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

Investor Presentation

August 2012

100 Markets - 19 Countries - 17 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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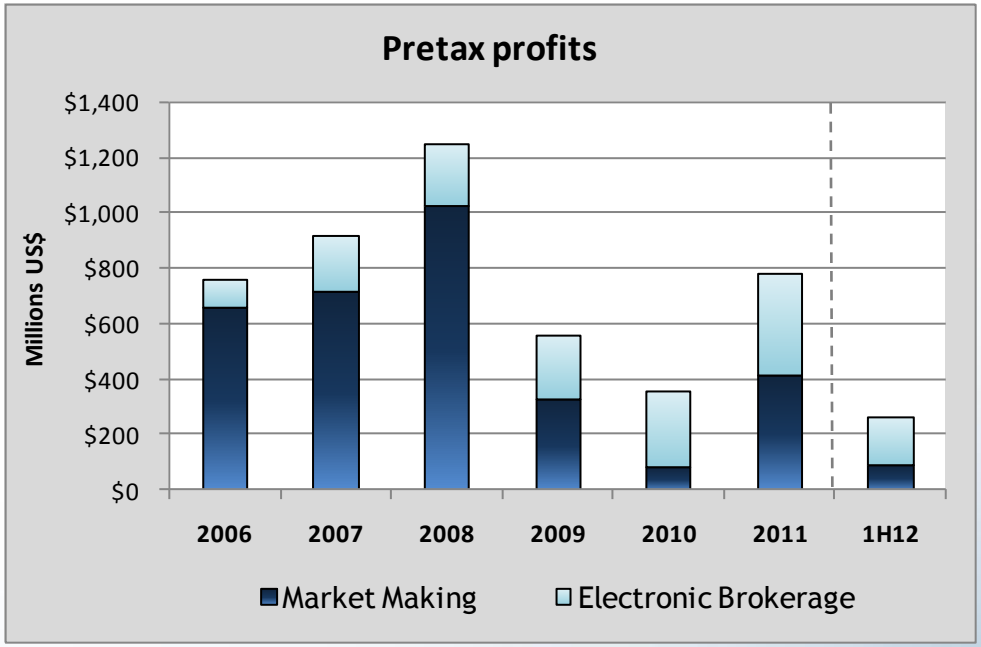
Business Evolution



- **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** – Continued focus is on expanding the brokerage business

Strategic Direction

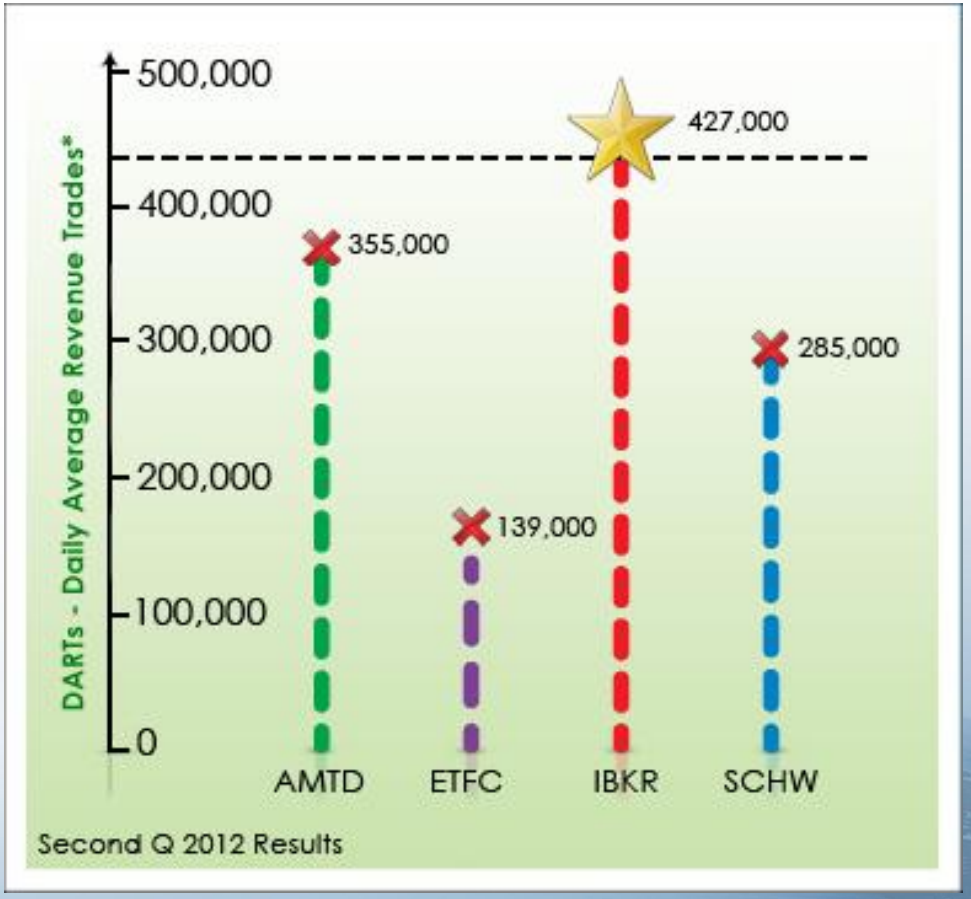
- **Focusing on brokerage growth**
  - Largest electronic broker by number of trades [1]
  - 13% customer account growth YoY [2]
  - 35% brokerage segment pretax profit growth YoY [3]

