

eSpeed, Inc and Subsidiaries
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(in thousands, except share data)

	September 30, 2005 (Unaudited)	December 31, 2004
Assets		
Cash and cash equivalents	\$ 12,291	\$ 19,884
Reverse repurchase agreements with related parties	172,020	189,804
Total cash and cash equivalents	184,311	209,688
Fixed assets, net	60,469	50,605
Investments	7,747	12,709
Goodwill	11,968	11,949
Intangible assets, net	13,017	16,097
Receivable from related parties	7,817	1,630
Other assets	6,965	7,455
Total assets	\$ 292,294	\$ 310,133
Liabilities and Stockholders' Equity		
Current liabilities:		
Payable to related parties	\$ 6,057	\$ 7,113
Accounts payable and accrued liabilities	32,865	24,795
Total current liabilities	38,922	31,908
Deferred income	7,698	8,011
Total liabilities	46,620	39,919
Stockholders' Equity:		
Preferred stock, par value \$0.01 per share; 50,000,000 shares authorized, none outstanding at September 30, 2005 and December 31, 2004	-	-
Class A common stock, par value \$.01 per share; 200,000,000 shares authorized; 34,375,135 and 34,289,773 shares issued at September 30, 2005 and December 31, 2004, respectively	344	343
Class B common stock, par value \$.01 per share; 100,000,000 shares authorized; 22,139,270 shares outstanding at September 30, 2005 and December 31, 2004	221	221
Additional paid-in capital	294,843	294,115
Unearned stock based compensation	(1,162)	(3,080)
Treasury stock, at cost; 6,539,090 and 3,082,815 shares of Class A common stock at September 30, 2005 and December 31, 2004, respectively	(62,913)	(33,972)
Retained earnings	14,341	12,587
Total stockholders' equity	245,674	270,214
Total liabilities and stockholders' equity	\$ 292,294	\$ 310,133

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues:				
Transaction revenues with related parties				
Fully electronic transactions	\$ 18,933	\$ 25,489	\$ 58,174	\$ 85,170
Voice-assisted brokerage transactions	6,190	5,233	19,128	16,449
Screen-assisted open outcry transactions	1,121	225	1,931	614
Total transaction revenues with related parties	<u>26,244</u>	<u>30,947</u>	<u>79,233</u>	<u>102,233</u>
Software Solutions fees from related parties	6,099	4,681	18,860	13,268
Software Solutions and licensing fees from unrelated parties	3,770	3,278	11,712	9,383
Gain on sale of investments	1,015	-	1,015	-
Interest income	1,644	865	4,311	2,370
Total revenues	<u>38,772</u>	<u>39,771</u>	<u>115,131</u>	<u>127,254</u>
Expenses:				
Compensation and employee benefits	13,048	10,499	38,989	29,582
Amortization of software development costs and other intangibles	5,206	4,109	14,376	11,643
Occupancy and equipment	7,712	6,322	22,657	18,622
Professional and consulting fees	2,018	1,663	7,088	3,461
Communications and client networks	1,931	1,684	5,569	4,892
Marketing	390	319	1,252	1,084
Administrative fees to related parties	3,216	3,435	10,515	9,604
Amortization of business partner and non-employee securities	50	136	310	722
Acquisition related costs	-	-	4,124	-
Other	2,491	2,186	7,845	5,819
Total operating expenses	<u>36,062</u>	<u>30,353</u>	<u>112,725</u>	<u>85,429</u>
Income before income taxes	2,710	9,418	2,406	41,825
Income tax provision	837	3,683	652	16,354
Net income	<u>\$ 1,873</u>	<u>\$ 5,735</u>	<u>\$ 1,754</u>	<u>\$ 25,471</u>
Per share data:				
Basic GAAP earnings per share	<u>\$ 0.04</u>	<u>\$ 0.11</u>	<u>\$ 0.03</u>	<u>\$ 0.46</u>
Diluted GAAP earnings per share	<u>\$ 0.04</u>	<u>\$ 0.10</u>	<u>\$ 0.03</u>	<u>\$ 0.45</u>
Basic weighted average shares of common stock outstanding	<u>50,998</u>	<u>54,398</u>	<u>51,805</u>	<u>55,538</u>
Diluted weighted average shares of common stock outstanding	<u>51,697</u>	<u>55,289</u>	<u>52,586</u>	<u>57,065</u>

