

U.S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): May 3, 2004

eSPEED, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	0-28191	13-4063515
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

135 East 57th Street, New York, New York	10022
(Address of Principal Executive Offices)	(Zip Code)

(212) 938-5000
(Registrant's Telephone Number, Including Area Code)

Not applicable

(Former Name or Address, if Changed Since Last Report)

## **ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS**

(c) Exhibits.

See Exhibit Index attached to this Current Report on Form 8-K.

## **ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

On May 3, 2004, eSpeed, Inc. (the "Registrant") issued a press release announcing its preliminary operating statistics for the quarter ended March 31, 2004. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

In accordance with the procedural guidance in SEC Release No. 33-8216, the information in this Current Report on Form 8-K and the Exhibit attached to this Current Report on Form 8-K are being furnished under Item 12 of Form 8-K. The information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such filing.

In the press release, the Registrant uses non-GAAP financial measures of revenues, income before income tax provision, net income and earnings per share to supplement its consolidated financial statements presented in accordance with generally accepted accounting principles, or GAAP, and to better reflect its quarter-over-quarter and comparative first quarter operating performance. The Registrant also provides a computation of free cash flows. These non-GAAP financial measures do not replace the presentation of GAAP financial results but are provided to enhance overall understanding of the Registrant's current financial performance and prospects for the future. Specifically, the Registrant's management believes that the non-GAAP financial results provide useful information to both management and investors regarding certain additional financial and business trends relating to its financial condition and results from operations. In addition, management uses these measures for reviewing the Registrant's financial results and evaluating its financial performance.

### **SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

eSpeed, Inc.

*Date: May 3, 2004*

*By: /s/ Howard W. Lutnick*

-----  
*Howard W. Lutnick  
Chairman, Chief Executive Officer  
and President*

## **EXHIBIT INDEX**

### **Exhibit**

99.1 Press release of eSpeed, Inc. dated May 3, 2004 containing preliminary operating statistics for the quarter ended March 31, 2004.

## EXHIBIT 99.1

### **ESPEED REPORTS STRONG FIRST QUARTER 2004 FULLY TAXED OPERATING EPS OF \$0.19 AND GAAP EPS OF \$0.18**

### **FIRST QUARTER PRE-TAX OPERATING EARNINGS PER SHARE OF \$0.31 INCREASE 72 PERCENT AND QUARTERLY REVENUES GROW 31 PERCENT YEAR OVER YEAR TO \$44.6 MILLION**

### **COMPANY REITERATES GUIDANCE FOR FULL YEAR 2004**

NEW YORK - May 3, 2004 - eSpeed, Inc. (NASDAQ:ESPD), the leading developer of electronic trading technology, today reported results for the first quarter ended March 31, 2004.

#### **EARNINGS**

eSpeed reported net income of \$10.7 million, or \$0.18 per diluted share, for the first quarter 2004 on a Generally Accepted Accounting Principles (GAAP) basis. To reflect earnings generated from the Company's operations, eSpeed also reports operating income. For the same period, the Company reported fully taxed operating income of \$11.0 million, or \$0.19 per diluted share. The difference between fully taxed operating income and GAAP net income was a \$0.3 million non-cash charge for business partner securities. For comparative purposes, eSpeed reported pre-tax operating income of \$18.0 million, or \$0.31 per diluted share, in the first quarter 2004, compared to \$10.1 million in pre-tax operating income, or \$0.18 per diluted share reported in the first quarter 2003, 78 percent and 72 percent increases respectively.

#### **REVENUES**

eSpeed's total revenues for the first quarter 2004 were \$44.6 million, 31 percent higher than total revenues of \$34.0 million for the first quarter 2003. First quarter 2004 fully electronic revenues were \$30.5 million, up 36 percent compared to \$22.5 million in the first quarter 2003. Total revenues from Software Solutions in the first quarter 2004 were \$7.1 million versus \$5.8 million in the first quarter 2003, an increase of 22 percent.

First quarter 2004 pre-tax operating margins grew to 40.3 percent versus 29.6 percent in the first quarter 2003 and compared to 36.9 percent in the fourth quarter 2003.

