

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 June 30, 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 August 11, 2005 was 16,144,025.

SPEEDUS CORP.
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CONSOLIDATED BALANCE SHEETS

	June 30, 2005	December 31, 2004
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 15,793,908	\$ 17,740,865
United States Treasury bills	4,964,850	5,977,200
Marketable securities	1,869,688	1,060,592
Prepaid expenses and other	167,062	173,979
Due from broker	12,455	---
Accounts and other receivables	1,600	49,134
Total current assets	22,809,563	25,001,770
Property and equipment, net of accumulated depreciation of \$241,391 and \$175,457	557,368	609,840
Other intangible assets, net of accumulated amortization of \$2,209,691 and \$1,812,249	1,020,353	1,417,795
Other investments	800,000	900,000
Other assets	782,278	752,869
Total assets	\$ 25,969,562	\$ 28,682,274
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 199,789	\$ 315,742
Accrued liabilities	1,225,320	1,357,720
Securities sold and not purchased	35,586	---
Total current liabilities	1,460,695	1,673,462
Minority interest	35,681	159,294
Commitments and Contingencies		
Stockholders' equity:		
Common stock (\$.01 par value; 50,000,000 shares authorized; 21,633,674 and 21,587,674 shares issued)	216,337	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	90,601,289	90,546,583
Treasury stock (at cost; 5,421,549 and 5,368,949 shares)	(5,575,347)	(5,499,684)
Accumulated deficit	(60,769,093)	(58,413,258)
Stockholders' equity	24,473,186	26,849,518
Total liabilities and stockholders' equity	\$ 25,969,562	\$ 28,682,274

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

SPEEDUS CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues	\$ 282,947	\$ 200,228	\$ 509,726	\$ 351,243
Expenses:				
Selling, general and administrative	964,939	1,169,568	1,939,921	2,162,282
Research and development	369,637	368,249	696,269	738,994
Depreciation and amortization	233,299	306,770	463,376	592,246
Cost of sales	93,674	83,567	170,861	128,511
Technology settlement expenses	---	---	---	2,928,583
Total operating expenses	<u>1,661,549</u>	<u>1,928,154</u>	<u>3,270,427</u>	<u>6,550,616</u>
Operating loss	(1,378,602)	(1,727,926)	(2,760,701)	(6,199,373)
Investment income/(loss)	(612)	154,941	281,253	(103,181)
Minority interest	(1,466)	190,841	123,613	332,212
Gain from technology settlement	---	---	---	15,000,000
Net earnings/(loss)	<u>\$ (1,380,680)</u>	<u>\$ (1,382,144)</u>	<u>\$ (2,355,835)</u>	<u>\$ 9,029,658</u>
Per share:				
Basic earnings/(loss) per common share	<u>\$ (0.09)</u>	<u>\$ (0.09)</u>	<u>\$ (0.15)</u>	<u>\$ 0.55</u>
Weighted average common shares outstanding - basic	<u>16,226,482</u>	<u>16,255,244</u>	<u>16,222,625</u>	<u>16,271,615</u>
Diluted earnings/(loss) per common share	<u>\$ (0.09)</u>	<u>\$ (0.09)</u>	<u>\$ (0.15)</u>	<u>\$ 0.54</u>
Weighted average common shares outstanding - diluted	<u>16,226,482</u>	<u>16,255,244</u>	<u>16,222,625</u>	<u>16,832,814</u>

