Fourth Quarter 2010 Earnings Conference Call

February 8, 2011

LPL Financial

Safe Harbor Statement

Certain statements made in this presentation should be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These include statements about the Company's future results of operations. We caution investors that these forward-looking statements are not guarantees of future performance, and actual results may differ materially. Investors should consider the important risks and uncertainties that may cause actual results to differ, including those discussed in the Company's fourth quarter 2010 press release, our quarterly reports on Form 10-Q, our 2009 Annual Report on Form 10-K and other filings we make with the Securities and Exchange Commission. We assume no obligation to update this presentation, which speaks as of today's date.

The company uses a number of non-GAAP financial measures that management believes are useful to investors because they illustrate the performance of the company's normal, ongoing operations which is important in understanding and evaluating the company's financial condition and results of operations. While such measures are also consistent with measures utilized by investors to evaluate performance, they are not a substitute for U.S. GAAP financial measures. Therefore, in the back of the presentation, the company has provided reconciliations of the non-GAAP financial measures to the most directly comparable U.S. GAAP financial measure.

Fourth Quarter and Full-Year 2010 Highlights

- Successful initial public offering completed on Nov. 18, 2010
- Record levels of advisory and brokerage assets helped fuel record profitability – 30% adj. EPS increase vs. 2009
- Revenue growth led by strong net flows into fee-based platforms, reflecting positive momentum from LPL advisors serving their clients
- Advisory assets rose 21% to a record $93 billion, reflecting net new advisory asset flows of $8.5 billion
- 494 net new advisors were added during 2010
  - 288 from organic growth
  - 206 from the acquisition of NRP

Fourth Quarter and Full-Year 2010 Highlights

Operational Highlights

Metric	4Q'10	% Change from 4Q'09	FY'10	% Change from FY'09
Net Revenue ($ Million)	**$820.0**	**11.6%**	**$3,113.5**	**13.2%**
Adjusted EBITDA ($ Million)	**$99.2**	**4.5%**	**$413.1**	**16.0%**
Adjusted EBITDA Margin (as a % of net revenue)	**12.1%**	**(81) bps**	**13.3%**	**40 bps**
Adjusted Net Income ($ Million)	**$44.7**	**6.2%**	**$172.7**	**33.3%**
Adjusted EPS	**$0.42**	**(2.3%)**	**$1.71**	**29.5%**
Total Advisory and Brokerage Assets ($ Billion)			**$315.6***	**13.0%**
Advisory Assets ($ Billion)			**$93.0***	**20.5%**
Hybrid RIA Assets ($ Billion)			**$13.5***	**85.0%**
Net New Advisor Growth	**427**	**N.M.**	**494***	**N.M.**

* *As of December 31, 2010.*

Fourth Quarter and Full-Year 2010 Highlights

Balance Sheet Highlights

Metric	4Q'10	4Q'09
Cash and Cash Equivalents ($ Million)	**$419.2**	**$378.6**
Total Debt ($ Million)	**$1,386.6**	**$1,369.2**
Leverage Ratio*	**2.64**	**3.42**
Interest Coverage Ratio	**4.81**	**3.81**

