



ITG Second Quarter 2011 Earnings

August 4, 2011

PRESENTED BY

Bob Gasser, CEO and President

Steve Vigliotti, CFO



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. These factors are noted throughout ITG's 2010 Annual Report, on its Form 10-K, and on its Form 10-Qs and include, but are not limited to, the actions of both current and potential new competitors, fluctuations in market trading volumes, financial market volatility, changes in commission pricing, potential impairment charges related to goodwill and other long-lived assets, evolving industry regulations, errors or malfunctions in our systems or technology, rapid changes in technology, cash flows into or redemptions from equity funds, effects of inflation, 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 companies we have acquired, changes in tax policy or accounting rules, fluctuations in foreign exchange rates, adverse changes or volatility in interest rates, our ability to attract and retain talented employees, as well as general economic, business, credit and financial market conditions, internationally or nationally. 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.

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Agenda

Summary

Industry Overview

- Fund Flows
- ITG Volumes

International Performance

- Asia Pacific
- Canada
- Europe

Competitive Strategy

- Investment Research

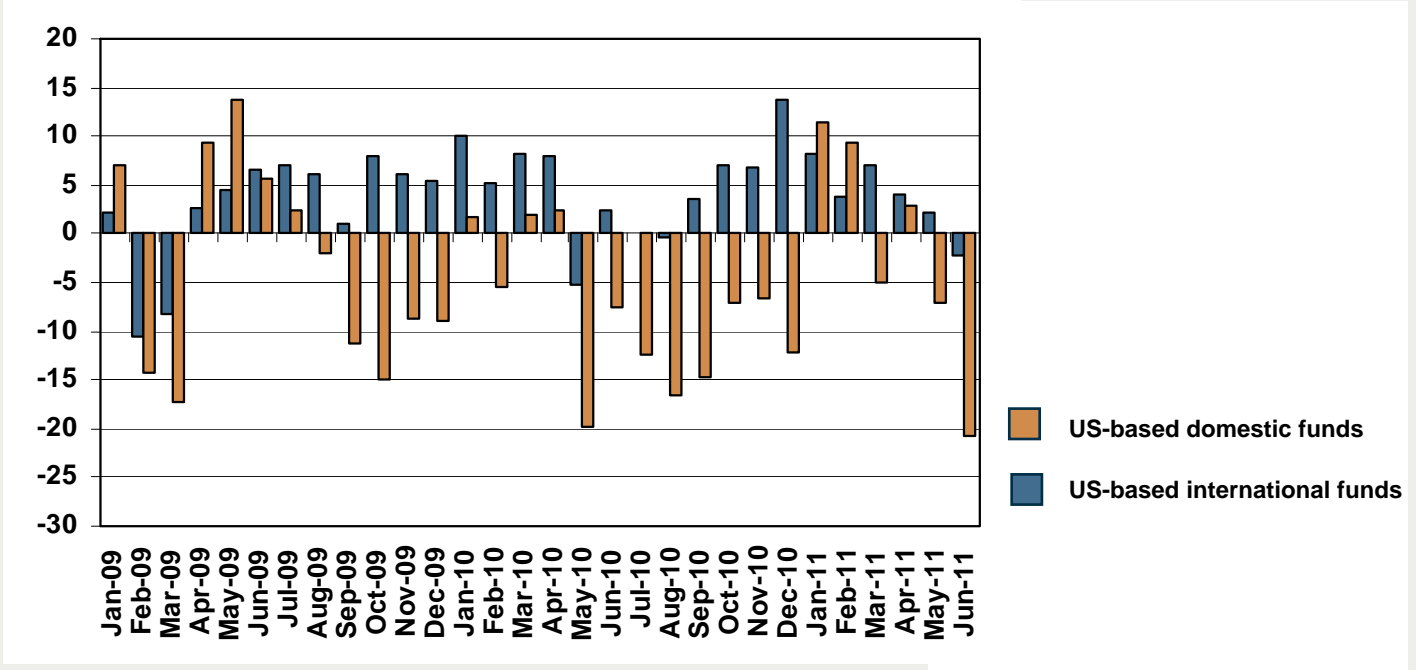
Capital Allocation

Financial Overview

Q&A

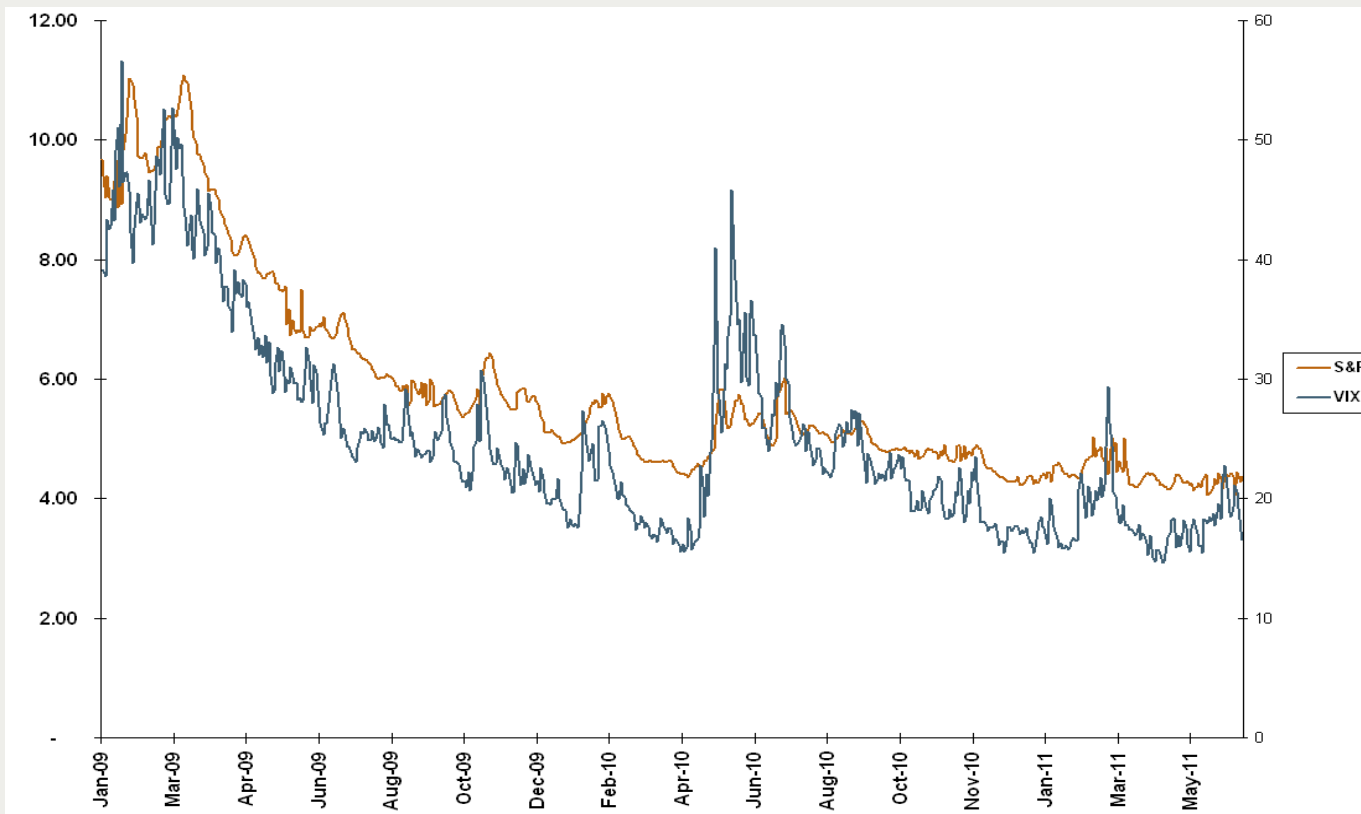
Domestic vs. International Equity Mutual Funds

(in billions)



Source: Investment Company Institute. Data are subject to revision.

Equity Returns and Risk: VIX and S&P 500 Bid/Ask Spreads



Source: Thomson Reuters.

