



2nd Quarter 2006 - Earnings Presentation

Ray Killian

Chairman, CEO and President

Howard Naphtali

Managing Director and Chief Financial Officer

Safe Harbor Statement

This document may contain forward-looking statements that reflect management's expectation for the future. A variety of important factors could cause results to differ materially from such statements. These factors are noted throughout the Company's 2005 Annual Report on Form 10-K and include: the actions of both current and potential new competitors, rapid changes in technology, fluctuations in market trading volumes, market volatility, changes in the regulatory environment, risk of errors or malfunctions in our systems or technology, cash flows into or redemptions from equity funds, effects of inflation, customer trading patterns, general economic and business conditions, securities, credit and financial market conditions, as well as adverse changes or volatility in interest rates.

Investment Technology Group, POSIT, TriAct, SmartServer, ITG ACE, TCA, ITG/Opt and ITG are registered trademarks of the Investment Technology Group, Inc. companies.

Channel ITG, Radical, Triton, ITG Logic, ResRisk, and Hoenig, are trademarks or servicemarks of the Investment Technology Group, Inc. companies.

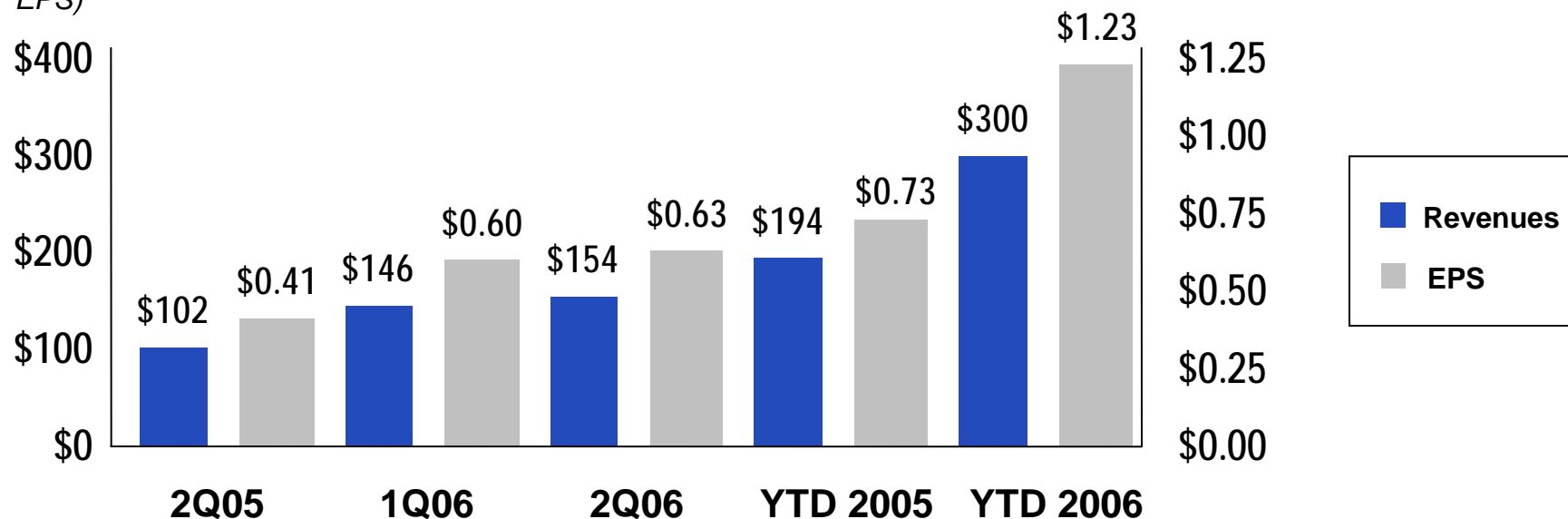
Opening Remarks

- Market Share
- Integration with Macgregor
- DarkServer
- International

2nd Quarter 2006 Results

	vs. 1Q06	vs. 2Q05	YTD 2006 vs. 2005
• Revenues	5%	50%	55%
• Revenues per day	3%	53%	55%
• Net Income	5%	60%	77%
• EPS	5%	54%	68%

(in millions
except
EPS)

