Interactive Brokers
The Professional's Gateway to the World's Markets

Investor Presentation

November 2012

100 Markets - 19 Countries - 19 Currencies

Disclaimer

The following information contains certain forward-looking statements that reflect the Company's current views with respect to certain current and future events and financial performance. These forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to the Company's operations and business environment which may cause the Company's actual results to be materially different from any future results, expressed or implied, in these forward-looking statements. Any forward-looking statements are based upon information available to the Company on the date of this presentation. The Company does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any statements expressed or implied therein will not be realized. Additional information on risk factors that could potentially affect the Company's financial results may be found in the Company's filings with the Securities and Exchange Commission.

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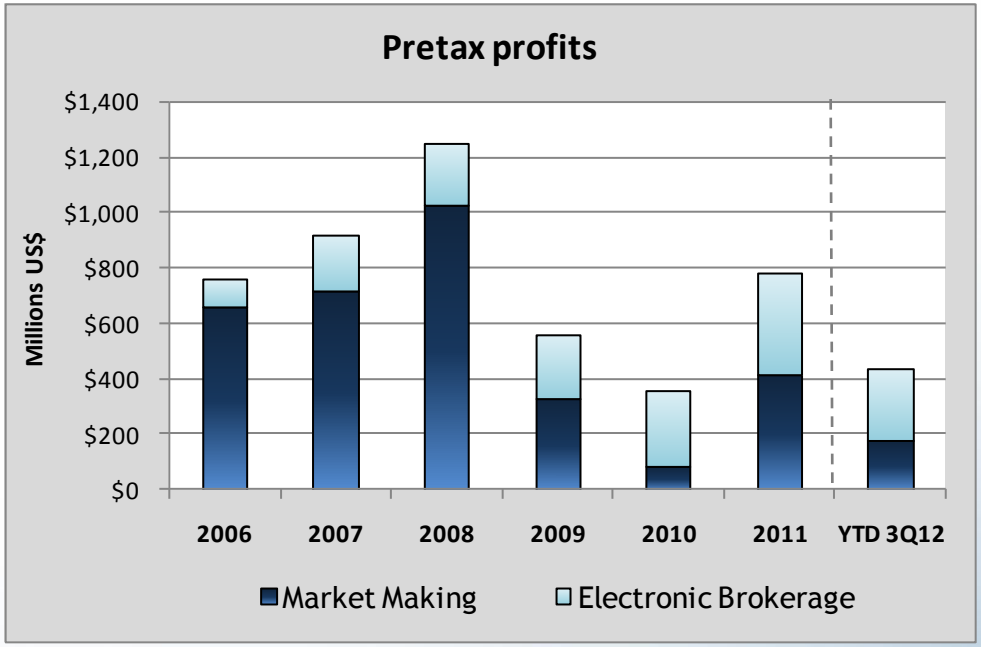
Business Evolution



- **2008** - Our highest annual earnings ever
- **2009** - Market activity slows substantially, HFT's begin to compete
- **2010** - Our market making business bottoms amid very intense HFT competition
- **2011** - Market making stabilizes and brokerage continues to grow
- **2012** – Trading volumes have slowed, yet continued focus is on expanding the brokerage business

Strategic Direction

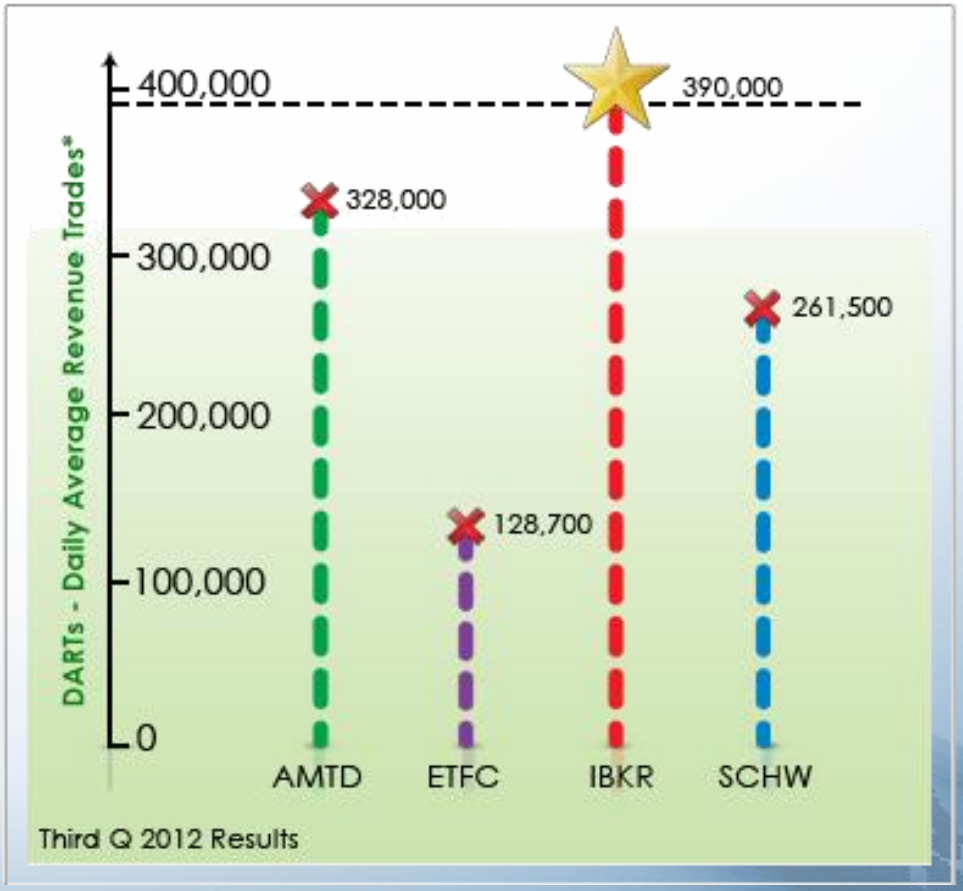
- **Focusing on brokerage growth**
  - Largest electronic broker by number of trades [1]
  - 12% customer account growth YoY [2]
  - Brokerage segment 59% of Group pretax income [3]

- **Delivering solid financial results**
  - 54% consolidated pretax profit margin 3Q12
  - Initiated $0.10 quarterly dividend in June 2011
  - $5.2B consolidated equity capital at 09/30/12

- **Continuously enhancing the value of our trading technology and customer experience**
  - Introduced several improvements in the past year including:
    - Mosaic trading workspace
    - IB Information System (IBIS)
    - IB Stock Yield Enhancement program
    - Model Portfolios for Advisors
    - Money Manager Marketplace

