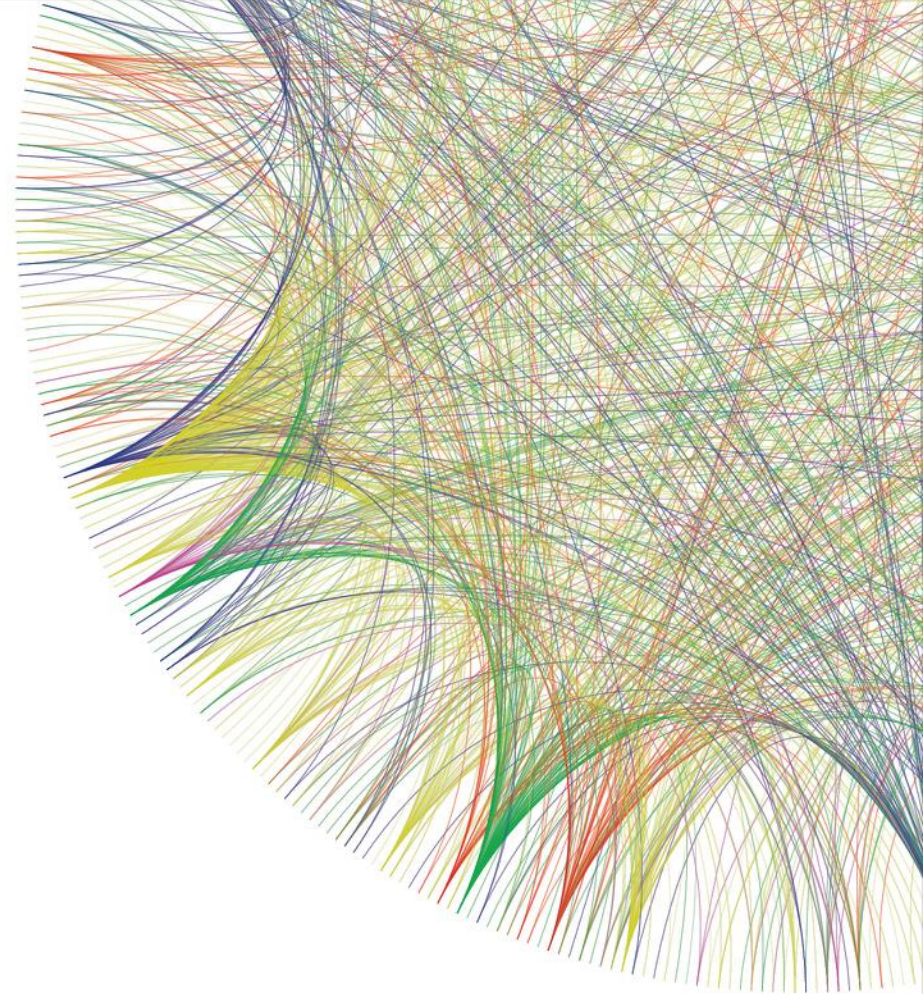


ITG 4Q 2016 Earnings Call

February 1, 2017

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CEO and President

Steve Vigliotti
CFO and CAO



Safe Harbor Statement

This presentation may contain "forward-looking" statements that reflect management's expectations for the future. In some cases, you can identify these statements by forward-looking words such as "may," "might," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue" and the negative of these terms and other comparable terminology. A variety of important factors could cause results to differ materially from such statements.

Certain of these factors are noted throughout ITG's 2015 Annual Report on Form 10-K, and its Form 10-Qs (as amended, if applicable) and include, but are not limited to, general economic, business, credit, political and financial market conditions, both internationally and domestically, 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 and increased regulatory scrutiny, customer or shareholder reaction to the Company's settlement of the SEC's inquiry regarding pre-released ADRs or further proceedings or sanctions based on the Company's discontinued ADR activity, the outcome of other contingencies such as legal proceedings or governmental or regulatory investigations, the volatility of our stock price, changes in tax policy or accounting rules, the ability of the Company to recognize its deferred tax assets, 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 protect our intellectual property, our ability to execute on strategic initiatives or transactions, our ability to attract and retain talented employees, and our ability to pay dividends or repurchase our common stock in the future.

The forward-looking statements included herein represent ITG's views as of the date of this presentation. ITG undertakes no obligation to revise or update publicly any forward-looking statement for any reason unless required by law.