Howard W. Lutnick, Chairman & CEO of eSpeed, commented, "We are proud to have reported strong top and bottom line results this quarter. Our pre-tax operating margin of over 40 percent for the first quarter clearly demonstrates the strength and leverage of our business model."

#### **VOLUME & TRANSACTIONS**

Fully electronic volume for the first quarter 2004 was \$8.3 trillion, a 22 percent increase over \$6.8 trillion for the first quarter 2003. eSpeed's total electronic volume, including fully electronic and voice-assisted transactions, for the first quarter 2004 was \$11.9 trillion, up 27 percent from \$9.4 trillion in the first quarter 2003. This growth compares to a 26 percent increase in US Treasury volume as reported by the Federal Reserve over the same period. Average daily Federal Reserve US Treasury volume was \$481 billion for the first quarter.

Lee Amaitis, Vice Chairman of eSpeed, commented, "The continued success of our Price Improvement product enhancement was illustrated in the solid growth we saw this quarter in both revenues and volumes. We will continue to add value to our clients' execution capabilities with the introduction this quarter of our product enhancement Better Fill. We are excited to be able to offer additional proprietary trading tools that can improve the quality of our customers' trade executions and their profitability."

Fully electronic notional volume for new products, which we define as mortgage-backed securities, foreign exchange, interest rate swaps, and futures, was \$133 billion in the first quarter 2004, compared to \$21 billion in

the fourth quarter 2003. Volume for the eSpeed Equities direct access product was 85 million shares in the first quarter 2004, up from 56 million shares in the fourth quarter 2003. This is the first time eSpeed has reported these new metrics.

Additionally, the Company announced that it launched its U.S. Treasury repos product in early April. Data regarding this new product rollout will be reported with new product volume beginning in the second quarter.

Mr. Amaitis continued, "We are aggressively launching new products including repos, and while we are in the early stages of these initiatives, we are pleased to offer increased transparency into our new product volumes. As expected, no single new product has yet reached traction, but we are encouraged by our results over the last two quarters."

## **FREE CASH FLOW & CASH**

The Company generated free cash flow of \$2.4 million for the first quarter 2004. Excluding related party receivables and payables, free cash flow for the first quarter was \$5.9 million. This free cash flow is net of a \$7.2 million purchase of fixed assets. The Company is entitled to receive \$19.5 million of replacement insurance related to September 11, 2001.

As of March 31, 2004, eSpeed's cash and cash equivalents was approximately \$233 million.

## **OUTLOOK**

The Company is maintaining its previously stated guidance for the full year 2004. eSpeed continues to expect to generate revenues in excess of \$185 million and expects its pre-tax operating margins to exceed 41 percent for the full year 2004. eSpeed anticipates that its incremental margins will exceed 75 percent for the full year 2004. Operating earnings after tax for 2004 are expected to be in a range of \$0.80 to \$0.84 per diluted share. This guidance is based on the Company's expectations that average daily Federal Reserve US Treasury volume will be between \$490 and \$510 billion for the full year 2004.

For the second quarter 2004, eSpeed expects operating earnings to be in the range of \$0.19 to \$0.20 per share diluted and after-tax. This guidance is based on the Company's expectations that the average daily Federal Reserve US Treasury volume will be between \$490 and \$510 billion for the second quarter 2004.

In conclusion, Mr. Lutnick added, "As we look ahead for the rest of 2004, we remain confident in eSpeed's leadership position in US Treasuries, continue to have high expectations about the increased acceptance of our product enhancements, and are committed to successfully rolling out new products. To further ensure our success, we have strengthened our management team with the additions of Kevin Foley, our new President, and Paul Saltzman, our new Chief Operating Officer. With Kevin's extensive career that has been focused largely on the convergence of financial products and trading technology, along with his expertise in foreign exchange and equities, and Paul's relationships and experience in the fixed income markets, they are uniquely qualified to make a significant contribution toward our growth in new products and in our company."

