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

Gabelli & Company Best Ideas Conference

December 2011

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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Executing our Strategy

	Pretax Profits *(millions)*	
2008	$1,250	➢ Our highest annual earnings ever
2009	$545	➢ Market activity slows substantially, HFT's begin to compete
2010	$341	➢ Our market making business bottoms amid very intense HFT competition
2011 YTD (9 mo)	$589	➢ Market making stabilizes and brokerage continues to grow

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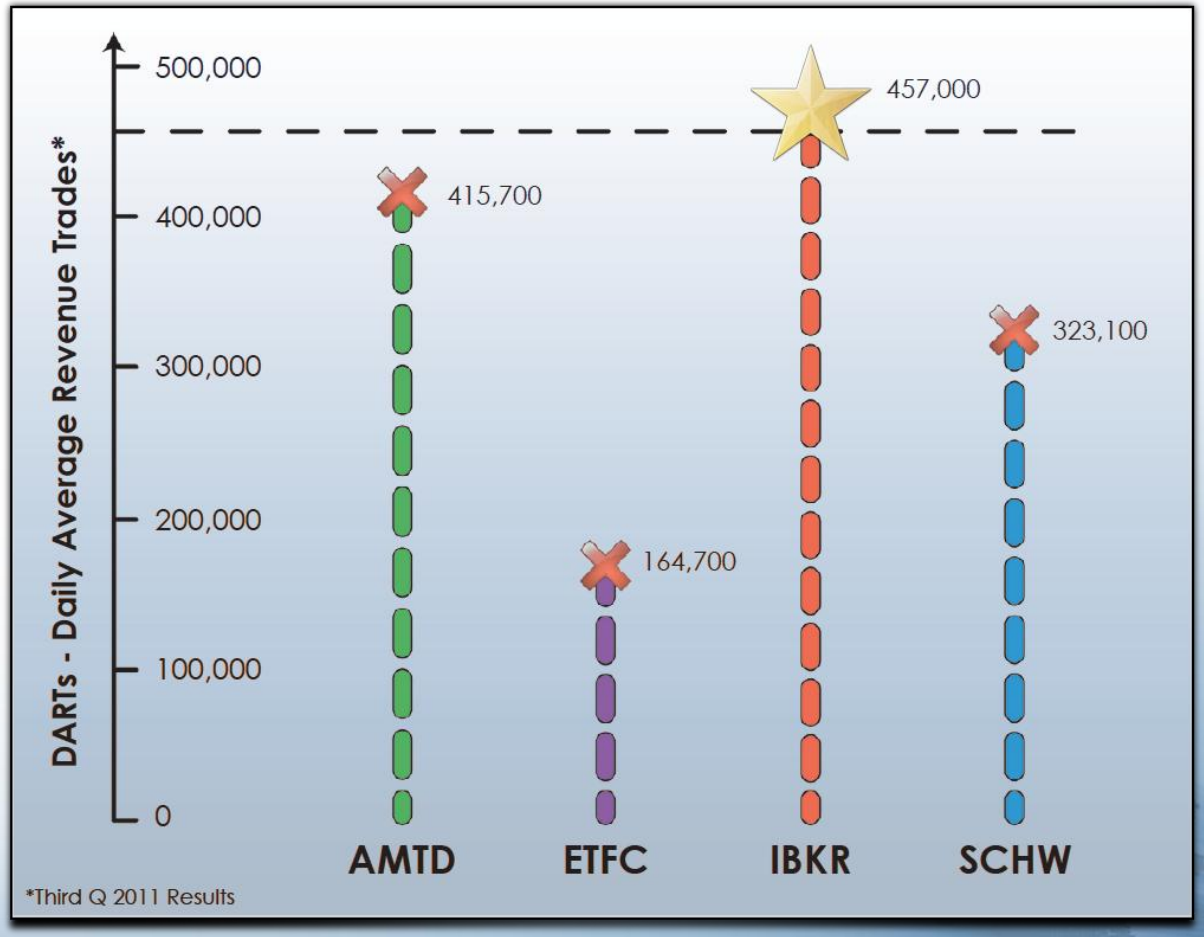
Executing our Strategy

