

Investment Technology Group
Investor Overview
February 2007



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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.



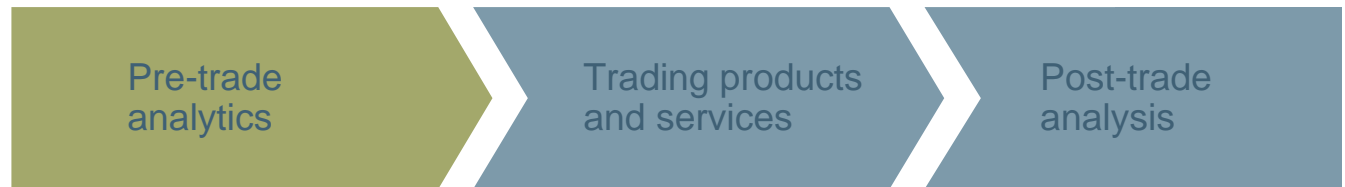
Investor Overview
ITG business description

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



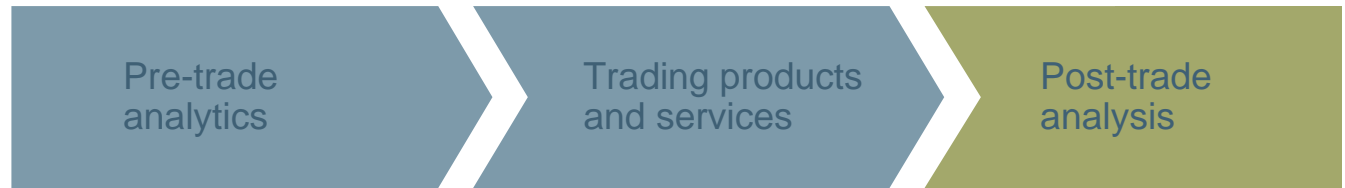
- **ITG Portfolio – Optimization & Compliance** - Portfolio construction and optimization tools to manage trading costs, portfolio risk, index benchmarking and tax efficiency
- **ITG Logic – Pre-Trade Analytics:** Pre-trade cost and risk control, combined with trading analysis and optimization during 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 consulting on performance improvement, including broker allocation reviews, execution quality of underlying funds, compliance reporting, program trading reviews, and trader compensation support



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

Increase in volume



Growth in composite volume

Increased penetration

Further growth expected due to market and regulatory trends

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

- Increase sales and marketing focus to deepen relationships with existing clients and cross-sell range of services
- Cultivate new client roster for core equity trading and analytic products
- Boost trade volume and sales of analytical products to counterbalance pricing pressures

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

- ITG's execution and advisory capabilities combined with the Radical and ITG Hoenig acquisitions have expanded our access to the hedge fund market that is expected to grow at a compound annual growth rate of 53% as per Hedge Fund Intelligence
- ITG's acquisition of The Plexus Group strengthens ITG's presence with the plan sponsor and broker-dealer segments
- BLOCKalert, a joint venture with Merrill Lynch, will market the POSIT Alert technology 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

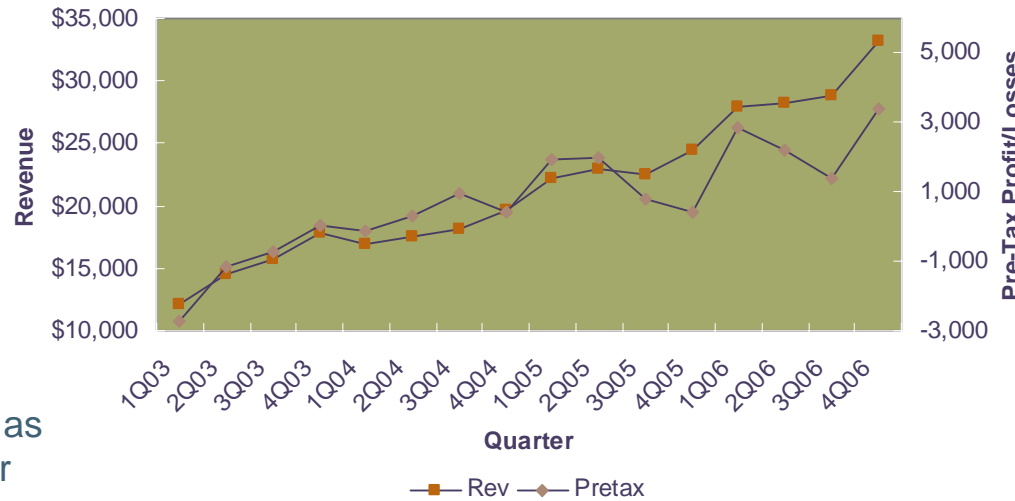
- Presence in Canada, Europe, Australia, Hong Kong, and Japan
- Continued focus on rolling out international products including POSIT Now, Triton and ITG Algorithms in Europe