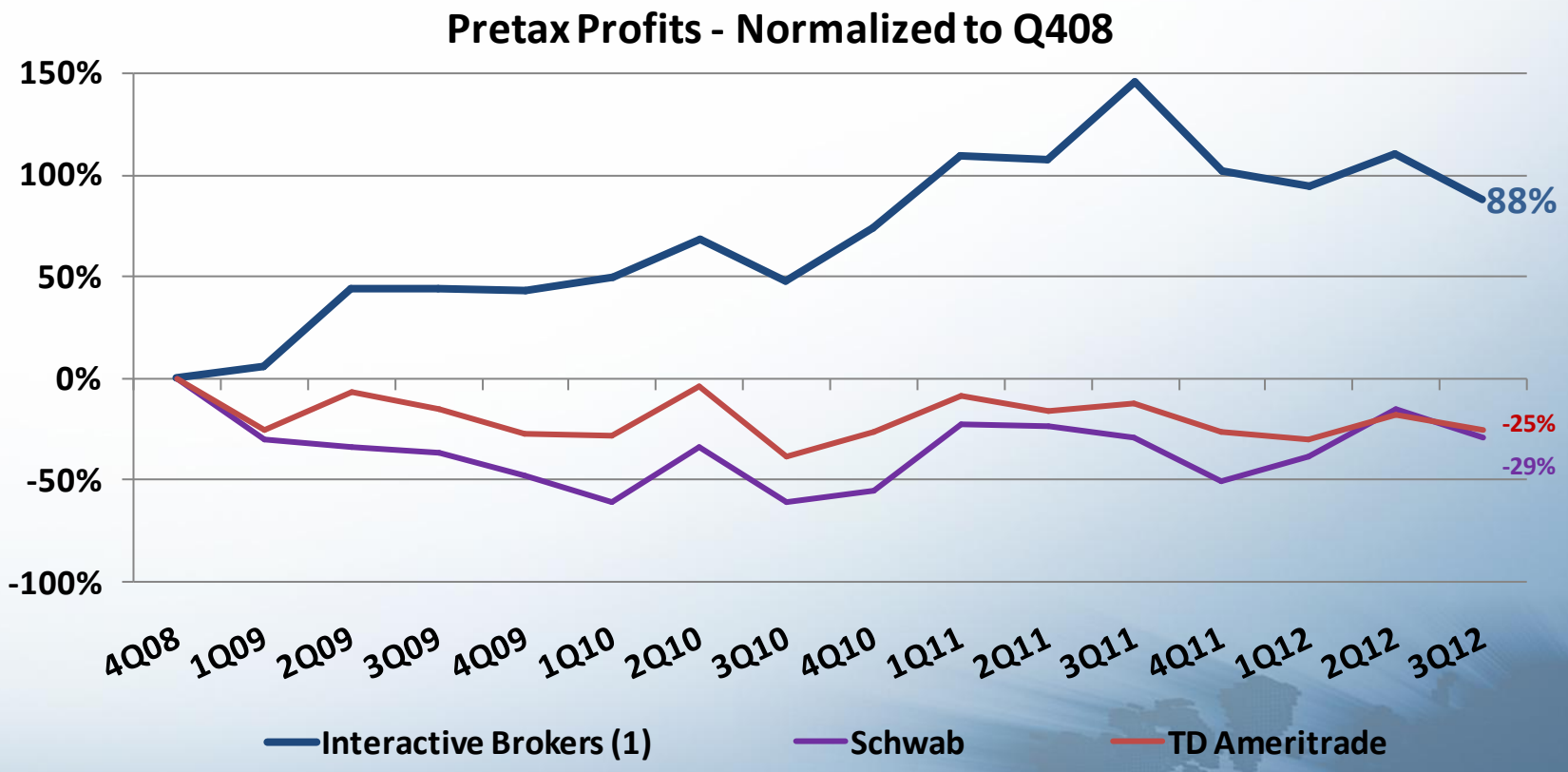
[1] As measured by Daily Average Revenue Trades (DARTs)
[2] As of 10/31/12
[3] YTD 2012

Maintaining our position as largest eBroker by DARTs



Our customer trading levels have made us the largest eBroker despite a significantly fewer number of accounts