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

SPEEDUS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six months ended June 30,	
	2005	2004
Cash flows from operating activities:		
Net earnings/(loss)	\$ (2,355,835)	\$ 9,029,658
Adjustments to reconcile net earnings/(loss) to net cash provided by/(used in) operating activities:		
Depreciation and amortization	463,376	592,246
Unrealized investment (gains)/losses	(83,665)	58,237
Minority interest	(123,613)	(332,212)
Stock based compensation	9,166	21,769
Changes in operating assets and liabilities:		
Marketable securities	(720,281)	1,993,673
Prepaid expenses and other	6,917	(73,078)
Due from broker	(12,455)	2,919,910
Accounts and other receivables	47,534	(21,178)
Other assets	(29,409)	(1,291)
Accounts payable	(115,953)	51,788
Accrued liabilities	(132,400)	(375,238)
Securities sold and not purchased	30,436	(4,837,647)
Net cash provided by/(used in) operating activities	(3,016,182)	9,026,637
Cash flows from investing activities:		
Property and equipment additions	(13,462)	(467,508)
United States Treasury bills:		
Purchases	(9,987,650)	---
Maturities	11,000,000	---
Other investments:		
Purchases	(500,000)	(600,000)
Transfer to Marketable securities	600,000	---
Net cash provided by/(used in) investing activities	1,098,888	(1,067,508)
Cash flows from financing activities:		
Proceeds from exercise of options or warrants	46,000	71,586
Repurchase of stock	(75,663)	(246,277)
Net cash provided by/(used in) financing activities	(29,663)	(174,691)
Net increase/(decrease) in cash and cash equivalents	(1,946,957)	7,784,438
Cash and cash equivalents, beginning of period	17,740,865	19,419,197
Cash and cash equivalents, end of period	\$ 15,793,908	\$ 27,203,635

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

SPEEDUS CORP.

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 and six months ended June 30, 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 June 30, 2005 and December 31, 2004, marketable securities consisted of publicly traded equity securities and were recorded at fair market value. Their original cost was \$1,438,000 and \$877,000, unrealized gains since acquisition were \$432,000 and \$184,000 and the carrying value was \$1,870,000 and \$1,061,000, respectively. At June 30, 2005, based upon the fair market value of these securities 39% was invested in technology and telecommunications companies and 61% was invested in a coal company.

United States Treasury bills

United States Treasury bills are classified as held-to-maturity securities and are carried at amortized cost.

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 June 30, 2005, other investments consist of:

(a) a convertible promissory note of 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,

(b) an investment in an entity specifically formed to invest in convertible preferred stock in a non-publicly held online and directory assistance company, recorded at cost in the amount of \$250,000. The preferred stock is convertible into shares of common stock at a conversion price equal to 50% of the price of the common stock in an initial public offering, and

(c) an investment in an entity specifically formed to invest in a senior third-party note of a non-publicly held online and directory assistance company, recorded at cost in the amount of \$250,000. The note is convertible into shares of common stock at a conversion price equal to the price of the common stock in an initial public offering.

The Company does not believe there has been any impairment of other investments at June 30, 2005.

Securities Sold But Not Purchased

The Company may 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. The amount shown on the balance sheet as 'Securities sold and not purchased' represent the value of these securities at fair market value. At June 30, 2005, the Company had sold securities it had not purchased. The aggregate proceeds were \$31,000, unrealized losses since acquisition were \$5,000 and the fair market value of the securities was \$36,000. At June 30, 2005, based upon the fair market value of these securities, 100% was invested in the financial services industry. At 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 June 30, 2005, restricted cash balances in the amount of \$12,000 were held by brokerage firms. At 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 may 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 \$619,000 at June 30, 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 June 30, 2005, the broadband patent was recorded at cost in the amount of \$2,070,000 with accumulated amortization of \$1,451,000. Medical technology, in the aggregate amount of \$1,160,000 with accumulated amortization in the amount of \$759,000 at June 30, 2005, is being amortized over a period of three years.

For the three and six months ended June 30, 2005, amortization expense relating to intangible assets was \$199,000 and \$398,000, respectively. For the three and six months ended June 30, 2004, amortization expense relating to intangible assets was \$187,000 and \$375,000, 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 June 30, 2005, is \$397,000, \$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 three and six months ended June 30, 2005 and the three months ended June 30, 2004, outstanding stock options and warrants in the aggregate weighted average amount of 1,875,386, 1,883,754 and 1,828,358 have been excluded from the diluted loss per share since their effect would be antidilutive. For the six months ended June 30, 2004, the weighted average common shares for diluted earnings per share were determined by adding weighted average shares in the aggregate amount of 561,199 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 16,832,814 weighted average shares outstanding for diluted earnings per share. For the six months ended June 30, 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 three and six months ended June 30, 2005 and 2004 is summarized as follows:

	Three months ended June 30,		Six months ended June 30,	
	(unaudited)		(unaudited)	
	2005	2004	2005	2004
Net earnings/(loss) as reported	\$ (1,380,680)	\$ (1,382,144)	\$ (2,355,835)	\$ 9,029,658
After tax effect of pro forma compensation	(5,550)	(4,750)	(11,100)	(4,750)
Pro forma net earnings/(loss)	<u>\$ (1,386,230)</u>	<u>\$ (1,386,894)</u>	<u>\$ (2,366,935)</u>	<u>\$ 9,024,908</u>
Earnings/(loss) per share:				
Basic - as reported	\$ (0.09)	\$ (0.09)	\$ (0.15)	\$ 0.55
Basic - pro forma	<u>\$ (0.09)</u>	<u>\$ (0.09)</u>	<u>\$ (0.15)</u>	<u>\$ 0.55</u>
Diluted - as reported	\$ (0.09)	\$ (0.09)	\$ (0.15)	\$ 0.54
Diluted - pro forma	<u>\$ (0.09)</u>	<u>\$ (0.09)</u>	<u>\$ (0.15)</u>	<u>\$ 0.54</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.

Recent Accounting Pronouncements

In May 2005, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 154, "Accounting Changes and Error Corrections - a replacement of APB Opinion No. 20 and FASB Statement No. 3". SFAS 154 requires retrospective application to prior periods' financial statements for any changes in accounting principle, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. SFAS 154 defines retrospective application as the application of a different accounting principle to prior accounting periods as if that principle had always been used or as the adjustment of previously issued financial statements to reflect a change in the reporting entity. SFAS also requires that a change in depreciation, amortization, or depletion method for long-lived, non-financial assets be accounted for as a change in accounting estimate affected by a change in accounting principle. SFAS carries forward without change the guidance contained in APB 20 for reporting the correction of an error in previously issued financial statements and a change in accounting estimate. The Company will be required to adopt SFAS 154 for any accounting changes or corrections of errors on or after January 1, 2006. The Company does not expect the adoption of SFAS 154 to have a material effect on the Company's consolidated 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 Gdtfood, 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. On February 8, 2003, the Company reduced its cash investment in F&B Gdtfood 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 six months ended June 30, 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 and six months ended June 30, 2005 and 2004. F&B Gdtfood 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.

Three months ended June 30, 2005				
	<u>F&B</u>	<u>Zargis</u>	<u>Corporate and other</u>	<u>Totals</u>
Revenues from external customers	\$ 282,673	\$ -	\$ 274	\$ 282,947
Depreciation and amortization	25,395	4,195	203,709	233,299
Operating loss	(147,120)	(350,636)	(880,846)	(1,378,602)
Investment income/(loss)	528	20	(1,160)	(612)
Other intangible assets	0	401,201	619,152	1,020,353
Fixed assets	487,559	23,260	46,549	557,368
Total assets	641,993	211,884	25,115,685	25,969,562

Three months ended June 30, 2004				
	<u>F&B</u>	<u>Zargis</u>	<u>Corporate and other</u>	<u>Totals</u>
Revenues from external customers	\$ 200,228	\$ -	\$ -	\$ 200,228
Depreciation and amortization	25,762	4,211	276,797	306,770
Operating loss	(267,627)	(512,710)	(947,589)	(1,727,926)
Investment income/(loss)	602	1,284	153,055	154,941
Other intangible assets	620,875	635,441	1,031,920	2,288,236
Fixed assets	533,872	30,136	105,812	669,820
Total assets	657,259	411,016	30,862,224	31,930,499

