

A photograph of a vineyard with rows of grapevines stretching into the distance under a clear blue sky. The vines are lush green and supported by wooden stakes.

**ITG**  
First Quarter 2012  
Earnings Call

May 3, 2012

PRESENTED BY:

Bob Gasser, CEO and President

Steve Vigliotti, CFO

**GE  
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# Agenda

## Summary

### Industry Overview

- Fund Flows
- ITG Volumes

### International Performance

- Europe
- Asia Pacific
- Canada

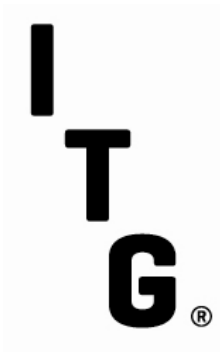
## Competitive Strategy

- Investment Research
- New Products

## Capital Allocation

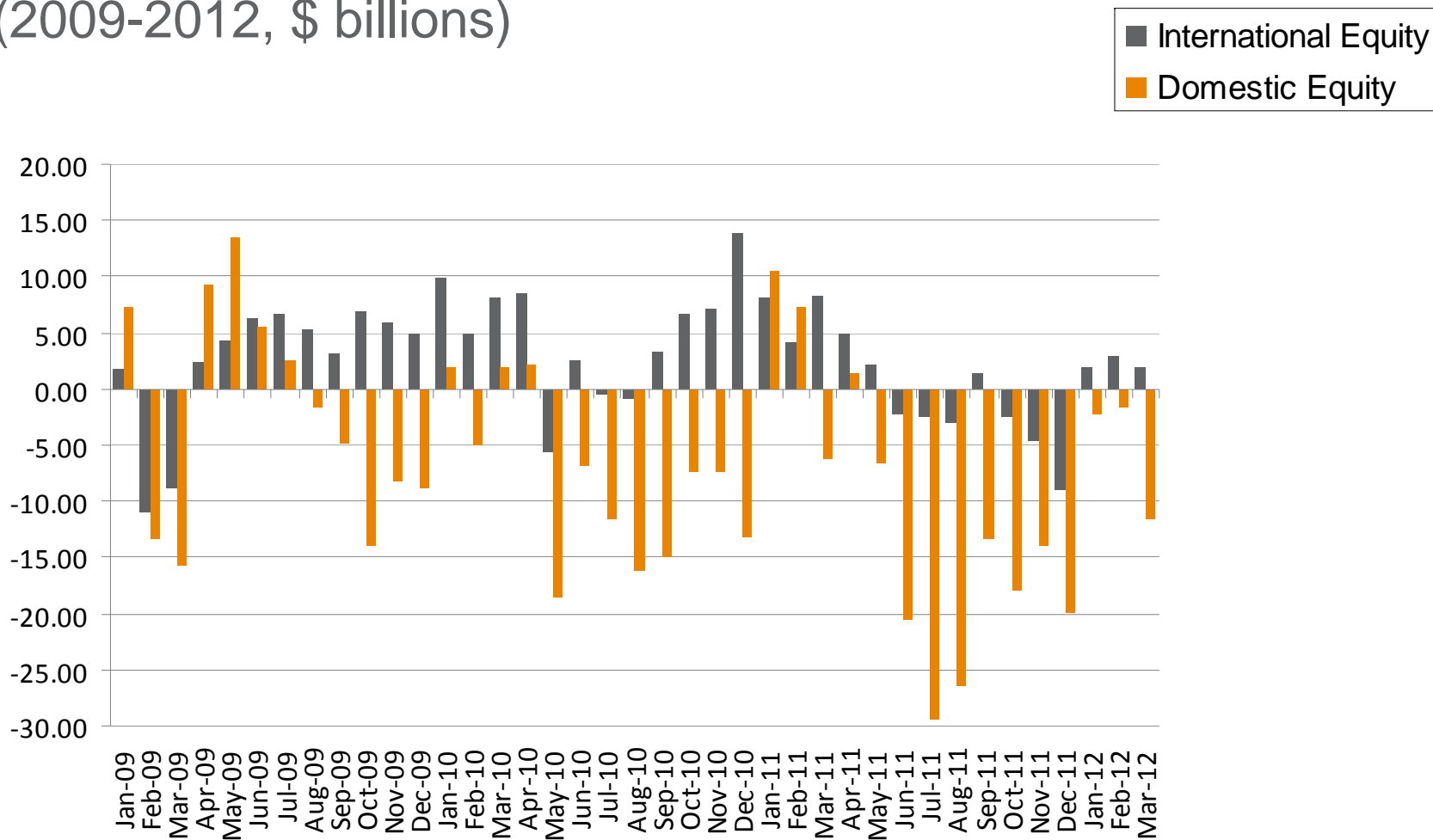
## Financial Overview

## Q&A



# Domestic vs. International Equity Mutual Fund Flows

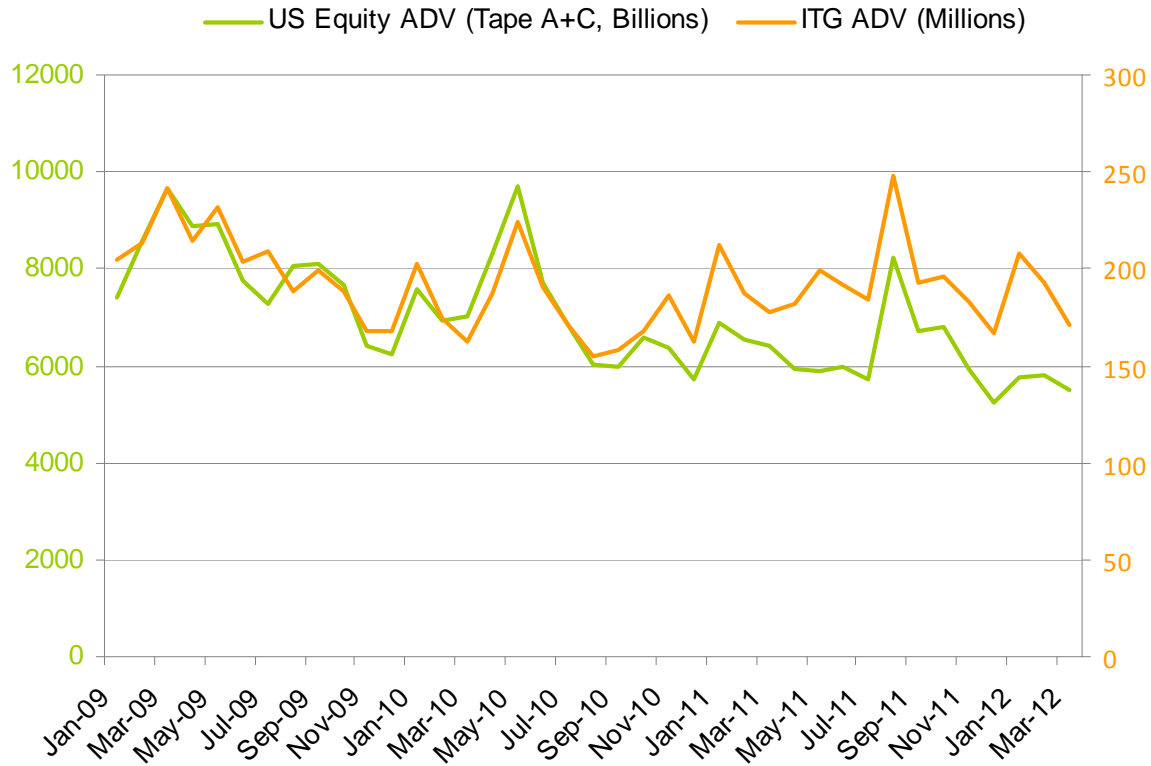
(2009-2012, \$ billions)