Focused on becoming the largest eBroker by profits



(1) *Brokerage segment only*

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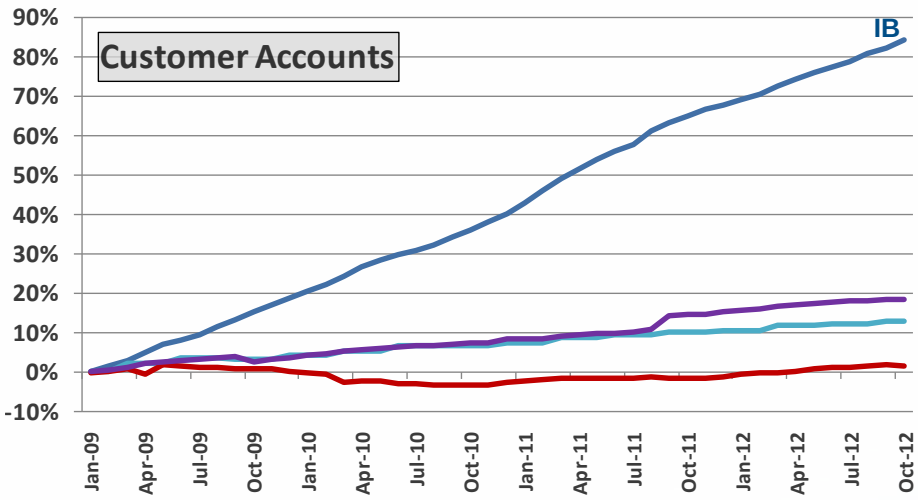
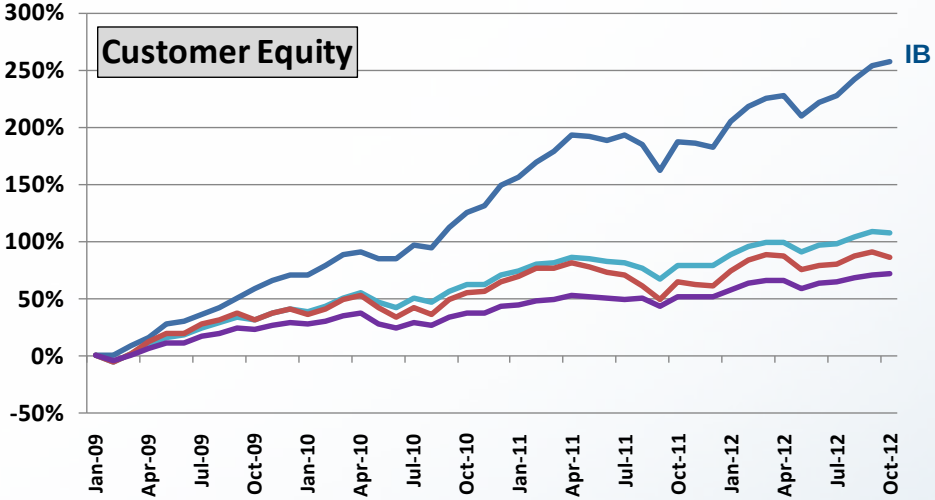
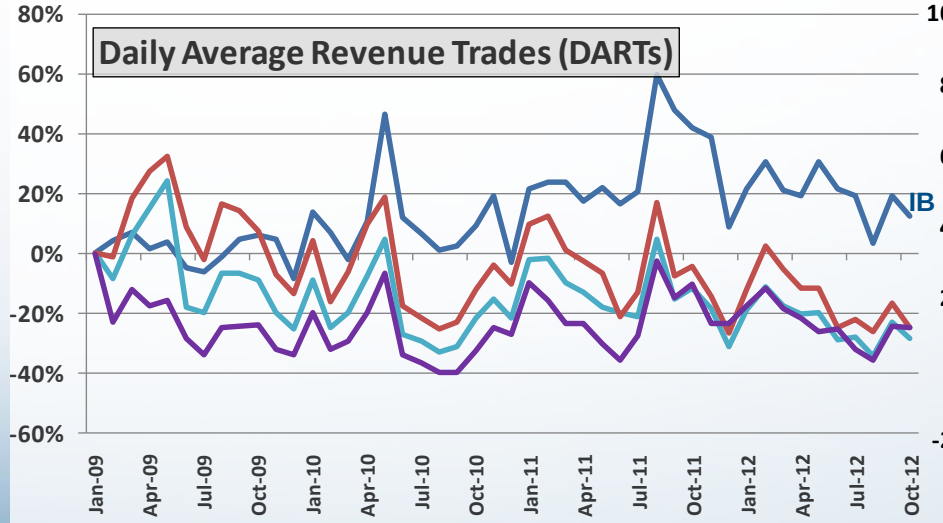
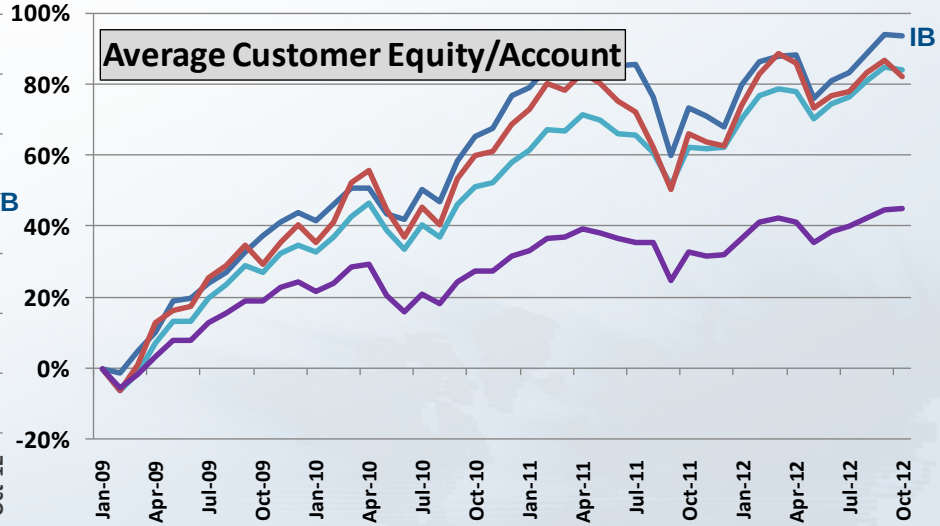
Comparative Growth









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Our Differentiators are Fueling Our Growth

- Industry low commissions and financing rates
- Superior execution capabilities
- Global electronic access
- State-of-the-art technology
- Sophisticated risk management tools
- New developments enhance the value of our platform

Interactive Brokers
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Differentiator:
Low Costs

Rated Lowest Margin Rates[1] by Barrons.

RATED - **BEST ONLINE BROKER**[2]

by BARRON'S 2012

Rated Low Cost Broker 8 years in a row[3] by Barrons.

	US Margin Loan Rates Comparison*				US Commission Rates Comparison*		
	$25K	$200K	$1.5M	$3.5M	100 Shares	1 Stock Option	1 E-mini S&P 500 Future
E-Trade	7.94%	6.14%	3.89%	3.89%	$7.99	$8.74	$2.99
Fidelity	7.575%	6.575%	3.750%	3.750%	$7.95	$8.70	N/A
Interactive Brokers[4]	1.66%	1.41%	1.03%	0.79%	$1.00	$1.00	$0.85
optionsXpress	8.25%	7.00%	6.00%	6.00%	$8.95	$12.95	$6.99
Schwab	8.00%	6.875%	6.25%	6.00%	$8.95	$9.70	N/A
TD Ameritrade	8.50%	7.25%	6.25%	6.25%	$9.99	$10.74	$3.50
thinkorswim	8.50%	7.25%	6.25%	6.25%	$9.99	$10.74	$3.50

Services vary by firm.

Interactive Brokers has lower commission rates for larger volumes and comparable rates worldwide.

