

ITG Q3 2013
Earnings Call
10/31/2013

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Agenda

Summary

Industry Conditions

- Fund Flows
- US Volumes

US Performance

- POSIT[®]
- ITG Investment Research

International Performance

- Europe
- Asia Pacific
- Canada

Accolades

Cost Savings

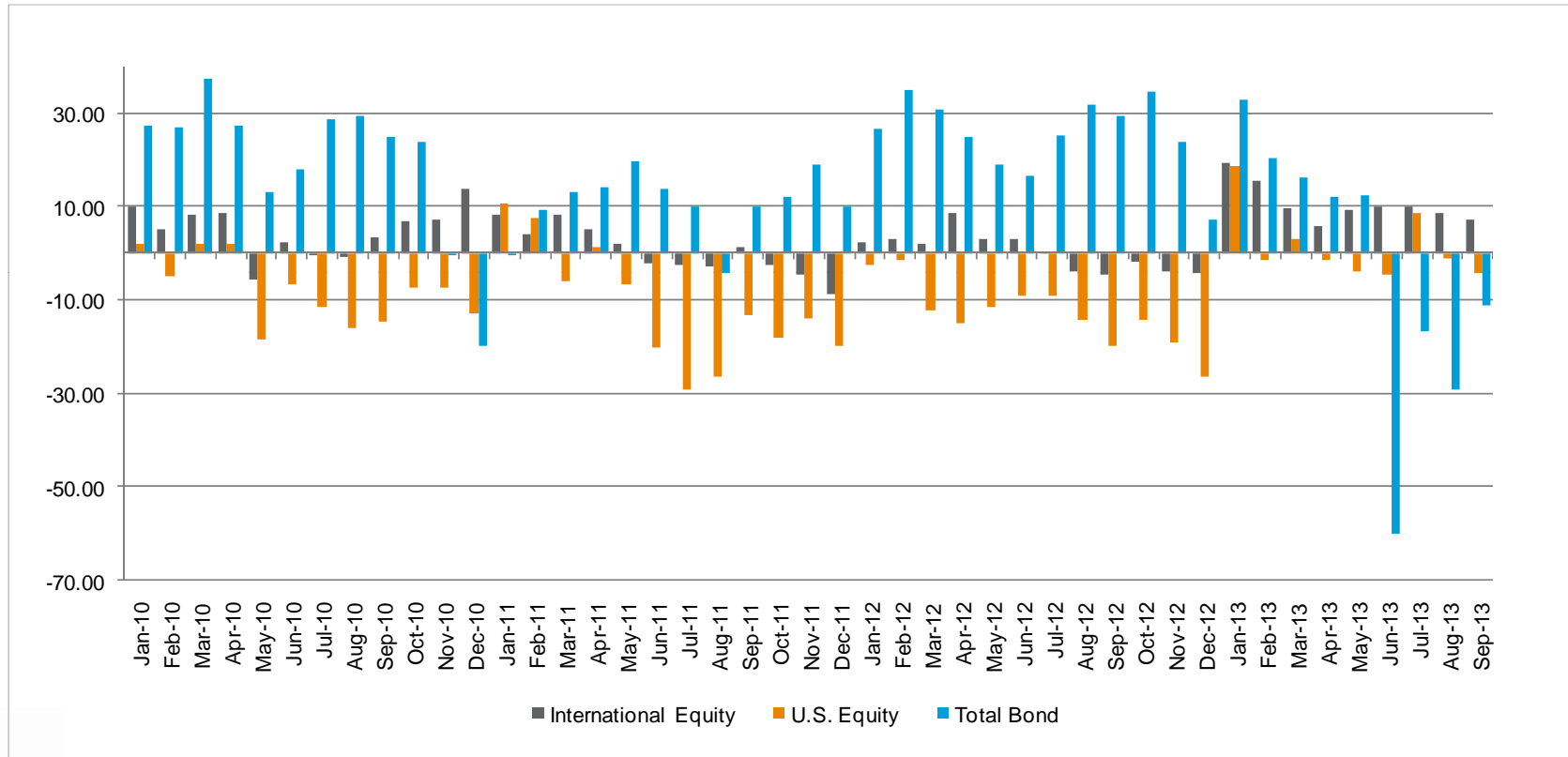
Financial Overview

Q&A



Equity and Bond Mutual Fund Flows

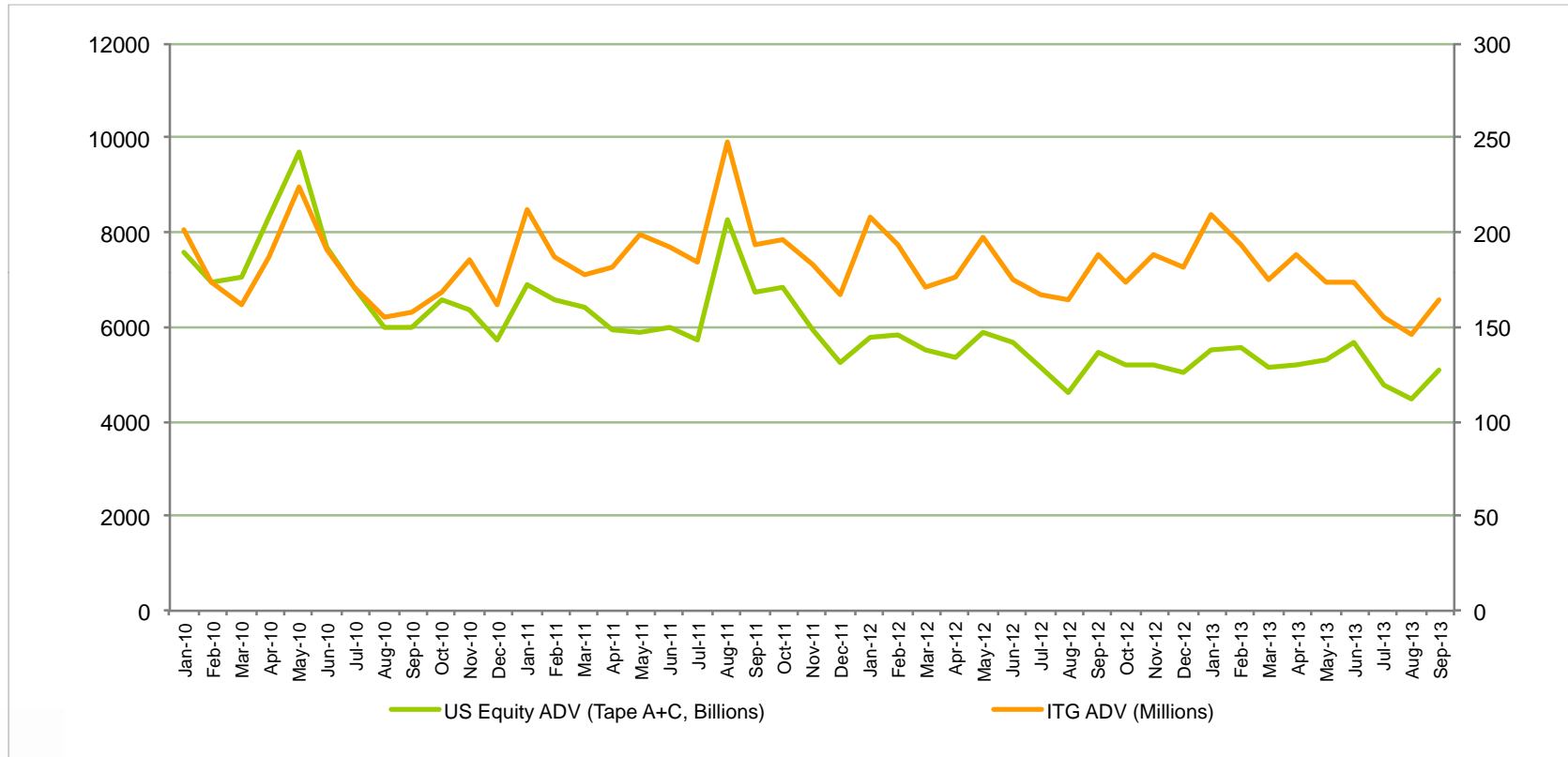
2010-2013, \$ billions



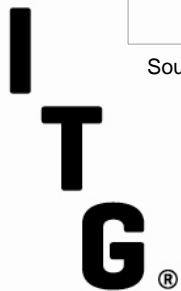
