



ITG
Fourth Quarter
2011 Earnings Call

February 1, 2012

PRESENTED BY:

Bob Gasser, CEO and President

Steve Vigliotti, CFO

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Agenda

Summary

Industry Overview

- Fund Flows
- ITG Volumes

International Performance

- Asia Pacific
- Europe
- Canada

Competitive Strategy

- Investment Research

Capital Allocation

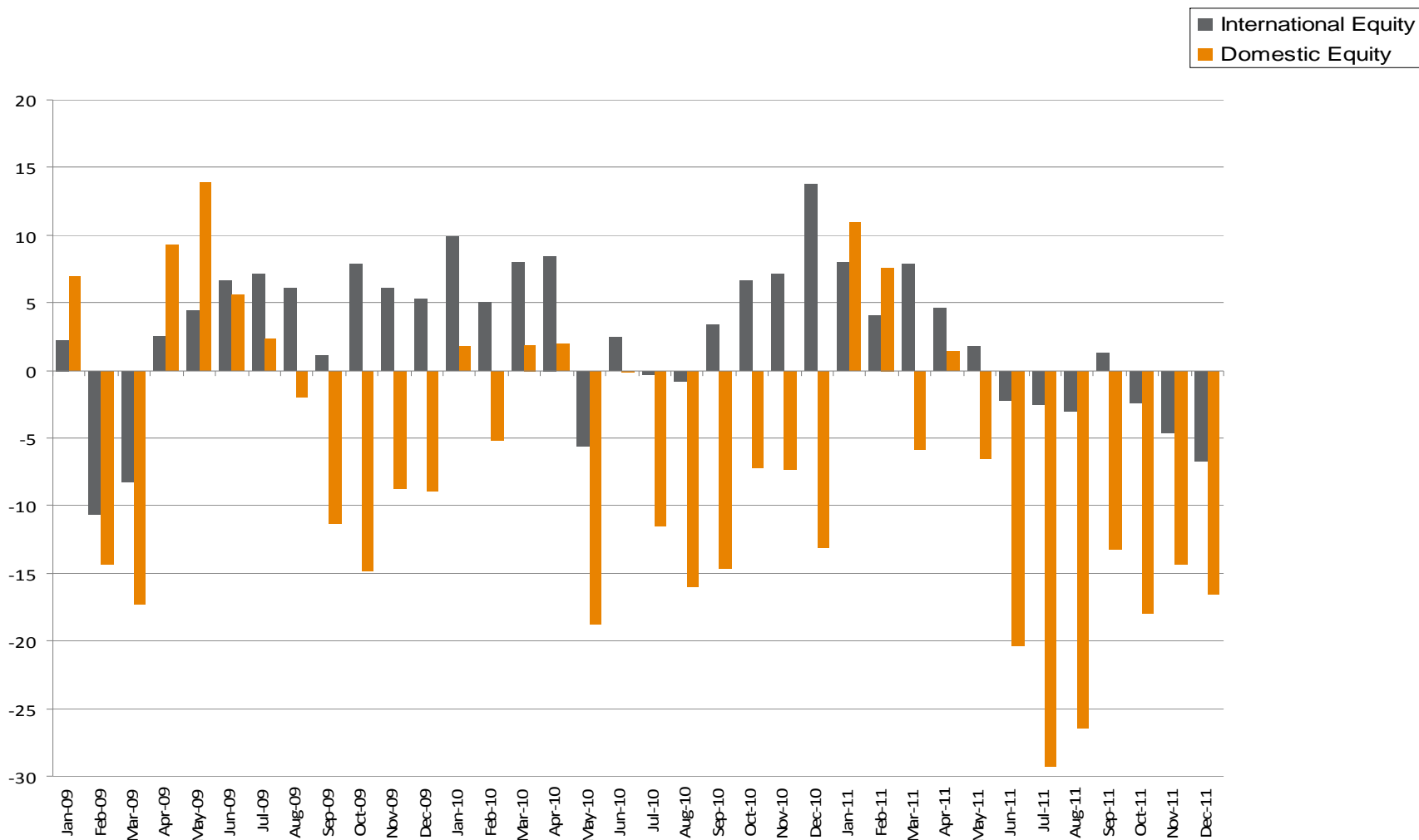
Financial Overview

Q&A

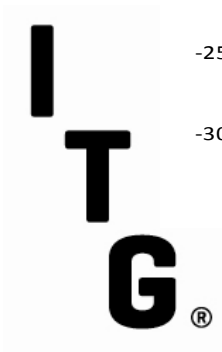


Domestic vs. International Equity Mutual Fund Flows

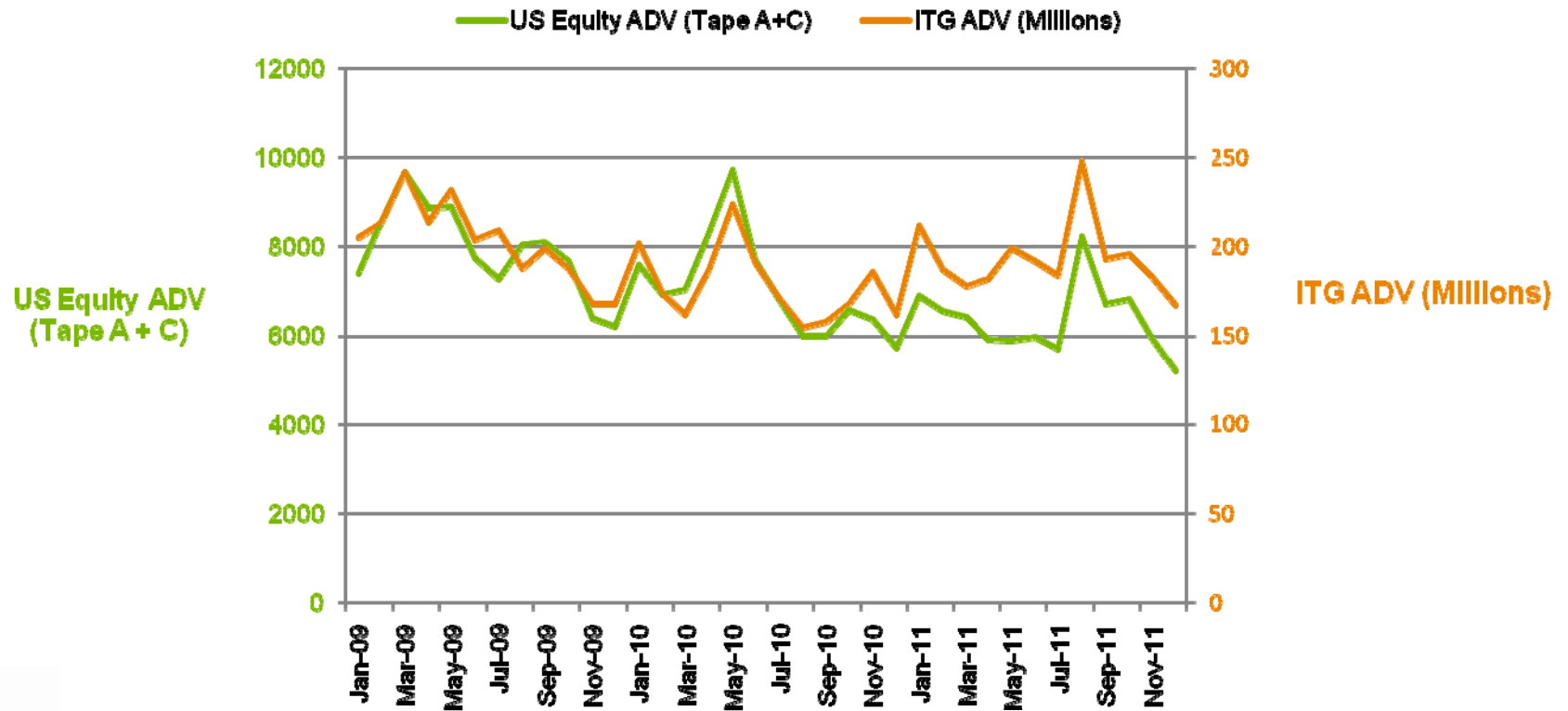
(2009-2011, \$ billions)