Interactive Brokers LLC is a member of NYSE, FINRA, SIPC.
*Rates were obtained on November 1, 2012 from each firm's website. Some of the firms listed may have additional fees and some firms may reduce or waive commissions or fees, depending on account activity or total account value. Supporting documentation for any claims and statistical information will be provided upon request.
[1] Interactive Brokers' Margin rates are the lowest of the entire group surveyed according to Barron's online broker review Making the Right Connection - March 14, 2011. Barron's is a registered trademark of Dow Jones & Company, Inc. [2] According to Barron's Best Online Brokers, Cut the Cord - March 12, 2012, Interactive Brokers was rated best online broker. Barron's is a registered trademark of Dow Jones & Company, Inc. Criteria included Trade Experience, Trading Technology, Usability, Range of Offerings, Research Amenities, Portfolio Analysis & Report, Customer Service & Education, and Costs. [3] Low Cost Rated by Barron's 8 Years Straight - Low cost broker 2005 through 2012 according to Barron's online broker review. 2005 - 5 Stars, 2006 - 5 Stars, 2007 - 4.8 Stars, 2008 - 4.5 Stars, 2009 - 4.5 Stars, 2010 - 4.2 stars, 2011 - 4.5 stars. Criteria included Trade Experience, Trading Technology, Usability, Range of Offerings, Research Amenities, Portfolio Analysis & Report, Customer Service & Education, and Costs. Cut the Cord - March 12, 2012, Barron's ranked Interactive Brokers with a 4.3 star rating for cost. Criteria included Trading Experience and Technology, Usability, Mobile, Range of Offerings, Research Amenities, Portfolio Analysis & Report, Customer Service & Education, and Costs. [4] IB calculates the interest charged on margin loans using the applicable rates for each interest rate tier listed on its website. For additional information on margin loan rates, see www.interactivebrokers.com/interest.
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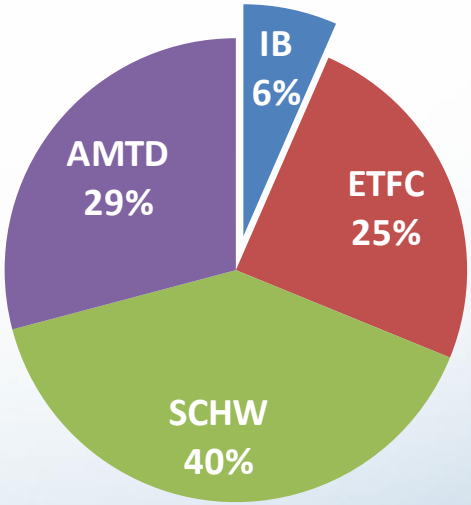
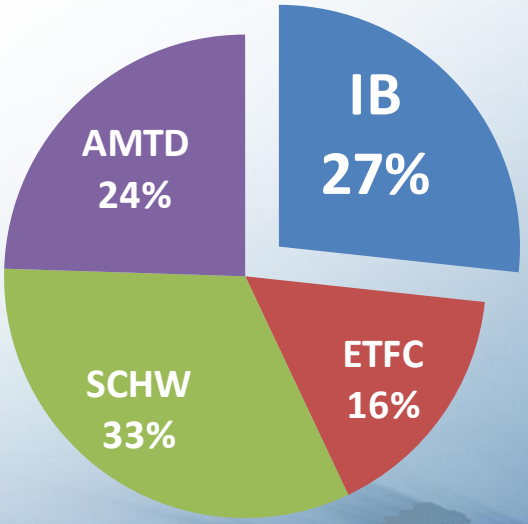
Differentiator: Low Costs
Effect of Low Margin Rates

Total Customer Margin Balance vs. Largest Online Brokers

Dec 2007 - $29 billion



Sep 2012 - $35 billion



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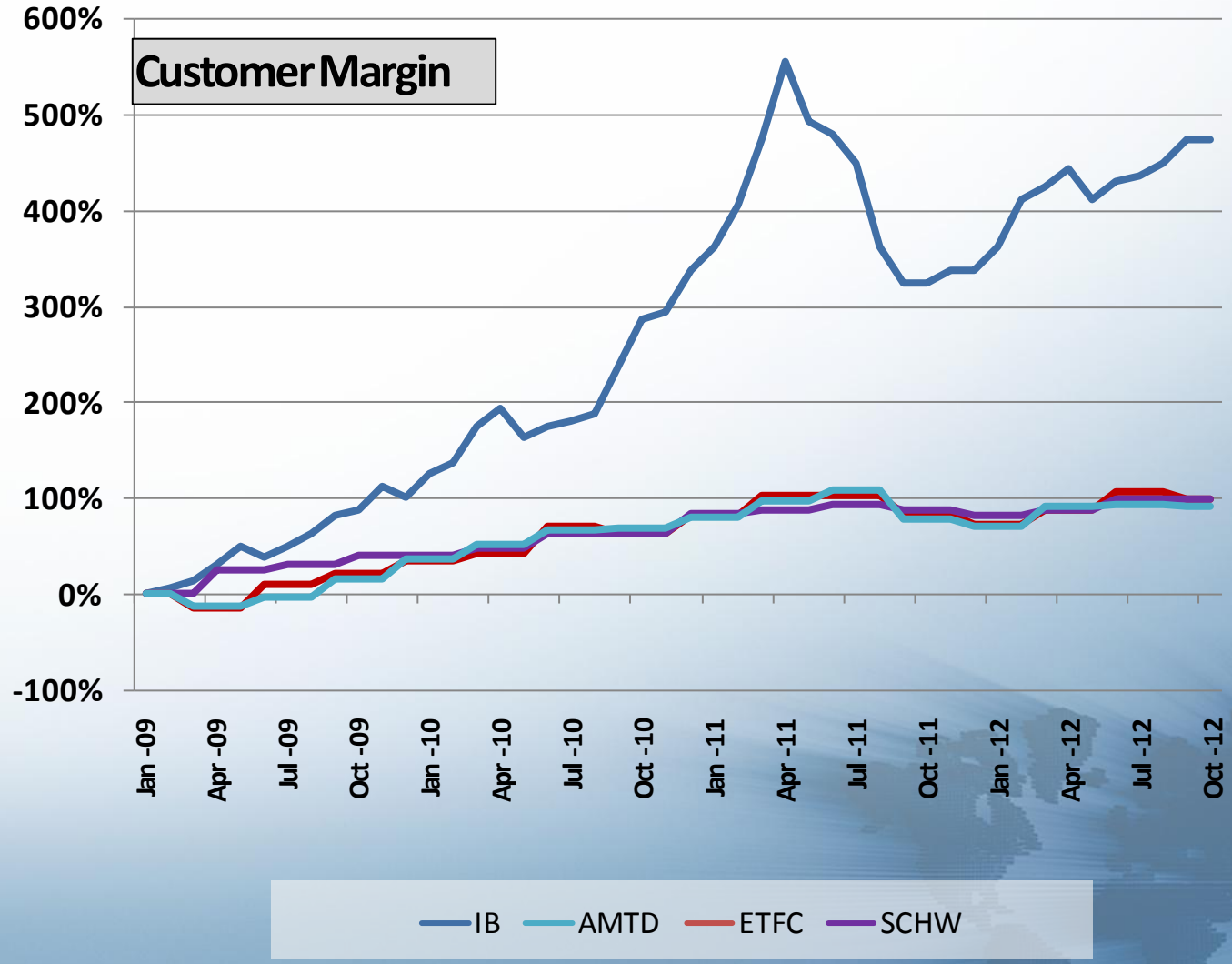
Differentiator: Low Costs

Effect of Low Margin Rates



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Differentiator:
Superior Executions

- Unlike other routers, IB SmartRouting[SM] dynamically routes and re-routes all or parts of the order for optimal execution.
- We do NOT sell order flow to internalizers.
- Transaction Auditing Group, Inc., (TAG), a third-party provider of transaction analysis, has determined that Interactive Brokers U.S. stock and options price executions and European stock **price executions were significantly better than the industry during 2012.**

Net Dollar Price Improvement [1]

Execution Price Comparison**

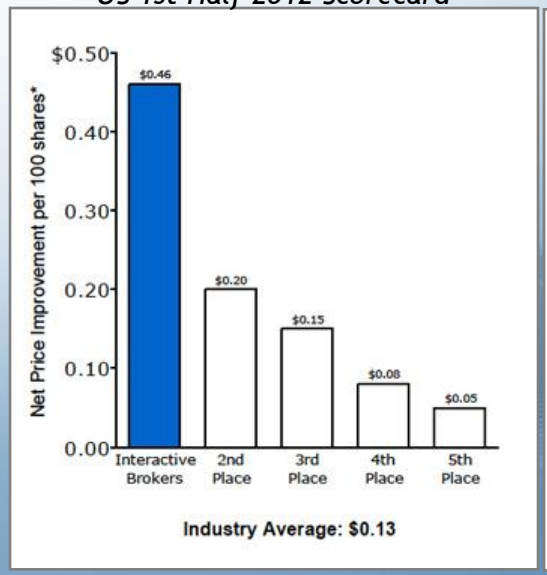
The Smartest Traders use IB SmartRouting[SM]

IB SmartRouting searches for the best firm stock, option, and combination prices available at the time of your order, and seeks to immediately execute your order electronically.

