


ITG Q1 2014
Earnings Call
May 1, 2014

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Safe Harbor Statement

This document may contain "forward-looking" statements that reflect management's expectations for the future. A variety of important factors could cause results to differ materially from such statements. Certain of these factors are noted throughout ITG's 2013 Annual Report, on its Form 10-K (as amended), and on its Form 10-Qs and include, but are not limited to, general economic, business, credit and financial market conditions, both internationally and nationally, financial market volatility, fluctuations in market trading volumes, effects of inflation, adverse changes or volatility in interest rates, fluctuations in foreign exchange rates, evolving industry regulations, changes in tax policy or accounting rules, the actions of both current and potential new competitors, changes in commission pricing, rapid changes in technology, errors or malfunctions in our systems or technology, cash flows into or redemptions from equity mutual funds, ability to meet liquidity requirements related to the clearing of our customers' trades, customer trading patterns, the success of our products and service offerings, our ability to continue to innovate and meet the demands of our customers for new or enhanced products, our ability to successfully integrate acquired companies and our ability to attract and retain talented employees. The forward-looking statements included herein represent ITG's views as of the date of this release. ITG undertakes no obligation to revise or update publicly any forward-looking statement for any reason unless required by law.



Agenda

Summary

US Market Structure

- Execution Transparency

US Performance

- Industry Volumes
- Revenue Capture
- POSIT[®]
- Greenwich Survey

International Performance

- Europe
- Canada
- Asia Pacific

ITG Investment Research

New Product Launches

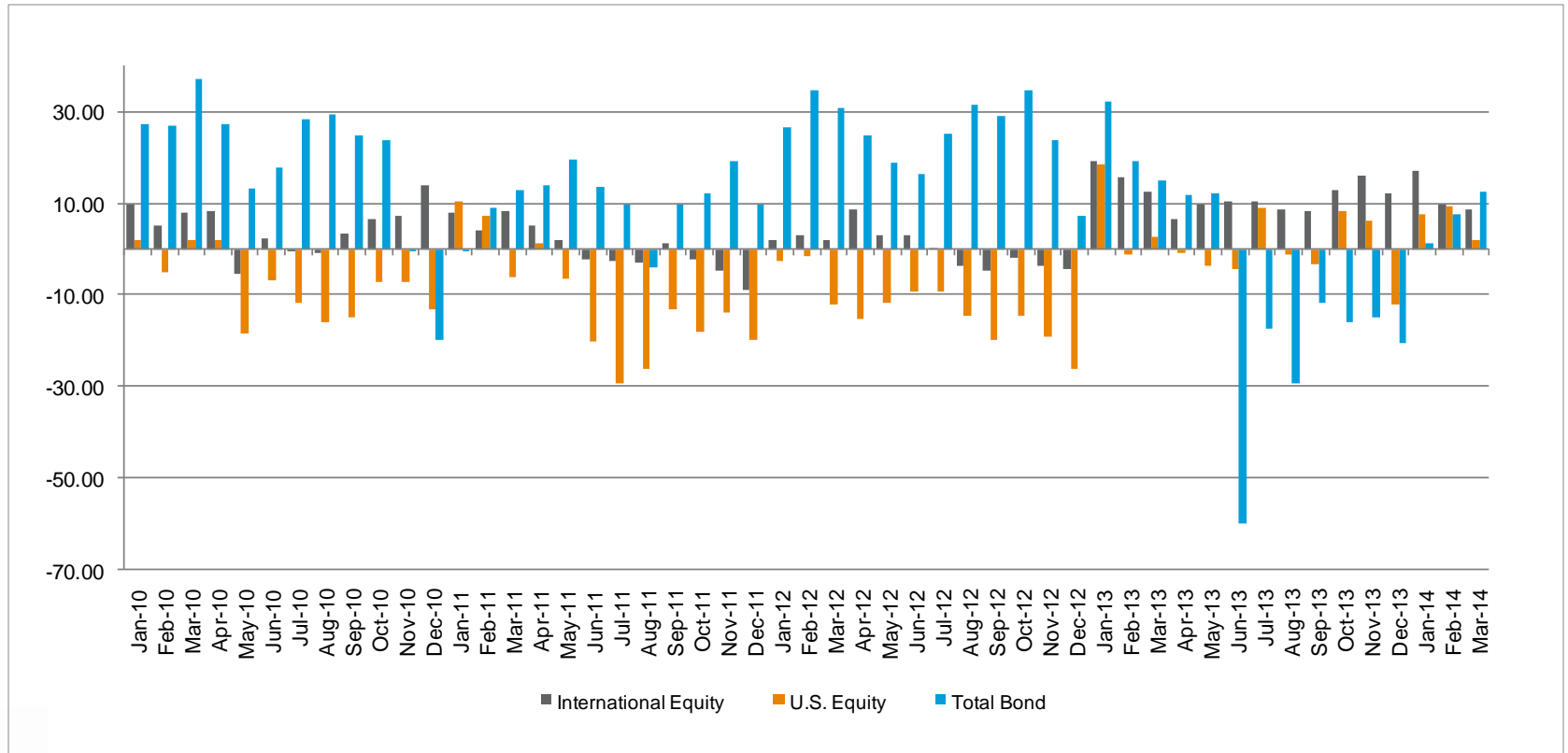
Financial Overview

Q&A



Equity and Bond Mutual Fund Flows

2010-2014, \$ billions



Source: Investment Company Institute.

Agenda

US Performance

- Revenue Capture
- POSIT[®]
- Greenwich Survey



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International Performance

- Europe
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New Product Launches

