

ITG Q1 2013
Earnings Call
5/2/2013

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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 2012 Annual Report, on its Form 10-K, 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, the volatility of our stock price, 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, our ability to attract and retain talented employees and our ability to achieve cost savings from our cost reduction plans. 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

Industry Conditions

- Fund Flows
- US Volumes
- US Performance

International Performance

- Europe
- Asia Pacific
- Canada

Efficiency Improvements

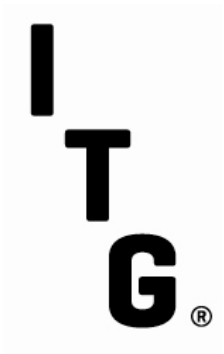
Products and Platforms

- New Product Developments
- Investment Research

Balance Sheet

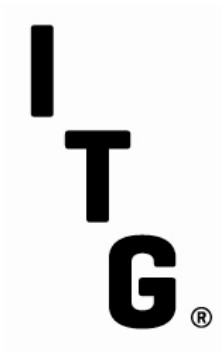
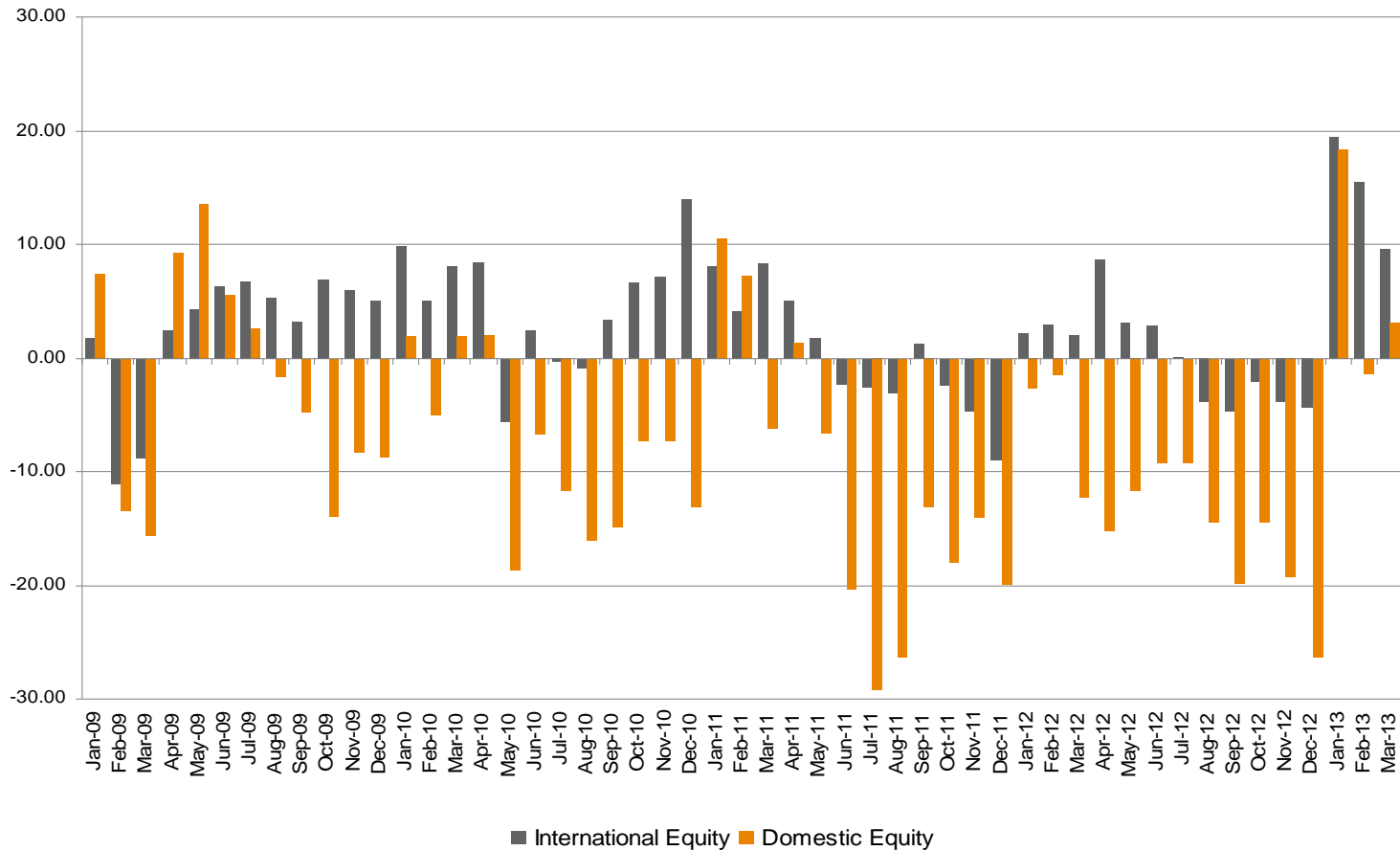
Financial Overview