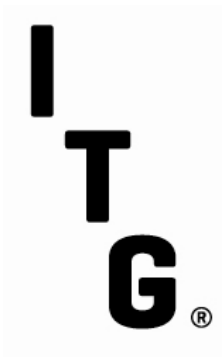
Source: Investment Company Institute



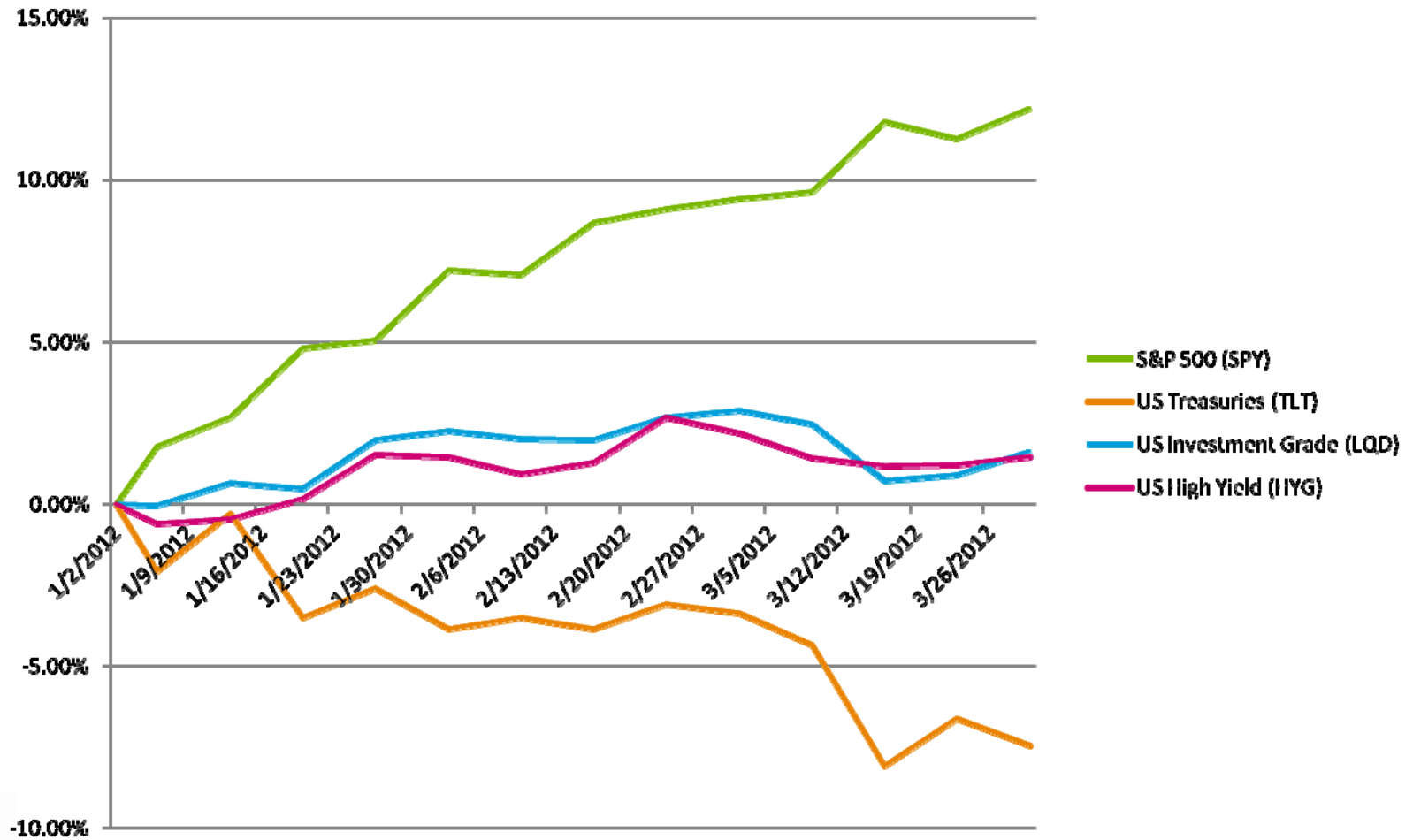
# US Equity ADV (NYSE & NASDAQ) and ITG ADV



