

UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

**For the quarterly period ended March 31, 2005**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-27582

**SPEEDUS CORP.**

(Exact name of registrant as specified in its charter)

Delaware

13-3853788

-----  
(State or other jurisdiction of  
incorporation or organization)

-----  
(I.R.S. Employer Identification No.)

9 Desbrosses Street, Suite 402  
Brooklyn, New York

10013

-----  
(Address of principal executive offices)

-----  
(Zip Code)

888-773-3669

-----  
(Registrant's telephone number, including area code)

Not Applicable

-----  
(Former name, former address and former fiscal year, if changed  
since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of outstanding shares of the registrant's common stock, par value \$.01 per share, as of May 10, 2005 was 16,218,725.

**SPEEDUS CORP.**  
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**SPEEDUS CORP.**  
**CONSOLIDATED BALANCE SHEETS**

	<b>March 31, 2005</b>	<b>December 31, 2004</b>
	<u>(unaudited)</u>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 17,584,684	\$ 17,740,865
United States Treasury bills	4,971,100	5,977,200
Marketable securities	1,185,072	1,060,592
Prepaid expenses and other	180,254	173,979
Accounts and other receivables	4,650	49,134
Total current assets	<u>23,925,760</u>	<u>25,001,770</u>
Property and equipment, net of accumulated depreciation of \$206,812 and \$175,457	584,861	609,840
Other intangible assets, net of accumulated amortization of \$2,010,970 and \$1,812,249	1,219,074	1,417,795
Other investments	900,000	900,000
Other assets	811,028	752,869
Total assets	<u>\$ 27,440,723</u>	<u>\$ 28,682,274</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 245,916	\$ 315,742
Accrued liabilities	1,280,179	1,357,720
Total current liabilities	<u>1,526,095</u>	<u>1,673,462</u>
Minority interest	34,215	159,294
Stockholders' equity:		
Common stock (\$.01 par value; 50,000,000 shares authorized; 21,587,674 and 21,516,088 shares issued)	215,877	215,877
Preferred stock (\$.01 par value; 20,000,000 shares authorized):		
Series A Junior Participating (\$.01 par value; 4,000 shares authorized; no shares issued and outstanding)	---	---
Additional paid-in-capital	90,552,633	90,546,583
Treasury stock (at cost; 5,368,949 and 5,368,949 shares)	(5,499,684)	(5,499,684)
Accumulated deficit	(59,388,413)	(58,413,258)
Stockholders' equity	<u>25,880,413</u>	<u>26,849,518</u>
Total liabilities and stockholders' equity	<u>\$ 27,440,723</u>	<u>\$ 28,682,274</u>

The accompanying notes are an integral part of these consolidated financial statements.

**SPEEDUS CORP.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited)

	<b>Three months ended March 31,</b>	
	<b>2005</b>	<b>2004</b>
	<u>          </u>	<u>          </u>
Revenues	\$ 226,779	\$ 151,015
Expenses:		
Selling, general and administrative	974,982	992,714
Research and development	326,632	370,745
Depreciation and amortization	230,077	285,476
Cost of sales	77,187	44,944
Technology settlement expenses	---	2,928,583
Total operating expenses	<u>1,608,878</u>	<u>4,622,462</u>
Operating loss	(1,382,099)	(4,471,447)
Investment income/(loss)	281,865	(258,122)
Minority interest	125,079	141,371
Gain from technology settlement	---	15,000,000
Net earnings/(loss)	<u>\$ (975,155)</u>	<u>\$ 10,411,802</u>
Per share:		
Basic earnings/(loss) per common share	<u>\$ (0.06)</u>	<u>\$ 0.64</u>
Weighted average common shares outstanding - basic	<u>16,218,725</u>	<u>16,287,986</u>
Diluted earnings/(loss) per common share	<u>\$ (0.06)</u>	<u>\$ 0.62</u>
Weighted average common shares outstanding - diluted	<u>16,218,725</u>	<u>16,866,170</u>

The accompanying notes are an integral part of these consolidated financial statements.

**SPEEDUS CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(unaudited)**

	<b>Three months ended March 31,</b>	
	<b>2005</b>	<b>2004</b>
Cash flows from operating activities:		
Net earnings/(loss)	\$ (975,155)	\$ 10,411,802
Adjustments to reconcile net earnings/(loss) to net cash provided by/(used in) operating activities:		
Depreciation and amortization	230,077	285,476
Unrealized investment (gains)/losses	(180,566)	487,491
Minority interest	(125,079)	(141,371)
Stock based compensation	6,050	11,320
Changes in operating assets and liabilities:		
Marketable securities	56,086	869,070
United States Treasury bills	1,006,100	---
Due from broker	---	2,930,946
Accounts and other receivables	44,484	(10,283)
Prepaid expenses and other	(6,275)	(119,428)
Other assets	(58,159)	(1,291)
Accounts payable	(69,826)	(20,074)
Accrued liabilities	(77,541)	(390,648)
Securities sold and not purchased	---	(3,752,167)
Net cash provided by/(used in) operating activities	(149,804)	10,560,843
Cash flows from investing activities:		
Property and equipment additions	(6,377)	(178,400)
Net cash provided by/(used in) investing activities	(6,377)	(178,400)
Cash flows from financing activities:		
Proceeds from exercise of options or warrants	---	67,568
Repurchase of stock	---	(43,600)
Net cash provided by/(used in) financing activities	0	23,968
Net increase/(decrease) in cash and cash equivalents	(156,181)	10,406,411
Cash and cash equivalents, beginning of period	17,740,865	19,419,197
Cash and cash equivalents, end of period	\$ 17,584,684	\$ 29,825,608