- **Delivering solid financial results**
  - 42% consolidated pretax profit margin 2Q12
  - Initiated $0.10 quarterly dividend in June 2011
  - $5B consolidated equity capital at 06/30/12

- **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) add on for TWS
    - IB Stock Yield Enhancement program
    - Online Hedge Fund investor site

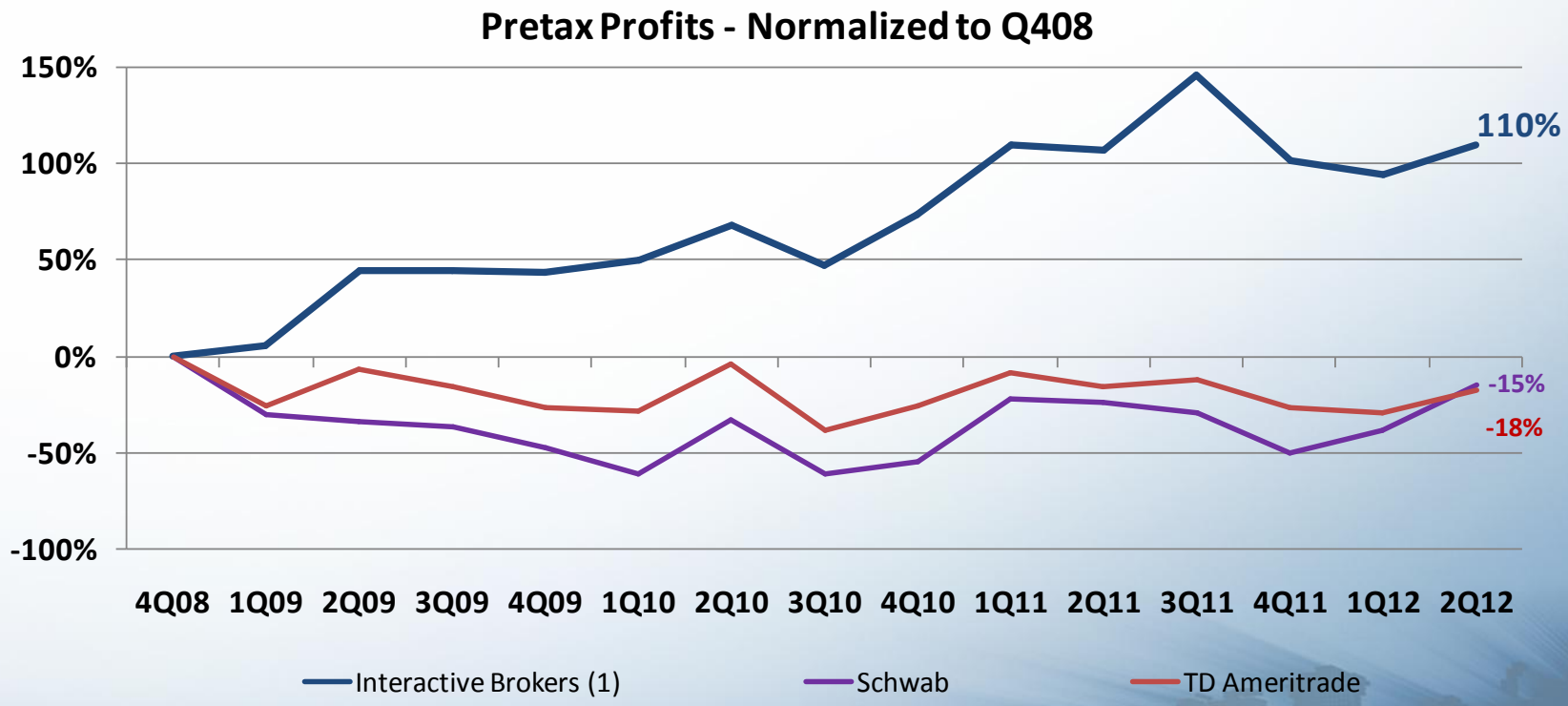
[1] As measured by Daily Average Revenue Trades (DARTs)
[2] As of 07/31/12
[3] 2011 vs. 2010