- Focusing on brokerage growth
  - Largest electronic broker by number of trades [1]
  - 22% customer account growth YoY [2]
  - 66% brokerage segment pretax profit growth YoY [3]
- Delivering solid financial results
  - 56% consolidated pretax profit margin YTD
  - Initiated $0.10 quarterly dividend in June
  - $4.6B equity capital at 9/30/11
- Continuously enhancing the value of our trading technology and customer experience
  - Introduced the IB Information System (IBIS) add on for TWS
  - IB Stock Yield Enhancement program
  - Online Hedge Fund investor site

[1] As measured by Daily Average Revenue Trades (DARTs)
[2] As of 10/31/11
[3] 3Q11 vs. 3Q10

Executing our Strategy

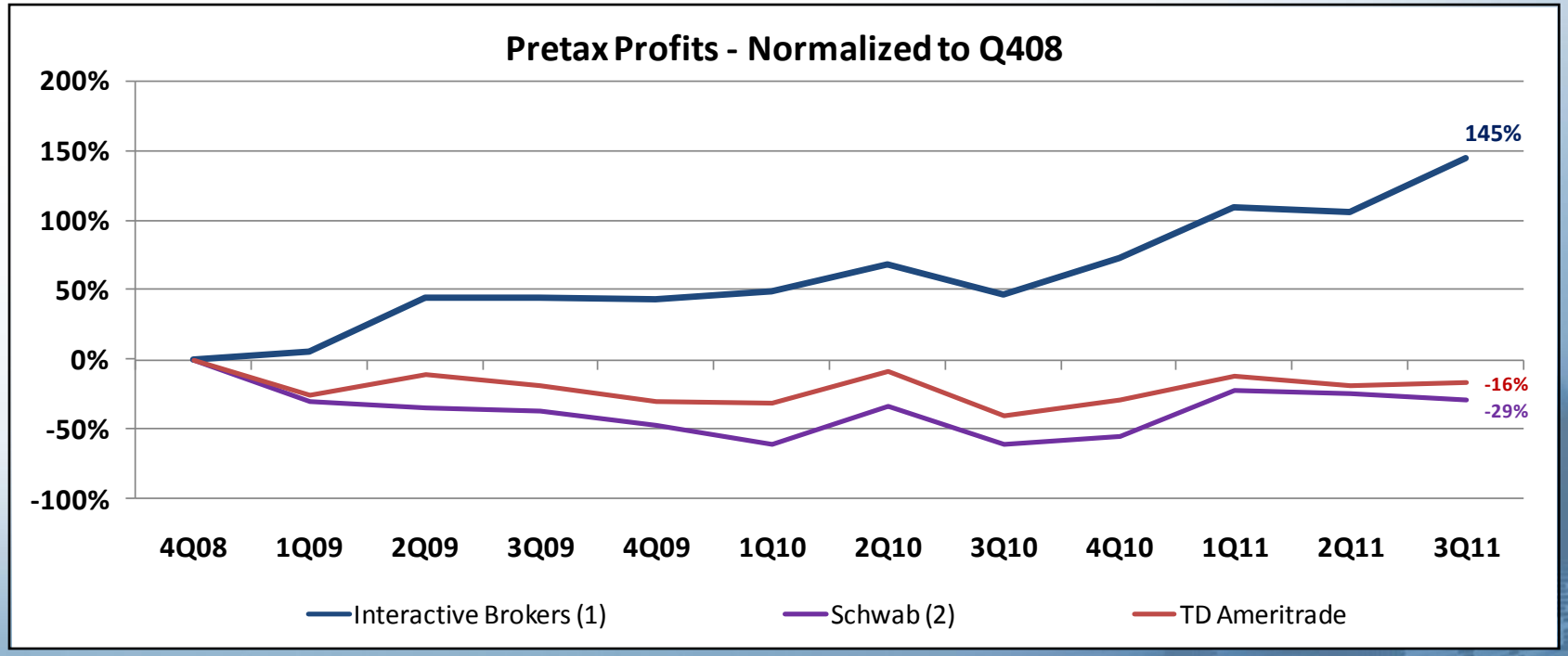
Largest eBroker by DARTs…. Achieved



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

Largest eBroker by profits…..Making progress

	Pretax Profit ($millions)		11 Qtr
	4Q08	3Q11	Growth
Interactive Brokers [1]	43.0	105.5	145%
E-Trade	(445.3)	22.9	n/a
Schwab [2]	507.0	360.0	-29%
TD Ameritrade	312.7	263.6	-16%



