)	379
Income (loss) from operations before income taxes	$ 40,482	4,699	(30,266)	$ 14,915

For the three months ended June 30, 2014, the Financial Services segment income from operations before income taxes includes $1.7 million related to the NASDAQ OMX Transaction consideration and the associated mark-to-market movements and/or hedging. For the three months ended June 30, 2014, the Real Estate Services segment income from operations before income taxes excludes $2.2 million related to the collection of receivables and associated expenses that were recognized at fair value as part of acquisition accounting.

Six months ended June 30, 2015 (in thousands):

	Financial Services	Real Estate Services	Corporate Items	Total
Brokerage revenues:				
Rates	$248,357	$ —	$ —	$ 248,357
Credit	141,369	—	—	141,369
Foreign exchange	155,345	—	—	155,345
Energy and commodities	84,219	—	—	84,219
Equities and other asset classes	90,216	—	—	90,216
Leasing and other services	—	233,784	—	233,784
Real estate capital markets	—	114,920	—	114,920
Real estate management services	—	87,130	—	87,130
Fees from related parties	108	—	12,593	12,701
Market data and software solutions	39,220	—	—	39,220
Other revenues	3,517	639	415	4,571
Total non-interest revenues	762,351	436,473	13,008	1,211,832
Interest income	723	613	3,530	4,866
Total revenues	763,074	437,086	16,538	1,216,698
Interest expense	657	12	33,672	34,341
Non-interest expenses	643,433	393,803	126,408	1,163,644
Total expenses	644,090	393,815	160,080	1,197,985
Other income (losses), net:				
Gain on divestiture	—	—	679	679
Gains on equity method investments	—	—	1,636	1,636
Other income	836	—	31,695	32,531

Total other income, net	836	—	34,010	34,846
Income (loss) from operations before income taxes	$119,820	$ 43,271	$(109,532)	$ 53,559

For the six months ended June 30, 2015, the Financial Services segment income from operations before income taxes includes $0.8 million related to the NASDAQ OMX Transaction consideration and the associated mark-to-market movements and/or hedging. For the six months ended June 30, 2015, the Real Estate Services segment income from operations before income taxes excludes $1.2 million related to the collection of receivables and associated expenses that were recognized at fair value as part of acquisition accounting.

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Six months ended June 30, 2014 (in thousands):

	Financial Services	Real Estate Services	Corporate Items	Total
Brokerage revenues:				
Rates	$218,349	$ —	$ —	$218,349
Credit	124,369	—	—	124,369
Foreign exchange	101,345	—	—	101,345
Energy and commodities	26,208	—	—	26,208
Equities and other asset classes	60,180	—	—	60,180
Leasing and other services	—	174,580	—	174,580
Real estate capital markets	—	42,491	—	42,491
Real estate management services	—	78,846	—	78,846
Fees from related parties	80	—	14,919	14,999
Market data and software solutions	4,530	—	—	4,530
Other revenues	11,429	—	668	12,097
Total non-interest revenues	546,490	295,917	15,587	857,994
Interest income	684	234	3,079	3,997
Total revenues	547,174	296,151	18,666	861,991
Interest expense	1,562	—	17,003	18,565
Non-interest expenses	448,133	277,012	88,001	813,146
Total expenses	449,695	277,012	105,004	831,711
Other income (losses), net:				
Losses on equity method investments	—	—	(3,563)	(3,563)
Other income	(556)	—	—	(556)
Total other income (losses), net	(556)	—	(3,563)	(4,119)
Income (loss) from operations before income taxes	$ 96,923	$ 19,139	$ (89,901)	$ 26,161

For the six months ended June 30, 2014, the Financial Services segment income from operations before income taxes includes a $0.6 million loss related to the NASDAQ OMX Transaction consideration and the associated mark-to-market movements and/or hedging. For the six months ended June 30, 2014, the Real Estate Services segment income from operations before income taxes excludes $2.9 million related to the collection of receivables and associated expenses that were recognized at fair value as part of acquisition accounting.

Total assets by reportable segment (in thousands):

Total Assets [1]	Financial Services	Real Estate Services	Total
At June 30, 2015	$3,507,052	$464,674	$3,971,726
At December 31, 2014	$2,318,590	$432,537	$2,751,127

[1] Corporate assets have been fully allocated to the Company’s business segments.

Geographic Information

The Company offers products and services in the U.S., U.K., Asia (including Australia), France, Other Americas, Other Europe, and the Middle East and Africa region (defined as the “MEA” region). Information regarding revenues for the six months ended June 30, 2015 and 2014, respectively, is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenues:				
United States	$ 378,145	$ 236,004	$ 685,085	$490,306
United Kingdom	172,070	100,914	313,774	205,900
Asia	58,689	36,982	107,307	81,002
France	22,697	23,747	43,524	47,879
Other Americas	14,295	8,451	26,729	15,142
Other Europe/MEA	23,235	11,104	40,279	21,762
Total revenues	$ 669,131	$ 417,202	$1,216,698	$861,991

Information regarding long-lived assets (defined as loans, forgivable loans and other receivables from employees and partners, net; fixed assets, net; certain other investments; goodwill; other intangible assets, net of accumulated amortization; and rent and other deposits) in the geographic areas as of June 30, 2015 and December 31, 2014, respectively, is as follows (in thousands):

	June 30, 2015	December 31, 2014
Long-lived assets:		
United States	$ 1,281,216	$ 497,749
United Kingdom	274,921	121,735
Asia	30,119	29,459
France	6,557	5,979
Other Americas	18,007	19,188
Other Europe/MEA	6,253	2,549
Total long-lived assets	$ 1,617,073	$ 676,659

23. Subsequent Events

Second Quarter 2015 Dividend

On July 27, 2015, the Company's Board of Directors declared a quarterly cash dividend of $0.14 per share for the second quarter of 2015, payable on September 4, 2015 to Class A and Class B common stockholders of record as of August 21, 2015.

Acquisitions

On July 1, 2015, the Company completed the acquisition of Excess Space Retail Services, Inc. ("Excess Space"), a provider of real estate disposition, lease restructuring and lease renewal services, as well as related valuations for retailers nationwide. The acquisition of Excess Space will be recorded in the Company's Real Estate Services segment.

Controlled Equity Offering

Since June 30, 2015, the Company has issued, pursuant to its controlled equity offerings, 1.1 million shares of Class A common stock related to redemptions and exchanges of limited partnership interests as well as for general corporate purposes.

Guarantee of the GFI 8.375% Senior Notes

Effective July 10, 2015, the Company and GFI entered into a guarantee (the "Guarantee") pursuant to which the Company guaranteed the obligations of GFI under GFI's 8.375% Senior Notes due 2018 in the remaining aggregate principal amount of $240 million (the "Notes") and the indenture for the Notes, dated as of July 19, 2011 (the "Indenture"), between GFI and The Bank of New York Mellon Trust Company, N.A., as Trustee. The Guarantee had a positive impact on the credit ratings of the Notes. Pursuant to the terms of the Indenture, the current interest rate on the Notes will be reduced effective July 19, 2015. The reduced interest rate is the result of improved credit ratings following both the acquisition of GFI by the Company and the Guarantee. The Company and GFI will share any cost savings, including interest and other costs, resulting from the credit enhancement provided by Company.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of BGC Partners, Inc.'s financial condition and results of operations should be read together with BGC Partners, Inc.'s unaudited condensed consolidated financial statements and notes to those statements, as well as the cautionary statements relating to forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), included elsewhere in this report. When used herein, the terms "BGC Partners," "BGC," the "Company," "we," "us" and "our" refer to BGC Partners, Inc., including consolidated subsidiaries.

This discussion summarizes the significant factors affecting our results of operations and financial condition during the three and six months ended June 30, 2015 and 2014. This discussion is provided to increase the understanding of, and should be read in conjunction with, our unaudited condensed consolidated financial statements and the notes thereto included elsewhere in this Report.

OVERVIEW AND BUSINESS ENVIRONMENT

We are a leading global brokerage company servicing the financial and real estate markets through our Financial Services and Real Estate Services businesses. Our Financial Services business specializes in the brokerage of a broad range of products, including fixed income securities, interest rate derivatives, foreign exchange, equities, equity derivatives, credit derivatives, energy and commodity derivatives, and futures. Our Financial Services business also provides a wide 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. Our 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 in many markets, fully electronic brokerage services in connection with transactions executed either over-the-counter ("OTC") or through an exchange. Through brands including BGC Trader™, BGC Market Data, Trayport ® and FENICS ®, we offer financial technology solutions, market data, and analytics related to select financial instruments and markets.

We entered into the commercial real estate business in October 2011 with the acquisition of Newmark & Company Real Estate, Inc. ("Newmark"), a leading U.S. commercial real estate brokerage and advisory firm primarily serving corporate and institutional clients. Newmark was founded in 1929 in New York City. In 2000, Newmark embarked upon a national expansion and in 2006 entered into an agreement with London-based Knight Frank to operate jointly in the Americas as "Newmark Knight Frank." In the second quarter of 2012, we completed the acquisition of substantially all of the assets of Grubb & Ellis Company and its direct and indirect subsidiaries, which we refer to as "Grubb & Ellis." Grubb & Ellis was formed in 1958 and built a full-service national commercial real estate platform of property management, facilities management and brokerage services. We have completed the integration of Grubb & Ellis with Newmark Knight Frank to form the resulting brand, Newmark Grubb Knight Frank ("NGKF"). NGKF is a full-service commercial real estate platform that comprises our Real Estate Services segment, offering commercial real estate tenants, owners, investors and developers a wide range of services, including leasing and corporate advisory, investment sales and financial services, consulting, project and development management, and property and facilities management.

Our customers include many of the world's largest banks, broker-dealers, investment banks, trading firms, hedge funds, governments, corporations, property owners, real estate developers and investment firms. We have offices in dozens of major markets, including New York and London, as well as in Atlanta, Beijing, Bogota, Boston, Brussels, Buenos Aires, Cape Town, Charlotte, Chicago, Copenhagen, Dallas, Denver, Dubai, Dublin, Hong Kong, Houston, Istanbul, Johannesburg, Lima, Los Angeles, Madrid, Mexico City, Miami, Moscow, Nyon, Paris, Philadelphia, Rio de Janeiro, San Francisco, Santa Clara, Santiago, São Paulo, Seoul, Shanghai, Singapore, Sydney, Tel Aviv, Tokyo, Toronto, Washington, D.C. and Zurich.

We remain confident in our future growth prospects as we continue to increase the scale and depth of our Financial Services and Real Estate Services platforms and continue to seek market driven opportunities to expand our business in numerous financial asset classes. This was exemplified by the successful completion of our tender offer for the majority of GFI's outstanding common shares. Beginning on March 2, 2015, BGC began consolidating the results of GFI, which continues to operate as a controlled company and as a separately branded division of BGC. We also completed the purchase of remaining Apartment Realty Advisers ("ARA") members during the first half of this year. By adding the leading brokerage companies to our platform, we have greatly broadened the scope and depth of services we can provide to our clients across our consolidated business. We also continued to make key hires around the world and integrate other recent acquisitions onto our global platform. We expect these additions to increase our earnings per share going forward. These investments underscore BGC's ongoing commitment to make accretive acquisitions and profitable hires.

Successful Completion of Tender Offer to Acquire GFI Group, Inc.

On February 26, 2015, we successfully completed our tender offer to acquire shares of common stock, par value $0.01 per share (the "Shares"), of GFI Group Inc. ("GFI") for $6.10 per share in cash and accepted for purchase 54.3 million shares (the "Tendered Shares") tendered to us pursuant to our offer (the "Offer"). The Tendered Shares, together with the 17.1 million shares already owned by us, represent approximately 56% of GFI's outstanding shares. We issued payment for the Tendered Shares on March 4, 2015 in the aggregate amount of $331.1 million. As part of the tender offer agreement with GFI, BGC Partners became entitled to designate six out of eight directors of the GFI Board of Directors. These designees were appointed to the GFI Board effective February 26, 2015. GFI, along with its Trayport and FENICS brands, is a leading intermediary and provider of trading technologies and support services to the global OTC and listed markets. GFI serves more than 2,500 institutional clients in operating electronic and hybrid markets for cash and derivative products across multiple asset classes.

As of March 2, 2015, GFI operates as a controlled company and as a division of BGC, reporting to Shaun Lynn, President of BGC, and its financial results will be consolidated as part of BGC going forward. Additionally, BGC and GFI are expected to remain separately branded divisions for the foreseeable future. This is the first full quarter in which our results include those of GFI. We've had limited turnover in GFI's front office, and the integration is progressing well.

Prior to the completion of the tender offer, GFI was a party to a series of agreements, including an Agreement and Plan of Merger (the "CME Merger Agreement") and a Purchase Agreement (the "IDB Purchase Agreement"), each dated as of July 30, 2014, as amended, with CME Group Inc. ("CME") and certain of its affiliates, whereby GFI had agreed to merge with and into a wholly owned subsidiary of CME (the "CME Merger") and, immediately following such merger, a private consortium of current GFI management would acquire GFI's wholesale brokerage and clearing businesses from CME (such transactions collectively, the "CME Transaction"). In addition, CME, Jersey Partners, Inc. ("JPI"), and certain other stockholders of GFI, who collectively control approximately 38% of the outstanding shares of the GFI common stock, entered into an agreement, dated as of July 30, 2014 (the "Support Agreement"), that provided for such stockholders to vote for the CME Transaction and vote against any alternative transaction and that prevented such stockholders from transferring their shares, including by tendering into the tender offer. The CME Merger Agreement and the CME Transaction were terminated on January 30, 2015. The restrictions in the Support Agreement continue until on or about January 30, 2016.

On April 28, 2015, a subsidiary of BGC purchased from GFI approximately 43.0 million newly issued shares of GFI's common stock (the "New Shares") at that date's closing price of $5.81 per share, for an aggregate purchase price of $250 million. The purchase price was paid to GFI in the form of a note due on June 19, 2018 that bears an interest rate of LIBOR plus 200 basis points. Due to intercompany eliminations, the New Shares and the note will have no impact on the consolidated balance sheet of BGC. GFI expects that any funds received in payment of the principal of the note would be earmarked for repayment of GFI's existing $240 million senior notes due July 2018 (the "GFI Notes") or potentially be the basis of collateral with respect to the GFI Notes. Following the issuance of the New Shares, BGC owns approximately 67% of GFI's outstanding common stock. As a result of our owning more than two-thirds of GFI, we believe that we can complete a full merger between BGC and GFI at any time, despite the Support Agreement. We expect to complete a full merger no later than the first quarter of 2016.

We believe the combination of BGC and GFI will create a strong and diversified company, well positioned to capture future growth opportunities. Through this combination, we expect to deliver substantial benefits to customers of the combined company, and we expect to become the largest and most profitable wholesale brokerage company. We also believe this is a highly complementary combination, which will result in meaningful economies of scale. While the front office operations will remain separately branded divisions, we plan on integrating the back office, technology, and infrastructure of these two companies in a smart and deliberate way. We expect to reduce our expense run rate by at least $50 million a year by the first quarter of 2016, and at least $40 million in further annualized cost savings by the first quarter of 2017, for a total of at least $90 million in savings, all excluding Trayport. By guaranteeing GFI's debt, we have substantially improved the credit rating of their bonds and lowered future interest payments. We have also been able to free up capital set aside for regulatory and clearing purposes, allowing us to use our balance sheet more efficiently. As the integration of BGC and GFI continues, we expect to generate increased productivity per broker and to continue converting voice and hybrid broking to more profitable fully electronic trading, all of which should lead to increased revenues, profitability and cash flows.

We are in the midst of the sales process of Trayport and expect to complete the transaction before the end of 2015. Numerous serious parties are participating in the process at a valuation that reflects its continuing growth in the year following last year's announced transaction, its high margins, leading technology, and strategic importance in the global energy and commodities markets. We also expect to receive more than $650 million in additional Nasdaq OMX stock over time, which is not reflected on our balance sheet. As these shares are paid, and we complete the sale of Trayport, we expect to have one of the strongest balance sheets in our industry. We expect our earnings to continue to grow as we increase the profitability of GFI, add revenues from our highly profitable fully electronic products, and benefit from the strength of our Real Estate Services business. We anticipate having substantial resources with which to pay dividends, repurchase shares and/or units of BGC, profitably hire, and make accretive acquisitions, all while maintaining or improving our investment grade rating.

NASDAQ OMX Transaction

On June 28, 2013, we completed the sale (the "NASDAQ OMX Transaction") of certain assets to The NASDAQ OMX Group, Inc. ("NASDAQ OMX"). NASDAQ OMX purchased certain assets and assumed certain liabilities from us and our affiliates, including the eSpeed brand name and various assets comprising the fully electronic portion of our benchmark on-the-run U.S. Treasury brokerage, market data and co-location service businesses (the "Purchased Assets" or "eSpeed"), for cash consideration of $750 million paid at closing, plus an earn-out of up to 14,883,705 shares of NASDAQ OMX common stock to be paid ratably in each of the fifteen years following the closing in which the consolidated gross revenue of NASDAQ OMX is equal to or greater than $25 million. Through June 30, 2015, we have received 1,984,494 shares of NASDAQ OMX common stock in accordance with the agreement. The contingent future issuances of NASDAQ OMX common stock are also subject to acceleration upon the occurrence of certain events, including the acquisition by any person of 50% or more of NASDAQ OMX's stock (including by merger), NASDAQ OMX ceasing to hold Purchased Assets representing 50% or more of the aggregate revenue attributable to the Purchased Assets as of the closing, and the sale of all or substantially all of NASDAQ OMX's assets, as well as to certain anti-dilution provisions.

As a result of the sale of eSpeed, we only sold our on-the-run; benchmark 2-, 3-, 5-, 7-, 10-, and 30-year fully electronic trading platform for U.S. Treasury Notes and Bonds. We continue to offer voice brokerage for on-the-run U.S. Treasuries, as well as across various other products in rates, credit, FX, market data and software solutions. As we continue to focus our efforts on converting voice and hybrid desks to electronic execution, our remaining e-businesses, excluding Trayport, include revenues from intra-company software and analytics usage, and generated $63.7 million and $104.5 million in revenues during the three and six months ended June 30, 2015, respectively. The intra-company revenue from software and analytics usage was $13.0 million for the three and six months ended June 30, 2015, and is related to the acquisition of GFI and its fully electronic business FENICS. These fully electronic revenues are more than double those of eSpeed, which generated $48.6 million in revenues for the six months ended June 30, 2013 and was sold in the second quarter of 2013 for $1.2 billion. Going forward we expect these businesses to become an even more valuable part of BGC as they continue to grow faster than, and be substantially larger than eSpeed ever was for us.

Financial Services:

The financial intermediary sector has been a competitive area that has grown over the past decade due to several factors. One factor is the increasing use of derivatives to manage risk or to take advantage of the anticipated direction of a market by allowing users to protect gains and/or guard against losses in the price of underlying assets without having to buy or sell the underlying assets. Derivatives are often used to mitigate the risks associated with interest rates, equity ownership, changes in the value of foreign currency, credit defaults by corporate and sovereign debtors and changes in the prices of commodity products. Over the past decade, demand from financial institutions, financial services intermediaries and large corporations has increased volumes in the wholesale derivatives market, thereby increasing the business opportunity for financial intermediaries.

Another key factor in the growth of the financial intermediary sector over the past decade has been the increase in the number of new financial products. As market participants and their customers strive to mitigate risk, new types of equity and fixed income securities, futures, options and other financial instruments have been developed. Most of these new securities and derivatives are not immediately ready for more liquid and standardized electronic markets, and generally increase the need for trading and require broker-assisted execution.

In recent years, our Financial Services businesses have faced more challenging market conditions. While our foreign exchange (“FX”) equities and other asset classes, and energy and commodities businesses operated in a generally improved macro environment over the last few quarters, our rates and credit businesses continued to face a challenging macro backdrop. The continued low volume environment facing our rates and credit businesses has been part of a greater industry trend that has been attributed to a number of cyclical factors, including extreme monetary policies by several major central banks including the Federal Reserve, Bank of England, Bank of Japan, and more recently, the European Central Bank. These accommodative monetary policies have resulted in historically low levels of volatility and interest rates across most financial markets. The global credit markets have also faced structural issues such as the higher bank capital requirements under Basel III. Consequently, these factors contributed to lower trading volumes in our rates and credit asset classes across most geographies in which we operate.

Regulators in the U.S. have finalized most of the new rules across a range of financial marketplaces, including OTC derivatives, as mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”). Many of these rules became effective during 2013 and 2014 with ongoing phase-ins anticipated over the course of 2015 and coming years. Legislators and regulators in Europe and the Asia-Pacific region have crafted similar rules, some of which were implemented beginning in 2014, specifically those falling under the Markets in Financial Instruments Directive II (“MiFID II”), while others are expected to be implemented in the future.

These OTC-related regulations and proposed rules call for additional pre- and post-trade market transparency, heightened collateral and capital standards, the transacting of certain derivatives using authorized venues, central clearing of most standardized derivatives, specific business conduct standards and the delivery of transaction data to newly designated trade repositories for public dissemination.

BGC Derivative Markets, a subsidiary of the Company, began operating as a Swap Execution Facility (“SEF”) on October 2, 2013. Since then, mandatory Dodd-Frank Act compliant execution on SEFs by Swap Dealers and Major Swap Participants commenced in February 2014 for a small number of “made available to trade” products, and a wide range of other rules relating to the execution and clearing of derivative products have been finalized. BGC Derivative Markets has been active across the full range of Required and Permitted Products executed by U.S.-based customers and we anticipate improved derivatives volumes once the international regulatory landscape becomes clearer for our clients that operate globally.