The accompanying notes are an integral part of these consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

### 1. Basis of Presentation

The unaudited consolidated financial statements of Speedus Corp. have been prepared in accordance with generally accepted accounting principles for interim financial information. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. These financial statements do not include all information and notes required by generally accepted accounting principles for complete financial statements. These financial statements should be read in conjunction with the Company's 2004 audited consolidated financial statements and notes thereto on Form 10-K.

Operating results for the three months ended March 31, 2005 are not necessarily indicative of the results that may be expected for the year ending December 31, 2005.

#### *Financial statements and principles of consolidation*

The consolidated financial statements include the accounts of Speedus and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Companies in which Speedus directly or indirectly owns more than 50% of the outstanding voting securities or that Speedus has effective control over are accounted for under the consolidation method of accounting. Under this method, those companies' balance sheets and results of operations, from the date Speedus acquired control, are included in Speedus' consolidated financial statements. The interest in the net assets and operations of these companies' other stockholders is reflected in the caption 'Minority interest' in Speedus' consolidated balance sheets and statements of operations.

The Company's share of earnings or losses of associated companies that are 20% to 50% owned is included in the consolidated operating results using the equity method of accounting.

Companies in which Speedus owns less than 20% of the outstanding voting securities and does not have the ability to exercise significant influence are accounted for under the cost method of accounting.

#### *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of operating revenues and expenses during the reporting periods. Actual results could differ from those estimates and the difference could be material.

#### *Marketable Securities*

All marketable securities are defined as trading securities under the provisions of Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities." At March 31, 2005 and December 31, 2004, marketable securities consisted of publicly traded equity securities and were recorded at fair market value. Their original cost was \$836,000 and \$877,000, unrealized gains since acquisition were \$349,000 and \$184,000 and the carrying value was \$1,185,000 and \$1,061,000, respectively. At March 31, 2005, based upon the fair market value of these securities 2% was invested in technology and telecommunications companies and 98% was invested in a coal company.

#### *Other investments*

The Company has investments in equity and debt instruments of publicly and non-publicly held companies and generally accounts for them under the cost method since the Company does not have the ability to exercise significant influence over operations. The Company monitors these investments for other than temporary impairment by considering current factors including economic environment, market conditions, operational performance and other specific factors relating to the business underlying the investment, and records reductions in carrying values when necessary.

At March 31, 2005, other investments, all of which were acquired during the year ended December 31, 2004, consist of:

(a) a convertible promissory note in a subsidiary of a publicly held drug delivery technology company, recorded at cost in the amount of \$600,000. In connection with this investment, the Company also received warrants to purchase 300,000 shares of common stock at \$1 per share, subject to adjustment under certain circumstances, and

(b) a convertible promissory note in a non-publicly held cardiovascular technology company, recorded at cost in the amount of \$300,000. In connection with this investment, the Company also received warrants to purchase 375,000 shares of common stock at the lesser of \$.40 or 80% of the per share price sold in the next round of financing.

The Company does not believe there has been any impairment of other investments at March 31, 2005.

#### *Securities Sold But Not Purchased*

The Company has in the past and may in the future sell publicly traded equity securities it does not own in anticipation of

declines in the fair market values of the securities. When the Company effects such transactions, it must borrow the securities it sold in order to deliver them and settle the trades. At March 31, 2005 and December 31, 2004, there were no securities sold and not purchased.

#### *Due From Broker*

In connection with selling publicly traded securities that it does not own, the Company is obligated to maintain balances with brokerage firms as security for these transactions. At March 31, 2005 and December 31, 2004, there were no restricted cash balances.

#### *Concentrations of Credit Risk*

Financial instruments that potentially could subject the Company to concentrations of credit risk consist largely of cash equivalents, amounts due from brokers and marketable securities. These instruments are potentially subject to concentrations of credit risk but the Company believes that this risk is limited due to diversification and investments being made in investment grade securities.

The Company has in the past and may in the future sell publicly traded equity securities that it does not own in anticipation of declines in the fair market values of the securities. When the Company sells securities that it does not own, it must borrow the securities it sold in order to deliver them and settle the trades. Thereafter, the Company must buy the securities and deliver them to the lender of the securities. The Company's potential for loss on these transactions is unlimited since the value of the underlying security can keep increasing which could have a material adverse effect on the Company's consolidated financial statements.