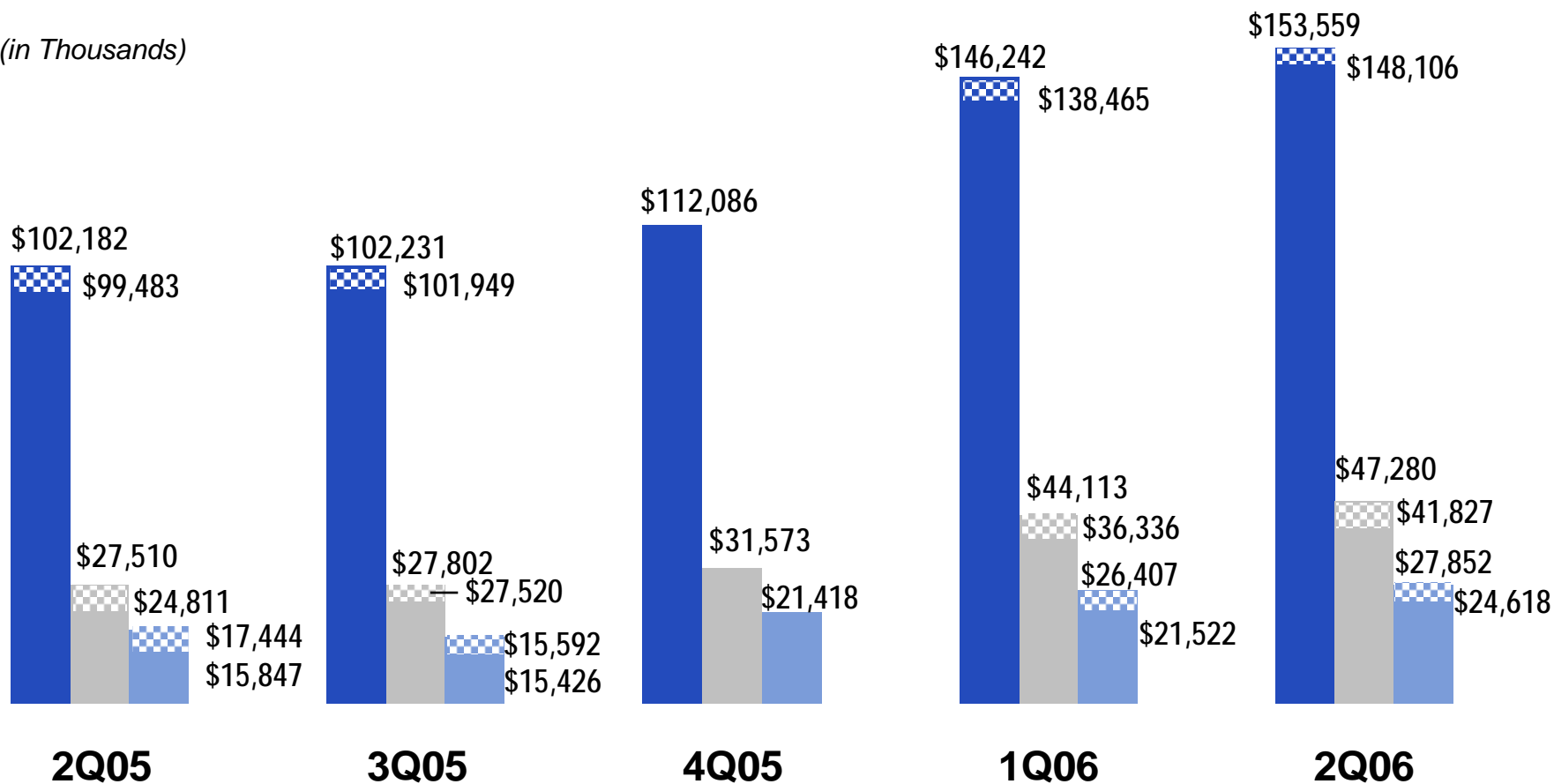


ITG Performance Contributors

- Trading Volume
 - Russell Rebalance
 - Volatility
 - Pricing
- Direct Market Access Products
- POSIT
- International

