Results presentation

Year ended 31 May 2011

Tim Howkins, CEO
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Disclaimer

This presentation, prepared by IG Group Holdings plc (the “Company”), may contain forward-looking statements about the IG Group. By their very nature, forward-looking statements involve uncertainties because they relate to events, and depend on circumstances, that will or may occur in the future. If the assumptions on which the Company bases its forward-looking statements change, actual results may differ from those expressed in such statements. The forward-looking statements contained herein reflect knowledge and information available at the date of this presentation and the Company undertakes no obligation to update these forward-looking statements. Nothing in this presentation should be construed as a profit forecast.

Financial tables contain un-rounded numbers to ensure consistency with the Financial Statements.

Market share data has been provided by Investment Trends Pty Limited. Contact Pawal Rokicki email: pawel@investmenttrends.com.au
phone: +61 2 8248 8005 website: www.investtmenttrends.co.uk

Overview

Business growth despite lower market volatility

FY11 performance

- Mixed trading conditions
- Business fundamentals are positive
  - 9% revenue growth[1]
  - 13% growth in active clients[1]
  - 35% increase in client balances[2]
  - Revenue per client stabilised in H2

Consistent strategy

- Maintain market leading positions in existing markets
- Continue to expand IG's global reach
- Sustain our technology lead
- Continue high levels of client service

(1) *Excluding Japan, which was significantly impacted by leverage restrictions in FY11*
(2) *Client money balances, excluding Japan, as at May-11 vs.May-10*

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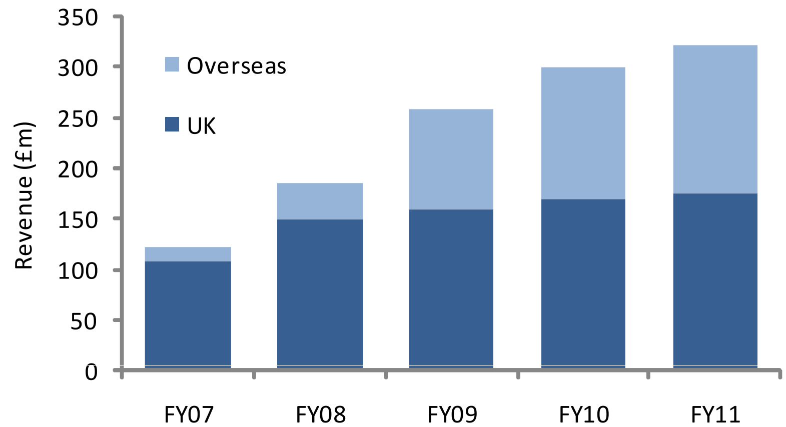
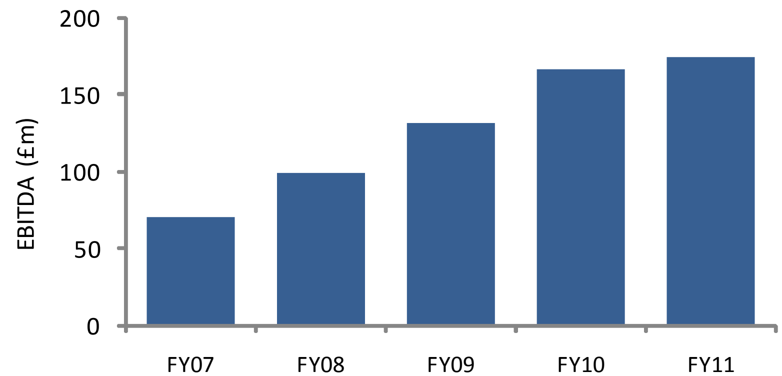
FY11 summary

FY11 results

- Net trading revenue[1] £320.4m, up 7%
- Adjusted PBT[2] £163.0m, up 3%
  - Includes £8.4m of charges and provisions:
    - Closure of extrabet (£2.5m)
    - Cost of office move (£1.8m)
    - FSCS interim levy (£4.1m)
- Adjusted EPS[2] 32.64p, up 6%
- Total dividend per share 20.0p, up 8%

5 year revenue and EBITDA





(1) Excludes interest on segregated client funds
(2) Excludes the amortisation and impairment of goodwill and customer relationships associated with FXOnline and the goodwill associated with extrabet

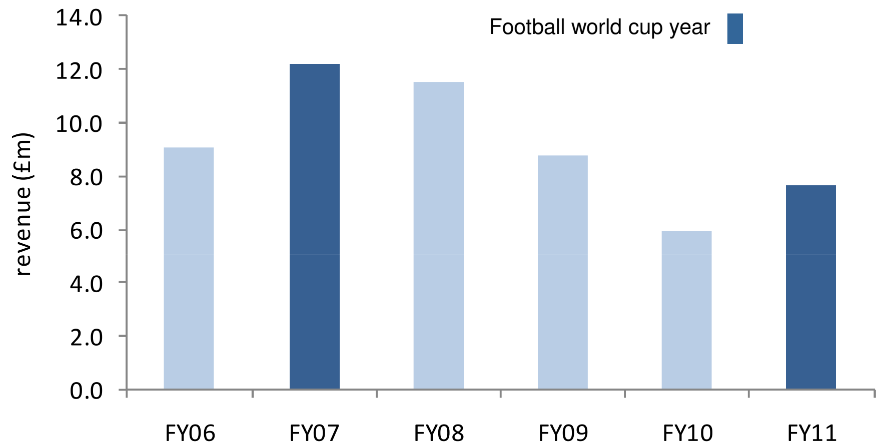
extrabet closure

Closure reflects management focus on our financial business

Impact of closure

- Represents just 2% of revenue (FY07 10%)
- Barely profitable after direct costs
- Unable to sell extrabet as a going concern on acceptable terms
- Financial implications
  - £5.25m goodwill write off
  - £2.5m exceptional costs
  - Sale of client list to Spreadex
  - Seeking buyer for the pricing engine software