## **NON-GAAP FINANCIAL MEASURES**

To supplement eSpeed's consolidated financial statements presented in accordance with GAAP and to better reflect the Company's quarter-over-quarter and comparative year-over-year operating performance, eSpeed uses non-GAAP financial measures of revenues, income before income tax provision, net income and earnings per share, which are adjusted to exclude certain non-operating expenses and gains. In addition, the Company provides a computation of free cash flows. These non-GAAP financial measurements do not replace the presentation of eSpeed's GAAP financial results but are provided to improve overall understanding of the Company's current financial performance and its prospects for the future. Specifically, eSpeed believes the non-GAAP financial results provide useful information to both management and investors regarding certain additional financial and business trends relating to the Company's financial condition and results from operations. In addition, eSpeed's management uses these measures for reviewing the Company's financial

results and evaluating eSpeed's financial performance. In the first quarter 2004, the difference between GAAP net income and non-GAAP net operating income was \$0.3 million.

## **ABOUT ESPEED, INC.**

eSpeed, Inc. (NASDAQ: ESPD), is the leader in developing and deploying electronic marketplaces and related trading technology that offers traders access to the most liquid, efficient and neutral financial markets in the world. eSpeed operates multiple buyer, multiple seller real-time electronic marketplaces for the global capital markets, including the world's largest government bond markets and other fixed income and equities marketplaces. eSpeed's suite of marketplace tools provides end-to-end transaction solutions for the purchase and sale of financial and non-financial products over eSpeed's global private network or via the Internet. eSpeed's neutral platform, reliable network, straight-through processing and superior products make it the trusted source for electronic trading at the world's largest fixed income and foreign exchange trading firms and major exchanges. To learn more, please visit [www.espeed.com](http://www.espeed.com).

Statements contained in this Press Release, which are not historical facts, are forward-looking statements, as the term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from those currently anticipated due to a number of factors, which include, but are not limited to: the effects of the attacks on the World Trade Center, market volatility, the limited operating history of eSpeed, Inc., and its ability to enter into marketing and strategic alliances, to effectively manage its growth, to expand the use of its electronic systems and to induce clients to use its marketplaces and services, and other factors that are discussed in eSpeed's Annual Report on Form 10-K, filed with the Securities and Exchange Commission.

## **CONTACTS:**

### **INVESTORS:**

Maureen Murphy  
212.610.2430

### **MEDIA:**

Tom Ryan  
212.610.2425

**ESPEED, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**  
(In thousands, except share data)

	MARCH 31, 2004	DECEMBER 31, 2003
	-----	-----
	(UNAUDITED)	
Assets		
Cash and cash equivalents	\$ 232,988	\$ 228,500
Fixed assets, net	41,638	34,467
Investments	12,317	11,449
Intangible assets, net	18,380	18,927
Receivable from related parties	756	1,518
Other assets	3,119	2,707
	-----	-----
Total assets	\$ 309,198	\$ 297,568
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Payable to related parties	\$ 2,064	\$ 6,323
Accounts payable and accrued liabilities	21,991	19,560
	-----	-----
Total liabilities	24,055	25,883
	-----	-----
Stockholders' Equity:		
Preferred stock, par value \$0.01 per share; 50,000,000 shares authorized, 600 and 8,000,600 shares issued and outstanding at March 31, 2004 and December 31, 2003, respectively	--	80
Class A common stock, par value \$.01 per share; 200,000,000 shares authorized; 32,400,724 and 30,953,867 shares issued at March 31, 2004 and December 31, 2003, respectively	324	310
Class B common stock, par value \$.01 per share; 100,000,000 shares authorized; 23,889,270 and 25,139,270 shares issued and outstanding at March 31, 2004 and December 31, 2003, respectively	239	251
Additional paid-in capital	289,988	287,593
Unamortized expense of business partner and non-employee securities	(748)	(1,192)
Treasury stock, at cost: 186,399 shares of Class A common March 31, 2004 and December 31, 2003, respectively	(2,094)	(2,094)
Accumulated deficit	(2,566)	(13,263)
	-----	-----
Total stockholders' equity	285,143	271,685
	-----	-----
Total liabilities and stockholders' equity	\$ 309,198	\$ 297,568
	=====	=====