(1) *Brokerage segment only*

(2) *Acquired OXPS in 3Q11*

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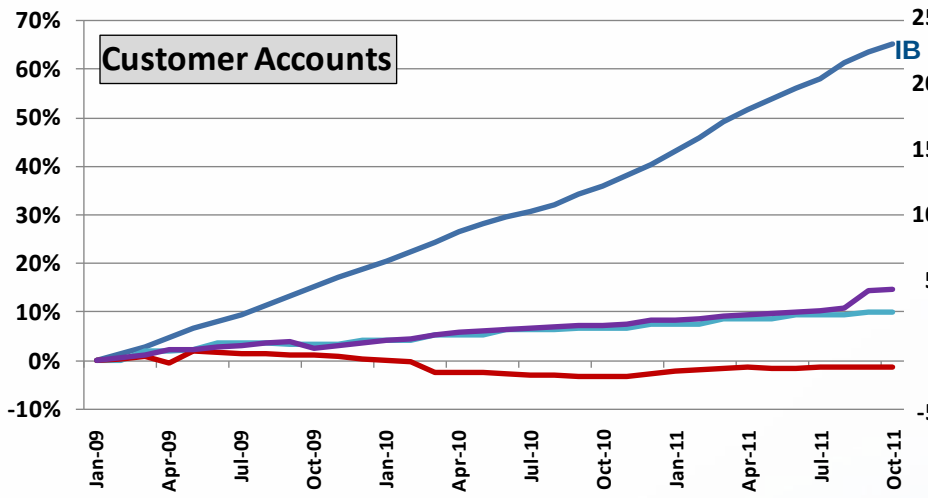
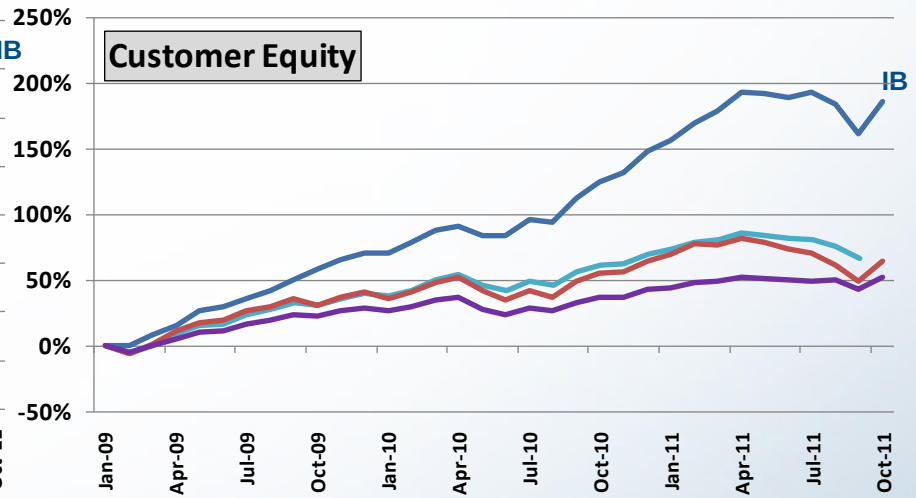
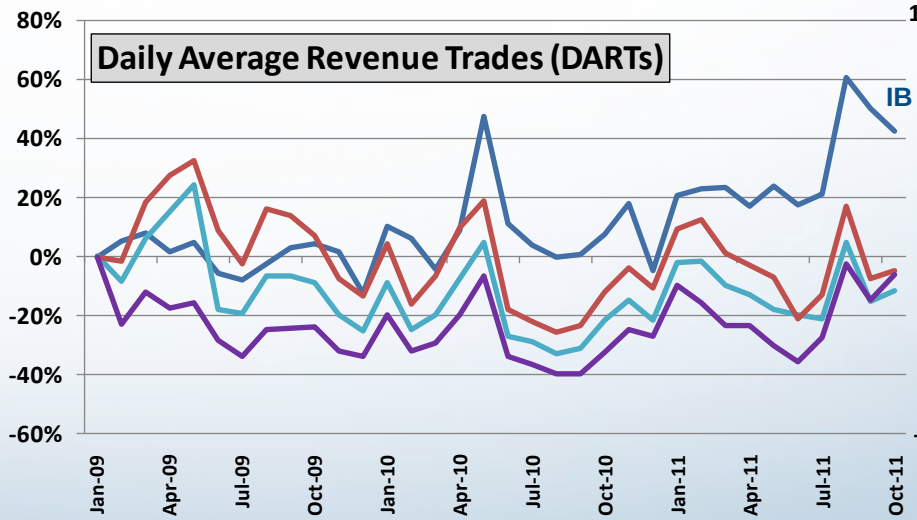
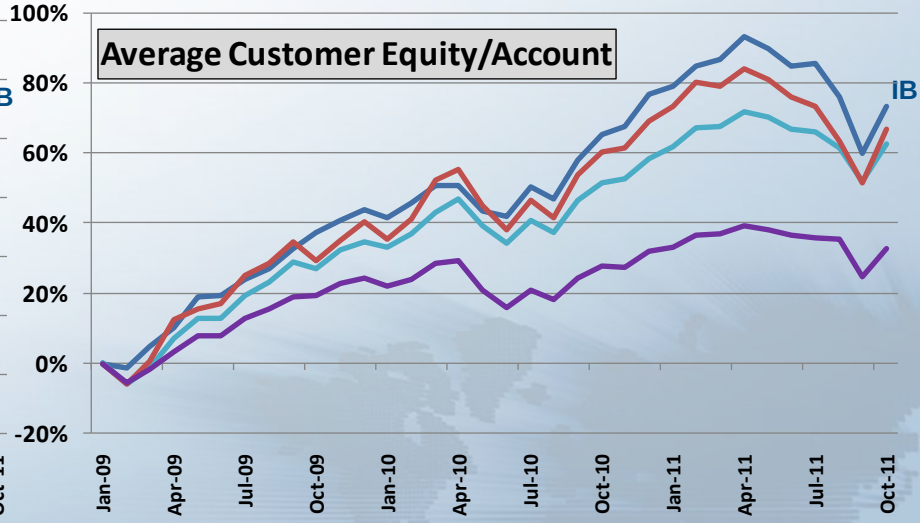
Excelling by Every Measure









