

**ITG Q2 2014
Earnings Call**
July 31, 2014

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ITG[®]

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

Investment Outlook

US Performance

- Revenue Capture
- Industry Volumes
- POSIT[®]

International Performance

- Europe
- Canada
- Asia Pacific

New Product Development

ITG Investment Research

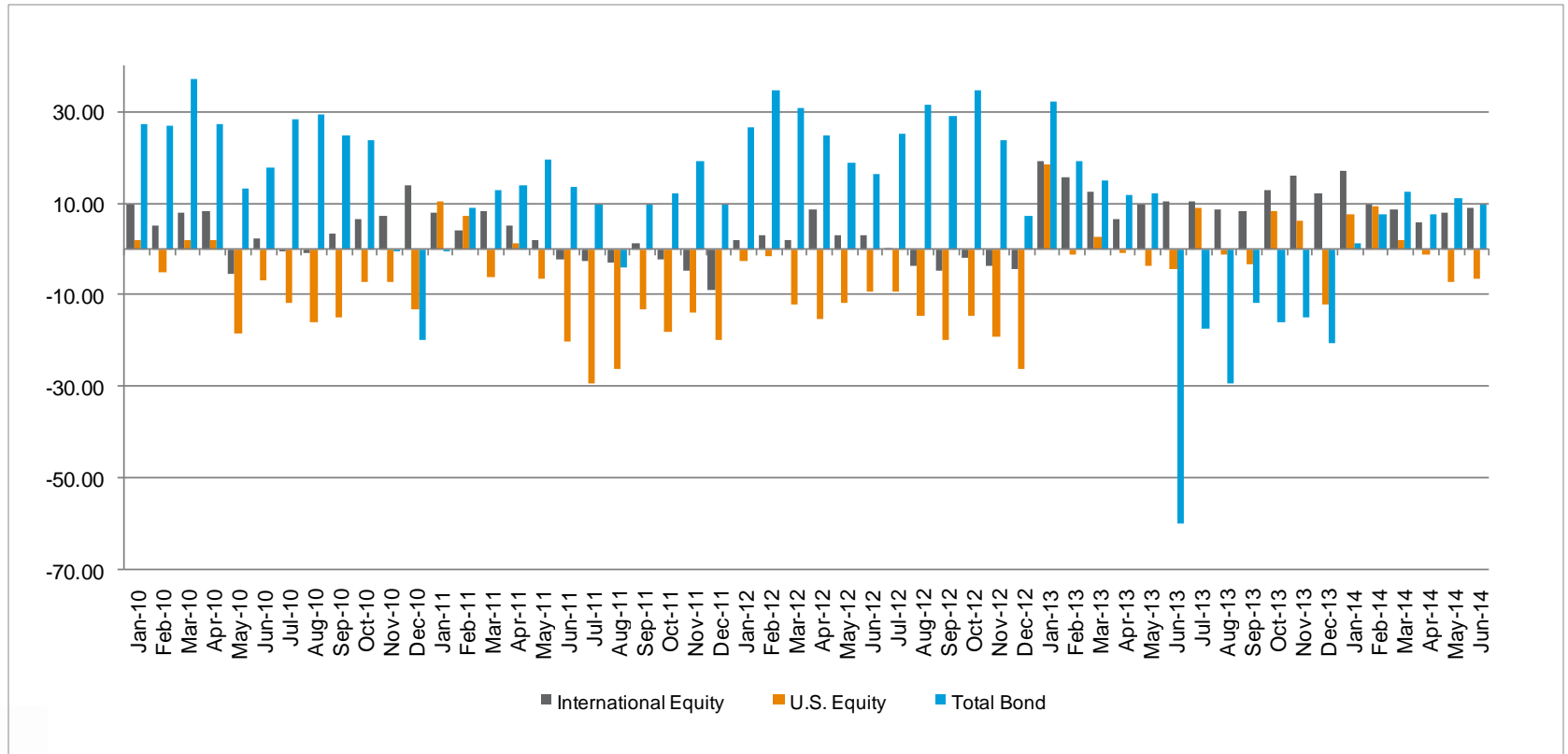
Financial Overview

Q&A

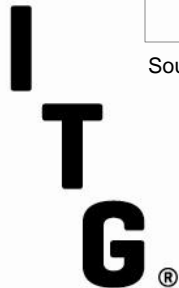


Equity and Bond Mutual Fund Flows

2010-2014, \$ billions



Source: Investment Company Institute. June 2014 data are preliminary.