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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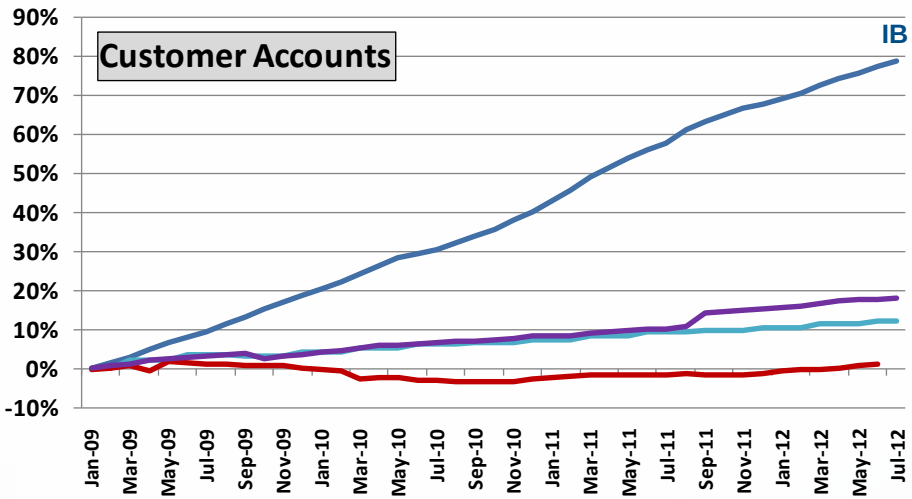
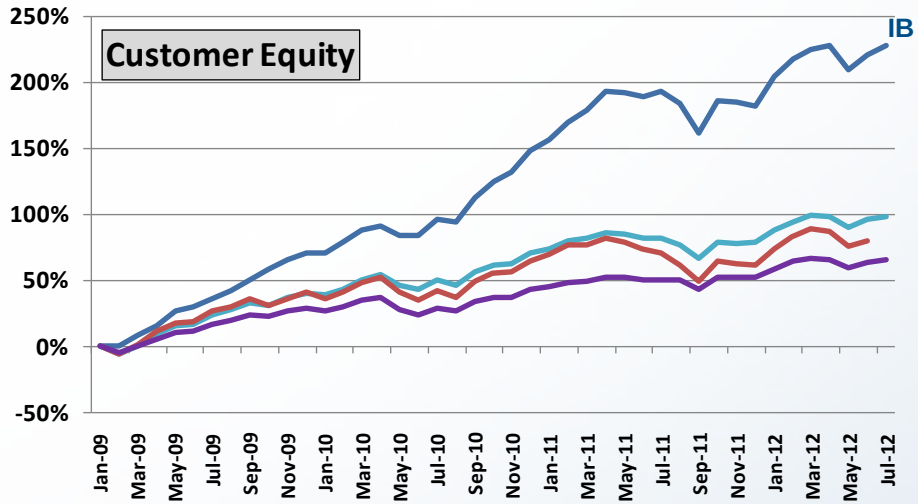
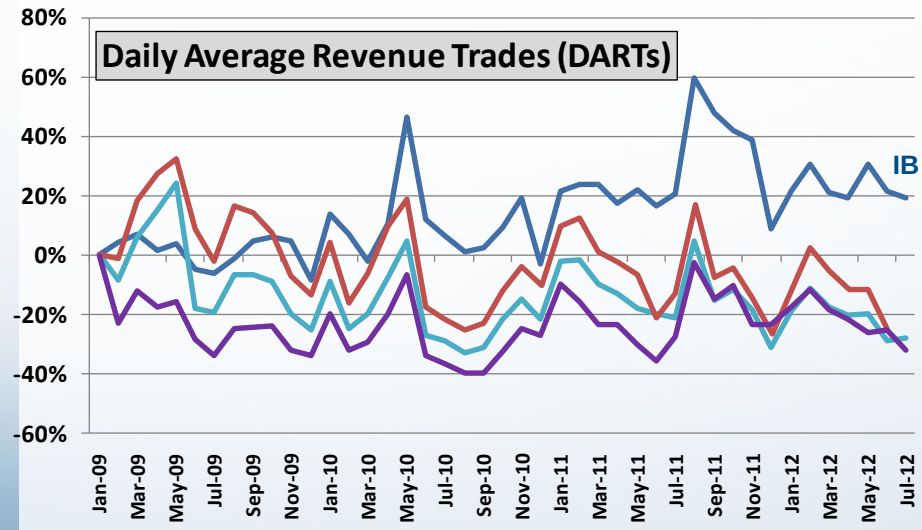
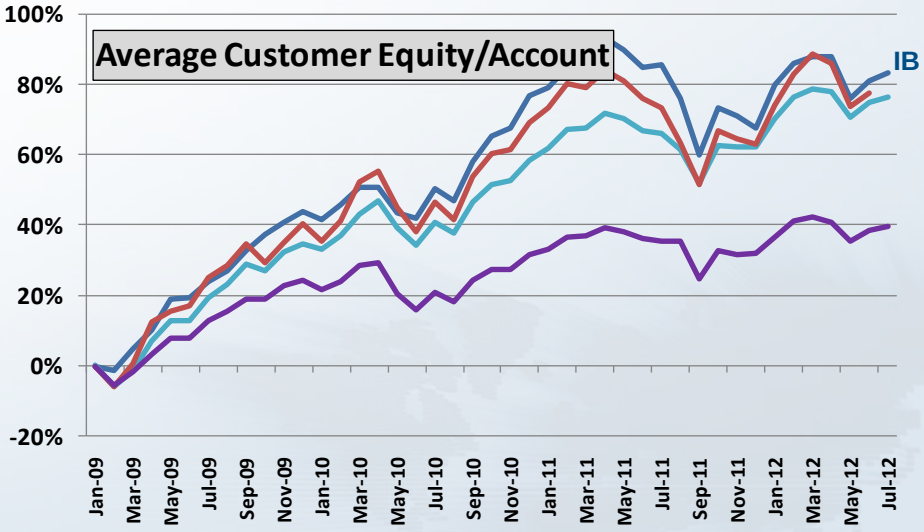
Comparative Growth