IB AMTD ETFC SCHW

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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

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Differentiator:
Low Costs

Rated Lowest Margin Rates[1] by Barrons.

BARRON'S LOW COST

Rated Low Cost Broker 7 years in a row[2] 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	7.64%	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[3]	1.57%	1.32%	0.94%	0.72%	$1.00	$1.00	$0.85
optionsXpress	6.25%	5.00%	4.00%	4.00%	$9.95	$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, 2011 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] Low Cost Rated by Barron's 7 Years Straight - Low cost broker 2005 through 2011 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. Making the Right Connection - March 14, 2011, Barron's ranked Interactive Brokers with a 4.5 star rating for cost. Criteria included Trade Experience, Trading Technology, Usability, Range of Offerings, Research Amenities, Portfolio Analysis & Report, Customer Service & Education, and Costs.

[3] 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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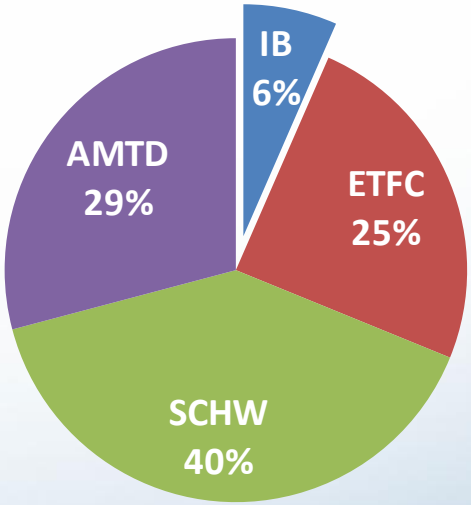
Differentiator: Low costs