Source: Investment Company Institute



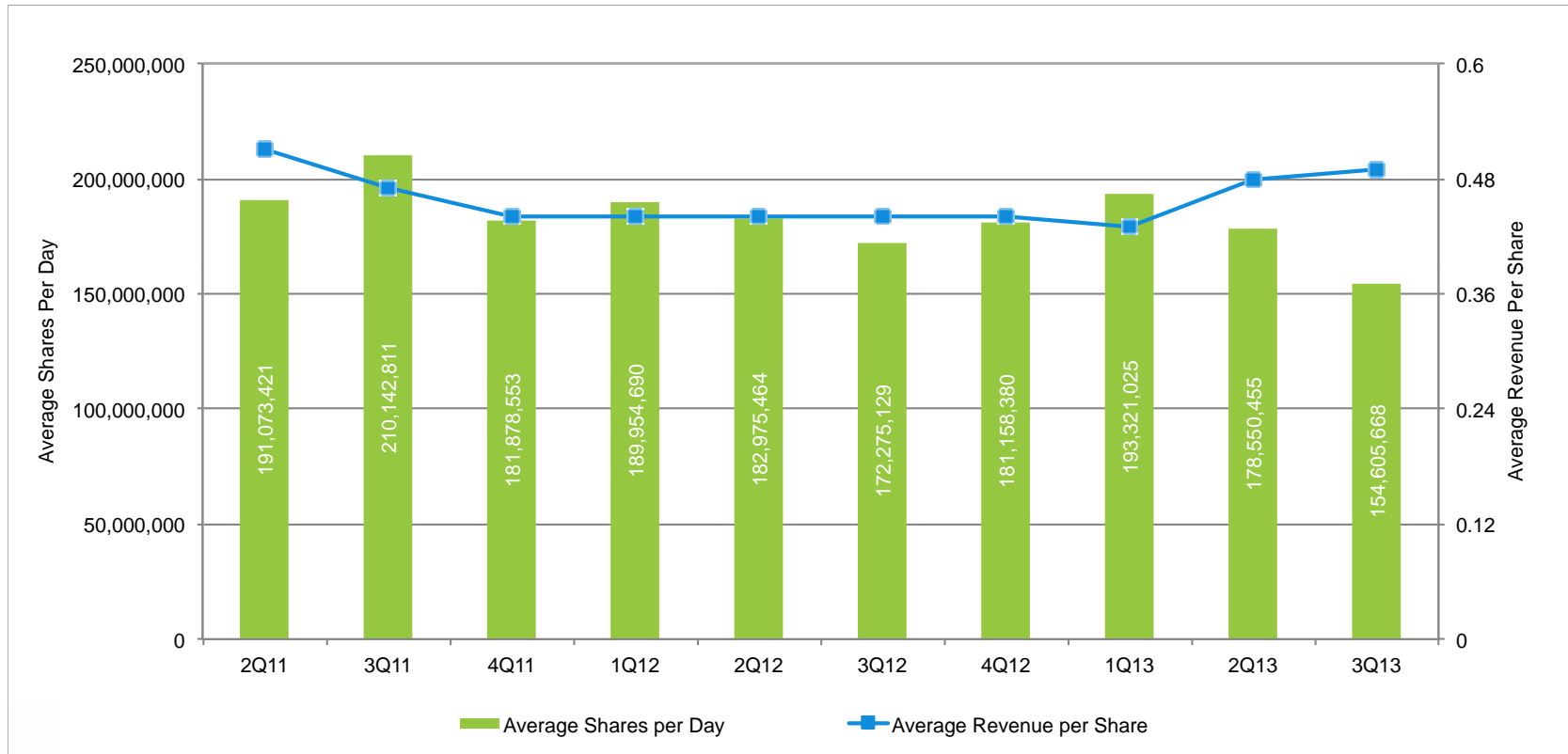
Equity ADV (NYSE & NASDAQ) and ITG ADV



Source: Thomson Reuters and ITG



US ADV & Average Revenue Per Share



Source: ITG



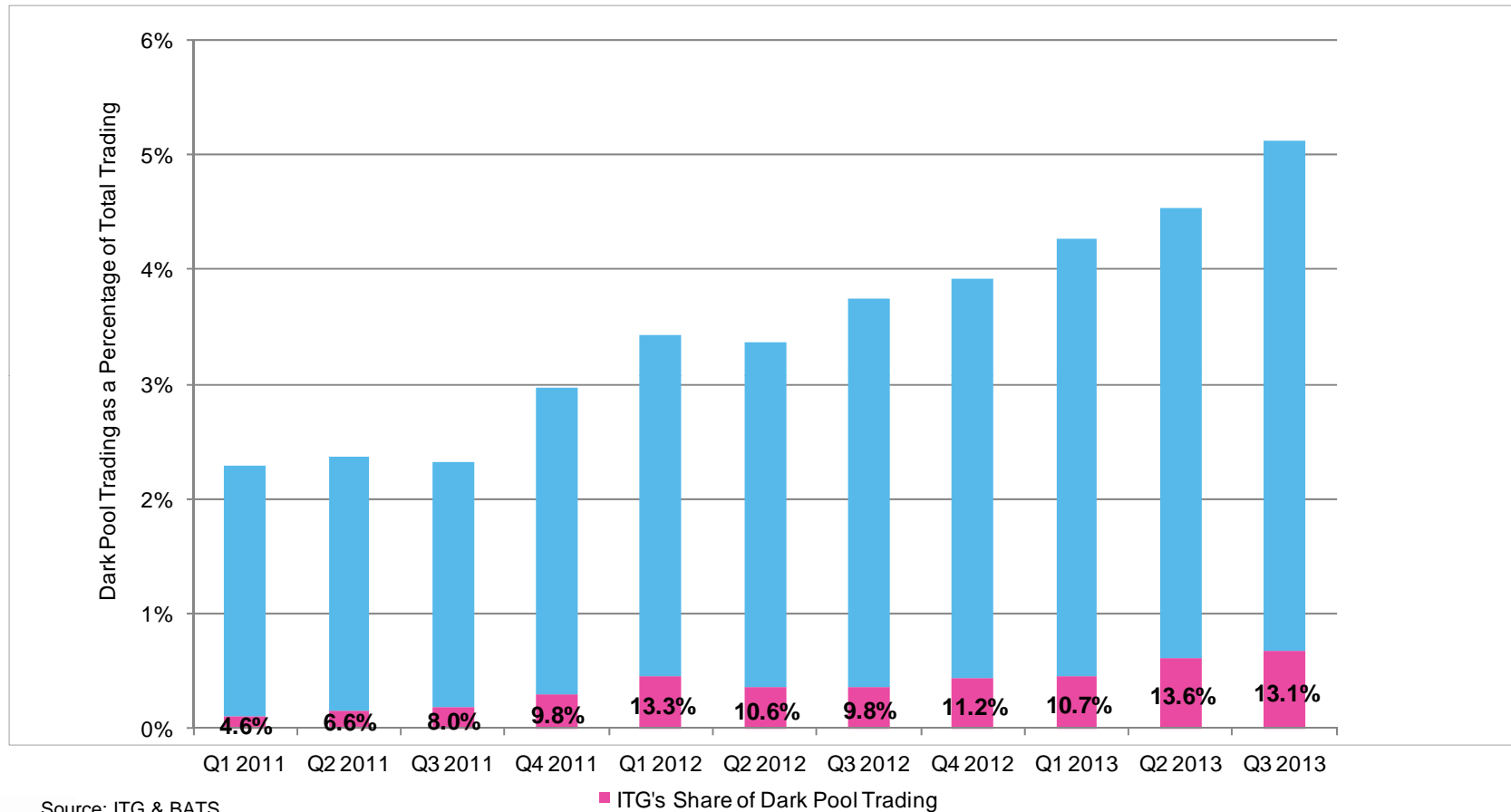
Agenda

US Performance

- POSIT
- ITG Investment Research



European Dark Trading Turnover



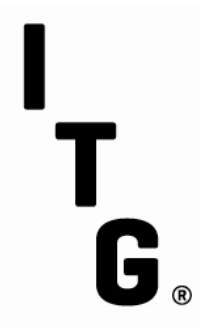
Source: ITG & BATS



Agenda

International Performance

- Asia Pacific
- Canada



Recent Accolades

Greenwich Associates Canadian Electronic Trading:

- #1 in Electronic Trading, CSA/CCA, Algo/DMA Penetration & Crossing Networks.
- Most #1 Citations for Portfolio Trading

The Trade:

- Best Dark Pool Price Improvement
- Best Consistency with Pre-Trade Estimates
- Best Crossing Capability & Price Improvement in Asia

Financial News:

- Best Transaction Cost Analysis

Asian Investor:

- Best Execution Management System



Agenda

Cost Savings

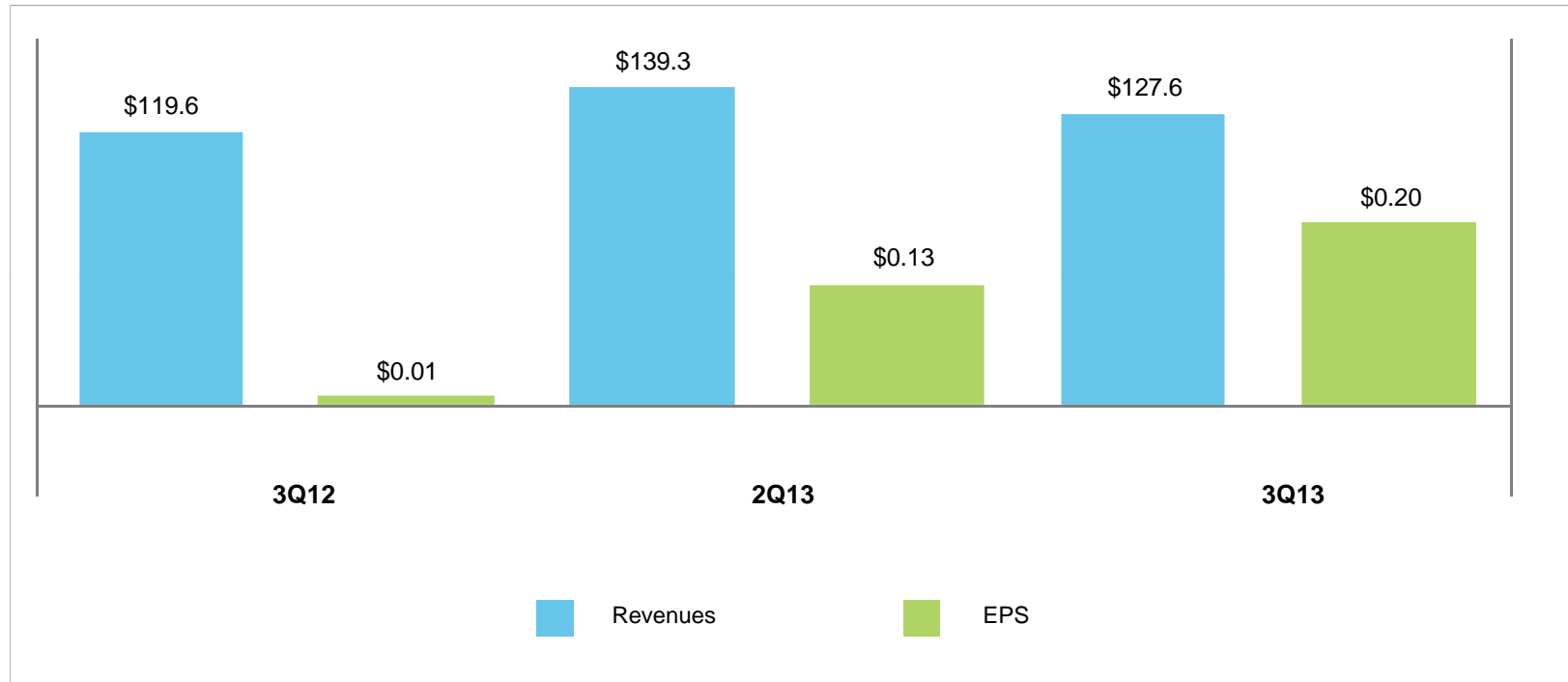
Financial Overview

Q&A



Third Quarter 2013 GAAP Results

(\$ in millions except EPS)