Quarterly Results

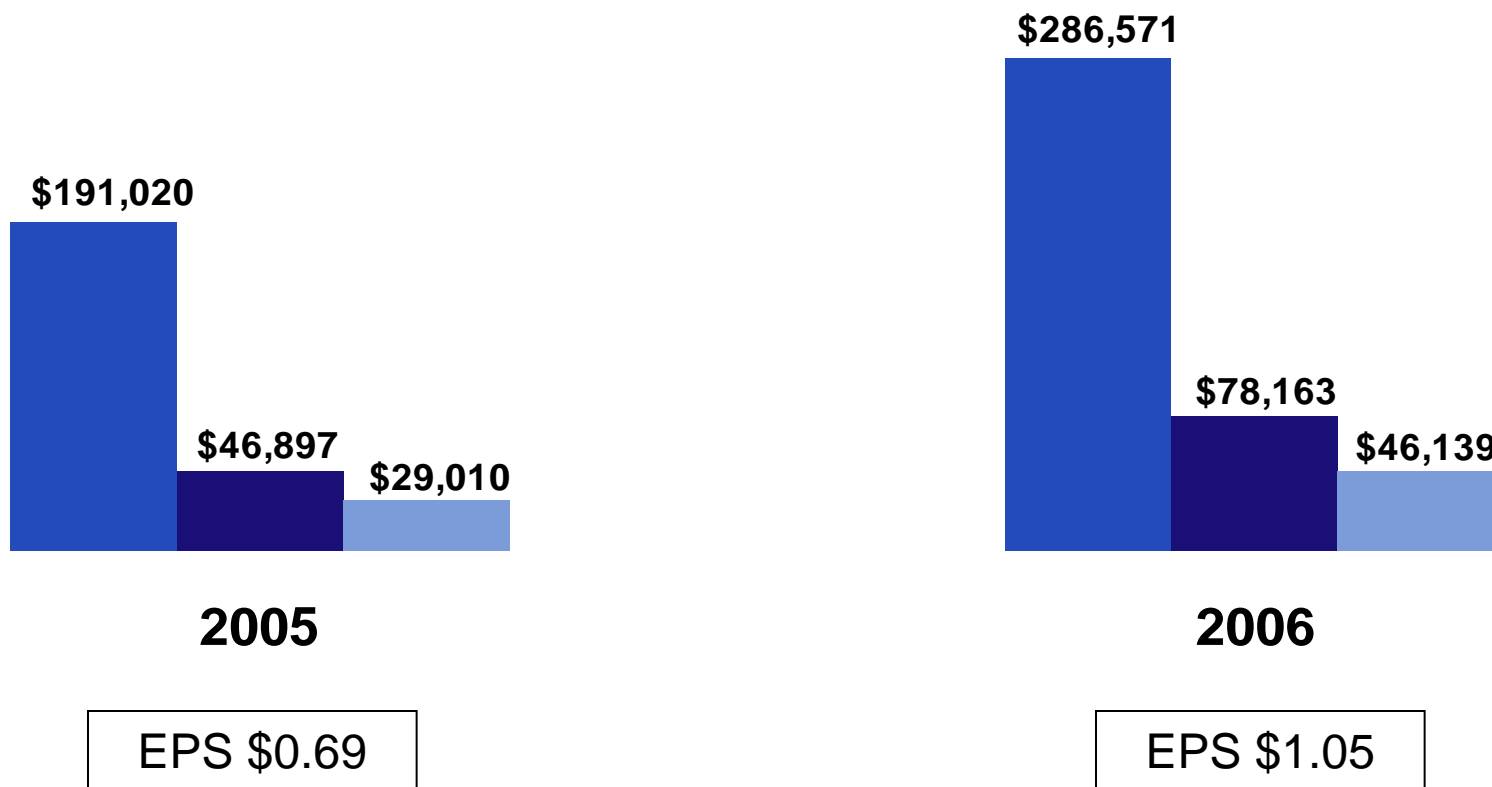
(in Thousands)



■ Revenues from recurring activities
 ■ Pre-Tax from recurring activities
 ■ Net Income from recurring activities
▨ Revenues including non-recurring
 ▨ Pre-Tax including non-recurring
 ▨ Net Income including non-recurring

YTD Results

(in thousands, except EPS)



