

Investment Technology Group Investor Overview



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Investor Overview Agenda

- ITG business description
- Drivers of future growth
- Company financials
- Conclusions

The ITG business

- ITG is a specialized agency brokerage and technology firm that partners with clients to provide a full array of innovative solutions spanning the entire trading process.
- ITG has a unique approach that combines our broad range of trading technologies from pre-trade analysis, order management, trade execution, and post-trade evaluation to provide clients with powerful solutions no other electronic trading firm can match.
- As a pioneer of electronic trading, ITG remains at the forefront of the industry by combining the deep expertise of our professional traders and financial market specialists to offer innovative trading solutions.
- ITG has established a strong and growing presence in key financial centers around the world to serve the needs of global institutions.

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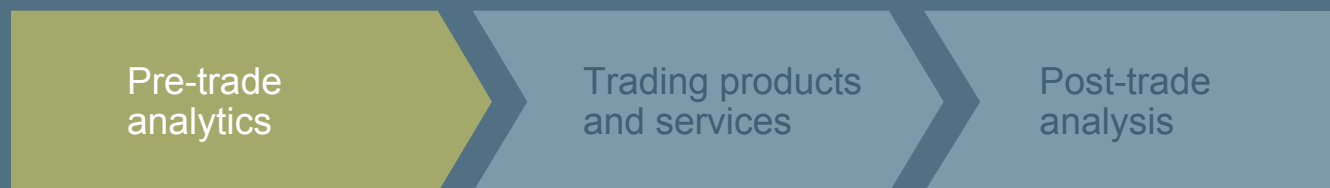
Investor Overview ITG business description

Unique offering across the trading continuum

ITG provides clients with innovative technologies that span the entire electronic trading process, and has the ability to put all these products together to provide powerful solutions for clients.



Pre-trade and portfolio optimization tools

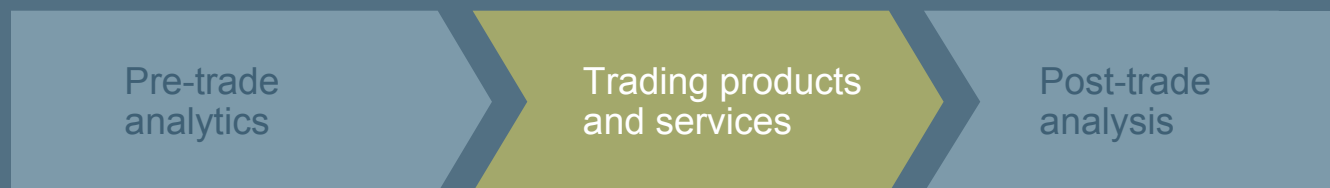


- **ITG Portfolio – Optimization & Compliance**

- **ITG Opt:** Portfolio construction and optimization tool to manage trading costs, portfolio risk, index benchmarking and tax efficiency
- **Fair Value Model:** Provide adjustments for international securities to help prevent market timing exploitation based on stale prices

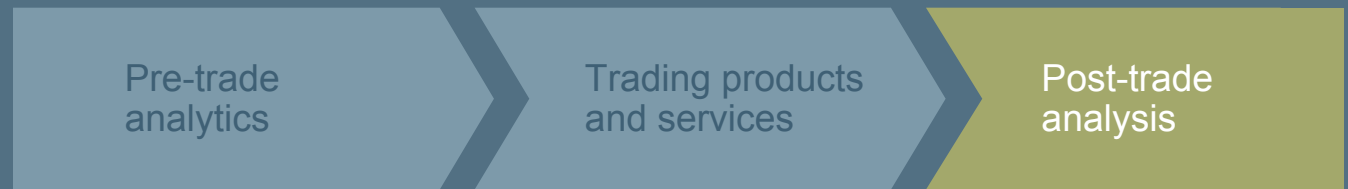
- **ITG Logic – Pre-Trade Analytics:** Pre-trade cost and risk control, combined with trading analysis and optimization during execution of large orders