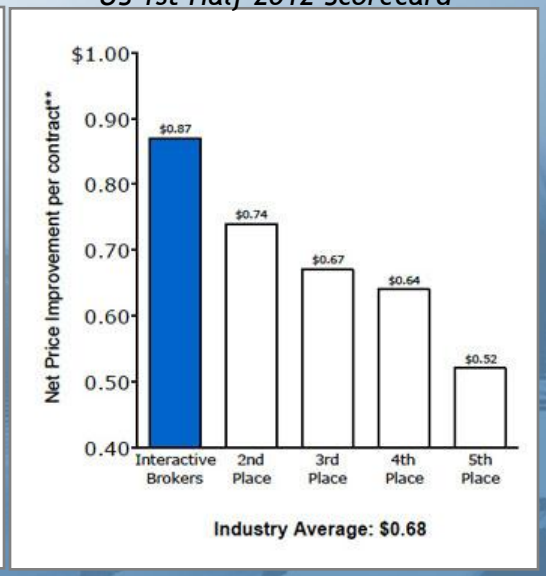
	Interactive Brokers	Industry	IB Advantage
US Stocks (per 100 shares)	$0.46	$0.13	$0.33
US Options (per contract)	$0.87	$0.68	$0.19
European Stocks (per 100 shares)	€0.45	€-0.79	€1.24

** First half of 2012

Stock Price Improvement
US 1st Half 2012 Scorecard



Option Price Improvement
US 1st Half 2012 Scorecard



[1] ***Net $ Improvement per Share Definition***:
((# of Price Improved Shares * Price Improvement Amount) - (# of Price Disimproved Shares*Price Disimprovement Amount)) / Total Number of Executed Shares

For more information visit www.interactivebrokers.com

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Differentiator:
Global Electronic Access

Our customers in **150+** countries have electronic access to stocks, options, futures, forex, bonds, CFDs and funds in **100+** markets in **19** countries and **19** currencies

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Differentiator:
Sophisticated Technology and Tools

Interactive Brokers is an industry leader in offering brokerage customers superior trading technology

- We have over 35 years of experience building and refining our electronic access trading technology.
- Our original initiative to enter the brokerage business was to service displaced floor traders that had to transition to electronic markets.
- We offer an extensive suite of sophisticated order tools at NO extra cost.

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Differentiator:

Frequent award winner in multiple categories

★★★★½ by BARRON'S 2012

RATED - *BEST ONLINE BROKER*

- Best Trading Experience & Tech
- Best for International Traders
- Best Range of Offerings
- Best for Frequent Traders
- Best Portfolio Analysis & Reports
- Low Cost for the 8th year in a row *
- Best Overall

WSL 2012
Institutional Trading Awards

- Best Use of Technology Broker-Dealer
- Best Broker-Dealer Options

TECHNICAL ANALYSIS OF STOCKS & COMMODITIES
READERS' CHOICE AWARD

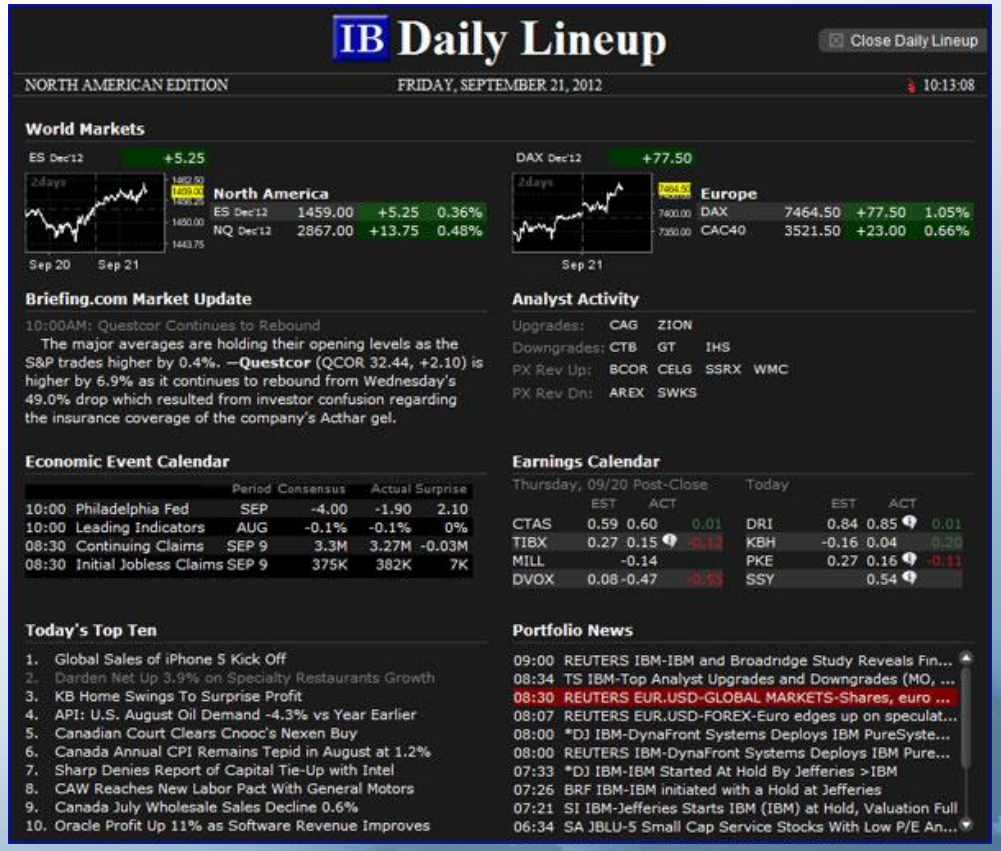
- Winner 2012 Stock Brokerage
- Winner 2012 Futures Brokerage
- Winner 2012 Forex Brokerage
- 1st Runner Up 2012 Institutional Platform
- 1st Runner Up 2012 Options Analysis Software

Latest Developments

IB Daily Lineup

Subscribers to IBIS "Research Essentials" start their day with full market coverage including:

- Economic Events: Timing, consensus estimates, and instantly updating actual values.
- Corporate Earnings: Earnings events since the prior close, with a focus on companies in your portfolio and their competitors.
- Dow Jones 'Todays Top 10": Dow Jones editorial team selects the most important news stories today.
- Portfolio news: Portfolio-related headlines from Dow Jones, Reuters, and many more news sources.



