

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2005	2004	2005	2004
Revenues:				
Transaction revenues with related parties				
Fully electronic transactions	\$ 18,804	\$ 29,154	\$ 39,241	\$ 59,681
Voice-assisted brokerage transactions	6,444	5,190	12,938	11,216
Screen-assisted open outcry transactions	403	158	810	389
Total transaction revenues with related parties	<u>25,651</u>	<u>34,502</u>	<u>52,989</u>	<u>71,286</u>
Software Solutions fees from related parties	6,657	4,475	12,761	8,587
Software Solutions and licensing fees from unrelated parties	3,765	3,107	7,942	6,105
Interest income	1,382	761	2,667	1,505
Total revenues	<u>37,455</u>	<u>42,845</u>	<u>76,359</u>	<u>87,483</u>
Expenses:				
Compensation and employee benefits	12,890	9,768	25,941	19,083
Amortization of software development costs and other intangibles	4,504	3,820	9,170	7,549
Other occupancy and equipment	7,536	6,073	14,945	12,300
Professional and consulting fees	1,093	865	2,052	1,798
Communications and client networks	1,882	1,595	3,638	3,208
Marketing	369	379	862	765
Administrative fees to related parties	3,422	3,212	7,299	6,169
Other	2,863	2,145	5,354	3,618
Total operating expenses	<u>34,559</u>	<u>27,857</u>	<u>69,261</u>	<u>54,490</u>
Pre-tax operating income	2,896	14,988	7,098	32,993
Income tax provision	1,026	5,860	2,552	12,899
Net operating income	<u>1,870</u>	<u>9,128</u>	<u>4,546</u>	<u>20,094</u>
Non-operating (loss):				
Amortization of business partner and non-employee securities, net of tax	(92)	(87)	(166)	(358)
Litigation costs, net of tax	(638)	-	(1,901)	-
Acquisition related costs, net of tax	(2,598)	-	(2,598)	-
Total non-operating (loss)	<u>(3,328)</u>	<u>(87)</u>	<u>(4,665)</u>	<u>(358)</u>
GAAP net income (loss)	<u>\$ (1,458)</u>	<u>\$ 9,041</u>	<u>\$ (119)</u>	<u>\$ 19,736</u>
Per share data:				
Basic pre-tax operating income per share	\$ 0.06	\$ 0.27	\$ 0.14	\$ 0.59
Basic tax provision per share	<u>\$ (0.02)</u>	<u>\$ (0.10)</u>	<u>\$ (0.05)</u>	<u>\$ (0.23)</u>
Basic net operating income per share	\$ 0.04	\$ 0.16	\$ 0.09	\$ 0.36
Basic non-operating (loss) per share	<u>\$ (0.06)</u>	<u>\$ (0.00)</u>	<u>\$ (0.09)</u>	<u>\$ (0.01)</u>
Basic GAAP earnings (loss) per share	<u>\$ (0.03)</u>	<u>\$ 0.16</u>	<u>\$ (0.00)</u>	<u>\$ 0.35</u>
Diluted pre-tax operating income per share	\$ 0.06	\$ 0.26	\$ 0.14	\$ 0.57
Diluted tax provision per share	<u>\$ (0.02)</u>	<u>\$ (0.10)</u>	<u>\$ (0.05)</u>	<u>\$ (0.22)</u>
Diluted net operating income per share	\$ 0.04	\$ 0.16	\$ 0.09	\$ 0.35
Diluted non-operating (loss) per share	<u>\$ (0.06)</u>	<u>\$ (0.00)</u>	<u>\$ (0.09)</u>	<u>\$ (0.01)</u>
Diluted GAAP earnings (loss) per share	<u>\$ (0.03)</u>	<u>\$ 0.16</u>	<u>\$ (0.00)</u>	<u>\$ 0.34</u>
Basic weighted average shares of common stock outstanding	<u>51,281</u>	<u>56,153</u>	<u>52,205</u>	<u>56,114</u>
Diluted weighted average shares of common stock outstanding	<u>51,281</u>	<u>57,958</u>	<u>52,205</u>	<u>58,161</u>
Additional data:				
Pre-tax operating margin	<u>7.7%</u>	<u>35.0%</u>	<u>9.3%</u>	<u>37.7%</u>