This presentation refers to certain non-GAAP financial measures. These non-GAAP financial measures should be considered in addition to, and not in lieu of, results reported under GAAP. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the supplemental tables accompanying the earnings release and the Investor Relations section of the Company's website at <http://investor.itg.com>.



Agenda

Introduction

4Q16 Update

- Regional Results

Strategic Operating Plan (SOP) Update

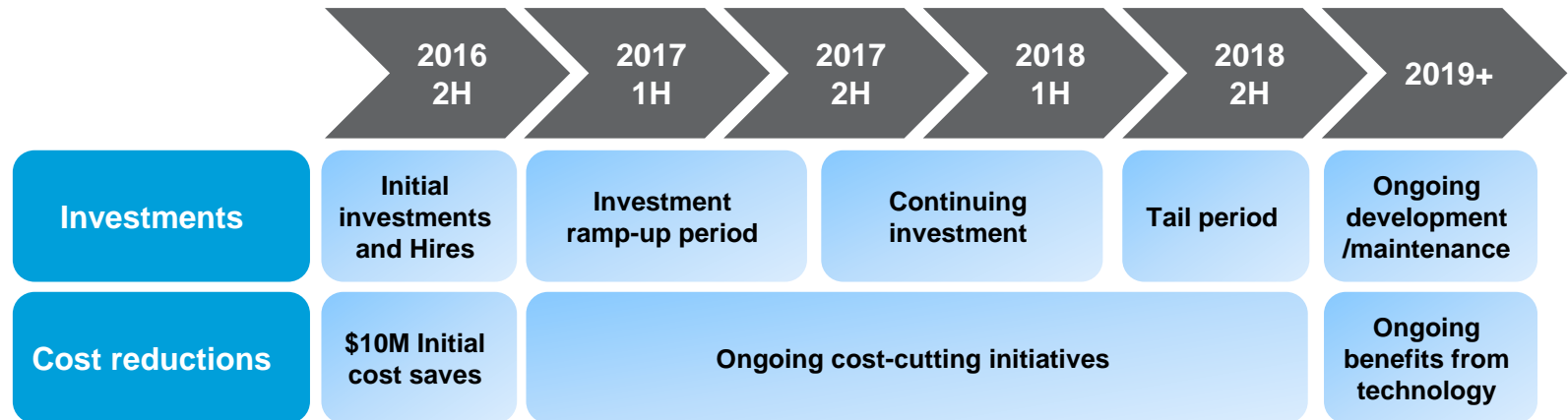
- Cost Savings
- Hiring
- Leadership Structure
- Technology Development
- Goals

4Q16 Financial Review

Strategic Operating Plan: Investments

- \$40 million in incremental investment planned 3Q16 through 4Q18
- Anticipate 55% of spend in 2017, 38% in 2018
- \$10mm in annual cost saves identified in 2H16 (90% reflected in 4Q16 expense run-rate). Technology and process improvements expected to cut expenses by additional \$5mm/yr 2019 onwards
- 60+ new hires planned in client service and technology. 18 already hired (13 of 18 in tech development, 10 of 18 started by EOY '16)

Illustrative timetable



Strategic Operating Plan: Financial Targets

- Growth expected to accelerate starting in mid-2017
- Forecasts assume flat global trading volumes

Run-rate financial targets

<i>Run-rate revenue (exiting 2018)</i>	▶	<i>\$600mm (+25% vs 4Q16 annualized)</i>
<i>Revenue CAGR (2H2016-18)</i>	▶	<i>Mid-to-high single digits</i>
<i>Pre-tax margin (exiting 2018)</i>		<i>~15%</i>

Strategic Operating Plan: Progress Update

Key Focus Areas

- Client service tools
- Customization toolkit
- Enhanced analytics in execution products