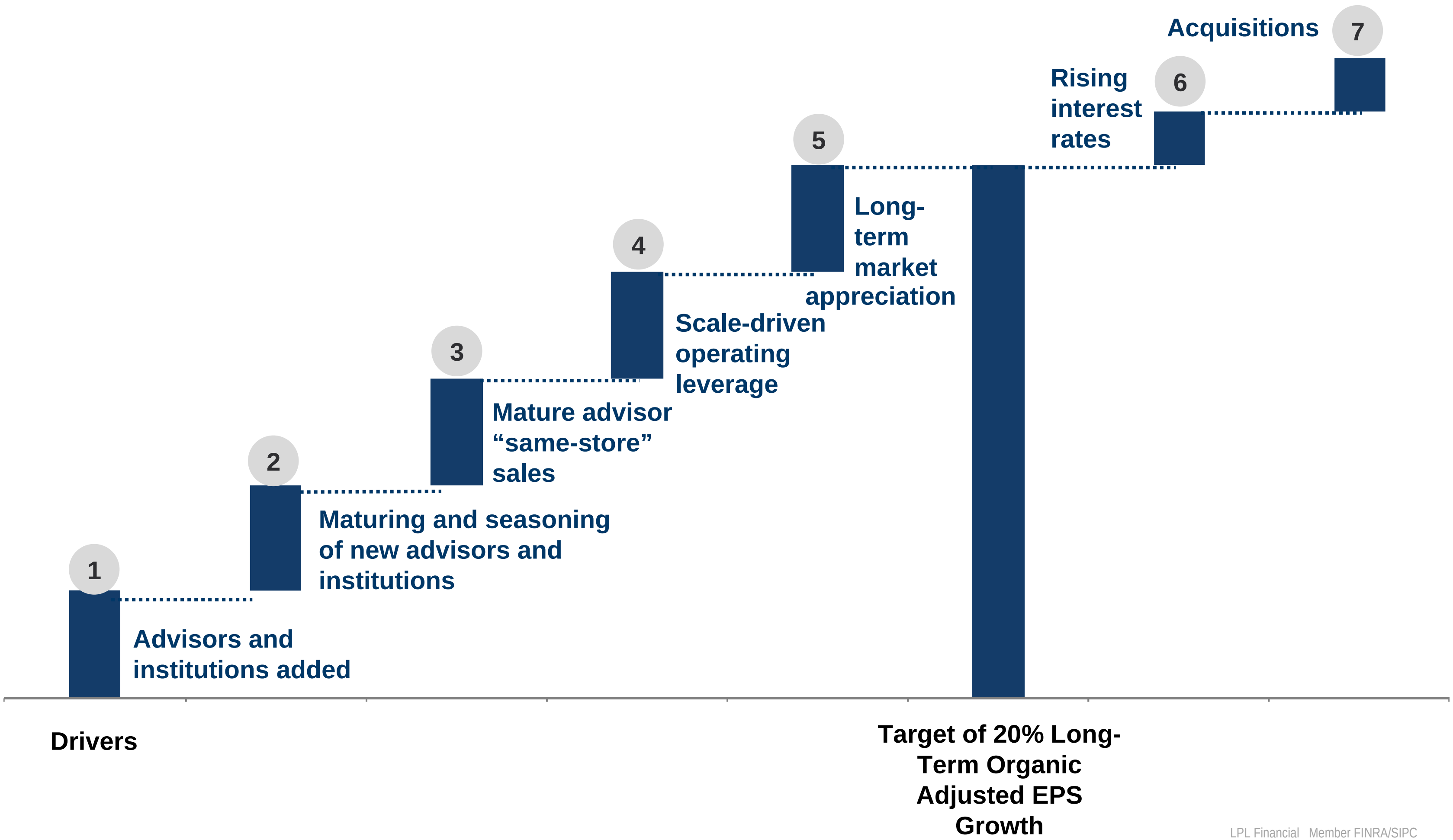
** Note: On Jan. 31, 2011, the Company made a pro-rata debt payment of $40 million*

Summary of IPO Impact to Financial Statements

- One-time charges / benefits associated with the IPO:
  - Net cash proceeds to LPL: $37.2 million
  - Pre-tax share-based compensation expense of $222.0 million resulting from the release of restriction on restricted shares of common stock - the Company recorded a related tax benefit of $87.1 million
  - $4.6 million in pre-tax expenses arising from underwriting, accounting, legal, printing and other miscellaneous costs
  - Total expected tax benefits of $237.3 million – the Company expects to realize $144.6 million of the tax savings by seeking refunds of taxes paid in 2008, 2009 and 2010 and the remaining $92.7 million over the next 18 to 24 based on profitability
- As of December 31 2010, 108.7 million basic shares were outstanding
  - 13.1 million outstanding options, warrants and restricted stock units
- Weighted average diluted shares outstanding were:
  - 105.9 million in 4Q10 vs. 98.8 million in 4Q09
  - 100.9 million for full-year 2010 vs. 98.5 million for full-year 2009