Note: Excludes non-recurring items in 2005 and 2006

- Revenues
- Pre-tax earnings
- Net Income

2nd Quarter 2006 Results⁽¹⁾

<i>(in millions except EPS)</i>	U.S. Broker/Dealer Operations*	Macgregor/ Plexus*	Non-U.S. Broker/Dealer Operations*	Total
Revenues:				
Commissions	\$ 99.6	\$ 1.4	\$ 24.9	\$ 125.9
Recurring	2.9	14.5	0.8	18.2
Other	0.6	0.9	2.5	4.0
Subtotal	\$ 103.1	\$ 16.8	\$ 28.2	\$ 148.1
Expenses⁽²⁾	64.9	15.5	25.9	106.3
Pre-tax Income	38.2	1.3	2.3	41.8
Tax Expense	15.1	0.8	1.3	17.2
Net Income	\$ 23.1	\$ 0.5	\$ 1.0	\$ 24.6
EPS	\$ 0.53	\$ 0.01	\$ 0.02	\$ 0.56

(1) Excludes non-operating income

(2) Macgregor/Plexus expenses include \$3.2 million of interest expense on debt

*Net of intercompany activity

2nd Quarter 2006 vs. 2nd Quarter 2005⁽¹⁾

<i>(in millions except EPS)</i>	U.S. Broker/ Dealer Operations*		Non-U.S. Broker/Dealer Operations*		Total	
	2Q06	2Q05	2Q06	2Q05	2Q06	2Q05
Revenues	\$103	\$ 77	\$ 28	\$ 23	\$131	\$100
Expenses	65	54	26	21	91	75
Pre-tax Income	38	23	2	2	40	25
Tax Expense	15	8	1	1	16	9
Net Income	\$ 23	\$ 15	\$ 1	\$ 1	\$ 24	\$ 16
EPS	\$0.53	\$0.35	\$0.02	\$0.03	\$0.55	\$0.38

*Net of intercompany activity

(1) Excludes non-operating items and Macgregor/Plexus results

YTD 2006 vs. YTD 2005⁽¹⁾

<i>(in millions except EPS)</i>	U.S. Broker/ Dealer Operations*		Non-U.S. Broker/Dealer Operations*		Total	
	2006	2005	2006	2005	2006	2005
Revenues	\$197	\$146	\$ 56	\$ 45	\$253	\$191
Expenses	125	103	51	41	176	144
Pre-tax Income	72	43	5	4	77	47
Tax Expense	29	16	2	2	31	18
Net Income	\$ 43	\$ 27	\$ 3	\$ 2	\$ 46	\$ 29
EPS	\$0.99	\$0.64	\$0.06	\$0.05	\$1.05	\$0.69

*Net of intercompany activity

(1) Excludes non-operating items and Macgregor/Plexus results

Summary of Expenses

<i>(in millions)</i>	U.S. Broker/ Dealer Operations*		Non-U.S. Broker/Dealer Operations*		Total	
	2Q06	2Q05	2Q06	2Q05	2Q06	2Q05
Comp & Benefits	\$32.9	\$28.1	\$11.2	\$ 9.6	\$44.1	\$37.7
Transaction Processing	11.8	7.8	7.8	6.2	19.6	14.0
Occupancy & Equipment	6.5	5.7	1.7	1.5	8.2	7.2
Telecom & Data Processing	3.8	3.4	2.1	1.6	5.9	5.0
Other G&A	9.9	8.7	3.1	2.0	13.0	10.7
Total	\$64.9	\$53.7	\$25.9	\$20.9	\$90.8	\$74.6

