



10 March 2010

IG GROUP HOLDINGS PLC
Interim Management Statement

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

Group revenue for the quarter was approximately £69m compared to £62m in the corresponding quarter in the prior year, an increase of approximately 11% (10% on a constant currency basis). Together, the Group’s UK, Australian, European and Singaporean financial businesses, which comprised 90% of Group revenues in the period, grew at 29% (26% on a constant currency basis). Operating costs are in line with management expectations.

This revenue growth was achieved against a backdrop of significantly reduced volatility in both equity and forex markets. The strong equity market rally, which helped stimulate client activity through much of 2009, showed signs of weakness in the first two months of 2010.

The Group’s UK financial business achieved revenue of £37.2m, compared to £31.4m in the corresponding period in the prior year, an increase of 18%. This growth was driven by continued growth in the number of clients dealing.

The Group’s Australian office continued to deliver strong growth with revenue increasing by 67% from £6.4m to £10.7m. This growth benefited from favourable exchange rate movements and was 34% on a constant currency basis.

The Group’s European offices achieved revenue of £12.1m, up from £7.9m, an increase of 52% (56% on a constant currency basis). All of the established European offices achieved good levels of growth, but growth was strongest in Germany and France.

The Group continues to achieve high levels of account opening in its financial businesses, which it considers a key lead indicator of future growth prospects. Excluding Japan, the Group’s financial businesses opened 14,900 accounts, compared to 14,300 in the corresponding quarter in the previous financial year. Account opening in the UK remains strong.

Revenue from the Group’s Japanese office was £5m, down 54% (50% on a constant currency basis) from £10.8m. The decline in this business reflects the loss of clients experienced in the Spring and Summer of 2009. There are signs that volumes and revenue are improving and revenue for February was the highest it has been since October. The Japanese business opened 3,200 accounts in the quarter, compared to 4,600 in the corresponding quarter of the prior year, reflecting a successful shift in focus to recruiting a smaller number of higher-value, more experienced clients as well as a reduction of marketing activity during this re-focusing. The business began to increase its marketing activity during February once this re-focusing was complete. Subsequent to the period end the Group’s white label arrangement with one of Japan’s largest online brokers went live.

The Group is still awaiting the change of regulatory designation for Nadex, the Group's CFTC regulated exchange, which will allow it to accept clients via intermediaries. Until this change of designation is granted, the Group is incurring minimal marketing expenditure in the US.

The Group remains in discussion with the South African Reserve Bank regarding the exchange control permissions needed for it to do business in South Africa and the scope of products that these permissions will allow the Group to offer to South African residents. The previously announced acquisition of the client list and business of Ideal CFD Financial Services (Pty) Limited ("Ideal") will not complete until these discussions are satisfactorily concluded. The existing white label arrangement with Ideal will remain in place until this time.

The Group continues to develop its offering in order to maintain or extend its competitive lead. One recent development has been connecting to a number of Multilateral Trading Facilities enabling both the Group and its clients to benefit from lower market spreads on equities.

It remains difficult to predict future trends in volatility or customer reaction to changing market and economic conditions. Strong account opening and the continued development of the Group's offering leave the Group well positioned for further growth.

There will be a conference call today for analysts and investors at 8.30am (UK time). The call can be accessed by dialling +44 (0)20 7138 0839 and using passcode 4210029. A replay of the conference call will be available for a period of 14 days after the event by dialling +44 (0)20 7111 1244 / +1 347 366 9565 and using passcode 4210029#.

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

About IG Group

IG Group Holdings plc is a world leader in financial derivatives trading, with several operating companies offering products to a retail and professional client base.

Expanding beyond its initial business in UK financial spread betting, IG Group has developed significant multinational operations with offerings in foreign exchange (forex), Contracts for Difference (CFDs) and sports betting. IG Group continues to innovate and grow. In the past few years it has introduced mobile dealing, new platform and charting features and a regulated retail-focused exchange in the US. Today, the IG Group of companies employs over 800 staff around the globe, helping more than 72,000 clients execute over two million transactions per month. IG Group is listed on the LSE with a market capitalisation of approx £1.5bn.

IG Group Companies

IG Index

IG Index is Britain's leading financial spread-betting firm, offering prices in a huge range of indices, currencies, commodities and options, as well as thousands of individual shares.

IG Markets

IG Markets is an international market-maker in financial derivatives - principally CFDs on shares and indices - as well as being a leading dealer in margined forex.

extrabet.com

extrabet.com offers sports spread betting, sports and financial fixed-odds betting, sports and financial binary betting, as well as a casino from a single account.

FXOnline Japan

FXOnline is market-leading Japanese forex service. It was the first to offer commission-free trading on forex in Japan, and in 2009 introduced a wide range of CFDs on shares, indices and more.

Nadex

The North American Derivatives Exchange was launched in June 2009, becoming the first regulated, retail-focussed exchange of its kind in the US. Nadex provides a direct access platform for users to trade contracts on a wide range of markets.