Q&A



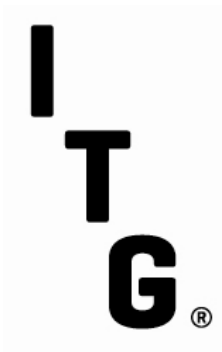
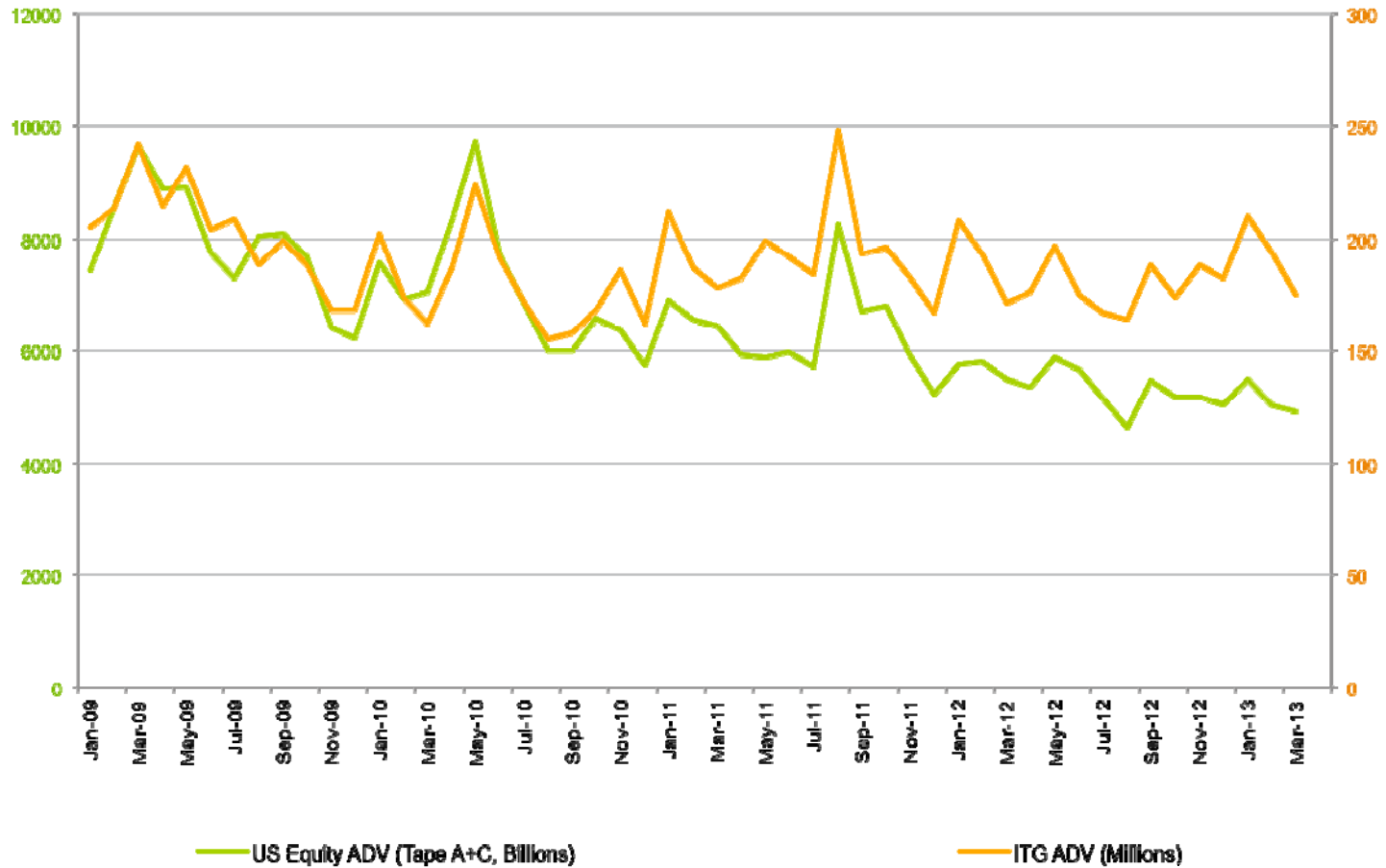
Domestic vs. International Equity Mutual Fund Flows