**ESPEED, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME (unaudited)**  
(in thousands, except per share data)

	THREE MONTHS ENDED MARCH 31,	
	2004	2003
Revenues:		
Transaction revenues with related parties		
Fully electronic transactions	\$ 30,527	\$ 22,510
Voice-assisted brokerage transactions	6,026	5,161
Screen-assisted open outcry transactions	231	49
	-----	-----
Total transaction revenues with related parties	36,784	27,720
Software Solutions fees from related parties	4,112	3,650
Software Solutions and licensing fees from unrelated parties	2,998	2,131
Interest income	744	542
	-----	-----
Total revenues	44,638	34,043
	-----	-----
Expenses:		
Compensation and employee benefits	9,315	8,844
Occupancy and equipment	8,482	7,177
Professional and consulting fees	933	1,111
Communications and client networks	1,613	1,594
Marketing	386	334
Administrative fees to related parties	2,957	2,578
Other	2,947	2,320
	-----	-----
Total operating expenses	26,633	23,958
	-----	-----
Pre-tax operating income	18,005	10,085
Income tax provision (benefit)	7,039	(95)
	-----	-----
Net operating income	10,966	10,180
	-----	-----
Non-operating (loss):		
Amortization of business partner and non-employee securities, net of tax	(271)	(705)
	-----	-----
Total non-operating (loss)	(271)	(705)
	-----	-----
GAAP net income	\$ 10,695	\$ 9,475
	=====	=====
Per share data:		
Basic pre-tax operating income per share	\$ 0.32	\$ 0.18
Basic tax (provision) benefit per share	\$ (0.13)	\$ 0.00
	-----	-----
Basic net operating income per share	\$ 0.20	\$ 0.18
	-----	-----
Basic non-operating (loss) per share	\$ (0.00)	\$ (0.01)
	-----	-----
Basic GAAP earnings per share	\$ 0.19	\$ 0.17
	=====	=====
Diluted pre-tax operating income per share	\$ 0.31	\$ 0.18
Diluted tax (provision) benefit per share	\$ (0.12)	\$ 0.00
	-----	-----
Diluted net operating income per share	\$ 0.19	\$ 0.18
Diluted non-operating (loss) per share	\$ (0.00)	\$ (0.01)
	-----	-----
Diluted GAAP earnings per share	\$ 0.18	\$ 0.17
	=====	=====
Basic weighted average shares of common stock outstanding	56,074	55,096
	=====	=====
Diluted weighted average shares of common stock outstanding	58,253	57,372
	=====	=====
Additional data:		
Pre-tax operating margin	40.3%	29.6%
	=====	=====



**ESPEED, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME IN ACCORDANCE WITH GAAP (unaudited)**  
(in thousands, except per share data)

	THREE MONTHS ENDED MARCH 31,	
	2004	2003
Revenues:		
Transaction revenues with related parties		
Fully electronic transactions	\$ 30,527	\$ 22,510
Voice-assisted brokerage transactions	6,026	5,161
Screen-assisted open outcry transactions	231	49
	-----	-----
Total transaction revenues with related parties	36,784	27,720
Software Solutions fees from related parties	4,112	3,650
Software Solutions and licensing fees from unrelated parties	2,998	2,131
Interest income	744	542
	-----	-----
Total revenues	44,638	34,043
	-----	-----
Expenses:		
Compensation and employee benefits	9,315	8,844
Occupancy and equipment	8,482	7,177
Professional and consulting fees	933	1,111
Communications and client networks	1,613	1,594
Marketing	386	334
Administrative fees to related parties	2,957	2,578
Amortization of business partner and non-employee securities	444	705
Other	2,947	2,320
	-----	-----
Total expenses	27,077	24,663
	-----	-----
Income before income tax provision	17,561	9,380
Income tax provision (benefit)	6,866	(95)
	-----	-----
Net income	\$ 10,695	\$ 9,475
	=====	=====
Per share data:		
Basic earnings per share	\$ 0.19	\$ 0.17
	=====	=====
Diluted earnings per share	\$ 0.18	\$ 0.17
	=====	=====
Basic weighted average shares of common stock outstanding	56,074	55,096
	=====	=====
Diluted weighted average shares of common stock outstanding	58,253	57,372
	=====	=====

