

**Virtu Financial, Inc. (NASDAQ: VIRT; New York, NY) has agreed to acquire Investment Technology Group, Inc. (NYSE: ITG; New York, NY)**

**Deal Value: Approximately \$1.0 billion**

Leverages VIRT's global, scaled technology infrastructure with ITG's global client reach and industry-leading products.

Sandler O'Neill served as financial advisor and provided a fairness opinion to VIRT in this transaction. This represents Sandler O'Neill's 268<sup>th</sup> financial services transaction since January 1, 2015, more than any other investment bank during that time.<sup>1</sup>

Sandler O'Neill has served as a financial advisor to VIRT in connection with its last two acquisitions and as underwriter in connection with VIRT's last three public offerings. Sandler O'Neill acted as financial advisor to VIRT in connection with its acquisition of KCG Holdings Inc. in April 2017, served as a book-running manager in VIRT's initial public offering in April 2015, and as underwriter in VIRT's two follow-on common stock offerings in September 2016 and May 2018, respectively.

**NEW YORK, NEW YORK**, November 7, 2018 – Virtu Financial, Inc. (NASDAQ: VIRT) today announced that it has entered into a definitive agreement to acquire Investment Technology Group, Inc. (NYSE: ITG), which has been unanimously approved by the Board of Directors of ITG and Virtu. Virtu has agreed to acquire ITG in a cash transaction valued at \$30.30 per ITG share.

This significant acquisition underscores Virtu's commitment to its institutional client franchises and is a natural next step in its growth by offering its clients a complete suite of agency services, including transparent trading and workflow technology, analytics, and liquidity solutions that all leverage Virtu's global, scaled technology infrastructure.

"Virtu's focus and investment in our agency offering is evidenced by the continued growth in our business and the strong uptick we've seen this year and through October. The combination announced today brings together complementary strengths that amplify our ability to help our clients source liquidity and improve their workflow," said Douglas A. Cifu, Virtu's Chief Executive Officer.

Mr. Cifu continued, "ITG has built a first-class global institutional client franchise with incredible people that will benefit from this strategic combination. We are fully committed to growing and improving the complete agency execution offering that ITG's clients use every day – Liquidity, Execution Services, Workflow Technology and Analytics. This combination will leverage Virtu's financial technology – the same technology that drives our market making performance – to optimize all aspects of the business, from order routing and algo performance to middle- and back-office efficiency."

The transaction is expected to close during the 1st half of 2019 after receipt of ITG shareholder approval and all required regulatory approvals.

In addition to enhanced client experience, the transaction is expected to provide a significant amount of additional scale and financial benefits to Virtu. Within two years of the completion of the transaction, Virtu expects to realize approximately \$123 million of net pre-tax expense savings, in addition to \$125 million of capital synergies. These savings do not include any revenue enhancements that Virtu anticipates will result from the transaction.

The transaction further diversifies Virtu by increasing its revenue contribution from Technology and Execution Services from 10% to 37%, which will lower quarter-to-quarter earnings volatility. Technology and Execution Services is highly complementary to Virtu's core market making business, providing further opportunities to organically grow revenue with existing clients and technology.

Virtu intends to fund the all-cash transaction with new gross borrowings of \$1.5 billion. Virtu intends to repay the \$400 million aggregate principal amount outstanding under its existing term loan. Virtu has received committed financing from Jefferies and Royal Bank of Canada for up to \$1.5 billion of debt financing for the transaction.

Virtu intends to maintain its annual dividend of \$0.96 per share after the close of the transaction.

The transaction is subject to customary closing conditions, including the approval of the stockholders of ITG, and receipt of required regulatory clearances and approvals.

Following the close of the transaction, Douglas A. Cifu, Chief Executive Officer of Virtu Financial, will remain CEO of the combined company. Joseph A. Molluso, Virtu's Chief Financial Officer, will remain the CFO of the combined company.

1) Includes all geographies; Includes minority transactions; Excludes terminated transactions and self-advisory roles  
Source: S&P Global Market Intelligence Company press release

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