Source: ThomsonReuters and ITG



## Equity & Bond Performance



Source: ThomsonReuters



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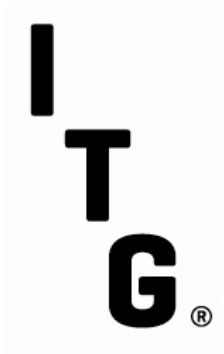
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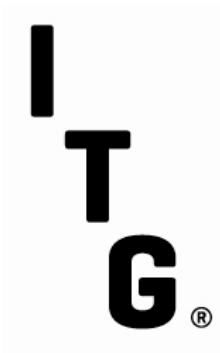
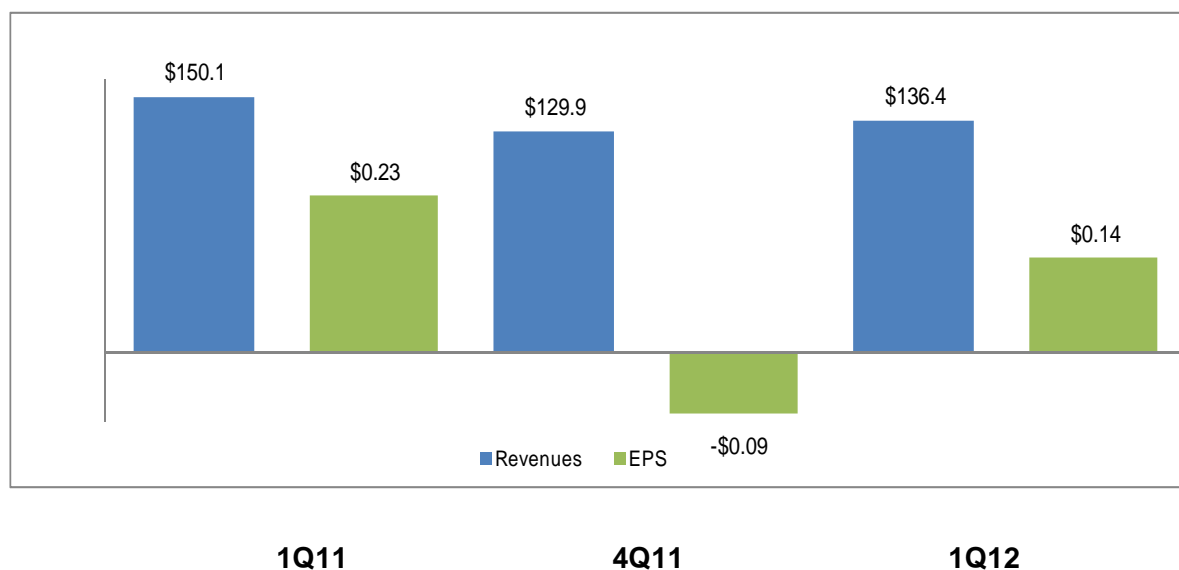
## Q&A



# First Quarter 2012 GAAP Results

(\$ in millions except EPS)

	<b>vs.</b>	<b>vs.</b>
	<b>4Q11</b>	<b>1Q11</b>
<b>Revenues</b>	5%	(9)%
<b>Revenues per day</b>	7%	(9)%

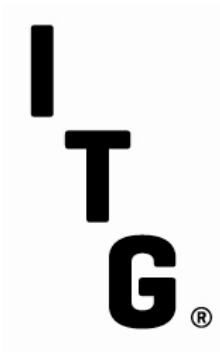




# Reconciliation of Adjusted Results

## 4Q11

(\$ in millions except EPS)	4Q11		
	Pre-Tax	Post-Tax	EPS
GAAP (Loss) Earnings	\$ (6.4)	\$ (3.7)	\$ (0.09)
<u>Non-Operating Expense (Income):</u>			
Impairment	4.3	2.5	0.06
Restructuring			
Employee Termination	1.8	1.0	0.03
Lease consolidation	<u>5.0</u>	<u>2.9</u>	<u>0.07</u>
Total Restructuring	6.8	3.9	0.10
Adjusted Earnings	\$4.7	\$2.7	\$0.07