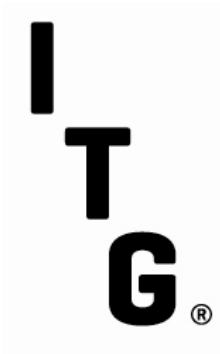
Source: Investment Company Institute



US Equity ADV (NYSE & NASDAQ) and ITG ADV (millions)



Source: ThomsonReuters and ITG



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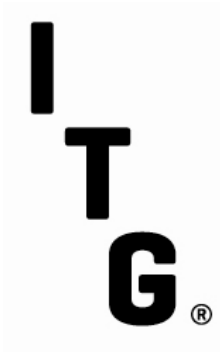
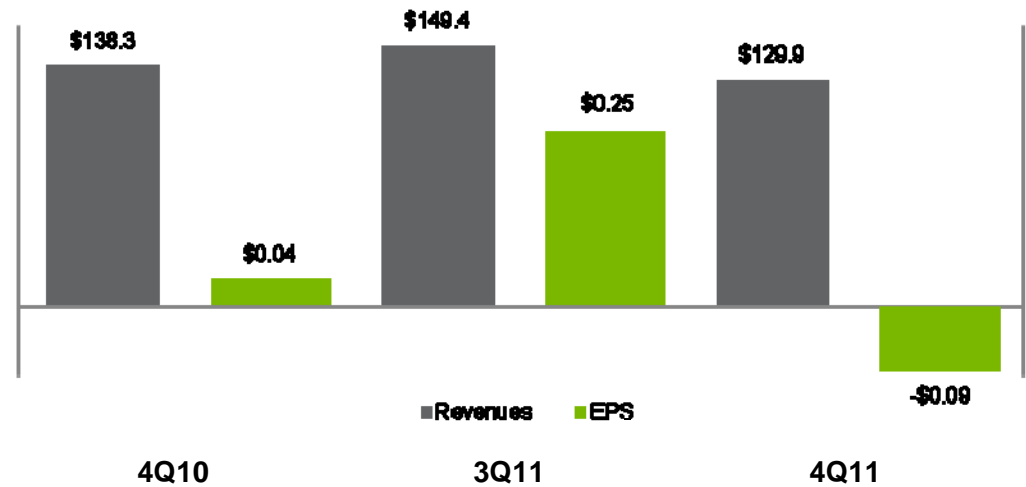
Q&A



Fourth Quarter 2011 GAAP Results

(\$ in millions except EPS)

	vs.	vs.
	3Q11	4Q10
Revenues	(13)%	(6)%
Revenues per day	(12)%	(5)%



Reconciliation of Adjusted Results

4Q11 vs. 4Q10

(\$ in millions except EPS)	4Q11			4Q10		
	Pre-Tax	Post-Tax	EPS	Pre-Tax	Post-Tax	EPS
GAAP (Loss) Earnings	\$ (6.4)	\$ (3.7)	\$ (0.09)	\$ 3.1	\$1.8	\$ 0.04
<u>Non-Operating Expense (Income):</u>						
Impairment	4.3	2.5	0.06	----	----	----
Acquisition related charges	----	----	----	2.4	2.0	0.05
Restructuring						
Employee Termination	1.8	1.0	0.03	0.1	1.3	0.03
Lease consolidation	5.0	2.9	0.07	2.1	0.1	0.00
Other	----	----	----	<u>(0.4)</u>	<u>(0.4)</u>	<u>(0.1)</u>
Total Restructuring	6.8	3.9	0.10	1.8	1.0	0.02
Adjusted Earnings	\$4.7	\$2.7	\$0.07	\$7.3	\$4.7	\$0.11



