



9 December 2010

IG GROUP HOLDINGS PLC
Pre-close Trading Update

IG Group Holdings plc (“IG or the “Group”) issues the following trading update relating to the six months ended 30 November 2010.

The Group expects to report revenue of around £157m (2010: £143.8m) for the first half, an increase of 9% over the prior year. Costs were in line with management expectations.

Revenue from the Group’s UK financial business grew by 4% to £83m (2010: £79.9m). The Group’s Australian business achieved revenue of £23m (2010: £22.2m). Both of these businesses continue to deliver strong account openings and the number of clients trading compared to one year ago grew by 14% and 13% respectively. Recent independent market research indicates that over the last year IG has extended its market lead in both countries.

The Group’s offices in mainland Europe achieved revenue of £27m (2010: £21.7m) an increase of 24%. All of the European offices delivered growth, but Germany continues to be the fastest growing of these offices, achieving revenue growth of 56%.

The Group’s Singapore office also delivered growth in excess of 50%, with revenue of nearly £8m (2010: £5.0m).

The Group’s Japanese office achieved revenue of £11m (2010: £10.9m). As anticipated, the first of several regulatory restrictions on leverage which came into force at the beginning of August 2010 had an adverse impact on client activity levels and revenue and since 1 August the average monthly run-rate of revenue has been £1.5m. However, 27% of this revenue has been from equity indices and it is expected that this revenue will be very significantly reduced with the introduction of stringent leverage restrictions on equity indices on 1 January 2011. In view of the adverse impact that these regulatory changes are expected to have on the future revenues from this business the Group intends to carry out an impairment review of the carrying value of its goodwill and other intangibles relating to its Japanese business prior to the announcement of interim results in January.

The Group’s US businesses achieved revenue of £0.8m (2010: £1.0m). The slight decline reflects the introduction of leverage limits and other regulatory changes during October which have had an adverse impact on the Group’s OTC forex business. These changes are, however, considered to be beneficial to the long term prospects of Nadex, the Group’s CFTC regulated exchange.

The Group’s sport business, extrabet.com, achieved revenue of £3.7m (2010: £3.0m), an increase of 23%, benefiting from the football World Cup.

Business developments

On 1 September 2010 the Group completed the acquisition of the business and client list of Ideal CFDs in South Africa. That business has been successfully migrated to the IG Markets brand and is making good progress. Revenue for the three months since the acquisition was £0.9m, in line with management expectations.

PFGBEST, a substantial US retail broker offering futures, forex and options, has become a member of Nadex and is currently undertaking the integration work necessary to connect its systems to Nadex. It is anticipated that PFGBEST will begin offering its clients access to Nadex during the first quarter of 2011.

During the period the Group launched an iPhone App for its UK spread betting business and the early uptake has been encouraging. A CFD version of this App will be launched in the UK later this month and in IG's other markets early in 2011. The Group is also developing applications for a number of other mobile platforms.

These results have been achieved against a backdrop of strong trading comparatives, low levels of volatility and subdued underlying market volumes, particularly between Mid-July and the start of November. The Group continues to achieve double digit growth in its active client base in its more established UK and Australian markets and much higher levels of growth in its mainland European client base, driven by continuing strong client recruitment.

IG is the market leader in the majority of the countries in which it operates and over the last year it has extended its lead in its two largest markets. This, together with continuing investment in its businesses, brand and technology, leave the Group well positioned for further growth.

The results for the six months to 30 November 2010 will be announced on Tuesday 18 January 2011. There will be a presentation for analysts at 9.30am (UK time) at IG's offices: Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2YA. Analysts wishing to attend the presentation should contact Justine Cording at justine.cording@fd.com or on +44 (0) 20 7269 7265.

Today there will be a conference call for analysts and investors at 8.30am (UK time). The call can be accessed by dialling +44 (0)20 7138 0825 and using passcode 3380254. 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 and using passcode 3380254#.

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