extrabet revenue profile FY06 – FY11



Business review

Income statement

Revenue and profit growth continues

Year on year comparison

	FY10 Total £m	FY11 H1 £m	FY11 H2 £m	FY11 Total £m	Yr on Yr growth
Net trading revenue [1]	298.6	156.7	163.7	320.4	**7%**
Other net operating income	1.2	2.6	2.3	4.9	
Net operating income	299.7	159.3	166.0	325.3	
Operating costs	(133.8)	(72.8)	(78.8)	(151.6)	**13%**
EBITDA	**165.9**	**86.5**	**87.1**	**173.6**	**5%**
Margin [2]	*55.6%*	*55.2%*	*53.2%*	*54.2%*	
Depreciation and amortisation	(8.6)	(4.6)	(6.0)	(10.6)	
EBIT	157.3	81.9	81.1	163.0	
Net Interest	0.4	(0.3)	0.3	0.0	
PBT (adjusted) [3]	**157.6**	**81.6**	**81.4**	**163.0**	**3%**
Margin [2]	*52.8%*	*52.1%*	*49.7%*	*50.9%*	
Amortisation and impairment of intangibles on consolidation of FXOnline	(17.3)	(150.7)	-	(150.7)	
Impairment extrabet	-	-	(5.3)	(5.3)	
PBT (statutory)	140.3	(69.1)	76.1	7.0	
Diluted EPS (adjusted) [3]	**30.77p**			**32.64p**	**6%**
Dividend per share	18.50p			20.00p	**8%**

- PBT margin maintained above 50% despite
  - FSCS levy
  - Exceptional charges
- Statutory PBT reflects non-cash impairment of
  - FXOnline (Japan)
  - Extrabet

(1) Net trading revenue excludes interest on segregated client funds and is presented net of introducing broker commissions
(2) Margin based on net trading revenue
(3) Excludes the amortisation and impairment of goodwill and customer relationships associated with FXOnline and the goodwill associated with extrabet

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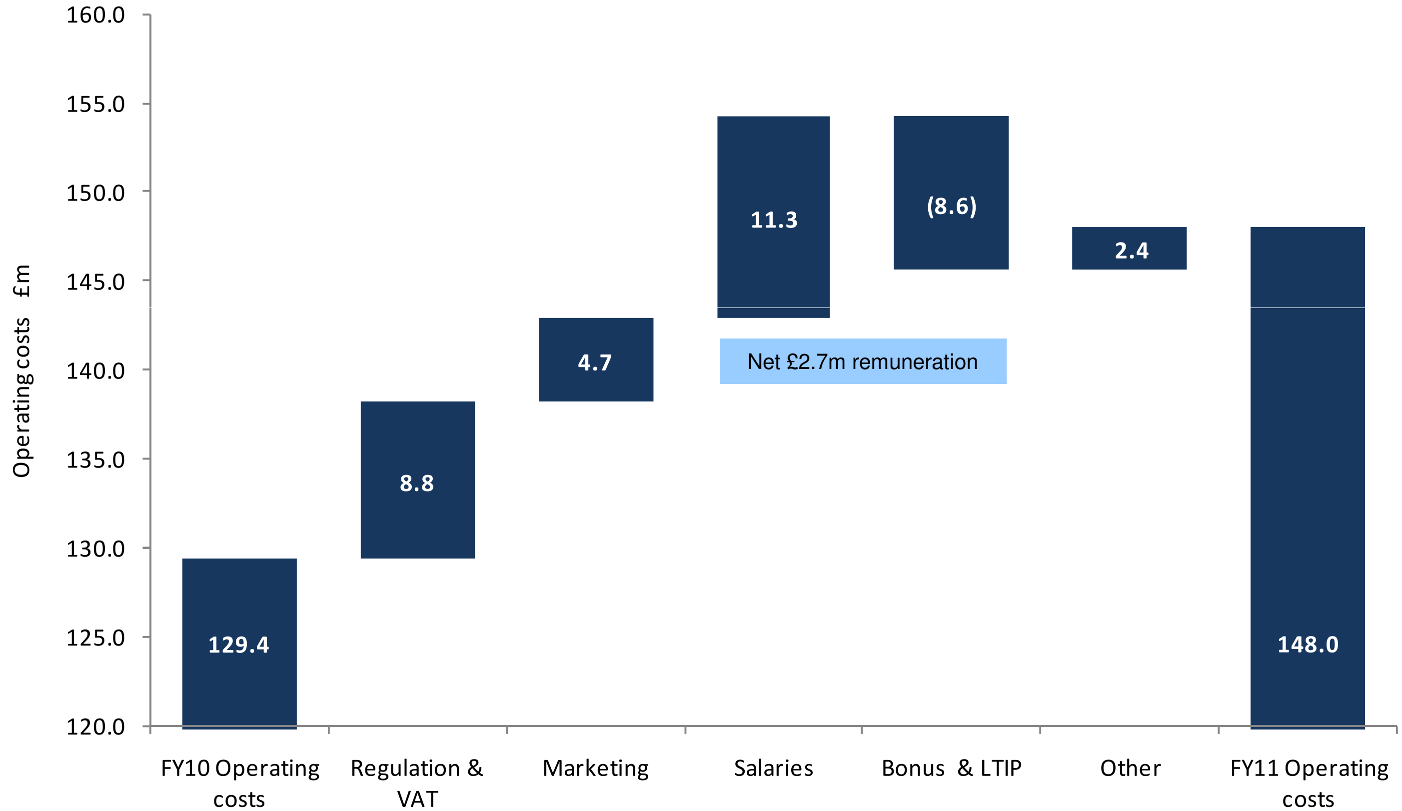
Cost bridge

£9m increase in regulatory and VAT charges impacts year on year cost comparison

FY10 to FY11 operating costs[1] bridge



(1) *excluding exceptional costs*

Cost base

£9m increase in regulatory and VAT charges impacts year on year cost comparison

Year on year comparison

	FY10	FY11		
	Total	**H1**	**H2**	**Total**
	£000	£000	£000	£000
Salaries	44,939	27,090	29,136	56,226
Bonus	22,333	8,892	5,383	14,275
LTIP/SIP	4,782	2,098	2,127	4,225
Total remuneration	72,054	38,080	36,646	74,726
Advertising and marketing	27,297	16,774	15,251	32,025
IT, Market Data and Communications	11,785	6,347	6,381	12,728
Premises related costs	6,669	4,240	5,170	9,410
Doubtful debts charge	(1,064)	(1,410)	(799)	(2,209)
Legal and Professional Fees	4,605	2,095	1,802	3,897
Regulatory Fees	1,378	800	5,176	5,976
VAT	1,504	2,396	3,340	5,736
Other overheads	5,132	2,802	2,907	5,709
Ongoing operating costs	**129,360**	**72,124**	**75,874**	**147,998**
Office move exceptional costs[1]	4,422	651	709	1,360
Extrabet exceptional costs[1]	-	-	2,284	2,284
Total operating costs	**133,782**	**72,775**	**78,867**	**151,642**