IB AMTD ETFC SCHW

Note: As of 8/14/12, data for ETFC only available through Jun 2012

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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.

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]	1.64%	1.39%	1.01%	0.78%	$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 August 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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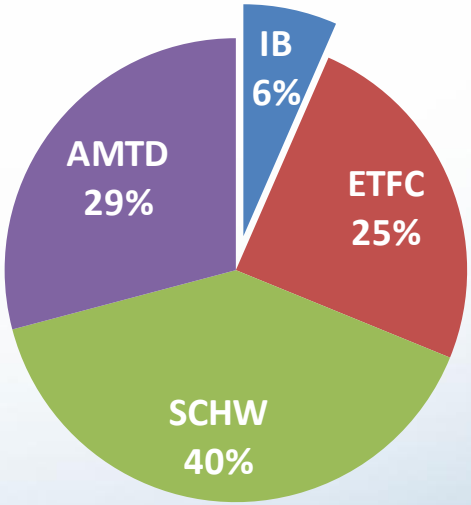
Differentiator: Low costs

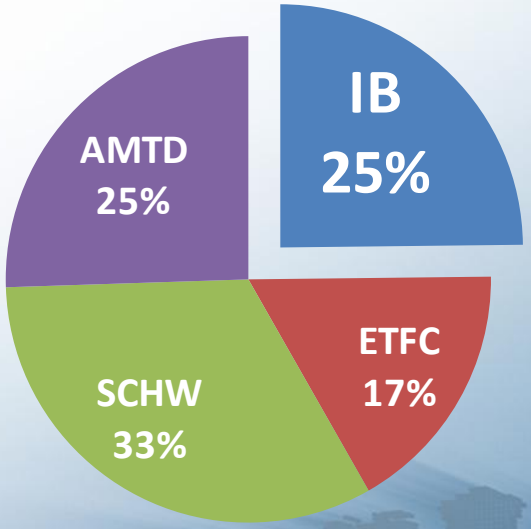
Effect of Low Margin Rates

Total Customer Margin Balance vs. Largest Online Brokers

Dec 2007 - $29 billion



Jun 2012 - $34 billion



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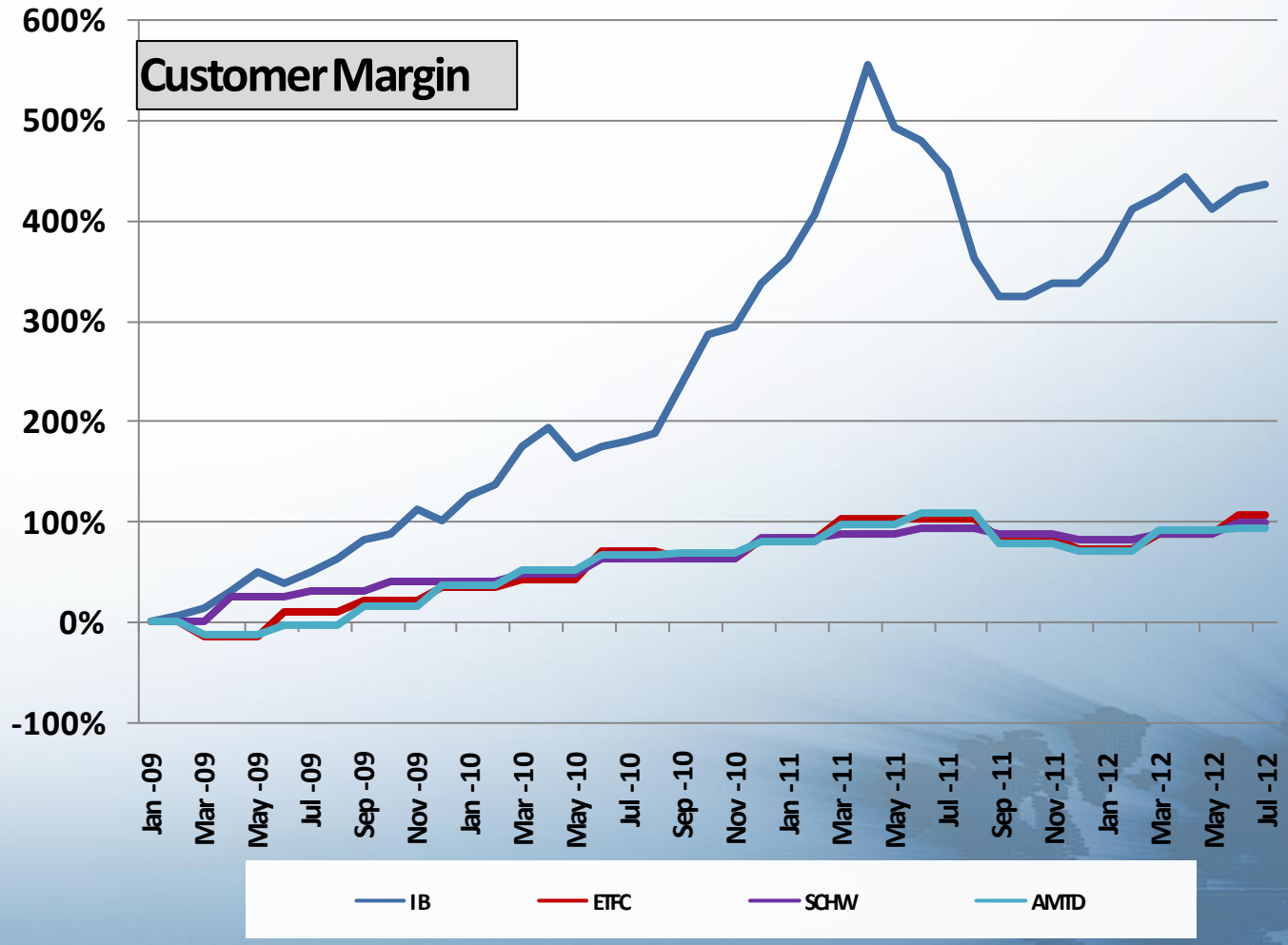
Differentiator: Low costs

Effect of Low Margin Rates



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Differentiator:
Superior Executions

Net Dollar Price Improvement [1]

The Smartest Traders use IB SmartRouting℠

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.

Execution Price Comparison

	Interactive Brokers	Industry	IB Advantage
US Stocks (per 100 shares)	$0.34	$0.17	$0.17
US Options (per contract)	$1.06	$0.75	$0.31