Trading tools and trade management services



- **Macgregor – Order Management:** Technology that optimizes the execution process from initial portfolio decision to final settlement
- **ITG Trading Solutions – Execution Management**
 - **Triton & Radical - Direct Market Access:** Desktop-based trade management systems for list and single-stock trading with integrated analytical tools, and trading strategy creation
- **ITG Algorithms – Automated Trading:** Sophisticated automated strategies aimed at reducing market impact, maximizing execution quality, and improving overall trading performance
- **POSIT – Trade Crossing:** Crossing destinations that give buyers and sellers opportunities to match equity orders with complete confidentiality, access to diverse liquidity pools, zero market impact, and cost savings
- **ITG Trading Desk Services – Expert Execution:** Full-service trading strategy and execution services provided by our experienced portfolio traders

Post-trade analytics and measurement tools



● ITG Trading Analysis – Cost measurement & reporting

- **ITG TCA (Transaction Cost Analysis):** Powerful analytics and consulting services for accurate trade cost measurement and strategy optimization
- **Plexus Product Suite:** Reports and recommendations for performance improvement, including broker allocation reviews, execution quality of underlying funds, compliance reporting, program trading reviews, and trader compensation support

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Investor Overview

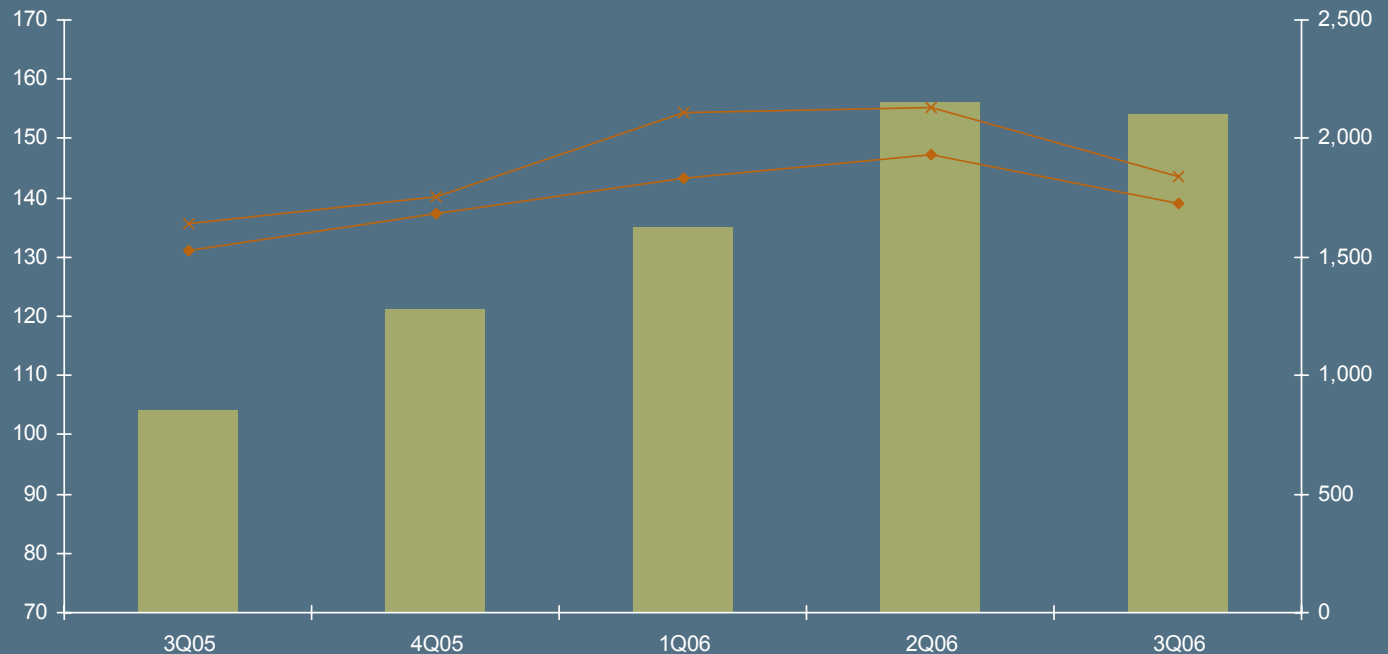
Drivers of future growth

Industry trends

Trend		Effect
Unbundling of commissions	➔	Moves focus toward best execution
Impact of regulation NMS	➔	Reduces friction, but increases fragmentation May benefit liquidity pools like POSIT
Electronification of the trading process	➔	Structural changes in the marketplace Rise of algorithms to automate trading process, reduce friction
Empowerment of the buy side	➔	Shift in control of technology and demand for new tools
Volume	➔	Growth in composite volume Increased penetration Further growth expected due to market and regulatory trends

ITG's US trading volumes show positive trend

ITG Average Daily Trading Volumes Increased 48%



—◆— NYSE ADV (in millions) —x— NASDAQ ADV (in millions) Source: NYSE and Bloomberg

■ ITG Average Daily Volumes (in millions)

Four strategies for growth

