

**eSpeed, Inc. and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**For the three months ended December 31, 2002 and December 31, 2001**  
**(unaudited)**

	<u>For the three months ended</u>	
	December 31, 2002	December 31, 2001
Revenues:		
Transaction revenues with related parties		
Fully electronic transactions	\$ 22,435,223	\$ 17,677,220
Voice assisted brokerage transactions	4,072,900	5,277,869
Screen assisted open outcry transactions	51,083	71,534
Total transaction revenues with related parties	<u>26,559,206</u>	<u>23,026,623</u>
Software Solution fees from related parties	3,459,783	3,507,492
Software Solutions and licensing fees from unrelated parties	2,075,344	621,993
Interest income from related parties	682,759	974,325
Total revenues	<u>32,777,092</u>	<u>28,130,433</u>
Expenses:		
Compensation and employee benefits	8,750,468	7,312,428
Occupancy and equipment	6,814,440	7,219,670
Professional and consulting fees	1,394,175	3,336,001
Communications and client networks	1,819,061	1,435,942
Marketing	263,224	357,702
Administrative fees paid to related parties	2,555,341	2,044,496
Other	1,844,357	1,812,044
Total operating expenses	<u>23,441,066</u>	<u>23,518,283</u>
Income from operations before income taxes	<u>9,336,026</u>	<u>4,612,150</u>
Income tax provision:		
Federal	-	-
State and local	128,501	144,000
Total tax provision	<u>128,501</u>	<u>144,000</u>
Net income from operations	<u>9,207,525</u>	<u>4,468,150</u>
Non-operating activities:		
Gain on replacement of assets	-	2,680,000
Loss on unconsolidated investments	(950,000)	-
Provision for September 11, 2001 events	1,200,507	(170,781)
One-time receipt regarding September 11, 2001 events	-	1,216,146
Non-cash business partner securities	(705,027)	(406,403)
Total non-operating income (loss)	<u>(454,520)</u>	<u>3,318,962</u>
Net income	<u>\$ 8,753,005</u>	<u>\$ 7,787,112</u>
Per share data:		
Basic net income per share from operating activities	\$ 0.17	\$ 0.08
Non-operating income (loss) per share	<u>\$ (0.01)</u>	<u>\$ 0.06</u>
Basic net income per share	<u>\$ 0.16</u>	<u>\$ 0.14</u>
Fully diluted net income per share	<u>\$ 0.15</u>	<u>\$ 0.14</u>
Basic weighted average shares of common stock outstanding	<u>55,027,774</u>	<u>54,945,779</u>
Fully diluted weighted average shares of common stock outstanding	<u>57,309,037</u>	<u>55,704,502</u>