In addition, BGC maintains its ownership stake in ELX, a CFTC approved designated contract market (“DCM”), which is capable of offering Dodd-Frank Act compliant swap trading to eligible market participants.

We believe that our relative competitive position is strong in this new environment, and that we will gain market share. This is because the new rules not only require OTC market execution venues to maintain robust front-end and back-office IT capabilities and to make large and ongoing technology investments, but also because recent revisions to the execution methodology rules will allow elements of voice brokerage to flourish. We are a leader in both the breadth and scale of our hybrid and fully electronic trading capability, and we expect to outperform our competitors in such an environment.

Growth Drivers

As a wholesale intermediary, our business is driven primarily by overall industry volumes in the markets in which we broker, the size and productivity of our front-office headcount (including salespeople, brokers and other front-office professionals), regulatory issues and the percentage of our revenues related to fully electronic brokerage.

Below is a brief analysis of the market and industry volumes for some of our financial services products including our overall hybrid and fully electronic trading activities.

Overall Market Volumes and Volatility

Volume is driven by a number of items, including the level of issuance for financial instruments, the price volatility of financial instruments, macro-economic conditions, the creation and adoption of new products, the regulatory environment, and the introduction and adoption of new trading technologies. In general, increased price volatility increases the demand for hedging instruments, including many of the cash and derivative products that we broker.

Rates volumes in particular are influenced by market volatility, which has remained tempered compared to long-term historical averages due to continued quantitative easing undertaken by the various central banks. Quantitative easing entails the central banks buying government securities or other securities in the open market—particularly longer-dated instruments—in an effort to promote increased lending and liquidity and bring down long-term interest rates. When central banks hold these instruments, they tend not to trade or hedge—thus lowering rates volumes across cash and derivatives markets industry-wide. Despite the conclusion of its Quantitative Easing program in the fourth quarter of 2014, the U.S. Federal Reserve still had over $3.7 trillion worth of long-dated U.S. Treasury and Federal Agency securities as at June 24, 2015, compared with $1.7 trillion at the beginning of 2011 and zero prior to September 2008. Other major central banks have also greatly increased the amount of longer-dated debt on their balance sheets over the past few years and have indicated that they may continue to do so.

In addition, the G-20 central banks have agreed to implement the Basel III accord. Basel III was drafted with the intention of making banks more stable in the wake of the financial crisis. The accord, which will be phased in over the next few years, will force most large banks in G-20 nations to hold approximately three times as much Tier 1 capital as is required under the previous set of rules. The new capital rules make it more expensive for banks to hold non-sovereign debt assets on their balance sheets, and as a result, analysts say banks have reduced or will reduce their trading activity in corporate and asset-backed fixed income securities as well as in various other OTC cash and derivative instruments. We believe that this has further reduced overall industry volumes in many of the products we trade, particularly in credit.

During the three months ended June 30, 2015, industry volumes were generally mixed year-on-year for the OTC and listed products we broker in rates, credit, FX, equities, energy and commodities. For example, volumes were generally up within FX, cash equities, and energy, and were flat in listed, equity derivatives while volumes were generally down within European interest rate futures, commodities, and credit. Below is a discussion of the volume and growth drivers of our various financial services brokerage product categories.

Rates Volumes and Volatility

Our rates business is influenced by a number of factors, including; global sovereign issuances, secondary trading and the hedging of these sovereign debt instruments. While the amount of global sovereign debt outstanding remains high by historical standards, the level of secondary trading and related hedging activity remains muted. For example, according to the Securities Industry and Financial Markets Association ("SIFMA"), the average daily volume of U.S. Treasuries amongst primary dealers was down by approximately 3% in the second quarter of 2015 as compared with a year earlier. Additionally, interest rate volumes were down by approximately 1% and 24% at CME and ICE, respectively, although they were up by 33% at Eurex due largely to increased volatility in longer term German bond yields related in part to the unexpected additions to the types of bonds covered under the ECB's quantitative easing program and the ongoing Greek debt crises. In comparison, our fully electronic rates revenues were up approximately 52% from a year earlier, driven largely by the acquisition of GFI. Overall revenues from rates products were up by approximately 21% during the period to $126.3 million, primarily driven by the addition of GFI, Remate and R.P. Martin.

Our rates revenues are not totally dependent on market volumes and therefore do not always fluctuate consistently with industry metrics. This is largely because our voice, hybrid, and fully electronic desks in rates often have volume discounts built into their price structure, which results in our rates revenues being less volatile than the overall industry volumes.

Overall, analysts and economists expect the absolute level of sovereign debt outstanding to remain at elevated levels for the foreseeable future as governments finance their future deficits and roll over their sizable existing debt. For example, the Organization for Economic Cooperation and Development ("OECD")—which includes almost all of the advanced and developed economies of the world—reported that general government debt as a percentage of GDP will be 71.7% for the entire OECD in 2016. This would represent a slight increase from 69.4% in 2013, but is up considerably from the 39.1% figure in 2007. Meanwhile, economists expect that the effects of various forms of quantitative easing will continue to negatively impact financial markets, as economic growth remains weak in most OECD countries. As a result, we expect long-term tailwinds in our rates business from continuing high levels of government debt, but continued near-term headwinds due to the continued accommodative monetary policy of many major central banks.

Credit Volumes

The cash portion of our credit business is impacted by the level of global corporate bond issuance, while both the cash and credit derivatives side of this business are impacted by sovereign and corporate issuance. Global credit derivative market turnover has declined due to uncertainty surrounding recently enacted rules for the clearing of credit derivatives in the U.S. along with non-uniform regulation across different geographies. In addition, corporate and asset-backed bond trading has continued to decline for many of our large bank customers as they reduce their inventory of bonds in order to comply with Basel III and other international financial regulations. During the quarter, primary dealer average daily volumes for corporate bonds were down by 11% according to Bloomberg. As of June 19, 2015, total dealer gross notional credit derivatives outstanding as reported by SIFMA—a reflection of the inter-dealer derivatives market—was down by 28% from a year earlier. In comparison, our fully electronic credit revenues were up over 138%, driven largely by double-digit organic growth and the addition of GFI, while overall credit revenues increased by approximately 26% to $74.2 million.

Foreign Exchange Volumes and Volatility

Global FX volumes were generally up during the second quarter of 2015, largely as a result of a continued uptick in volatility related to diverging monetary policy across many central banks and the Greek debt crises. Our fully electronic FX revenues increased over 114%, while our overall FX revenues increased 67% to $82.4 million, primarily related to strong organic growth and the acquisitions of GFI, Remate and R.P. Martin. In comparison, FX volumes increased by approximately 1% at Thomson Reuters, by 42% at the CME and by 34% for EBS.

Energy and Commodities

Energy volumes were generally up during the second quarter 2015, driven by the increased volatility exhibited in global oil prices, while commodity volumes were generally flat to down. According to Credit Suisse, combined energy futures volumes at CME and the ICE were up by 29% while other commodities futures volumes were down by 3%. BGC's energy and commodities revenues were up by approximately 317% to $54.8 million, largely driven by the acquisitions of GFI and HEAT Energy Group.

Equities and Other Asset Classes

Global equity markets were generally flat to up during the quarter. According to Credit Suisse Equity Research, the number of U.S. shares traded was up 2%, while notional value of European shares traded increased by 30%, and daily average equity derivatives volumes across the major European and U.S. exchanges were flat, all when compared with the second quarter of 2014. In contrast, our overall revenues from equities and other asset classes increased by over 77% to $54 million, driven largely by the acquisition of GFI.

Hybrid and Fully Electronic Trading

Historically, technology-based product growth has led to higher margins and greater profits over time for exchanges and wholesale financial intermediaries alike, even if overall company revenues remain consistent. This is largely because fewer employees are needed to process the same volume of trades as trading becomes more automated. Over time, electronification of exchange-traded and OTC markets has also generally led to volumes increasing faster than commissions decline, and thus often to an overall increase in revenues. We have been a pioneer in creating and encouraging hybrid and fully electronic trading, and continually work with our customers to expand such trading across more asset classes and geographies.

Outside of U.S. Treasuries and spot FX, the banks and broker-dealers that dominate the OTC markets had generally been hesitant in adopting electronically traded products. However, in recent years, hybrid and fully electronic inter-dealer OTC markets for products, including CDS indices, FX options, and most recently interest rate swaps, have been created as banks and dealers have become more open to electronically traded products and as firms like us have invested in the kinds of technology favored by our customers. Recently enacted and pending regulation in Asia, Europe and the U.S. regarding banking, capital markets, and OTC derivatives is likely to accelerate the spread of fully electronic trading and we expect to benefit from the new rules regarding OTC derivatives once they are finalized globally. Our understanding is that the rules that have been promulgated or are being discussed will continue to allow for trading through a variety of means, including voice, and we believe the net impact of these rules and the new bank capital requirements will encourage the growth of fully electronic trading for a number of products we broker.

The combination of more market acceptance of hybrid and fully electronic trading and our competitive advantage in terms of technology and experience has contributed to our strong gains in electronically traded products. We continued to invest in hybrid and fully electronic technology broadly across our financial services product categories. We plan to combine our electronic assets under one name, FENICS. We believe combining our leading edge and global technology with the highly respected technology company, FENICS, will create a financial technology powerhouse.

Our Financial Services electronic trading, market data and software solutions revenue, excluding Trayport and including revenues from intra-company software and analytics usage, increased by approximately 182.3% to $63.7 million for the quarter, as compared with $22.6 million for the quarter ended June 30, 2014. The intra-company revenue from software and analytics usage was $13.0 million in the current quarter versus none a year earlier, and is related to the acquisition of GFI and its fully electronic business FENICS. The increase in these retained technology-based revenues for the quarter was due to the acquisition of GFI along with the double-digit organic growth from the brokerage of fully electronic rates, credit, and Spot FX as well as higher market data revenues. We now offer electronically traded products on a significant portion of our Financial Services segment's more than 200 Financial Services desks. The revenues, profits, and growth of these products are more than double those of eSpeed, which we sold in the second quarter of 2013 for over $1.2 billion. The financial results and strong momentum of our e-businesses also compare favorably to other highly valuable electronic trading platforms that are either publicly-traded or that have recently been sold by other companies. We expect the proportion of desks offering electronically traded products to continue to increase as we invest in technology to drive electronic trading over our platform. Over time, we expect the growth of our technology-based businesses to further improve this segment's profitability.

Real Estate Services:

Our discussion of financial results for “Newmark Grubb Knight Frank,” “NGKF,” or “Real Estate Services” reflects only those businesses owned by us and does not include the results for Knight Frank or for the independently-owned offices that use some variation of the NGKF name in their branding or marketing.

Our Real Estate Services segment continued to show solid growth and generated approximately 36% of our revenues in the quarter ended June 30, 2015. Real Estate brokerage revenues grew by over 77% year-over-year, which included growth in real estate capital markets of over 193% and in leasing and other services of approximately 50%. This growth was primarily driven by the addition of Cornish & Carey, ARA and CFI along with organic growth. While we benefited from positive industry trends, we believe that NGKF continued to gain market share. Our Real Estate management services and other revenues were up by 21%; and overall revenues improved by over 62%. Our acquisitions of Cornish & Carey and ARA are expected to continue to drive future growth of our Real Estate Services business, particularly in the higher margin capital markets brokerage space.

We expect the overall profitability of our Real Estate Services business to increase as we increase its size and scale. However, the pre-tax margins in the segment are also impacted by the mix of revenues generated by NGKF. For example, real estate capital markets, which includes sales, commercial mortgage broking, and other financial services, generally has larger transactions that occur with less frequency and more seasonality when compared with leasing advisory. However, real estate capital markets tend to have significantly higher pre-tax margins than NGKF as a whole. Leasing advisory revenues are generally more predictable than revenues from real estate capital markets, while pre-tax earnings margins tend to be more similar to those of the segment as a whole. Property and facilities management, which together are called “real estate management services,” generally have the most predictable and steady revenues, but pre-tax earnings margins below those for NGKF as a whole. When management services clients agree to give us exclusive rights to provide real estate services for their facilities or properties, it is for an extended period of time, which provides us with stable and foreseeable sources of brokerage revenues.

Growth Drivers

The key drivers of revenue growth for U.S. commercial real estate brokerage services companies include the overall health of the U.S. economy, including gross domestic product and employment trends in the U.S., which drives demand for various types of commercial leases and purchases; the institutional ownership of commercial real estate as an investible asset class; and the ability to attract and retain talent to our real estate services platform. In addition, in real estate sales, also known as real estate capital markets, growth is driven by the availability of credit to purchasers of and investors in commercial real estate.

Economic Growth in the U.S.

The U.S. economy is believed to have expanded by an annualized rate of 2.3 % during the second quarter of 2015 according to the U.S. Bureau of Economic Analysis’s advance estimate, as compared to an average annual increase of 2.4% for the twelve months ended 2014. Many economists believe that U.S. economic growth faces near-term headwinds with a strengthening U.S. Dollar and declining energy prices. However, according to the most recent Bloomberg survey of economists, the consensus is for U.S. GDP to expand by 2.7% in 2015 and 2.6% in 2016. This moderate pace of growth should keep interest rates and inflation low by historical standards.

The Bureau of Labor Statistics preliminarily reported that employers added a monthly average of 221,000 net new payroll jobs during the second quarter, as compared to 284,000 in the prior year period. U.S. employers added 223,000 jobs in June of 2015, versus the trailing twelve month average of 245,000. Despite the return to pre-recession unemployment rates (5.3% as of June 2015), the number of long-term unemployed and the labor force participation rate (the latter of which is near a 38-year low) remain disappointing for many economists, but these indicators are less important to commercial real estate than job creation.

The 10-year Treasury yield ended the second quarter at 2.35% after rising from its recent low of 1.68% on February 2, 2015. 10-year Treasury yields have remained below their 40-year average of approximately 6.6%, in large part due to market expectations that the Federal Open Market Committee (“FOMC”) will only moderately raise the federal funds rate in the near-term. In October 2014, the FOMC formally ended its quantitative easing program, which was responsible for the purchase of over $3.9 trillion worth of Treasury bonds and mortgage-backed securities.

The combination of moderate economic growth and low interest rates that has been in place since the recession ended has been a powerful stimulus for commercial real estate, delivering steady absorption of excess space and strong investor demand for the yields available through both direct ownership of assets and publicly traded funds. Steady economic growth and low interest rates helped push vacancy rates down for the office, apartment, retail and industrial markets. The low level of new construction over the past few years has meant that tenants have been funneled into existing vacant space with the exception of apartments, where construction has propelled the market into a new expansion cycle. Asking rental rates posted moderate gains across all property types during the second quarter 2015, propelled by demand for Class A assets in the top submarkets. The following trends drove the commercial real estate market for the second quarter of 2015:

- Strong U.S. employment growth and rising home values have fueled the economy and generated increased demand for commercial real estate space across all major sectors:
- Technology, professional and business services and healthcare continued to power demand for office space, Declining oil prices

will pose a challenge in 2015 for Texas and other energy-dependent markets:

- E-commerce and supply-chain optimization created tenant and owner-user demand for warehouses and distribution centers;
- Apartment rents benefited from strong job growth, and underlying demographic trends towards urban living amongst younger adults; and
- Strong corporate earnings combined with increased leisure travel generated demand for hotel room-nights.

Market Statistics

Following the financial crisis of 2007/2008, the U.S. commercial property market saw steep declines in price and activity in 2009. In 2010, the market began to recover, and the U.S commercial property market as a whole has since posted twenty-two consecutive quarters of gains in commercial property prices, as measured by the Commercial Property Price Index, reported by Real Capital Analytics ("RCA"). Additionally, U.S. commercial real estate sales volumes have increased in twenty-one of the last twenty-two quarters, as reported by RCA. If the U.S. economy continues to expand at the moderate pace envisioned by many economists, we would expect this to fuel the continued expansion of demand for commercial real estate.

According to CoStar's Value-Weighted U.S. Composite Index, average prices were up by more than 12% in May year-over-year for the months ended May 2015. During the quarter, the dollar volume of significant property sales rose by 23% above the year ago period according to RCA. In comparison, our real estate capital markets revenue increased over 193% year-over-year, primarily due to growth resulting from the acquisitions of Cornish & Carey, ARA and organic growth.

Although overall industry metrics are not necessarily as correlated to our revenues in Real Estate Services as they are in Financial Services, they do provide some indication of the general direction of the business. According to Newmark Grubb Knight Frank Research, the combined average vacancy rate for office, industrial, and retail properties ended the second quarter of 2015 at 9.2%, down from 9.8% a year earlier, marking twenty-one consecutive quarters of improving average vacancy rates. Rents for all property types in the U.S. continued to improve modestly. According to NGKF Research leasing activity during the second quarter 2015 was roughly flat with the year ago period. In comparison, revenues from our leasing and other services business grew by approximately 50%.

REGULATORY ENVIRONMENT

See "Regulation" in Part I, Item 1 of our Annual Report on Form 10-K for information related to our regulatory environment.

LIQUIDITY

See "Liquidity and Capital Resources" herein for information related to our liquidity and capital resources.

HIRING AND ACQUISITIONS

A key driver of our revenue is front-office headcount. We believe that our strong technology platform and unique partnership structure have enabled us to use both acquisitions and recruiting to profitably increase our front-office staff at a faster rate than our largest competitors since our formation in 2004.

We have invested significantly to capitalize on the current business environment through acquisitions, technology spending and the hiring of new brokers, salespeople and other front-office professionals. The business climate for these acquisitions has been competitive, and it is expected that these conditions will persist for the foreseeable future. We have been able to attract businesses and brokers, salespeople and other front-office professionals to our platform as we believe they recognize that we have the scale, technology, experience and expertise to succeed in the current business environment.

As of June 30, 2015, our front-office headcount was up by 61% year-over-year to 3,851 brokers, salespeople and other front-office professionals. This increase was primarily due in part to the acquisition of GFI, Cornish & Carey, ARA, and R.P. Martin. For the quarter ended June 30, 2015, average revenue generated per front-office employee decreased 0.6% from a year ago to approximately $154,000. The decrease in overall company revenue per front-office employee was primarily driven by the integration of approximately 1,500 new brokers and salespeople onto our platform, in which headcount growth outpaced revenue growth in our Financial Services and Real Estate Services businesses. BGC's average revenue per front office employee has historically declined year-over-year for the periods following significant headcount increases, because the additional brokers and salespeople generally achieve significantly higher productivity levels in their second year with the Company. In addition, Cornish & Carey and ARA have traditionally had more pronounced seasonality in the first half of the year than has the rest of the Company's Real Estate Services business.

The laws and regulations passed or proposed on both sides of the Atlantic concerning OTC trading seem likely to favor increased use of technology by all market participants, and are likely to accelerate the adoption of both hybrid and fully electronic trading. We believe these developments will favor the larger inter-dealer brokers over smaller, non-public inter-dealer brokers, as the smaller ones generally do not have the financial resources to invest the necessary amounts in technology. We believe this will lead to further consolidation in our industry, and thus further allow us to profitably grow our front-office headcount.

Since 2013, our acquisitions have included Sterling International Brokers Limited, HEAT Energy Group, Remate Lince, Cornish & Carey Commercial, ARA, R.P Martin, GFI, Computerized Facility Integration, and Excess Space Retail Services, Inc. (“Excess Space”).

During the year ended December 31, 2013, we acquired the business and certain assets of Sterling International Brokers Limited, a London-based financial brokerage firm specializing in Pound Sterling and other major currency transactions.

During 2014 we completed the following acquisitions in our Financial Services business: Remate Lince, the leading Mexican inter-dealer broker focusing on interest rate derivatives and fixed income; HEAT Energy Group, which specializes in East Coast U.S. power brokerage and; R.P. Martin a market-leading interdealer brokerage focusing on European interest rates and foreign exchange products. We also continued to make key hires around the world. We expect these additions to increase to earnings per share going forward. These investments underscore BGC's ongoing commitment to make accretive acquisitions and profitably hire, and we are confident in our ability to utilize our capital to achieve strong revenue and earnings growth going forward.

During 2014 in our Real Estate Services business we completed the acquisition of members of ARA, the nation's largest privately held, multi-housing brokerage and the acquisition of Cornish & Carey, the leading commercial real estate services company in the Bay Area and Silicon Valley. ARA had approximately 100 brokers with offices nationwide and completed more than $3.3 billion in multi-family sales in the first six months of 2014. Cornish had over 275 brokers and generated approximately $135 million in revenues in 2013. Accordingly, we have greatly broadened the scope and depth of services we can provide to our clients in Northern California and across the U.S.

On February 26, 2015, we announced the successful completion of our tender offer for the majority of GFI Group, Inc.'s outstanding common shares. GFI is a leading intermediary in the global OTC and Listed markets, offering an array of sophisticated trading technologies and products and generated over $880 million in revenues in 2014. The acquisition of GFI represents the largest acquisition in our history. GFI is a controlled company that operates as separately branded division of BGC. Additionally, BGC has nominated three-fourths of GFI's board of directors. On April 29, 2015, we announced that a subsidiary of BGC purchased from GFI approximately 43.0 million New Shares at that date's closing price of $5.81 per share, for an aggregate purchase price of $250 million. The purchase price was paid to GFI in the form of a note due on June 19, 2018 that bears an interest rate of LIBOR plus 200 basis points. Due to intercompany elimination, the New Shares and the note will have no impact on the consolidated balance sheet of BGC. GFI expects that any funds received in payment of the principal of the note would be earmarked for repayment of GFI Notes or potentially be the basis of collateral with respect to the GFI Notes. Following the issuance of the New Shares, BGC owns approximately 67% of GFI's outstanding common stock. We expect the consolidated company to be the world's largest and most profitable wholesale financial brokerage company.

