

eSpeed, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME (unaudited)
(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Revenues:				
Transaction revenues with related parties				
Fully electronic transactions	\$ 32,300	\$ 22,783	\$ 82,348	\$ 65,609
Voice-assisted brokerage transactions	5,153	4,649	14,959	13,479
Screen-assisted open outcry transactions	128	11	420	134
Total transaction revenues with related parties	<u>37,581</u>	<u>27,443</u>	<u>97,727</u>	<u>79,222</u>
Software Solutions fees from related parties	3,821	3,423	11,351	9,747
Software Solutions and licensing fees from unrelated parties	2,321	1,333	6,662	2,437
Interest income	547	780	1,652	2,222
Total revenues	<u>44,270</u>	<u>32,979</u>	<u>117,392</u>	<u>93,628</u>
Expenses:				
Compensation and employee benefits	9,790	9,113	27,873	27,748
Occupancy and equipment	8,191	6,338	22,939	18,048
Professional and consulting fees	953	1,149	2,927	4,264
Communications and client networks	1,715	1,465	5,024	4,516
Marketing	373	1,281	1,115	4,515
Administrative fees to related parties	2,579	2,292	7,747	6,579
Other	3,019	2,512	8,168	5,373
Total operating expenses	<u>26,620</u>	<u>24,150</u>	<u>75,793</u>	<u>71,043</u>
Pre-tax operating income	17,650	8,829	41,599	22,585
Income tax provision	6,873	123	12,323	351
Net operating income	<u>10,777</u>	<u>8,706</u>	<u>29,276</u>	<u>22,234</u>
Non-operating (loss) income:				
Amortization of business partner and non-employee securities, net of tax	(395)	(541)	(1,317)	(1,354)
Charitable contribution Re: 9/11, net of tax	(420)	(500)	(420)	(500)
Business interruption insurance proceeds from parent	-	-	-	12,833
Total non-operating (loss) income	<u>(815)</u>	<u>(1,041)</u>	<u>(1,737)</u>	<u>10,979</u>
GAAP net income	<u>\$ 9,962</u>	<u>\$ 7,665</u>	<u>\$ 27,539</u>	<u>\$ 33,213</u>
Per share data:				
Basic pre-tax operating income per share	\$ 0.32	\$ 0.16	\$ 0.75	\$ 0.41
Basic tax provision per share	<u>\$ (0.12)</u>	<u>\$ (0.00)</u>	<u>\$ (0.22)</u>	<u>\$ (0.01)</u>
Basic net operating income per share	\$ 0.19	\$ 0.16	\$ 0.53	\$ 0.40
Basic non-operating (loss) income per share	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.03)</u>	<u>\$ 0.20</u>
Basic GAAP earnings per share	<u>\$ 0.18</u>	<u>\$ 0.14</u>	<u>\$ 0.50</u>	<u>\$ 0.60</u>
Diluted pre-tax operating income per share	\$ 0.31	\$ 0.16	\$ 0.73	\$ 0.40
Diluted tax provision per share	<u>\$ (0.12)</u>	<u>\$ (0.00)</u>	<u>\$ (0.22)</u>	<u>\$ (0.01)</u>
Diluted net operating income per share	\$ 0.19	\$ 0.15	\$ 0.51	\$ 0.39
Diluted non-operating (loss) earnings per share	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.03)</u>	<u>\$ 0.19</u>
Diluted GAAP earnings per share	<u>\$ 0.17</u>	<u>\$ 0.14</u>	<u>\$ 0.48</u>	<u>\$ 0.59</u>
Basic weighted average shares of common stock outstanding	<u>55,291</u>	<u>54,980</u>	<u>55,205</u>	<u>54,979</u>
Diluted weighted average shares of common stock outstanding	<u>57,730</u>	<u>56,499</u>	<u>57,171</u>	<u>56,683</u>
Additional data:				
Pre-tax operating margin	<u>39.9%</u>	<u>26.8%</u>	<u>35.4%</u>	<u>24.1%</u>