

INVESTMENT TECHNOLOGY GROUP, INC.

Consolidated Statements of Income
(In thousands, except per share amounts)

	Three Months Ended	
	March 31, 2007	March 31, 2006
Revenues:		
Commissions	\$143,513	\$117,578
Recurring	19,182	17,664
Other	6,233	11,000
	-----	-----
Total revenues	168,928	146,242
	-----	-----
Expenses:		
Compensation and employee benefits	58,515	51,977
Transaction processing	25,326	17,843
Occupancy and equipment	11,220	8,483
Telecommunications and data processing services	9,134	6,895
Other general and administrative	19,606	13,908
Interest expense	2,785	3,023
	-----	-----
Total expenses	126,586	102,129
	-----	-----
Income before income tax expense	42,342	44,113
Income tax expense	17,632	17,706
	-----	-----
Net income	\$ 24,710	\$ 26,407
	=====	=====
Earnings per share:		
Basic	\$ 0.56	\$ 0.61
	=====	=====
Diluted	\$ 0.55	\$ 0.60
	=====	=====
Basic weighted average number of common shares outstanding	44,074	43,001
Diluted weighted average number of common shares outstanding	44,838	43,733

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

	March 31, 2007	December 31, 2006 (1)
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	(unaudited)	
Assets		
Cash and cash equivalents	\$312,678	\$321,298
Cash restricted or segregated under regulations and other	15,013	13,610
Securities owned, at fair value	7,560	6,540
Receivables from brokers, dealers and other, net	1,194,887	590,060
Investments	8,463	9,299
Premises and equipment, net	36,146	34,740
Capitalized software, net	37,843	32,203
Goodwill	405,786	405,754
Other intangibles, net	28,780	29,366
Deferred taxes	2,116	7,426

Other assets	11,515	12,016
Total assets	\$2,060,787	\$1,462,312
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable and accrued expenses	\$140,159	\$152,049
Payables to brokers, dealers and other	1,106,707	533,045
Securities sold, not yet purchased, at fair value	1,805	137
Income taxes payable	9,399	8,147
Deferred taxes	658	--
Long term debt	153,800	160,900
Total liabilities	1,412,528	854,278
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; 51,472,053 and 51,443,560 shares issued at March 31, 2007 and December 31, 2006, respectively and 44,303,669 and 43,809,993 shares outstanding at March 31, 2007 and December 31, 2006, respectively	515	514
Additional paid-in capital	204,261	198,419
Retained earnings	565,280	540,570
Common stock held in treasury, at cost; 7,168,384 and 7,633,567 shares at March 31, 2007 and December 31, 2006, respectively	(135,387)	(144,173)
Accumulated other comprehensive income (net of tax)	13,590	12,704
Total stockholders' equity	648,259	608,034
Total liabilities and stockholders' equity	\$2,060,787	\$1,462,312

(1) Certain payables to brokers for clearance and execution costs included in accounts payable and accrued expense at December 31, 2006 were reclassified to payables to brokers, dealers and other for comparability.

INVESTMENT TECHNOLOGY GROUP, INC.

Reconciliation of US GAAP Results to Pro Forma Operating Results (unaudited)

In evaluating the Company's financial performance, management reviews results from operations which excludes non-operating or one-time charges. Pro forma earnings per share is a non-GAAP (generally accepted accounting principles) performance measure, but the Company believes that it is useful to assist investors in gaining an understanding of the trends and operating results for the Company's core businesses. Pro forma earnings per share should be viewed in addition to, and not in lieu of, the Company's reported results under US GAAP.

The following is a reconciliation of US GAAP results to pro forma results for the periods presented (in thousands except per share amounts):

Three Months Ended

	March 31, 2007	March 31, 2006
	-----	-----
Total Revenues	\$168,928	\$146,242
Less:		
Non-recurring revenue (1)	--	(7,777)
	-----	-----
Pro forma operating revenues	168,928	138,465
	-----	-----
Total Expenses	126,586	102,129
	-----	-----
Income before income tax expense	42,342	44,113
Effect of pro forma adjustments	--	(7,777)
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Pro forma operating income before income tax expense	42,342	36,336
	-----	-----
Income tax expense	17,632	17,706
Tax effect of pro forma adjustments	--	(2,892)
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Pro forma operating income tax expense	17,632	14,814
	-----	-----
Net income	24,710	26,407
Net effect of pro forma adjustments	--	(4,885)
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Pro forma operating net income	\$ 24,710	\$ 21,522
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Diluted earnings per share	\$ 0.55	\$ 0.60
Net effect of pro forma adjustments	--	(0.11)
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Pro forma diluted operating earnings per share	\$ 0.55	\$ 0.49
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Note:

(1) 2006 non-recurring revenues are comprised of an unrealized gain of approximately \$6.8 million and dividends approximating \$1.0 million related to our ownership of two memberships on the New York Stock Exchange ("NYSE"). As part of their merger, the NYSE and Archipelago Holdings, Inc. ("Archipelago") were combined under a new holding company named NYSE Group, Inc. Each NYSE member received compensation consisting of cash and restricted shares of NYSE Group, Inc. common stock. Accordingly, consideration received for our memberships consisted of 157,202 restricted shares of NYSE Group, Inc. common stock, and approximately \$1.0 million in cash and dividends, which was recorded as dividend income.