Upcoming technology developments

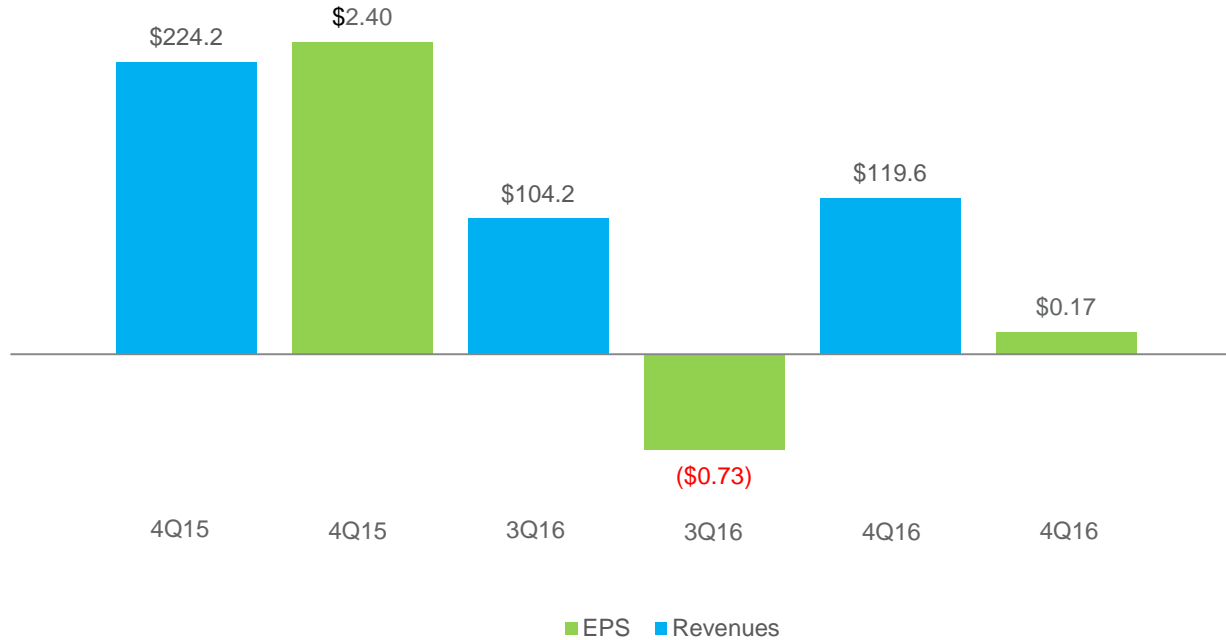
- POSIT Alert trading workflow, indication tools
- Commission Insight tools for global CSA management
- TCA for Fixed Income

Financial Review



Fourth Quarter 2016 GAAP Results

(\$ in millions except EPS)



	vs. 3Q16	vs. 4Q15
4Q16 Revenues	15%	(47)%
4Q16 Revenues/day	17%	(46)%



Reconciliation of GAAP to Adjusted Results

4Q16, 3Q16 and 4Q15

(\$ in millions except EPS)	4Q16			3Q16			4Q15		
	Pre-Tax	Post-Tax	EPS	Pre-Tax	Post-Tax	EPS	Pre-Tax	Post-Tax	EPS
GAAP Income / (Loss)	\$(2.2)	\$5.7	\$0.17	\$(27.7)	\$(23.9)	\$(0.73)	\$104.6	\$82.3	\$2.40
Non-Operating Items:									
ADR Settlement & Related Costs	3.6	3.2	0.09	23.7	22.3	0.68			
Upfront CEO Compensation	0.6	0.5	0.02	0.5	0.5	0.02			
Restructuring	5.3	3.2	0.10						
Tax Reserve Adjustment		(7.3)	0.22						
Arbitration Settlement & Related Costs				(0.9)	(0.6)	(0.02)			
Translation Reclass				(1.1)	(1.1)	(0.03)			
Sale of Energy Research							(107.7)	(91.3)	(2.66)
Capital Structure Amendment								6.5	0.19
Adjusted Income (Loss)	\$7.3	\$5.3	\$0.16	\$(5.5)	\$(2.8)	\$(0.08)	\$(3.1)	\$(2.5)	\$(0.07)

