

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Revenues	\$ 42,845	\$ 39,079	\$ 87,483	\$ 73,122
GAAP revenues	<u>\$ 42,845</u>	<u>\$ 39,079</u>	<u>\$ 87,483</u>	<u>\$ 73,122</u>
Operating expenses	\$ 27,857	\$ 25,215	\$ 54,490	\$ 49,173
Amortization of business partner and non-employee securities [a]	142	362	586	1,067
GAAP expenses	<u>\$ 27,999</u>	<u>\$ 25,577</u>	<u>\$ 55,076</u>	<u>\$ 50,240</u>
Pre-tax operating income	\$ 14,988	\$ 13,864	\$ 32,993	\$ 23,949
Sum of reconciling items = - [a]	(142)	(362)	(586)	(1,067)
GAAP income before income tax provision	<u>\$ 14,846</u>	<u>\$ 13,502</u>	<u>\$ 32,407</u>	<u>\$ 22,882</u>
Income tax provision	\$ 5,860	\$ 5,545	\$ 12,899	\$ 5,450
Income tax benefit on non-operating loss [b]	(55)	(145)	(228)	(145)
GAAP income tax provision	<u>\$ 5,805</u>	<u>\$ 5,400</u>	<u>\$ 12,671</u>	<u>\$ 5,305</u>
Net operating income	\$ 9,128	\$ 8,319	\$ 20,094	\$ 18,499
Sum of reconciling items = [a] + [b]	(87)	(217)	(358)	(922)
GAAP net income	<u><u>\$ 9,041</u></u>	<u><u>\$ 8,102</u></u>	<u><u>\$ 19,736</u></u>	<u><u>\$ 17,577</u></u>