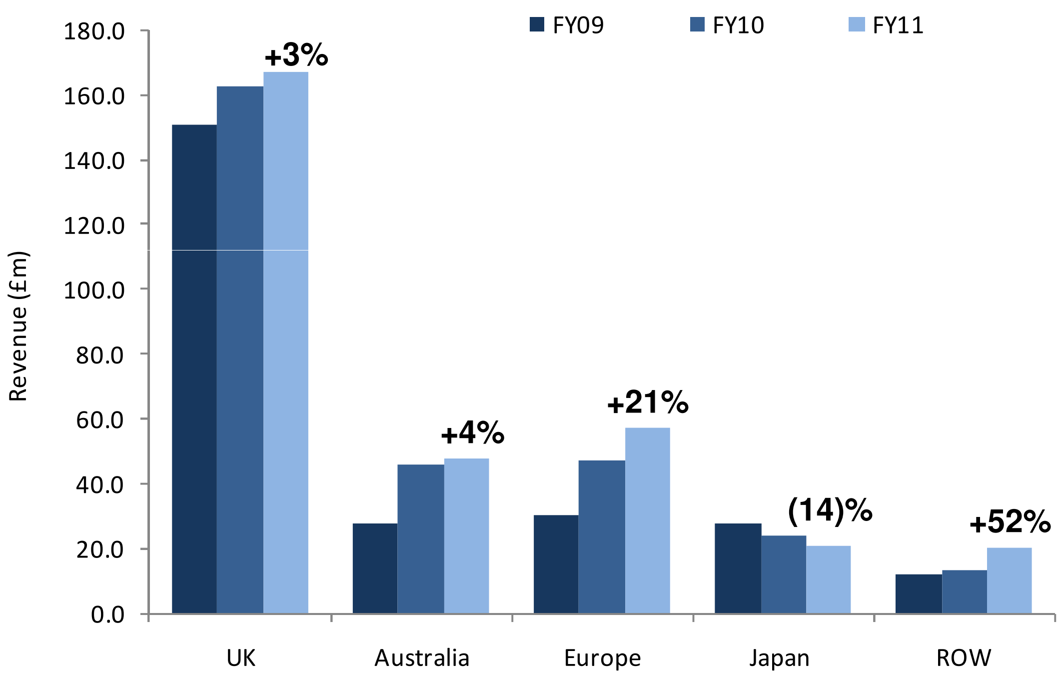
- Year on year operating costs increased by 13%
- 8% underlying cost increase excluding additional FSCS and VAT charges
- Total remuneration costs up 4% reflects
  - IT investment
  - Reduced bonuses on record FY10 payout

(1) Exceptional costs exclude depreciation and other asset write offs (full FY11 charge: extrabet £2.5m and office move £1.8m)

Net trading revenue by region

Growth against tough comparatives

FY09-FY11 trend



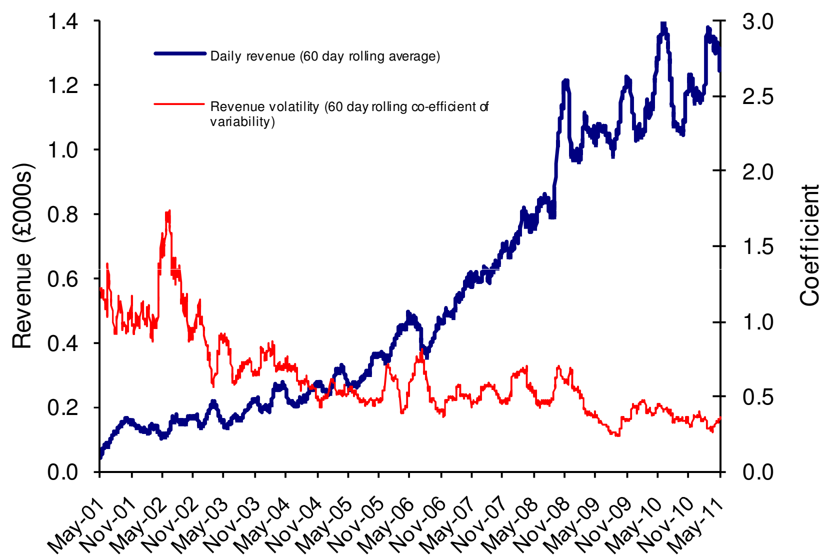
- Japan impacted by leverage restrictions
  - FY11 Q4 reversed two quarters of decline
- ROW revenue
  - Singapore 38% growth
  - 31% like for like growth[1]

(1) Ideal SA acquired in FY11 H1 and reported in ROW, prior to acquisition ideal SA revenue stated in UK as an introduced broker

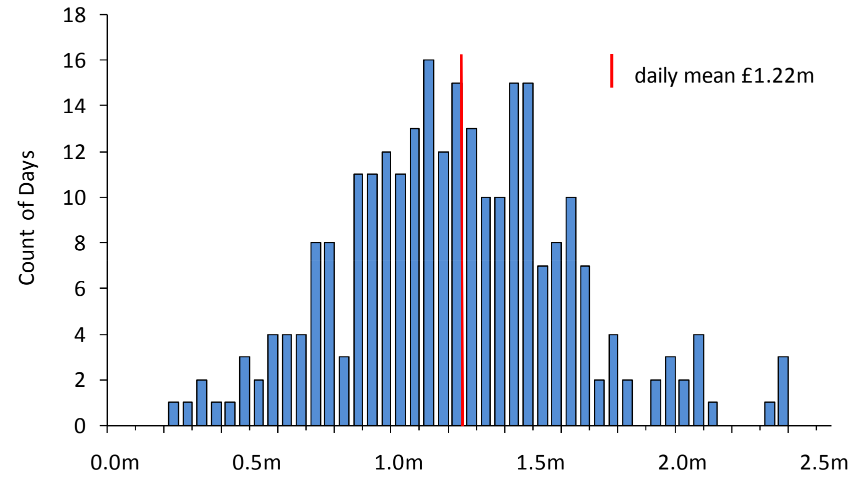
Volatility of trading revenues

Trading revenue volatility remains low

Daily trading revenue volatility



Distribution of FY11 daily trading revenue



- Volatility of revenue remains in a tight range
- For the third year in a row there were no loss making days

