



INVESTMENT TECHNOLOGY GROUP, INC.
Consolidated Statements of Income (unaudited)
(In thousands, except per share amounts)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues:				
Commissions	\$ 121,787	\$ 96,817	\$ 365,269	\$ 280,038
Recurring	19,067	2,533	54,937	7,306
Other	5,712	2,881	26,161	8,731
Total revenues	<u>146,566</u>	<u>102,231</u>	<u>446,367</u>	<u>296,075</u>
Expenses:				
Compensation and employee benefits	53,005	36,546	155,731	107,858
Transaction processing	20,391	14,852	57,972	43,149
Occupancy and equipment	9,655	6,995	27,724	21,468
Telecommunications and data processing services	8,006	5,039	22,603	14,839
Other general and administrative	16,797	10,997	46,052	31,238
Interest expense	3,098	—	9,278	—
Total expenses	<u>110,952</u>	<u>74,429</u>	<u>319,360</u>	<u>218,552</u>
Income before income tax expense	<u>35,614</u>	<u>27,802</u>	<u>127,007</u>	<u>77,523</u>
Income tax expense	14,005	12,210	51,139	31,255
Net income	<u>\$ 21,609</u>	<u>\$ 15,592</u>	<u>\$ 75,868</u>	<u>\$ 46,268</u>
Earnings per share:				
Basic	<u>\$ 0.50</u>	<u>\$ 0.37</u>	<u>\$ 1.75</u>	<u>\$ 1.10</u>
Diluted	<u>\$ 0.49</u>	<u>\$ 0.37</u>	<u>\$ 1.72</u>	<u>\$ 1.10</u>
Basic weighted average number of common shares outstanding				
	43,436	42,101	43,249	42,051
Diluted weighted average number of common shares outstanding				
	44,397	42,369	44,178	42,197



INVESTMENT TECHNOLOGY GROUP, INC.
Consolidated Statements of Financial Condition
(In thousands, except share amounts)

	September 30, 2006 (unaudited)	December 31, 2005
Assets		
Cash and cash equivalents	\$ 281,659	\$ 261,044
Cash restricted or segregated under regulations and other	23,746	7,007
Securities owned, at fair value	7,679	6,017
Receivables from brokers, dealers and other, net	1,219,628	485,012
Investments	9,279	10,628
Premises and equipment, net	28,901	22,292
Capitalized software, net	26,311	12,780
Goodwill	400,402	176,773
Other intangibles, net	29,952	12,173
Deferred taxes	12,427	7,972
Other assets	12,197	14,636
Total assets	<u>\$ 2,052,181</u>	<u>\$ 1,016,334</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable and accrued expenses	\$ 163,991	\$ 109,442
Payables to brokers, dealers and other	1,137,355	435,141
Securities sold, not yet purchased, at fair value	1,276	91
Income taxes payable	7,470	9,354
Long term debt	168,000	—
Total liabilities	<u>1,478,092</u>	<u>554,028</u>
Commitments and contingencies		
Stockholders' Equity		
Preferred stock, par value \$0.01; 1,000,000 shares authorized; no shares issued or outstanding	—	—
Common stock, par value \$0.01; 100,000,000 shares authorized; 51,443,560 and 51,390,027 shares issued at September 30, 2006 and December 31, 2005, respectively and 43,567,086 and 42,773,651 shares outstanding at September 30, 2006 and December 31, 2005, respectively	514	514
Additional paid-in capital	192,794	175,600
Retained earnings	518,515	442,647
Common stock held in treasury, at cost; 7,876,474 and 8,616,376 shares at September 30, 2006 and December 31, 2005, respectively	(148,761)	(162,735)
Accumulated other comprehensive income (net of tax)	11,027	6,280
Total stockholders' equity	<u>574,089</u>	<u>462,306</u>
Total liabilities and stockholders' equity	<u>\$ 2,052,181</u>	<u>\$ 1,016,334</u>