*Net of intercompany activity

Note: Excludes Macgregor/Plexus results

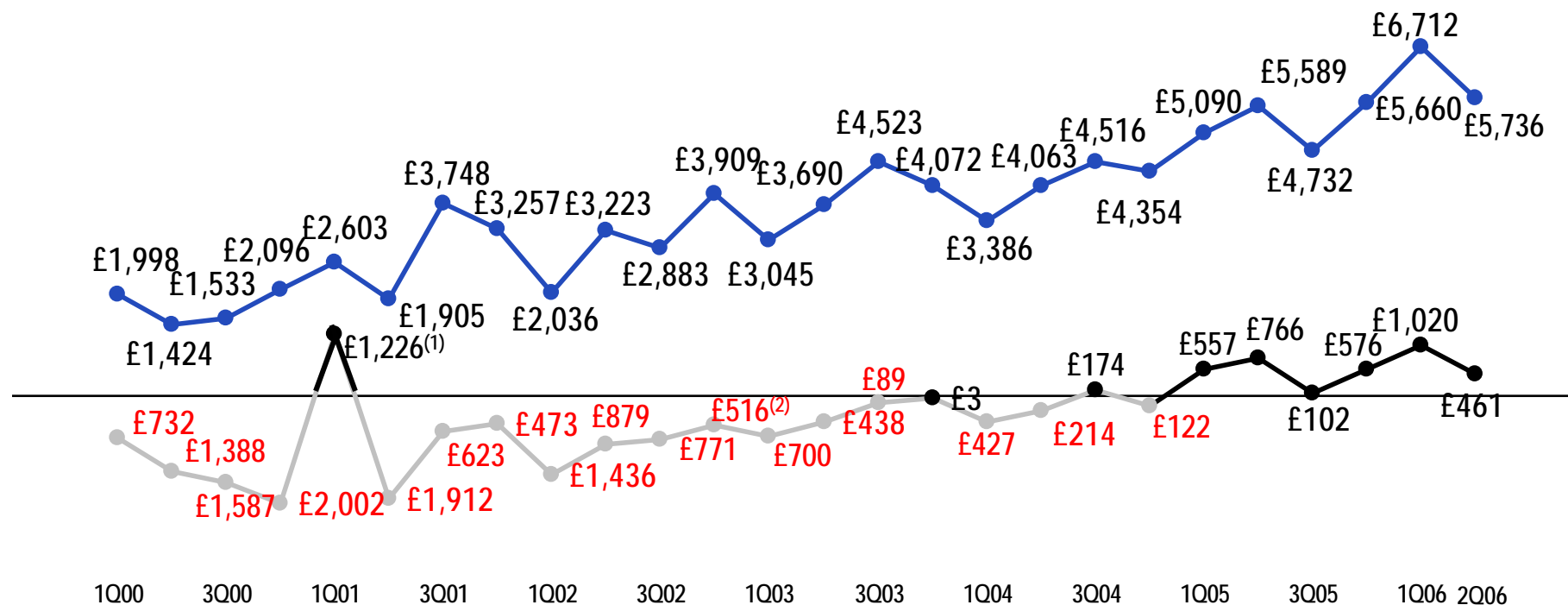
International Financial Summary

<i>(in millions)</i>	2Q06 ⁽¹⁾	1Q06	4Q05	3Q05	2Q05
Revenues					
Asia	\$2.9	\$2.6	\$2.3	\$2.2	\$ 1.3
Australia	2.2	2.7	2.6	2.3	2.4
Canada	12.3	10.5	8.7	9.0	8.4
Europe	10.8	12.2	10.9	8.9	10.8
Total Revenues	\$28.2	\$28.0	\$24.5	\$22.4	\$22.9
Expenses					
Compensation & Benefits	11.2	10.9	11.0	9.5	9.6
Transaction Proc.	7.8	8.1	7.0	6.7	6.2
Occupancy	1.7	1.5	1.4	1.5	1.5
Telecommunications	2.1	1.9	1.8	1.7	1.6
Other G&A	3.1	2.7	2.9	2.2	2.0
Total Expenses	25.9	25.1	24.1	21.6	20.9
Pre-Tax Income	\$2.3	\$2.9	\$0.4	\$0.8	\$2.0