Six months ended June 30, 2005				
	<u>F&B</u>	<u>Zargis</u>	<u>Corporate and other</u>	<u>Totals</u>
Revenues from external customers	\$ 509,086	\$ -	\$ 640	\$ 509,726
Depreciation and amortization	47,771	8,188	407,417	463,376
Operating loss	(317,970)	(683,621)	(1,759,110)	(2,760,701)
Investment income/(loss)	481	38	280,734	281,253

Six months ended June 30, 2004				
	<u>F&B</u>	<u>Zargis</u>	<u>Corporate and other</u>	<u>Totals</u>
Revenues from external customers	\$ 349,572	\$ -	\$ 1,671	\$ 351,243
Depreciation and amortization	35,799	7,318	549,129	592,246
Operating loss	(391,763)	(886,206)	(4,921,404)	(6,199,373)
Investment income/(loss)	1,993	4,198	(109,372)	(103,181)

The Company has no foreign operations. During the three or six months ended June 30, 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.

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 Güttdfood Holding Corp., the creator and operator of the original Eurocentric "chic and quick" café, 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 Güttdfood. We own 80% of 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 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 38 international counterparts in 22 countries. We also have 20 patents pending in an additional 5 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 when applicable 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 \$619,000 at June 30, 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.

Six and Three Months Ended June 30, 2005 Compared to Six and Three Months Ended June 30, 2004

Revenues increased \$159,000 from \$351,000 for the six months ended June 30, 2004 to \$510,000 for the six months ended June 30, 2005 and increased \$83,000 from \$200,000 for the three months ended June 30, 2004 to \$283,000 for the three months ended June 30, 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 \$202,000 and \$34,000 for the six months ended June 30, 2005 and 2004, respectively, and \$116,000 and \$34,000 for the three months ended June 30, 2005 and 2004, respectively.

Selling, general and administrative expenses decreased \$222,000 from \$2,162,000 for the six months ended June 30, 2004 to \$1,940,000 for the six months ended June 30, 2005 and decreased \$205,000 from \$1,170,000 for the three months ended June 30, 2004 to \$965,000 for the three months ended June 30, 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 \$43,000 from \$739,000 for the six months ended June 30, 2004 to \$696,000 for the six months ended June 30, 2005 and remained approximately the same for the three months ended June 30, 2004 compared to the three months ended June 30, 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 \$129,000 from \$592,000 for the six months ended June 30, 2004 to \$463,000 for the six months ended June 30, 2005 and decreased \$74,000 from \$307,000 for the three months ended June 30, 2004 to \$233,000 for the three months ended June 30, 2005. This decrease, net of an increase in the amount of \$23,000 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 \$42,000 from \$129,000 for the six months ended June 30, 2004 to \$171,000 for the six months ended June 30, 2005 and increased \$10,000 from \$84,000 for the three months ended June 30, 2004 to \$94,000 for the three months ended June 30, 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 six months ended June 30, 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 six months ended June 30, 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 six months ended June 30, 2004.

Investment income increased \$384,000 from a net loss of \$103,000 for the six months ended June 30, 2004 to a net gain of \$281,000 for the six months ended June 30, 2005 and decreased \$156,000 from a net gain of \$155,000 for the three months ended June 30, 2004 to a net loss of \$1,000 for the three months ended June 30, 2005. Realized losses decreased \$247,000 from net losses of \$402,000 for the six months ended June 30, 2004 to net losses of \$155,000 for the six months ended June 30, 2005 and increased \$212,000 from net gains of \$17,000 for the three months ended June 30, 2004 to net losses of \$195,000 for the three months ended June 30, 2005. Unrealized gains increased \$36,000 from net gains of \$190,000 for the six months ended June 30, 2004 to net gains of \$226,000 for the six months ended June 30, 2005 and decreased \$6,000 from net gains of \$75,000 for the three months ended June 30, 2004 to net gains of \$69,000 for the three months ended June 30, 2005. Interest income increased \$102,000 from \$108,000 for the six months ended June 30, 2004 to \$210,000 for the six months ended June 30, 2005 and increased \$62,000 from \$63,000 for the three months ended June 30, 2004 to \$125,000 for the three months ended June 30, 2005. These amounts will fluctuate based upon changes in the market value of the underlying investments, overall market conditions and the amount of funds available for short-term investment and are not necessarily indicative of the results that may be expected for any future periods.