Latest Developments

Lets Professional Advisors who function as Wealth Managers shop for registered Money Managers before assigning them to client accounts for trading purposes.

Offers the following benefits to Wealth Managers:

- View background information for each registered Money Manager, including location, certification, education, products traded, and much more.
- Tell registered Money Managers whether you prefer to be contacted by email, phone, or both.
- Select a registered Money Manager with the click of a button, then assign client accounts to the Money Manager.

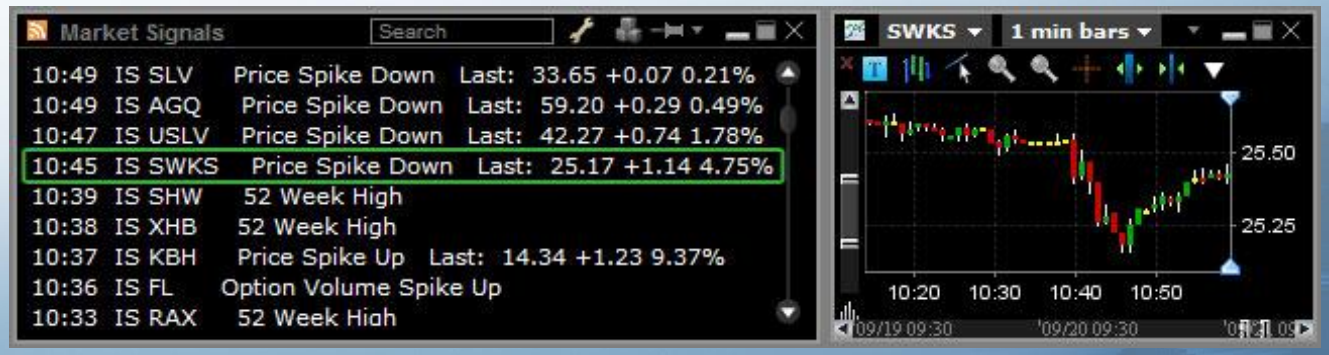
IB Market Signals

IBs data servers continuously scan the markets for irregular price and volume action - transmitting notifications directly to a customer's Trader Workstation.

Available signals include price spikes, irregular volume spikes, new 52 week highs and lows, Put/Call ratio spikes, trading halts, and more.

IB's proprietary signal algorithms seek out non-correlated action - filtering out market noise so that customers can focus on real trading opportunities.

Customers can customize the notification stream based on the types of signals that they would like to monitor.



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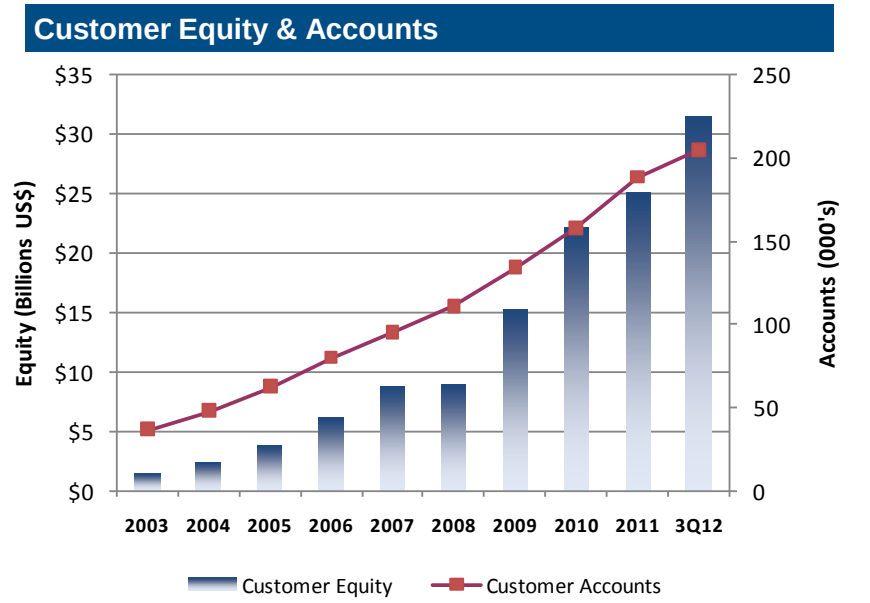
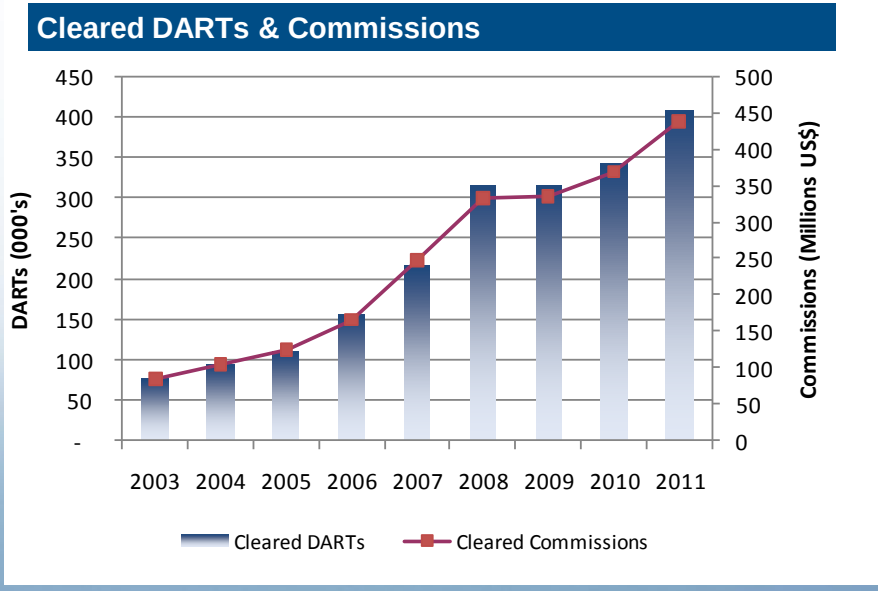
These differentiators are fueling our growth





- From 2003 - 2011:
  - 23% average customer account growth
  - 45% average customer equity growth
- We have a sophisticated, international investor base with an average account size of ~ $150K

