

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

	For the year ended	
	December 31, 2002	December 31, 2001
Revenues:		
Transaction revenues with related parties		
Fully electronic transactions	\$ 88,039,301	\$ 75,429,874
Voice assisted brokerage transactions	17,551,873	22,553,037
Screen assisted open outcry transactions	190,321	385,115
Total transaction revenues with related parties	<u>105,781,495</u>	<u>98,368,026</u>
Software Solution fees from related parties	13,206,987	16,283,305
Software Solutions and licensing fees from unrelated parties	4,512,063	1,961,589
Interest income from related parties	2,904,580	5,675,894
Total revenues	<u>126,405,125</u>	<u>122,288,814</u>
Expenses:		
Compensation and employee benefits	36,498,880	53,437,250
Occupancy and equipment	24,862,758	29,549,068
Professional and consulting fees	5,657,752	10,568,007
Communications and client networks	6,335,606	8,108,618
Marketing	4,778,092	4,355,661
Administrative fees paid to related parties	9,134,016	9,797,996
Other	7,217,396	8,568,667
Total operating expenses	<u>94,484,500</u>	<u>124,385,267</u>
Income (loss) from operations before income taxes	<u>31,920,625</u>	<u>(2,096,453)</u>
Income tax provision:		
Federal	-	-
State and local	478,567	531,000
Total tax provision	<u>478,567</u>	<u>531,000</u>
Net income (loss) from operations	<u>31,442,058</u>	<u>(2,627,453)</u>
Non-operating activities:		
Gain on replacement of assets	-	2,680,000
Loss on unconsolidated investments	(950,000)	(3,833,679)
Provision for September 11, 2001 events	1,200,507	(14,539,335)
One-time receipt regarding September 11, 2001 events	-	1,216,146
Business interruption insurance proceeds	12,832,886	-
Charitable contributions Re: 9/11	(500,000)	-
Non-cash business partner securities	(2,059,099)	(1,222,631)
Total non-operating income (loss)	<u>10,524,294</u>	<u>(15,699,499)</u>
Net income (loss)	<u>\$ 41,966,352</u>	<u>\$ (18,326,952)</u>
Per share data:		
Basic net income (loss) per share from operating activities	\$ 0.57	\$ (0.05)
Non-operating income (loss) per share	<u>\$ 0.19</u>	<u>\$ (0.29)</u>
Basic net income (loss) per share	<u>\$ 0.76</u>	<u>\$ (0.34)</u>
Fully diluted net income per share	<u>\$ 0.74</u>	<u>\$ (0.34)</u>
Basic weighted average shares of common stock outstanding	<u>54,991,400</u>	<u>54,296,811</u>
Fully diluted weighted average shares of common stock outstanding	<u>56,784,436</u>	<u>54,296,811</u>