**ESPEED, INC. & SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)**  
(in thousands)

	THREE MONTHS ENDED MARCH 31, 2004	2003
	-----	-----
Cash flows from operating activities:		
Net income	\$ 10,695	\$ 9,475
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,376	3,963
Amortization of business partner and non-employee securities	444	705
Equity in net loss of unconsolidated investments	(29)	33
Deferred income tax expense	63	--
Tax benefit from stock option and warrant exercises	791	--
Issuance of securities under employee benefit plan	30	100
Changes in operating assets and liabilities:		
Receivable from related parties	762	(4,811)
Other assets	(1,450)	(1,179)
Payable to related parties	(4,259)	(16,129)
Accounts payable and accrued expenses	2,372	(2,158)
	-----	-----
Net cash provided by (used in) operating activities	14,795	(10,001)
	-----	-----
Cash flows from investing activities:		
Purchase of fixed assets	(7,226)	(636)
Sale of fixed assets	--	2,752
Capitalization of software development costs	(3,896)	(3,204)
Capitalization of patent defense and registration costs	(877)	(286)
Purchase of investment	(360)	--
	-----	-----
Net cash used in investing activities	(12,359)	(1,374)
	-----	-----
Cash flows from financing activities:		
Repurchase of Class A common stock	-	(1,872)
Proceeds from exercises of stock options and warrants	1,495	363
Receivable from broker on stock option exercises	557	-
	-----	-----
Net cash provided by (used in) financing activities	2,052	(1,509)
	-----	-----
Net increase (decrease) in cash and cash equivalents	4,488	(12,884)
	-----	-----
Cash and cash equivalents at beginning of period	228,500	187,999
	-----	-----
Cash and cash equivalents at end of period	\$232,988	\$175,115
	=====	=====

**ESPEED, INC. & SUBSIDIARIES**  
**COMPUTATION OF CONSOLIDATED FREE CASH FLOWS (unaudited)**  
(in thousands)

	THREE MONTHS ENDED MARCH 31,	
	2004	2003
	----	----
Pre-tax operating income	\$ 18,005	\$ 10,085
Depreciation and amortization	5,376	3,963
Other non-cash items	1	133
	-----	-----
Pre-tax operating income adjusted for depreciation, amortization and other	23,382	14,181
	-----	-----
Income tax (provision) benefit on operating income	(7,039)	95
Income tax benefit on non-operating loss	173	--
Deferred income tax expense	63	--
Tax benefit from stock option and warrant exercises	791	--
Income taxes paid	1,601	--
	-----	-----
(Increase) decrease in current income tax payable	(4,411)	95
Changes in related party receivable and payable, net	(3,497)	(20,940)
Changes in other operating assets and liabilities, net	(679)	(3,337)
	-----	-----
Net cash provided by (used in) operating activities	14,795	(10,001)
	-----	-----
Purchase of fixed assets	(7,226)	(636)
Sale of fixed assets	-	2,752
Capitalization of software development costs	(3,896)	(3,204)
Capitalization of patent defense and registration costs	(877)	(286)
Purchase of investment	(360)	--
	-----	-----
Free cash flows	2,436	(11,375)
	-----	-----
Related party receivable and payable, net	3,497	20,940
	-----	-----
Free cash flows, net of related party activity	\$ 5,933	\$ 9,565
	=====	=====

**ESPEED, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO GAAP (unaudited)**

	THREE MONTHS ENDED MARCH 31,	
	2004	2003
Revenues	\$ 44,638	\$34,043
GAAP revenues	\$ 44,638	\$34,043
Operating expenses	\$ 26,633	\$23,958
Amortization of business partner and non-employee securities [a]	\$ 444	\$ 705
GAAP expenses	\$ 27,077	\$24,663
Pre-tax operating income	18,005	10,085
Sum of reconciling items = - [a]	(444)	(705)
GAAP income before income tax provision	\$ 17,561	\$ 9,380
Income tax provision (benefit)	\$ 7,039	\$ (95)
Income tax benefit on non-operating loss [b]	(173)	--
GAAP income tax provision	\$ 6,866	\$ (95)
Net operating income	\$ 10,966	\$10,180
Sum of reconciling items = [a] + [b]	(271)	(705)
GAAP net income	\$ 10,695	\$ 9,475
	=====	=====

