

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

	Three Months Ended December 31,		Year Ended December 31,	
	2003	2002	2003	2002
	(unaudited)		(unaudited)	
Cash flows from operating activities:				
Net income	\$ 8,557	\$ 8,753	\$ 36,096	\$ 41,966
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	5,000	4,154	18,044	14,191
Amortization of business partner and non-employee securities	452	705	2,167	2,059
Loss on unconsolidated investments	-	950	-	950
Provision for September 11 Events	-	(1,200)	-	(1,200)
Equity in net (income) loss of unconsolidated investments	105	(12)	185	190
Deferred income tax expense	988	-	4,469	-
Tax benefit from stock option and warrant exercises	1,760	-	4,870	-
Issuance of securities under employee benefit plan	96	-	256	52
Changes in operating assets and liabilities:				
Receivable from related parties	948	1,327	3,748	3,021
Other assets	945	(46)	215	313
Payable to related parties	2,777	4,565	(12,534)	3,701
Accounts payable and accrued liabilities	(8,317)	(17,403)	(433)	(6,495)
Net cash provided by operating activities	13,311	1,793	57,083	58,748
Cash flows from investing activities:				
Purchase of fixed assets	(6,472)	(3,370)	(10,943)	(9,770)
Sale of fixed assets	-	-	2,752	-
Capitalization of software development costs	(3,032)	(2,369)	(12,628)	(8,332)
Capitalization of patents and related legal costs	(1,039)	(3,510)	(4,710)	(13,741)
Net cash used in investing activities	(10,543)	(9,249)	(25,529)	(31,843)
Cash flows from financing activities:				
Repurchase of Class A common stock	-	-	(1,872)	-
Proceeds from exercises of stock options and warrants	5,701	1,161	11,838	1,195
Receivable from broker on stock option exercises	3,046	-	(1,019)	-
Net cash provided by financing activities	8,747	1,161	8,947	1,195
Net increase (decrease) in cash and cash equivalents	11,515	(6,295)	40,501	28,100
Cash and cash equivalents, beginning of period	216,985	194,294	187,999	159,899
Cash and cash equivalents, end of period	\$ 228,500	\$ 187,999	\$ 228,500	\$ 187,999

Note: Certain prior period amounts have been reclassified to conform to the current period presentation.