European Stocks (per 100 shares)	€0.65	€-1.11	€1.76

- Unlike other routers, IB SmartRouting℠ 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

Data is for the 2nd half of 2011.
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 **17** currencies

Interactive Brokers
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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.

Interactive Brokers
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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

Mosaic – our newest trading tool

- Intuitive, user-friendly platform offering same basic/advanced functionality as Trader Workstation
- Can be used straight out of the box, or customized to suit user preferences
- Can be used alone, or in conjunction with our extensive suite of trading tools

Also:

Customers that subscribe to the Interactive Brokers Information System, or **IBIS**, have access to premium newswire and analyst research reports from tier one providers like Reuters, Dow Jones, Morningstar and Fly on the Wall at a fraction of the cost of some other providers.

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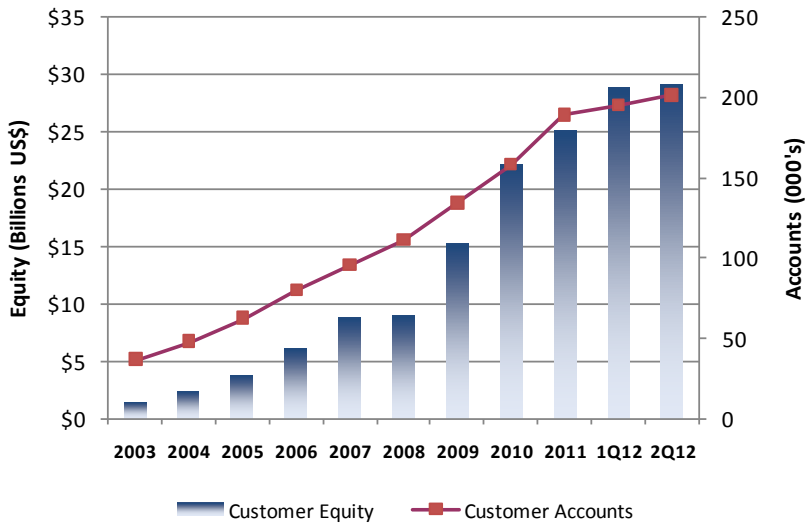
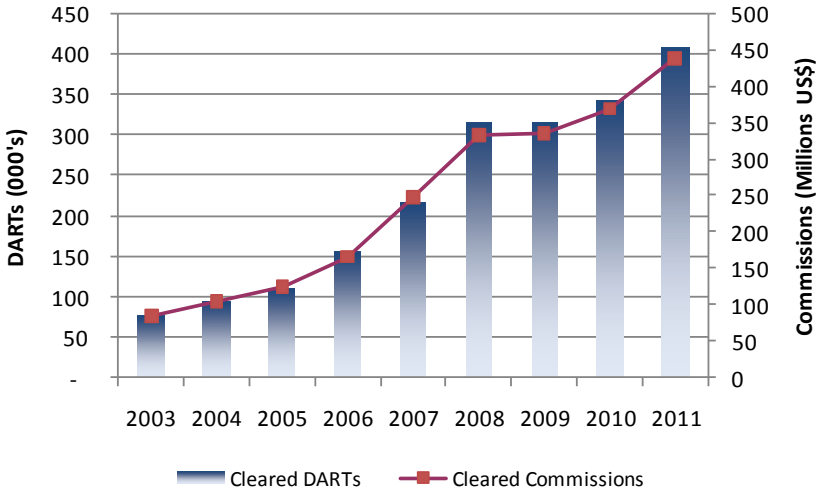
These differentiators are fueling our growth