In addition, we have retained CF & Co to assist in the sale of Trayport. We expect numerous parties to be interested in acquiring this business at a valuation that reflects its high margins, growth rate, leading technology, and strategic importance in the global energy and commodities markets. We anticipate completing a transaction before the end of 2015.

On May 5, 2015, the Company announced that it has entered into an agreement to acquire Computerized Facility Integration, LLC ("CFI"). CFI is a premier real estate strategic consulting and systems integration firm that manages over three billion square feet globally for Fortune 500 companies, owner-occupiers, government agencies, healthcare and higher education clients. CFI provides corporate real estate, facilities management, and enterprise asset management information consulting and technology solutions that yield hundreds of millions of dollars in cost-savings for its client base on an annual basis. Upon close, the acquisition is expected to complement and drive future growth opportunities within Newmark Grubb Knight Frank's ("NGKF") Global Corporate Services business and within CFI's extensive client base.

On May 18, 2015, the Company announced an agreement to acquire Excess Space. Excess Space is a premier consulting and advisory firm dedicated to real estate disposition and lease restructuring for retailers throughout the US and Canada It advises some of the nation's leading supermarkets, department stores, banks, drug stores and restaurants since its establishment in 1992, Excess Space has generated an estimated $4 billion in cost savings for clients. We are confident that the acquisition of Excess Space will enhance our business, strengthen the services within our global Retail platform, and bring value to our clients.

FINANCIAL HIGHLIGHTS

For the three months ended June 30, 2015 we had income from operations before income taxes of $17.3 million compared to income from operations before income taxes of $14.9 million in the year earlier period. Our results include the results of GFI for the full quarter. Total revenues for the quarter ended June 30, 2015 increased approximately $251.9 million to $669.1 million primarily due to increased brokerage revenues. Total expenses increased approximately $252.2 million to $654.9 million primarily due to a $171.7 million increase in total compensation and employee benefits. Also contributing to the increase was an $80.6 million increase in total non-compensation expenses. The absolute increase in quarterly expenses was primarily due to the impact of acquisitions, as well as interest expense related to our December 2014 issuance of $300 million 5.375% Senior Notes due in 2019 as well as the $240 million of 8.375% Senior Notes due July 2018 acquired as part of the GFI acquisition partially offset by the maturity of the 8.75% Convertible Senior Notes on April 15, 2015. While the front-office operations of GFI and BGC will remain separately branded, we have already begun integrating the support functions, technology, and infrastructure of these two companies. By the first quarter of 2016, we expect to reduce our expense run rate by at least $50 million a year on items including network infrastructure, telephone lines, data centers, vendors, disaster recovery, and interest expense. We anticipate producing at least $40 million in further annualized cost savings by the second anniversary of the transaction, for a total of at least $90 million in savings all excluding Trayport. This excludes the impact of any potential future acquisitions or net increase in headcount due to hires made going forward. We also expect to increase productivity per broker and to continue converting voice and hybrid broking to higher margin fully electronic trading, all of which should lead to increased revenues and profitability. By freeing up duplicative capital set aside for regulatory and clearing purposes, we will also be able to use our balance sheet more efficiently.

Our Real Estate Services business ("NGKF") benefited from the acquisitions of ARA and Cornish & Carey in 2014 and continues to benefit from the low interest rate environment, easier availability of credit and a steadily improving U.S. economy along with limited new commercial construction. According to NGKF's research team, the overall leasing market continued to improve, with the combined unweighted average vacancy rate for office, industrial, multi-family and retail properties declining from 8.4% to 8.0% year-over-year. This marks 19 quarters in a row of improving average vacancy rates. In real estate capital markets, second quarter U.S. commercial sales volumes were up by 23% according to Real Capital Analytics. Financing activity was also robust, with combined U.S. agency and non-agency CMBS issuance up by 30% for the trailing twelve months ended June 30, 2015, according to Commercial Mortgage Alert. While helped by these positive industry trends, we believe that NGKF continued to gain market share. Our revenues from leasing and other services improved by 49.6% to $130.2 million, while real estate capital markets increased by 193.2% to $61.2 million. Management services and other revenues were up 20.8% to $47.3 million, while NGKF's overall revenues improved by 62.3% to $238.7 million. Pre-tax earnings increased by 475.3% to $27.0 million in Real Estate Services. Industry wide, commercial real estate brokers tend to be seasonally slowest in the first calendar quarter of the year in terms of revenues and profitability, sequentially stronger in each of the next two quarters, and then strongest in the fourth calendar quarter. Based on these historical patterns, we are confident in reaching our goal for our Real Estate Services business to generate at least $1 billion in revenues for the full year 2015 which would represent an increase of more than 35% over 2014.

We are in the midst of the sales process of Trayport and expect to complete the transaction before the end of 2015. Numerous serious parties are participating in the process at a valuation that reflects its continuing growth in the year following last year's announced transaction, its' high margins, leading technology, and strategic importance in the global energy and commodities markets. Following this expected transaction, we expect to complete a full merger of BGC and GFI, which should happen no later than the first quarter of 2016. In addition we expect to receive more than $650 million in additional NASDAQ OMX stock (stock value based on the closing price on July 28, 2015), which is not reflected on our balance sheet. As these shares are paid, and we complete the sale of Trayport, we expect to have one of the strongest balance sheets in our industry. We expect our earnings to continue to grow as we increase the profitability of GFI, add revenues from our highly profitable fully electronic products, and benefit from the strength of our Real Estate Services business. We anticipate having substantial resources with which to pay dividends, repurchase shares and/or units of BGC, profitably hire, and make accretive acquisitions, all while maintaining or improving our investment grade rating.

RESULTS OF OPERATIONS

The following table sets forth our unaudited condensed consolidated statements of operations data expressed as a percentage of total revenues for the periods indicated (in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2015		2014		2015		2014	
	Actual Results	Percentage of Total Revenues	Actual Results	Percentage of Total Revenues	Actual Results	Percentage of Total Revenues	Actual Results	Percentage of Total Revenues
Revenues:								
Commissions	$487,810	72.9%	$291,666	69.9%	$ 903,093	74.2%	$595,264	69.0%
Principal transactions	95,349	14.3	72,751	17.4	165,117	13.6	152,258	17.7
Total brokerage revenues	583,159	87.2	364,417	87.3	1,068,210	87.8	747,522	86.7
Real estate management services	46,528	7.0	39,020	9.4	87,130	7.2	78,846	9.1
Fees from related parties	6,095	0.9	7,967	1.9	12,701	1.0	14,999	1.7
Market data and software solutions	27,693	4.1	2,195	0.5	39,220	3.2	4,530	0.5
Interest income	3,161	0.5	1,925	0.5	4,866	0.4	3,997	0.5
Other revenues	2,495	0.3	1,678	0.4	4,571	0.4	12,097	1.5
Total revenues	669,131	100.0	417,202	100.0	1,216,698	100.0	861,991	100.0
Expenses:								
Compensation and employee benefits	432,176	64.6	264,318	63.3	778,989	64.0	539,617	62.6
Allocation of net income and grant of exchangeability to limited partnership units and FPUs	26,200	3.9	22,402	5.4	63,254	5.2	53,725	6.2
Total compensation and employee benefits	458,376	68.5	286,720	68.7	842,243	69.2	593,342	68.8
Occupancy and equipment	63,108	9.4	35,701	8.6	106,073	8.7	76,622	8.9
Fees to related parties	4,121	0.6	2,133	0.5	8,688	0.7	3,940	0.5
Professional and consulting fees	14,331	2.1	10,156	2.4	37,383	3.1	21,245	2.5
Communications	32,110	4.8	21,312	5.1	57,047	4.7	41,770	4.8
Selling and promotion	26,763	4.0	18,255	4.4	47,239	3.9	36,280	4.2
Commissions and floor brokerage	10,473	1.6	5,575	1.3	16,751	1.4	9,781	1.1
Interest expense	18,439	2.8	9,230	2.2	34,341	2.8	18,565	2.2
Other expenses	27,179	4.1	13,584	3.3	48,220	4.0	30,166	3.5
Total expenses	654,900	97.9	402,666	96.5	1,197,985	98.5	831,711	96.5
Other income (losses), net:								
Gain on divestiture and sale of investments	894	0.2	—	—	679	0.1	—	—
Gains (losses) on equity method investments	833	0.1	(1,288)	(0.3)	1,636	0.1	(3,563)	(0.4)
Other Income (loss)	1,331	0.2	1,667	0.4	32,531	2.7	(556)	(0.1)
Total other income (losses), net	3,058	0.5	379	0.1	34,846	2.9	(4,119)	(0.5)
Income from operations before income taxes	17,289	2.6	14,915	3.6	53,559	4.4	26,161	3.0
Provision for income taxes	2,272	0.4	3,600	0.9	12,318	1.0	4,344	0.5
Consolidated net income	15,017	2.2	11,315	2.7	41,241	3.4	21,817	2.5
Less: Net income attributable to noncontrolling interest in subsidiaries	5,670	0.8	3,714	0.9	17,839	1.5	6,208	0.7
Net income available to common stockholders	$ 9,347	1.4%	$ 7,601	1.8%	$ 23,402	1.9%	$ 15,609	1.8%

Three Months Ended June 30, 2015 Compared to Three Months Ended June 30, 2014

Revenues

Brokerage Revenues

Total brokerage revenues increased by $218.7 million, or 60.0%, for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. Commission revenues increased by $196.1 million, or 67.2%, for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. Principal transactions revenues increased by $22.6 million, or 31.1%, for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014.

The increase in brokerage revenues was primarily driven by organic growth and acquisitions across both of our operating segments.

The increase in rates revenues of $21.7 million was primarily due to the acquisition of GFI.

Our fully electronic credit revenues increased by $10.0 million as compared to the three months ended June 30, 2014, and our overall credit revenues increased by 25.9% to $74.2 million in the three months ended June 30, 2015. This increase was mainly due to our acquisition of GFI.

Our FX revenues were up by 67.2% to $82.4 million for the three months ended June 30, 2015. This increase was primarily driven by growth across on voice, hybrid, and fully electronic desks most notably in our e-brokered foreign exchange spot and derivative products. Our acquisitions of GFI and RP Martin also contributed to the increase.

Our brokerage revenues from energy and commodities increased $41.7 million, or 316.7%, to $54.8 million for the three months ended June 30, 2015. This increase was primarily driven by organic growth and our acquisition of GFI.

Our brokerage revenues from equities and other asset classes increased $23.5 million, or 77.2%, to $54.0 million for the three months ended June 30, 2015. This increase surpassed most relevant industry volumes.

Total Real Estate brokerage revenues increased by $83.5 million for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. This increase was primarily driven by growth in the leasing and consulting businesses, increased operating efficiencies resulting from the successful integration of our acquisitions of Cornish & Carey, ARA and continued improvements in broker productivity.

Leasing and other services revenues increased by $43.2 million, or 49.6%, to $130.2 million for the three months ended June 30, 2015 as compared to the prior year period. This increase was primarily driven by continued positive industry trends, including U.S. commercial sales volumes and financing activities.

Real estate capital markets revenues increased by $40.3 million, or 193.2%, to $61.2 million for the three months ended June 30, 2015 as compared to the prior year period. This increase was primarily driven by the acquisition of ARA.

Real Estate Management Services

Real estate management services revenue increased $7.5 million for the three months ended June 30, 2015. This increase was primarily driven by our acquisition of CFI.

Fees from Related Parties

Fees from related parties decreased by $1.9 million, or 23.5%, for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. The decrease was primarily due to lower revenues related to our expense reduction program.

Market Data and Software Solutions

Market data and software solutions revenues increased by $25.5 million, or 1161.6%, for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. The increase was primarily driven by the purchase of GFI.

Interest Income

Interest income increased by $1.2 million, or 64.2%, to $3.2 million for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. The increase was primarily driven by an increase in dividend income.

Other Revenues

Other revenues increased by $0.8 million to $2.5 million for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014.

Expenses

Compensation and Employee Benefits

Compensation and employee benefits expense increased by $167.9 million, or 63.5%, for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. The main driver of this increase was the increased level of brokerage revenues particularly related to the GFI acquisition and our Real Estate Services business.

Allocations of Net Income and Grant of Exchangeability to Limited Partnership Units and FPUs

The Allocations of net income and grant of exchangeability to limited partnership units and FPUs increased by $3.8 million for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. This increase was primarily driven by an increase in charges related to grants of exchangeability to limited partnership units during the quarter as compared to the three months ended June 30, 2014.

Occupancy and Equipment

Occupancy and equipment expense increased $27.4 million to $63.1 million for the three months ended June 30, 2015, as compared to the three months ended June 30, 2014. This increase was primarily driven by the acquisitions of Cornish & Carey and ARA in our Real Estate Services segment, and the acquisition of GFI in our Financial Services segment. Also contributing to this increase were charges recorded in the three months ended June 30, 2015 related to the impairment of fixed assets.

Fees to Related Parties

Fees to related parties increased by $2.0 million, or 93.2%, for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. Fees to related parties are allocations paid to Cantor for administrative and support services.

Professional and Consulting Fees

Professional and consulting fees increased by $4.2 million, or 41.1%, to $14.3 million for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. The increase was primarily driven by the acquisition of GFI.

Communications

Communications expense increased by $10.8 million, or 50.7%, for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. This increase was primarily driven by the acquisition of GFI. As a percentage of total revenues, communications remained relatively unchanged across the two periods.

Selling and Promotion

Selling and promotion expense increased by $8.5 million, or 46.6%, for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. The increase was primarily due to the acquisition of GFI.

Commissions and Floor Brokerage

Commissions and floor brokerage expense increased by $4.9 million, or 87.9%, for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014, primarily due to the acquisition of GFI.

Interest Expense

Interest expense increased by $9.2 million, or 99.8%, to $18.4 million for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. The increase was primarily driven by the interest expense associated with our 5.375% Senior Notes issued in December 2014, and the 8.375% Senior Notes acquired in February 2015, partially offset by the maturity of the 8.75% Convertible Senior Notes on April 15, 2015.

Other Expenses

Other expenses increased by $13.6 million, or 100.1%, for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. This increase was primarily driven by the acquisition of GFI as well as increases related to our Real Estate Services acquisitions.

Other Income (losses), net

Gain on Divestiture

The gain on divestiture of $894 thousand was primarily driven by our sale of KBL which was completed in May 2015.

Gains (losses) on Equity Method Investments

Gains on equity method investments increased by $2.1 million, to a gain of $833 thousand, for the three months ended June 30, 2015 as compared to a loss of $1.3 million for the three months ended June 30, 2014. Gains (losses) on equity method investments represent our pro rata share of the net gains or losses on investments over which we have significant influence but do not control.

Other Income

Other income decreased $0.3 million, or 20.2%, to $1.3 million for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. This decrease was primarily driven by the mark-to-market movements and/or hedging related to our NASDAQ OMX shares. This decrease was partially offset by a miscellaneous recovery in the three months ended June 30, 2015.

Provision for Income Taxes

Provision for income taxes decreased $1.3 million to $2.3 million for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. Our consolidated effective tax rate can vary from period to period depending on, among other factors, the geographic and business mix of our earnings.

Net Income Attributable to Noncontrolling Interest in Subsidiaries

Net income attributable to noncontrolling interest in subsidiaries increased by $2.0 million, to $5.7 million, for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. This increase was due to the increase in allocation of net income to Cantor units in the three months ended June 30, 2015. Also contributing to this increase was the allocation of GFI income to Redeemable noncontrolling interests.

Six Months Ended June 30, 2015 Compared to Six Months Ended June 30, 2014

Revenues

Brokerage Revenues

Total brokerage revenues increased by $320.7 million, or 42.9%, for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. Commission revenues increased by $307.8 million, or 51.7%, for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. Principal transactions revenues increased by $12.9 million, or 8.4%, for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014.

The increase in brokerage revenues was primarily driven by organic growth and acquisitions across both of our operating segments.

The increase in rates revenues of $30.0 million was primarily due to the acquisition of GFI.

Our fully electronic credit revenues increased by $15.1 million as compared to the six months ended June 30, 2014, and our overall credit revenues increased by 13.7% to $141.4 million in the six months ended June 30, 2015. This increase was mainly due to our acquisition of GFI.

Our FX revenues were up by 53.3% to $155.3 million for the six months ended June 30, 2015. This increase was primarily driven by growth across on voice, hybrid, and fully electronic desks most notably in our e-brokered foreign exchange spot and derivative products. The GFI acquisition also contributed to this increase.

Our brokerage revenues from energy and commodities increased $58.0 million, or 221.3%, to $84.2 million for the six months ended June 30, 2015. This increase was primarily driven by organic growth and our acquisition of GFI.

Our brokerage revenues from equities and other asset classes increased $30.0 million, or 49.9%, to $90.2 million for the six months ended June 30, 2015. This increase was primarily driven by the GFI acquisition.

Total Real Estate brokerage revenues increased by $131.6 million for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. This increase was primarily driven by growth in the leasing and consulting businesses increased operating efficiencies resulting from the successful integration of acquisitions and continued improvements in broker productivity.

Leasing and other services revenues increased by $59.2 million, or 33.9%, to $233.8 million for the six months ended June 30, 2015 as compared to the prior year period. This increase was primarily driven by continued positive industry trends, including U.S. commercial sales volumes and financing activities.

Real estate capital markets revenues increased by $72.4 million, or 170.5%, to $114.9 million for the six months ended June 30, 2015 as compared to the prior year period. This increase was primarily driven by the acquisition of ARA.

Real Estate Management Services

Real estate management services revenue increased $8.3 million for the six months ended June 30, 2015. This increase was primarily due to our acquisition of CFI in May 2015

Fees from Related Parties

Fees from related parties decreased by $2.3 million, or 15.3%, for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. The decrease was primarily due to lower revenues related to our expense reduction program.

Market Data and Software Solutions

Market data and software solutions revenues increased by $34.7 million, or 765.8%, for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. The increase was primarily due to the purchase of GFI.

Interest Income

Interest income increased by $0.9 million, or 21.7%, to $4.9 million for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. The increase was primarily driven by an increase in divided income.

Other Revenues

Other revenues decreased by $7.5 million to $4.6 million for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. The decrease was primarily due to a settlement related to litigation received during the six months ended June 30, 2014.

Expenses

Compensation and Employee Benefits

Compensation and employee benefits expense increased by $239.4 million, or 44.4%, for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. The main driver of this increase was the increased level of brokerage revenues particularly related to the GFI acquisition and our Real Estate Services business.

Allocations of Net Income and Grant of Exchangeability to Limited Partnership Units and FPUs

The Allocations of net income and grant of exchangeability to limited partnership units and FPUs increased by $9.5 million for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. This increase was primarily driven by an increase in charges related to grants of exchangeability to limited partnership units during the quarter as compared to the six months ended June 30, 2014.

Occupancy and Equipment

Occupancy and equipment expense increased $29.5 million to $106.1 million for the six months ended June 30, 2015, as compared to the six months ended June 30, 2014. This increase was primarily driven by our acquisitions of Cornish & Carey and ARA in our Real Estate Services segment, and our acquisition of GFI in our Financial Services segment.

Fees to Related Parties

Fees to related parties increased by $4.7 million, or 120.5%, for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. Fees to related parties are allocations paid to Cantor for administrative and support services.

Professional and Consulting Fees

Professional and consulting fees increased by $16.1 million, or 76.0%, to $37.4 million for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. The increase was primarily driven by costs associated with the acquisition of GFI during the six months ended June 30, 2015.

Communications

Communications expense increased by $15.3 million, or 36.6%, for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. This increase was primarily driven by the acquisition of GFI. As a percentage of total revenues, communications remained relatively unchanged across the two periods.

Selling and Promotion

Selling and promotion expense increased by $11.0 million, or 30.2%, for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. The increase was primarily due to the acquisition of GFI.

Commissions and Floor Brokerage

Commissions and floor brokerage expense increased by $7.0 million, or 71.3%, for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014, primarily due to the acquisition of GFI.

Interest Expense

Interest expense increased by $15.8 million, or 85.0%, to $34.3 million for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. The increase was primarily driven by the interest expense associated with our 5.375% Senior Notes issued in December 2014, and the 8.375% Senior Notes acquired in February 2015, partially offset by the maturity of the 8.75% Convertible Senior Notes on April 15, 2015.

Other Expenses

Other expenses increased by $18.1 million, or 59.8%, for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. This increase was primarily driven by the acquisition of GFI and the impact of our Real Estate acquisitions.

Other Income (losses), net

Gain on Divestiture

The gain on divestiture of $679 thousand was primarily related to our sale of KBL which was completed in May 2015.

Gains (losses) on Equity Method Investments

Gains on equity method investments increased by $5.2 million, to a gain of $1.6 million, for the six months ended June 30, 2015. Gains (losses) on equity method investments represent our pro rata share of the net gains or losses on investments over which we have significant influence but do not control.

Other Income

Other income increased $33.1 million, from a loss of $0.6 million to a gain of $32.5 million for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. This increase was primarily driven by the recognition of the cumulative realized gain of $29.0 million on the 17.1 million shares of GFI common stock owned by us prior to the tender offer. This gain was previously included as part of Other comprehensive income (loss) on our marketable securities which provided a part of the consideration for the acquisition of GFI. In addition, this increase was partially due to the mark-to-market movements and/or hedging related to our NASDAQ OMX shares, and a miscellaneous recovery in three months ended June 30, 2015.