Adjusted Results

4Q11 vs. 3Q11 vs. 4Q10

(\$ in millions except EPS)	US Operations			International Operations			Total		
	4Q11	3Q11	4Q10	4Q11	3Q11	4Q10	4Q11	3Q11	4Q10
Revenues:									
Commissions	\$ 59.4	\$ 74.1	\$ 69.0	\$ 38.2	\$ 43.6	\$ 41.6	97.6	\$ 117.7	\$ 110.6
Recurring	22.2	22.3	21.0	6.5	6.2	5.5	28.7	28.5	26.5
Other	<u>1.5</u>	<u>1.6</u>	<u>(0.5)</u>	<u>2.1</u>	<u>1.6</u>	<u>1.7</u>	<u>3.6</u>	<u>3.2</u>	<u>1.2</u>
Total Revenues	83.1	98.0	89.5	46.8	51.4	48.8	129.9	149.4	138.3
Adjusted Expenses	82.9	86.5	87.4	42.3	45.7	43.6	125.2	132.2	131.0
Pre-tax Income	0.2	11.5	2.1	4.5	5.7	5.2	4.7	17.2	7.3
<i>Pre-tax Margin</i>	0.2%	11.7%	2.4%	9.6%	11.1%	10.7%	3.6%	11.5%	5.3%
Tax (Benefit) Expense	(0.1)	4.5	(0.2)	2.1	2.2	2.8	2.0	6.7	2.6
Adjusted Net Income	\$ 0.3	\$ 7.0	\$ 2.3	\$ 2.4	\$ 3.5	\$ 2.4	\$ 2.7	\$ 10.5	\$ 4.7
EPS	\$ 0.01	\$ 0.17	\$ 0.05	\$0.06	\$0.08	\$0.06	\$ 0.07	\$ 0.25	\$ 0.11



Summary of US Adjusted Expenses 4Q11, 3Q11 and 4Q10

(\$ in millions)	4Q11	3Q11	4Q10
Comp & Benefits	\$34.2	\$36.5	\$38.3
<i>% of Revenue</i>	<i>41.2%</i>	<i>37.2%</i>	<i>42.7%</i>
Transaction Processing	11.8	14.1	12.0
<i>% of Revenue</i>	<i>14.2%</i>	<i>14.4%</i>	<i>13.4%</i>
Occupancy & Equipment	11.3	10.9	11.3
Telecom & Data Processing	9.3	9.4	8.9
Other G&A	15.7	15.0	16.8
Interest Expense	0.6	0.6	0.1
Total	\$82.9	\$86.5	\$87.4



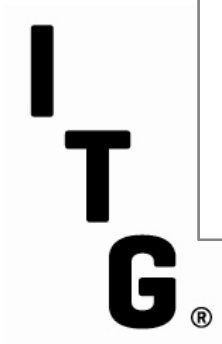
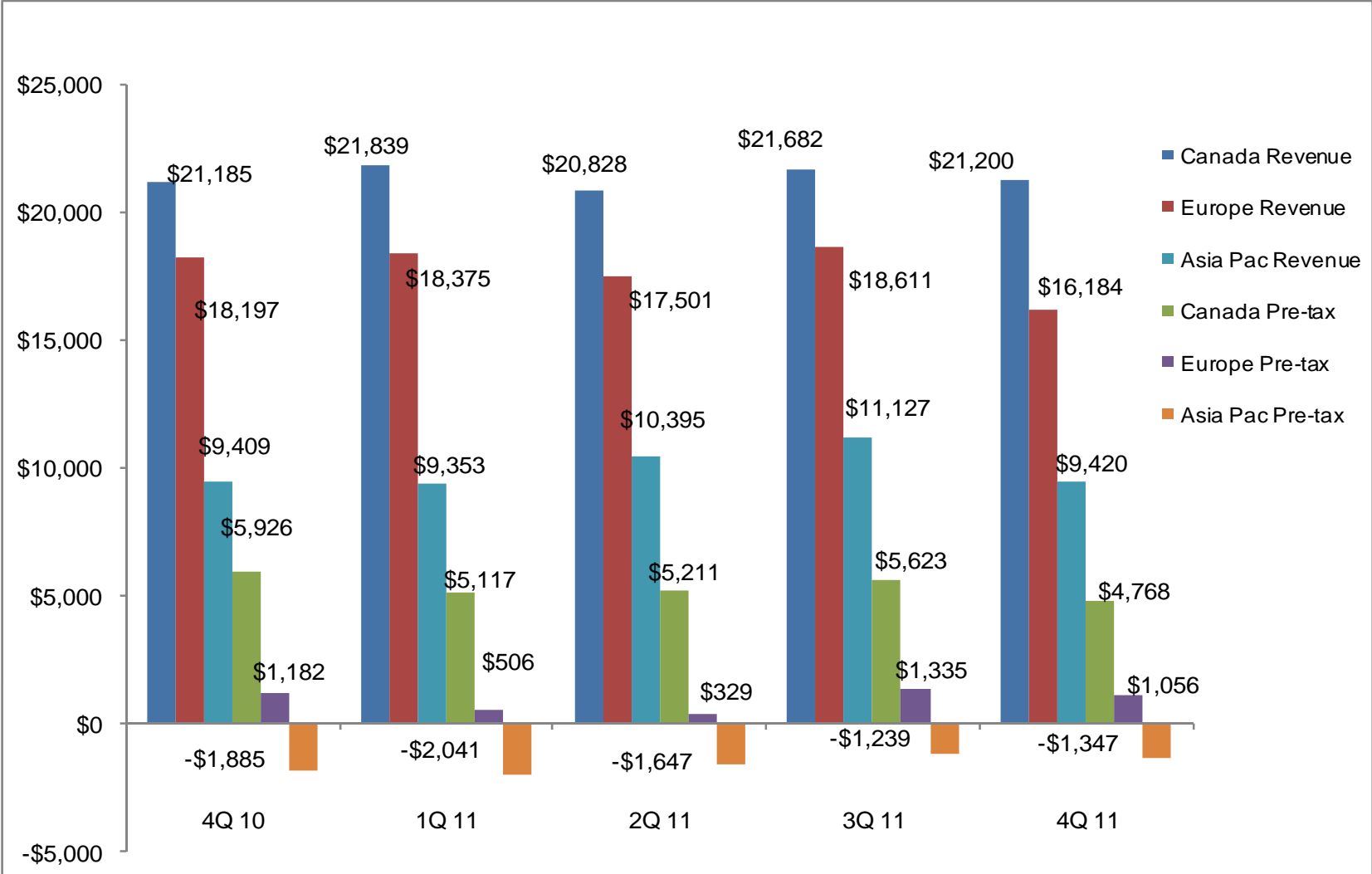
International Financial Summary

