



22 March 2016

IG GROUP HOLDINGS PLC
Third Quarter Trading Update

IG Group (“IG”, “the Company”), a global leader in online trading, today issues the following Trading Update for the three months to 29 February 2016, the third quarter of its 2016 financial year. The trends and figures highlighted below refer to this period and the corresponding period last year, with last year quoted before the impact of the Swiss franc depeg to provide a better assessment of year-on-year performance.

Revenue in the third quarter reached a new record level of £122.0 million, 18% ahead of the same period in the prior year, and around 9% ahead of the second quarter of the 2015 financial year, the previous highest quarter. A constant flow of macro-economic news created reasonable levels of volatility in financial markets throughout the period, providing clients with a wide range of trading opportunities.

Revenue and key performance indicators by region are as follows:

Geographical Revenue	Q3 Revenue			KPIs	
	FY16	FY15	%	Change in Active clients	Change in Revenue per client
	£m	£m	Change		
UK & Ireland	62.7	55.4	13%	6.1%	6.7%
Europe	25.7	20.8	24%	21%	2.4%
Australia	17.3	15.0	16%	7.8%	7.5%
Rest of World	16.3	12.4	31%	16%	13%
Total	122.0	103.6	18%	11%	5.7%

Note: Revenue has been rounded to one decimal place. All percentage movements in the table above have been calculated using the unrounded data and movements of 10% or more have been rounded to the nearest percentage point.

Active client numbers and client first trades, the best proxy for new clients, reached new highs for the Group, due to both a conducive market backdrop and ongoing improvements to our online marketing capability. Active client numbers were ahead of the same quarter in the prior year by 11% and ahead of the second quarter of this year by almost 10%, and client first trades were 26% ahead of the prior year period and 17% ahead of the second quarter of this year. At a geographic level, revenue was well ahead in all regions, driven by growth in both active client numbers and average revenue per client. Average revenue per client is now broadly flat year-to-date in all regions except rest of World, where it is around 6% ahead.

Against this backdrop of strong client trading, the betting duty charge in the UK continues to run in line with the first half of the year, and above more historic levels.

Last week’s UK Budget announcements included proposed revisions to the definition of excluded entities for the purposes of the Bank Corporation Tax Surcharge. The description of the proposed revisions suggests that the Surcharge will not apply to the Company. The final legislation is expected to pass into law later in the year.

Looking Forward

It is impossible to predict the market conditions for the rest of this year, but IG enters the fourth quarter in a strong position, with good execution across the business and healthy new client inflow. Although operating costs continue to run in line with guidance, discretionary remuneration and online marketing spend will flex around the performance in the fourth quarter and the ultimate full year revenue outturn.

In France, as previously disclosed, regulatory discussions continue around possible restrictions on direct marketing of OTC derivative products. Year-to-date, less than 5% of the Group's new clients have been resident in France. IG recruits clients in France via many channels, some of which would likely be impacted by any direct marketing restrictions. IG will be better placed to assess any impact here, and how best to address this market going forward, once the situation is clarified later this year.

Importantly, looking beyond this year, IG has a very clear strategy to deliver future growth in revenue and earnings and continues to make good progress on initiatives which support it.

Today there will be a conference call for analysts and investors at 8.30am (UK time). The call can be accessed by dialling +44 20 3059 8125. The audio recording of the conference call will be archived for access at www.iggroup.com/investors along with a full transcript.

The next planned performance announcement from IG is a short pre-close trading update, currently scheduled for 31 May 2016.

For further information, please contact:

IG Group

Kieran McKinney

Head of Investor Relations 020 7573 0026

FTI Consulting

Neil Doyle / Ed Berry 020 3727 1141 / 1046

About IG

IG is a global leader in online trading, providing fast and flexible access to over 10,000 financial markets – including shares, indices, forex, commodities and binaries.

Established in 1974 as the world's first financial spread betting firm, IG's aim is to become the default choice for active traders globally. It is an award-winning multi-platform trading company, the world's No.1 provider of CFDs* and a global leader in forex, and it now offers an execution-only stockbroking service in the UK, Ireland, Germany, Austria and the Netherlands.

It is a member of the FTSE 250, with offices across Europe, Africa, Asia-Pacific, the Middle East and the US, where it offers limited risk derivatives contracts via the Nadex brand.

*Based on revenue excluding FX, from published financial statements, September 2015.

(1) References in this statement to "revenue" refer to net trading revenue, which is trading revenue excluding interest on segregated client funds and is net of introducing broker commissions.

(2) References in this statement to active clients are to the number of clients trading during the period referred to and references to average revenue per client are to revenue for the period referred to divided by the number of active clients in that period.