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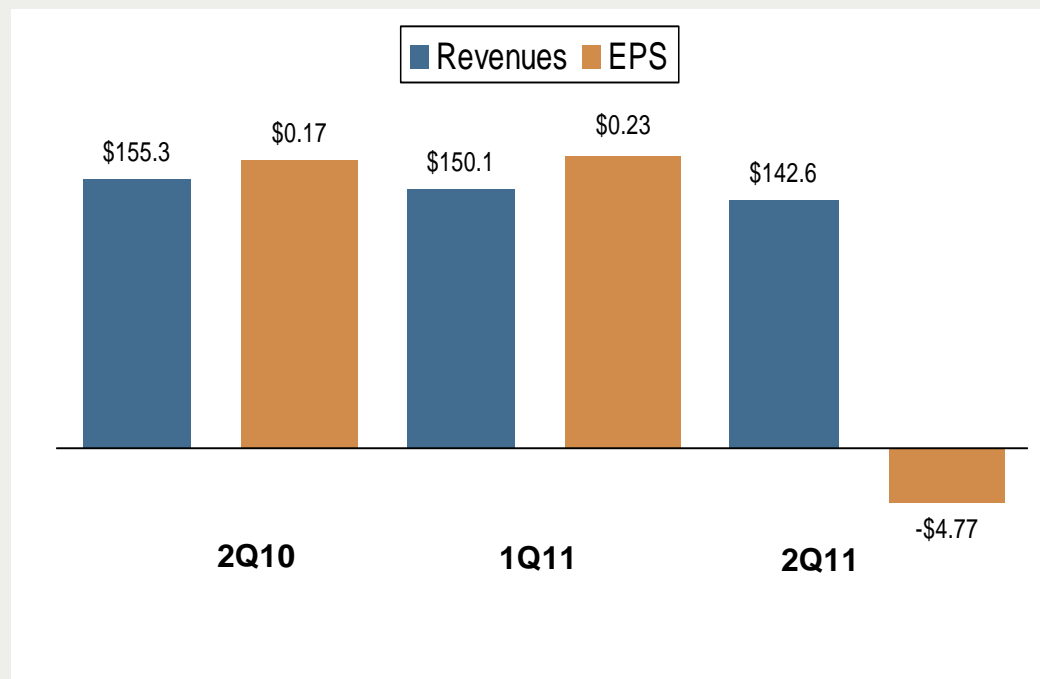
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Second Quarter 2011 GAAP Results

(\$ in millions except EPS)

	vs. 1Q11	vs. 2Q10
Revenues	(5)%	(8)%
Revenues per day	(6)%	(8)%



Reconciliation of Adjusted Results

2Q11 and 2Q10

(\$ in millions except EPS)

	2Q11			2Q10		
	Pre-Tax	Post-Tax	EPS	Pre-Tax	Post-Tax	EPS
GAAP Net (Loss) Income	\$ (234.6)	\$ (196.1)	\$ (4.77)	\$ 19.4	\$ 7.5	\$ 0.17
Non-Operating Expense (Income)						
Goodwill impairment	225.0	189.5	4.61	5.4	5.4	0.12
Restructuring charges						
Employee termination	17.4	10.7	0.26	1.3	1.3	0.03
Other	0.3	0.3	0.01	1.0	1.1	0.03
	17.7	11.0	0.27	2.3	2.4	0.06
Acquisition related costs						
Professional fees	0.7	0.4	0.01	---	---	---
Contract termination costs	1.8	1.1	0.03	---	---	---
	2.5	1.5	0.04	---	---	---
Adjusted Net Income	\$10.6	\$5.8	\$0.14	\$27.1	\$15.3	\$0.35

Adjusted Results

2Q11 vs. 1Q11 vs. 2Q10

(\$ in millions except EPS)