Deepen penetration of
core markets

Further expansion into core
markets with both existing and
new buy-side clients

Expand to related
customer markets

Expand presence in new
markets, particularly the hedge
fund market

Boost market share and
product breadth internationally

Continue international
expansion across product
platform

Expand into new products
or asset classes

Deepen analytical product
offerings and consider
acquisitions to move into new
products and asset classes

Increase sales and marketing efforts in existing markets

Deepen penetration of core markets

- Boost trade volume and sales of analytical products to counterbalance pricing pressures
- Increase sales and marketing focus to deepen relationships with existing clients and cross-sell range of services
- Reinvigorate ITG brand with institutions, leveraging ITG's heritage as a pioneer and innovator in electronic trading
- Cultivate new client roster for core equity trading and analytic products

Expand to related customer markets

Boost market share and product breadth internationally

Expand into new products or asset classes

Seek growth in new customer segments

Deepen
penetration of
core markets

Boost market
share and
product breadth
internationally

Expand to related customer markets

- Hedge Fund Intelligence notes that hedge funds are expected to grow at a compound annual growth rate of 53%
- ITG's execution and advisory capabilities combined with the Radical and ITG Hoenig acquisitions have expanded our access to this rapidly growing market
- ITG's acquisition of The Plexus Group strengthens ITG's presence with the plan sponsor and broker-dealer segments
- Block Alert, a joint venture with Merrill Lynch, will market the POSIT Alert product to a larger global institutional audience

Expand into
new products
or asset classes

Boost market share and product breadth internationally

Deepen
penetration of
core markets

Expand to
related customer
markets

Continue international expansion

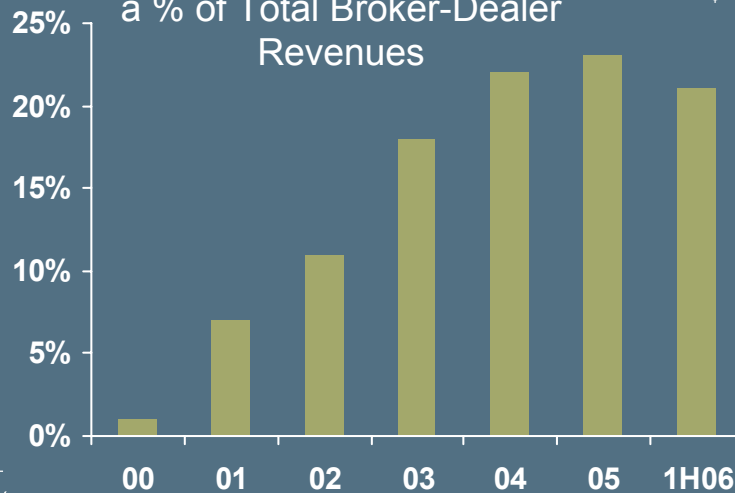
- Operations currently in Canada, Europe, Australia, Hong Kong, and Japan
- According to TABB Group, traders internationally agree that technological advances are by far the most important factor changing their trading patterns today
- Continued focus on rolling out international products. Triton and ITG Algorithms have been introduced in Europe; significant Asia-Pacific interest in TCA