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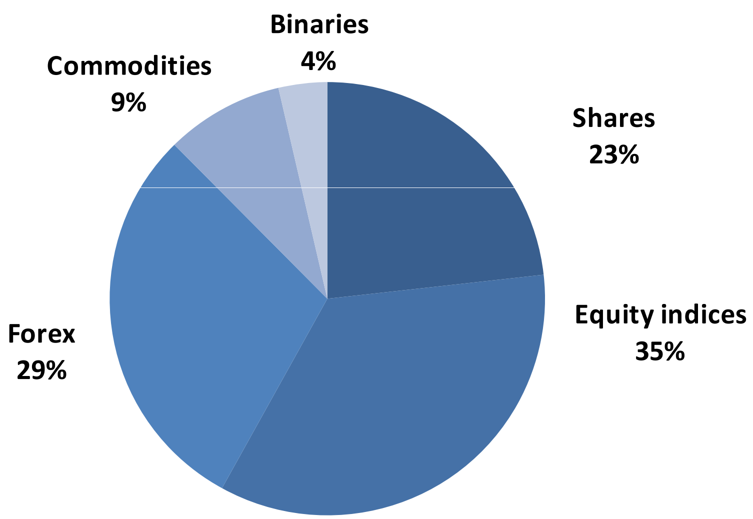
Product mix

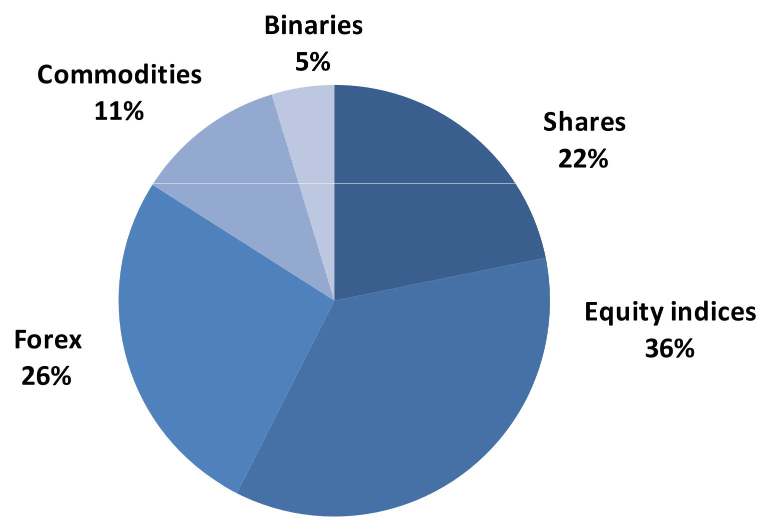
Client activity shifts between asset classes with volatility

Financial revenue by product FY10 – FY11

FY10 Financial revenue £292.6m



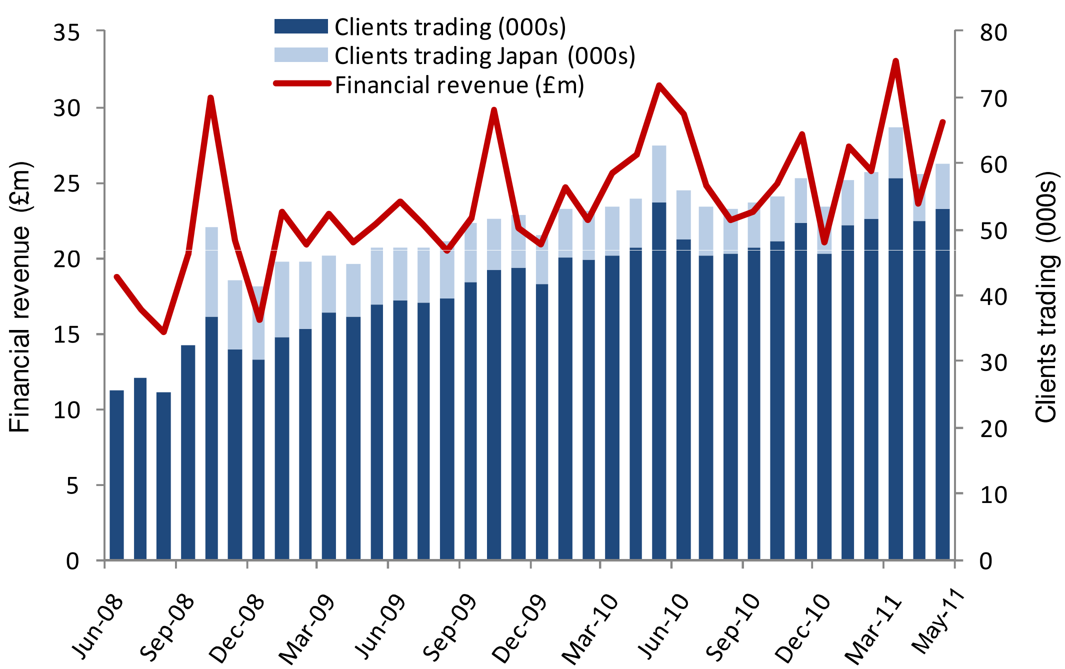
FY11 Financial revenue £312.7m



Active clients

Continued growth in the client base

Monthly revenue and active client trend FY09-FY11

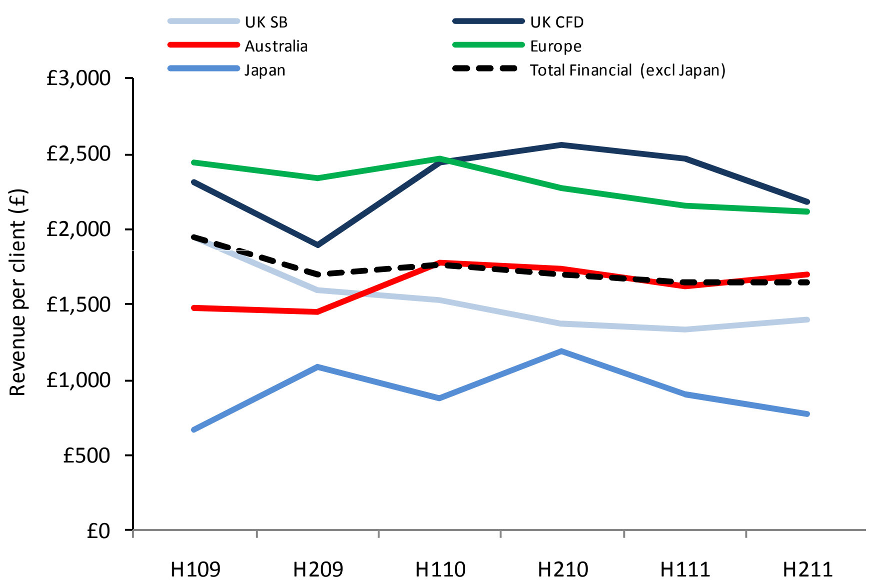


- 11% year on year client growth
  - 13% excluding Japan
  - 33% European growth
  - Double digit growth in UK and Australia
- New peaks for revenue and active clients in the more volatile markets of March