	US Operations			Non-US Operations			Total		
	2Q11	1Q11	2Q10	2Q11	1Q11	2Q10	2Q11	1Q11	2Q10
Revenues:									
Commissions	\$ 70.5	\$ 75.8	\$ 89.8	\$ 41.4	\$ 42.9	\$ 40.7	\$ 111.9	\$ 118.7	\$ 130.5
Recurring	20.8	21.9	17.4	5.7	5.3	5.4	26.5	27.2	22.8
Other	2.6	2.8	0.9	1.6	1.4	1.1	4.2	4.2	2.0
Total Revenues	\$ 93.9	\$ 100.5	\$ 108.1	\$ 48.7	\$ 49.6	\$ 47.2	\$ 142.6	\$ 150.1	\$ 155.3
Adjusted Expenses	87.1	87.0	84.1	44.9	46.0	44.1	132.0	133.0	128.2
Pre-tax Income	6.8	13.5	24.0	3.8	3.6	3.1	10.6	17.1	27.1
Pre-tax Margin	7.2%	13.5%	22.2%	8.0%	7.2%	6.5%	7.5%	11.4%	17.4%
Tax Expense	3.1	5.7	9.8	1.7	1.9	2.0	4.8	7.6	11.8
Adjusted Net Income	\$ 3.7	\$ 7.8	\$ 14.2	\$ 2.1	\$ 1.7	\$ 1.1	\$ 5.8	\$ 9.5	\$ 15.3
EPS	\$ 0.09	\$ 0.19	\$ 0.33	\$0.05	\$0.04	\$0.02	\$ 0.14	\$ 0.23	\$ 0.35

Summary of US Adjusted Expenses

2Q11, 1Q11 and 2Q10

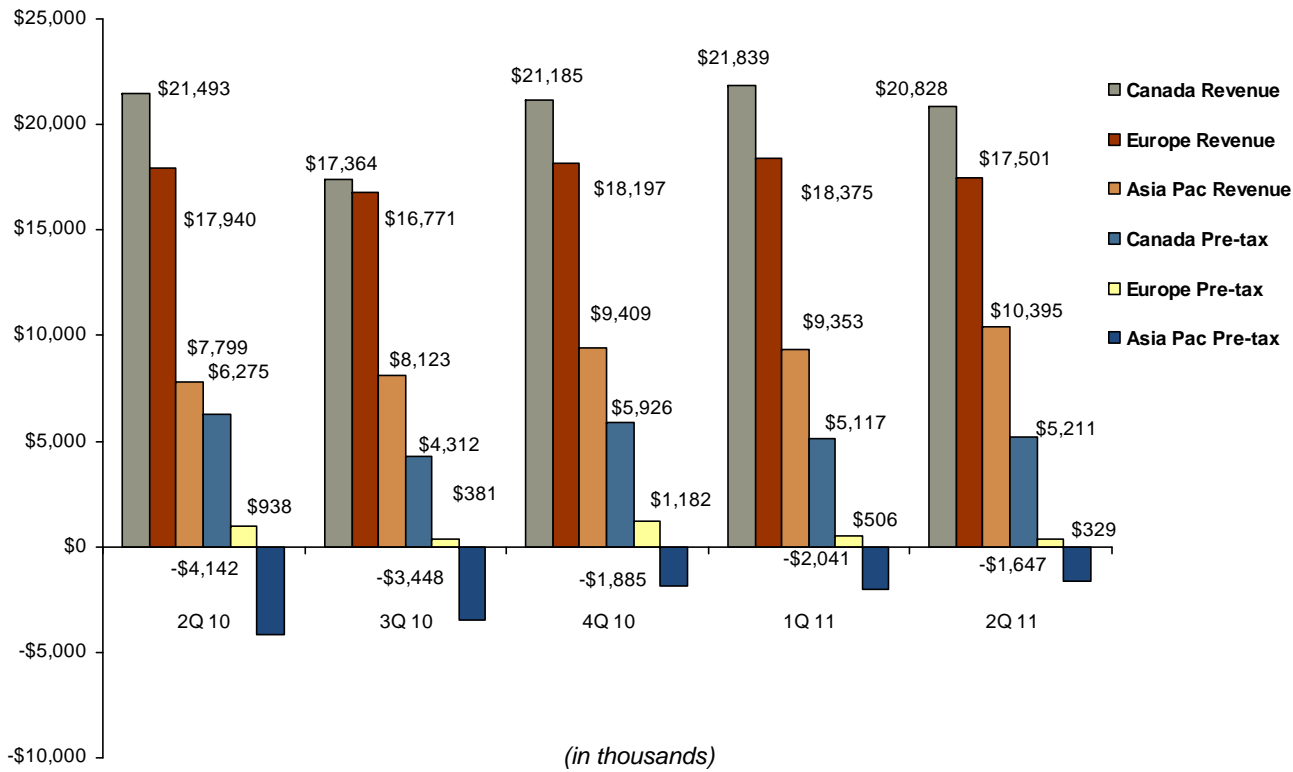
<i>(\$ in millions)</i>	2Q11	1Q11	2Q10
Comp & Benefits	\$ 36.9	\$ 38.3	\$ 35.7
<i>% of Revenue</i>	39.3%	38.1%	33.0%
Transaction Processing	13.4	12.9	13.0
<i>% of Revenue</i>	14.3%	12.9%	12.0%
Occupancy & Equipment	10.9	10.8	11.1
Telecom & Data Processing	9.6	9.6	8.1
Other G&A	15.8	15.1	16.0
Interest Expense	0.5	0.3	0.2
Total	\$87.1	\$87.0	\$84.1