# Adjusted Results

## 1Q12 vs. 4Q11 vs. 1Q11

(\$ in millions except EPS)	US Operations			International Operations			Total		
	1Q12	4Q11	1Q11	1Q12	4Q11	1Q11	1Q12	4Q11	1Q11
Revenues:									
Commissions	\$ 61.4	\$ 59.4	\$ 75.8	\$ 43.9	\$ 38.2	\$ 42.9	\$ 105.3	\$ 97.6	\$ 118.7
Recurring	21.1	22.2	21.9	6.3	6.5	5.3	27.4	28.7	27.2
Other	<u>2.1</u>	<u>1.5</u>	<u>2.8</u>	<u>1.6</u>	<u>2.1</u>	<u>1.4</u>	<u>3.7</u>	<u>3.6</u>	<u>4.2</u>
Total Revenues	84.6	83.1	100.5	51.8	46.8	49.6	136.4	129.9	150.1
Adjusted Expenses	81.2	82.9	87.0	46.7	42.3	46.0	127.9	125.2	133.0
Pre-tax Income	3.4	0.2	13.5	5.1	4.5	3.6	8.5	4.7	17.1
<i>Pre-tax Margin</i>	<i>4.0%</i>	<i>0.2%</i>	<i>13.5%</i>	<i>9.9%</i>	<i>9.6%</i>	<i>7.3%</i>	<i>6.2%</i>	<i>3.6%</i>	<i>11.4%</i>
Tax Expense (Benefit)	1.7	(0.1)	5.7	1.3	2.1	1.9	3.0	2.0	7.6
Adjusted Net Income	1.7	\$ 0.3	\$ 7.8	\$ 3.8	\$ 2.4	\$ 1.7	\$ 5.5	\$ 2.7	\$ 9.5
EPS	\$0.04	\$ 0.01	\$ 0.19	\$0.10	\$0.06	\$0.04	\$ 0.14	\$ 0.07	\$ 0.23



# Summary of US Adjusted Expenses

## 1Q12, 4Q11 and 1Q11

(\$ in millions)	1Q12	4Q11	1Q11
Comp & Benefits	\$33.6	\$34.2	\$38.3
<i>% of Revenue</i>	39.7%	41.2%	38.1%
Transaction Processing	11.5	11.8	12.9
<i>% of Revenue</i>	13.6%	14.2%	12.8%
Occupancy & Equipment	10.4	11.3	10.8
Telecom & Data Processing	9.7	9.3	9.6
Other G&A	15.3	15.7	15.1
Interest Expense	0.7	0.6	0.3
Total	\$81.2	\$82.9	\$87.0



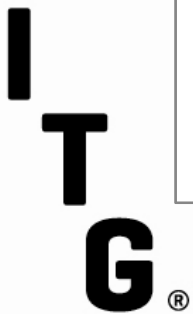
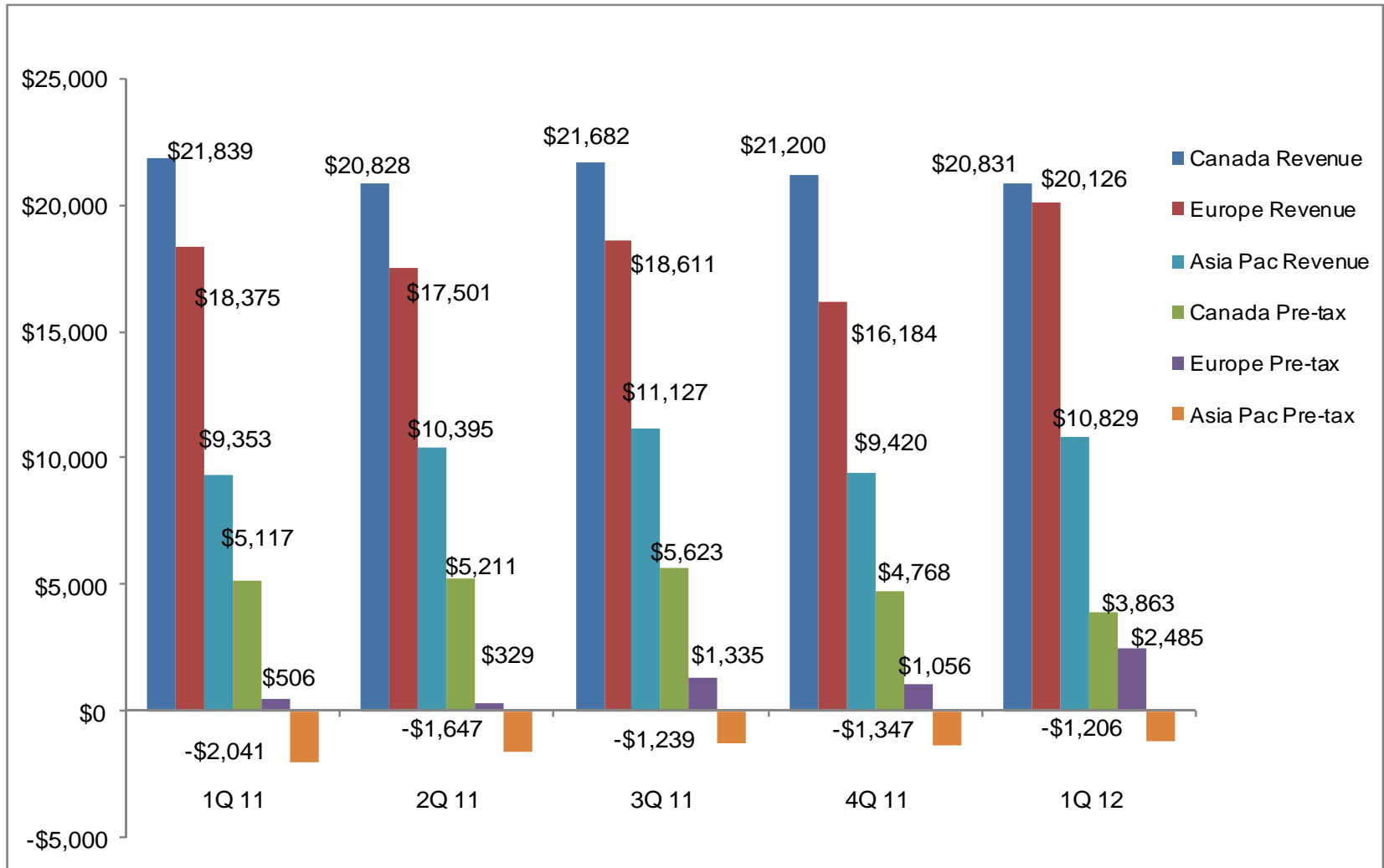
# International Financial Summary