ITG Investment Research

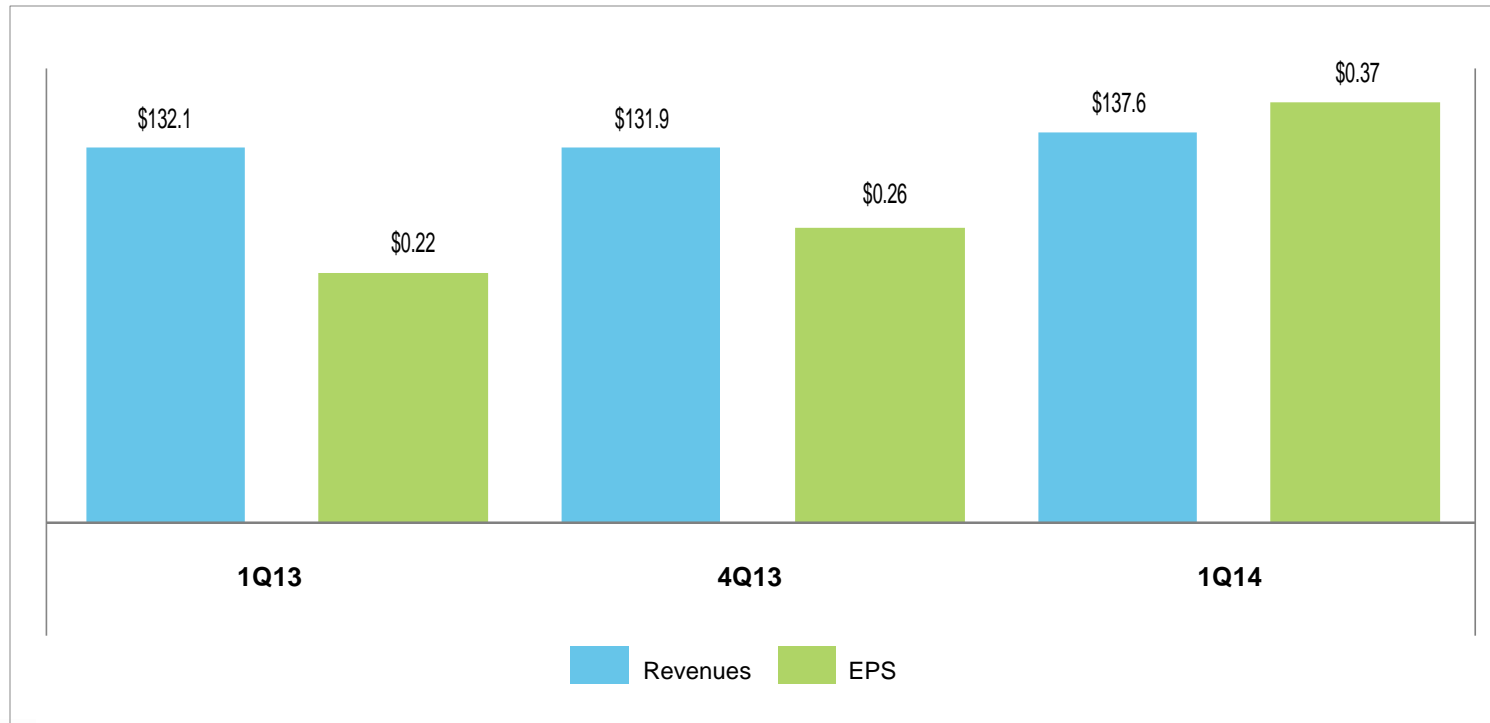
Financial Overview

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First Quarter 2014 GAAP Results

(\$ in millions except EPS)



	vs. 4Q13	vs. 1Q13
1Q14 Revenues	4%	4%
1Q14 Revenues/day	9%	3%

Reconciliation of Adjusted Results

1Q13

(\$ in millions except EPS)	1Q13		
	Pre-Tax	Post-Tax	EPS
GAAP Loss	\$11.0	\$8.6	\$0.22
Non-Operating Expenses:			
Duplicate Rent	1.3	0.8	0.02
Adjusted Net Income	\$12.3	\$9.4	\$0.24



*Note: All subsequent slides show adjusted results, excluding non-operating items.
There were no non-operating items in 4Q13 or 1Q14.*

Adjusted Results

1Q14 vs. 4Q13 vs. 1Q13

	US Operations			International Operations			Total		
(\$ in millions except EPS)	1Q14	4Q13	1Q13	1Q14	4Q13	1Q13	1Q14	4Q13	1Q13
Revenues									
Commissions	\$54.5	\$51.3	\$60.8	\$53.9	\$47.1	\$42.2	\$108.4	\$98.4	\$103.0
Recurring	19.1	19.7	18.6	7.2	7.1	6.8	26.3	26.8	25.4