Customer Equity & Accounts



Cleared DARTs & Commissions



- From 2003 - 2011:
  - Customer accounts grew on average 23% per year
  - Customer equity grew on average 45% per year
- We have a sophisticated, international investor base with an average account size of ~ $145K

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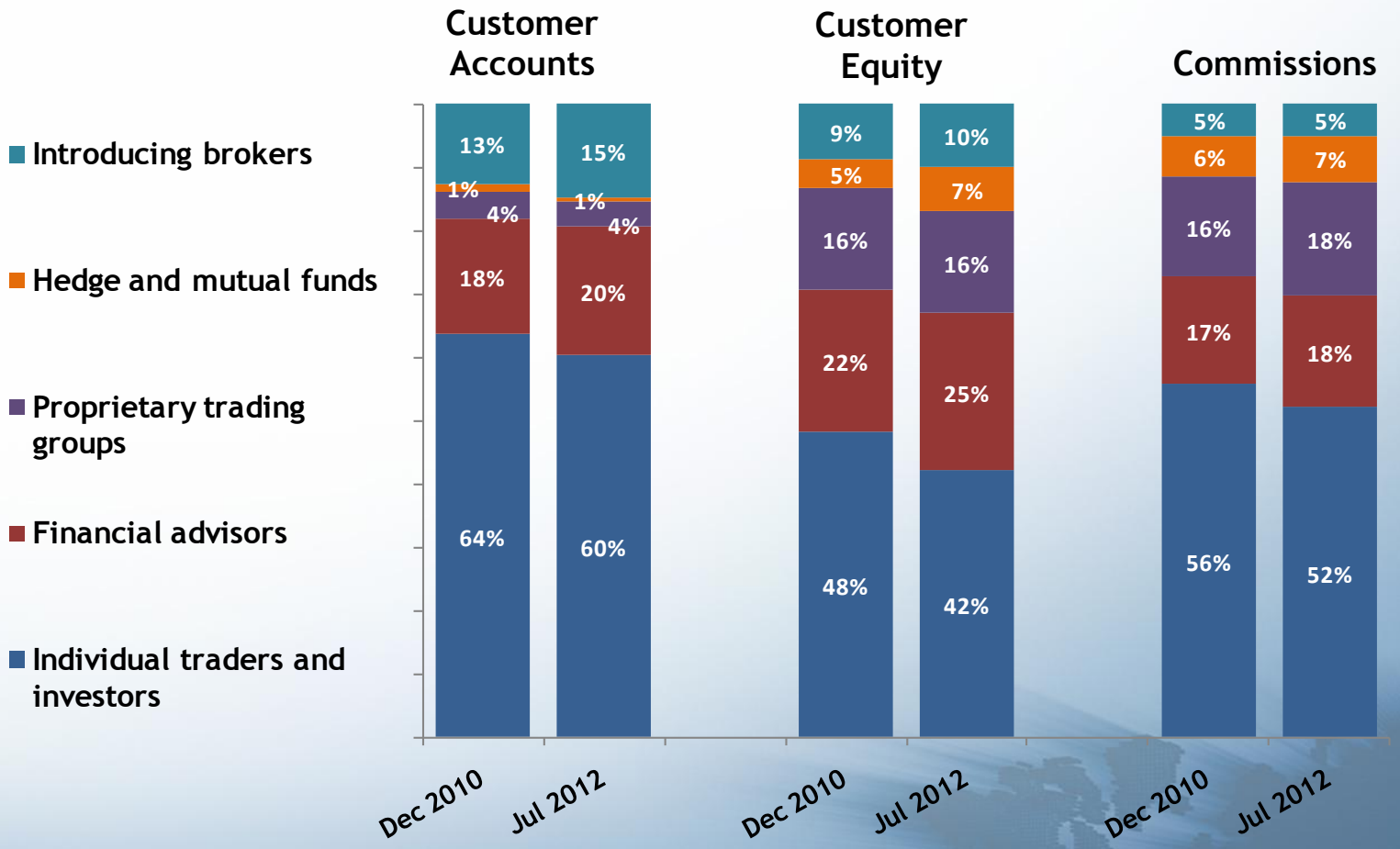
Diversified customer base