Provision for Income Taxes

Provision for income taxes increased $8.0 million to $12.3 million for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. Our consolidated effective tax rate can vary from period to period depending on, among other factors, the geographic and business mix of our earnings.

Net Income Attributable to Noncontrolling Interest in Subsidiaries

Net income attributable to noncontrolling interest in subsidiaries increased by $11.6 million, to $17.8 million, for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. This increase was due to the increase in allocation of net income to Cantor units in the six months ended June 30, 2015. Also contributing to this increase was the allocation of GFI income to Redeemable noncontrolling interests.

Business Segment Financial Results

The business segments are determined based on the products and services provided and reflect the manner in which financial information is evaluated by management. We evaluate the performance and review the results of the segments based on each segment's "Income (loss) from operations before income taxes."

Certain financial information for our segments is presented below. The amounts shown below for the Financial Services and Real Estate Services segments reflect the amounts that are used by management to allocate resources and assess performance, which is based on each segment's "Income (loss) from operations before income taxes." In addition to the two business segments, the tables below include a "Corporate Items" category. Corporate revenues include fees from related parties and interest income as well as gains that are not considered part of the Company's ordinary, ongoing business. Corporate expenses include non-cash compensation expenses (such as the grant of exchangeability to limited partnership units; redemption/exchange of partnership units, issuance of restricted shares and allocations of net income to founding/working partner units and limited partnership units) as well as unallocated expenses such as certain professional and consulting fees, executive compensation and interest expense, which are managed separately at the corporate level.

Three months ended June 30, 2015 (in thousands):

	Financial Services [1]	Real Estate Services [1]	Corporate Items	Total
Total revenues	$421,721	$238,697	$ 8,713	$669,131
Total expenses	366,636	211,662	76,602	654,900
Total other income (losses), net	(2,097)	—	5,155	3,058
Income (loss) from operations before income taxes	$ 52,988	$ 27,035	$(62,734)	$ 17,289

[1] For the three months ended June 30, 2015, the Financial Services segment income from operations before income taxes includes a loss of $2.1 million related to the earn-out portion of the NASDAQ OMX Transaction consideration and the associated mark-to-market movements and/or hedging. For the three months ended June 30, 2015, the Real Estate Services segment income from operations before income taxes excludes $0.5 million related to the collection of receivables and associated expenses that were recognized at fair value as part of acquisition accounting

Three months ended June 30, 2014 (in thousands):

	Financial Services [1]	Real Estate Services [1]	Corporate Items	Total
Total revenues	$260,445	$147,039	$ 9,718	$417,202
Total expenses	221,630	142,340	38,696	402,666
Total other income (losses), net	1,667	—	(1,288)	379
Income (loss) from operations before income taxes	$ 40,482	$ 4,699	$(30,266)	$ 14,915

[1] For the three months ended June 30, 2014, the Financial Services segment income from operations before income taxes includes $1.7 million related to the earn-out portion of the NASDAQ OMX Transaction consideration and the associated mark-to-market movements and/or hedging. For the three months ended June 30, 2014, the Real Estate Services segment income from operations before income taxes excludes $2.2 million related to the collection of receivables and associated expenses that were recognized at fair value as part of acquisition accounting

Segment Results for the Three Months Ended June 30, 2015 Compared to Three Months Ended June 30, 2014

Revenues

- Revenues for Financial Services increased approximately $161.3 million, or 61.9%, to $421.7 million for three months ended June 30, 2015 from $260.4 million for the three months ended June 30, 2014. The increase in revenues for our Financial Services segment was primarily due to an increase in brokerage revenues in Energy and commodities, Foreign exchange, Rates and Credit (primarily due to the acquisition of GFI), as well as an increase in Equities and Other Asset Classes, and an increase in market data and software solutions.

- Revenues for Real Estate Services increased approximately $91.7 million, or 62.3%, to $238.7 million for the three months ended June 30, 2015 from $147.0 million for the three months ended June 30, 2014. The increase in revenues for our Real Estate Services segment was primarily due to the acquisitions of Cornish & Carey and ARA, and an increase in broker productivity along with favorable industry trends in sales and leasing for the U.S. commercial real estate market.

Expenses

- Total expenses for Financial Services increased approximately $145.0 million, or 65.4%, to $366.6 million for the three months ended June 30, 2015 from $221.6 million for the three months ended June 30, 2014. The increase in expenses for our Financial Services Segment was primarily due to the acquisition of GFI.

- Total expenses for Real Estate Services increased approximately $69.3 million, or 48.7%, to $211.7 million for the three months ended June 30, 2015 from $142.3 million for the three months ended June 30, 2014. The increase in expenses for our Real Estate Services segment was primarily due to increased compensation associated with higher revenues.

Other income (losses), net

- Other income (losses), net, for Financial Services decreased approximately $3.8 million to a loss of $2.1 million for the three months ended June 30, 2015 from a gain of $1.7 million for the three months ended June 30, 2014. The decrease in other income (losses), net, for our Financial Services segment was primarily due to the earn-out portion and the related mark-to-market movements and/or hedging of the NASDAQ OMX Transaction consideration.

- Other income (losses), net, for the Corporate Items category increased approximately $6.4 million to $5.2 million for the three months ended June 30, 2015 from a loss of $1.3 million for the three months ended June 30, 2014.

Income from operations before income taxes

- Income from operations before income taxes for Financial Services increased approximately $12.5 million, or 30.9%, to $53.0 million for the three months ended June 30, 2015 from $40.5 million for the three months ended June 30, 2014. The increase in income from operations before income taxes for our Financial Services segment was primarily due to our acquisition of GFI.
- Income from operations before income taxes for Real Estate Services increased $22.3 million, or 475.3%, to $27.0 million for the three months ended June 30, 2015 from $4.7 million for the three months ended June 30, 2014. The increase in income from operations before income taxes for our Real Estate Services segment was due to our acquisitions of Cornish & Carey and ARA.

Six months ended June 30, 2015 (in thousands):

	Financial Services [1]	Real Estate Services [1]	Corporate Items	Total
Total revenues	$763,074	$437,086	$ 16,538	$1,216,698
Total expenses	644,090	393,815	160,080	1,197,985
Total other income (losses), net	836	—	34,010	34,846
Income (loss) from operations before income taxes	$119,820	$ 43,271	$(109,532)	$ 53,559

[1] For the six months ended June 30, 2015, the Financial Services segment income from operations before income taxes includes $0.8 million related to the earn-out portion of the NASDAQ OMX Transaction consideration and the associated mark-to-market movements and/or hedging. For the six months ended June 30, 2015, the Real Estate Services segment income from operations before income taxes excludes $1.2 million related to the collection of receivables and associated expenses that were recognized at fair value as part of acquisition accounting

Six months ended June 30, 2014 (in thousands):

	Financial Services [1]	Real Estate Services [1]	Corporate Items	Total
Total revenues	$547,174	$296,151	$ 18,666	$861,991
Total expenses	449,695	277,012	105,004	831,711
Total other income (losses), net	(556)	—	(3,563)	(4,119)
Income (loss) from operations before income taxes	$ 96,923	$ 19,139	$ (89,901)	$ 26,161

[1] For the six months ended June 30, 2014, the Financial Services segment income from operations before income taxes includes a loss of $0.6 million related to the earn-out portion of the NASDAQ OMX Transaction consideration and the associated mark-to-market movements and/or hedging. For the six months ended June 30, 2014, the Real Estate Services segment income from operations before income taxes excludes $2.9 million related to the collection of receivables and associated expenses that were recognized at fair value as part of acquisition accounting

Segment Results for the Six Months Ended June 30, 2015 Compared to Six Months Ended June 30, 2014

Revenues

- Revenues for Financial Services increased approximately $215.9 million, or 39.5%, to $763.1 million for six months ended June 30, 2015 from $547.2 million for the six months ended June 30, 2014. The increase in revenues for our Financial Services segment was primarily due to an increase in brokerage revenues in Energy and commodities, Foreign exchange, Rates and Credit (primarily due to the acquisition of GFI), as well as an increase in Equities and Other Asset Classes, and an increase in market data and software solutions.

- Revenues for Real Estate Services increased approximately $140.9 million, or 47.6%, to $437.1 million for the six months ended June 30, 2015 from $296.2 million for the six months ended June 30, 2014. The increase in revenues for our Real Estate Services segment was primarily due to the acquisitions of Cornish & Carey and ARA, and an increase in broker productivity along with favorable industry trends in sales and leasing for the U.S. commercial real estate market.

Expenses

- Total expenses for Financial Services increased approximately $194.4 million, or 43.2%, to $644.1 million for the six months ended June 30, 2015 from $449.7 million for the six months ended June 30, 2014. The increase in expenses for our Financial Services Segment was primarily due to the acquisition of GFI.

- Total expenses for Real Estate Services increased approximately $116.8 million, or 42.2%, to $393.8 million for the six months ended June 30, 2015 from $277.0 million for the six months ended June 30, 2014. The increase in expenses for our Real Estate Services segment was primarily due to increased compensation associated with higher revenues.

Other income (losses), net

- Other income (losses), net, for Financial Services increased approximately $1.4 million to $0.8 million for the six months ended June 30, 2015 from a loss of $0.6 million for the six months ended June 30, 2014. The increase in other income (losses), net, for our Financial Services segment was primarily due to the earn-out portion and the related mark-to-market movements and/or hedging of the NASDAQ OMX Transaction consideration.

- Other income (losses), net, for the Corporate Items category increased approximately $37.6 million to $34.0 million for the six months ended June 30, 2015 from a loss of $3.6 million for the six months ended June 30, 2014. The increase was primarily due to the recognition of the cumulative realized gain on the 17.1 million shares of GFI common stock owned by us prior to the tender offer. This gain was previously included as part of Other comprehensive income (loss).

Income from operations before income taxes

- Income from operations before income taxes for Financial Services increased approximately $22.9 million, or 23.6%, to $119.8 million for the six months ended June 30, 2015 from $96.9 million for the six months ended June 30, 2014. The increase in income from operations before income taxes for our Financial Services segment was primarily due to our acquisition of GFI, and the associated mark-to-market movements and/or hedging related to the earn-out portion of the NASDAQ OMX Transaction.
- Income from operations before income taxes for Real Estate Services increased $24.1 million, or 126.1%, to $43.3 million for the six months ended June 30, 2015 from $19.1 million for the six months ended June 30, 2014. The increase in income from operations before income taxes for our Real Estate Services segment was due to our acquisitions of Cornish & Carey and ARA.

QUARTERLY RESULTS OF OPERATIONS

The following table sets forth our unaudited quarterly results of operations for the indicated periods (in thousands). Results of any period are not necessarily indicative of results for a full year and may, in certain periods, be affected by seasonal fluctuations in our business. Certain reclassifications have been made to prior period amounts to conform to the current period's presentation.

	June 30, 2015 [1]	March 31, 2015 [1, 3]	December 31, 2014 [1]	September 30, 2014 [1, 2]	June 30, 2014 [1]	March 31, 2014 [1]	December 31, 2013 [1]	September 30, 2013 [1, 2]
Revenues:								
Commissions	$487,810	$415,283	$ 381,182	$ 331,466	$291,666	$303,598	$ 295,415	$ 283,293
Principal transactions	95,349	69,768	50,366	51,327	72,751	79,507	68,777	67,785
Real estate management services	46,528	40,602	43,929	40,452	39,020	39,826	43,745	40,447
Fees from related parties	6,095	6,606	6,631	6,749	7,967	7,032	7,667	8,071
Market data and software solutions	27,693	11,527	2,578	2,369	2,195	2,335	1,852	1,622
Interest income	3,161	1,705	1,673	1,642	1,925	2,072	2,071	1,563
Other revenues	2,495	2,076	2,924	2,211	1,678	10,419	1,764	1,408
Total revenues	669,131	547,567	489,283	436,216	417,202	444,789	421,291	404,189
Expenses:								
Compensation and employee benefits	432,176	346,813	310,816	270,642	264,318	275,299	269,444	258,642
Allocations of net income and grants of exchangeability to limited partnership units and FPUs	26,200	37,054	30,392	52,516	22,402	31,323	32,125	10,365
Total compensation and employee benefits	458,376	383,867	341,208	323,158	286,720	306,622	301,569	269,007
Occupancy and equipment	63,108	42,965	35,238	35,575	35,701	40,921	39,633	37,908
Fees to related parties	4,121	4,567	5,516	2,681	2,133	1,807	2,292	2,022
Professional and consulting fees	14,331	23,052	20,013	10,565	10,156	11,089	13,304	11,772
Communications	32,110	24,937	20,636	20,087	21,312	20,458	22,475	22,451
Selling and promotion	26,763	20,476	18,727	16,730	18,255	18,025	17,614	19,839
Commissions and floor brokerage	10,473	6,278	4,762	4,806	5,575	4,206	5,287	5,075
Interest expense	18,439	15,902	10,183	9,197	9,230	9,335	9,479	9,164
Other expenses	27,179	21,041	93,959	26,732	13,584	16,582	13,642	13,444
Total expenses	654,900	543,085	550,242	449,531	402,666	429,045	425,295	390,682
Other Income (losses), net:								
Gain (loss) on divestiture and sale of investments	894	(215)	—	—	—	—	—	—
Gains (losses) on equity method investments	833	803	(2,418)	(2,640)	(1,288)	(2,275)	(2,291)	(2,705)
Other Income (losses)	1,331	31,200	4,091	45,892	1,667	(2,223)	7,605	31,861
Total other income (losses), net	3,058	31,788	1,673	43,252	379	(4,498)	5,314	29,156
Income (loss) from operations before income taxes	17,289	36,270	(59,286)	29,937	14,915	11,246	1,310	42,663
Provision (benefit) for income taxes	2,272	10,046	(22,501)	18,808	3,600	744	(315)	10,675
Consolidated net income (loss)	15,017	26,224	(36,785)	11,129	11,315	10,502	1,625	31,988
Less: Net income (loss) attributable to noncontrolling interest in subsidiaries	5,670	12,169	(18,100)	3,918	3,714	2,494	(2,509)	6,662
Net income (loss) available to common stockholders	$ 9,347	$ 14,055	$ (18,685)	$ 7,211	$ 7,601	$ 8,008	$ 4,134	$ 25,326

1 All periods reflect the Company's divestiture of its on-the-run, electronic benchmark U.S. Treasury platform to NASDAQ OMX on June 28, 2013.

2 Amounts include the gains related to the earn-out associated with the NASDAQ OMX transaction recorded in Other Income (losses).

3 Amounts include the recognition of the cumulative realized gain of $29 million on the 17.1 million shares of GFI commons stock owned by us prior to the tender offer.

Note: Certain prior period amounts have been reclassified to conform with the current presentation.

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The table below details our brokerage revenues by product category for the indicated periods (in thousands):

	June 30, 2015 [1]	March 31, 2015 [1]	December31, 2014 [1]	September 30, 2014 [1]	June 30, 2014 [1]	March 31, 2014 [1]	December 31, 2013 [1]	September 30, 2013 [1]
Brokerage revenue by product):								
Rates	$126,346	$122,011	$ 89,715	$ 93,538	$104,677	$113,672	$ 99,339	$ 109,110
Credit	74,194	67,175	47,940	53,545	58,923	65,446	53,651	54,410
Foreign Exchange	82,404	72,941	57,591	56,233	49,279	52,066	44,687	47,393
Energy & Commodities	54,815	29,404	15,785	13,795	13,154	13,054	8,615	7,743
Equities and Other Asset Classes	54,001	36,215	30,690	29,634	30,483	29,697	26,589	27,119
Leasing and other services	130,221	103,563	135,725	107,471	87,035	87,545	105,851	86,536
Real estate capital markets	61,178	53,742	54,102	28,577	20,866	21,625	25,460	18,767
Total brokerage revenues	$583,159	$485,051	$ 431,548	$ 382,793	$364,417	$383,105	$ 364,192	$ 351,078
Brokerage revenue by product (percentage):								
Rates	21.7%	25.2%	20.8%	24.4%	28.7%	29.7%	27.3%	31.1%
Credit	12.7	13.8	11.1	14.0	16.2	17.1	14.7	15.5
Foreign Exchange	14.1	15.0	13.3	14.7	13.5	13.6	12.3	13.5
Energy and commodities	9.4	6.1	3.7	3.6	3.6	3.4	2.4	2.2
Equities and Other Asset Classes	9.3	7.5	7.1	7.7	8.4	7.7	7.2	7.7
Leasing and other services	22.3	21.3	31.5	28.1	23.9	22.9	29.1	24.7
Real estate capital markets	10.5	11.1	12.5	7.5	5.7	5.6	7.0	5.3
Total brokerage revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Brokerage revenue by voice/hybrid and fully electronic:								
Voice/hybrid	$542,343	$449,682	$ 406,240	$ 360,110	$344,053	$361,939	$ 347,889	$ 334,864
Fully electronic	40,816	35,369	25,308	22,683	20,364	21,166	16,303	16,214
Total brokerage revenues	$583,159	$485,051	$ 431,548	$ 382,793	$364,417	$383,105	$ 364,192	$ 351,078
Brokerage revenue by voice/hybrid and fully electronic (percentage):								
Voice/hybrid	93.0%	92.7%	94.1%	94.1%	94.4%	94.5%	95.5%	95.4%
Fully electronic	7.0	7.3	5.9	5.9	5.6	5.5	4.5	4.6
Total brokerage revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

[1] All periods reflect the Company's divestiture of its on-the-run, electronic benchmark U.S. Treasury platform to NASDAQ OMX on June 28, 2013.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet

Our balance sheet and business model are not capital intensive. Our assets consist largely of cash, collateralized and uncollateralized short-dated receivables and less liquid assets needed to support our business. Longer-term capital (equity and notes payable) is held to support the less liquid assets and potential capital intensive opportunities. Total assets at June 30, 2015 were $4.0 billion, an increase of 44.0% as compared to December 31, 2014. The increase in total assets was driven primarily by increases in receivables from broker-dealers, clearing organizations, customers and related broker-dealers and goodwill. These increases were primarily related to the acquisition of GFI. We maintain a significant portion of our assets in cash, with our liquidity (which we define as cash and cash equivalents, marketable securities and securities owned) at June 30, 2015 of $396.5 million. See "Liquidity Analysis" below for a further discussion of our liquidity.

On June 23, 2015, the Audit Committee of the Company authorized management to enter into a revolving credit facility with Cantor of up to $150 million in aggregate principal amount pursuant to which Cantor or BGC would be entitled to borrow funds from each other from time to time. The outstanding balances would bear interest at the higher of the borrower's or the lender's short term borrowing rate then in effect plus 1%.

As part of our cash management process, we may enter into tri-party reverse repurchase agreements and other short term investments, some of which may be with Cantor. As of June 30, 2015, we had no reverse repurchase agreements outstanding with Cantor.

Additionally, in August 2013, the Audit Committee authorized us to invest up to $350 million in an asset-backed commercial paper program for which certain Cantor entities serve as placement agent and referral agent. The program issues short-term notes to money market investors and is expected to be used from time to time as a liquidity management vehicle. The notes are backed by assets of highly rated banks. We are entitled to invest in the program so long as the program meets investment policy guidelines, including relating to ratings. Cantor will earn a spread between the rate it receives from the short-term note issuer and the rate it pays to us on any investments in this program. This spread will be no greater than the spread earned by Cantor for placement of any other commercial paper note in the program. As of June 30, 2015, we had no investments in the program.

Funding

Our funding base consists of longer-term capital (equity and notes payable), shorter-term liabilities and accruals that are a natural outgrowth of specific assets and/or our business model, such as matched fails and accrued compensation. We have limited need for short-term unsecured funding in our regulated entities for their brokerage business. Contingent liquidity needs are largely limited to potential cash collateral that may be needed to meet clearing bank, clearinghouse, and exchange margins and/or to fund fails. Capital expenditures tend to be cash neutral and approximately in line with depreciation. Current cash balances significantly exceed our unsecured letters of credit and our unsecured bank borrowings. We believe that cash in and available to our largest regulated entities, inclusive of financing provided by clearing banks, is adequate for potential cash demands of normal operations such as margin or fail financing. We expect our operating activities going forward to generate adequate cash flows to fund normal operations, including any dividends issued pursuant to our dividend policy. However, we believe that there are a significant number of capital intensive opportunities for us to maximize our growth and strategic position, including, among other things, acquisitions, strategic alliances and joint ventures potentially involving all types and combinations of equity, debt and acquisition alternatives. As a result, we may need to raise additional funds to:

- increase the regulatory net capital necessary to support operations;
- support continued growth in our business;
- effect acquisitions;
- develop new or enhanced services and markets; and
- respond to competitive pressures.

Acquisitions and financial reporting obligations related thereto may impact our ability to access capital markets on a timely basis and may necessitate greater short-term borrowings in the interim. This may impact our credit rating or the interest rates on our debt. We may need to access short-term capital sources to meet business needs from time to time, including, but not limited to, conducting operations, hiring or retaining brokers, financing acquisitions, and providing liquidity, including in situations where we may not be able to access the capital markets in a timely manner when desired by us. Accordingly, we cannot guarantee that we will be able to obtain additional financing when needed on terms that are acceptable to us, if at all.

On June 28, 2013, upon completion of the sale of eSpeed (see “NASDAQ OMX Transaction” herein), we received cash consideration of $750 million, subject to adjustment for certain pre-paid amounts and accrued costs and expenses, plus an earn-out of up to 14,883,705 shares of NASDAQ OMX common stock to be paid ratably in each of the fifteen years following the closing.