| | vs. 2Q13 | vs. 3Q12 |
|--------------------------|-------------|-------------|
| 3Q13 Revenues | (8)% | 7% |
| 3Q13 Revenues/day | (8)% | 5% |



Reconciliation of Adjusted Results

2Q13

| (\$ in millions except EPS) | 2Q13 | | |
|-----------------------------|---------------|---------------|---------------|
| | Pre-Tax | Post-Tax | EPS |
| GAAP Income (Loss) | \$10.8 | \$5.1 | \$0.13 |
| Non-Operating Expenses: | | | |
| Restructuring: | | | |
| Israel Closing | 1.6 | 3.2 | 0.08 |
| Adjs. to prior accruals | (1.7) | (1.0) | (0.02) |
| Facilities: | | | |
| Duplicate Rent | 1.2 | 0.7 | 0.02 |
| Office Move | 3.9 | 2.3 | 0.06 |
| Adjusted Net Income | \$15.8 | \$10.3 | \$0.27 |

Note: All subsequent slides show adjusted results, excluding non-operating items. There were no non-operating items in 3Q13 or 3Q12.



Adjusted Results

3Q13 vs. 2Q13 vs. 3Q12

| | US Operations | | | International Operations | | | Total | | |
|-----------------------------|---------------|--------------|-------------|--------------------------|--------------|---------------|-------------|--------------|-------------|
| (\$ in millions except EPS) | 3Q13 | 2Q13 | 3Q12 | 3Q13 | 2Q13 | 3Q12 | 3Q13 | 2Q13 | 3Q12 |
| Revenues | | | | | | | | | |
| Commissions | \$56.1 | \$63.0 | \$55.8 | \$42.3 | \$45.9 | \$34.0 | \$98.4 | \$108.9 | \$89.8 |
| Recurring | 19.0 | 19.4 | 20.2 | 6.8 | 6.9 | 6.5 | 25.8 | 26.3 | 26.7 |
| Other | 1.8 | 2.2 | 1.8 | 1.6 | 1.9 | 1.3 | 3.4 | 4.1 | 3.1 |
| Total Revenues | 76.9 | 84.6 | 77.8 | 50.7 | 54.7 | 41.8 | 127.6 | 139.3 | 119.6 |
| Adjusted Expenses | 72.4 | 76.2 | 77.0 | 44.5 | 47.3 | 42.5 | 116.9 | 123.5 | 119.5 |
| Pre-tax (Loss) income | 4.5 | 8.4 | 0.8 | 6.2 | 7.4 | (0.7) | 10.7 | 15.8 | 0.1 |
| <i>Pre-tax Margin</i> | <i>5.8%</i> | <i>10.0%</i> | <i>1.1%</i> | <i>12.2%</i> | <i>13.5%</i> | <i>(1.6)%</i> | <i>8.4%</i> | <i>11.4%</i> | <i>0.2%</i> |
| Tax Expense | 1.7 | 3.9 | (0.4) | 1.3 | 1.6 | 0.3 | 3.0 | 5.5 | (0.1) |
| Adjusted Net (Loss) Income | \$2.8 | \$4.5 | \$1.2 | \$4.9 | \$5.8 | \$(1.0) | \$7.7 | \$10.3 | \$0.2 |
| EPS (LPS) | \$0.07 | \$0.12 | \$0.03 | \$0.13 | \$0.15 | \$(0.02) | \$0.20 | \$0.27 | \$0.01 |