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US Performance

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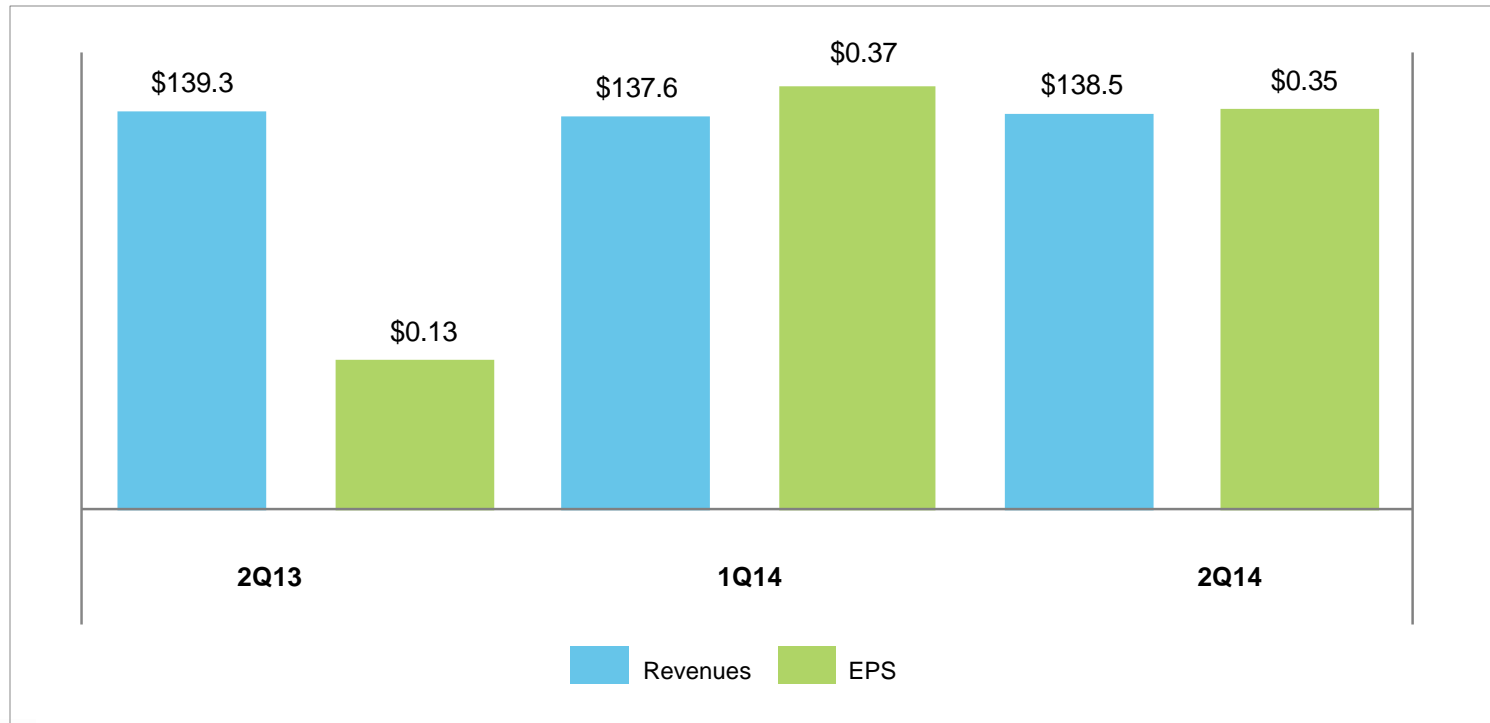
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Second Quarter 2014 GAAP Results

(\$ in millions except EPS)



	vs. 1Q14	vs. 2Q13
2Q14 Revenues	1%	(1)%
2Q14 Revenues/day	(3)%	1%

Reconciliation of Adjusted Results

2Q13

(\$ in millions except EPS)	2Q13		
	Pre-Tax	Post-Tax	EPS
GAAP Income (Loss)	\$10.8	\$5.1	\$0.13
Non-Operating Expenses:			
Restructuring:			
Israel Closing	1.6	3.2	0.08
Adjs. to prior accruals	(1.7)	(1.0)	(0.02)
Facilities:			
Duplicate Rent	1.2	0.7	0.02
Office Move	3.9	2.3	0.06
Adjusted Net Income	\$15.8	\$10.3	\$0.27

Note: All subsequent slides show adjusted results, excluding non-operating items. There were no non-operating items in 1Q14 or 2Q14.