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2005	2004	2005	2004
Revenues:				
Transaction revenues with related parties				
Fully electronic transactions	\$ 18,933	\$ 25,489	\$ 58,174	\$ 85,170
Voice-assisted brokerage transactions	6,190	5,233	19,128	16,449
Screen-assisted open outcry transactions	1,121	225	1,931	614
Total transaction revenues with related parties	<u>26,244</u>	<u>30,947</u>	<u>79,233</u>	<u>102,233</u>
Software Solutions fees from related parties	6,099	4,681	18,860	13,268
Software Solutions and licensing fees from unrelated parties	3,770	3,278	11,712	9,383
Interest income	1,644	865	4,311	2,370
Total revenues	<u>37,757</u>	<u>39,771</u>	<u>114,116</u>	<u>127,254</u>
Expenses:				
Compensation and employee benefits	13,048	10,499	38,989	29,582
Amortization of software development costs and other intangibles	5,206	4,109	14,376	11,643
Occupancy and equipment	7,712	6,322	22,657	18,622
Professional and consulting fees	1,314	1,663	3,366	3,461
Communications and client networks	1,931	1,684	5,569	4,892
Marketing	390	319	1,252	1,084
Administrative fees to related parties	3,216	3,435	10,515	9,604
Other	2,113	1,846	7,467	5,479
Total operating expenses	<u>34,930</u>	<u>29,877</u>	<u>104,191</u>	<u>84,367</u>
Income before income taxes	2,827	9,894	9,925	42,887
Income tax provision	827	3,869	3,379	16,768
Net operating income	<u>\$ 2,000</u>	<u>\$ 6,025</u>	<u>\$ 6,546</u>	<u>\$ 26,119</u>
Non-operating income (loss):				
Charitable contribution Re: 9/11, net of tax	(262)	(207)	(262)	(207)
Amortization of business partner and non-employee securities, net of tax	(34)	(83)	(200)	(441)
Litigation costs, net of tax	(450)	-	(2,351)	-
Acquisition related costs, net of tax	-	-	(2,598)	-
Gain on sale of investments, net of tax	619	-	619	-
Total non-operating income (loss)	<u>(127)</u>	<u>(290)</u>	<u>(4,792)</u>	<u>(648)</u>
GAAP net income	<u>\$ 1,873</u>	<u>\$ 5,735</u>	<u>\$ 1,754</u>	<u>\$ 25,471</u>
Per share data:				
Basic pre-tax operating income per share	\$ 0.06	\$ 0.18	\$ 0.19	\$ 0.77
Basic tax provision per share	<u>\$ (0.02)</u>	<u>\$ (0.07)</u>	<u>\$ (0.07)</u>	<u>\$ (0.30)</u>
Basic net operating income per share	\$ 0.04	\$ 0.11	\$ 0.12	\$ 0.47
Basic non-operating (loss) per share	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.09)</u>	<u>\$ (0.01)</u>
Basic GAAP earnings (loss) per share	<u>\$ 0.04</u>	<u>\$ 0.11</u>	<u>\$ 0.03</u>	<u>\$ 0.46</u>
Diluted pre-tax operating income per share	\$ 0.06	\$ 0.18	\$ 0.19	\$ 0.75
Diluted tax provision per share	<u>\$ (0.02)</u>	<u>\$ (0.07)</u>	<u>\$ (0.07)</u>	<u>\$ (0.29)</u>
Diluted net operating income per share	\$ 0.04	\$ 0.11	\$ 0.12	\$ 0.46
Diluted non-operating (loss) per share	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.09)</u>	<u>\$ (0.01)</u>
Diluted GAAP earnings (loss) per share	<u>\$ 0.04</u>	<u>\$ 0.10</u>	<u>\$ 0.03</u>	<u>\$ 0.45</u>
Basic weighted average shares of common stock outstanding	<u>50,998</u>	<u>54,398</u>	<u>51,805</u>	<u>55,538</u>
Diluted weighted average shares of common stock outstanding	<u>51,697</u>	<u>55,289</u>	<u>52,586</u>	<u>57,065</u>
Pre-tax operating margin	7.5%	24.9%	8.7%	33.7%