Summary of US Adjusted Expenses

3Q13, 2Q13 and 3Q12

| (\$ in millions) | 3Q13 | 2Q13 | 3Q12 |
|---------------------------|---------------|---------------|---------------|
| Comp & Benefits | \$31.3 | \$32.0 | \$30.9 |
| <i>% of Revenue</i> | <i>40.7%</i> | <i>37.8%</i> | <i>39.7%</i> |
| Transaction Processing | 10.1 | 11.4 | 10.9 |
| <i>% of Revenue</i> | <i>13.2%</i> | <i>13.5%</i> | <i>14.0%</i> |
| Occupancy & Equipment | 11.2 | 11.1 | 11.1 |
| Telecom & Data Processing | 7.4 | 8.2 | 9.6 |
| Other G&A | 11.8 | 12.8 | 13.8 |
| Interest Expense | 0.6 | 0.7 | 0.7 |
| Total | \$72.4 | \$76.2 | \$77.0 |



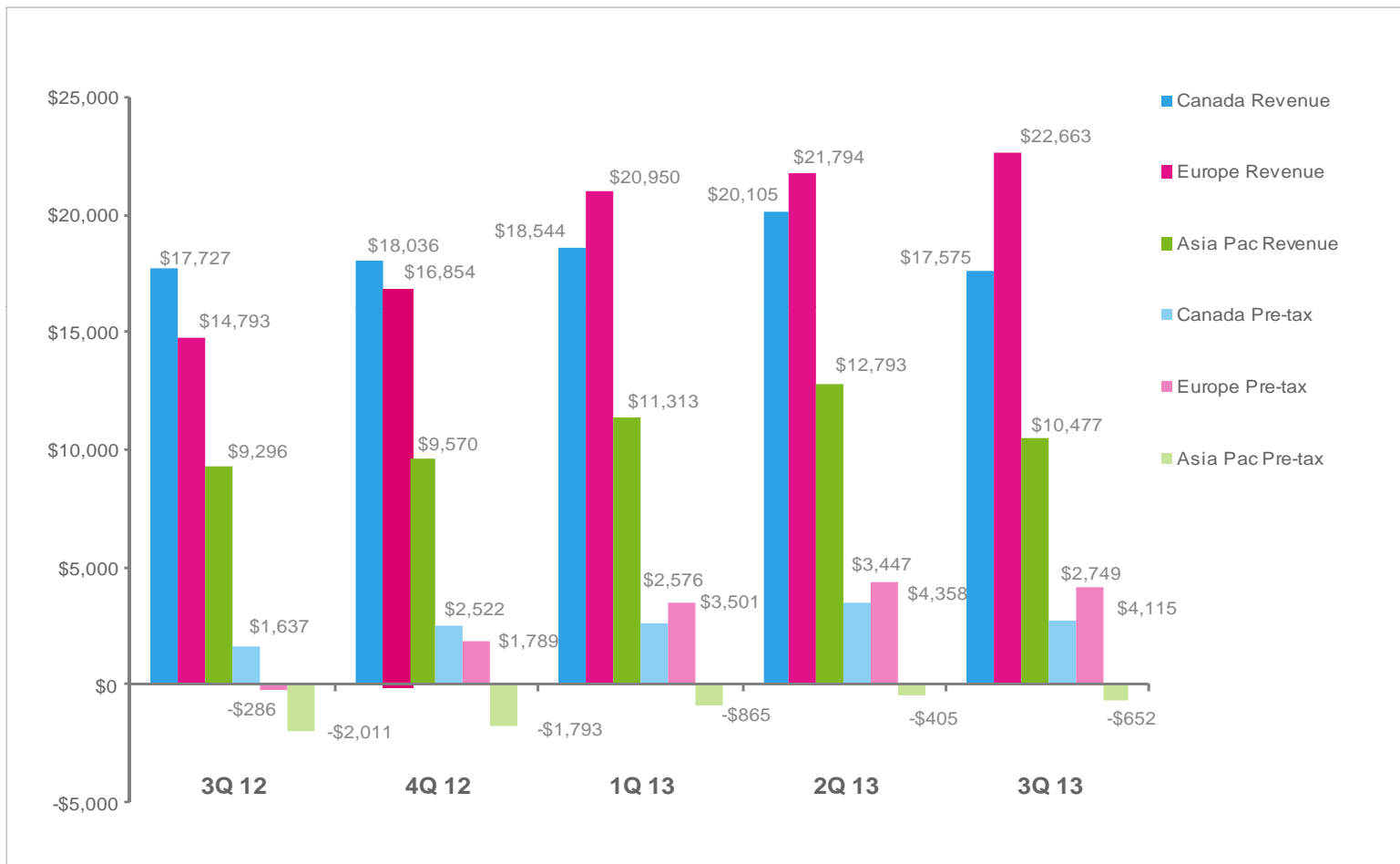
International Financial Summary

Adjusted Results

| (\$ in millions) | 3Q13 | 2Q13 | 1Q13 | 4Q12 | 3Q12 |
|------------------------------|--------------|--------------|--------------|--------------|----------------|
| Revenues | | | | | |
| Asia Pacific | \$10.5 | \$12.8 | \$11.3 | \$9.6 | \$9.3 |
| Canada | 17.6 | 20.1 | 18.6 | 18.0 | 17.7 |
| Europe | 22.6 | 21.8 | 21.0 | 16.8 | 14.8 |
| Total Revenues | 50.7 | 54.7 | 50.9 | 44.4 | 41.8 |
| Expenses | | | | | |
| Compensation and Benefits | 18.4 | 19.2 | 18.8 | 16.3 | 16.2 |
| <i>% of Revenue</i> | <i>36.2%</i> | <i>35.2%</i> | <i>37.1%</i> | <i>36.8%</i> | <i>38.8%</i> |
| Transaction Processing | 9.7 | 11.1 | 10.1 | 8.0 | 8.4 |
| <i>% of Revenue</i> | <i>19.1%</i> | <i>20.3%</i> | <i>19.9%</i> | <i>18.1%</i> | <i>20.2%</i> |
| Occupancy & Equipment | 4.6 | 4.5 | 4.3 | 4.7 | 5.0 |
| Telecom & Data Processing | 5.2 | 5.5 | 5.6 | 5.2 | 5.5 |