**ESPEED, INC. AND SUBSIDIARIES**  
**QUARTERLY MARKET ACTIVITY REPORT**

						% Change	% Change
	1Q03	2Q03	3Q03	4Q03**	1Q04	1Q04 vs 4Q03	1Q04 vs 1Q03
VOLUME (IN BILLIONS)							
-----							
Fully Electronic Volume - Excluding New Products	6,778	7,781	9,610	7,535	8,209	8.9%	21.1%
Fully Electronic Volume - New Products*	N/A	N/A	N/A	21	133	535.6%	-
Voice-Assisted Volume	2,592	2,662	2,825	2,756	3,586	30.1%	38.4%
	-----	-----	-----	-----	-----	-----	-----
Total Electronic Volume	9,369	10,443	12,435	10,312	11,928	15.7%	27.3%
	=====	=====	=====	=====	=====	=====	=====
ELECTRONIC TRANSACTION COUNT							
Fully Electronic Transactions - Excluding New Products	1,079,595	1,194,625	1,465,263	1,208,331	1,264,612	4.7%	17.1%
Fully Electronic Transactions - New Products*	N/A	N/A	N/A	6,242	23,996	284.4%	-
Voice-Assisted Transactions	151,770	148,223	157,901	149,181	175,036	17.3%	15.3%
	-----	-----	-----	-----	-----	-----	-----
Total Transactions	1,231,365	1,342,848	1,623,164	1,363,754	1,463,644	7.3%	18.9%
	=====	=====	=====	=====	=====	=====	=====
eSpeed Equities Direct Access (Number of Shares Traded In Millions)	N/A	N/A	N/A	56	85	51.4%	-
	=====	=====	=====	=====	=====	=====	=====
Trading Days	61	63	64	62	62		

Trading Days			
-----			
2004			
----			
Q1	Q2	Q3	Q4
--	--	--	--
62	63	64	62
2003			
----			
Q1	Q2	Q3	Q4
--	--	--	--
61	63	64	62
-----			

\* New Products defined as Mortgage-Backed Securities, Foreign Exchange, Interest Rate Swaps, and CBOT 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.

\*\* Modification in our calculation based on recognition of new product volume.

Global Interest Rate Futures Volume (1)							
CBOT - US Treasury Contracts	60,743,312	71,290,686	83,851,953	72,558,944	85,432,539	17.7%	40.6%
CME - Euro \$ Contracts	44,124,452	55,958,592	56,273,797	52,414,323	59,434,778	13.4%	34.7%
EUREX - Bund Contracts	65,864,492	63,455,364	63,377,019	51,717,399	62,145,662	20.2%	(5.6%)
Fed UST Volume (in billions) (2)							
UST Volume	23,740	28,319	30,590	26,189	29,843	13.9%	25.7%
Average Daily UST Volume	389	450	478	422	481	13.9%	23.7%
NYSE - Volume (shares traded)							
- in millions (3)	86,585	92,981	87,303	85,529	95,386	11.5%	10.2%
Transaction Value - in millions	2,173,033	2,497,359	2,475,689	2,546,235	2,970,628	16.7%	36.7%
NASDAQ - Volume (shares traded)							
- in millions (4)	88,636	112,524	110,672	112,636	126,314	12.1%	42.5%
Transaction Value - in millions	1,390,364	1,739,506	1,896,887	2,030,335	2,312,291	13.9%	66.3%

Sources: (1) Futures Industry Association - Monthly Volume Report -  
(www.cbot.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 2003	Jan'03	Feb'03	Mar'03	Fiscal Year 2004	Jan'04	Feb'04	Mar'04
------------------	--------	--------	--------	------------------	--------	--------	--------

Volume Data (in billions)				
	Fully Electronic	2,309	1,906	2,564
	Voice	864	810	917
	Total	3,173	2,716	3,481
Transaction Count				
	Fully Electronic	370,992	305,296	403,307
	Voice	49,801	48,449	53,520
	Total	420,793	353,745	456,827
Trading Days				
		21	19	21
-----				

Volume Data (in billions)				
	Fully Electronic	2,982	2,464	2,897
	Voice	1,144	1,146	1,296
	Total	4,126	3,610	4,192
Transaction Count				
	Fully Electronic	449,197	379,084	460,327
	Voice	57,178	54,485	63,373
	Total	506,375	433,569	523,700
Trading Days				
		20	19	23
-----				