Adjusted Results

(\$ in millions)	4Q11	3Q11	2Q11	1Q11	4Q10
Revenues					
Asia Pacific	\$9.4	\$11.1	\$10.4	\$9.4	\$9.4
Canada	21.2	21.7	20.8	21.8	21.2
Europe	<u>16.2</u>	<u>18.6</u>	<u>17.5</u>	<u>18.4</u>	<u>18.2</u>
Total Revenues	46.8	51.4	48.7	49.6	48.8
Expenses					
Compensation and Benefits	17.8	17.6	18.8	19.2	18.9
<i>% of Revenue</i>	<i>38.0%</i>	<i>34.2%</i>	<i>38.6%</i>	<i>38.7%</i>	<i>38.8%</i>
Transaction Processing	8.9	10.8	9.7	10.1	9.7
<i>% of Revenue</i>	<i>19.0%</i>	<i>21.0%</i>	<i>19.9%</i>	<i>20.3%</i>	<i>20.0%</i>
Occupancy	3.9	4.0	4.2	4.1	4.0
Telecom & Data Processing	4.7	5.2	5.3	5.5	5.2
Other G&A	<u>7.0</u>	<u>8.1</u>	<u>6.9</u>	<u>7.1</u>	<u>5.8</u>
Total Expenses	42.3	45.7	44.9	46.0	43.6
Pre-Tax Income	\$4.5	\$5.7	\$3.8	\$3.6	\$5.2



International: Adjusted Results Summary



U.S. Trading Volumes and Revenues Per Share

(\$ in millions except cents per share and trading days)	4Q11	3Q11	2Q11	1Q11	4Q10
Trading Volumes	11,458	13,449	12,038	11,875	10,989
Trading Days	63	64	63	62	64
Trading Volumes Per Day	181.9	210.1	191.1	191.5	171.7
Revenue Per Share (Includes commissions and net executions)	\$0.00439	\$0.00467	\$0.00509	\$0.00553	\$0.00536
Trading Commissions and Fees	\$50.3	\$62.8	\$61.3	\$65.6	\$58.9
Other Commissions and Fees (Includes ITG Net [®] commission sharing & ITG Derivatives SM)	<u>9.1</u>	<u>11.3</u>	<u>9.2</u>	<u>10.2</u>	<u>10.1</u>
Total Commissions and Fees	\$59.4	\$74.1	\$70.5	\$75.8	\$69.0



Q&A

