IG GROUP HOLDINGS PLC

Preliminary results for the year ended 31 May 2015
21 July 2015

IG Group Holdings plc ("IG" or "the Group") today announces results for the year ended 31 May 2015.

Operating and financial summary

- Good growth in revenue[(1)]; underlying[(2)] up 8% at £400.2 million; reported up 4.9% at £388.4 million
- Reported results impacted by Swiss franc event in January 2015
- Higher operating costs reflect significant investment in future growth
- Underlying[(2)] profit before tax down 0.9% to £193.2 million; reported profit before tax down 13%
- Underlying[(2)] diluted EPS up 2.1%; reported EPS down 10.5%
- Full year dividend maintained at 28.15p; final dividend of 19.70p
- Active client growth across all regions
- Execution-only stockbroking service launched in the UK, Ireland and the Netherlands
    - Extended into Germany and Austria in July 2015
- Swiss office progressing well since launch in October 2014; Dubai office opened in June 2015
- Signed partnership agreement with BlackRock to market ETF-based portfolios
- Tim Howkins, CEO, to retire at the AGM in October 2015

Tim Howkins, Chief Executive, commented:

"2015 was another year of good progress on our strategic initiatives, coupled with a solid underlying set of financial results. As part of our product and geographic diversification strategy, we launched our execution-only stockbroking product in the UK, Ireland and the Netherlands and extended it into Germany and Austria after year end. We also successfully acquired licences and opened offices in Switzerland and Dubai.

IG celebrated its 40th anniversary in November; this longevity is based around putting clients first and the commitment of our dedicated employees across the world. I believe that the strategy we are pursuing will broaden the appeal of IG further and deliver growth into the future."

Financial summary

For the year ended 31 May	Reported 2015	Underlying[(2)] 2015	Restated[(3)] 2014
Net trading revenue (£m)	388.4	400.2	370.4
Profit before taxation (£m)	169.5	193.2	194.9
Profit after taxation (£m)	131.9	150.7	147.2
Diluted earnings per share (pence)	35.99	41.07	40.22

(1) All references to 'revenue' in this statement are made with regards to net trading revenue. Net trading revenue is trading revenue excluding interest on segregated client funds and is presented net of introducing partner commissions.

(2) The term 'underlying' reflects the results before the impact of the Swiss franc event (refer to note 2 of this preliminary statement).

(3) As outlined in the interim consolidated financial statements for the six months ended 30 November 2014, the statutory result for the comparative period has been restated to reflect the change in timing of recognition of the FSCS levy.

All current financial results listed are for the year ended 31 May 2015. All general references to 'the prior period', 'the prior year', and 'last year' mean the year ended 31 May 2014, unless otherwise specified.

Further information

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Analyst presentation

There will be an investor and analyst presentation on the results at 9:30am (UK Time) on Tuesday 21 July 2015 at IG Group, Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2YA. The presentation will also be accessible live via audio webcast at www.iggroup.com and via a conference call on the following number:

All locations: +44 20 3059 8125

A replay of the conference call is available for a period of seven days on the following dial-in:

All locations: + 44 121 260 4861 with the passcode 1101640#

The audio webcast of the presentation and a transcript will also be archived at: www.iggroup.com/investors

Forward-looking statements

This preliminary statement, prepared by IG Group Holdings plc (the "Company"), may contain forward-looking statements about the Company. Forward-looking statements involve uncertainties because they relate to events, and depend on circumstances, that will, or may, occur in the future. If the assumptions on which the Company bases its forward-looking statements change, actual results may differ from those expressed in such statements. Forward-looking statements speak only as of the date they are made and the Company undertakes no obligation to update these forward-looking statements. Nothing in this statement should be construed as a profit forecast.

All market share data has been provided by Investment Trends Limited

- Investment Trends UK Leveraged Trading Report (report released October 2014)
- Investment Trends Australia CFD Report (report released September 2014)
- Investment Trends Singapore CFD and FX Report (report released November 2014)
- Investment Trends Germany CFD and FX Report (report released June 2015)
- Investment Trends France CFD and FX Report (report released July 2015)

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 already an award-winning multi-platform trading company, the world's No.1 provider of CFDs* and a global leader in forex, and it launched an execution-only stockbroking service in the UK, Ireland and the Netherlands during the year.