Expand into new products or asset classes

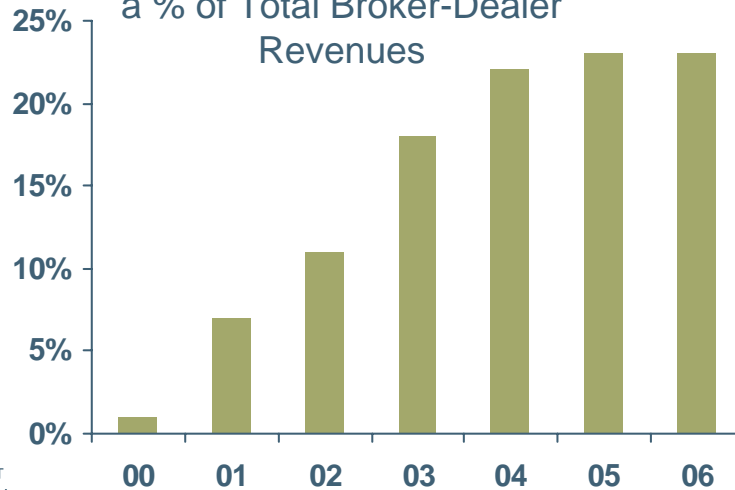
International business is positioned to deliver growth