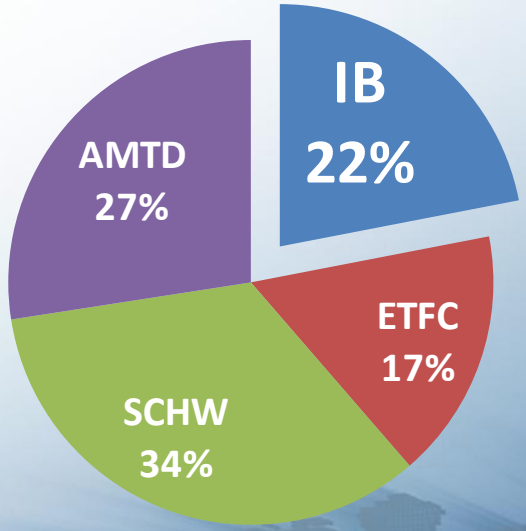
Effect of Low Margin Rates

Total Customer Margin Balance of Industry

Dec 2007 - $29 billion



Sep 2011 - $31 billion



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Differentiator:
Superior Executions

Net Dollar Price Improvement [1]

First Half 2011

	Interactive Brokers	Industry	IB Advantage
US Stocks (cents per 100 shares)	$0.44	$0.24	$0.20
US Options (cents per contract)	$1.27	$0.89	$0.38

First Half 2011

	Interactive Brokers	Industry	IB Advantage
European Stocks (per 100 shares)	€0.90	€-2.02	€2.92

IB SmartRouting℠
Designed to search for the best price available at the time of the customer's order.

Unlike other routers, it 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 2011.**

[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 ~**140** countries have electronic access to stocks, options, futures, forex, bonds, CFDs and funds in **90+** markets in **19** countries and **16** currencies

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Differentiator:
Sophisticated Technology and Tools

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

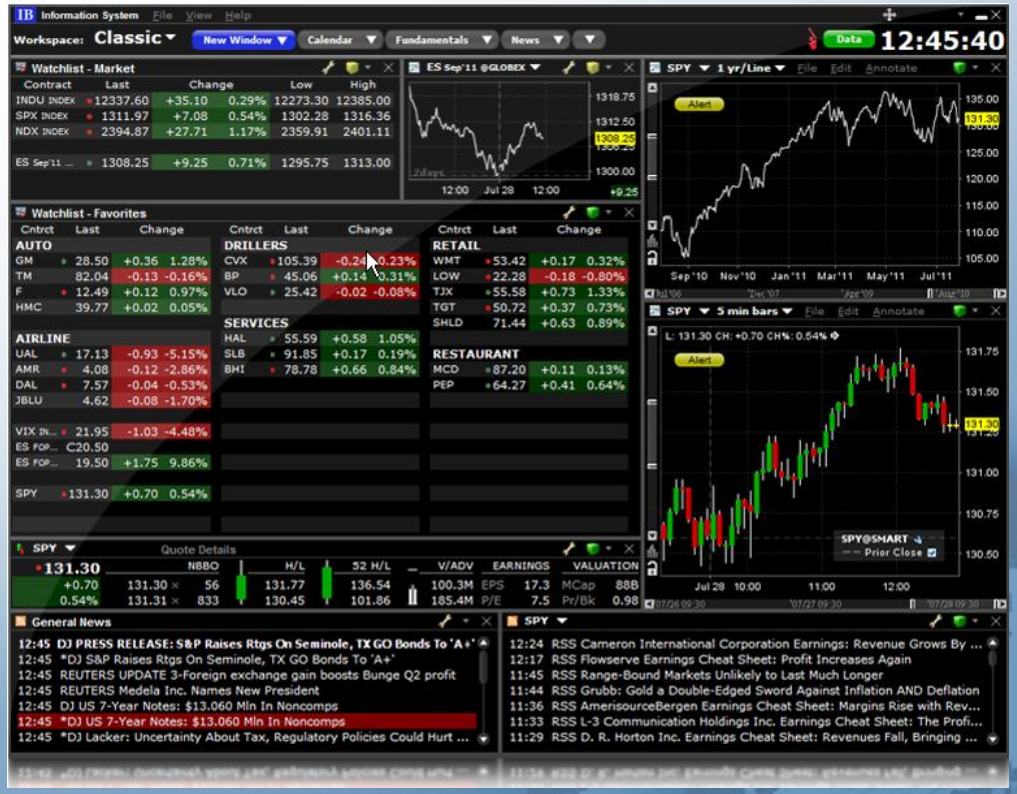
- We have over 33 years of experience building and refining our electronic access trading technology.
- Our original initiative to enter the brokerage business was to service displaced floor traders that had to transition to electronic markets.
- We offer an extensive suite of sophisticated order tools at NO extra cost.