Adjusted Results

2Q14 vs. 1Q14 vs. 2Q13

	US Operations			International Operations			Total		
(\$ in millions except EPS)	2Q14	1Q14	2Q13	2Q14	1Q14	2Q13	2Q14	1Q14	2Q13
Revenues									
Commissions	\$54.3	\$54.5	\$63.0	\$52.2	\$53.9	\$45.9	\$106.5	\$108.4	\$108.9
Recurring	17.9	18.4	19.4	7.1	7.2	6.9	25.0	25.6	26.3
Other	5.1	2.7	2.2	1.9	0.9	1.9	7.0	3.6	4.1
Total Revenues	77.3	75.6	84.6	61.2	62.0	54.7	138.5	137.6	139.3
Adjusted Expenses	72.7	70.8	76.2	49.1	48.4	47.3	121.8	119.2	123.5
Pre-tax Income	4.6	4.8	8.4	12.1	13.6	7.4	16.7	18.4	15.8
<i>Pre-tax Margin</i>	<i>6.0%</i>	<i>6.4%</i>	<i>10.0%</i>	<i>19.7%</i>	<i>21.9%</i>	<i>13.5%</i>	<i>12.1%</i>	<i>13.4%</i>	<i>11.4%</i>
Tax Expense	2.0	2.3	3.9	1.8	2.5	1.6	3.8	4.8	5.5
Adjusted Net Income	\$2.6	\$2.5	\$4.5	\$10.3	\$11.1	\$5.8	\$12.9	\$13.6	\$10.3
EPS	\$0.07	\$0.07	\$0.12	\$0.28	\$0.30	\$0.15	\$0.35	\$0.37	\$0.27



Summary of US Adjusted Expenses

2Q14, 1Q14 and 2Q13

(\$ in millions)	2Q14	1Q14	2Q13
Comp & Benefits	\$34.0	\$32.5	\$32.0
<i>% of Revenue</i>	<i>44.0%</i>	<i>42.9%</i>	<i>37.8%</i>
Transaction Processing	9.2	8.9	11.4
<i>% of Revenue</i>	<i>11.9%</i>	<i>11.8%</i>	<i>13.5%</i>
Occupancy & Equipment	10.6	10.7	11.1
Telecom & Data Processing	7.3	7.3	8.2
Other G&A	11.0	10.8	12.8
Interest Expense	0.6	0.6	0.7
Total	\$72.7	\$70.8	\$76.2