Minority interest decreased \$208,000 from \$332,000 for the six months ended June 30, 2004 to \$124,000 for the six months ended June 30, 2005 and decreased \$192,000 from \$191,000 for the three months ended June 30, 2004 to an expense of \$1,000 for

the three months ended June 30, 2005. This amount represents the interest of minority stockholders in the losses of F&B Gütfood and Zargis Medical.

During the six months ended June 30, 2004, the Company recorded a gain from technology settlement in the amount of \$15,000,000. No such gain was recognized during the six months ended June 30, 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 \$3,016,000 for the six months ended June 30, 2005 compared to net cash provided by operating activities of \$9,027,000 for the six months ended June 30, 2004. This net increase in cash used in operating activities was primarily the result of a gain from technology settlement in the amount of \$15,000,000 recognized during the six months ended June 30, 2004, reduced by \$2,929,000 in technology settlement expenses. In February 2004, the Company's wholly-owned subsidiary, CellularVision Technology & Telecommunications, L.P., received \$15,000,000 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 \$2,845,000 during the six months ended June 30, 2004.

Net cash provided by investing activities was \$1,099,000 for the six months ended June 30, 2005 compared to net cash used in investing activities of \$1,068,000 for the six months ended June 30, 2004. This net decrease in cash used in investing activities was the result of a decrease in property and equipment additions in the amount of \$454,000, the maturity of United States Treasury bills in the net amount of \$1,012,000 and a net decrease in other investments in the amount of \$100,000.

Net cash used in financing activities was \$30,000 for the six months ended June 30, 2005 compared to net cash used in financing activities of \$175,000 for the six months ended June 30, 2004. This net decrease in cash used in financing activities was primarily the result of a decrease in repurchases of treasury stock in the amount of \$171,000, net of decreases in proceeds received from the exercise of options and warrants in the amount of \$26,000.

At June 30, 2005, the Company's future minimum lease payments due under non-cancelable leases aggregated \$1,979,000. \$259,000 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 also 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.

Recent Accounting Pronouncements

In May 2005, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 154, "Accounting Changes and Error Corrections - a replacement of APB Opinion No. 20 and FASB Statement No. 3". SFAS 154 requires retrospective application to prior periods' financial statements for any changes in accounting principle, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. SFAS 154 defines retrospective application as the application of a different accounting principle to prior accounting periods as if that principle had always been used or as the adjustment of previously issued financial statements to reflect a change in the reporting entity. SFAS also requires that a change in depreciation, amortization, or depletion method for long-lived, non-financial assets be accounted for as a change in accounting estimate affected by a change in accounting principle. SFAS carries forward without change the guidance contained in APB 20 for reporting the correction of an error in previously issued financial statements and a change in accounting estimate. The Company will

be required to adopt SFAS 154 for any accounting changes or corrections of errors on or after January 1, 2006. The Company does not expect the adoption of SFAS 154 to have a material effect on the Company's consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's financial instruments at June 30, 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 also sold 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 and short-term government securities, respectively. 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 June 30, 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

Stock repurchase program:

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (1)
April 1, 2005 - April 30, 2005	0	\$ 0.00	0	\$ 316
May 1, 2005 - May 31, 2005	0	\$ 0.00	0	\$ 1,000,316
June 1, 2005 - June 30, 2005	52,600	\$ 1.44	52,600	\$ 924,653
Total	52,600	\$ 1.44	52,600	\$ 924,653

(1) On November 21, 2000, the Company announced that its Board of Directors had approved a stock repurchase program for the repurchase of up to \$1,000,000 of Company stock through open market as well as privately negotiated transactions. Thereafter, the Board of Directors approved increases to the program in the aggregate amount of \$5,500,000.

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: August 15, 2005

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

Date: August 15, 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: August 15, 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: August 15, 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 June 30, 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: August 15, 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 June 30, 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: August 15, 2005

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