Other	2.0	4.3	1.8	0.9	2.4	1.9	2.9	6.7	3.7
Total Revenues	75.6	75.3	81.2	62.0	56.6	50.9	137.6	131.9	132.1
Adjusted Expenses	70.8	74.4	74.1	48.4	46.9	45.7	119.2	121.3	119.8
Pre-tax Income	4.8	0.9	7.1	13.6	9.7	5.2	18.4	10.6	12.3
<i>Pre-tax Margin</i>	<i>6.4%</i>	<i>1.2%</i>	<i>8.7%</i>	<i>21.9%</i>	<i>17.2%</i>	<i>10.3%</i>	<i>13.4%</i>	<i>8.1%</i>	<i>9.3%</i>
Tax Expense	2.3	0.4	1.8	2.5	0.5	1.1	4.8	0.9	2.9
Adjusted Net Income	\$2.5	\$0.5	\$5.3	\$11.1	\$9.2	\$4.1	\$13.6	\$9.7	\$9.4
EPS	\$0.07	\$0.01	\$0.14	\$0.30	\$0.25	\$0.10	\$0.37	\$0.26	\$0.24



Summary of US Adjusted Expenses

1Q14, 4Q13 and 1Q13

(\$ in millions)	1Q14	4Q13	1Q13
Comp & Benefits	\$32.5	\$31.7	\$30.7
<i>% of Revenue</i>	42.9%	42.0%	37.8%
Transaction Processing	8.9	9.1	11.4
<i>% of Revenue</i>	11.8%	12.0%	14.0%
Occupancy & Equipment	10.7	11.8	10.9
Telecom & Data Processing	7.3	7.9	8.5
Other G&A	10.8	13.1	12.0
Interest Expense	0.6	0.8	0.6
Total	\$70.8	\$74.4	\$74.1