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Cash flows from operating activities:				
Net income	\$ 1,873	\$ 5,735	\$ 1,754	\$ 25,471
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	7,880	6,140	22,050	17,271
Amortization of business partner and non-employee securities	49	136	310	722
Amortization of employee stock based compensation	536	-	1,608	-
Equity in net loss (income) of unconsolidated investments	(10)	32	5	42
Gain on sale of investments	(1,015)	-	(1,015)	-
Deferred income tax expense	741	414	298	1,022
Tax benefit from employee stock options and warrant exercises	25	23	109	958
Issuance of securities under employee benefit plan	61	30	186	90
Changes in operating assets and liabilities:				
Receivable from related parties	(1,757)	(93)	(6,187)	300
Other assets	988	32	490	(1,447)
Payable to related parties	1,611	(141)	(1,056)	(2,907)
Accounts payable and accrued expenses	5,146	9,514	7,469	9,632
Deferred income	(104)	-	(313)	-
Net cash provided by operating activities	<u>16,024</u>	<u>21,822</u>	<u>25,708</u>	<u>51,154</u>
Cash flows from investing activities:				
Purchase of fixed assets	(3,864)	(1,941)	(11,330)	(11,271)
Capitalization of software development costs	(5,876)	(5,200)	(15,399)	(13,647)
Capitalization of patents and related defense costs	(589)	(1,641)	(1,688)	(4,441)
Proceeds from sale of investments	5,840	-	5,840	-
Purchase of investment	-	-	-	(360)
Net cash used in investing activities	<u>(4,489)</u>	<u>(8,782)</u>	<u>(22,577)</u>	<u>(29,719)</u>
Cash flows from financing activities:				
Purchase of Class A common stock	(9,504)	(29,752)	(28,941)	(29,752)
Proceeds from exercises of stock options and warrants	121	58	433	1,811
Receivable from broker on stock option exercises	-	123	-	1,073
Net cash used in financing activities	<u>(9,383)</u>	<u>(29,571)</u>	<u>(28,508)</u>	<u>(26,868)</u>
Net increase (decrease) in cash and cash equivalents	<u>2,152</u>	<u>(16,531)</u>	<u>(25,377)</u>	<u>(5,433)</u>
Cash and cash equivalents at beginning of period	20,567	34,115	19,884	55,318
Reverse repurchase agreements with related parties at beginning of period	161,592	205,483	189,804	173,182
Total cash and cash equivalents at beginning of period	<u>182,159</u>	<u>239,598</u>	<u>209,688</u>	<u>228,500</u>
Cash and cash equivalents at end of period	12,291	37,116	12,291	37,116
Reverse repurchase agreements with related parties at end of period	172,020	185,951	172,020	185,951
Total cash and cash equivalents at end of period	<u>\$ 184,311</u>	<u>\$ 223,067</u>	<u>\$ 184,311</u>	<u>\$ 223,067</u>