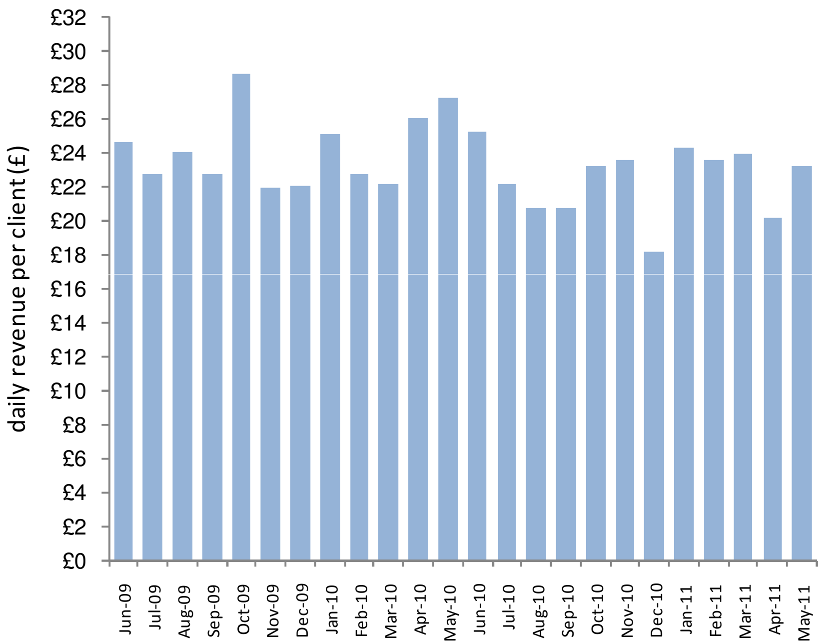
Trading revenue per client

Revenue per client stabilised in H2

Half yearly revenue by client FY09 to FY11[1]



Daily revenue per client by month FY10-FY11[2]



(1) *Unique clients trading in each half year (Financial only)*
(2) *Excluding Japan*

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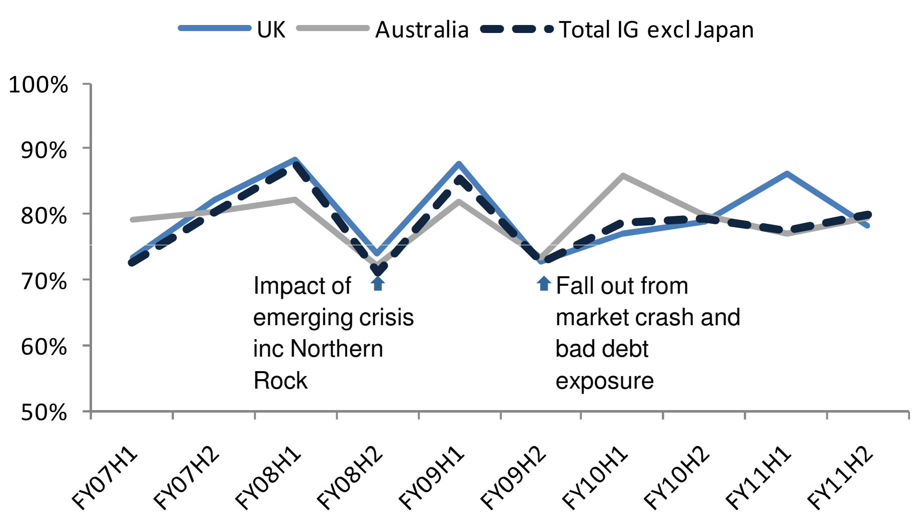
Client retention

Client retention levels consistent excluding extreme trading conditions

Client retention rates FY07-FY11[1]



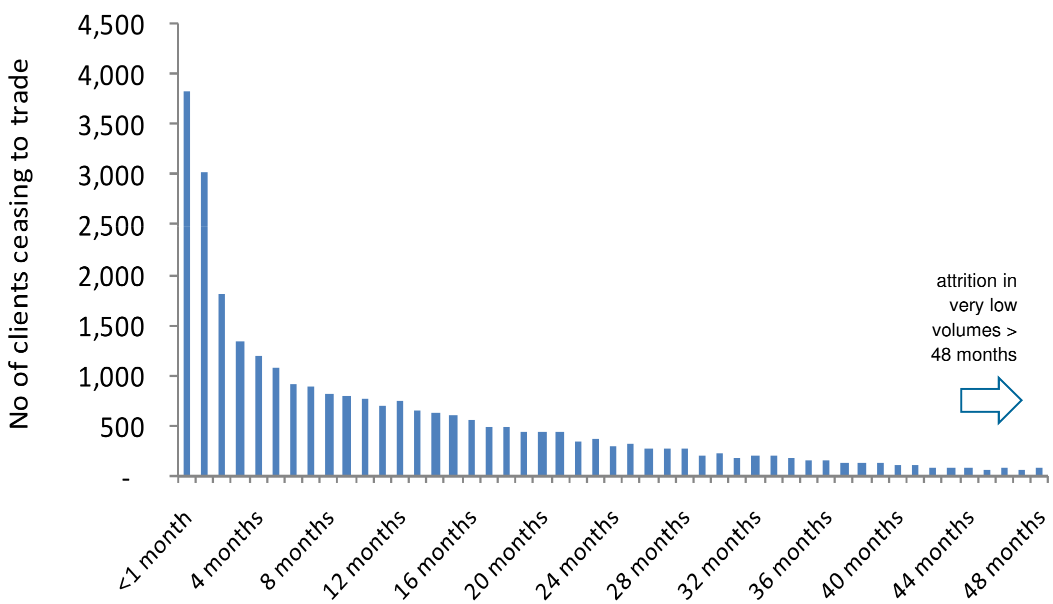
- Troughs in retention after extreme volatility
- Client retention rate broadly stable