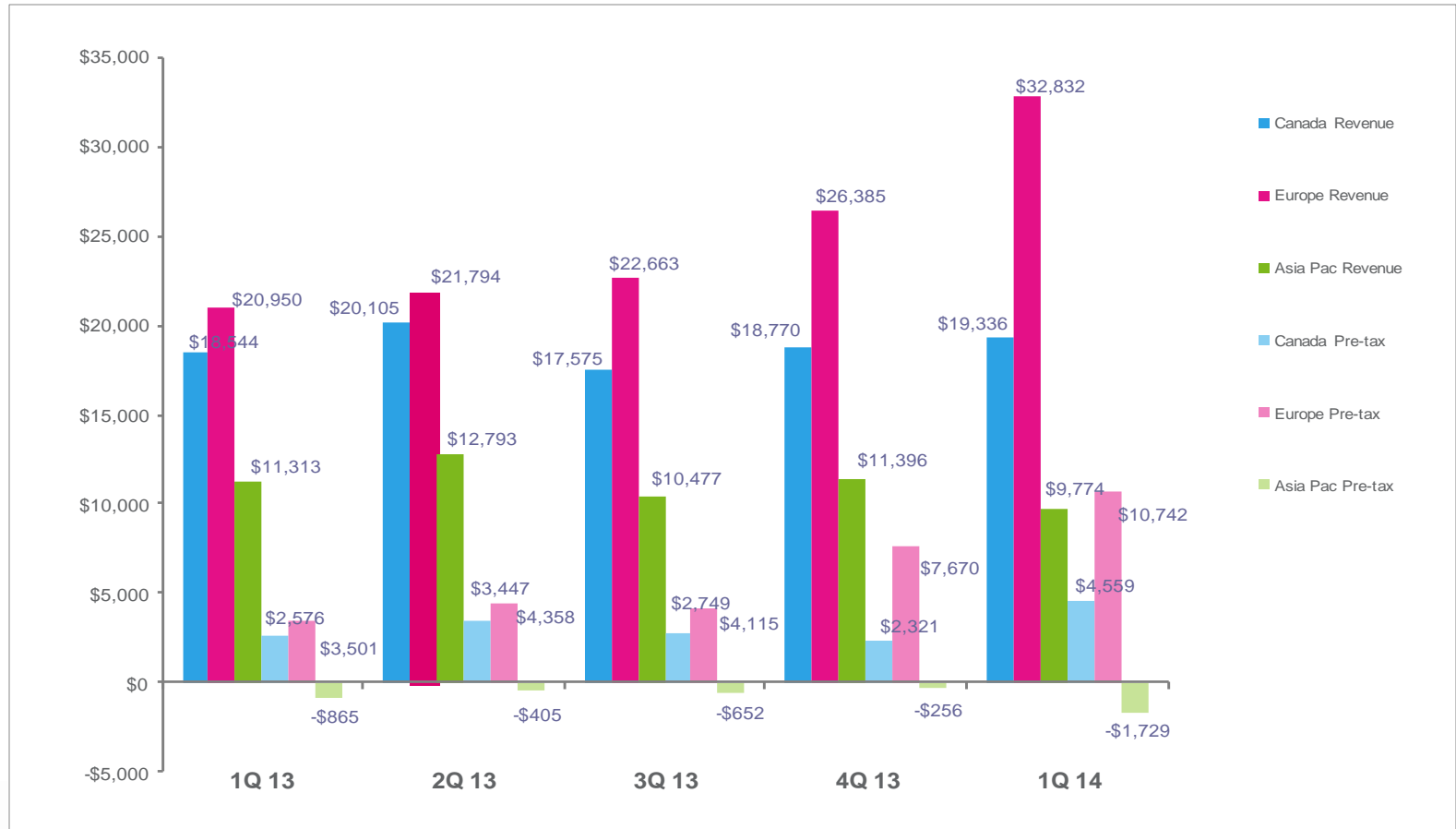
International Financial Summary

Adjusted Results

(\$ in millions)	1Q14	4Q13	3Q13	2Q13	1Q13
Revenues					
Asia Pacific	\$9.8	\$11.4	\$10.5	\$12.8	\$11.3
Canada	19.4	18.8	17.6	20.1	18.6
Europe	32.8	26.4	22.6	21.8	21.0
Total Revenues	62.0	56.6	50.7	54.7	50.9
Expenses					
Compensation and Benefits	18.7	19.2	18.4	19.2	18.8
<i>% of Revenue</i>	<i>30.2%</i>	<i>33.9%</i>	<i>36.2%</i>	<i>35.2%</i>	<i>37.1%</i>
Transaction Processing	11.6	10.9	9.7	11.1	10.1
<i>% of Revenue</i>	<i>18.7%</i>	<i>19.3%</i>	<i>19.1%</i>	<i>20.3%</i>	<i>19.9%</i>
Occupancy & Equipment	4.4	4.1	4.6	4.5	4.3
Telecom & Data Processing	5.4	5.2	5.2	5.5	5.6
Other G&A	8.3	7.5	6.6	7.0	6.9
Total Expenses	48.4	46.9	44.5	47.3	45.7
Pre-Tax Income	\$13.6	\$9.7	\$6.2	\$7.4	\$5.2



International: Adjusted Results Summary



Revenues by Product Group

(\$ in millions)	1Q14	4Q13	3Q13	2Q13	1Q13
Electronic Brokerage	\$72.9	\$69.2	\$66.2	\$74.7	\$69.6
Research, Sales and Trading	29.2	27.1	26.7	28.2	25.4
Platforms	23.7	23.3	23.2	24.6	25.1
Analytics	11.5	11.6	11.2	11.6	11.7
Corporate (non-product)	0.3	0.7	0.3	0.2	0.3
Total	\$137.6	\$131.9	\$127.6	\$139.3	\$132.1