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

*based on revenue excluding FX, published financial statements, July 2014.

Chairman's Statement

This is my first opportunity to address shareholders directly since I was elected chairman of IG in October 2014. I am delighted to present the results for the 2015 financial year. It was another record year for revenue, with net trading revenue ahead by 4.9% at £388.4 million (2014: £370.4 million). This was after the impact of the extreme event involving the Swiss franc in January, which I discuss in more detail below; excluding this incident, on an underlying basis, revenue was ahead by 8.0% at £400.2 million. Underlying profit before tax was down slightly on the prior year as a result of ongoing investment, as set out in the Chief Executive's statement. Diluted earnings per share was down by 10.5% at 35.99 pence (2014: 40.22 pence); on an underlying basis it was ahead by 2.1% at 41.07 pence.

In January the Swiss National Bank announced, without notice, that it was ceasing intervention in the franc exchange rate. This caused an unprecedented appreciation in the value of the franc, creating turmoil in the foreign exchange markets and drastically reducing global liquidity in this G10 currency. This was a salutary reminder, for both industry providers and existing clients, of the potential risks and rewards of trading in the financial markets. At IG we take very seriously our regulatory and consumer responsibilities on appropriateness tests for prospective clients. This incident underlines the need for regulators to ensure that regulatory standards are applied robustly and consistently across the industry.

The Swiss franc event provided a sudden real-world stress test for our technology, our risk management procedures and our balance sheet capacity. Although the resultant negative impact of £27 million, net of recoveries, was significant and disappointing, IG clearly demonstrated its ability to manage through such a so-called 'Black Swan' event while maintaining a robust business that delivers strong cash flows. Following this, we have reviewed our robust risk management system and learned lessons that we are applying to provide even greater protection for our business and our clients.

Over the past few years IG has set out a clear vision of what it wants to achieve. Our aim is to become the default choice for active traders globally. We constantly engage with our clients and carefully consider competitive and regulatory developments. We continue to see the opportunity to innovate and take an increasing share of a growing global market. To achieve this, we are building on our award-winning technology suite, broadening the range of products we offer to appeal to sophisticated investors, expanding into further geographic regions and fundamentally improving our mobile and online marketing capability. This year we achieved a major milestone in IG's development with the launch of an execution-only stockbroking service in the UK. Towards the end of the year, we launched this service in the Netherlands as we commence the international roll-out. Stockbroking, and its link to IG's existing products, has the potential to underpin the future growth of our business. We will use technology to bring a revolution to a very traditional market through real-time tradeable prices, direct market access, market-leading foreign shares commission rates and a full suite of mobile trading platforms. This will allow IG to appeal to a much bigger global audience, providing an attractive business opportunity in its own right as well as broadening the understanding and take-up of our core leveraged trading products.

The retirement of Tim Howkins

After a long and extremely successful career at IG, as both CFO and CEO, Tim Howkins has informed the Board of his intention to retire. Tim's career at IG has spanned 16 years and he has been part of and led extremely dedicated teams which have built IG from a single office in London to the global leader it is today. Although I have only had the pleasure of working with Tim for the last year, I would like to express my personal gratitude and I'm sure I speak for the all employees at IG, past and present, in wishing him every success in the future. The Board is disappointed to lose somebody with Tim's proven leadership skills but fully understands his decision.

The Board has commenced a thorough search and selection process for a successor. Tim will step down as CEO and as a director at the AGM in October and Peter Hetherington, currently Chief Operating Officer, will assume the role of Interim Chief Executive, subject to regulatory approval. Peter has been a Board member since 2002 and has been integral to the successful development of the company. I am pleased to report that Peter has confirmed that he would like to enter the selection process for the permanent CEO role.

Dividend

IG remains highly cash-generative and we have sought to reflect this in the direct cash returns to shareholders. Last year your Board raised the Ordinary dividend payout ratio to approximately 70%. Although statutory earnings this year are behind due to the impact of the Swiss franc incident, both our business and the market opportunity remain strong. In line with our progressive dividend policy, the Board made clear at the time of the first half results in January our intention to hold the full year dividend flat on 2014 at 28.15 pence, and so the Board is recommending a final dividend of 19.70 pence.