On February 26, 2015, we successfully completed our tender offer to acquire the Shares of GFI, for $6.10 per share in cash and accepted for purchase the approximately 54.3 million Tendered Shares. The Tendered Shares together with the 17.1 million shares already owned by us, represent approximately 56.3% of GFI’s outstanding shares. We paid for the Tendered Shares on March 4, 2015 in the aggregate amount of $331.1 million. On April 29, 2015, the Company announced that a subsidiary of BGC purchased from GFI approximately 43.0 million New Shares at that date’s closing price of $5.81 per share, for an aggregate purchase price of $250 million. The purchase price was paid to GFI in the form of a note due on June 19, 2018 that bears an interest rate of LIBOR plus 200 basis points. Due to intercompany elimination, the New Shares and the note will have no impact on the consolidated balance sheet of BGC. Following the issuance of the New Shares, BGC owns approximately 67% of GFI’s outstanding common stock.

As of June 30, 2015, our liquidity, which we define as cash and cash equivalents, marketable securities and securities owned, was approximately $396.5 million. We are continuing the process that we expect to result in the sale of Trayport. We have spoken to several parties who are interested in acquiring this business at a valuation that reflects its high margins, growth rate, leading technology, and strategic importance in the global energy and commodities markets. We are still on track to complete a transaction before the end of 2015. Following this expected transaction, we expect to complete a full merger of BGC and GFI, which should happen no later than the first quarter of 2016. In addition we expect to receive more than $650 million in additional NASDAQ OMX stock (stock value based on the closing price on July 28, 2015), which is not reflected on our balance sheet. We expect to have a dramatically stronger balance sheet and continued solid cash flow generation as these shares are paid to us, and as we complete the sale of Trayport. We expect our financial condition to further improve as we increase the profitability of GFI, continue to grow revenues from our highly profitable fully electronic products, and benefit from the strength of our Real Estate Services business. We therefore anticipate having substantial resources with which to pay dividends, repurchase shares and/or units of BGC, profitably hire, and make accretive acquisitions, all while maintaining or improving our investment grade rating.

Notes Payable Collateralized Borrowings and Short-Term Borrowings

8.75% Convertible Notes

On April 1, 2010, BGC Holdings issued an aggregate of $150.0 million principal amount of the 8.75% Convertible Notes to Cantor. We used the proceeds of the 8.75% Convertible Notes to repay at maturity $150.0 million aggregate principal amount of Senior Notes.

The 8.75% Convertible Notes are senior unsecured obligations and rank equally and ratably with all of our existing and future senior unsecured obligations. The 8.75% Convertible Notes bear an annual interest rate of 8.75% currently, which is payable semi-annually in arrears on April 15 and October 15 of each year. On April 13, 2015, the 8.75% Convertible Notes, due April 15, 2015, were fully converted into approximately 24.0 million shares of Class A stock. On June 15, 2015, we filed a resale registration statement on Form S-3 pursuant to which 24,042,599 shares of our Class A common stock may be sold from time to time by Cantor or by certain of its pledgees, donees, distributees, counterparties, transferees or other successors of interest of the shares, including banks or other financial institutions which may enter into stock pledge, stock loan or other financing transactions with Cantor or its affiliates, as well as by their respective pledgees, donees, distributees, counterparties, transferees or other successors in interest.

4.50% Convertible Notes

On July 29, 2011, we issued an aggregate of $160.0 million principal amount of 4.50% Convertible Notes. In connection with the offering of the 4.50% Convertible Notes, we entered into an Indenture, dated as of July 29, 2011, with U.S. Bank National Association, as trustee. The 4.50% Convertible Notes were offered and sold solely to qualified institutional buyers pursuant to Rule 144A under the Securities Act.

The 4.50% Convertible Notes are our general senior unsecured obligations. The 4.50% Convertible Notes pay interest semi-annually at a rate of 4.50% per annum and were priced at par. As of June 30, 2015, the 4.50% Convertible Notes were convertible, at the holder’s option, at a conversion rate of 101.6260 shares of Class A common stock per $1,000 principal amount of notes, subject to adjustment in certain circumstances. Upon conversion, we will pay or deliver, as the case may be, cash, shares of our Class A common stock, or a combination thereof at our election. As of June 30, 2015, the 4.50% Convertible Notes were convertible into approximately 16.3 million shares of our Class A common stock. The 4.50% Convertible Notes will mature on July 15, 2016, unless earlier repurchased, exchanged or converted. The carrying value of the 4.50% Convertible Notes was approximately $154.9 million as of June 30, 2015.

In connection with the offering of the 4.50% Convertible Notes, we entered into capped call transactions, which are expected to reduce the potential dilution of our Class A common stock upon any conversion of 4.50% Convertible Notes in the event that the market value per share of our Class A common stock, as measured under the terms of the capped call transactions, is greater than the strike price of the capped call transactions ($10.74 as of June 30, 2015, subject to adjustment in certain circumstances). The capped call transactions had an initial cap price equal to $12.30 per share (50% above the last reported sale price of our Class A common stock on the NASDAQ on July 25, 2011), and had a cap price equal to approximately $13.42 per share as of June 30, 2015.

The net proceeds from this offering were approximately $144.2 million after deducting the initial purchasers’ discounts and commissions, estimated offering expenses and the cost of the capped call transactions. We used the net proceeds from the offering for general corporate purposes, including financing acquisitions.

8.125% Senior Notes

On June 26, 2012, we issued an aggregate of $112.5 million principal amount of 8.125% Senior Notes due 2042. The 8.125% Senior Notes are our senior unsecured obligations. The 8.125% Senior Notes may be redeemed for cash, in whole or in part, on or after June 26, 2017, at our option, at any time and from time to time, until maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest on the principal amount being redeemed to, but not including, the redemption date. The 8.125% Senior Notes are listed on the New York Stock Exchange under the symbol “BGCA.” We used the proceeds to repay short-term borrowings under our unsecured revolving credit facility and for general corporate purposes, including acquisitions. The initial carrying value of the 8.125% Senior Notes was $108.7 million, net of debt issuance costs of $3.8 million. CF&Co, an affiliate of us, served as one of the underwriters in this transaction and was paid an underwriting fee of approximately $0.2 million.

5.375% Senior Notes

On December 9, 2014, the Company issued an aggregate of $300.0 million principal amount of 5.375% Senior Notes due 2019 (“the 5.375% Senior Notes”). The 5.375% Senior Notes are general senior unsecured obligations of the Company. These Senior Notes bear interest at a rate of 5.375% per year, payable in cash on June 9 and December 9 of each year, commencing June 9, 2015. The interest rate payable on the notes will be subject to adjustments from time to time based on the debt rating assigned by specified rating agencies to the notes, as set forth in the Indenture. The 5.375% Senior Notes will mature on December 9, 2019. The Company may redeem some or all of the notes at any time or from time to time for cash at certain “make-whole” redemption prices (as set forth in the Indenture). If a “Change of Control Triggering Event” (as defined in the Indenture) occurs, holders may require the Company to purchase all or a portion of their notes for cash at a price equal to 101% of the principal amount of the notes to be purchased plus any accrued and unpaid interest to, but excluding, the purchase date.

The initial carrying value of the 5.375% Senior Notes was $295.1 million, net of the discount and debt issuance costs of $4.9 million. The issuance costs are amortized as interest cost, and the carrying value of the 5.375% Senior Notes will accrete up to the face amount over the term of the notes. The Company recorded interest expense related to the 5.375% Senior Notes of $4.3 million and $8.6 million for the three and six months ended June 30, 2015, respectively. There was no interest expense related to the 5.375% Senior Notes for the three and six months ended June 30, 2014.

8.375% Senior Notes

As part of the GFI acquisition, the Company acquired $240.0 million in aggregate principal amount of 8.375% Senior Notes (the "8.375% Senior Notes") due July 2018. The fair value of these notes as of June 30, 2015 was $271.2 million. Interest on these notes is payable, semi-annually in arrears on the 19th of January and July. Due to the cumulative effect of downgrades to GFI's credit rating, the 8.375% Senior Notes were subjected to 200 basis points penalty interest. On April 28, 2015 a subsidiary of the Company purchased from GFI approximately 43.0 million newly issued shares of GFI's common stock. This increased BGC's ownership to approximately 67% of GFI's outstanding common stock and gives us the ability to control the timing and process with respect to a full merger. Also on July 10, 2015 we guaranteed the obligations of GFI under these 8.375% Senior Notes. These actions resulted in recent upgrades of GFI's credit ratings which reduces the penalty interest to 25 basis points effective July 19, 2015. The Company recorded interest expense related to the 8.375% Senior Notes of $6.2 million and $8.3 million for the three and six months ended June 30, 2015, respectively.

Collateralized Borrowings

On March 13, 2015, the Company entered into a secured loan arrangement of $28.2 million under which it pledged certain fixed assets as security for a loan. This arrangement incurs interest at a fixed rate of 3.70% and matures on March 11, 2019. The Company did not have any secured loan arrangements outstanding as of December 31, 2014. As of June 30, 2015 the Company had $26.3 million in a secured loan arrangement outstanding which includes $0.3 million of deferred financing costs. The value of the fixed assets pledged as of June 30, 2015 was $16.0 million.

The company recorded interest expense related to the secured loan arrangement of $0.2 million and $0.3 million for the three and six months ended June 30, 2015, respectively. There was no interest expense related to secured loan arrangements for the three and six months ended June 30, 2014.

Credit Agreement

As part of the GFI Acquisition the Company acquired a credit agreement as amended, (the "Credit Agreement") with Bank of America, N.A. and certain other lenders. The Credit Agreement provides for maximum revolving loans of up to $75.0 million through December 2015. The interest rate of the outstanding loan under the credit agreement was 5.75% as of June 30, 2015. As of June 30, 2015 there was $50.0 million of borrowings outstanding. For the three and six months ended June 30, 2015, the Company recorded interest expense related to the credit agreement of $0.8 million and $1.0 million, respectively.

We may raise additional funds from time to time through equity or debt financing, including public and private sales of debt securities, to finance our business, operations and possible acquisitions.

CREDIT RATINGS

Our public long-term credit ratings and associated outlooks are as follows:

	Rating	Outlook
Fitch Ratings Inc.	BBB-	Stable
Standard & Poor's	BBB-	Stable

Credit ratings and associated outlooks are influenced by a number of factors, including but not limited to: operating environment, earnings and profitability trends, the prudence of funding and liquidity management practices, balance sheet size/composition and resulting leverage, cash flow coverage of interest, composition and size of the capital base, available liquidity, outstanding borrowing levels and the firm's competitive position in the industry. A credit rating and/or the associated outlook can be revised upward or downward at any time by a rating agency if such rating agency decides that circumstances warrant such a change. Any reduction in our credit ratings and/or the associated outlook could adversely affect the availability of debt financing on terms acceptable to us, as well as the cost and other terms upon which we are able to obtain any such financing. In addition, credit ratings and associated outlooks may be important to customers or counterparties when we compete in certain markets and when we seek to engage in certain transactions. In connection with certain agreements, we may be required to provide additional collateral in the event of a credit ratings downgrade.

LIQUIDITY ANALYSIS

We consider our liquidity to be comprised of the sum of Cash and cash equivalents plus Marketable securities, which have not been financed, and Securities owned. The discussion below describes the key components of our liquidity analysis, including earnings, dividends and distributions, net investing and funding activities including repurchases and redemptions of Class A common stock and partnership units, security settlements, changes in securities held and marketable securities, and changes in our working capital.

We consider the following in analyzing changes in our liquidity.

A comparison of consolidated net income adjusted for certain non-cash items (e.g., grants of exchangeability) as presented on the cash flow statement. Dividends and distributions are payments made to our holders of common shares and limited partnership interests and are related to earnings from prior periods. These timing differences will impact our cash flows in a given period.

Our investing and funding activities represent a combination of our capital raising activities, including short-term borrowings and repayments, issuances of shares under our controlled equity offerings (net), Class A common stock repurchases and partnership unit redemptions, purchases and sales of securities, dispositions, and other investments (e.g. acquisitions, forgivable loans to new brokers and capital expenditures-all net of depreciation and amortization).

Our securities settlement activities primarily represent deposits with clearing organizations. In addition, when advantageous, we may elect to facilitate the settlement of matched principal transactions by funding failed trades, which results in a temporary secured use of cash and is economically beneficial to us.

Other changes in working capital represent changes primarily in receivables and payables and accrued liabilities that impact our liquidity.

Changes in Securities owned and Marketable securities may result from additional cash investments or sales, which will be offset by a corresponding change in Cash and cash equivalents and accordingly will not result in a change in our liquidity. Conversely, changes in the market value of such securities and the receipt of the NASDAQ earn-out in the form of additional NASDAQ shares are reflected in our earnings or other comprehensive income and will result in changes in our liquidity.

Discussion of the six months ended June 30, 2015

The table below presents our Liquidity Analysis as of June 30, 2015 and December 31, 2014:

(in millions)	June 30, 2015	December 31, 2014
Cash and cash equivalents	$364.0	$ 648.3
Securities owned	32.5	32.5
Marketable securities [1]	—	144.7
Total	$396.5	$ 825.5

[1] The $48.3 million of Marketable Securities on our balance sheet have been lent out in a Securities Loaned transaction and therefore are not included in this Liquidity Analysis.

The $429.0 million decrease in our liquidity position from $825.5 million to $396.5 million as of June 30, 2015 was primarily driven by the purchase of shares of GFI, ARA, and CFI during the quarter, the redemption of and/or repurchase of shares and units, and the legal settlement with Tullet Prebon plc.

Discussion of the six months ended June 30, 2014

The table below presents our Liquidity Analysis as of June 30, 2014 and December 31, 2013:

(in millions)	June 30, 2014	December 31, 2013
Cash and cash equivalents	$558.2	$ 716.9
Securities owned	35.8	33.1
Marketable securities	50.3	45.0
Total	$644.3	$ 795.0

The $150.7 million decrease in our liquidity position from $795.0 million to $644.3 million was primarily due to changes in working capital, related to tax payments made and cash used to repurchase or redeem shares and units during the period.

For the six months ended June 30, 2014, we generated earnings adjusted for non-cash items of $94.1 million. We also paid dividends and distributions to shareholders and limited partners of $79.2 million.

Working capital and other uses of cash were approximately $50 million, primarily driven by the timing of tax payments.

CLEARING CAPITAL

In November 2008, we entered into a clearing capital agreement with Cantor to clear U.S. Treasury and U.S. government agency securities transactions on our behalf. Pursuant to the terms of this agreement, so long as Cantor is providing clearing services to us, Cantor shall be entitled to request from us, and we shall post as soon as practicable, cash or other property acceptable to Cantor in the amount reasonably requested by Cantor under the clearing capital agreement. Cantor had not requested any cash or other property from us as collateral as of June 30, 2015.

REGULATORY REQUIREMENTS

Our liquidity and available cash resources are restricted by regulatory requirements of our operating subsidiaries. Many of these regulators, including U.S. and non-U.S. government agencies and self-regulatory organizations, as well as state securities commissions in the U.S., are empowered to conduct administrative proceedings that can result in censure, fine, the issuance of cease-and-desist orders or the suspension or expulsion of a broker-dealer. In addition, self-regulatory organizations such as the Financial Industry Regulatory Authority ("FINRA") and the National Futures Association ("NFA") along with statutory bodies such as the Financial Conduct Authority ("FCA"), the U.S. Securities and Exchange Commission (the "SEC"), and the U.S. Commodity Futures Trading Commission (the "CFTC") require strict compliance with their rules and regulations. The requirements imposed by regulators are designed to ensure the integrity of the financial markets and to protect customers and other third parties who deal with broker-dealers and are not designed to specifically protect stockholders. These regulations often serve to limit our activities, including through net capital, customer protection and market conduct requirements.

The FCA is the relevant statutory regulator in the United Kingdom. The FCA was established in 2013, and superseded the former regulatory agency, the FSA. The FCA's objectives are to protect customers, maintain the stability of the financial services industry and promote competition between financial services providers. It has broad rule-making, investigative and enforcement powers derived from the Financial Services and Markets Act 2000 and subsequent and derivative legislation and regulations.

In addition, the majority of our other foreign subsidiaries are subject to similar regulation by the relevant authorities in the countries in which they do business. Additionally, certain other of our foreign subsidiaries are required to maintain non-U.S. net capital requirements. In Hong Kong, BGC Securities (Hong Kong), LLC and GFI (HK) Securities LLC are regulated by the Securities and Futures Commission. BGC Capital Markets (Hong Kong), Limited and GFI (HK) Brokers Ltd, are regulated by The Hong Kong Monetary Authority. All are subject to Hong Kong net capital requirements. In France, Aurel BGC, BGC France Holdings, and Ginalfi Finance; in Australia, BGC Partners (Australia) Pty Limited, BGC (Securities) and GFI Australia Pty Ltd.; in Japan, BGC Shoken Kaisha Limited's Japanese branch; in Singapore, BGC Partners (Singapore) Limited, BGC Securities (Singapore) Ltd and GFI Group PTE Ltd; in Korea, BGC Capital Markets & Foreign Exchange Broker (Korea) Limited and GFI Korea Money Brokerage Limited; and in Turkey, BGC Partners Menkul Degerler AS, all have net capital requirements imposed upon them by local regulators. In addition, the LCH (LIFFE/LME) clearing organization, of which BGC LP is a member, also imposes minimum capital requirements. In Latin America, BGC Liquidez Distribuidora De Titulos E Valores Mobiliarios Ltda. (Brazil), Remate Lince S.A.P.I. de C.V. (Mexico), GFI Securities (SA) (Argentina), GFI Brokers (Chile) Agentes De Valores SpA, GFI Exchange Colombia (SA), GFI Securities Colombia (SA), GFI Group Mexico S.A. de C.V., and GFI Del Peru S.A.C. may have net capital requirements imposed upon them by local regulators.

In addition, these subsidiaries may be prohibited from repaying the borrowings of their parents or affiliates, paying cash dividends, making loans to their parent or affiliates or otherwise entering into transactions, in each case, that result in a significant reduction in their regulatory capital position without prior notification or approval from their principal regulator. See Note 21—"Regulatory Requirements," to the unaudited condensed consolidated financial statements for further details on our regulatory requirements.

As of June 30, 2015, $514.1 million of net assets were held by regulated subsidiaries. As of June 30, 2015, these subsidiaries had aggregate regulatory net capital, as defined, in excess of the aggregate regulatory requirements, as defined, of $243.7 million.

In April 2013, our Board of Directors and Audit Committee authorized management to enter into indemnification agreements with Cantor and its affiliates with respect to the provision of any guarantees provided by Cantor and its affiliates from time to time as required by regulators. These services may be provided from time to time at a reasonable and customary fee.

BGC Derivative Markets, L.P. ("BGC Derivative Markets"), a subsidiary of the Company, began operating as a Swap Execution Facility ("SEF") on October 2, 2013. Since then, mandatory Dodd-Frank Act compliant execution on SEFs by eligible U.S. persons commenced in February 2014 for a small number of "made available to trade" products, and a wide range of other rules relating to the execution and clearing of derivative products have been finalized. BGC Derivative Markets has been active across the full range of Required and Permitted derivative products executed by U.S. based customers. In addition, BGC maintains its ownership stake in ELX, a CFTC-approved Designated Contract Market ("DCM"), BGC also maintains an ownership interest in GFI Swaps Exchange LLC ("GFI Swaps Exchange"), an entity that has received, similar to BGC Derivative Markets, a temporary license from the CFTC to operate as a SEF. The CFTC is planning to complete the currently ongoing process of transferring these temporary licenses into permanent registration of all SEF's by February 2016.

Much of BGC's global derivatives volumes continue to be executed by non-U.S. based clients outside the U.S. and subject to local prudential regulations. As such, we also continue to operate our Multilateral Trading facility ("MTF") in accordance with EU directives as licensed by the FCA.

The Markets in Financial Instruments Directive ("MiFID") Level 2 Regulatory Technical Standards were published by and are expected to be finalized by the European Securities and Markets Authority ("ESMA") by September 2015. The European Commission will be responsible for turning the technical advice from ESMA into delegated acts. During the drafting process it will be liaising with Member States through the European Securities Committee. Once the drafts have been finalized they will be sent to the Council and European Parliament for formal approval. This process would not be expected to happen before mid-2015. The current legislative deadlines of July 3, 2016 for converting MiFID II into domestic laws and regulations and January 3, 2017 for MiFID II and MIFIR to take effect remain.

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See "Regulation" in Part I, Item 1 of our Annual Report on Form 10-K for additional information related to our regulatory environment.

EQUITY

Class A Common Stock

Changes in shares of the Company's Class A common stock outstanding for the three and six months ended June 30, 2015 and 2014 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Shares outstanding at beginning of period	186,952,687	185,166,111	185,108,316	181,583,001
Share issuances:				
Exchanges of limited partnership interests [1]	1,804,434	2,037,023	3,962,745	7,761,497
Vesting of restricted stock units (RSUs)	220,514	112,980	648,747	743,008
Acquisitions	656,962	656,962	757,287	757,287
Other issuances of Class A common stock [2]	13,120	11,176	52,968	22,877
Conversion of 8.75% Convertible Notes to Class A common stock	24,042,599	—	24,042,599	—
Treasury stock repurchases	(6,520)	(3,982,825)	(741,081)	(6,866,243)
Forfeitures of restricted Class A common stock	(27,338)	—	(175,123)	—
Shares outstanding at end of period	213,656,458	184,001,427	213,656,458	184,001,427

Class B Common Stock

We did not issue any shares of Class B common stock during the three and six months ended June 30, 2015 and 2014. As of June 30, 2015 and 2014, the Company's Class B common stock outstanding was 34,848,107.