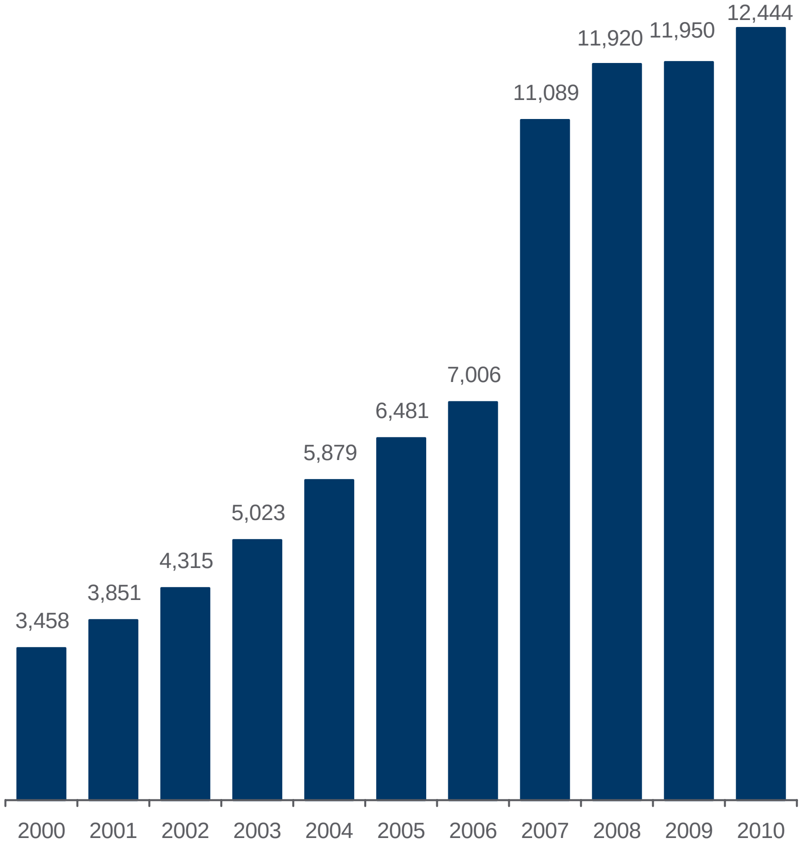
Multiple Drivers of Growth for Adjusted EPS

Drivers of Earnings Growth



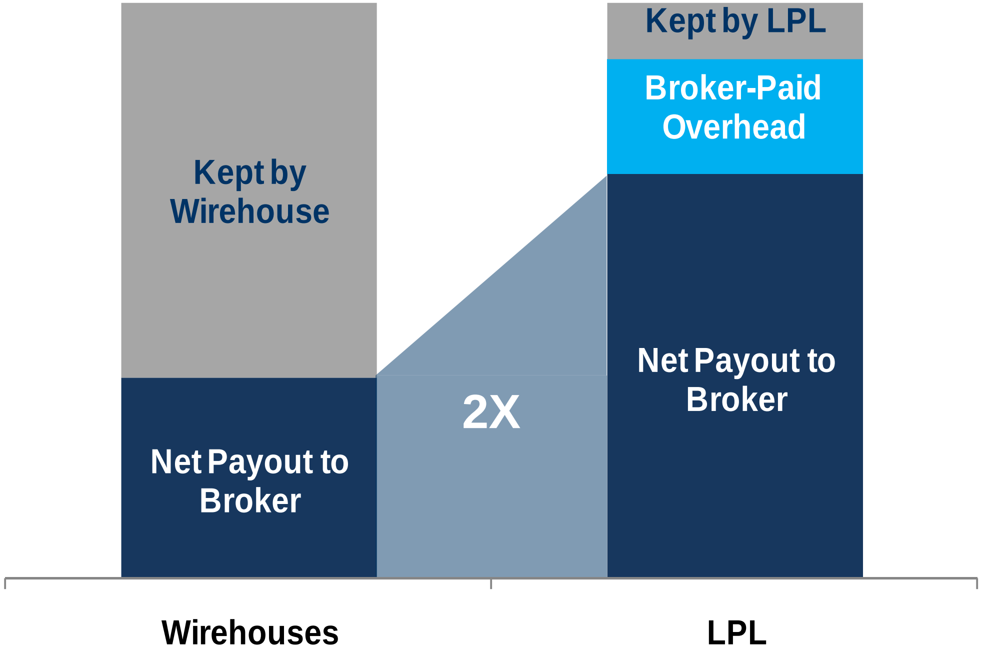
1 Consistent Growth of Advisor Base

Number of LPL Advisors



- Industry leader in business development with over 50 staff
  - Organized by advisor practice type and institution type
  - Dedicated team adding advisors to existing branches

