

**ITG Q4 2014
Earnings Call**
January 29, 2015

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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

US Performance

- POSIT®
- ITG Investment Research

International Performance

- Canada
- Europe
- Asia Pacific

Strategic Initiatives

- Client Segment Expansion
- Geographic Expansion
- New Asset Classes

Expense Outlook

Financial Overview

Q&A



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US Performance

- POSIT[®]
- ITG Investment Research



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International Performance

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Strategic Initiatives

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Expense Outlook

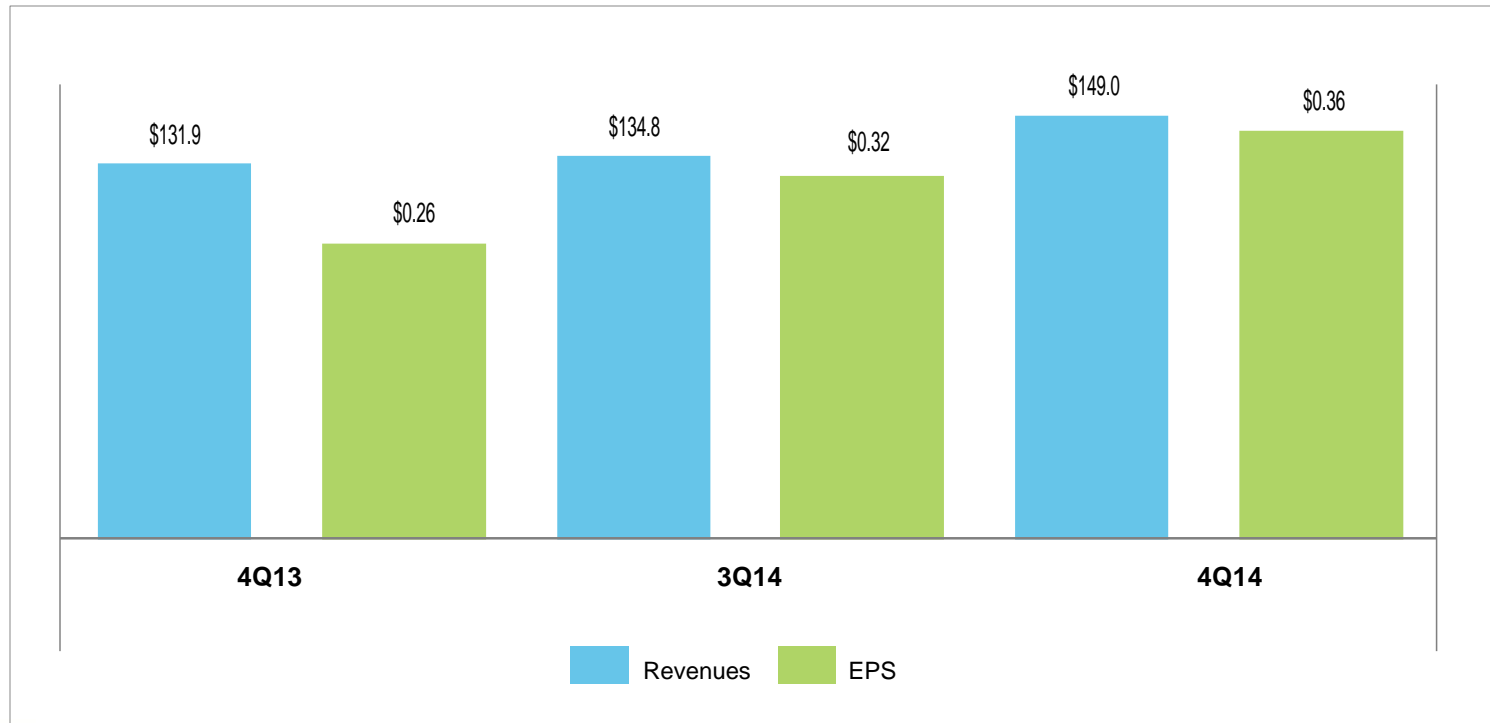
Financial Overview

Q&A



Fourth Quarter 2014 GAAP Results

(\$ in millions except EPS)



	vs. 3Q14	vs. 4Q13
4Q14 Revenues	11%	13%
4Q14 Revenues/day	11%	13%



Results

4Q14 vs. 3Q14 vs. 4Q13

	US Operations			International Operations			Total		
(\$ in millions except EPS)	4Q14	3Q14	4Q13	4Q14	3Q14	4Q13	4Q14	3Q14	4Q13
Revenues									
Commissions	\$61.3	\$50.4	\$51.3	\$57.1	\$52.5	\$47.1	\$118.4	\$102.9	\$98.4
Recurring	18.8	18.7	19.7	8.0	7.8	7.1	26.8	26.5	26.8
Other	1.3	3.4	4.3	2.5	2.0	2.4	3.8	5.4	6.7
Total Revenues	81.4	72.5	75.3	67.6	62.3	56.6	149.0	134.8	131.9
Expenses	76.2	71.5	74.4	55.0	51.2	46.9	131.2	122.7	121.3
Pre-tax Income	5.2	1.0	0.9	12.6	11.1	9.7	17.8	12.1	10.6
<i>Pre-tax Margin</i>	<i>6.4%</i>	<i>1.4%</i>	<i>1.2%</i>	<i>18.6%</i>	<i>17.7%</i>	<i>17.2%</i>	<i>11.9%</i>	<i>9.0%</i>	<i>8.1%</i>
Tax Expense (Benefit)	2.2	(1.8)	0.4	2.6	2.5	0.5	4.8	0.7	0.9
Net Income	3.0	\$2.8	\$0.5	10.0	8.6	\$9.2	13.0	11.4	\$9.7
EPS	\$0.08	\$0.08	\$0.01	\$0.28	\$0.24	\$0.25	\$0.36	\$0.32	\$0.26