Expand into
new products
or asset classes

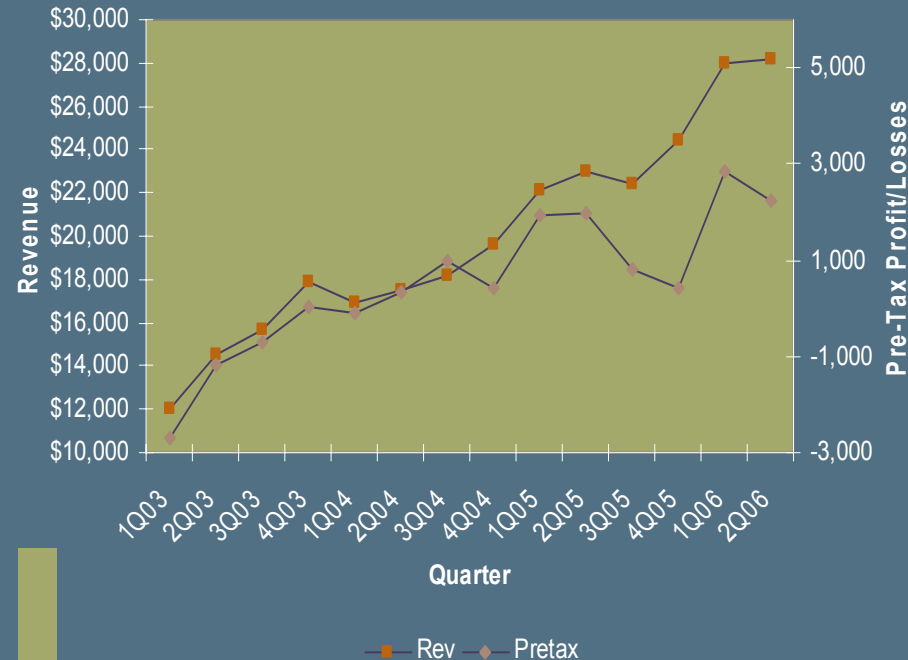
International business is positioned to deliver growth

International operations have become profitable and comprised 21% of total broker-dealer revenues in the first half of 2006

ITG International Revenues as a % of Total Broker-Dealer Revenues



ITG International Results



Enter adjacent businesses organically or through acquisition

Deepen
penetration of
core markets

Expand to
related customer
markets

Boost market
share and
product breadth
internationally

Expand into new products or asset classes

- Complement ITG's powerful trading products with an extended range of analytical content and advisory offerings
- The Macgregor acquisition integrates an OMS with ITG's execution management system and analytics, creating a best execution order management system. According to Celent, global technology spending on OMSs is expected to reach \$604 million in 2006, and grow another 16% in 2007
- Pursuit of various distribution and connectivity arrangements
- Potential expansion into adjacent business areas

