

eSpeed, Inc. and Subsidiaries
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO GAAP (unaudited)
(In thousands)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|------------------------|------------------------------------|-------------------------|
| | 2003 | 2002 | 2003 | 2002 |
| Revenues | \$ 44,270 | \$ 32,979 | \$ 117,392 | \$ 93,628 |
| Business interruption insurance proceeds from parent [a] | - | - | - | 12,833 |
| GAAP revenues | <u>\$ 44,270</u> | <u>\$ 32,979</u> | <u>\$ 117,392</u> | <u>\$ 106,461</u> |
| Operating expenses | \$ 26,620 | \$ 24,150 | \$ 75,793 | \$ 71,043 |
| Amortization of business partner and non-employee securities [b] | 648 | 541 | 1,715 | 1,354 |
| Charitable contribution Re: 9/11 [c] | 687 | 500 | 687 | 500 |
| GAAP expenses | <u>\$ 27,955</u> | <u>\$ 25,191</u> | <u>\$ 78,195</u> | <u>\$ 72,897</u> |
| Pre-tax operating income | \$ 17,650 | \$ 8,829 | \$ 41,599 | \$ 22,585 |
| Sum of reconciling items = [a] - [b] - [c] | (1,335) | (1,041) | (2,402) | 10,979 |
| GAAP income before income tax provision | <u>\$ 16,315</u> | <u>\$ 7,788</u> | <u>\$ 39,197</u> | <u>\$ 33,564</u> |
| Income tax provision | 6,873 | 123 | 12,323 | 351 |
| Income tax benefit on non-operating loss [d] | (520) | - | (665) | - |
| GAAP income tax provision | <u>\$ 6,353</u> | <u>\$ 123</u> | <u>\$ 11,658</u> | <u>\$ 351</u> |
| Net operating income | \$ 10,777 | \$ 8,706 | \$ 29,276 | \$ 22,234 |
| Sum of reconciling items = [a] + [b] + [c] + [d] | (815) | (1,041) | (1,737) | 10,979 |
| GAAP net income | <u><u>\$ 9,962</u></u> | <u><u>\$ 7,665</u></u> | <u><u>\$ 27,539</u></u> | <u><u>\$ 33,213</u></u> |