Summary of US Expenses

4Q14, 3Q14 and 4Q13

(\$ in millions)	4Q14	3Q14	4Q13
Comp & Benefits	\$36.6	\$32.4	\$31.7
<i>% of Revenue</i>	<i>45.0%</i>	<i>44.7%</i>	<i>42.0%</i>
Transaction Processing	11.2	9.8	9.1
<i>% of Revenue</i>	<i>13.8%</i>	<i>13.6%</i>	<i>12.0%</i>
Occupancy & Equipment	10.6	10.6	11.8
Telecom & Data Processing	7.6	7.5	7.9
Other G&A	9.7	10.6	13.1
Interest Expense	0.5	0.6	0.8
Total	76.2	\$71.5	\$74.4



International Financial Summary

Results

(\$ in millions)	4Q14	3Q14	2Q14	1Q14	4Q13
Revenues					
Asia Pacific	\$12.7	\$12.6	\$12.2	\$9.8	\$11.4
Canada	22.9	18.0	17.9	19.4	18.8
Europe	32.0	31.7	31.1	32.8	26.4
Total Revenues	67.6	62.3	61.2	62.0	56.6
Expenses					
Compensation and Benefits	22.8	20.0	18.7	18.7	19.2
<i>% of Revenue</i>	<i>33.8%</i>	<i>32.1%</i>	<i>30.6%</i>	<i>30.2%</i>	<i>33.9%</i>
Transaction Processing	13.1	11.7	10.9	11.6	10.9
<i>% of Revenue</i>	<i>19.3%</i>	<i>18.8%</i>	<i>17.8%</i>	<i>18.7%</i>	<i>19.3%</i>
Occupancy & Equipment	4.3	4.4	4.4	4.4	4.1
Telecom & Data Processing	5.3	5.4	5.4	5.4	5.2
Other G&A	9.5	9.7	9.7	8.3	7.5
Total Expenses	55.0	51.2	49.1	48.4	46.9
Pre-Tax Income	12.6	11.1	\$12.1	\$13.6	\$9.7



International: Results Summary



Revenues by Product Group

(\$ in millions)	4Q14	3Q14	2Q14	1Q14	4Q13
Electronic Brokerage	\$79.8	\$68.6	\$73.2	\$72.9	\$69.2
Research, Sales and Trading	32.0	30.5	30.3	29.2	27.1
Platforms	25.3	23.6	23.3	23.7	23.3
Analytics	11.6	11.6	11.4	11.5	11.6
Corporate (non-product)	0.3	0.5	0.3	0.3	0.7
Total	\$149.0	\$134.8	\$138.5	\$137.6	\$131.9



Product Group Margins

Fourth Quarter 2014 Results

(\$ in millions)	Electronic Brokerage	Platforms	Analytics	Research Sales & Trading	Corp	Total
Revenues	\$79.8	\$25.3	\$11.6	\$32.0	\$0.3	\$149.0
Depreciation & Amortization	5.2	3.1	1.6	0.6	1.0	11.5
Interest	-	-	-	-	0.5	0.5
All Other Expenses	59.0	18.6	9.1	29.7	2.8	119.2
Total Expenses	64.2	21.7	10.7	30.3	4.3	131.2
Pre-Tax Income (Loss)	\$15.6	\$3.6	\$0.9	\$1.7	(\$4.0)	\$17.8
Pre-Tax Margin Dec QTD 2014	19.5%	14.3%	7.6%	5.2%	NA	11.9%
Pre-Tax Margin Sep QTD 2014	15.1%	13.0%	9.6%	9.9%	NA	9.0%
Pre-Tax Margin Dec YTD 2014	19.2%	15.1%	9.2%	8.4%	NA	11.6%
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)	4Q14	3Q14	2Q14	1Q14	4Q13
Trading Volumes	12,147	9,391	9,385	10,021	9,450
Trading Days	64	64	63	61	64
Trading Volumes Per Day	189.8	146.7	149.0	164.3	147.7
Revenue Per Share (Includes commissions and net executions)	\$0.0044	\$0.0046	\$0.0050	\$0.0047	\$0.0047
Trading Commissions and Fees	\$53.7	\$43.4	\$46.9	\$47.4	\$44.6
Other Commissions and Fees (Includes ITG Net [®] commission sharing & ITG Derivatives)	7.6	7.0	7.4	7.1	6.7
Total Commissions and Fees	\$61.3	\$50.4	\$54.3	\$54.5	\$51.3



Q&A

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