Board

There have been a number of changes to the Board this year. I was delighted to be elected to lead your Board as Chairman of IG in October 2014. My arrival was of course accompanied by the departure of Jonathan Davie, who had been Chairman of the Board since before the public listing of IG in 2005. Although I didn't work alongside Jonathan for very long, his record speaks for itself. His guidance over the years assisted the Executive team to grow IG into the global leadership position it holds today. I would like to express the gratitude of the Board and the broader IG community for his wise counsel over the years and wish him every success in the future.

Last year's AGM also saw the departure of Martin Jackson. Jonathan addressed Martin's contribution very eloquently in his statement last year. Martin was replaced as Chairman of the Audit Committee by Jim Newman.

During 2014 Roger Yates, our Senior Independent Non-Executive Director and Chairman of the Remuneration Committee, confirmed his intention to stand down from the Board after nine years. We are currently carrying out a search process for his successor, with the intention of conducting a smooth handover before Roger departs at the AGM in October. We are also seeking an additional non-executive director with digital experience.

Following these changes, your Board continues to comply with provision B.1.2 of the 2012 UK Corporate Governance Code ('the Code').

Your Board is committed to continually reviewing its performance and effectiveness and to ensuring its governance remains of the very highest standards. To enable a substantially refreshed Board to take a thorough view of our performance and any changes that may be required, we have embarked on a multi-year external Board evaluation process. This year we conducted a questionnaire-based analysis which will be followed up with face to face interviews with Board members next year. The results were reviewed by the Board, along with the actions from last year's internal review. The introduction of the Board Risk Committee has allowed the Board to increase the time spent on strategic and operational matters.

IG's people

I want to express the Board's great appreciation for the efforts this year of our entire employee base. In my first year with IG, I have been struck by the dedication, talent and hard work I have witnessed from IG people. Our people remain our greatest asset and I want to thank them for their commitment.

Looking forward

We have broadened our horizons to bring our offering to a much wider audience through both product and geographic expansion. Our new offices in Switzerland and Dubai are in the very early stages of growth but I am encouraged by the initial signs. Importantly, they both provide clear evidence of the ability of the IG team to deliver in challenging environments and demonstrate our adaptability and desire to continue growing the business. We have commenced the international rollout of our stockbroking offering and over the next year I expect us to expand this into more of our current markets. We are investing significant time and effort into improving a number of our business processes, particularly in the sales, marketing and client- onboarding areas. This includes work on our mobile app strategy and driving value from our investment in generic top-level domains (gTLDs). We recognise the need to evolve rapidly in response to the increasing importance of the internet and mobile devices as the key client interfaces.

In summary, 2015 was a solid year, both financially and strategically, but we are not resting on our laurels. We are clear about our agenda and the team is energised to deliver growth and profitability for the future.

Andy Green, Chairman

21 July 2015

Chief Executive Officer's Report

2015 was another year of good progress on our strategic initiatives, coupled with a solid underlying set of financial results.

Underlying revenue, before the impact of the Swiss franc event in January – the detail of which I discuss later - was £400.2 million, up 8.0% from £370.4 million in the prior year. Underlying profit before tax was down by 0.9% at £193.2 million, with operating costs increasing to support the future growth of the business. Underlying diluted earnings per share was up by 2.1% to 41.07 pence, benefitting from a fall in the Group's effective tax rate. On a statutory basis, profit before tax was down by 13% and earnings per share was down by 10.5%. The Group continues to invest to drive future growth. This year, this is reflected in the £27.3 million increase in underlying administrative expenses which includes the infrastructure and additional marketing to support the core business and various initiatives, including the expansion into Switzerland and Dubai, the roll-out of execution-only stockbroking and investments in mobile and web-based technology.

Trading performance

We achieved double digit underlying revenue growth in the UK, Australia and Rest of World, which together comprise 80% of our revenues. This growth was driven by the combination of higher active client numbers and higher average revenue per client in the UK and Australia, and strong client growth in Rest of World. However, this was partially offset by a 1.5% fall in European revenue.

