



5 December 2007

Pre-close Trading Update

IG Group Holdings plc (“IG” or “the Group”) issues the following trading update relating to the six-month period ended 30 November 2007.

Trading throughout the period has been very strong, benefiting from high levels of market volatility and increased client recruitment across the Group's financial business. The Board expects to report revenue of around £85m for the six-month period ended 30 November 2007 (2006: £55.7m), representing an increase of approximately 53%.

The Group's financials business is expected to show growth in excess of 58% and has experienced record levels of transactions and new account openings throughout the period. Both the Group's spread betting operation, which deals primarily with UK-based clients and the Group's CFD operation, which deals with clients worldwide, continue to contribute to this growth.

The Group's client education programme, TradeSense, which was launched in the UK earlier this year has been rolled out across the Group's Australian and European offices. PureDeal, the Group's new browser-based dealing platform, is now available on all of the Group's regulated English-language financial websites worldwide, and is in the process of being rolled out across the Group's European websites this month. The Group continues to enhance the functionality of all of its dealing platforms.

The Group's Australian operation has achieved good levels of growth with revenue expected to be more than double that of the corresponding period in the prior year. The Group's more recently established Singapore and German offices and its Italian desk based in London are all demonstrating good levels of client recruitment and income growth, albeit from a low base: these operations accounted for 22% of new CFD accounts in the second quarter.

The Group continues to invest significantly in future growth opportunities. This includes pursuing its strategy of geographic expansion, with offices being opened in Madrid and Paris during November. In addition, the Group recently announced plans to access retail customers in the US through the acquisition of HedgeStreet Inc, which is licensed to operate an exchange for binary options trading, and the activation of IG Markets Inc, its existing regulated US subsidiary which is licensed to offer forex. While these initiatives are at a very early stage, they present exciting opportunities in new markets. The Group continues to research additional markets in order to further extend its geographic reach.

While EBITDA* margin for the period will exceed that recorded in the corresponding period last year, demonstrating the operational leverage of the business, the positive impact is limited by the higher level of betting duty flowing from volatile market conditions.

As noted at the time of the Group's first Interim Management Statement in September, the Group's financial business has benefited from high levels of market volatility which is a key driver of client activity. While it remains difficult to predict future trends in volatility or customer reaction to any change in market conditions, IG is well positioned for further growth. Current trading remains strong and the Board remains confident of the Group's prospects for the full year.

* EBITDA represents earnings before exceptional administrative costs, depreciation, amortisation charges, taxation, interest payable on debt and interest receivable on corporate cash balances and includes interest receivable on clients' money net of interest payable to clients.

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