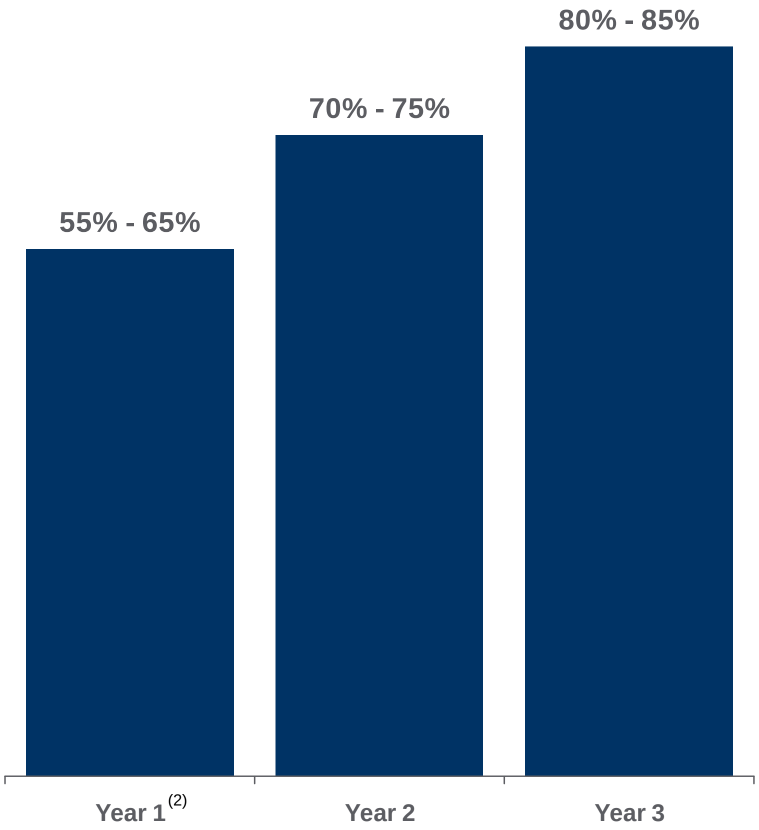
Provide Superior Economics to Advisors



2 Growth from Ramp-Up of Recent Advisors

- Advisors come with their own books of business
- Classes ramp in a predictable way providing ability to forecast revenues with accuracy

Illustrative Ramp Profile, % of LTM Revenue at Time of Joining LPL(1)

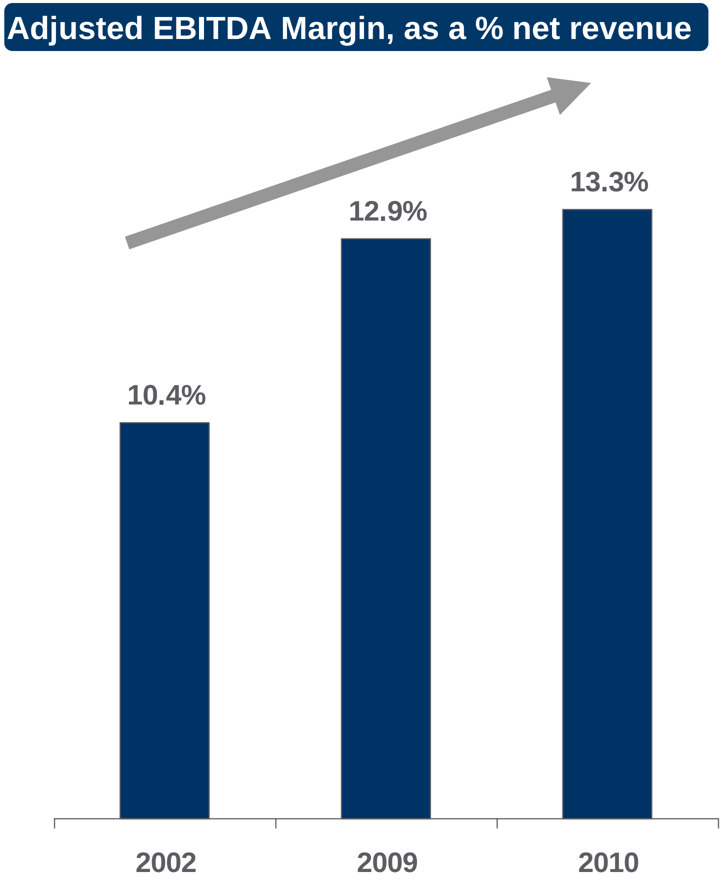


(1) For illustrative purposes only. Ramp profile will vary by type of advisor (independent vs. RIA vs. institution);
(2) Ramping represents an individual advisor over successive twelve month periods; due to continual business development an annual advisor class ramps 30 – 35% in the first calendar year.