(1) Excludes non-recurring revenue of \$5.4 million

European Revenues & Losses

Pounds Sterling in thousands



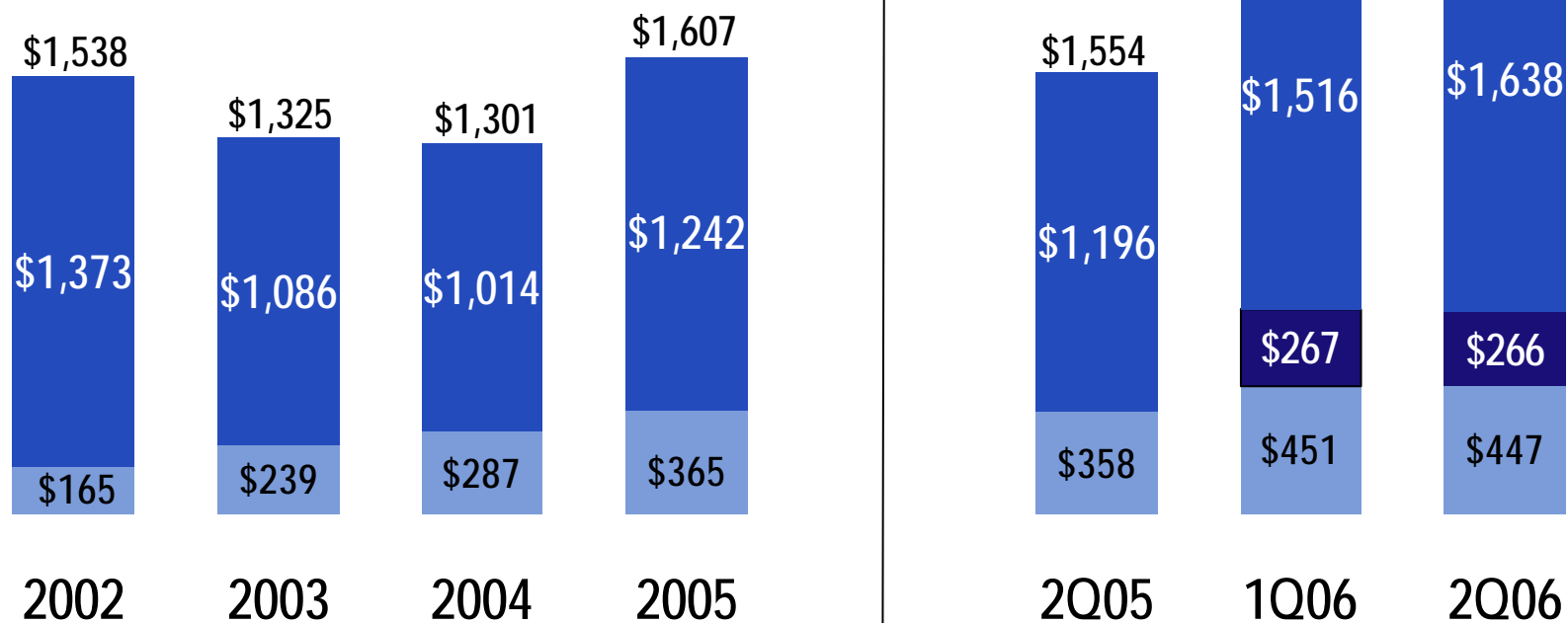
(1) Includes one-time LSE Gain of £2,700

(2) Excludes restructuring charge of £118

— Product Revenues
— Pre-Tax Profits / Losses

Revenues per Trading Day⁽¹⁾

(in thousands)