#### *Long-lived Assets*

The Company periodically evaluates the net realizable value of long-lived assets, including fixed and intangible assets, in accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", relying on anticipated future cash flows. The Company's evaluation of anticipated future cash flows considers operating results, business plans and economic projections, as well as, non-financial data such as market trends, product and development cycles, and changes in management's market emphasis. An impairment in the carrying value of an asset is recognized when the expected future operating cash flows derived from the asset are less than its carrying value.

#### *Goodwill and Other Intangible Assets*

The Company accounts for goodwill and other intangible assets in accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" which requires the use of a nonamortization approach to account for purchased goodwill and certain intangibles. Under the nonamortization approach, goodwill is not being amortized into results of operations, but instead is reviewed for impairment on a reporting unit basis at least annually and charged against results of operations only in the periods in which the recorded value of goodwill is more than its implied fair value. During the fourth quarter of 2004, after determining that the estimated present value of future cash flows was less than its carrying value, the Company recorded a \$621,000 charge for impairment of goodwill in connection with the acquisition of F&B Güttdfood.

The Company owns broadband assets, included in intangible assets, with a carrying value of \$722,000 at March 31, 2005 and currently does not generate significant revenues or cash flows. However, the Company estimated that, based upon its review of recent transactions and other factors, the fair value of its remaining FCC license and certain patents that have no carrying value on its books would generate sufficient cash to fully realize the assets described above. This estimate evaluated the recovery of these broadband assets compared to the fair value of the remaining FCC license and certain patents as a group since it represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities.

Other intangible assets consist of: (i) the cost of a broadband patent and (ii) medical technology in connection with the acquisition of a controlling interest in Zargis Medical during 2003. Through the year ended December 31, 2002, the patent was amortized over its life of fourteen years at the time of acquisition. During the three months ended March 31, 2003, the Company reviewed the estimated useful life of this patent in light of the continuing depressed economic state of the telecommunications industry. As a result, effective January 1, 2003, the Company considered the remaining useful life to be four years and has accounted for this determination as a change in an estimate. At March 31, 2005, the broadband patent was recorded at cost in the amount of \$2,070,000 with accumulated amortization of \$1,348,000. Medical technology, in the aggregate amount of \$1,160,000 with accumulated amortization in the amount of \$663,000 at March 31, 2005, is being amortized over a period of three years.

Amortization expense relating to intangible assets for the three months ended March 31, 2005 and 2004 amounted to \$199,000 and \$187,000, respectively. The estimated annual amortization expense for the balance of fiscal 2005 and fiscal years 2006 and 2007, the expiration of the remaining useful life of the Company's intangible assets at March 31, 2005, is \$596,000, \$589,000 and \$34,000, respectively. Amortization expense is included in 'Depreciation and amortization' on the accompanying Consolidated Statement of Operations and not allocated to 'Selling, General and Administrative' or 'Research and Development'.

#### *Revenue Recognition*

Revenues from F&B Güttdfood's operations are recorded on a cash basis.

#### *Earnings Per Share*

Basic and diluted earnings/(loss) per common share are determined in accordance with Statement of Financial Accounting Standards No. 128, "Earnings Per Share".

For the quarter ended March 31, 2005, outstanding stock options and warrants in the aggregate weighted average amount of 1,892,215 have been excluded from the diluted loss per share since their effect would be antidilutive. For the quarter ended March 31, 2004, the weighted average common shares for diluted earnings per share were determined by adding weighted average shares in the aggregate amount of 578,184 for the assumed exercise of stock options and warrants, calculated using the treasury stock method, to the weighted average shares outstanding for basic earnings per share for a total of 16,866,170 weighted average shares outstanding for diluted earnings per share. For the quarter ended March 31, 2004, outstanding stock options and warrants in the weighted average aggregate amount of 852,165 were excluded from the computation of diluted earnings per share since the exercise prices were greater than the average market price of the common stock.

### Stock Options

The Company accounts for its employee stock options in accordance with Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation", as amended by SFAS 148, "Accounting for Stock-Based Compensation—Transition and Disclosure—an amendment of FASB Statement No. 123", which defines a "fair value method" of measuring and accounting for compensation expense from employee stock options. This standard also allows accounting for such options under the "intrinsic value method" in accordance with Accounting Principles Board No. 25, "Accounting for Stock Issued to Employees." The Company has elected to use the intrinsic value method and is presenting pro forma disclosures of earnings and earnings per share as if the fair value method of accounting was applied.

Unaudited pro forma earnings information giving effect to compensation expense based upon the fair value at the date of grant in accordance with SFAS 123 for the quarters ended March 31, 2005 and 2004 is summarized as follows:

	<b>Three months ended March 31,</b>	
	<b>2005</b>	<b>2004</b>
Net earnings/(loss) as reported	\$ (975,155)	\$ 10,411,802
After tax effect of pro forma compensation	(22,000)	0
Pro forma net earnings/(loss)	<u>\$ (969,766)</u>	<u>\$10,411,802</u>
Earnings/(loss) per share:		
Basic - as reported	<u>\$ (0.06)</u>	<u>\$ 0.64</u>
Basic - pro forma	<u>\$ (0.06)</u>	<u>\$ 0.64</u>
Diluted - as reported	<u>\$ (0.06)</u>	<u>\$ 0.62</u>
Diluted - pro forma	<u>\$ (0.06)</u>	<u>\$ 0.62</u>