3 Mature Advisor Sales Growth

- Significant movement to advisory based solutions
  - For example, fee based ETF offering
- Expansion of service and support to monetize more of advisor’s activities
  - For example, health insurance
- Supported by superior service
  - Net promoter score at top of industry

4 Profit growth from scale-driven operating leverage



- Substantial investments already made in our internet based, server technology
- Process improvements targeted annually to drive down costs

Long-term market appreciation and rising interest rates

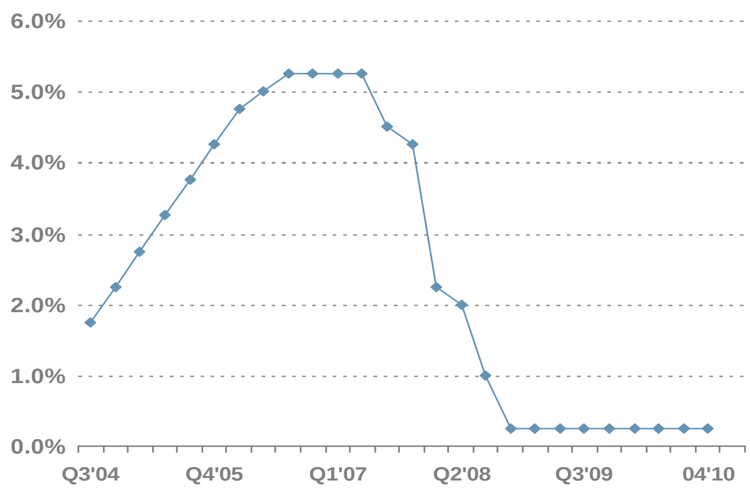
5 Long-Term Market Appreciation

- Diversified portfolio of client assets
- Long-term market returns of ~5%
  - Equities
  - Fixed income

6 Rising Interest Rates

- LPL will benefit from rising interest rates through cash deposits of $15 – 20bn
- For every 25 bps increase in the Fed Funds rate up to 125 bps, LPL will generate $15M in incremental profits
- For every 25 bps increase in the Fed Funds rate from 125 bps up to 275 bps, LPL will generate $7.5M in incremental profits

Historical Fed Funds Rate (*)



** Source: Bloomberg*

7 Upside in earnings growth from acquisitions

- Transactions have been successful, fully integrated, and executed on attractive financial terms
- Highly disciplined approach to evaluation of acquisition opportunities
- Industry remains fragmented

Recent Transactions

Target	Advisors	Announced
NRP National Retirement Partners – The Retirement Experts	206	2010
Independent Financial / Sun Life Financial	450	2007
Pacific Life	1,750	2007
UVEST Financial Services	800	2006
Phoenix	360	2004

LPL is often viewed as partner of choice for acquisitions

Appendix

Non-GAAP Financial Measures

Adjusted EBITDA is defined as EBITDA (net income plus interest expense, income tax expense, depreciation and amortization), further adjusted to exclude certain non-cash charges and other adjustments. The Company presents Adjusted EBITDA because the Company considers it a useful financial metric in assessing the Company's operating performance from period to period by excluding certain items that the Company believes are not representative of its core business, such as certain material non-cash items and other items that are outside the control of management. Adjusted EBITDA is not a measure of the Company's financial performance under GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flows from operating activities as a measure of profitability or liquidity.

Summary Financial Results, FY ended Dec. 31

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net Income	$30	$38	$36	$16	$35	$43	$34	$61	$45	$48	($57)
Loss From Discontinued Operations	-	-	-	-	-	26	-	-	-	-	-
Interest Expense	-	-	-	-	-	1	125	123	116	101	90
Income Tax Expense	23	26	23	27	33	46	21	47	47	25	(32)
Depreciation and Amortization	3	4	8	12	16	18	65	79	100	108	86
EBITDA	**56**	**68**	**67**	**55**	**84**	**135**	**245**	**309**	**309**	**282**	**88**
EBITDA Adjustments											
Share Based Compensation Expense	-	-	-	-	-	8	3	2	4	6	10
Acquisition & Integration Related Expenses	-	-	-	-	-	34	1	16	18	3	13
Restructuring / Conversion	-	-	-	-	-	-	-	-	15	65	23
Debt Ammendment & Extinguishment Costs	-	-	-	-	-	-	-	-	-	-	39
Equity Issuance & IPO Costs	-	-	-	-	-	-	-	-	-	-	241
Other *	15	9	16	45	61	12	(2)	1	4	0	0
Adjusted EBITDA	**$70**	**$78**	**$83**	**$100**	**$144**	**$189**	**$248**	**$329**	**$350**	**$356**	**$413**

** Prior to 2005, EBITDA adjustments related to a loss on equity impairment, discontinued operations accounting treatment ,and certain founder related costs.*