| Other G&A | 6.6 | 7.0 | 6.9 | 7.7 | 7.4 |
| Total Expenses | 44.5 | 47.3 | 45.7 | 41.9 | 42.5 |
| Pre-Tax Income (Loss) | \$6.2 | \$7.4 | \$5.2 | \$2.5 | \$(0.7) |



International: Adjusted Results Summary



Revenues by Product Group

| (\$ in millions) | 3Q13 | 2Q13 | 1Q13 | 4Q12 | 3Q12 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| Electronic Brokerage | \$66.2 | \$74.7 | \$69.6 | \$58.3 | \$57.7 |
| Research Sales and Trading | 26.7 | 28.2 | 25.4 | 27.4 | 25.8 |
| Platforms | 23.2 | 24.6 | 25.1 | 23.7 | 24.2 |
| Analytics | 11.2 | 11.6 | 11.7 | 11.9 | 11.7 |
| Corporate (non-product) | 0.3 | 0.2 | 0.3 | 0.2 | 0.2 |
| Total | \$127.6 | \$139.3 | \$132.1 | \$121.5 | \$119.6 |



U.S. Trading Volumes and Revenues Per Share

| (\$ in millions except cents per share and trading days) | 3Q13 | 2Q13 | 1Q13 | 4Q12 | 3Q12 |
|--|----------|----------|----------|----------|----------|
| Trading Volumes | 9,895 | 11,427 | 11,599 | 11,232 | 10,853 |
| Trading Days | 64 | 64 | 60 | 62 | 63 |
| Trading Volumes Per Day | 154.6 | 178.6 | 193.3 | 181.2 | 172.3 |
| Revenue Per Share (Includes commissions and net executions) | \$0.0049 | \$0.0048 | \$0.0046 | \$0.0043 | \$0.0044 |
| Trading Commissions and Fees | \$48.3 | \$54.5 | \$52.8 | \$48.2 | \$48.3 |
| Other Commissions and Fees (Includes ITG Net [®] commission sharing & ITG Derivatives) | 7.8 | 8.5 | 8.0 | 7.4 | 7.5 |
| Total Commissions and Fees | \$56.1 | \$63.0 | \$60.8 | \$55.6 | \$55.8 |



Q&A

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