Interactive Brokers Information System – IBIS

Our latest enhancement to the Trader Workstation (TWS) that provides a powerful lineup of professional research tools at a fraction of the cost of standard research platforms

Features Include:

- **Newswire:** Realtime Tradable headlines from Dow Jones and Reuters
- **Fundamentals:** Comprehensive financials, estimates and sell side analyst stats
- **Calendars:** Earnings and Economic Indicator schedules with real-time updating actuals
- **Workspaces:** Windows snap together to create your custom trading console
- **Data Boost:** 250 simultaneous quotes and five deep books for viewing on the TWS
- **Thumbnail Charts:** Small form-factor tool for display of key indicators



New Developments

IB Stock Yield Enhancement program

- Allows customers to earn extra yield by loaning out their fully-paid for stock
- Customer receives a loan fee based on market rates; IB retains 50% for managing the program
- Completely transparent
- Other brokers typically do not disclose market rates in order to keep a higher portion for themselves

Online Hedge Fund investor site

- IB's online capital introduction program
- Qualified customers can view information about independent hedge funds and invest directly through their IB account

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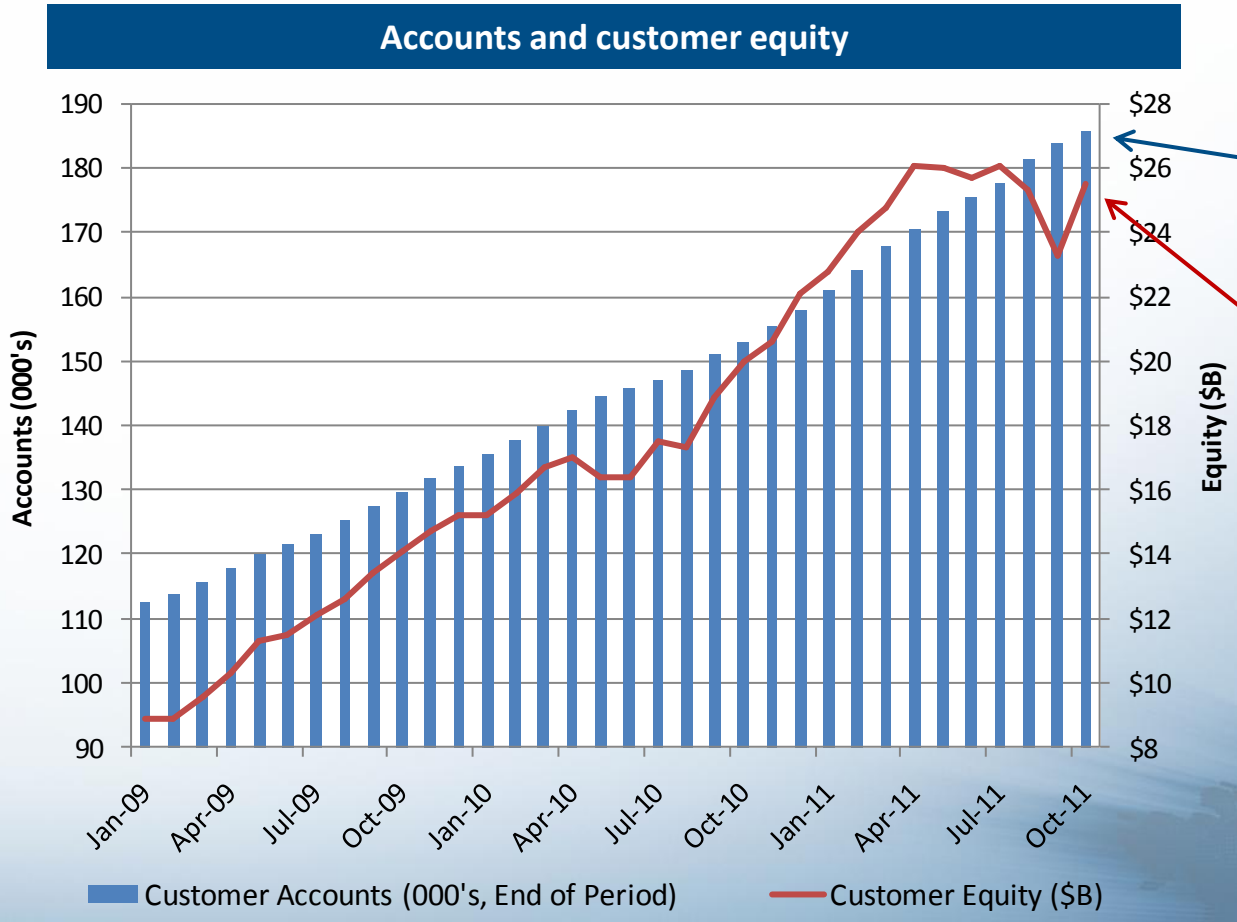
These differentiators are fueling our growth