Unit Redemptions and Share Repurchase Program

Our Board of Directors and Audit Committee have authorized repurchases of our Class A common stock and redemptions of BGC Holdings limited partnership interests or other equity interests in our subsidiaries. In February 2014, our Audit Committee authorized such repurchases of stock or units from Cantor employees and partners. On July 30, 2014, our Board of Directors and Audit Committee increased the Company's share repurchase and unit redemption authorization to $250 million. From time to time, we may actively continue to repurchase shares or redeem units.

The table below represents unit redemption and share repurchase activity for the three and six months ended June 30, 2015.

Period	Total Number of Units Redeemed or Shares Repurchased	Average Price Paid per Unit or Share	Approximate Dollar Value of Units and Shares That May Yet Be Redeemed/Purchased Under the Plan
Redemptions [1,2]			
January 1, 2015—March 31, 2015	2,040,190	$ 8.65	
April 1, 2015—June 30, 2015	1,242,622	8.83	
Repurchases [3,4]			
January 1, 2015—March 31, 2015	734,561	$ 7.96	
April 1, 2015—April 30, 2015	6,520	6.29	
May 1, 2015—May 31, 2015	—	—	
June 1, 2015—June 30, 2015	—	—	
Total Repurchases	741,081	$ 7.94	
Total Redemptions and Repurchases	4,023,893	$ 8.58	$ 111,323,385

1 During the three months ended June 30, 2015, the Company redeemed approximately 1.2 million limited partnership units at an average price of $8.85 per unit and approximately 17.6 thousand FPUs at an average price of $7.39 per unit. During the three months ended June 30, 2014, the Company redeemed approximately 1.9 million limited partnership units at an average price of $6.87 per unit and approximately 0.1 million FPUs at an average price of $7.16 per unit.

[2] During the six months ended June 30, 2015, the Company redeemed approximately 3.3 million limited partnership units at an average price of $8.73 per unit and approximately 27.6 thousand FPUs at an average price of $7.83 per unit. During the six months ended June 30, 2014, the Company redeemed approximately 4.2 million limited partnership units at an average price of $6.58 per unit and approximately 0.3 million FPUs at an average price of $6.96 per unit.

[3] During the three months ended June 30, 2015, the Company repurchased approximately 6.5 thousand shares of its Class A common stock at an aggregate purchase price of approximately $41.0 thousand for an average price of $6.29 per share. During the three months ended June 30, 2014, the Company repurchased approximately 4.0 million shares of its Class A common stock at an aggregate purchase price of approximately $28.6 million for an average price of $7.17 per share.

[4] During the six months ended June 30, 2015, the Company repurchased approximately 0.7 million shares of its Class A common stock at an aggregate purchase price of approximately $5.9 million for an average price of $7.94 per share. During the six months ended June 30, 2014, the Company repurchased approximately 6.9 million shares of its Class A common stock at an aggregate purchase price of approximately $47.7 million for an average price of $6.94 per share.

The fully diluted weighted-average share count for the three months ended June 30, 2015 was as follows (in thousands):

	Three Months Ended June 30, 2015
Common stock outstanding [1]	244,862
Limited partnership interests in BGC Holdings	120,122
RSUs (Treasury stock method)	944
Other	846
Total [2]	366,774

[1] Common stock outstanding consisted of Class A shares, Class B shares and contingent shares for which all necessary conditions have been satisfied except for the passage of time. For the quarter ended June 30, 2015, the weighted-average share count of Class A shares was 210.1 million and Class B shares was 34.8 million.

[2] For the three months ended June 30, 2015, approximately 20.8 million potentially dilutive securities were not included in the computation of fully diluted earnings per share because their effect would have been anti-dilutive. Anti-dilutive securities for the three months ended June 30, 2015 included, on a weighted-average basis, 19.7 million shares underlying Convertible Notes and 1.1 million other securities or other contracts to issue shares of common stock. Also, as of June 30, 2015, approximately 11.4 million shares of contingent Class A common stock and limited partnership units were excluded from fully diluted EPS computations because the conditions for issuance had not been met by the end of the period.

At the end of the second quarter of 2013, we commenced a Global Partnership Restructuring Program, as a result of which we reduced our fully diluted share count by approximately 32 million shares. In November 2013, we entered into the Ninth Amendment to the Agreement of Limited Partnership of the Partnership (see “Ninth Amendment to Partnership Agreement” herein), which created new preferred partnership units that may not be made exchangeable into our Class A common stock and are only entitled to a distribution each quarter at a rate of either 0.6875% (which is 2.75% per calendar year) or such other amount as set forth in the award documentation, and accordingly they will not be included in the fully diluted share count. Going forward, we intend to continue to reduce our overall rate of share count growth by utilizing these new preferred partnership units.

Similarly, in May 2014 we entered into the Tenth Amendment to the Agreement of Limited Partnership of the Partnership (see “Tenth Amendment to Partnership Agreement” herein). Pursuant to this amendment, NPSUs may not be made exchangeable into shares of the Company’s Class A common stock and will not be allocated any items of profit or loss, and accordingly they will not be included in the fully diluted share count.

Stock Option Exercises

We issued 30,000 shares of our Class A common stock related to the exercise of stock options during the six months ended June 30, 2015. We did not issue any shares of our Class A common stock related to the exercise of stock options during the three and six months ended June 30, 2014.

Equity Registration Statements

We currently have in place an effective equity shelf Registration Statement on Form S-3 (the “Form S-3 Registration Statement”) with respect to the issuance and sale of up to 20 million shares of our Class A common stock from time to time on a delayed or continuous basis. On December 12, 2012, we entered into a controlled equity offering sales agreement with CF&Co (the “December 2012 Sales Agreement”), pursuant to which we may offer and sell up to an aggregate of 20 million shares of our Class A common stock. On February 5, 2015, we completed the sales available under the December 2012 Sales Agreement. On November 20, 2014, we entered into a controlled equity offering sales agreement with CF&Co (the “November 2014 Sales Agreement”), pursuant to which we may offer and sell up to an aggregate of 20 million shares of our Class A common stock. Shares of our Class A common stock sold under our controlled equity offering sales agreement

are used primarily for redemptions of limited partnership interests in BGC Holdings. CF&Co is a wholly-owned subsidiary of Cantor and an affiliate of us. Under the December 2012 Sales Agreement and November 2014 Sales Agreement, we have agreed to pay CF&Co 2% of the gross proceeds from the sale of shares.

As of August 5, 2015, we have issued and sold an aggregate of approximately 3.6 million shares of Class A common stock under the Form S-3 Registration Statement pursuant to the November 2014 Sales Agreement, with approximately 16.4 million shares of Class A common stock remaining to be sold under this agreement. We intend to use the net proceeds of any shares of Class A common stock sold for general corporate purposes, including potential acquisitions, redemptions of limited partnership units and founding/working partner units in BGC Holdings and repurchases of shares of Class A common stock from partners, executive officers and other employees of ours or our subsidiaries and of Cantor and its affiliates. Certain of such partners will be expected to use the proceeds from such sales to repay outstanding loans issued by, or credit enhanced by, Cantor or BGC Holdings. In addition to general corporate purposes, these registrations along with our share buy-back authorization are designed as a planning device in order to facilitate the redemption process. Going forward, we may redeem units and reduce our fully diluted share count under our repurchase authorization or later sell Class A shares under the registration.

Further, we have an effective registration statement on Form S-4 (the “Form S-4 Registration Statement”), with respect to the offer and sale of up to 20 million shares of Class A common stock from time to time in connection with business combination transactions, including acquisitions of other businesses, assets, properties or securities. As of June 30, 2015, we have issued an aggregate of 7.3 million shares of Class A common stock under the Form S-4 Registration Statement, all in connection with acquisitions in the real estate brokerage industry. We also have an effective shelf Registration Statement on Form S-3 pursuant to which we can offer and sell up to 10 million shares of our Class A common stock under the BGC Partners, Inc. Dividend Reinvestment and Stock Purchase Plan. As of June 30, 2015, we have issued approximately 210 thousand shares of our Class A common stock under the Dividend Reinvestment and Stock Purchase Plan.

On June 15, 2015, we filed a resale registration statement on Form S-3 pursuant to which 24,042,599 shares of our Class A common stock that Cantor received on April 13, 2015 in the conversion of the 8.75% Convertible Notes due April 15, 2015. These shares may be sold from time to time by Cantor or by certain of its pledgees, donees, distributees, counterparties, transferees or other successors of interest of the shares, including banks or other financial institutions which may enter into stock pledge, stock loan or other financing transactions with Cantor or its affiliates, as well as by their respective pledgees, donees, distributees, counterparties, transferees or other successors in interest.

Our Compensation Committee may grant stock options, stock appreciation rights, deferred stock such as RSUs, bonus stock, performance awards, dividend equivalents and other equity-based awards, including to provide exchange rights for shares of our Class A common stock upon exchange of limited partnership units and founding/working partner units. On June 3, 2014, at our Annual Meeting of Stockholders, our stockholders approved an amendment to our Fourth Amended and Restated Long Term Incentive Plan (the “Equity Plan”) to increase from 200 million to 300 million the aggregate number of shares of our Class A common stock that may be delivered or cash settled pursuant to awards granted during the life of the Equity Plan. On June 12, 2014, we filed a Registration Statement on Form S-8 with respect to the additional 100 million shares. As of June 30, 2015, the limit on the aggregate number of shares authorized to be delivered allowed for the grant of future awards relating to 137.9 million shares.

UNIT REDEMPTIONS AND EXCHANGES—EXECUTIVE OFFICERS

During 2013, our executive officers participated in the Global Partnership Restructuring Program. In connection with the program, Messrs. Lynn, Windeatt and Sadler received an aggregate of 283,206 newly-issued BGC Holdings limited partnership units (equivalent to 9.75% of their non-exchangeable units that were redeemed in the above transactions). Upon any sale or other transfer by such executive officers of shares of restricted stock, a proportional number of these units will be redeemed for zero by BGC Holdings. These units are not expected to be made exchangeable into shares of Class A common stock. In connection with the sale of certain shares of restricted stock, an aggregate of 91,703 of such units held by Messrs. Lynn, Windeatt and Sadler were redeemed for zero on February 5, 2014.

SHARE REPURCHASES FROM EXECUTIVE OFFICERS

On January 21, 2014, the Compensation Committee authorized the acceleration of restrictions with respect to an aggregate of 1,254,723 shares of restricted Class A common stock held by our executive officers as follows: Mr. Lutnick, 628,872 shares (Mr. Lutnick does not currently intend to sell any of these shares); Mr. Lynn, 424,347 shares; Mr. Merkel, 14,689 shares; Mr. Windeatt, 146,843 shares; and Mr. Sadler, 39,972 shares. The Compensation Committee authorized the Company to repurchase any or all of such shares from the executive officers at a price of $6.51 per share, which was the closing price of our Class A common stock on January 21, 2014.

On February 5, 2014, certain executive officers elected to sell, and we agreed to purchase, an aggregate of 636,841 shares of Class A common stock from such executive officers at a price of $6.51 per share as follows: Mr. Lynn, 424,347 shares; Mr. Merkel, 14,689 shares; Mr. Windeatt, 157,833 shares (of which 146,843 shares were previously restricted and an additional 10,990 freely tradable shares); and Mr. Sadler, 39,972 shares.

On January 30, 2015, the Compensation Committee authorized the acceleration of restrictions with respect to an aggregate of 578,756 shares of restricted Class A common stock held by the Company’s executive officers as follows: Mr. Lynn, 455,733 shares; Mr. Windeatt, 95,148 shares; Mr. Sadler, 31,669 shares; and Mr. Merkel, 16,354 shares. The Compensation Committee authorized the

Company to repurchase any or all of such shares for the executive officers at a price of $7.83 per share, which was the closing price of our Class A common stock on January 30, 2015. In December, 2014, the Compensation Committee authorized the repurchase from Mr. Windeatt of 42,500 shares of restricted stock to the Company, which were sold for an aggregate of $371,875. In January 2015, upon vesting of NPSU awards granted to Mr. Merkel in 2014, the Compensation Committee authorized the Company to grant exchangeability and repurchase 5,607 vested PSUs and 4,588 vested PPSUs at the average price of shares sold under the CEO less 2%.

CONTINGENT PAYMENTS RELATED TO ACQUISITIONS

The Company has completed acquisitions, whose purchase price included an aggregate of approximately 9.6 million shares of the Company's Class A common stock (with an acquisition date fair value of approximately $54.3 million), 9.3 million limited partnership units (with an acquisition date fair value of approximately $57.0 million) and $60.0 million in cash that may be issued contingent on certain targets being met through 2018.

As of June 30, 2015, the Company has issued 5.8 million shares of its Class A common stock, 1.6 million of limited partnership units and $3.9 million in cash related to contingent payments.

CANTOR RIGHTS TO PURCHASE LIMITED PARTNERSHIP INTERESTS FROM BGC HOLDINGS

Cantor has the right to purchase limited partnership interests (Cantor units) from BGC Holdings upon redemption of non-exchangeable founding/working partner units redeemed by BGC Holdings upon termination or bankruptcy of the founding/working partner. Any such Cantor units purchased by Cantor are exchangeable for shares of Class B common stock or, at Cantor's election or if there are no additional authorized but unissued shares of Class B common stock, shares of Class A common stock, in each case on a one-for-one basis (subject to customary anti-dilution adjustments).

On July 21, 2014, the Company issued exchange rights with respect to, and Cantor purchased, an aggregate of 3,142,257 exchangeable limited partnership units in BGC Holdings consisting of (i) 1,371,058 such units in connection with the redemption by BGC Holdings of an aggregate of 1,371,058 non-exchangeable founding partner units from former Cantor partners who were former founding partners of BGC Holdings, and (ii) 1,771,199 such units in connection with the grant of exchangeability to 1,771,199 units held by former Cantor partners who were former founding partners of BGC Holdings. Such exchangeable limited partnership units were exchangeable by Cantor at any time on a one-for-one basis for shares of common stock of the Company. The aggregate net purchase price paid by Cantor for such units was $10,605,549. Immediately after Cantor's purchases of such exchangeable limited partnership units, also on July 21, 2014, the Company purchased from Cantor an aggregate of 5 million units and shares, consisting of (i) all of such 3,142,257 units and (ii) 1,857,743 previously-owned shares of the Company's Class A common stock, for $38.7 million based on the closing price per share of the Class A common stock on the date of such purchases.

As of June 30, 2015, there were 1,653,927 non-exchangeable founding/working partner units remaining in which BGC Holdings had the right to redeem and Cantor had the right to purchase an equivalent number of Cantor units.

GUARANTEE AGREEMENT FROM CF&CO

Under rules adopted by the CFTC, all foreign introducing brokers engaging in transactions with U.S. persons are required to register with the National Futures Association ("NFA") and either meet financial reporting and net capital requirements on an individual basis or obtain a guarantee agreement from a registered Futures Commission Merchant ("FCM"). Our European-based brokers engage from time to time in interest rate swap transactions with U.S.-based counterparties, and therefore we are subject to the CFTC requirements. CF&Co has entered into guarantees on our behalf (and on behalf of GFI), and we are required to indemnify CF&Co for the amounts, if any, paid by CF&Co on our behalf pursuant to this arrangement.

GUARANTEE OF THE GFI 8.375% SENIOR NOTES

Effective July 10, 2015, the Company and GFI entered into a guarantee pursuant to which the Company guaranteed the obligations of GFI under GFI's 8.375% Senior Notes due 2018 in the remaining aggregate principal amount of $240 million (the "Notes") and the indenture for the Notes, dated as of July 19, 2011 (the "Indenture"), between GFI and The Bank of New York Mellon Trust Company, N.A., as Trustee. The Guarantee had a positive impact on the credit ratings of the Notes. Pursuant to the terms of the Indenture, the current interest rate on the Notes will be reduced effective July 19, 2015. The reduced interest rate is the result of improved credit ratings following both the acquisition of GFI by the Company and the Guarantee. The Company and GFI will share any cost savings, including interest and other costs, resulting from the credit enhancement provided by Company.

EQUITY METHOD INVESTMENT

On June 3, 2014, the Company's Board of Directors and Audit Committee authorized the purchase of 1,000 Class B Units of LFI Holdings, LLC ("LFI",) a wholly owned subsidiary of Cantor, representing 10% of the issued and outstanding Class B Units of LFI after giving effect to the transaction. On the same day, the Company completed the acquisition for $6.5 million and was granted an option to purchase an additional 1,000 Class B Units of LFI for an additional $6.5 million. On August 5, 2015, the Board of Directors and Audit Committee authorized the Company's exercise of the option to purchase additional Class B units of LFI in order to represent an ownership interest of 20% of LFI. The closing of the option exercise will occur following a notice from the Company to LFI, which may be sent any time prior to January 2, 2016. LFI is a limited liability corporation headquartered in New York which is a technology infrastructure provider tailored to the financial sector. The Company accounts for the acquisition using the equity method.

NINTH AMENDMENT TO PARTNERSHIP AGREEMENT

On November 6, 2013, BGC GP, LLC, a subsidiary of the Company and the General Partner of the Company's majority-owned subsidiary, BGC Holdings, and Cantor, the Majority in Interest Exchangeable Limited Partner of the Partnership, entered into the Ninth Amendment to the Agreement of Limited Partnership of the Partnership (the "Ninth Amendment") effective as of July 1, 2013.

In order to facilitate partner compensation and for other corporate purposes, the Ninth Amendment creates new preferred partnership units ("Preferred Units") that may be awarded to holders of, or contemporaneous with the grant of, PSUs, PSIs, PSEs, LPUs, APSUs, APSIs, APSEs, REUs, RPUs, AREUs, and ARPUs.

Each quarter, the net profits of BGC Holdings will be allocated to such units at a rate of either 0.6875% (which is 2.75% per calendar year) or such other amount as set forth in the award documentation (the "Preferred Distribution"), which is deducted before the calculation and distribution of the quarterly partnership distribution for the remaining partnership units. The Preferred Units will not be entitled to participate in partnership distributions other than with respect to the Preferred Distribution. The Preferred Units may not be made exchangeable into our Class A common stock and are only entitled to the Preferred Distribution, and accordingly they will not be included in the fully diluted share count.

The Ninth Amendment was approved by the Board of Directors and the Audit Committee of the Board of Directors.

TENTH AMENDMENT TO THE PARTNERSHIP AGREEMENT

On May 9, 2014, partners of BGC Holdings approved the Tenth Amendment to the Agreement of Limited Partnership of BGC Holdings (the “Tenth Amendment”) effective as of May 9, 2014. In order to facilitate partner compensation and for other corporate purposes the Tenth Amendment creates a new class of partnership units (“NPSUs”), which are working partner units.

NPSUs are identical to PSUs except that NPSUs will not be entitled to participate in Partnership distributions, will not be allocated any items of profit or loss and may not be made exchangeable into shares of the Company’s Class A common stock. Upon grant, NPSUs may be assigned a written vesting schedule pursuant to which a certain number of NPSUs would be converted for PSUs/PPSUs on each vesting date, subject to terms and conditions determined by the General Partner of the Partnership in its sole discretion, including that the recipient continue to provide substantial services to the Company and comply with his or her partnership obligations.

The Tenth Amendment was approved by the Audit Committee of the Board of Directors and by the full Board of Directors.

STOCK LOAN TRANSACTIONS WITH CANTOR

On October 3, 2014, management was granted approval to enter into stock loan transactions with CF&Co utilizing shares of NASDAQ OMX stock or other equities. Such stock loan transactions will bear market terms and rates.

EXECUTIVE COMPENSATION

On May 9, 2014, the Compensation Committee authorized the grant of 4 million NPSUs to Mr. Lutnick and 1 million NPSUs to Mr. Merkel. The NPSUs granted to Mr. Lutnick will vest ratably on January 1 of each year beginning January 1, 2015 and ending January 1, 2018, such that an equal number of NPSUs will vest and automatically be converted into an equivalent number of PSUs/PPSUs on each vesting date. The NPSUs granted to Mr. Merkel will vest ratably on January 1 of each year beginning January 1, 2015 and ending January 1, 2021, such that an equal number of NPSUs will vest and automatically be converted into an equivalent number of PSUs/PPSUs on each vesting date. Exchange rights with respect to any non-exchangeable PSUs/PPSUs will be determined in accordance with the Company’s practices when determining discretionary bonuses or awards, which may include the Compensation Committee’s exercise of negative discretion to reduce or withhold any such awards.

Upon the signing of any agreement that would result in a “Change in Control” (as defined in the Amended and Restated Change in Control Agreements entered into by each of Messrs. Lutnick and Merkel) (1) any unvested NPSUs held by Messrs. Lutnick or Merkel shall vest in full and automatically be converted for exchangeable PSUs/PPSUs (i.e., such PSUs shall be exchangeable for shares of Class A common stock and PPSUs shall be exchangeable for cash), and (2) any non-exchangeable PSUs/PPSUs held by Messrs. Lutnick and Merkel shall become immediately exchangeable, which exchangeability may be exercised in connection with such “Change in Control.”

On January 1, 2015, (i) 1,000,000 of Mr. Lutnick’s NPSUs converted into 550,000 PSUs and 450,000 PPSUs, of which Mr. Lutnick has the right to exchange for shares and cash, which he waived under our policy (described below), 239,739 PSUs and 196,150 PPSUs, and (ii) 142,857 of Mr. Merkel’s NPSUs converted into 78,571 PSUs and 64,286 PPSUs, of which 5,607 PSUs and 4,588 PPSUs were made exchangeable and repurchased by the Company at the average price of shares of Class A common stock sold under our Controlled Equity Offering less 2%, or $91,558.