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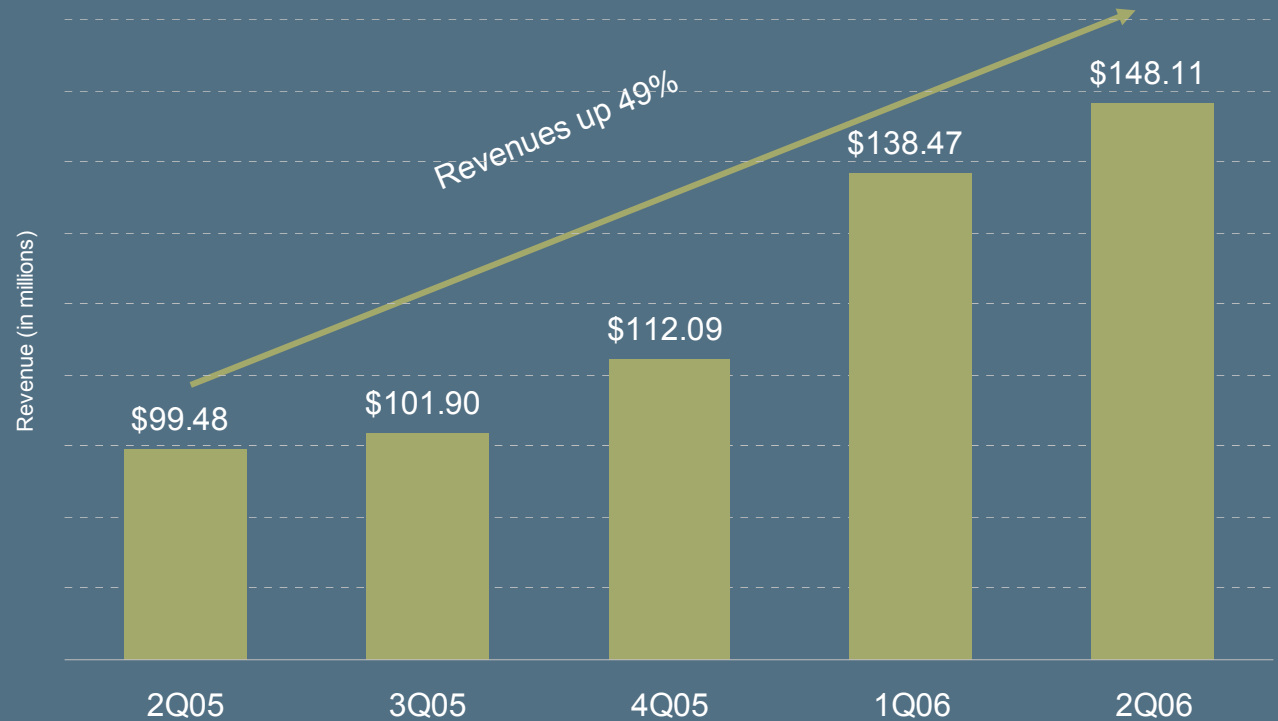
Investor Overview Financials

Financial highlights

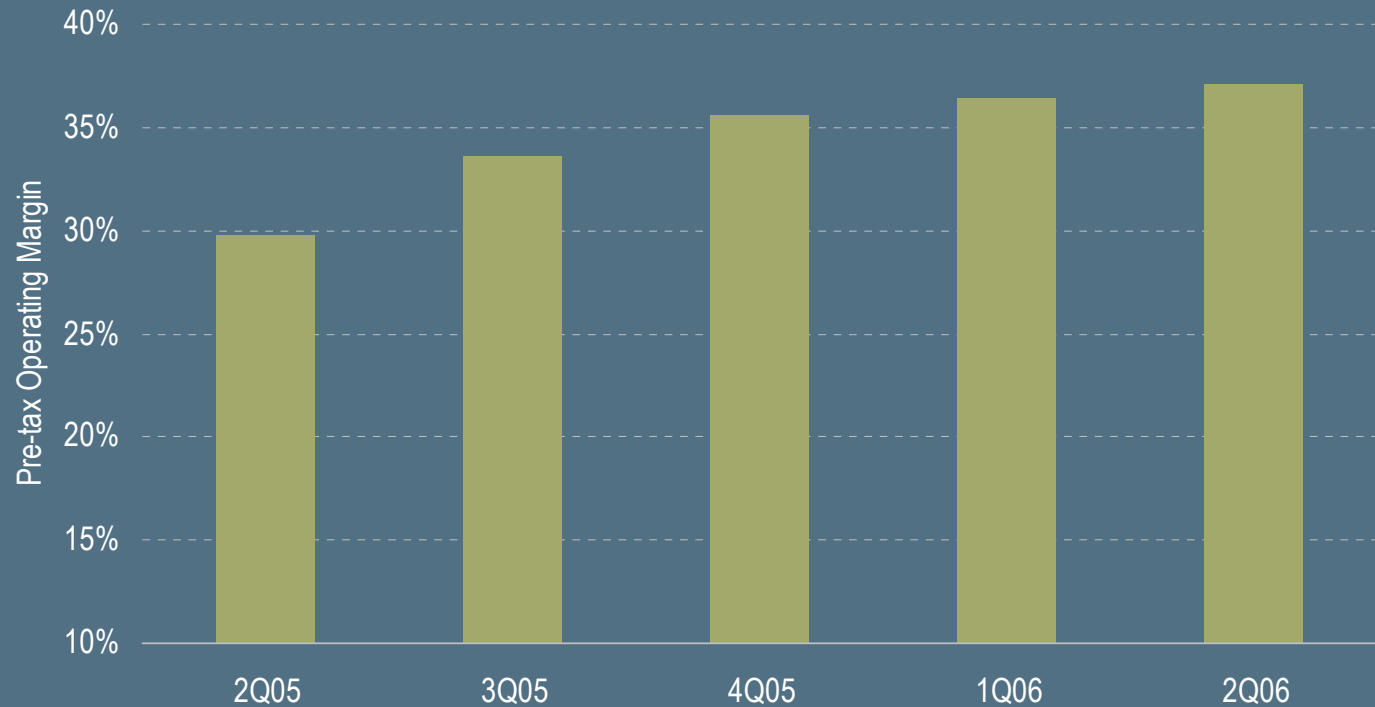
- Strong balance sheet
- Cash and securities of \$277 million as of June 2006
- Cash earnings of \$43 million generated in 1H06
- Recent acquisitions financed with \$200 million in bank debt of which \$25 million has been paid down as of 2Q06
- Pre-tax margin of 28% during 2Q06