As of 10/31/11

22% YoY growth in accounts

28% YoY growth in equity

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Diversified customer base

We cater to 5 broad categories of customers:

	% of customer accounts (1)	% of customer deposits (1)	% of commission income (2)
Individual traders and investors	62%	45%	53%
Financial advisors	19%	25%	17%
Proprietary trading groups	4%	15%	18%
Hedge and mutual funds	1%	6%	7%
Introducing brokers	14%	9%	5%

(1) As of 09/30/11
(2) YTD as of 09/30/11

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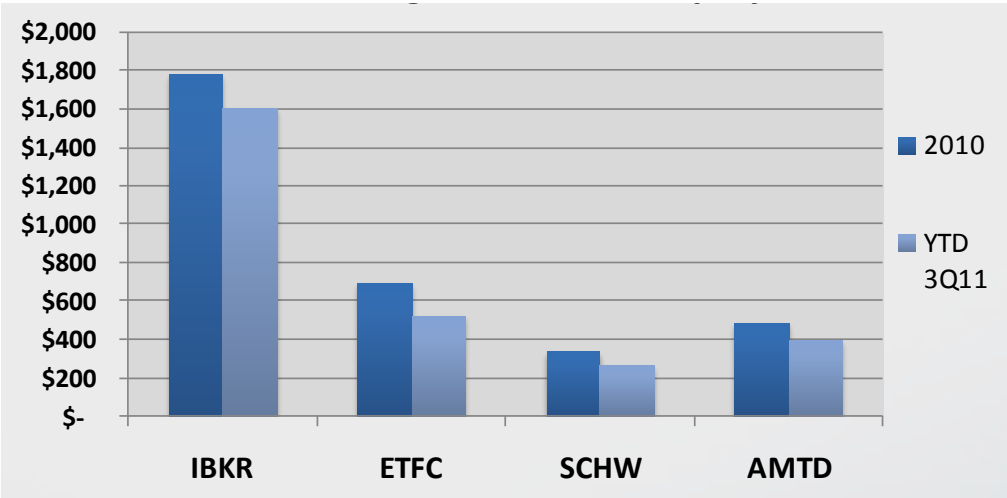
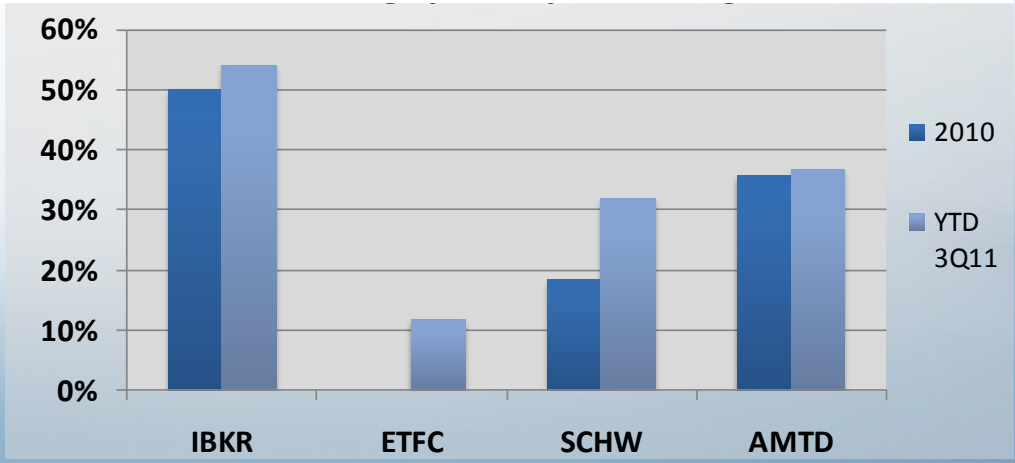
Profitability