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment" which replaces SFAS No. 123 and supercedes APB Opinion No. 25. SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values beginning with the first annual period after June 15, 2005, with early adoption encouraged. The pro forma disclosures previously permitted under SFAS 123 no longer will be an alternative to financial statement recognition. The Company is required to adopt SFAS No. 123R beginning January 1, 2006. Under SFAS No. 123R, the Company must determine the appropriate fair value model to be used for valuing share-based payments, the amortization method for compensation cost and the transition method to be used at date of adoption. The transition methods include modified prospective and modified retrospective adoption options, using the previously disclosed pro forma data. Under the modified retrospective option, prior periods may be restated either as of the beginning of the year of adoption or for all periods presented. The modified prospective method requires that compensation expense be recorded for all unvested stock options and restricted stock at the beginning of the first period of adoption of SFAS No. 123R, while the modified retrospective methods would record compensation expense for all unvested stock options and restricted stock beginning with the first period restated. The Company is evaluating the requirements of SFAS No. 123R and expects that the adoption of SFAS 123R could have a material impact on the Company's financial statements.

## 2. Acquisitions

a. On February 28, 2003, the Company increased its investment in Zargis Medical to 57.7% with an additional investment of \$1,250,000. Prior to February 28, 2003, the Company held a 46.4% interest in Zargis and accounted for its investment under the equity method of accounting. On July 28, 2003, the Company increased its ownership in Zargis Medical to 68.9% with an additional investment of \$2,000,000. As of December 31, 2003 and February 1, 2004, our ownership increased to 70.5% and 71.2%, respectively, as a result of Zargis not having met certain milestones. On September 22, 2004, the Company increased its ownership in Zargis Medical to 72.7% with an additional investment of \$500,000.

This acquisition was accounted for using the purchase method of accounting. The results of operations of Zargis Medical have been included in the consolidated statements of operations from the date of acquisition. The \$3,750,000 aggregate purchase price was allocated as follows: \$3,769,000 to cash, \$34,000 to non current assets, \$1,160,000 to other intangible assets, \$(219,000) to current liabilities and \$(994,000) to minority interest. An aggregate of \$1,160,000 has been allocated as medical technology to an intangible asset and is being amortized over a period of three years.

b. On May 6, 2002, the Company acquired a 51% interest in F&B Güttdfood, the creator and operator of the original Eurocentric “chic and quick” café, which is operating two stores in Manhattan. The acquisition price was \$3,500,000. On February 8, 2003, the Company reduced its cash investment in F&B Güttdfood and received \$1,775,000 while maintaining its 51% interest. In December 2003, as a result of renegotiation, our interest increased to 80% without an additional investment and, under certain circumstances, could increase to 90%.

### 3. Gain from Technology Settlement

In February 2004, the Company’s wholly-owned subsidiary, CellularVision Technology & Telecommunications, L.P., received \$15 million from a former international licensee in settlement of litigation that CT&T instituted in May 2001.

In connection with the settlement and as provided under the terms of his 2002 employment agreement, Shant S. Hovnanian, Chairman of the Board and Chief Executive Officer of the Company, received a contingent participation in the proceeds of the settlement in the amount of approximately \$2.8 million. In addition, approximately \$0.1 million in legal and other closing costs was paid at closing to unaffiliated third parties. These expenses are included in Technology Settlement Expenses for the three months ended March 31, 2004 in the accompanying consolidated statement of operations.

### 4. Business Segment Information

The following table sets forth the Company's financial performance by reportable operating segment for the three months ended March 31, 2005 and 2004. F&B Güttdfood and Zargis Medical are included in the consolidated financial statements of the Company since May 6, 2002 and February 28, 2003, respectively, the dates of acquisition of majority interests.

	<b>Three months ended March 31, 2005</b>			
	<b>F&amp;B</b>	<b>Zargis</b>	<b>Corporate and other</b>	<b>Totals</b>
Revenues from external customers	\$ 226,413	\$ 0	\$ 366	\$ 226,779
Depreciation and amortization	22,376	3,993	203,708	230,077
Operating loss	(170,850)	(332,985)	(878,264)	(1,382,099)
Investment income/(loss)	(47)	18	281,894	281,865
Other intangible assets	0	496,730	722,344	1,219,074
Fixed assets	510,249	23,075	51,537	584,861
Total assets	687,768	183,590	26,569,365	27,440,723
	<b>Three months ended March 31, 2004</b>			
	<b>F&amp;B</b>	<b>Zargis</b>	<b>Corporate and other</b>	<b>Totals</b>
Revenues from external customers	\$ 149,165	\$ 0	\$ 1,850	\$ 151,015
Depreciation and amortization	10,037	3,107	272,332	285,476
Operating loss	(124,136)	(373,496)	(3,973,815)	(4,471,447)
Investment income/(loss)	1,391	2,914	(262,427)	(258,122)
Goodwill and other intangible assets	620,875	719,594	1,135,112	2,475,581
Fixed assets	324,147	34,348	141,642	500,137
Total assets	782,288	874,183	33,153,419	34,809,890

The Company has no foreign operations. During the three months ended March 31, 2005 and 2004, the Company did not have sales to any individual customer greater than 10% of total Company revenues. The Company's accounting policies for segments are the same as those described in Note 1.

