

eSpeed, Inc. & Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
(in thousands)

	Three Months Ended	
	March 31,	
	2005	2004
Cash flows from operating activities:		
Net income	\$ 1,339	\$ 10,695
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of fixed assets	2,399	1,697
Amortization of software development costs and other intangibles	3,017	2,254
Amortization of patents and related defense costs	1,682	1,425
Amortization of business partner and non-employee securities	117	444
Amortization of employee stock based compensation	536	-
Equity in net loss (income) of unconsolidated investments	21	(29)
Deferred income tax expense	123	63
Tax benefit from employee stock options and warrant exercises	38	791
Issuance of securities under employee benefit plan	62	30
Changes in operating assets and liabilities:		
Receivable from related parties	1,630	762
Other assets	(1,023)	(1,450)
Payable to related parties	(4,821)	(4,259)
Accounts payable and accrued expenses	(3,883)	2,372
Deferred income	(104)	-
Net cash provided by operating activities	1,133	14,795
Cash flows from investing activities:		
Purchase of fixed assets	(3,613)	(7,226)
Capitalization of software development costs	(5,579)	(3,896)
Capitalization of patents and related defense costs	(508)	(877)
Purchase of investment	-	(360)
Net cash used in investing activities	(9,700)	(12,359)
Cash flows from financing activities:		
Purchase of Class A common stock	(11,610)	-
Proceeds from exercises of stock options and warrants	104	1,495
Receivable from broker in relation to stock option exercises	49	557
Net cash (used in) provided by financing activities	(11,457)	2,052
Net (decrease) increase in cash and cash equivalents	(20,024)	4,488
Cash and cash equivalents at beginning of period	209,688	228,500
Cash and cash equivalents at end of period	\$ 189,664	\$ 232,988