(1) *% of those clients who traded in the previous half year period and then in the subsequent six months*

Client attrition

Clients that cease trading tend to be lower value and limited trading history

Profile of FY11 H1 active clients that subsequently didn't trade in H2



- Client attrition biased toward new clients
- Tend to be lower value clients
  - Monthly revenue only a third of the overall average
  - More mature clients also have a low value

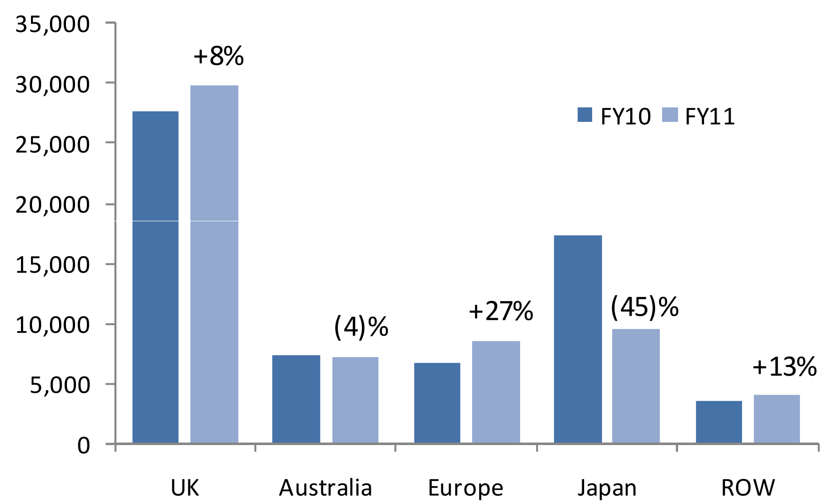
Client recruitment

Focus on higher quality of clients impacts account opening levels

Year on year headlines

- Direct account openings up 9%[1]
- New wealth limits introduced by IG in 2011 to deter lower value clients
- Reduction in the number of introduced accounts due to
  - Singapore: regulatory change impacts lower value clients
  - UK: regulatory scrutiny of advisory brokers combined with changed trading conditions
- Introducer partners retain a key role
  - Over 370 partners
  - Focus on quality clients

Year on year direct account openings



(1) *Excluding Japan*

Own cash and working capital

Working capital supports business growth

Year on year comparison

	FY11 £m	FY10 £m
Available liquidity		
Own cash and title transfer funds	124.5	128.1
Amount due from brokers	267.8	203.7
Available cash resources	**392.3**	**331.8**
Broker margin requirement	(217.4)	(154.7)
Net available cash	**175.0**	**177.1**
Title transfer funds	(67.7)	(62.4)
Net own cash available	**107.3**	**114.7**
Of which dividend declared	53.4	48.8

- Net own cash available reduced to £107m
  - Additional broker margin requirement for increased shares positions

Regulatory capital

Importance of a strong regulatory capital position

Year on year comparison

	FY 11 £m	FY 10 £m
Regulatory capital		
Tier 1,2 & 3 capital	380.1	475.6
Intangible assets (adjusted)	(115.3)	(252.5)
Investment in own shares	(1.2)	(1.0)
Total capital resources		
Total (1)	**263.6**	**222.1**
Capital resources requirement - Pillar 1		
Total (2)	89.6	65.7
Surplus regulatory capital (1-2)	**174.0**	**156.4**
less proposed dividend	(53.4)	(48.8)
Total	120.6	107.7

- Total capital resources up £42m
- Regulatory capital surplus up £18m
- Benefits of managing a surplus
  - Aids growth of the business
  - Barrier against market uncertainty
  - Positive differentiation vs. competition

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Strategy update

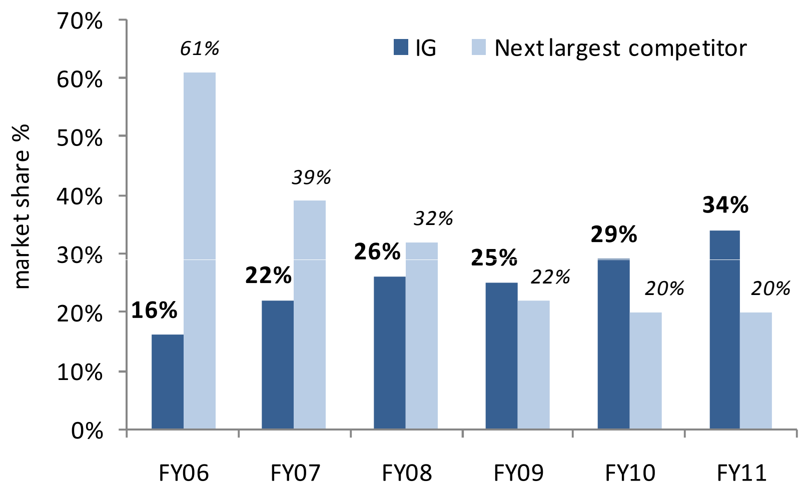
Australia update

Further gains in market share

FY11 headlines

- FY11 revenue growth of 4%
  - FY11 Q4 12% up year on year
- Exceeded £5m revenue in a month for the first time in Mar-11
- Market share lead widened
  - 34% from 29% last year
  - Next competitor share was flat

Market share trend[1]



(1) *Share of main CFD accounts as stated by Investment Trends: latest report May 2011 Australia CFD Report (published July 2011)*