### 5. Legal Proceedings

The Company is not currently involved in any material pending legal proceedings.

### 6. Subsequent Event

In April 2005, the Company invested \$250,000 in convertible preferred stock in a non-publicly held online and directory assistance company. The preferred stock is convertible into common stock at a conversion price equal to 50% of the price of the common stock in an initial public offering.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations should be read in conjunction with the corresponding discussion and analysis included in the Company's Report on Form 10-K for the year ended December 31, 2004.

### **Cautionary Statement Regarding Forward-Looking Information**

This Management's Discussion and Analysis of Financial Condition and Results of Operations and other sections of this Form 10-Q contain "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements appear in a number of places in this Form 10-Q and include statements regarding the intent, belief or current expectations of the Company or its officers with respect to, among other things, the ability of the Company to make capital expenditures, the ability to incur additional debt, as necessary, to service and repay such debt, if any, as well as other factors that may effect the Company's financial condition or results of operations. Forward-looking statements may include, but are not limited to, projections of revenues, income or losses, capital expenditures, plans for future operations, financing needs or plans, compliance with covenants in loan agreements, plans for liquidation or sale of assets or businesses, plans relating to products or services of the Company, assessments of materiality, predictions of future events, and the ability to obtain additional financing, including the Company's ability to meet obligations as they become due, and other pending and possible litigation, as well as assumptions relating to the foregoing. All statements in this Form 10-Q regarding industry prospects and the Company's financial position are forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

### **Business Activities**

Speedus Corp. is a holding company that owns significant equity interests in diverse businesses. We seek business opportunities across all industries for potential transactions and relationships in which we can apply our current resources and management strengths. The companies that we target, either public or privately held, will be seeking growth or restructuring capital to pursue near term business objectives in demonstrated markets. We will continue to pursue opportunities involving our expertise in the medical device and wireless markets as well as those areas involving our broadband assets as attractive opportunities present themselves.

We have co-invested with Siemens Corporate Research, Inc., a subsidiary of Siemens Corporation, in Zargis Medical Corp. to develop medical diagnostic support service solutions that automatically analyze acoustical data from a patient to determine physiological significant features useful in medical diagnosis. The first Zargis clinical device, the Zargis Acoustic Cardioscan, received FDA approval in May 2004. Cardioscan will initially be launched to a select group of physicians, teaching hospitals and other health care professionals. We own 80% of F&B Gdttfood Holding Corp., the creator and operator of the original Eurocentric "chic and quick" caf, which is operating two stores in Manhattan. We own a portfolio of patents that allow for high-speed wireless communications. We also own fixed wireless spectrum in the New York City metropolitan area that we may commercialize in the future to support high-speed, or broadband, Internet access service.

*Zargis Medical Corp.* In January 2001, we co-invested with Siemens Corporate Research, Inc., a subsidiary of Siemens Corporation, in Zargis Medical Corp. to develop non-invasive, medical diagnostic support solutions that automatically analyze acoustical data from a patient to determine physiologically significant features useful in medical diagnosis. The development of Zargis' patented technology is a pioneering effort in medicine which uses advanced signal processing algorithms deployed on standard computer platforms. The first Zargis device, the Zargis Acoustic Cardioscan, received FDA approval in May 2004. Cardioscan will initially be launched to a select group of physicians, teaching hospitals and other health care professionals to be used as part of general medical examinations and physicals to detect murmurs which could be a sign of valvular and congenital heart disease. General medical examinations, according to the National Center for Health Statistics, totaled 64 million in 2000 for the US alone. Zargis is currently researching, and conducting trials on, additional noninvasive diagnostic support tools that process acoustical data from the body in order to provide an accurate and intelligible assessment of a patient's health. These assessments may be used by physicians and other healthcare providers to assist in the early identification or monitoring of heart, lung, vascular and other conditions and to provide better patient treatment.

We have signed an exclusive contract with Zargis to provide transaction processing to support Zargis' medical products. Some of the major next steps remaining for Zargis include continuing clinical trials for new applications of the Zargis technology and the formation of strategic partnerships for industry and market acceptance.

In February 2003, we acquired a controlling interest in Zargis Medical for an additional investment of \$1,250,000. In July 2003, we increased our ownership in Zargis Medical to 68.9% by investing an additional \$2,000,000. As of December 31, 2003 and February 1, 2004, our ownership increased to 70.5% and 71.2%, respectively, as a result of certain milestones not having been met. In September 2004, we increased our ownership in Zargis Medical to 72.7% by investing an additional \$500,000.