International operations comprised 23% of total broker-dealer revenues YTD

ITG International Results



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



Enter adjacent businesses organically or through acquisition

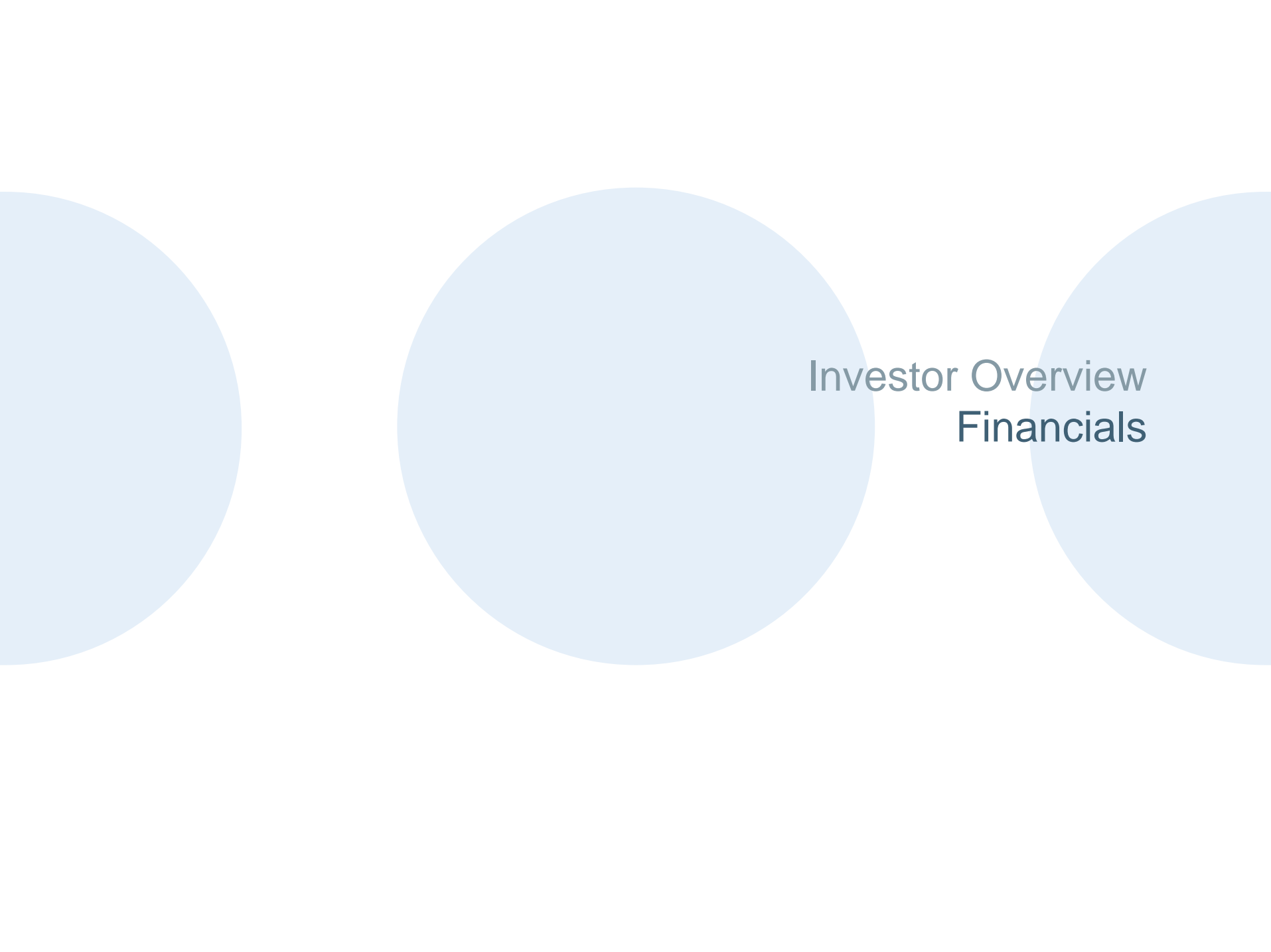
Deepen penetration of core markets

Expand to related customer markets

Boost market share and product breadth internationally

Expand into new products or asset classes

- 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
- Robust network of various distribution and connectivity arrangements
- Potential expansion into adjacent business areas