ITG revenues show positive growth

ITG operating revenues



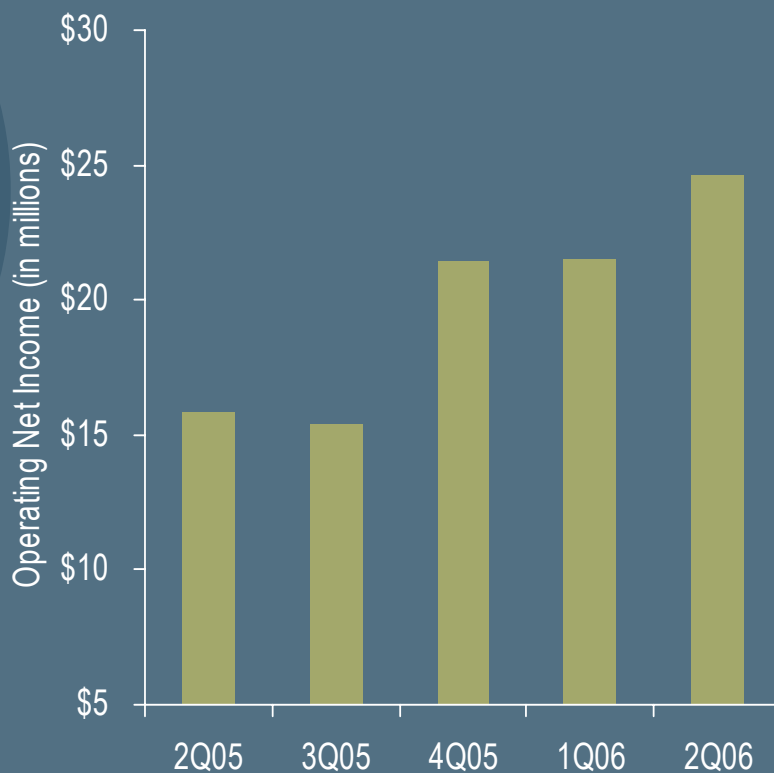
US broker dealer operating margins at 37%



Note: 2006 margins exclude Macgregor/Plexus for comparative purposes

Net income and EPS continue to grow

Net Income up 55%



EPS up 47%



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Investor Overview Conclusions

ITG today

- ITG's unique view of the trading continuum enables us to thrive despite intense competition
- Our emphasis on both trading execution and analytics has attracted and retained a broad and loyal customer base
- Our expansion into new global markets and new products provides us with significant earnings diversification and upside potential
- We maintain a strong financial position, strong cash flow generation, and solid margins

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