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FOR IMMEDIATE RELEASE

Investment Technology Group Announces New Flexible Participation Algorithm

NEW YORK, May 17, 2007 – Investment Technology Group, Inc. (NYSE: ITG), a leading provider of technology-based trading services and transaction research, today announced the addition of the Flexible Participation algorithm to the ITG Algorithms™ suite of trading tools. ITG's Flexible Participation algorithm allows clients to customize their desired level of participation in the overall market volume of a single stock at specific index or benchmark levels. As with other ITG Algorithms, Flexible Participation offers aggregated access to liquidity sources through ITG's Dark Algorithm, a liquidity seeking algorithm.

ITG's Flexible Participation goes beyond existing volume participation algorithms by offering clients advanced customization and control. This customization allows clients to trade at a specified rate of participation at all times and within a price limit. Clients also have the ability to vary the volume participation rate depending on the intraday stock performance relative to an index or benchmark. Clients would use Flexible Participation when they want to take part in a steady flow of liquidity while maintaining a specified percentage of a stock's trading volume.

"ITG is constantly adding features and functionality to its algorithmic trading tools to help increase our clients' trading efficiency," said Tony Huck, Managing Director at ITG. "The advanced customization of the Flexible Participation algorithm enables clients to simultaneously utilize four previously separate functions: varying volume participation, relative benchmarking, liquidity aggregation, and opportunistic strategies."

Clients using Flexible Participation can also specify trading style, such as layering, reversion, momentum, and custom rules, while indicating the percentage at which they would like to complete the order. In addition, there is an "I Would" feature that allows clients to determine the price level at which they would execute either a whole trade or a



percentage of the trade. Clients can also opt to expose the order via ITG's Dark Algorithm to reach ITG's liquidity pools, POSIT Match™, POSIT NowSM, and BLOCKalertSM, as well as to other alternative trading systems (ATSS) and electronic communication networks (ECNs).

About Investment Technology Group

Investment Technology Group, Inc. (NYSE:ITG), is a specialized agency brokerage and technology firm that partners with clients globally to provide innovative solutions spanning the entire investment process. A pioneer in electronic trading, ITG has a unique approach that combines pre-trade analysis, order management, trade execution, and post-trade evaluation to provide clients with continuous improvements in trading and cost efficiency. The firm is headquartered in New York with offices in North America, Europe and the Asia Pacific regions. For more information on ITG, please visit www.itg.com.

In addition to historical information, this press release may contain "forward-looking" statements, as defined in the Private Securities Litigation Reform Act of 1995, that reflect management's expectations for the future. A variety of important factors could cause results to differ materially from such statements. These factors include the company's ability to achieve expected future levels of sales; the actions of both current and potential new competitors; rapid changes in technology; financial market volatility; general economic conditions in the United States and elsewhere; evolving industry regulation; cash flows into or redemption from equity funds; effects of inflation; customer trading patterns; and new products and services. These and other risks are described in greater detail in the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, and other documents filed with the Securities and Exchange Commission and available on the company's web site.

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