## Adjusted Results

(\$ in millions)	1Q12	4Q11	3Q11	2Q11	1Q11
Revenues					
Asia Pacific	\$10.9	\$9.4	\$11.1	\$10.4	\$9.4
Canada	20.8	21.2	21.7	20.8	21.8
Europe	<u>20.1</u>	<u>16.2</u>	<u>18.6</u>	<u>17.5</u>	<u>18.4</u>
Total Revenues	51.8	46.8	51.4	48.7	49.6
Expenses					
Compensation and Benefits	19.0	17.8	17.6	18.8	19.2
<i>% of Revenue</i>	<i>36.7%</i>	<i>38.0%</i>	<i>34.2%</i>	<i>38.6%</i>	<i>38.7%</i>
Transaction Processing	10.7	8.9	10.8	9.7	10.1
<i>% of Revenue</i>	<i>20.7%</i>	<i>19.0%</i>	<i>21.0%</i>	<i>19.9%</i>	<i>20.3%</i>
Occupancy	4.2	3.9	4.0	4.2	4.1
Telecom & Data Processing	5.4	4.7	5.2	5.3	5.5
Other G&A	<u>7.4</u>	<u>7.0</u>	<u>8.1</u>	<u>6.9</u>	<u>7.1</u>
Total Expenses	46.7	42.3	45.7	44.9	46.0
Pre-Tax Income	\$5.1	\$4.5	\$5.7	\$3.8	\$3.6



# International: Adjusted Results Summary



# U.S. Trading Volumes and Revenues Per Share

(\$ in millions except cents per share and trading days)	1Q12	4Q11	3Q11	2Q11	1Q11
Trading Volumes	11,777	11,458	13,449	12,038	11,875
Trading Days	62	63	64	63	62
Trading Volumes Per Day	190.0	181.9	210.1	191.1	191.5
Revenue Per Share (Includes commissions and net executions)	\$0.00440	\$0.00439	\$0.00467	\$0.00509	\$0.00553
Trading Commissions and Fees	\$51.8	\$50.3	\$62.8	\$61.3	\$65.6
Other Commissions and Fees (Includes ITG Net <sup>®</sup> commission sharing & ITG Derivatives <sup>SM</sup> )	<u>9.6</u>	<u>9.1</u>	<u>11.3</u>	<u>9.2</u>	<u>10.2</u>
Total Commissions and Fees	\$61.4	\$59.4	\$74.1	\$70.5	\$75.8



# Q&A