Europe update

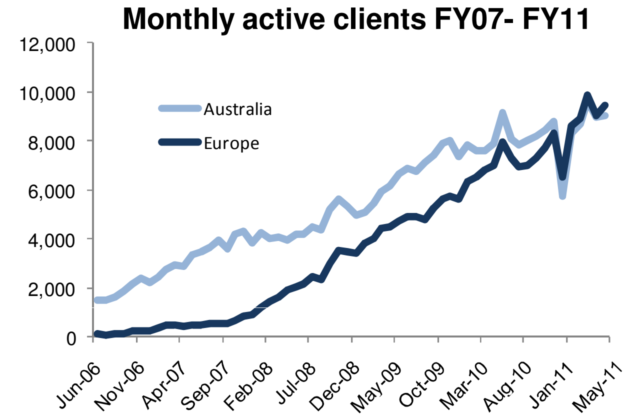
Continuing to build scale in Europe

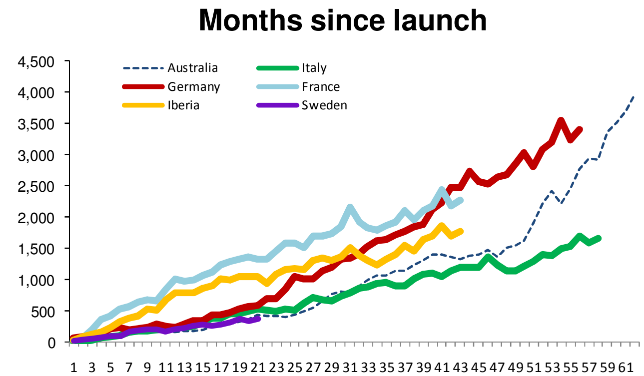
FY11 headlines

- FY11 growth continues
  - Revenue growth 21% despite tough trading conditions in Italy and Spain
  - Active clients up 33%
- Growth in many countries exceeds the early Australian experience
- Newest office is the Netherlands (May-11)
- Overview of revenue by office:

	Revenue summary			Active client summary		
	FY10	FY11	% YoY	FY10	FY11	% YoY
France	15.2	17.7	16.7%	3,440	4,239	23.2%
Germany	10.5	16.2	54.5%	4,432	6,178	39.4%
Italy	10.5	10.4	-1.7%	2,308	2,946	27.6%
Spain	9.3	10.5	12.6%	2,376	2,926	23.1%
Rest	1.9	2.7	41.8%	662	1,301	96.5%
Total Europe	**47.4**	**57.5**	**21.2%**	**13,218**	**17,590**	**33.1%**

Client trends





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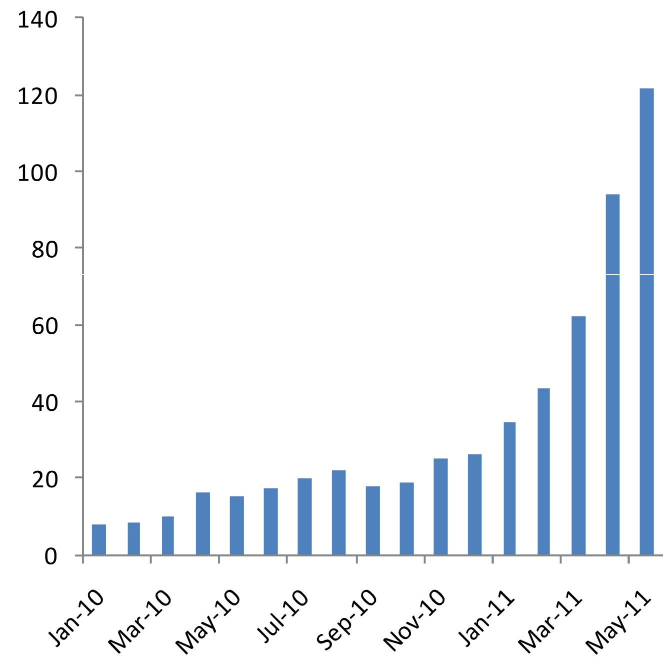
US update

Our first broker is now promoting Nadex

Current focus

- Nadex (North American Derivatives Exchange) offers options on forex, equity indices and commodities
- OTC business closed to enable the full focus on Nadex
- Steady increase in trading volumes from direct retail members
    - 800 members active in May-11 (100 in May-10)
- PFG Best has started promoting Nadex products and has them in their demo environment as a final step of user testing
- Talks with other brokers ongoing

Nadex monthly lots traded 2010 - 2011 (000s)



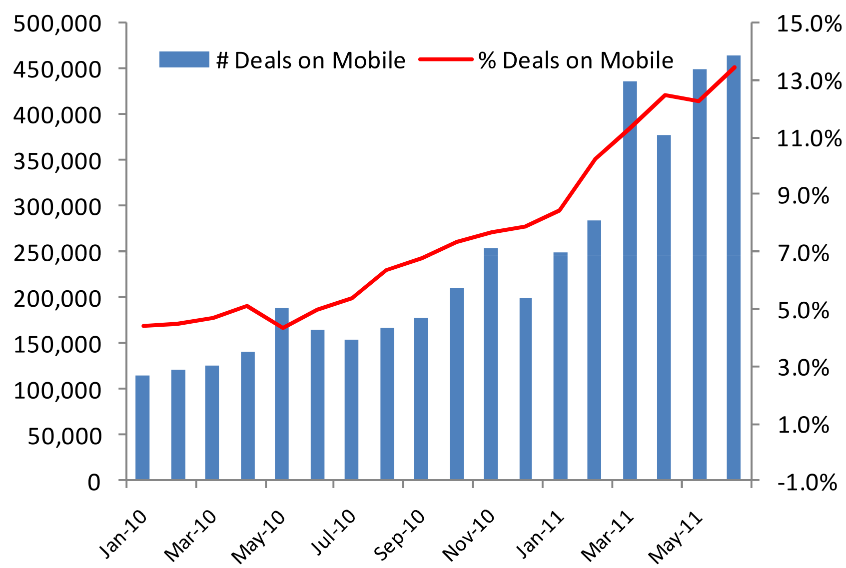
Increasing importance of mobile

IG has the scale to invest in multiple technologies

Developments

- Extensive global rollout of iPhone and Blackberry apps during FY11
- Android devices app now released
- Ongoing developments include
  - Windows 7 devices app
  - Apps for tablets including the iPad
- Client highlights:
  - 10% of new accounts are opened on mobile
  - 14% of client initiated deals via mobile
  - Mobile users deal more often and in larger size than non-mobile users with nearly double the monthly revenue

Mobile deals trend 2010 - 2011



Summary

IG is positioned to deliver continuing growth

- Continued growth in active client numbers
- Competitive position is strong
  - Investment in technology is a key competitive differentiator
  - Marketing re-focus on the recruitment of high value clients
- Good start to the new financial year

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Appendices

Appendix 1: Client retention

Client retention levels consistent excluding extreme trading conditions

Client retention rates by year and half year trend FY07 – FY11 [1]

Total IG Financial clients excl Japan	FY07	FY08	FY09	FY10	FY11
New accounts	23,785	42,693	61,538	63,757	60,631
Conversion rate	66%	68%	72%	73%	74%
First bets	15,809	29,211	44,291	46,612	44,803
Total active clients	34,483	56,291	88,336	103,338	117,252
Clients retained from prior year	18,674	27,080	44,045	56,726	72,449
retention rate	76%	79%	78%	64%	70%