Product Group Margins Q1 2014 Adjusted Results

(\$ in millions)	Electronic Brokerage	Platforms	Analytics	Research Sales & Trading	Corp	Total
Revenues	\$72.9	\$23.7	\$11.5	\$29.2	\$0.3	\$137.6
Depreciation & Amortization	5.7	3.7	1.5	0.8	1.3	13.0
Interest	-	-	-	-	0.6	0.6
All Other Expenses	51.3	16.0	8.7	25.9	3.7	105.6
Total Expenses	57.0	19.7	10.2	26.7	5.6	119.2
Pre-Tax Income (Loss)	\$15.9	\$4.0	\$1.3	\$2.5	\$(5.3)	\$18.4
Pre-Tax Margin Q1 2014	21.8%	17.0%	10.8%	8.8%	NA	13.4%
Pre-Tax Margin Full Year 2013	17.1%	14.9%	12.6%	0.8%	NA	9.3%



U.S. Trading Volumes and Revenues Per Share

(\$ in millions except cents per share and trading days)	1Q14	4Q13	3Q13	2Q13	1Q13
Trading Volumes	10,021	9,450	9,895	11,427	11,599
Trading Days	61	64	64	64	60
Trading Volumes Per Day	164.3	147.7	154.6	178.6	193.3
Revenue Per Share (Includes commissions and net executions)	\$0.0047	\$0.0047	\$0.0049	\$0.0048	\$0.0046
Trading Commissions and Fees	\$47.4	\$44.6	\$48.3	\$54.5	\$52.8
Other Commissions and Fees (Includes ITG Net [®] commission sharing & ITG Derivatives)	7.1	6.7	7.8	8.5	8.0
Total Commissions and Fees	\$54.5	\$51.3	\$56.1	\$63.0	\$60.8



Q&A

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