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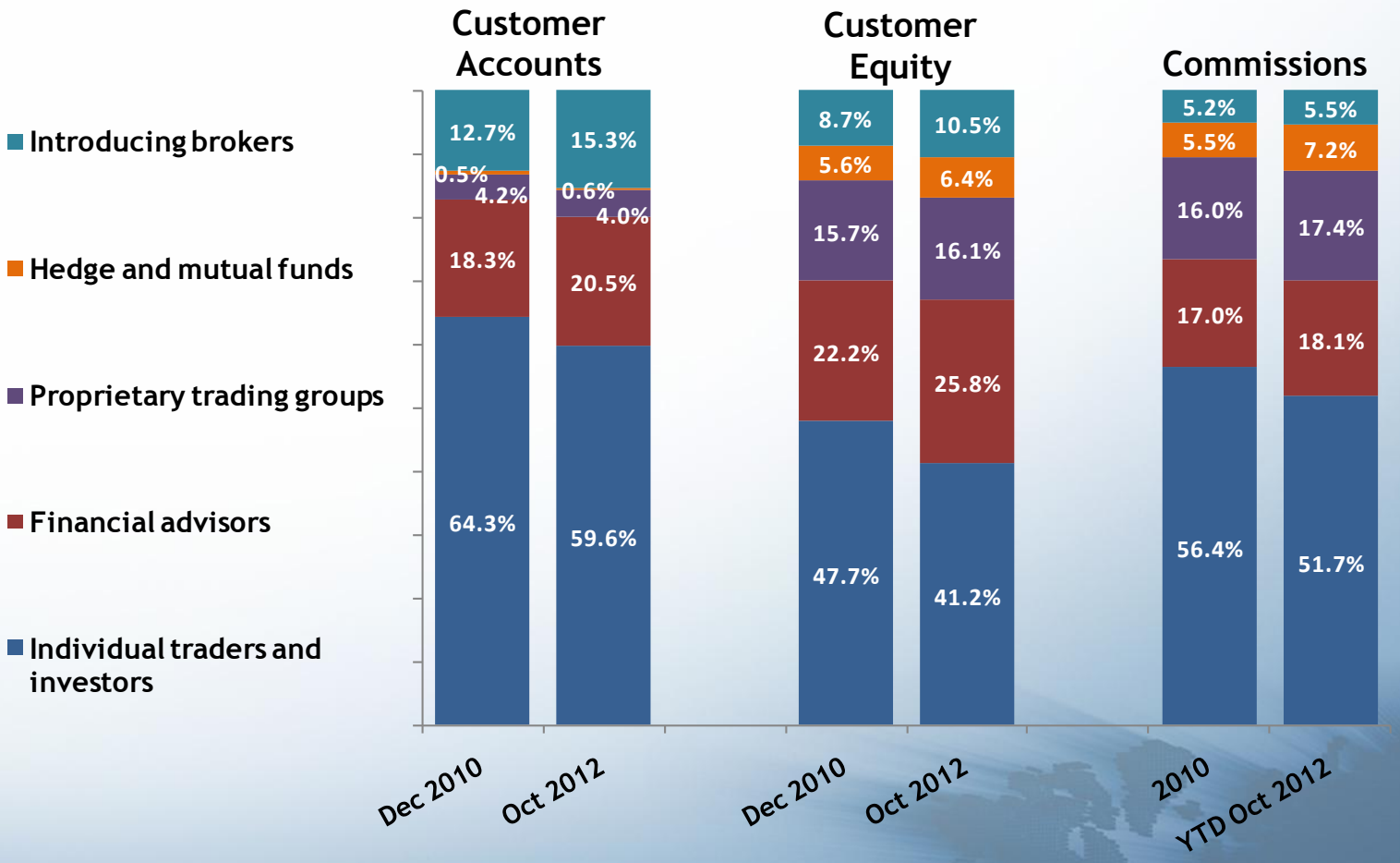
Diversified customer base



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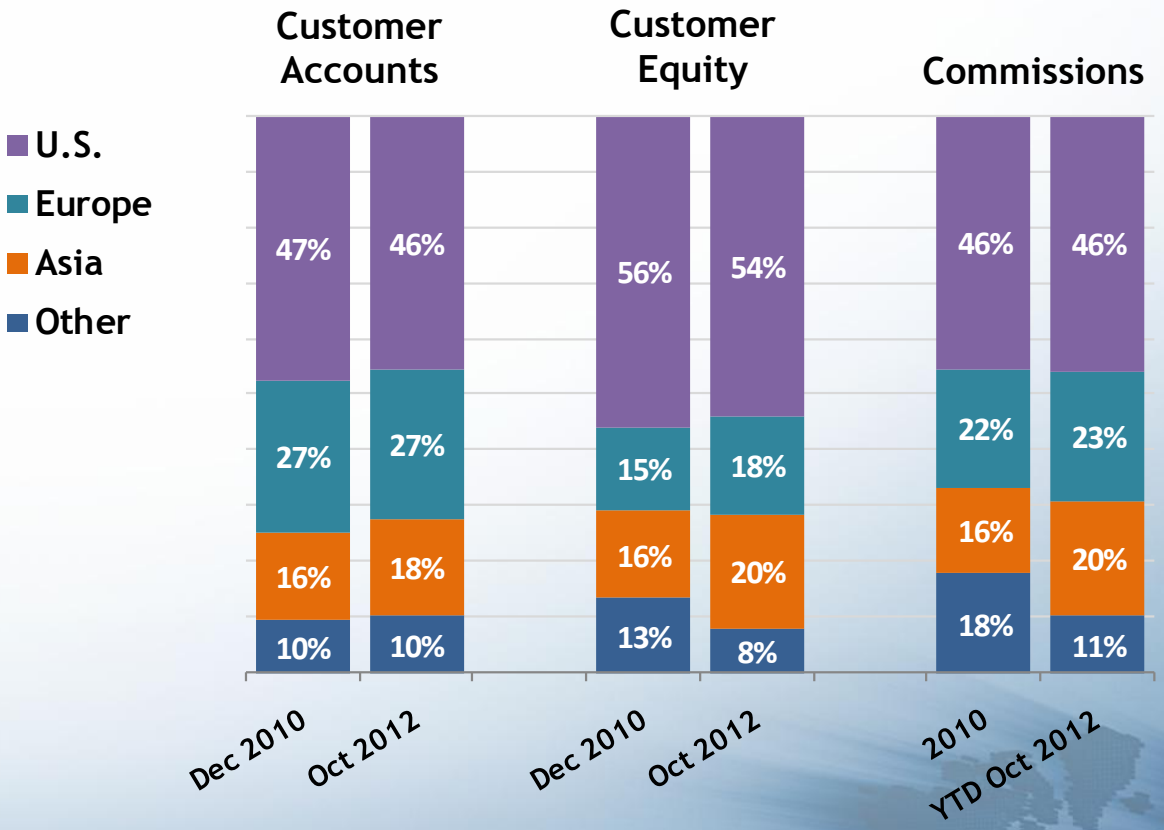
Diversified customer base