2009-2013, \$ billions



Source: Investment Company Institute

Equity ADV (NYSE & NASDAQ) and ITG ADV



Source: ThomsonReuters and ITG

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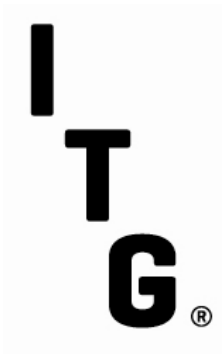
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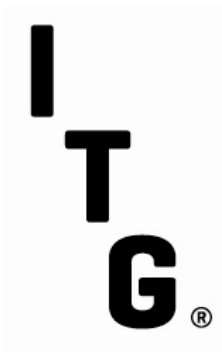
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First Quarter 2013 GAAP Results

(\$ in millions except EPS)



	vs. 4Q12	vs. 1Q12
1Q13 Revenues	9%	(3)%
1Q13 Revenues/day	12%	0%

Reconciliation of Adjusted Results

1Q13 vs. 4Q12

(\$ in millions except EPS)	1Q13			4Q12		
	Pre-Tax	Post-Tax	EPS	Pre-Tax	Post-Tax	EPS
GAAP Net Income (Loss)	\$11.0	\$8.6	\$0.22	\$(8.6)	\$(6.5)	\$(0.17)
<u>Non-Operating Expenses:</u>						
Restructuring	-	-	-	9.5	6.3	0.17
Duplicate Rent	1.3	0.8	0.02	1.4	0.8	0.02
Adjusted Net Income	\$12.3	\$9.4	\$0.24	\$2.3	\$0.6	\$0.02

Note: All subsequent slides show adjusted results, excluding non-operating items. There were no non-operating items in 1Q12.



Adjusted Results

1Q13 vs. 4Q12 vs. 1Q12

	US Operations			International Operations			Total		
(\$ in millions except EPS)	1Q13	4Q12	1Q12	1Q13	4Q12	1Q12	1Q13	4Q12	1Q12
Revenues									
Commissions	\$60.8	\$55.6	\$61.4	\$42.2	\$35.4	\$43.9	\$103.0	\$91.0	\$105.3
Recurring	18.6	20.2	21.1	6.8	7.4	6.3	25.4	27.6	27.4
Other	1.8	1.3	2.1	1.9	1.6	1.6	3.7	2.9	3.7
Total Revenues	81.2	77.1	84.6	50.9	44.4	51.8	132.1	121.5	136.4
Adjusted Expenses	74.1	77.3	81.2	45.7	41.9	46.7	119.8	119.2	127.9
Pre-tax (Loss) income	7.1	(0.2)	3.4	5.2	2.5	5.1	12.3	2.3	8.5
<i>Pre-tax Margin</i>	8.7%	(0.3)%	4.0%	10.3%	5.7%	9.9%	9.3%	1.9%	6.2%
Tax Expense	1.8	0.9	1.7	1.1	0.8	1.3	2.9	1.7	3.0
Adjusted Net (Loss) Income	\$5.3	\$(1.1)	\$1.7	\$4.1	\$1.7	\$3.8	\$9.4	\$0.6	\$5.5
EPS (LPS)	\$0.14	\$(0.03)	\$0.04	\$0.10	\$0.05	\$0.10	\$0.24	\$0.02	\$0.14