Consolidated Adjusted Results

4Q16 vs. 3Q16 vs. 4Q15

	North America			Europe and Asia Pacific			Corporate			Total		
(\$ in millions except EPS)	4Q16	3Q16	4Q15	4Q16	3Q16	4Q15	4Q16	3Q16	4Q15	4Q16	3Q16	4Q15
Revenues												
Commissions	\$57.4	\$47.4	\$50.9	\$41.9	\$36.1	\$35.1	\$ -	\$ -	\$ -	\$99.3	\$83.5	\$86.0
Recurring	13.3	13.7	21.6	5.4	5.5	5.5	-	-	-	18.7	19.2	27.1
Other	1.5	1.4	3.3	(0.2)	(0.2)	(0.2)	0.3	0.3	0.3	1.6	1.5	3.4
Total Revenues	72.2	62.5	75.8	47.1	41.4	40.4	0.3	0.3	0.3	119.6	104.2	116.5
Expenses	70.1	69.5	77.7	37.0	35.8	36.6	5.2	4.4	5.3	112.3	109.7	119.6
Pre-tax Income (Loss)	2.1	(7.0)	(1.9)	10.1	5.6	3.8	(4.9)	(4.1)	(5.0)	7.3	(5.5)	(3.1)
<i>Pre-tax Margin</i>	2.9%	(11.3)%	(2.5)%	21.5%	13.6%	9.5%	N/A	N/A	N/A	6.1%	(5.3)%	(2.6)%
Tax Expense (Benefit)	1.6	(2.2)	0.1	1.9	0.9	1.3	(1.5)	(1.4)	(2.0)	2.0	(2.7)	(0.6)
Net Income (Loss)	\$0.5	\$(4.8)	\$(2.0)	\$8.2	\$4.7	\$2.5	\$(3.4)	\$(2.7)	\$(3.0)	\$5.3	\$(2.8)	\$(2.5)
EPS	\$0.02	\$(0.15)	\$(0.06)	\$0.24	\$0.15	\$0.08	\$(0.10)	\$(0.08)	\$(0.09)	\$0.16	\$(0.08)	\$(0.07)

Impact of Currency Translation

(\$ in millions except EPS)	VS. 3Q16 Exchange Rates			VS. 4Q15 Exchange Rates		
	Canada	Europe & Asia Pacific	Total	Canada	Europe & Asia Pacific	Total
Revenues	\$(0.3)	(1.2)	(1.5)	\$0.0	\$(2.0)	\$(2.0)
Expenses (Benefit)	(0.2)	(0.9)	(1.1)	0.0	(2.1)	(2.1)
Pre-tax Income	(0.1)	(0.3)	(0.4)	0.0	0.1	0.1
Tax Expense (Benefit)	0.0	(0.1)	(0.1)	0.0	(0.3)	(0.3)
Net Income	(0.1)	(0.2)	(0.3)	\$0.0	\$0.4	\$0.4
Income Per Share	\$(0.0)	\$(0.01)	\$(0.01)	\$0.00	\$0.01	\$0.01

North American Adjusted Results

4Q16 vs. 3Q16 vs. 4Q15

	U.S. Operations			Canada Operations			North America		
(\$ in millions)	4Q16	3Q16	4Q15	4Q16	3Q16	4Q15	4Q16	3Q16	4Q15
Revenues									
Commissions	\$43.2	\$35.8	\$42.0	\$14.2	\$11.6	\$8.9	\$57.4	\$47.4	\$50.9
Recurring	12.1	12.4	20.3	1.2	1.3	1.3	13.3	13.7	21.6
Other	0.7	0.6	1.0	0.8	0.8	2.3	1.5	1.4	3.3
Total Revenues	56.0	48.8	63.3	16.2	13.7	12.5	72.2	62.5	75.8
Expenses									
Compensation and Benefits	24.1	25.5	31.1	4.3	4.5	5.1	28.4	30.0	36.2
<i>% of Revenue</i>	43.0%	52.3%	49.2%	26.8%	32.5%	40.9%	39.4%	48.0%	47.8%
Transaction Processing	10.2	8.8	8.7	2.6	2.1	2.0	12.8	10.9	10.7
<i>% of Revenue</i>	18.2%	18.0%	13.8%	15.7%	15.0%	15.9%	17.7%	17.4%	14.1%
Occupancy and Equipment	10.4	9.7	10.3	1.2	1.4	1.2	11.6	11.1	11.5
Telecom and Data Processing	7.7	8.0	7.4	1.5	1.5	1.5	9.2	9.5	8.9
Other G&A	5.4	5.3	7.3	2.7	2.7	3.1	8.1	8.0	10.4
Total Expenses	57.8	57.3	64.8	12.3	12.2	12.9	70.1	69.5	77.7
Pre-tax Income	\$(1.8)	\$(8.5)	\$(1.5)	\$3.9	\$1.5	\$(0.4)	\$2.1	\$(7.0)	\$(1.9)
<i>Pre-tax Margin</i>	(3.3)%	(17.5)%	(2.4)%	24.3%	10.9%	(2.6)%	2.9%	(11.3)%	(2.5)%