Based on country of legal residence

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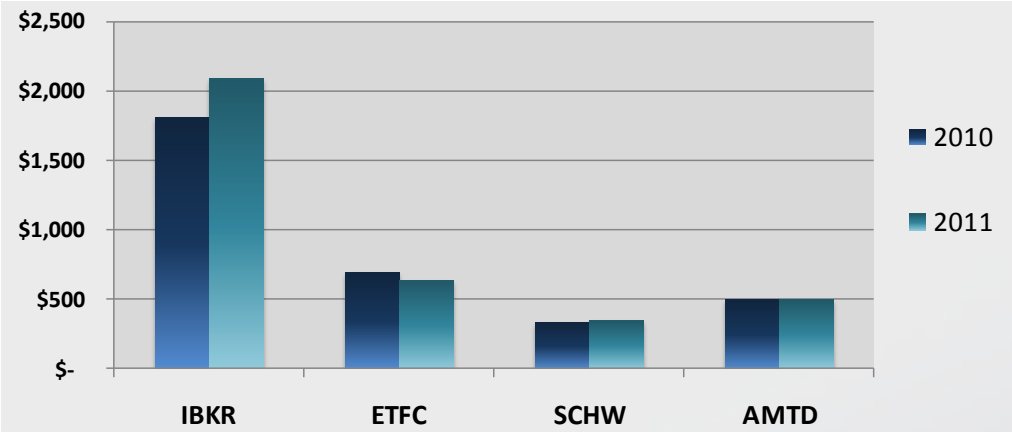
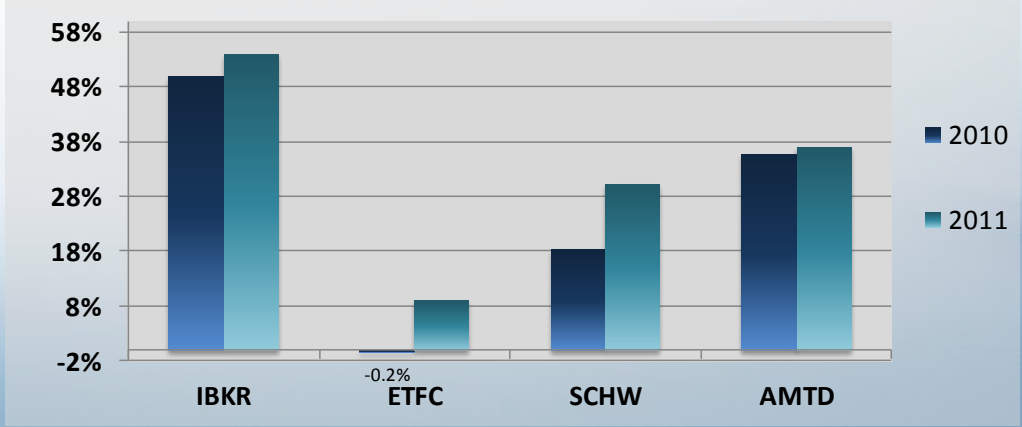
Profitability

Net Brokerage Revenue / Employee



Brokerage Pretax Profit Margin



High profitability is driven by:

- High level of automation throughout the business to reduce manual activities
- Automated risk management system minimizes risk of large customer losses

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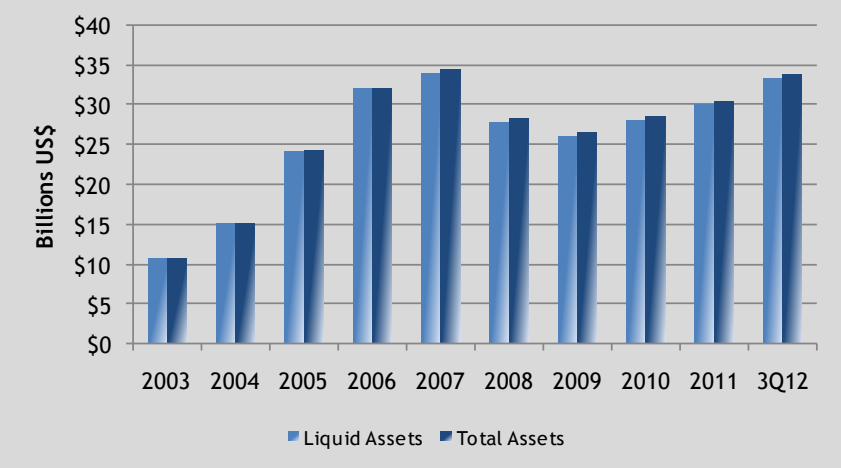
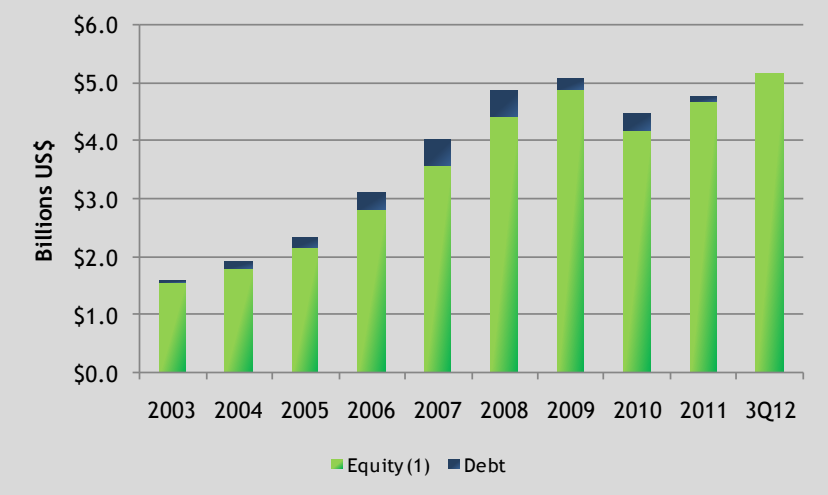
Financial Condition

Highly Liquid



Low Financial Leverage (1)



(1) IBG LLC

Solid balance sheet

- 9/30/12 - $34 billion total assets, 98.7% liquid
- Low financial leverage

Distributing capital from market making segment

- Quarterly dividend of $0.10/share commenced June 2011 (represents ~10% post-tax return of MM capital)
- $1B special dividend paid Dec 2010

In the wake of this year's headline events (brokerage failures and trading glitches), we continue to emphasize the strengths of our platform:

- Conservative capital position
- Nearly all exchange-traded instruments
- Automated risk controls that protect IB and customers from excessive trading losses
- Seasoned and disciplined management team with an average tenure of 27 years
- Strong alignment of management's and investors' economic incentives based on ownership structure