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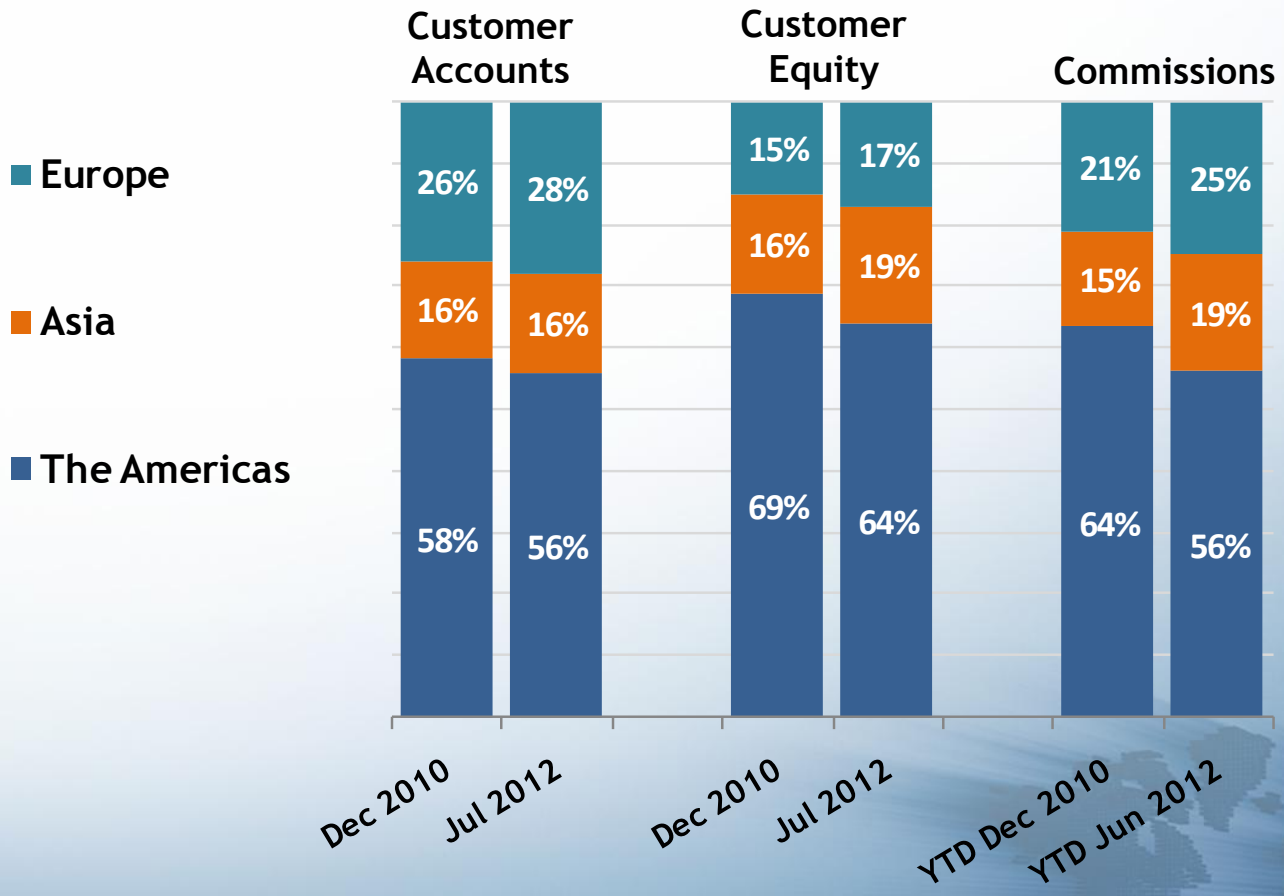
Diversified customer base