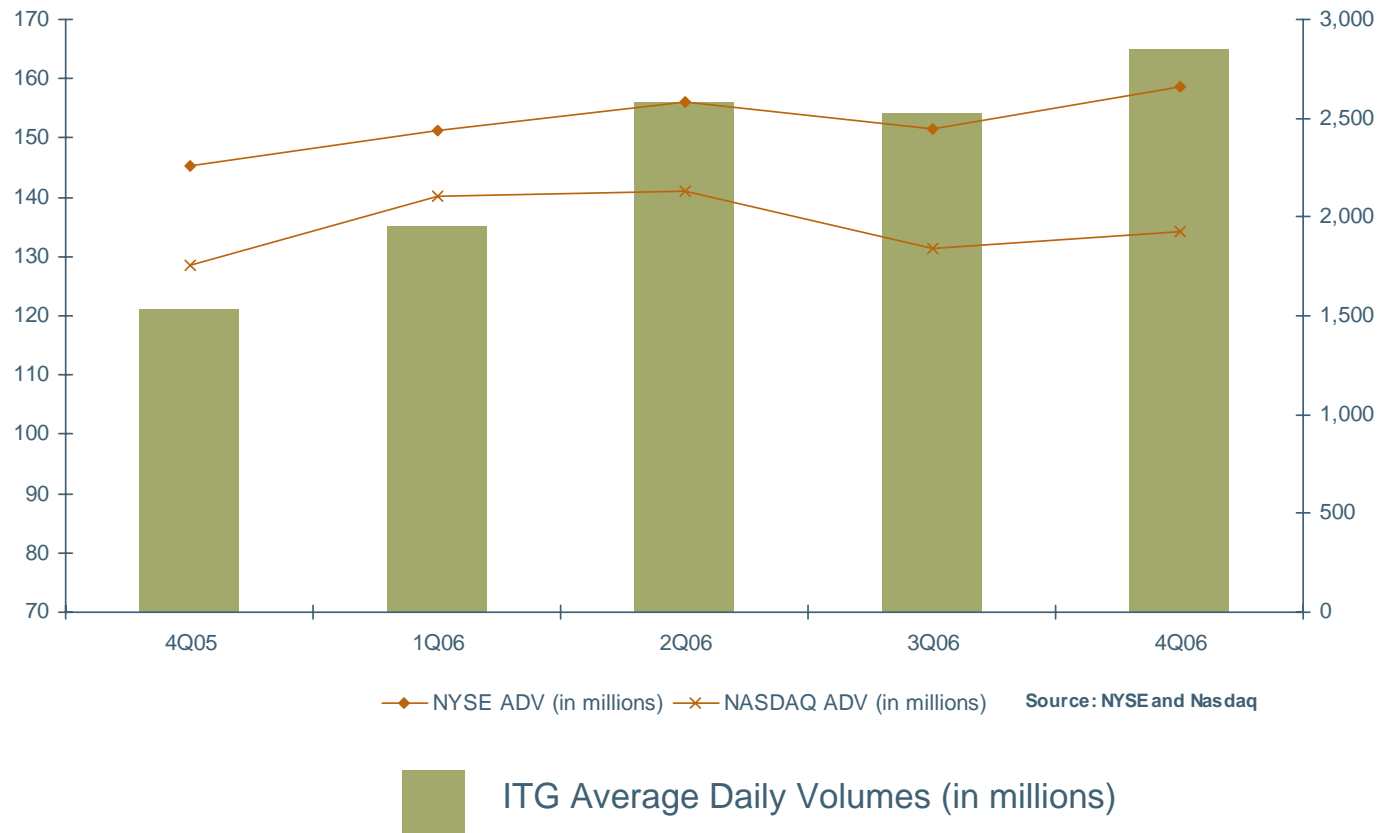
Investor Overview
Financials

Financial highlights

- Strong balance sheet
- Cash and securities of \$328 million as of December 2006
- Macgregor and Plexus acquisitions financed with \$200 million