(1) Excludes non-recurring revenues

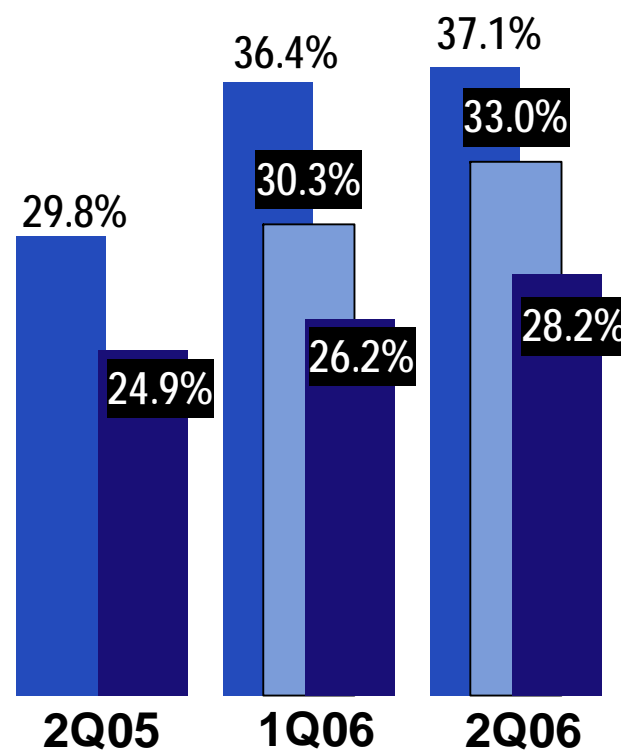
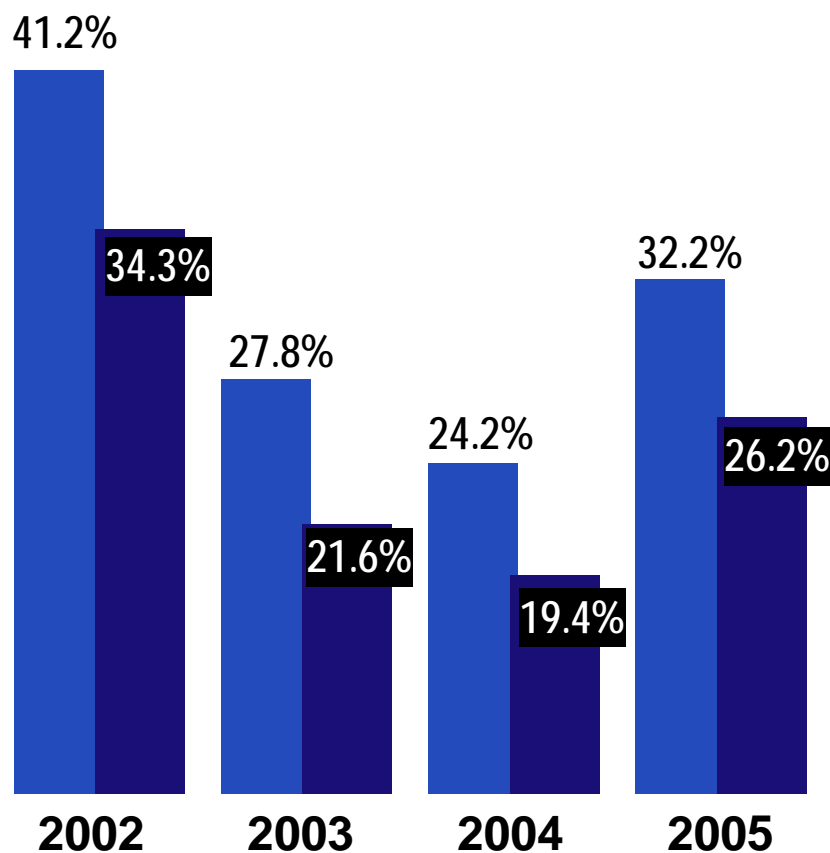
■ ITG U.S. Broker/Dealer
■ Macgregor/Plexus
■ Non-U.S.

U.S. Trading Volumes and Product Rates Per Share

(in millions except cents per share and trading days)

	2Q06	1Q06	2Q05	2005	2004
Revenues	\$99.6	\$91.4	\$75.5	\$307.2	\$251.0
Trading Volumes	9,844	8,395	6,420	26,565	20,629
Trading Volumes Per Day	156.2	135.4	100.3	105.4	81.9
Commission Revenues Per Trading Day	\$1.581	\$1.475	\$1.180	\$1.219	\$0.996
Avg Cents per Share	\$0.0101	\$0.0109	\$0.0118	\$0.0116	\$0.0122
Trading Days	63	62	64	252	252