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2005	2004	2005	2004
Pre-tax operating income	\$ 2,827	\$ 9,894	\$ 9,925	\$ 42,887
Depreciation and amortization	7,880	6,140	22,050	17,271
Other non-cash and non-operating items	(496)	62	(6,425)	132
Pre-tax operating income adjusted for depreciation, amortization and other	<u>10,211</u>	<u>16,096</u>	<u>25,550</u>	<u>60,290</u>
Income tax (provision) benefit on operating income	(827)	(3,869)	(3,379)	(16,768)
Income tax benefit on non-operating loss	367	186	3,105	414
Deferred income tax expense	741	414	298	1,022
Tax benefit from stock option and warrant exercises	25	23	109	958
Income taxes paid	-	1,665	-	12,851
(Increase) decrease in current income tax payable	306	(1,581)	133	(1,523)
Changes in related party receivable and payable, net	(145)	(234)	(7,243)	(2,607)
Changes in other operating assets and liabilities, net	6,030	7,881	7,646	(4,666)
Charitable contribution Re: 9/11	(378)	(340)	(378)	(340)
Net cash provided by operating activities	<u>16,024</u>	<u>21,822</u>	<u>25,708</u>	<u>51,154</u>
Purchases of fixed assets	(3,864)	(1,941)	(11,330)	(11,271)
Capitalization of software development costs	(5,876)	(5,200)	(15,399)	(13,647)
Capitalization of patents and related defense costs	(589)	(1,641)	(1,688)	(4,441)
Purchase of investment	-	-	-	(360)
Proceeds from sale of investment	5,840	-	5,840	-
Free cash flows	<u>11,535</u>	<u>13,040</u>	<u>3,131</u>	<u>21,435</u>
Related party receivable and payable, net	145	234	7,243	2,607
Free cash flows, net of related party activity	<u>11,680</u>	<u>\$ 13,274</u>	<u>10,374</u>	<u>\$ 24,042</u>

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2005	2004	2005	2004
Revenues	\$ 37,757	\$ 39,771	\$ 114,116	\$ 127,254
Gain on sale of investments [a]	1,015	-	1,015	-
GAAP revenues	<u>\$ 38,772</u>	<u>\$ 39,771</u>	<u>\$ 115,131</u>	<u>\$ 127,254</u>
Operating expenses	\$ 34,930	\$ 29,877	\$ 104,191	\$ 84,367
Amortization of business partner and non-employee securities [b]	49	136	310	722
Litigation costs [c]	705	-	3,722	-
Acquisition related fees [d]	-	-	4,124	-
Charitable contribution Re: 9/11 [e]	378	340	378	340
GAAP expenses	<u>\$ 36,062</u>	<u>\$ 30,353</u>	<u>\$ 112,725</u>	<u>\$ 85,429</u>
Pre-tax operating income	\$ 2,827	\$ 9,894	\$ 9,925	\$ 42,887
Sum of reconciling items = [a] - [b] - [c] - [d] - [e]	(117)	(476)	(7,519)	(1,062)
GAAP income before income tax provision	<u>\$ 2,710</u>	<u>\$ 9,418</u>	<u>\$ 2,406</u>	<u>\$ 41,825</u>
Income tax provision	\$ 827	\$ 3,869	\$ 3,379	\$ 16,768
Income tax benefit on non-operating loss [f]	10	(186)	(2,727)	(414)
GAAP income tax provision	<u>\$ 837</u>	<u>\$ 3,683</u>	<u>\$ 652</u>	<u>\$ 16,354</u>
Net operating income	\$ 2,000	\$ 6,025	\$ 6,546	\$ 26,119
Sum of reconciling items = [a] - [b] - [c] - [d] - [e] - [f]	(127)	(290)	(4,792)	(648)
GAAP net income	<u>\$ 1,873</u>	<u>\$ 5,735</u>	<u>\$ 1,754</u>	<u>\$ 25,471</u>

eSpeed, Inc. and Subsidiaries
Quarterly Market Activity Report

	3Q04	4Q04	1Q05	2Q05	3Q05	% Change 3Q05 vs 2Q05	% Change 3Q05 vs 3Q04
Volume (in billions)							
Fully Electronic Volume - Excluding New Products	6,520	5,669	6,384	7,111	8,014	12.7%	22.9%
Fully Electronic Volume - New Products*	376	497	436	506	376	(25.7%)	(0.1%)
Voice-Assisted Volume	3,491	3,688	4,726	7,401	8,576	15.9%	145.7%
Total Electronic Volume	10,388	9,854	11,546	15,018	16,966	13.0%	63.3%
Electronic Transaction Count							
Fully Electronic Transactions - Excluding New Products	1,127,444	998,215	1,055,479	1,304,403	1,642,579	25.9%	45.7%
Fully Electronic Transactions - New Products*	73,457	92,903	71,309	91,408	115,483	26.3%	57.2%
Voice-Assisted Transactions	157,134	152,883	189,129	215,229	224,291	4.2%	42.7%
Total Transactions	1,358,035	1,244,001	1,315,917	1,611,040	1,982,353	23.0%	46.0%
eSpeed Equities Direct Access (Number of Shares Traded in Millions)	105	123	168	178	154	(13.3%)	47.2%
Trading Days	64	62	61	64	64		