Europe & Asia Pacific Adjusted Results

4Q16 vs. 3Q16 vs. 4Q15

	Europe Operations			Asia Pacific Operations			Total		
(\$ in millions)	4Q16	3Q16	4Q15	4Q16	3Q16	4Q15	4Q16	3Q16	4Q15
Revenues									
Commissions	\$29.9	\$25.0	\$26.8	\$12.0	\$11.1	\$8.3	\$41.9	\$36.1	\$35.1
Recurring	3.9	4.0	4.0	1.5	1.5	1.5	5.4	5.5	5.5
Other	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
Total Revenues	33.7	28.9	30.7	13.4	12.5	9.7	47.1	41.4	40.4
Expenses									
Compensation and Benefits	8.0	8.7	10.4	4.2	4.5	3.8	12.2	13.2	14.2
<i>% of Revenue</i>	<i>23.8%</i>	<i>30.1%</i>	<i>34.0%</i>	<i>31.6%</i>	<i>35.6%</i>	<i>38.3%</i>	<i>26.0%</i>	<i>31.8%</i>	<i>35.1%</i>
Transaction Processing	8.7	7.3	7.3	3.1	2.7	2.1	11.8	10.0	9.4
<i>% of Revenue</i>	<i>25.7%</i>	<i>25.2%</i>	<i>23.7%</i>	<i>23.4%</i>	<i>21.3%</i>	<i>21.6%</i>	<i>25.0%</i>	<i>24.0%</i>	<i>23.2%</i>
Occupancy and Equipment	1.6	1.6	1.8	1.3	1.2	1.1	2.9	2.8	2.9
Telecom and Data Processing	2.4	2.5	2.5	1.7	1.7	1.6	4.1	4.2	4.1
Other G&A	4.2	4.1	4.2	1.8	1.5	1.8	6.0	5.6	6.0
Total Expenses	24.9	24.2	26.2	12.1	11.6	10.4	37.0	35.8	36.6
Pre-tax Income (Loss)	\$8.8	\$4.7	\$4.5	\$1.3	\$0.9	\$(0.7)	\$10.1	\$5.6	\$3.8
<i>Pre-tax Margin</i>	<i>26.1%</i>	<i>16.3%</i>	<i>14.8%</i>	<i>10.0%</i>	<i>7.2%</i>	<i>(6.9)%</i>	<i>21.5%</i>	<i>13.6%</i>	<i>9.5%</i>

Adjusted Revenues by Product Group

(\$ in millions)	4Q16	3Q16	2Q16	1Q16	4Q15
Execution Services	\$84.8	\$70.3	\$83.4	\$89.8	\$82.0
Workflow Technology	23.5	22.7	23.1	23.6	22.7
Analytics	11.0	10.9	11.4	10.9	11.5
Corporate	0.3	0.3	0.3	0.4	0.3
Total	\$119.6	\$104.2	\$118.2	\$124.7	\$116.5



Adjusted Product Group Margins Fourth Quarter 2016

(\$ in millions)	Execution Services	Workflow Technology	Analytics	Corp	Total
Revenues	\$84.8	\$23.5	\$11.0	\$ 0.3	\$119.6
Depreciation & Amortization	5.6	3.1	2.0	0.4	11.1
Interest	-	-	-	0.5	0.5
All Other Expenses	71.6	16.3	8.5	4.3	100.7
Total Expenses	77.2	19.4	10.5	5.2	112.3
Pre-Tax Income (Loss)	\$7.6	\$4.1	\$0.5	\$(4.9)	\$7.3
Pre-Tax Margin 4Q 2016	9.0%	17.4%	4.6%	N/A	6.1%
Pre-Tax Margin 3Q 2016	(6.7)%	12.2%	4.8%	N/A	(5.3)%
Pre-Tax Margin 4Q 2015	(1.7)%	8.5%	12.5%	N/A	(2.6)%

U.S. Trading Volumes and Revenues Per Share

(\$ in millions except cents per share and trading days)	4Q16	3Q16	2Q16	1Q16	4Q15
Trading Volumes	9,111	7,395	8,419	9,870	7,976
Trading Days	63	64	64	61	64
Trading Volumes Per Day	144.6	115.5	131.5	161.8	124.6
Revenue Per Share (Includes commissions and net executions)	\$0.0041	\$0.0041	\$0.0042	\$0.0043	\$0.0044
Trading Commissions and Fees	\$37.4	\$30.1	\$35.5	\$42.7	\$35.4
Other Commissions and Fees (Includes ITG Net [®] commission sharing & ITG Derivatives)	5.8	5.7	8.1	6.8	6.6
Total Commissions and Fees	\$43.2	\$35.8	\$43.6	\$49.5	\$42.0



Agenda

Capital Update

January 2017 Business Activity

Closing Thoughts

Q&A