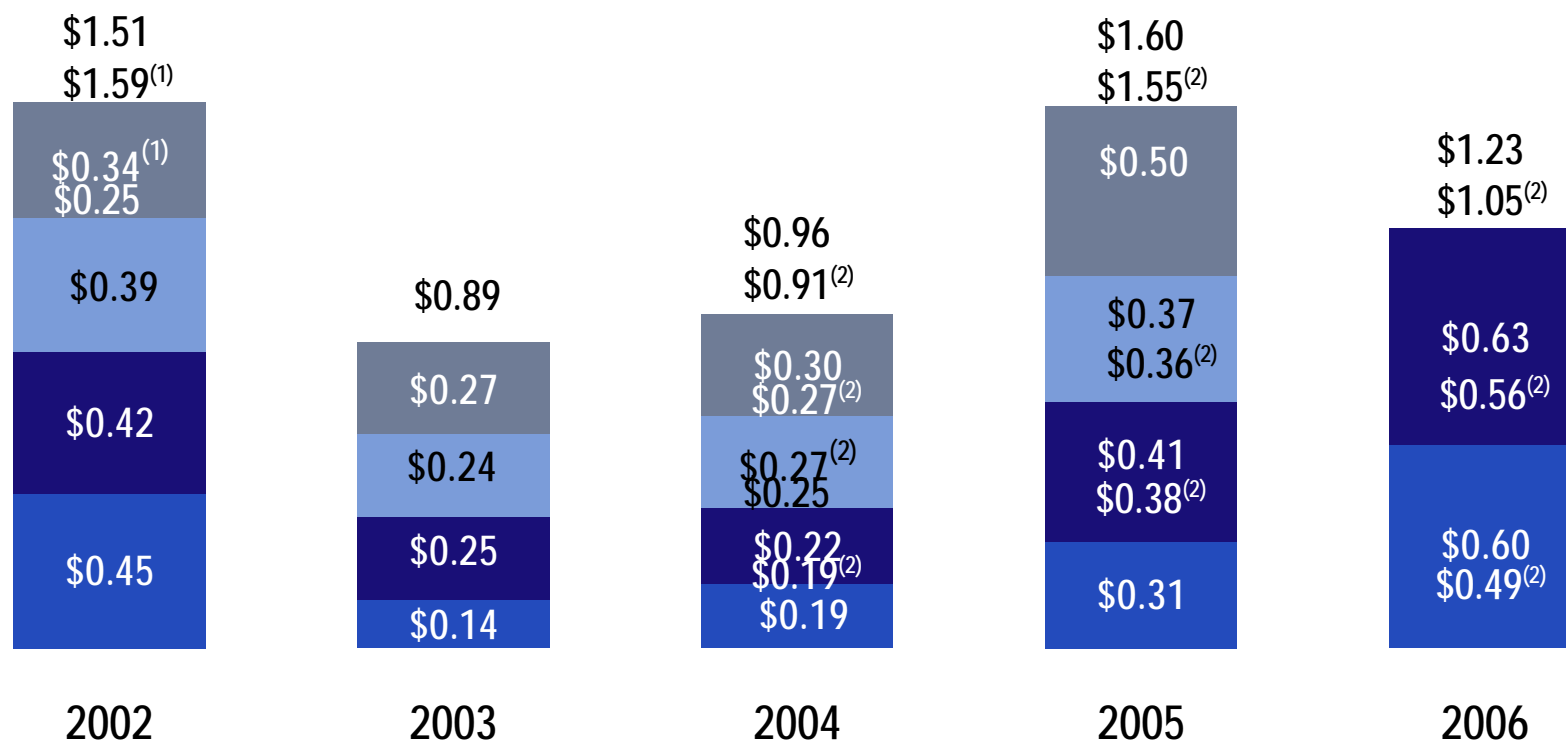
Pre-Tax Margin⁽¹⁾



(1) Excludes non-recurring items

■ U.S. Broker/Dealer Operations
 ■ U.S. Consolidated
 ■ Consolidated ITG

Diluted Earnings Per Share



(1) Excluding restructuring charge

(2) Excludes non-recurring items

1st Quarter

2nd Quarter

3rd Quarter

4th Quarter

Competitive Position & Strategy

- Best Execution
 - Regulatory pressure
 - Unbundling
- Hedge Funds
- International
 - MiFid

Corporate Updates

- ITG Solutions Network
 - Access to POSIT and ITG Algorithms through Macgregor
 - Integration of analytics with the Order Management System
 - Advanced integration with Pipeline
 - On track for integration with Triton
 - Plexus integration
- Algorithms
 - List-based algorithms
 - Integration with other ITG products
 - DarkServer
- Merrill Lynch – Block Alert
 - Testing and development underway

Strategic Initiatives

- Global focus on best execution
- Integration of the execution and order management system
- Growing penetration in existing and global markets

Q&A