



10 March 2011

IG GROUP HOLDINGS PLC
Interim Management Statement

IG Group Holdings plc (“IG” or the “Group”) today issues the following Interim Management Statement in relation to the period from 1 December 2010 to 9 March 2011. Unless otherwise stated, trends and figures highlighted below refer to the three months ended 28 February 2011 and the corresponding period last year.

Financial update

Group revenue for the quarter was approximately £76m compared to £69m in the corresponding quarter in the prior year, an increase of approximately 10%. This growth was driven by growth in active client numbers, with only a fractional increase in revenue per client. Volatility through the last quarter was generally low and was particularly subdued in December and for much of February, but increased noticeably towards the end of February.

The Group’s UK financial business achieved revenue of £39.9m, compared to £37.2m in the corresponding period in the prior year, an increase of 7%, driven by similar growth in client numbers. The revenue figure of £37.2m for the corresponding period last year included £0.5m in respect of the Group’s South African white label partner, Ideal CFDs. In September 2010 the Group acquired the business of Ideal CFDs and established its own offices in South Africa. As a consequence, revenue from South African clients is included in “rest of world” rather than UK for the current period. On a like for like basis, excluding Ideal CFDs from the comparative, UK revenue growth was 9%.

The Group’s Australian business achieved a 6% increase in the number of active clients, but revenue declined 3% from £10.7m to £10.4m.

Active client numbers across the Group’s European offices grew by 33% and revenue increased by 18% from £12.1m to £14.2m. In Germany, which is the longest established of the Group’s European offices, a small increase in revenue per client helped drive 46% revenue growth. In a number of the European markets client activity levels fell extremely sharply in December, but recovered well in January and February.

Revenue from the Group’s Japanese office was £4.5m, down from £5m, a reduction of 11%. This reduction was driven by falls in both revenue per client and number of active clients, in both cases attributable to local leverage restrictions introduced in August 2010 and January 2011.

The Group’s Singapore office achieved revenue of £3.8m, up from £2.6m the prior year, an increase of 46%. This growth was driven by a 57% growth in revenue per client, offset by a small decline in active client numbers. These changes were the result of a shift in strategy, focused on recruiting smaller numbers of better quality clients, which has had the effect of increasing average revenue per client to be much closer to the Group average.

Revenue for the rest of the world was £1.1m, up from £0.3m, however as noted above the comparator figure does not include any revenue for South Africa. Adjusting for this, growth was 38%.

The Group's Sports business achieved revenue of £2.0m, up from £1.3m in the prior year, a 52% increase.

During the period, as previously announced, the Group suffered an additional unexpected levy from the Financial Services Compensation Scheme of £4m. This levy also applied to all of the Group's UK competitors and to a wide range of other businesses including financial advisors and fund managers. Apart from this levy, the Group's costs are in line with management expectations.

Business developments

The Group's plans to open an office in Amsterdam are well advanced and this office should open during the final quarter of the financial year.

PFGBEST, the first independent broker to become a member of Nadex, the Group's US exchange business, is well advanced in integrating its systems to Nadex and is also expected to go live during the final quarter of the financial year. They have already begun to run "teaser" advertising, ahead of the launch.

Current trading and outlook

The Group faces challenging comparatives in the final quarter of the year. In particular May 2010, which remains the Group's record month for revenue, saw very high levels of volatility, both due to the "flash crash" and the emerging sovereign debt crisis in Europe.

The recent and continuing uncertainty in the Middle East has driven higher levels of market volatility and thus higher levels of client activity than seen for much of the period.

Despite muted volatility levels for much of the period the Group has continued to achieve good growth in its active client base. This, combined with its market and technology leadership and continued investment in the business, leave the Group well placed to deliver further long-term profitable growth.

There will be a conference call today for analysts and investors at 8.30am (UK time).

The dial-in for the conference call is +44 (0)20 7138 0821 with the passcode 5854521. A replay of the call will be available until 17 March 2011 with the dial-in +44 (0)20 7111 1244 and the passcode 5854521#.

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References in this statement to revenue are to trading revenue, being total revenue less interest income on client money.

References in this statement to active clients are to the number of clients trading during the quarter and references to average revenue per client are to revenue for the quarter divided by the number of active clients