Summary of US Adjusted Expenses

1Q13, 4Q12 and 1Q12

(\$ in millions)	1Q13	4Q12	1Q12
Comp & Benefits	\$30.7	\$30.8	\$33.6
<i>% of Revenue</i>	37.8%	39.9%	39.7%
Transaction Processing	11.4	11.9	11.6
<i>% of Revenue</i>	14.0%	15.5%	13.6%
Occupancy & Equipment	10.9	10.9	10.4
Telecom & Data Processing	8.5	9.8	9.7
Other G&A	12.0	13.3	15.2
Interest Expense	0.6	0.6	0.7
Total	\$74.1	\$77.3	\$81.2



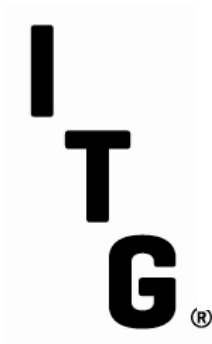
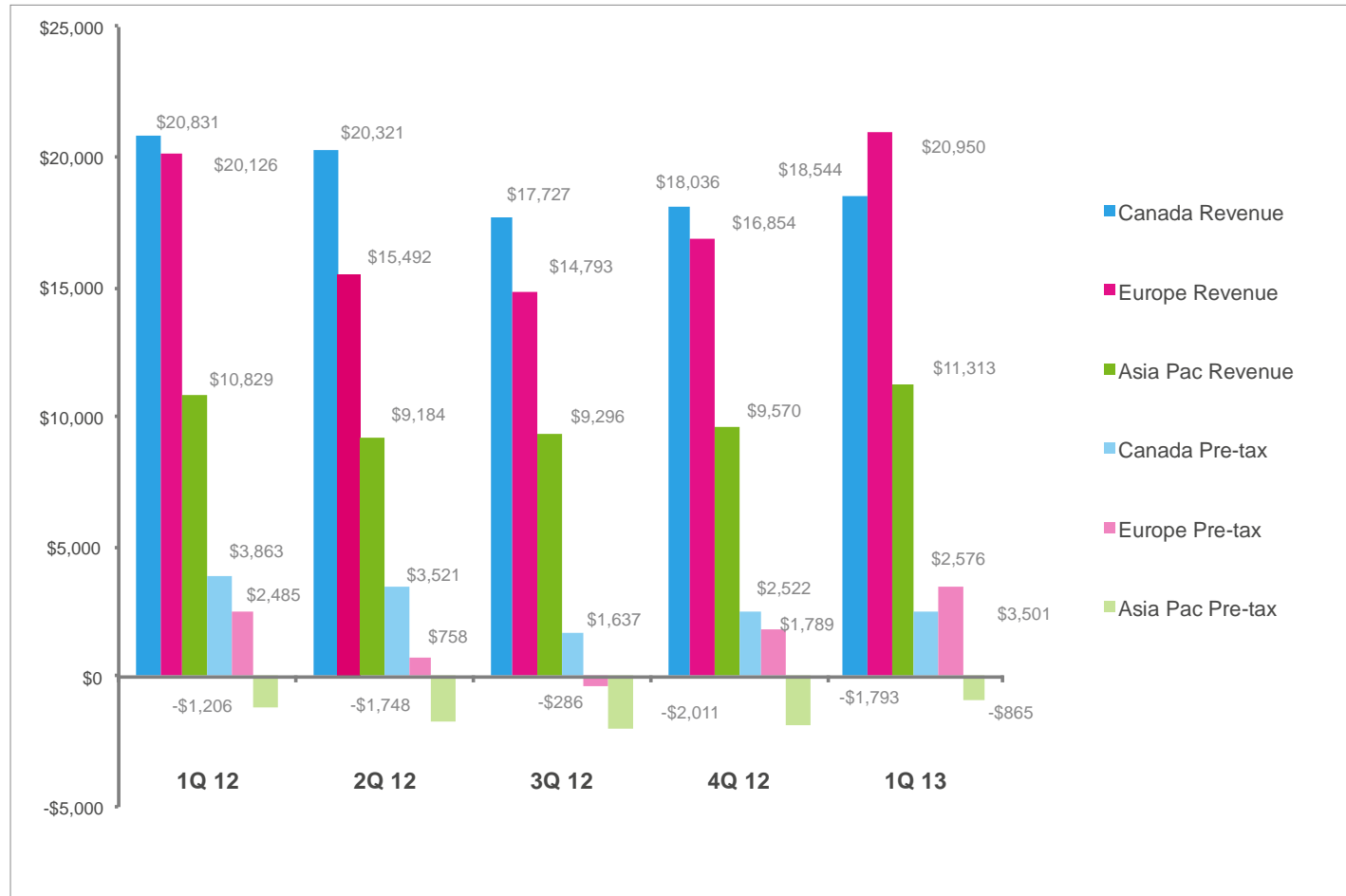
International Financial Summary