Non-U.S. Financial Summary

Adjusted Results

<i>(\$ in millions)</i>	2Q11	1Q11	4Q10	3Q10	2Q10
Revenues					
Asia Pacific	\$10.4	\$9.4	\$9.4	\$8.1	\$7.8
Canada	20.8	21.8	21.2	17.4	21.5
Europe	17.5	18.4	18.2	16.8	17.9
Total Revenues	\$48.7	\$49.6	\$48.8	\$42.3	\$47.2
Expenses					
Compensation and Benefits	\$18.8	\$19.2	\$18.9	\$18.0	\$18.9
<i>% of Revenue</i>	38.6%	38.7%	38.8%	42.6%	40.0%
Transaction Processing	9.7	10.1	9.7	8.4	10.6
<i>% of Revenue</i>	19.8%	20.3%	20.0%	20.0%	22.5%
Occupancy	4.2	4.1	4.0	3.9	3.8
Telecom & Data Processing	5.3	5.5	5.2	5.0	4.9
Other G&A	6.9	7.1	5.8	5.7	5.9
Total Expenses	\$44.9	\$46.0	\$43.6	\$41.0	\$44.1
Pre-Tax Income	\$3.8	\$3.6	\$5.2	\$1.3	\$3.1

Non-US: Adjusted Results Summary



U.S. Trading Volumes and Revenues Per Share

<i>(\$ in millions except cents per share and trading days)</i>	2Q11	1Q11	4Q10	3Q10	2Q10
Trading Volumes	12,038	11,875	10,989	10,334	12,597
Trading Days	63	62	64	64	63
Trading Volumes Per Day	191.1	191.5	171.7	161.5	199.9
Revenue Per Share (Includes commissions and net executions)	\$0.00509	\$0.00553	\$0.00536	\$0.00584	\$0.00614
Broker Dealer Commissions and Fees	\$61.3	\$65.6	\$58.9	\$60.3	\$77.4
Other Commissions and Fees (Includes ITG Net [®] commission sharing & ITG Derivatives SM)	\$9.2	\$10.2	\$10.1	\$10.1	\$12.4
Total Commissions and Fees	\$70.5	\$75.8	\$69.0	\$70.4	\$89.8

Savings Plan Estimates

(in millions)

Estimated 2012 Savings

	U.S.	Canada	Europe	APAC	Total
Compensation and related costs	\$ 14.5	\$ 0.3	\$ 1.7	\$ -	\$ 16.5
Consulting	1.0	0.2	-	-	1.2
Infrastructure	0.5	-	0.5	0.2	1.2
Other	0.9	-	0.2	-	1.1
Total	\$ 16.9	\$ 0.5	\$ 2.4	\$ 0.2	\$ 20.0

Estimated Q311 Savings

	\$ 2.4	\$ 0.1	\$ 0.3	\$ 0.0	\$ 2.8
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Estimated Q411 Savings

	\$ 3.6	\$ 0.1	\$ 0.4	\$ 0.1	\$ 4.2
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Q&A