Trading Days			
2006			
Q1 62	Q2 63	Q3 63	Q4 62
2005			
Q1 61	Q2 64	Q3 64	Q4 61
2004			
Q1 62	Q2 62	Q3 64	Q4 62

* New Products defined as Mortgage-Backed Securities, Foreign Exchange, Interest Rate Swaps, Repos and Futures. CBOT Futures volume calculated based on per contract notional value of \$200,000 for the two year contract and \$100,000 for all others.

Global Interest Rate Futures Volume (1)							
CBOT - US Treasury Contracts	97,875,096	102,886,955	113,756,640	120,086,840	109,470,625	(8.8%)	11.8%
CME - Euro \$ Contracts	82,256,775	75,602,802	90,815,456	117,034,054	105,199,005	(10.1%)	27.9%
EUREX - Bund Contracts	55,998,582	64,362,839	83,539,303	80,150,635	66,780,116	(16.7%)	19.3%
Fed UST Volume (in billions) (2)							
UST Volume	31,080	31,086	34,570	36,749	34,554	(6.0%)	11.2%
Average Daily UST Volume	486	501	567	574	540	(6.0%)	11.2%
NYSE - Volume (shares traded) - in millions (3)							
Transaction Value - in millions	84,905	95,990	99,372	100,439	98,074	(2.4%)	15.5%
	2,632,744	3,133,420	3,416,701	3,456,359	3,513,352	1.6%	33.4%
NASDAQ - Volume (shares traded) - in millions (4)							
Transaction Value - in millions	99,636	119,651	121,179	112,473	104,927	(6.7%)	5.3%
	1,896,115	2,398,921	2,585,334	2,467,331	2,353,027	(4.6%)	24.1%

Sources: (1) Futures Industry Association - Monthly Volume Report - (www.cbct.com, www.cme.com, www.eurexexchange.com)
(2) www.ny.frb.org/pihome/statistics/dealer - Federal Reserve Bank
(3) NYSE - www.nyse.com
(4) NASDAQ - www.marketdata.nasdaq.com

Fiscal Year 2004	Jan'04	Feb'04	Mar'04	Apr'04	May'04	Jun'04	Jul'04	Aug'04	Sep'04
Volume Data (in billions)									
Fully Electronic	2,982	2,464	2,897	2,912	2,550	2,528	2,151	2,134	2,612
Voice	1,144	1,146	1,296	1,058	1,019	994	1,180	1,023	1,288
Total	4,126	3,610	4,192	3,970	3,569	3,522	3,331	3,157	3,900
Transaction Count									
Fully Electronic	449,197	379,084	460,327	460,211	417,503	413,309	361,945	376,279	462,677
Voice	57,178	54,485	63,373	56,948	55,533	53,425	51,941	46,242	58,951
Total	506,375	433,569	523,700	517,159	473,036	466,734	413,886	422,521	521,628
Trading Days	20	19	23	21	20	21	21	22	21
Fiscal Year 2005									
Volume Data (in billions)									
Fully Electronic	2,027	2,229	2,565	2,524	2,499	2,595	2,251	2,722	3,416
Voice	1,550	1,628	1,548	1,922	2,116	3,363	2,568	2,820	3,188
Total	3,577	3,857	4,113	4,445	4,614	5,959	4,819	5,543	6,604
Transaction Count									
Fully Electronic	341,336	362,482	422,970	440,972	452,148	502,691	472,307	553,028	732,727
Voice	64,431	59,901	64,797	64,006	67,051	84,172	67,245	72,763	84,283
Total	405,767	422,383	487,767	504,978	519,199	586,863	539,552	625,791	817,010
Trading Days	20	19	22	21	21	22	20	23	21