On January 30, 2015, the Compensation Committee authorized the grant of 4 million NPSUs to Mr. Lutnick and 1 million NPSUs to Mr. Lynn. These NPSUs will vest ratably on January 1 of each year beginning January 1, 2016 and ending January 1, 2020, such that an equal number of NPSUs vest and convert into an equivalent number of PSUs/PPSUs for Mr. Lutnick and LPUs/PLPUs for Mr. Lynn on each vesting date.

Exchange rights with respect to any non-exchangeable PSUs/PPSUs and non-exchangeable LPUs/PLPUs will be determined in accordance with the Company’s practices when determining discretionary bonuses or awards, which may include the Compensation Committee’s exercise of negative discretion to reduce or withhold any such awards. Upon the signing of any agreement that would result in a “Change in Control” (as defined in the Amended and Restated Change in Control Agreement entered into by Mr. Lutnick and the applicable Deed of Adherence entered into by Mr. Lynn) (1) any unvested NPSUs held by Messrs. Lutnick or Lynn shall vest in full and automatically be converted for exchangeable PSUs/PPSUs or LPUs/PLPUs (i.e., such PSUs and LPUs shall be exchangeable for shares of Class A common stock and PPSUs and PLPUs shall be exchangeable for cash), and (2) any non-exchangeable PSUs/PPSUs held by Mr. Lutnick and non-exchangeable LPUs/PLPUs held by Mr. Lynn shall become immediately exchangeable, which exchangeability may be exercised in connection with such “Change in Control,” except that 9.75% of Mr. Lynn’s LPUs/PLPUs shall be deemed to be redeemed for zero in proportion to such exchanges of LPUs/PLPUs in accordance with the customary LPU/PLPU structure.

On July 27, 2015, the Compensation Committee authorized and the Company issued exchange rights with respect to 8,536 exchangeable PSUs and 6,983 exchangeable PPSUs to Mr. Merkel.

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MARKET SUMMARY

The following table provides certain volume and transaction count information for the quarterly periods indicated:

	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014
Notional Volume (in billions)					
Total fully electronic volume	$ 5,886	$ 5,643	$ 4,897	3,919	$ 3,538
Total hybrid volume— 1	39,914	26,641	33,609	36,823	37,486
Total fully electronic and hybrid volume	$45,800	$ 32,284	$ 38,506	40,742	$41,024
Transaction Count (in thousands, except for days)					
Total fully electronic transactions	3,590	3,752	3,358	2,502	2,122
Total hybrid transactions	901	597	679	650	659
Total transactions	4,491	4,349	4,037	3,152	2,781
Trading days	63	61	64	64	63

1 Defined as volume from hybrid transactions conducted by BGC Brokers, exclusive of voice-only transactions.

Fully electronic volume, including new products, was $5.9 trillion for the three months ended June 30, 2015, compared to $3.5 trillion for the three months ended June 30, 2014. Our combined voice-assisted and screen-assisted volume for the three months ended June 30, 2015 was $45.8 trillion, compared to $41.0 trillion for the three months ended June 30, 2014.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table summarizes certain of our contractual obligations at June 30, 2015 (in thousands):

	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Operating leases 1	$ 524,272	$ 60,673	$105,777	$ 85,889	$271,933
Notes payable and collateralized borrowings 2	839,606	6,707	174,180	546,219	112,500
Interest on notes payable 3	327,597	33,380	51,894	41,635	200,688
Short-Term Borrowings	50,000	50,000	—	—	—
Interest on short-term borrowings	2,423	2,423	—	—	—
Other	16,475	16,475	—	—	—
Total contractual obligations	$1,760,373	$169,658	$331,851	$673,743	$585,121

1 Operating leases are related to rental payments under various non-cancelable leases, principally for office space, net of sublease payments to be received. The total amount of sublease payments to be received is approximately $4.7 million over the life of the agreement.

2 Notes payable and collateralized borrowings reflects the issuance of $160.0 million of the 4.50% Convertible Notes due July 15, 2016 (the $160.0 million represents the principal amount of the debt; the carrying value of the 4.50% Convertible Notes as of June 30, 2015 was approximately $154.9 million), $112.5 million of the 8.125% Senior Notes due June 26, 2042 (the $112.5 million represents the principal amount of the debt; the carrying value of the 8.125% Senior Notes as of June 30, 2015 was approximately $109.1 million), $300.0 million of the 5.375% Senior Notes due December 9, 2019 (the $300.0 million represents the principal amount of the debt; the carrying value of the 5.375% Senior Notes as of June 30, 2015 was approximately $295.6 million), $240.0 million of the 8.375% Senior Notes due July 19, 2018(the $240.0 million represents the principal amount of the debt; the carrying value of the 8.375% Senior Notes as of June 30, 2015 was approximately $255.3 million), and $28.2 million of collateralized borrowings due March 11, 2019 (the $28.2 million represents the principal amount of the borrowings; the carrying value as of June 30, 2015 was $26.3 million). See Note 17—"Notes Payable, Collateralized and Short-Term Borrowings," for more information regarding these obligations, including timing of payments and compliance with debt covenants.

3 The $200.7 million of interest on notes payable that are due in more than five years represents interest on the 8.125% Senior Notes. The 8.125% Senior Notes may be redeemed for cash, in whole or in part, on or after June 26, 2017, at the Company's option, which may impact the actual interest paid.

4 Other contractual obligations reflect commitments to make charitable contributions, which are recorded as part of "Accounts payable, accrued and other liabilities" in the Company's unaudited condensed consolidated statements of financial condition.

OFF-BALANCE SHEET ARRANGEMENTS

In the ordinary course of business, we enter into arrangements with unconsolidated entities, including variable interest entities. See

Note 14—“Investments” to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information related to our investments in unconsolidated entities.

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CRITICAL ACCOUNTING POLICIES

The preparation of our consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities in our consolidated financial statements. We believe that of our significant accounting policies (see Note 4—"Summary of Significant Accounting Policies" to our consolidated financial statements in Part II, Item 8 of our Annual Report on Form 10-K), the following policies involve a higher degree of judgment and complexity.

Revenue Recognition

We derive our revenues primarily through commissions from brokerage services, the spread between the buy and sell prices on matched principal transactions, revenues from real estate management services, fees from related parties, fees from certain information products, fees for the provision of certain software solutions, and other revenues.

We recognize revenue when four basic criteria have been met:

- Existence of persuasive evidence that an arrangement exists;
- Delivery has occurred or services have been rendered;
- The seller's price to the buyer is fixed and determinable; and
- Collectability is reasonably assured.

The judgments involved in revenue recognition include determining the appropriate time to recognize revenue. In particular within our Real Estate Services segment, we evaluate our transactions to determine whether contingencies exist that may impact the timing of revenue recognition.

Equity-Based and Other Compensation

Discretionary Bonus: A portion of our compensation and employee benefits expense is comprised of discretionary bonuses, which may be paid in cash, equity, partnership awards or a combination thereof. We accrue expense in a period based on revenues in that period and on the expected combination of cash, equity and partnership units. Given the assumptions used in estimating discretionary bonuses, actual results may differ.

Restricted Stock Units: We account for equity-based compensation under the fair value recognition provisions of the Financial Accounting Standards Board ("FASB") guidance. Restricted stock units ("RSUs") provided to certain employees, are accounted for as equity awards, and as per FASB guidance, we are required to record an expense for the portion of the RSUs that is ultimately expected to vest. FASB guidance requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Because significant assumptions are used in estimating employee turnover and associated forfeiture rates, actual results may differ from our estimates under different assumptions or conditions.

The fair value of RSU awards to employees is determined on the date of grant, based on the market value of our Class A common stock. Generally, RSUs granted by us as employee compensation do not receive dividend equivalents; as such, we adjust the fair value of the RSUs for the present value of expected forgone dividends, which requires us to include an estimate of expected dividends as a valuation input. This grant-date fair value is amortized to expense ratably over the awards' vesting periods. For RSUs with graded vesting features, we have made an accounting policy election to recognize compensation cost on a straight-line basis. The amortization is reflected as non-cash equity-based compensation expense in our consolidated statements of operations.

Restricted Stock: Restricted stock provided to certain employees is accounted for as an equity award, and as per FASB guidance, we are required to record an expense for the portion of the restricted stock that is ultimately expected to vest. We have granted restricted stock that is not subject to continued employment or service; however, transferability is subject to compliance with our and our affiliates' customary noncompete obligations. Such shares of restricted stock are generally saleable by partners in five to ten years. Because the restricted stock is not subject to continued employment or service, the grant-date fair value of the restricted stock is expensed on the date of grant. The expense is reflected as non-cash equity-based compensation expense in our consolidated statements of operations.

Limited Partnership Units: Limited partnership units in BGC Holdings are generally held by employees. Generally such units receive quarterly allocations of net income, which are cash distributed on a quarterly basis and generally contingent upon services being provided by the unit holders. As discussed above, our new Preferred Units are not entitled to participate in partnership distributions other than with respect to a distribution at a rate of either 0.6875% (which is 2.75% per calendar year) or such other amount as set forth in the award documentation. As prescribed in FASB guidance, the quarterly allocations of net income to such limited partnership units are reflected as a component of compensation expense under "Allocation of net income and grants of exchangeability to limited partnership units and FPUs" in our consolidated statements of operations.

Certain of these limited partnership units entitle the holders to receive post-termination payments equal to the notional amount in four equal yearly installments after the holder's termination. These limited partnership units are accounted for as post-termination liability awards under FASB guidance. Accordingly, we recognize a liability for these units on our consolidated statements of financial condition as part of "Accrued compensation" for the amortized portion of the post-termination payment amount, based on the current fair value of the expected future cash payout. We amortize the post-termination payment amount, less an expected forfeiture rate, over the vesting period, and record an expense for such awards based on the change in value at each reporting period in our consolidated statements of operations as part of "Compensation and employee benefits."

Certain limited partnership units are granted exchangeability into Class A common stock on a one-for-one basis (subject to adjustment). At the time exchangeability is granted, we recognize an expense based on the fair value of the award on that date, which is included in "Allocation of net income and grants of exchangeability to limited partnership units and FPUs" in our consolidated statements of operations. During the three months ended June 30, 2015 and 2014, we incurred compensation expense, before associated income taxes of $25.6 million and $20.0 million, respectively, related to the grant of exchangeability on partnership units. During the six months ended June 30, 2015 and 2014, we incurred compensation expense, before associated income taxes of $62.2 million and $49.2 million, respectively, related to the grant of exchangeability on partnership units.

Employee Loans: We have entered into various agreements with certain of our employees and partners whereby these individuals receive loans that may be either wholly or in part repaid from distributions that the individuals receive on some or all of their limited partnership interests or may be forgiven over a period of time. Cash advance distribution loans are documented in formal agreements and are repayable in timeframes outlined in the underlying agreements. We intend for these advances to be repaid in full from the future distributions on existing and future awards granted. The distributions are treated as compensation expense when made and the proceeds are used to repay the loan. The forgivable portion of any loans is recognized as compensation expense in our consolidated statements of operations over the life of the loan. We review the loan balances each reporting period for collectability. If we determine that the collectability of a portion of the loan balances is not expected, we recognize a reserve against the loan balances. Actual collectability of loan balances may differ from our estimates.

As of June 30, 2015 and December 31, 2014, the aggregate balance of employee loans, net of reserve, was $174.8 million and $130.8 million, respectively, and is included as "Loans, forgivable loans and other receivables from employees and partners, net" in our unaudited condensed consolidated statements of financial condition. Compensation expense for the above-mentioned employee loans for the three months ended June 30, 2015 and 2014 was $11.7 million and $7.2 million, respectively. Compensation expense for the above-mentioned employee loans for the six months ended June 30, 2015 and 2014 was $19.8 million and $14.3 million, respectively. The compensation expense related to these loans was included as part of "Compensation and employee benefits" in our unaudited condensed consolidated statements of operations.

Goodwill

Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in a business combination. As prescribed in FASB guidance, Goodwill and Other Intangible Assets, goodwill is not amortized, but instead is periodically tested for impairment. We review goodwill for impairment on an annual basis during the fourth quarter of each fiscal year or whenever an event occurs or circumstances change that could reduce the fair value of a reporting unit below its carrying amount.

When reviewing goodwill for impairment, we first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the results of the qualitative assessment are not conclusive, or if we choose to bypass the qualitative assessment, we perform a goodwill impairment analysis using a two-step process.

The first step involves comparing each reporting unit's estimated fair value with its carrying value, including goodwill. To estimate the fair value of the reporting units, we use a discounted cash flow model and data regarding market comparables. The valuation process requires significant judgment and involves the use of significant estimates and assumptions. These assumptions include cash flow projections, estimated cost of capital and the selection of peer companies and relevant multiples. Because significant assumptions and estimates are used in projecting future cash flows, choosing peer companies and selecting relevant multiples, actual results may differ from our estimates under different assumptions or conditions. If the estimated fair value of a reporting unit exceeds its carrying value, goodwill is deemed not to be impaired. If the carrying value exceeds estimated fair value, there is an indication of potential impairment and the second step is performed to measure the amount of potential impairment.

The second step of the process involves the calculation of an implied fair value of goodwill for each reporting unit for which step one indicated a potential impairment may exist. The implied fair value of goodwill is determined by measuring the excess of the estimated fair value of the reporting unit as calculated in step one, over the estimated fair values of the individual assets, liabilities and identified intangibles. Events such as economic weakness, significant declines in operating results of reporting units, or significant changes to critical inputs of the goodwill impairment test (e.g., estimates of cash flows or cost of capital) could cause the estimated fair value of our reporting units to decline, which could result in an impairment of goodwill in the future.

Income Taxes

We account for income taxes using the asset and liability method as prescribed in FASB guidance on Accounting for Income Taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Certain of our entities are taxed as U.S. partnerships and are subject to the Unincorporated Business Tax ("UBT") in the City of New York. Therefore, the tax liability or benefit related to the partnership income or loss except for UBT rests with the partners (see Note 3—"Limited Partnership Interests in BGC Holdings" for a discussion of partnership interests), rather than the partnership entity. As such, the partners' tax liability or benefit is not reflected in our consolidated financial statements. The tax-related assets, liabilities, provisions or benefits included in our unaudited condensed consolidated financial statements also reflect the results of the entities that are taxed as corporations, either in the U.S. or in foreign jurisdictions. Pursuant to

FASB guidance on Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement on Accounting for Income Taxes, we provide for uncertain tax positions based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. Management is required to determine whether a tax position is more likely than not to be sustained upon examination by tax authorities, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Because significant assumptions are used in determining whether a tax benefit is more likely than not to be sustained upon examination by tax authorities, actual results may differ from our estimates under different assumptions or conditions. We recognize interest and penalties related to income tax matters in "Interest expense" and "Other expenses," respectively, in our unaudited condensed consolidated statement of operations.

A valuation allowance is recorded against deferred tax assets if it is deemed more likely than not that those assets will not be realized. In assessing the need for a valuation allowance, we consider all available evidence, including past operating results, the existence of cumulative losses in the most recent fiscal years, estimates of future taxable income and the feasibility of tax planning strategies.

The measurement of current and deferred income tax assets and liabilities is based on provisions of enacted tax laws and involves uncertainties in the application of tax regulations in the U.S. and other tax jurisdictions. Because our interpretation of complex tax law may impact the measurement of current and deferred income taxes, actual results may differ from these estimates under different assumptions regarding the application of tax law.

See Note 4—"Summary of Significant Accounting Policies," to our consolidated financial statements in Part II, Item 8 of our Annual Report on Form 10-K for additional information regarding our significant accounting policies.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 1—"Organization and Basis of Presentation," to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for information regarding recent accounting pronouncements.

OUR ORGANIZATIONAL STRUCTURE

Stock Ownership

As of June 30, 2015, there were 213,656,458 shares of our Class A common stock outstanding, of which 25,385,850 shares were held by Cantor and CFGM, Cantor's managing general partner. Each share of Class A common stock is entitled to one vote on matters submitted to a vote of our stockholders.

In addition, as of June 30, 2015, Cantor and CFGM held 34,848,107 shares of our Class B common stock (which represents all of the outstanding shares of our Class B common stock), representing, together with our Class A common stock held by Cantor and CFGM, approximately 66.5% of our voting power on such date. Each share of Class B common stock is generally entitled to the same rights as a share of Class A common stock, except that, on matters submitted to a vote of our stockholders, each share of Class B common stock is entitled to ten votes. The Class B common stock generally votes together with the Class A common stock on all matters submitted to a vote of our stockholders.

Through June 30, 2015, Cantor has distributed to its current and former partners an aggregate of 20,740,909 shares of Class A common stock, consisting of (i) 19,307,009 shares to satisfy certain of Cantor's deferred stock distribution obligations provided to such partners on April 1, 2008 (the "April 2008 distribution rights shares"), and (ii) 1,433,900 shares to satisfy certain of Cantor's deferred stock distribution obligations provided to such partners on February 14, 2012 in connection with Cantor's payment of previous quarterly partnership distributions (the "February 2012 distribution rights shares"). As of June 30, 2015, Cantor is still obligated to distribute to its current and former partners an aggregate of 15,866,062 shares of Class A common stock, consisting of 14,064,735 April 2008 distribution rights shares and 1,801,327 February 2012 distribution rights shares.

From time to time, we may actively continue to repurchase shares of our Class A common stock, including from Cantor, our executive officers, other employees, partners and others.

Partnership Structure

We are a holding company, and our business is operated through two operating partnerships, BGC U.S., which holds our U.S. businesses, and BGC Global, which holds our non-U.S. businesses. The limited partnership interests of the two operating partnerships are held by us and BGC Holdings, and the limited partnership interests of BGC Holdings are currently held by limited partnership unit holders, founding partners, and Cantor. We hold the BGC Holdings general partnership interest and the BGC Holdings special voting limited partnership interest, which entitle us to remove and appoint the general partner of BGC Holdings, and serve as the general partner of BGC Holdings, which entitles us to control BGC Holdings. BGC Holdings, in turn, holds the BGC U.S. general partnership interest and the BGC U.S. special voting limited partnership interest, which entitle the holder thereof to remove and appoint the general partner of BGC U.S., and the BGC Global general partnership interest and the BGC Global special voting limited partnership interest, which entitle the holder thereof to remove and appoint the general partner of BGC Global, and serves as the general partner of BGC U.S. and BGC Global, all of which entitle

BGC Holdings (and thereby us) to control each of BGC U.S. and BGC Global. BGC Holdings holds its BGC Global general partnership interest through a company incorporated in the Cayman Islands, BGC Global Holdings GP Limited.

As of June 30, 2015, we held directly and indirectly, through wholly owned subsidiaries, BGC U.S. limited partnership interests and BGC Global limited partnership interests consisting of 248,504,565 units and 248,504,565 units, representing approximately 67.7% and 67.7% of the outstanding BGC U.S. limited partnership interests and BGC Global limited partnership interests, respectively. As of that date, BGC Holdings held BGC U.S. limited partnership interests and BGC Global limited partnership interests consisting of 118,532,215 units and 118,532,215 units, representing approximately 32.3% and 32.3% of the outstanding BGC U.S. limited partnership interests and BGC Global limited partnership interests, respectively.

Limited partnership unit holders, founding partners, and Cantor directly hold BGC Holdings limited partnership interests. Since BGC Holdings in turn holds BGC U.S. limited partnership interests and BGC Global limited partnership interests, limited partnership unit holders, founding partners, and Cantor indirectly have interests in BGC U.S. limited partnership interests and BGC Global limited partnership interests.

As of June 30, 2015, excluding Preferred Units and NPSUs described below, outstanding BGC Holdings partnership interests included 52,996,932 limited partnership units, 16,752,350 founding partner units and 48,782,933 Cantor units.

We may in the future effect additional redemptions of BGC Holdings limited partnership units and founding partner units for shares of our Class A common stock. We may also continue our earlier partnership restructuring programs, whereby we redeemed or repurchased certain limited partnership units and founding partner units in exchange for new units, grants of exchangeability for Class A common stock or cash and, in many cases, obtained modifications or extensions of partners' employment arrangements. We also generally expect to continue to grant exchange rights with respect to outstanding non-exchangeable limited partnership units and founding partner units, and to repurchase BGC Holdings partnership interests from time to time, including from Cantor, our executive officers, and other employees and partners, unrelated to our partnership restructuring programs.

Cantor units are generally exchangeable with us for our Class B common stock (or, at Cantor's option or if there are no additional authorized but unissued shares of our Class B common stock, our Class A common stock) on a one-for-one basis (subject to customary anti-dilution adjustments). Upon certain circumstances, Cantor may have the right to acquire additional Cantor units in connection with the redemption of or grant of exchangeability to certain non-exchangeable founding partner units, none of which was redeemed/exchanged in the Global Partnership Restructuring Program. As of June 30, 2015, there were 1,656,357 non-exchangeable founding partner units with respect to which Cantor had the right to acquire an equivalent number of Cantor units.

On November 6, 2013, BGC GP, LLC, a subsidiary of the Company and the General Partner of the Company's majority-owned subsidiary, BGC Holdings, and Cantor, the Majority in Interest Exchangeable Limited Partner of the Partnership, entered into the Ninth Amendment to the Agreement of Limited Partnership of the Partnership (the "Ninth Amendment") effective as of July 1, 2013.