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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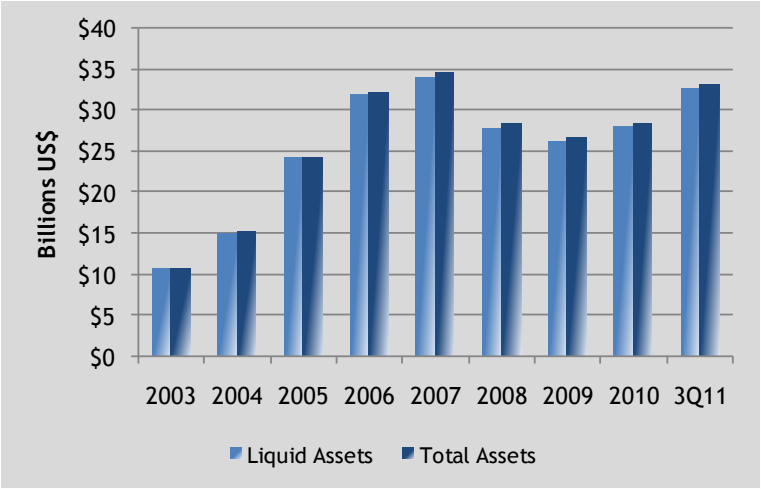
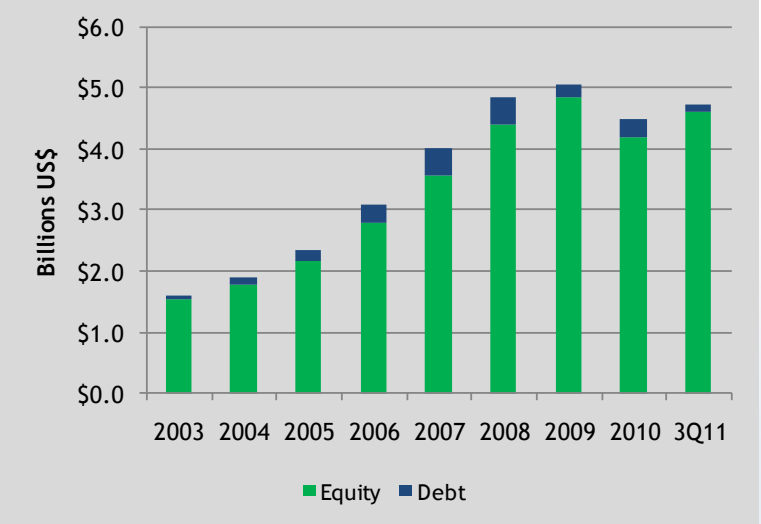
Financial Condition

Highly Liquid



Low Financial Leverage



Solid balance sheet

- $33 billion total assets, 98.7% liquid
- Low financial leverage

Distributing capital from market making segment

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

The latest broker failure highlights the strengths of our platform:

- Conservative capital position
- Primarily only exchange-traded instruments
- Automated risk controls which protects IB and customers from excessive trading losses
- Seasoned and disciplined management team with an average tenure of 25 years
- Strong alignment of management's and investors' economic incentives based on ownership structure