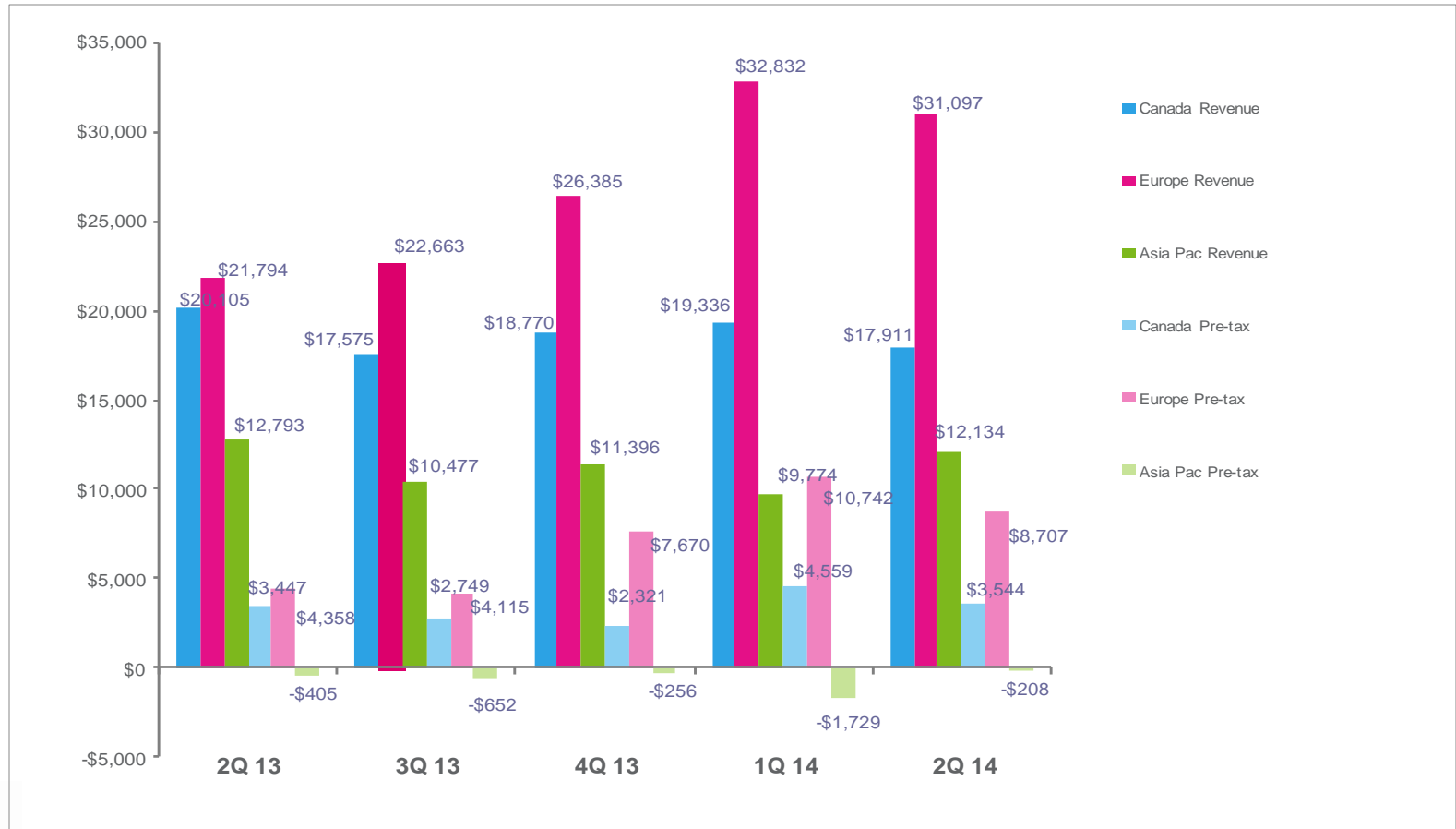
International Financial Summary

Adjusted Results

(\$ in millions)	2Q14	1Q14	4Q13	3Q13	2Q13
Revenues					
Asia Pacific	\$12.2	\$9.8	\$11.4	\$10.5	\$12.8
Canada	17.9	19.4	18.8	17.6	20.1
Europe	31.1	32.8	26.4	22.6	21.8
Total Revenues	61.2	62.0	56.6	50.7	54.7
Expenses					
Compensation and Benefits	18.7	18.7	19.2	18.4	19.2
<i>% of Revenue</i>	<i>30.6%</i>	<i>30.2%</i>	<i>33.9%</i>	<i>36.2%</i>	<i>35.2%</i>
Transaction Processing	10.9	11.6	10.9	9.7	11.1
<i>% of Revenue</i>	<i>17.8%</i>	<i>18.7%</i>	<i>19.3%</i>	<i>19.1%</i>	<i>20.3%</i>
Occupancy & Equipment	4.4	4.4	4.1	4.6	4.5
Telecom & Data Processing	5.4	5.4	5.2	5.2	5.5
Other G&A	9.7	8.3	7.5	6.6	7.0
Total Expenses	49.1	48.4	46.9	44.5	47.3
Pre-Tax Income	\$12.1	\$13.6	\$9.7	\$6.2	\$7.4



International: Adjusted Results Summary



Revenues by Product Group

(\$ in millions)	2Q14	1Q14	4Q13	3Q13	2Q13
Electronic Brokerage	\$73.2	\$72.9	\$69.2	\$66.2	\$74.7
Research, Sales and Trading	30.3	29.2	27.1	26.7	28.2
Platforms	23.3	23.7	23.3	23.2	24.6
Analytics	11.4	11.5	11.6	11.2	11.6
Corporate (non-product)	0.3	0.3	0.7	0.3	0.2
Total	\$138.5	\$137.6	\$131.9	\$127.6	\$139.3



Product Group Margins June QTD 2014 Adjusted Results

(\$ in millions)	Electronic Brokerage	Platforms	Analytics	Research Sales & Trading	Corp	Total
Revenues	\$73.2	\$23.3	\$11.4	\$30.3	\$0.3	\$138.5
Depreciation & Amortization	5.6	3.7	1.4	0.8	1.3	12.8
Interest	-	-	-	-	0.6	0.6
All Other Expenses	53.0	15.9	8.9	26.5	4.1	108.4
Total Expenses	58.6	19.5	10.3	27.3	6.0	121.8
Pre-Tax Income (Loss)	\$14.6	\$3.8	\$1.0	\$3.0	\$(5.7)	\$16.7
Pre-Tax Margin June QTD 2014	19.9%	16.3%	8.8%	9.9%	NA	12.1%
Pre-Tax Margin June YTD 2014	20.9%	16.7%	9.8%	9.4%	NA	12.7%
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)	2Q14	1Q14	4Q13	3Q13	2Q13
Trading Volumes	9,385	10,021	9,450	9,895	11,427
Trading Days	63	61	64	64	64
Trading Volumes Per Day	149.0	164.3	147.7	154.6	178.6
Revenue Per Share (Includes commissions and net executions)	\$0.0050	\$0.0047	\$0.0047	\$0.0049	\$0.0048
Trading Commissions and Fees	\$46.9	\$47.4	\$44.6	\$48.3	\$54.5
Other Commissions and Fees (Includes ITG Net [®] commission sharing & ITG Derivatives)	7.4	7.1	6.7	7.8	8.5
Total Commissions and Fees	\$54.3	\$54.5	\$51.3	\$56.1	\$63.0



Q&A

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