Adjusted Results

(\$ in millions)	1Q13	4Q12	3Q12	2Q12	1Q12
Revenues					
Asia Pacific	\$11.3	\$9.6	\$9.3	\$9.2	\$10.9
Canada	18.6	18.0	17.7	20.3	20.8
Europe	21.0	16.8	14.8	15.5	20.1
Total Revenues	50.9	44.4	41.8	45.0	51.8
Expenses					
Compensation and Benefits	18.8	16.3	16.2	16.3	19.0
<i>% of Revenue</i>	<i>37.1%</i>	<i>36.8%</i>	<i>38.8%</i>	<i>36.2%</i>	<i>36.7%</i>
Transaction Processing	10.1	8.0	8.4	8.8	10.7
<i>% of Revenue</i>	<i>19.9%</i>	<i>18.1%</i>	<i>20.2%</i>	<i>19.6%</i>	<i>20.7%</i>
Occupancy & Equipment	4.3	4.7	5.0	4.3	4.2
Telecom & Data Processing	5.6	5.2	5.5	5.4	5.4
Other G&A	6.9	7.7	7.4	7.7	7.4
Total Expenses	45.7	41.9	42.5	42.5	46.7
Pre-Tax Income (Loss)	\$5.2	\$2.5	\$(0.7)	\$2.5	\$5.1



International: Adjusted Results Summary



Revenues by Product Group

(\$ in millions)	1Q13	4Q12	3Q12	2Q12	1Q12
Electronic Brokerage	\$69.6	\$58.3	\$57.7	\$62.7	\$72.2
Research Sales and Trading	25.4	27.4	25.8	26.8	26.4
Platforms	25.1	23.7	24.2	25.7	25.7
Analytics	11.7	11.9	11.7	11.4	11.6
Corporate (non-product)	0.2	0.3	0.3	0.3	0.4
Total	\$132.1	\$121.5	\$119.6	\$126.9	\$136.4



U.S. Trading Volumes and Revenues Per Share

(\$ in millions except cents per share and trading days)	1Q13	4Q12	3Q12	2Q12	1Q12
Trading Volumes	11,599	11,232	10,853	11,527	11,777
Trading Days	60	62	63	63	62
Trading Volumes Per Day	193.3	181.2	172.3	183.0	190.0
Revenue Per Share (Includes commissions and net executions)	\$0.0046	\$0.0043	\$0.0044	\$0.0044	\$0.0044
Trading Commissions and Fees	\$52.8	\$48.2	\$48.3	\$50.2	\$51.8
Other Commissions and Fees (Includes ITG Net [®] commission sharing & ITG Derivatives SM)	8.0	7.4	7.5	8.3	9.6
Total Commissions and Fees	\$60.8	\$55.6	\$55.8	\$58.5	\$61.4



Q&A

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