*F&B Gdttfood.* We own 80% of F&B Gdttfood, the creator and operator of the original Eurocentric "chic and quick" caf, which is operating two stores in Manhattan. The acquisition price was \$3,500,000 in May 2002. In February 2003, we reduced our

cash investment in F&B Güttdfood and received \$1,775,000 while maintaining our original 51% interest. In December 2003, as a result of renegotiation, our interest increased to 80% without an additional investment and, under certain circumstances, could increase to 90%. We expect that F&B Güttdfood will begin selling F&B Güttdfood franchises through its wholly owned subsidiary, F&B Güttdfood Franchise Corp. We have also entered into a management services contract with F&B Güttdfood.

*Broadband Patents.* Through our wholly owned subsidiaries, Broadband Patents, LLC and CellularVision Technology & Telecommunications, L.P., we have accumulated a portfolio of patents that allow for high-speed wireless communication systems with greater information content, reliability, clarity, or more efficient use of licensed spectrum as compared to prior systems. We have six domestic patents with expiration dates ranging from 2007 through 2017, with approximately 37 international counterparts in 21 countries. We also have 21 patents pending in an additional 6 countries. Certain wireless communications systems may employ a number of different combinations of our patented technology to maximize operational and spectrum efficiency. While we believe that it would be difficult for such a wireless communications system to be constructed without using one or more of our patented technologies, it is a lengthy and expensive process to pursue licensing/patent infringement cases. We are evaluating a strategy for the utilization of these patents in the future, which may include pursuit of licensing or development of other strategic opportunities with users of the underlying technology. We have licensed technology in the past, both domestically and internationally, but are not currently receiving any license fees.

*Local Multipoint Distribution Service (LMDS) license.* We have an FCC commercial operating license, awarded to us in recognition of our efforts in developing and deploying LMDS technology and for spearheading its regulatory approval at the FCC, which covers 150 MHz of spectrum in the New York City area. The license has been renewed as a standard LMDS license through February 1, 2006. Under FCC authorization, the license includes an additional 150 MHz of spectrum until the first Ka band satellite is launched, an event which is not currently determinable. The license provides that the spectrum may be used for a wide variety of fixed wireless purposes, including wireless local loop telephony, high-speed Internet access and two-way teleconferencing.

We will not commence a full marketing effort using our LMDS technology until new LMDS equipment becomes commercially available with cost and performance that allow implementation of an economically viable business model. We cannot determine when this will occur and this equipment may never be available to us on this basis.

*Other.* We have invested a portion of our assets in a portfolio of marketable securities consisting of publicly traded equity securities. We have also invested a portion of our assets in equity and debt instruments of publicly and non-publicly held companies. We have in the past and may in the future sell publicly traded equity securities we do not own in anticipation of declines in the fair market values of these securities.

We have generated operating losses and negative operating cash flows since our inception and expect to continue to do so in the near future.

### **Critical Accounting Policies**

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements. The preparation of those financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of operating revenues and expenses during the reporting periods. Actual results could differ from those estimates. For a description of all of our accounting policies, see Note 1 to our consolidated financial statements included in this Form 10-Q and Note 2 to our consolidated financial statements included in our 2004 Form 10-K. However, we believe the following critical accounting policies affect the more significant judgments and estimates used in the preparation of our consolidated financial statements.

*Financial instruments.* Our financial instruments consist primarily of cash equivalents, marketable securities and securities sold and not purchased. The carrying value of cash equivalents approximates market value since these highly liquid, interest earning investments are invested in money market funds. Marketable securities consist of publicly traded equity securities classified as trading securities and are recorded at fair market value, i.e., closing prices quoted on established securities markets. Securities sold and not repurchased are also carried at the fair market value of the securities. Significant changes in the market value of securities that we invest in could have a material impact on our financial position and results of operations.

*Long-lived assets.* Long-lived assets, including fixed assets, goodwill and other intangibles, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of any such asset may not be recoverable through estimated future cash flows from that asset. The estimate of cash flow is based upon, among other things, certain assumptions about expected future operating performance. Specifically, we own broadband assets, included in intangible assets, which had a carrying value of \$722,000 at March 31, 2005 and currently do not generate significant revenues or cash flows. However, as of December 31, 2004, we estimated that, based upon our review of recent transactions and other factors, the fair value of our remaining FCC license and certain patents that have no carrying value on our books would generate sufficient cash to fully realize our assets described above as of December 31, 2004. This estimate evaluated the recovery of these broadband assets compared to the fair value of our remaining FCC license and certain patents as a group since it represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. These estimates may differ from actual results due to, among

other things, technological changes, economic conditions, changes to our business model or changes in our operating performance. We also reviewed the carrying value of goodwill recorded in connection with the F&B Güttdfood acquisition and estimated based upon our review, taking into account such factors as projected operations, that there had been impairment to this carrying value. As a result, we recorded a charge in the amount of \$621,000, the balance of our goodwill, during the fourth quarter of 2004.

*Contingencies.* We account for contingencies in accordance with Statement of Financial Accounting Standards No. 5, "Accounting for Contingencies". SFAS No. 5 requires that we record an estimated loss when information available prior to issuance of our financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Accounting for contingencies such as environmental, legal and income tax matters requires us to use our judgment. While we believe that our accruals for these matters are adequate, if the actual loss is significantly different than the estimated loss, our results of operations will be affected in the period that the difference is known.