In order to facilitate partner compensation and for other corporate purposes, the Ninth Amendment creates new preferred partnership units ("Preferred Units"), which are working partner units that may be awarded to holders of, or contemporaneous with the grant of, PSUs, PSIs, PSEs, LPUs, APSUs, APSIs, APSEs, REUs, RPUs, AREUs, and ARPUs. These new Preferred Units carry the same name as the underlying unit, with the insertion of an additional "P" to designate them as Preferred Units.

Such Preferred Units may not be made exchangeable into our Class A common stock and accordingly will not be included in the fully diluted share count. Each quarter, the net profits of BGC Holdings will be allocated to such Units at a rate of either 0.6875% (which is 2.75% per calendar year) of the allocation amount assigned to them based on their award price, or such other amount as set forth in the award documentation (the "Preferred Distribution"), before calculation and distribution of the quarterly Partnership distribution for the remaining Partnership units. The Preferred Units will not be entitled to participate in Partnership distributions other than with respect to the Preferred Distribution. As of June 30, 2015 there were 12,674,252 such units granted and outstanding. The Ninth Amendment was approved by the Audit Committee of the Board of Directors and by the full Board.

On May 9, 2014, partners of BGC Holdings approved the Tenth Amendment to the Agreement of Limited Partnership of BGC Holdings effective as of May 9, 2014. In order to facilitate partner compensation and for other corporate purposes the Tenth Amendment created a new class of partnership units (NPSUs), which are working partner units. For more information, see Note 14—"Related Party Transactions" to our consolidated financial statements in Part II, Item 8 of our Annual Report on Form 10-K.

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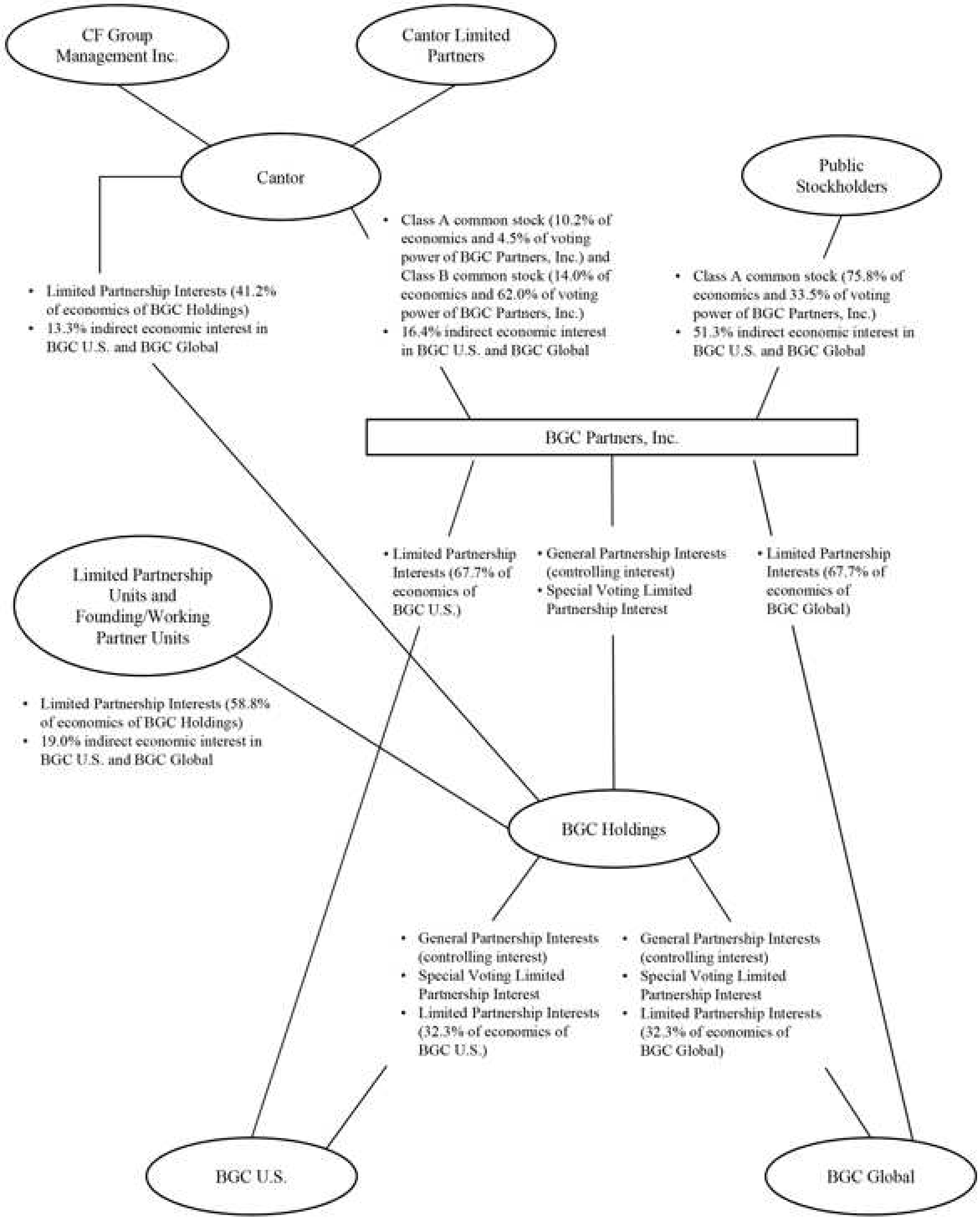
The following diagram illustrates our organizational structure as of June 30, 2015. The diagram does not reflect the various subsidiaries of BGC, BGC U.S., BGC Global, BGC Holdings or Cantor, or the noncontrolling interests in our consolidated subsidiaries other than Cantor’s units in BGC Holdings.*



* Shares of our Class B common stock are convertible into shares of our Class A common stock at any time in the discretion of the holder on a one-for-one basis. Accordingly, if Cantor converted all of its Class B common stock into Class A common stock, Cantor would hold 24.2% of the voting power, and the public stockholders would hold 75.8% of the voting power (and Cantor’s indirect economic interests in BGC U.S. and BGC Global would remain unchanged). For purposes of the diagram, Cantor’s percentage ownership also includes CFGM’s percentage ownership. The diagram does not reflect certain Class A common stock and BGC Holdings partnership units as follows: (a) 16,260,160 shares of Class A common stock issuable upon conversion of our 4.50% convertibles notes; (b) any shares of Class A common stock that may become issuable upon the conversion or exchange of any convertible or exchangeable debt securities

that may in the future be sold under our shelf Registration Statement on Form S-3 (Registration No. 333-180331); (c) 12,674,252 Preferred Units granted and outstanding to BGC Holdings partners (see "Partnership Structure" herein); and (d) 12,346,189 NPSUs granted and outstanding to BGC Holdings partners.

The diagram reflects Class A common stock and BGC Holdings partnership unit activity from January 1, 2015 through June 30, 2015 as follows: (a) 24,042,599 shares of Class A common stock acquired by Cantor upon conversion of the 8.75% convertible notes into shares of Class A common stock; (b) 741,081 shares of Class A common stock repurchased by us; (c) 175,123 forfeited shares of Restricted Class A common stock; (d) 418,615 shares of Class A common stock sold by us under the December 2012 sales agreement pursuant to our shelf Registration Statement on Form S-3 (Registration No. 333-185110); (e) 2,492,563 shares of Class A common stock sold by us under the November 2014 sales agreement pursuant to our Registration Statement on Form S-3 (Registration No. 333-200415), but not the 17,507,437 shares remaining for sale by us under such sales agreement; (f) 757,287 shares issued by us under our acquisition shelf Registration Statement on Form S-4 (Registration No. 333-169232), but not the 12,693,709 shares remaining available for issuance by us under such Registration Statement; (g) 22,879 shares issued by us under our Dividend Reinvestment and Stock Purchase Plan shelf Registration Statement on Form S-3 (Registration No. 333-173109), but not the 9,789,554 shares remaining available for issuance by us under shelf Registration Statement on Form S-3 (Registration No. 333-196999); (h) 169,860 shares sold by selling stockholders under our resale shelf Registration Statement on Form S-3 (Registration No. 333-167953), but not the 177,453 shares remaining available for sale by selling stockholders under such Registration Statement; (i) 407,953 shares sold by selling stockholders under our resale shelf Registration Statement on Form S-3 (Registration No. 333-175034), but not the 1,289,084 shares remaining available for sale by selling stockholders under such Registration Statement; (j) 242,622 limited partnership, founding partner and Cantor units redeemed or repurchased by us for cash; and (k) an aggregate of 13,575,301 limited partnership units granted by BGC Holdings.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Credit Risk

Credit risk arises from potential non-performance by counterparties and customers. BGC Partners has established policies and procedures to manage its exposure to credit risk. BGC Partners maintains a thorough credit approval process to limit exposure to counterparty risk and employs stringent monitoring to control the counterparty risk from its matched principal and agency businesses. BGC Partners' account opening and counterparty approval process includes verification of key customer identification, anti-money laundering verification checks and a credit review of financial and operating data. The credit review process includes establishing an internal credit rating and any other information deemed necessary to make an informed credit decision, which may include correspondence, due diligence calls and a visit to the entity's premises, as necessary.

Credit approval is granted subject to certain trading limits and may be subject to additional conditions, such as the receipt of collateral or other credit support. Ongoing credit monitoring procedures include reviewing periodic financial statements and publicly available information on the client and collecting data from credit rating agencies, where available, to assess the ongoing financial condition of the client.

Through its subsidiaries, BGC Partners executes matched principal transactions in which it acts as a "middleman" by serving as counterparty to both a buyer and a seller in matching back-to-back trades. These transactions are then settled through a recognized settlement system or third-party clearing organization. Settlement typically occurs within one to three business days after the trade date. Cash settlement of the transaction occurs upon receipt or delivery of the underlying instrument that was traded. BGC Partners generally avoids settlement of principal transactions on a free-of-payment basis or by physical delivery of the underlying instrument. However, free-of-payment transactions may occur on a very limited basis.

The number of matched principal trades BGC Partners executes has continued to grow as compared to prior years. Receivables from broker-dealers, clearing organizations, customers and related broker-dealers and Payables to broker-dealers, clearing organizations, customers and related broker-dealers on the Company's consolidated statements of financial condition primarily represent the simultaneous purchase and sale of the securities associated with those matched principal transactions that have not settled as of their stated settlement dates. BGC Partners' experience has been that substantially all of these transactions ultimately settle at the contracted amounts.

In addition, BGC Partners incurs limited credit risk related to certain brokerage activities. The counterparty risk relates to the collectability of the outstanding brokerage fee receivables. The review process includes monitoring both the clients and the related brokerage receivables. The review includes an evaluation of the ongoing collection process and an aging analysis of the brokerage receivables.

Market Risk

Market risk refers to the risk that a change in the level of one or more market prices, rates, indices or other factors will result in losses for a specified position. BGC Partners may allow certain of its desks to enter into unmatched principal transactions in the ordinary course of business and hold long and short inventory positions. These transactions are primarily for the purpose of facilitating clients' execution needs, adding liquidity to a market or attracting additional order flow. As a result, BGC Partners may have market risk exposure on these transactions. BGC Partners' exposure varies based on the size of its overall positions, the risk characteristics of the instruments held and the amount of time the positions are held before they are disposed of. BGC Partners has limited ability to track its exposure to market risk and unmatched positions on an intra-day basis; however, it attempts to mitigate its market risk on these positions by strict risk limits, extremely limited holding periods and hedging its exposure. These positions are intended to be held short term to facilitate customer transactions. However, due to a number of factors, including the nature of the position and access to the market on which it trades, BGC Partners may not be able to unwind the position and it may be forced to hold the position for a longer period than anticipated. All positions held longer than intra-day are marked to market.

We also have investments in marketable equity securities, which are publicly-traded, and which had a fair value of $48.3 million as of June 30, 2015. Investments in marketable securities carry a degree of risk, as there can be no assurance that the marketable securities will not lose value and, in general, securities markets can be volatile and unpredictable. As a result of these different market risks, our holdings of marketable securities could be materially and adversely affected. We may seek to minimize the effect of price changes on a portion of our investments in marketable securities through the use of derivative contracts. However, there can be no assurance that our hedging activities will be adequate to protect us against price risks associated with our investments in marketable securities. See Note 9—"Marketable Securities" and Note 11—"Derivatives" to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for further information regarding these investments and related hedging activities.

Our affiliate, GFI has authorized a limited number of desks to enter into principal investing transactions in which they commit capital within predefined limits, either to facilitate customer trading activities or to engage in principal trading for their own account. These principal positions may ultimately be matched against a customer order or through a market intermediary, either in the short term (such as the same trading day) or they may hold these positions for several days or more. The number and size of these transactions may affect their results of operations in a given period and they may also incur losses from these trading activities due to market fluctuations and volatility from quarter to quarter. GFI is currently subject to covenants in their Credit Agreement, which generally limit the aggregate amount of securities which they may trade for their own account to 7.5% of their consolidated capital. To the extent that they own assets, i.e., have long positions, in any of those markets, a downturn in the value of those assets or in those markets could result in losses from a decline in the value of those long positions. Conversely, to the extent that they have sold assets we do not own, i.e., have short positions, in any of those markets, an upturn in those markets could expose us to significant losses as we attempt to cover our short positions by acquiring assets in a rising market. To the extent these securities positions are not disposed of intra-day, they mark these positions to market.

Our risk management procedures and strict limits are designed to monitor and limit the risk of unintended loss and have been effective in the past. However, there is no assurance that these procedures and limits will be effective at limiting unanticipated losses in the future. Adverse movements in the securities positions or a downturn or disruption in the markets for these positions could result in a substantial loss. In addition, principal gains and losses resulting from these positions could on occasion have a disproportionate effect, positive or negative, on BGC Partners' consolidated financial condition and results of operations for any particular reporting period.

Operational Risk

Our businesses are highly dependent on our ability to process a large number of transactions across numerous and diverse markets in many currencies on a daily basis. If any of our data processing systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes, people or systems, we could suffer impairment to our liquidity, financial loss, a disruption of our businesses, liability to clients, regulatory intervention or reputational damage. These systems may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, including cybersecurity incidents, a disruption of electrical or communications services or our inability to occupy one or more of our buildings. The inability of our systems to accommodate an increasing volume of transactions could also constrain our ability to expand our businesses.

In addition, despite our contingency plans, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the communities in which they are located. This may include a disruption involving electrical, communications, transportation or other services used by us or third parties with whom we conduct business.

Foreign Currency Risk

BGC Partners is exposed to risks associated with changes in foreign exchange rates. Changes in foreign currency rates create volatility in the U.S. dollar equivalent of the Company's revenues and expenses, in particular with regard to British Pounds and Euros. In addition, changes in the remeasurement of BGC Partners' foreign currency denominated net assets are recorded as part of its results of operations and fluctuate with changes in foreign currency rates. BGC monitors the net exposure in foreign currencies on a daily basis and hedges its exposure as deemed appropriate with highly rated major financial institutions.

Interest Rate Risk

BGC Partners had $891.2 million in fixed-rate debt outstanding as of June 30, 2015. These debt obligations are not currently subject to fluctuations in interest rates, although in the event of refinancing or issuance of new debt, such debt could be subject to changes in interest rates.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

BGC Partners maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed by BGC Partners is recorded, processed, accumulated, summarized and communicated to its management, including its Chairman and Chief Executive Officer and its Chief Financial Officer, to allow timely decisions regarding required disclosures, and reported within the time periods specified in the SEC's rules and forms. The Chairman and Chief Executive Officer and the Chief Financial Officer have performed an evaluation of the effectiveness of the design and operation of BGC Partners disclosure controls and procedures as of June 30, 2015. Based on that evaluation, the Chairman and Chief Executive Officer and the Chief Financial Officer concluded that BGC Partners' disclosure controls and procedures were effective as of June 30, 2015.

Changes in Internal Control over Financial Reporting

During the three months ending June 30, 2015, there were no changes in our internal control over financial reporting that materially affect, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 19—"Commitments, Contingencies and Guarantees" to the Company's unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, which is incorporated by reference herein.

ITEM 1A. RISK FACTORS

We may incur substantially more debt or take other actions which would intensify the risks discussed herein.

We may incur substantial additional debt in the future, some of which may be secured debt. We are not restricted under the terms of the indentures governing our 8.125% Senior Notes, 5.375% Senior Notes, 8.375% Senior Notes, Convertible Notes and GFI Credit Facility from incurring additional debt, securing existing or future debt (with certain exceptions, including to the extent already secured), recapitalizing our debt or taking a number of other actions that are not limited by the terms of our debt instruments that could have the effect of diminishing our ability to make payments on our debt when due. Further, in July 2015, we guaranteed the obligations of GFI under the 8.375% Senior Notes.

Our acquisition of GFI Group will require significant cash resources and may lead to a significant increase in the level of our indebtedness.

Our acquisition of GFI may lead to a significant increase in the level of our indebtedness. On February 26, 2015, we successfully completed our tender offer to acquire approximately 54.3 million Tendered Shares of GFI, and we issued payment for the Tendered Shares on March 4, 2015 in the aggregate amount of approximately $331.1 million. In December 2014, we issued our 5.375% Senior Notes in anticipation of the acquisition. As part of the GFI acquisition, we assumed $240.0 million in aggregate principal amount of 8.375% Senior Notes due July 2018, and $60.0 million in short-term borrowings related to a GFI credit facility. In addition, on March 13, 2015 we entered into a secured loan arrangement of $28.2 million under which we pledged certain fixed assets as security for a loan. This arrangement incurs interest at a fixed rate of 3.70% and matures on April 1, 2019. Partially offsetting these increases to our indebtedness, on April 13, 2015, our $150.0 million of $8.75% Convertible Senior Notes, due April 15, 2015, were fully converted into approximately 24.0 million shares of BGC Class A common stock, which were issued to Cantor Fitzgerald, L.P. We may also enter into other short- or long-term financing arrangements. We also incurred substantial non-recurring transaction costs, including break-up fees, assumption of liabilities and expenses, and compensation expenses in connection with the GFI transaction. Further, in July 2015, we guaranteed the obligations of GFI under the 8.375% Senior Notes. The increased level of our consolidated indebtedness may restrict the ability to raise additional capital on favorable terms, and such leverage, and any resulting liquidity or credit issues, could have a material adverse effect on a combined business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND PROCEEDS

The information required by this Item is set forth in Note 6—"Stock Transactions and Unit Redemptions" to the unaudited condensed consolidated financial statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q and in Management's Discussion and Analysis of Financial Condition and Results of Operations (Item 2 of Part I) and is incorporated by reference herein.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

ITEM 4. MINE SAFETY DISCLOSURES

ITEM 5. OTHER INFORMATION

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ITEM 6. EXHIBITS

Exhibit Number	Exhibit Title
10.1	BGCP's Agreement, dated as of July 10, 2015, to Guarantee GFI 8.375% Senior Notes due 2018 (incorporated by reference to Exhibit 4.1 to the Registrants Current Report on Form 8-K filed with the SEC on July 10, 2015).
31.1	Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification by the Chief Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from BGC Partners' Quarterly Report on Form 10-Q for the period ended June 30, 2015 are formatted in eXtensible Business Reporting Language (XBRL): (i) the Unaudited Condensed Consolidated Statements of Financial Condition, (ii) the Unaudited Condensed Consolidated Statements of Operations, (iii) the Unaudited Condensed Consolidated Statements of Comprehensive Income, (iv) the Unaudited Condensed Consolidated Statements of Cash Flows, (v) the Unaudited Condensed Consolidated Statements of Changes in Equity, and (vi) Notes to the Unaudited Condensed Consolidated Financial Statements.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report on Form 10-Q for the quarter ended June 30, 2015 to be signed on its behalf by the undersigned thereunto duly authorized.

BGC Partners, Inc.

	/s/ Howard W. Lutnick
Name:	**Howard W. Lutnick**
Title:	**Chairman of the Board and Chief Executive Officer**
	/s/ Anthony Graham Sadler
Name:	**Anthony Graham Sadler**
Title:	**Chief Financial Officer**

Date: August 10, 2015

[Signature page to the Quarterly Report on Form 10-Q for the period ended June 30, 2015 dated August 10, 2015.]

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EXHIBIT INDEX

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Exhibit 31.1

CERTIFICATION

I, Howard W. Lutnick, certify that:

1. I have reviewed this annual report on Form 10-Q of BGC Partners, Inc. for the quarter ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of this disclosure controls and procedures as of the end of the period covered by this annual report based on such evaluation; and

d. Disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ HOWARD W. LUTNICK

Howard W. Lutnick
Chairman of the Board and Chief Executive Officer

Date: August 10, 2015

Exhibit 31.2

CERTIFICATION

I, Anthony Graham Sadler, certify that:

1. I have reviewed this annual report on Form 10-Q of BGC Partners, Inc. for the quarter ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of this disclosure controls and procedures as of the end of the period covered by this annual report based on such evaluation; and

d. Disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of registrant's Board of Directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ A. GRAHAM SADLER

Anthony Graham Sadler
Chief Financial Officer

Date: August 10, 2015

Exhibit 32

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report of BGC Partners, Inc., a Delaware corporation (the "Company"), on Form 10-Q for the period ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof, each of Howard W. Lutnick, Chairman of the Board and Chief Executive Officer of the Company, and Anthony Graham Sadler, Chief Financial Officer of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

	/ s / HOWARD W. LUTNICK		/ s / A. GRAHAM SADLER
Name:	**Howard W. Lutnick**	**Name:**	**Anthony Graham Sadler**
Title:	**Chairman of the Board and Chief Executive Officer**	**Title:**	**Chief Financial Officer**

Date: August 10, 2015