in bank debt of which \$39.1 million has been paid down as of 2006
- Cash earnings of \$71 million generated in 2006
- Pre-tax margin of 26% for 2006

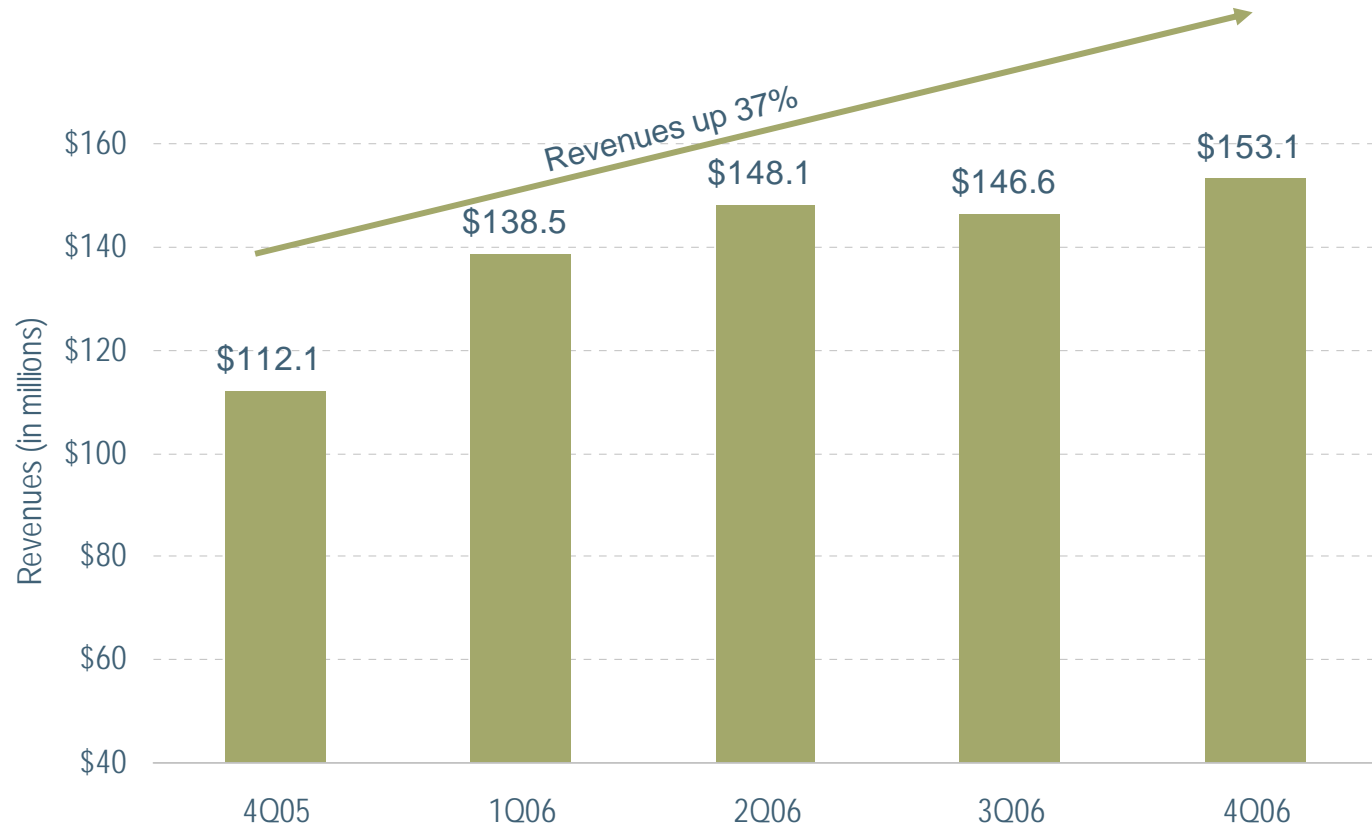
ITG's US trading volumes show positive trend