### **Three Months Ended March 31, 2005 Compared to Three Months Ended March 31, 2004**

Revenues increased \$76,000 from \$151,000 for the three months ended March 31, 2004 to \$227,000 for the three months ended March 31, 2005. This increase is primarily a result of the opening of a second F&B Güttdfood store during the second quarter of 2004. Revenues generated by the second store were \$83,000 for the three months ended March 31, 2005.

Selling, general and administrative expenses decreased \$18,000 from \$993,000 for the three months ended March 31, 2004 to \$975,000 for the three months ended March 31, 2005. This decrease is primarily a result of decreases in compensation and employee related expenses as a result of staff reductions by Zargis Medical. This decrease is net of an increase as a result of the opening of a second F&B Güttdfood store during the second quarter of 2004.

Research and development expenses decreased \$44,000 from \$371,000 for the three months ended March 31, 2004 to \$327,000 for the three months ended March 31, 2005. This decrease is primarily a result of decreases in compensation and employee related expenses as a result of staff reductions by Zargis Medical.

Depreciation and amortization decreased \$55,000 from \$285,000 for the three months ended March 31, 2004 to \$230,000 for the three months ended March 31, 2004. This decrease, net of an increase in the amount of \$12,000 during 2005 compared to 2004 for amortization of medical technology resulting from the Zargis acquisition, is a result of assets becoming fully depreciated.

Cost of sales increased \$32,000 from \$45,000 for the three months ended March 31, 2004 to \$77,000 for the three months ended March 31, 2005. This increase is primarily a result of the opening of a second F&B Güttdfood store during the second quarter of 2004.

During the three months ended March 31, 2004, the Company incurred \$2,929,000 in expenses in connection with a technology settlement in the amount of \$15,000,000. No such expenses were recognized during the three months ended March 31, 2005. In connection with the settlement and as provided under the terms of his 2002 employment agreement, Shant S. Hovnanian, Chairman of the Board and Chief Executive Officer of the Company, received a contingent participation in the proceeds of the settlement in the amount of approximately \$2.8 million during the three months ended March 31, 2004.

Investment income increased \$540,000 from a net loss of \$258,000 for the three months ended March 31, 2004 to a net gain of \$282,000 for the three months ended March 31, 2005. This increase is primarily a result of realized and unrealized gains and losses. Realized gains increased \$459,000 from net losses of \$419,000 for the three months ended March 31, 2004 to net gains of \$40,000 for the three months ended March 31, 2005. Unrealized gains increased \$41,000 from net gains of \$116,000 for the three months ended March 31, 2004 to net gains of \$157,000 for the three months ended March 31, 2005. The amount of these realized and unrealized gains or losses will fluctuate based upon changes in the market value of the underlying investments and are not necessarily indicative of the results that may be expected for any future periods.

Minority interest decreased \$16,000 from \$141,000 for the three months ended March 31, 2004 to \$125,000 for the three months ended March 31, 2005. This amount represents the interest of minority stockholders in the losses of F&B Güttdfood and Zargis Medical.

During the three months ended March 31, 2004, the Company recorded a gain from technology settlement in the amount of \$15,000,000. No such gain was recognized during the three months ended March 31, 2005.

### **Liquidity and Capital Resources**

The Company has recorded operating losses and negative operating cash flows in each year of its operations since inception.

Net cash used in operating activities was \$0.1 million for the three months ended March 31, 2005 compared to net cash provided by operating activities of \$10.6 million for the three months ended March 31, 2004. This net decrease in cash provided was primarily the result of a gain from technology settlement in the amount of \$15 million recognized during the three months ended March 31, 2004, reduced by \$2.9 million in technology settlement expenses. In February 2004, the Company's wholly-owned subsidiary, CellularVision Technology & Telecommunications, L.P., received \$15 million from a former international licensee in settlement of litigation that CT&T instituted in May 2001. In connection with the settlement and as provided under the terms of his

2002 employment agreement, Shant S. Hovnanian, Chairman of the Board and Chief Executive Officer of the Company, received a contingent participation in the proceeds of the settlement in the amount of approximately \$2.8 million during the three months ended March 31, 2004. This decrease in cash provided from operating activities was offset by the maturity of United States Treasury bills in the net amount of \$1.0 million during the three months ended March 31, 2005.

Net cash used in investing activities decreased \$172,000 during the three months ended March 31, 2005 from \$178,000 for the three months ended March 31, 2004. This decrease in cash used in investing activities was the result of decreased property and equipment additions.

There was no net cash provided by or used in financing activities for the three months ended March 31, 2005 compared to net cash provided by financing activities of \$24,000 for the three months ended March 31, 2004. This decrease in cash provided by financing activities was primarily the result of decreases in proceeds received from the exercise of options and warrants, net of decreased repurchases of treasury stock.