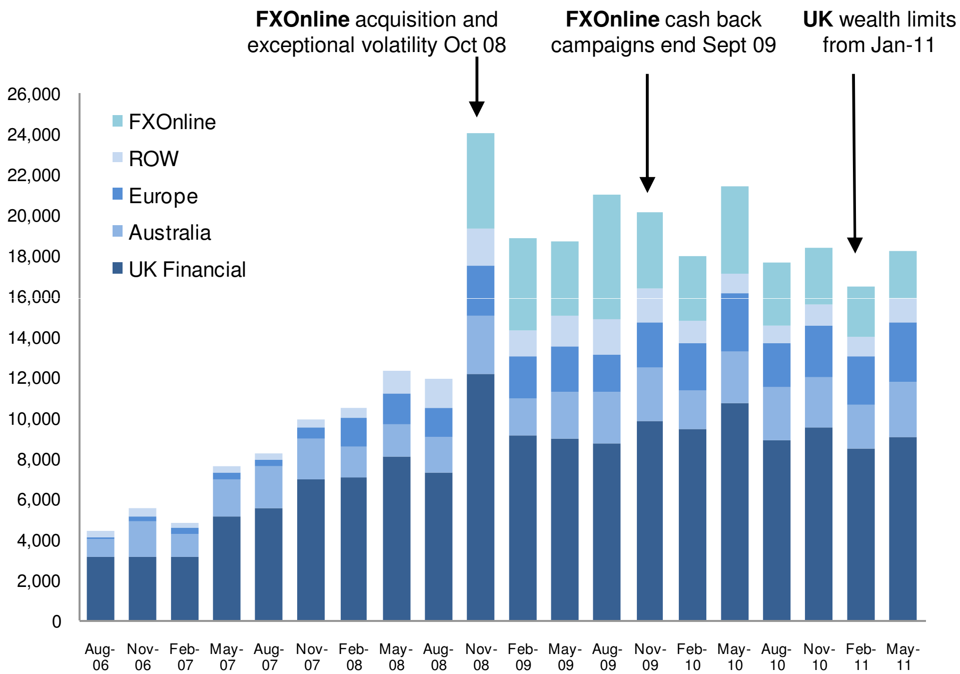
Total IG Financial clients excl Japan	FY07		FY08		FY09		FY10		FY11	
	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2
New accounts	10,648	13,137	19,012	23,681	31,916	29,622	31,655	32,102	30,338	30,293
Conversion rate	**66%**	**67%**	**70%**	**67%**	**70%**	**75%**	**73%**	**73%**	**75%**	**73%**
First bets	7,063	8,746	13,378	15,833	22,194	22,097	23,064	23,548	22,686	22,117
Total active clients	21,204	25,780	35,921	41,341	57,517	63,954	73,365	81,738	86,024	90,954
Clients retained from prior half year	**14,141**	**17,034**	**22,543**	**25,508**	**35,323**	**41,857**	**50,301**	**58,190**	**63,338**	**68,837**
retention rate	**73%**	**80%**	**87%**	**71%**	**85%**	**73%**	**79%**	**79%**	**77%**	**80%**

(1) *% of those clients who traded in the previous half year period and then in the subsequent six months*

Appendix 2: Client recruitment

Focus on higher quality clients reduces account opening levels

Quarterly account opening



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- Introducer partners retain a key role
  - Over 370 partners
  - Focus on quality clients

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(1) *Excluding Japan*

Appendix 3: Trading revenue per client – financial only

Half-year analysis FY06 – FY11[1]

Turnover (£m)	**H106**	**H206**	**H107**	**H207**	**H108**	**H208**	**H109**	**H209**	**H110**	**H210**	**H111**	**H211**
UK SB	24.0	31.6	33.6	36.6	48.0	56.2	63.4	54.6	55.8	55.1	56.2	61.5
UK CFD	6.6	8.7	10.7	15.2	17.6	16.0	16.9	15.6	24.1	27.6	26.7	22.8
UK Total	30.7	40.3	44.3	51.9	65.6	72.2	80.4	70.2	79.9	82.7	82.9	84.3
Australia	3.5	5.4	4.8	6.5	11.1	13.9	13.4	14.5	22.2	23.5	22.9	24.7
Europe	0.1	0.3	0.3	1.2	1.9	5.4	13.3	16.9	21.7	25.7	26.7	30.8
Japan	0.0	0.0	0.0	0.0	0.0	0.0	10.2	17.8	10.9	13.0	11.1	9.5
ROW	0.0	0.0	0.2	0.6	0.9	1.5	5.1	6.7	6.0	7.0	9.4	10.5

Number of Clients	**H106**	**H206**	**H107**	**H207**	**H108**	**H208**	**H109**	**H209**	**H110**	**H210**	**H111**	**H211**
UK SB	11,908	14,322	13,767	15,273	20,487	24,082	32,593	34,251	36,554	40,140	41,935	43,743
UK CFD	1,456	2,348	3,033	4,238	5,996	5,713	7,310	8,252	9,877	10,809	10,841	10,452
Australia	1,977	2,475	3,673	4,960	6,808	7,118	9,054	9,960	12,474	13,445	14,061	14,590
Europe	148	278	427	764	1,607	3,035	5,436	7,249	8,792	11,292	12,428	14,568
Japan							15,064	16,253	12,441	10,978	12,211	12,267
ROW		29	304	545	1,023	1,393	3,124	4,242	5,668	6,052	6,759	7,601

Income per Client (£)	**H106**	**H206**	**H107**	**H207**	**H108**	**H208**	**H109**	**H209**	**H110**	**H210**	**H111**	**H112**
UK SB	2,019	2,206	2,443	2,398	2,344	2,335	1,947	1,594	1,528	1,372	1,340	1,405
UK CFD	4,564	3,695	3,519	3,595	2,929	2,796	2,317	1,889	2,436	2,553	2,462	2,182
Australia	1,781	2,178	1,313	1,310	1,636	1,952	1,484	1,457	1,780	1,745	1,627	1,695
Europe	783	1,176	760	1,530	1,162	1,790	2,438	2,334	2,472	2,276	2,149	2,111
Japan							675	1,092	879	1,185	911	773
ROW		392	772	1,051	842	1,084	1,621	1,574	1,063	1,159	1,391	1,378

(1) *Clients trading in a six month period*