ITG Average Daily Trading Volumes Increased 37%

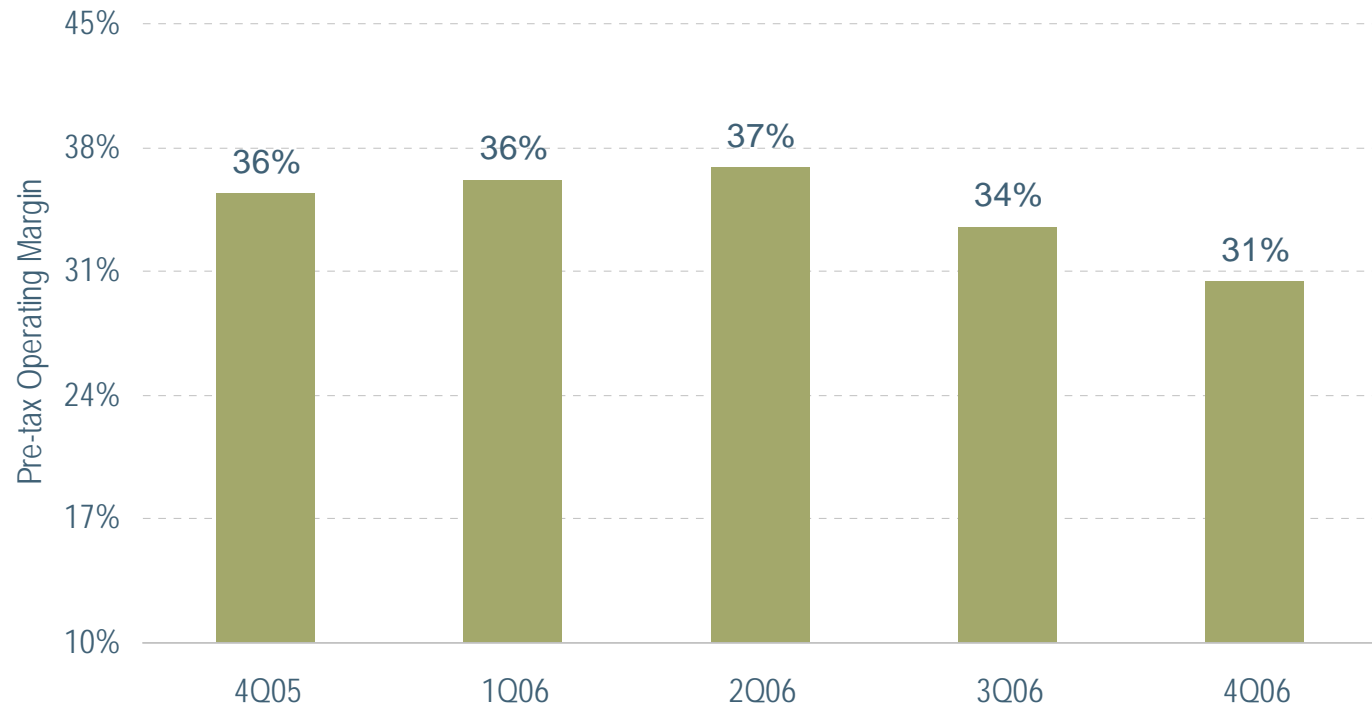


ITG revenues show positive growth

ITG operating revenues



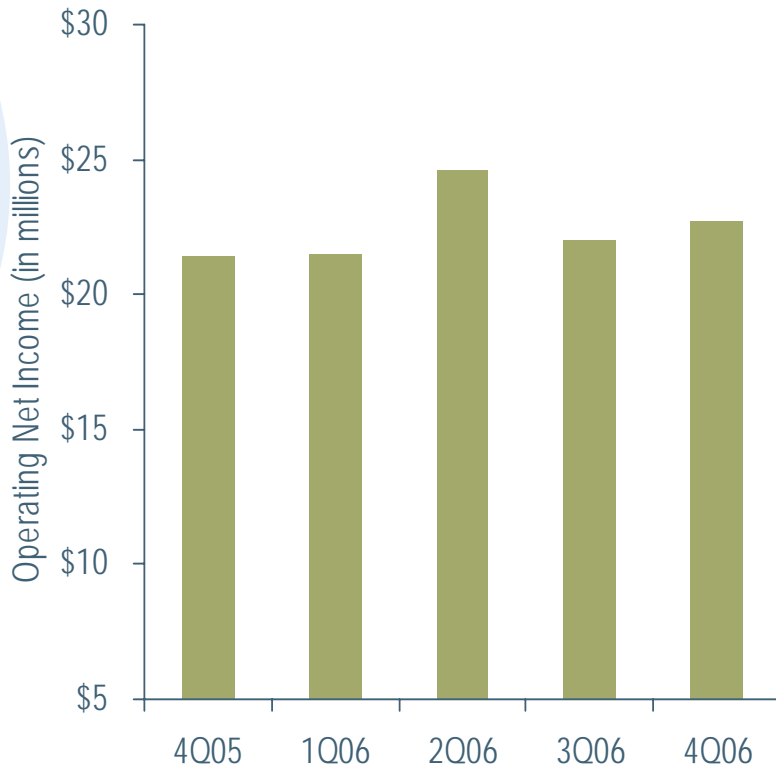
US broker-dealer operating margins at 31%



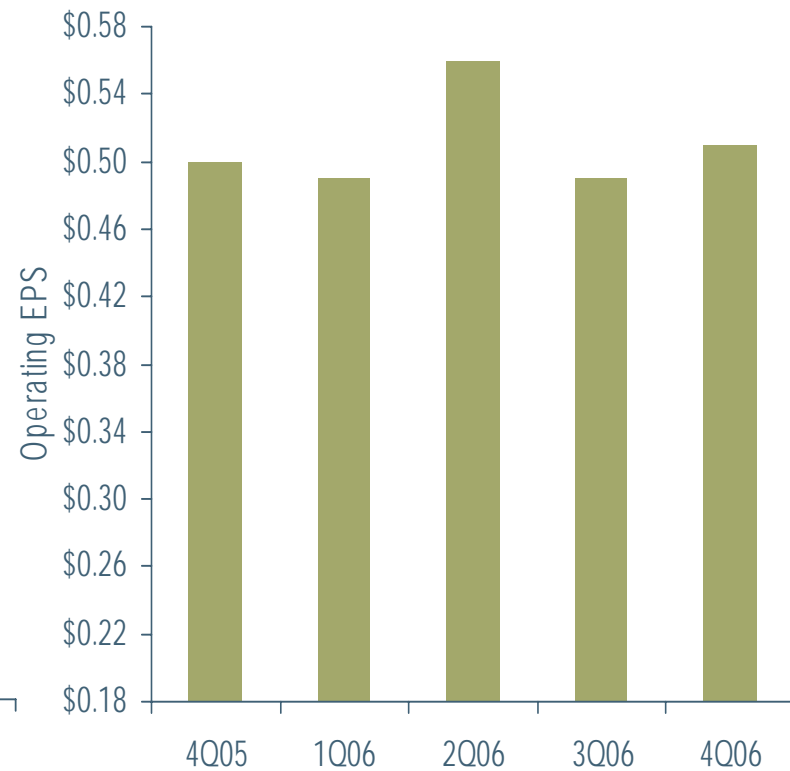
Note: 2006 margins exclude Macgregor/Plexus for comparative purposes

Net income and EPS continue to grow

Net Income up 6%



EPS up 2%





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 earnings diversification and upside potential
- We maintain a strong financial position, strong cash flow generation, and solid margins



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