At March 31, 2005, the Company's future minimum lease payments due under noncancelable leases aggregated \$2,062,000. \$342,000 of this amount is due during the remainder of 2005; \$365,000, \$276,000, \$284,000 and \$233,000 of this amount is due during the years ending December 31, 2006, 2007, 2008 and 2009, respectively, and the balance is payable thereafter. In addition, in connection with a license agreement to which the Company is a party, a termination payment will be payable by the Company in the amount of \$500,000, \$300,000 or \$200,000 if the license agreement is terminated by the Company before September 2007, September 2009 or September 2011, respectively.

The Company believes that it has sufficient liquidity to finance its current level of operations and expected capital requirements through the next twelve months. However, the Company does not expect to have earnings from operations until such time as it substantially increases its customer base and/or forms a strategic alliance for use of its capabilities in the future. We cannot predict when this will occur. We have no material non-cancelable commitments and the amount of future capital funding requirements will depend on a number of factors that we cannot quantify, including the success of our business, the extent to which we expand our high-speed Internet service if suitable equipment becomes available and the types of services we offer, as well as other factors that are not within our control, including competitive conditions, government regulatory developments and capital costs. The lack of additional capital in the future could have a material adverse effect on the Company's financial condition, operating results and prospects for growth.

We have invested a portion of our assets in a portfolio of marketable securities consisting of publicly traded equity securities. We purchase these securities in anticipation of increases in the fair market values of the securities. We have in the past and may in the future sell publicly traded equity securities we do not own in anticipation of declines in the fair market values of these securities. When we sell securities that we do not own, we must borrow the securities we sold in order to deliver them and settle the trades. Thereafter, we must buy the securities and deliver them to the lender of the securities. Our potential for loss on these transactions is unlimited since the value of the underlying security can keep increasing.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The Company's financial instruments at March 31, 2005 consist primarily of cash equivalents, which are subject to interest rate risk, and marketable securities and United States Treasury bills, which are subject to price risk.

As part of our overall investment strategy, we invest in publicly traded equity securities. We purchase these securities in anticipation of increases in the fair market values of the securities. We have in the past and may in the future sell publicly traded equity securities that we do not own in anticipation of declines in the fair market values of the securities. When we sell securities that we do not own, we must borrow the securities we sold in order to deliver them and settle the trades. Thereafter, we must buy the securities and deliver them to the lender of the securities. Our potential for loss on these transactions is unlimited since the value of the underlying security can keep increasing which could have a material adverse effect on the Company's consolidated financial statements.

The carrying value of cash equivalents and United States Treasury bills approximates market value since these highly liquid, interest earning investments are invested in money market funds. The Company's investment in marketable securities consists of publicly traded equity securities classified as trading securities and are recorded at fair market value. Securities sold and not repurchased are carried at the fair market value of the securities.

### **ITEM 4. CONTROLS AND PROCEDURES**

Management of the Company, including the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, the Company's Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended March 31, 2005 that have materially affected,

or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## **PART II. OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

Note 5 to the accompanying consolidated financial statements is incorporated herein by reference.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

### **ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

None.

### **ITEM 5. OTHER INFORMATION**

None.

### **ITEM 6. EXHIBITS**

- |                     |  |
|---------------------|--|
| Exhibit number 31.1 | Certification of Chief Executive Officer Pursuant To Rule 13a-14 of the Securities Exchange Act of 1934, As Adopted Pursuant To Section 302 of The Sarbanes-Oxley Act Of 2002. |
| Exhibit number 31.2 | Certification of Chief Financial Officer Pursuant To Rule 13a-14 of the Securities Exchange Act of 1934, As Adopted Pursuant To Section 302 of The Sarbanes-Oxley Act Of 2002. |
| Exhibit number 32.1 | Certification of Chief Executive Officer Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 Of The Sarbanes-Oxley Act Of 2002.                             |
| Exhibit number 32.2 | Certification of Chief Financial Officer Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 Of The Sarbanes-Oxley Act Of 2002.                             |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

### **SPEEDUS CORP.**

Date: May 16, 2005

By: /s/ Shant S. Hovnanian  
Shant S. Hovnanian  
Chairman of the Board, President and Chief Executive Officer

Date: May 16, 2005

By: /s/ Thomas M. Finn  
Thomas M. Finn  
Treasurer and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO  
RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Shant S. Hovnanian, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Speedus Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 16, 2005

By: /s/ Shant S. Hovnanian  
Name: Shant S. Hovnanian  
Title: Chairman of the Board, President and Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO  
RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas M. Finn, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Speedus Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 16, 2005

By: /s/ Thomas M. Finn

Name: Thomas M. Finn

Title: Treasurer and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Speedus Corp. (the "Company") on Form 10-Q for the period ending March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Shant S. Hovnanian, Chairman of the Board, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange of 1934, amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 16, 2005

By: /s/ Shant S. Hovnanian

Name: Shant S. Hovnanian

Title: Chairman of the Board, President and Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Speedus Corp. (the "Company") on Form 10-Q for the period ending March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas M. Finn, Treasurer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange of 1934, amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 16, 2005

By: /s/ Thomas M. Finn

Name: Thomas M. Finn

Title: Treasurer and Chief Financial Officer