Based on country of legal residence

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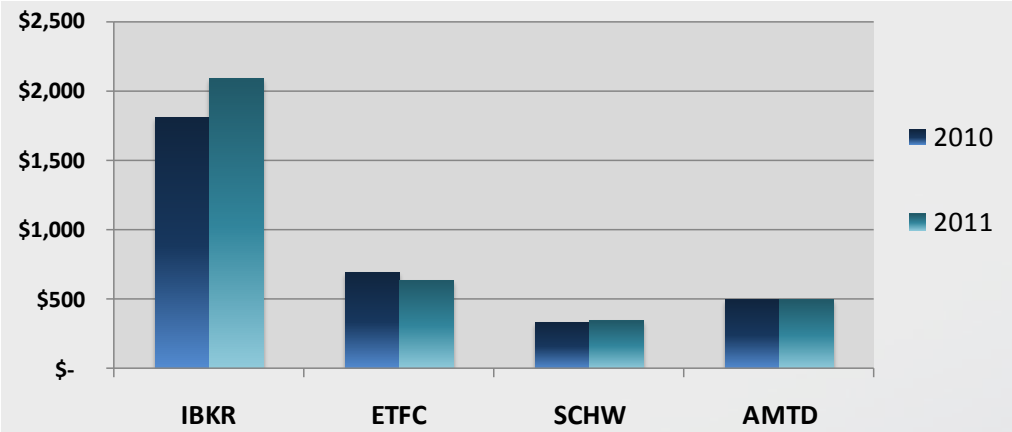
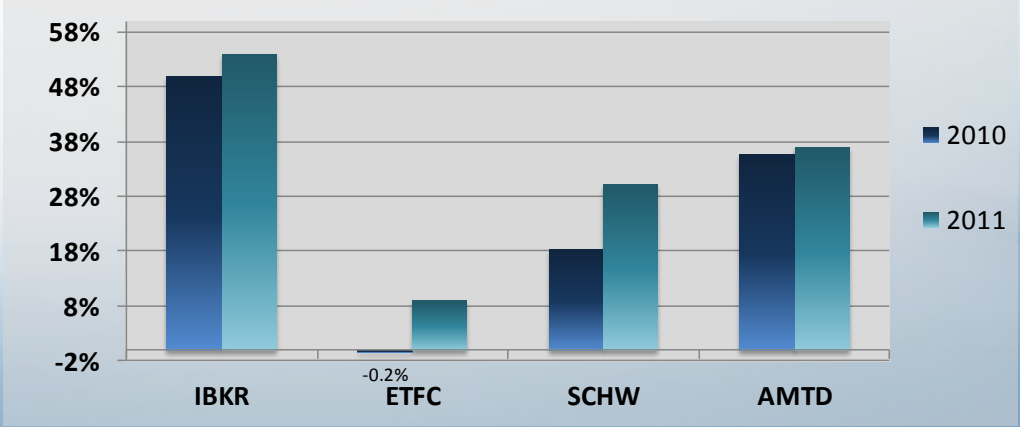
Profitability

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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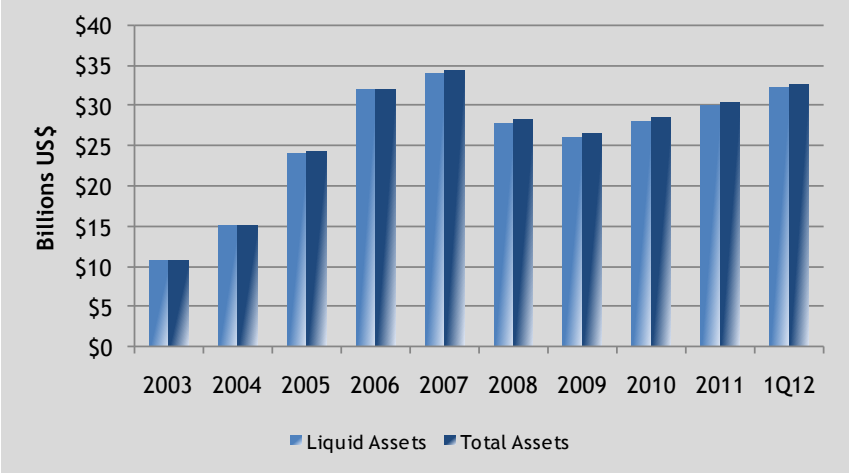
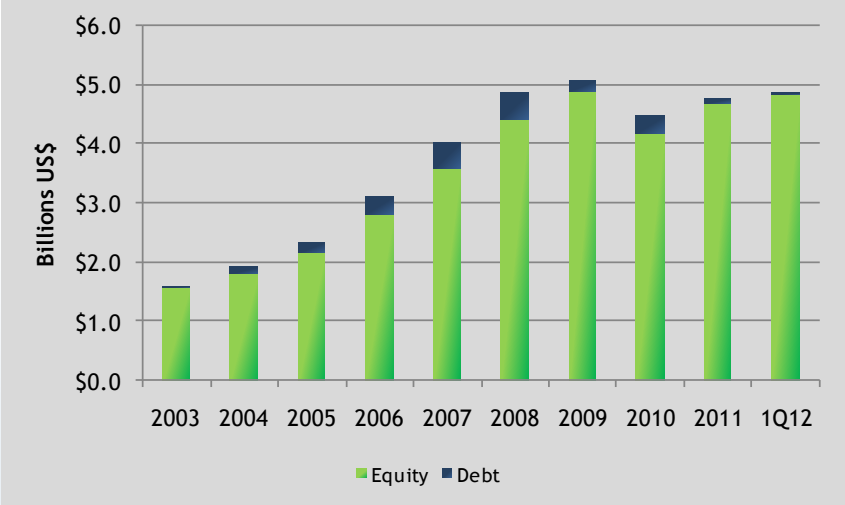
Financial Condition

Highly Liquid



Low Financial Leverage



Solid balance sheet

- 3/31/12 - $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 brokerage failure highlights 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