While Europe continues to see good growth in active client numbers, which were up 14.3%, this was more than offset by a fall in revenue per client and as a result revenue was slightly down. A number of factors have contributed to the fall in revenue per client: just over a third of this movement was caused by the weakness in the exchange rate of the euro against sterling; overnight funding revenue has fallen as clients have held fewer positions overnight; although the number of trades per client increased significantly, this was more than offset by a drop in the overall average trade size, reflecting a movement towards smaller size contracts; and through the second half, we also saw a widening of spreads in the underlying DAX futures contract, which increased the cost of hedging in what is the most popular traded product across our European business

We saw notable growth in our US business, Nadex, which accelerated as the year progressed. Revenue was up 68% year-on-year and growth was strongest in the final quarter of the year, when revenue was more than double the same quarter of the prior year. This growth was driven by a number of factors including the introduction of a second market maker a little over a year ago, on-going improvements to our marketing efficiency and various other operational enhancements, including the relocation of our IT infrastructure. Following this marked improvement in the growth rate of Nadex, in the final months of the year we increased our US marketing expenditure to take advantage of the improving return on investment that it was yielding.

Impact of the Swiss franc event

All of the above revenue figures and growth rates are stated before the impact of the Swiss franc de-peg on 15th January, which reduced revenue by £12 million and increased the bad debt charge by £15 million (net of recoveries). This was a market event of unprecedented proportions, with a major currency moving over 30% in a matter of minutes. We have spent considerable time reflecting on the lessons we can learn from this, and will continue to do so. Our first change is to introduce more extreme scenarios into our stress-testing and scenario planning and we are considering carefully the risk/reward ratio on all aspects of our business.

Of the 342 clients who initially owed us money as a result of the Swiss franc move, less than 100 remain outstanding. We recognise that the scale of the move was beyond anyone's expectations and we are being sympathetic to debtors' ability to pay, accepting less than the full amount of the debt where this is justified by the financial circumstances of the individual. Unfortunately a few clients, whom we believe to be financially sophisticated, with the means to pay their debts, have used social and more traditional media to generate adverse publicity for IG in an attempt, we believe, to avoid taking responsibility for their debts. We continue to encourage any remaining affected clients to make contact so that their individual circumstances can be taken into account in settling their account balance. We have provided a full reconciliation between the statutory numbers and those on an underlying basis, adjusting for the impact of this extreme event, in note 2(a) of this preliminary statement.

The Swiss franc event had an immediate impact on some providers in our industry around the globe, which either went into insolvency or had to re-finance to rebuild their balance sheets. At least one major hedging counterparty has withdrawn from the market, and we believe others are re-assessing who they want to do business with in future. I think it inevitable that the smaller players in our industry will find hedging relationships become harder and more expensive to secure. This may result in some consolidation across the industry or more industry players adopting a model that involves little or no hedging. The latter is unlikely to result in good consumer outcomes over the long run.

Geographic expansion

In October we opened our office in Switzerland, having obtained a Swiss Banking licence that was necessary for us to do business there. This operation is performing according to our expectations and in line with the early growth rates we have seen in other European markets. Shortly after the year end we received our licence from the Dubai Financial Services Authority (DFSA) and opened for business in the Dubai International Financial Centre. To maximise effectiveness, the full marketing and PR launch of this business is planned for September, once the summer is over. Our licence from the DFSA is one of the first it has issued which enables the licence-holder to deal with retail clients; this opens up the market for IG to a much broader pool of potential clients than has previously been possible in Dubai.

The challenges in obtaining the types of licence which we have been granted in both Switzerland and Dubai are considerable and we were subject to detailed and prolonged scrutiny by both regulators. I am delighted that we have been able to obtain these licences. This is testament to our ongoing investment in people, systems and processes to ensure that we remain fully compliant with the ever-increasing regulatory burdens, both within our industry and on all financial businesses globally.

Subsequent to the year-end we obtained a representative office licence from the China Securities Regulatory Commission. This allows us to establish a small office in Shanghai, which will facilitate discussions with potential partners in China, but does not give us any right or ability to transact business in China. As I indicated in January this year, we continue to view China as an interesting future market for us, but one in which we anticipate that matters will develop slowly.

Product diversification

In September we launched our stockbroking service in the UK, and have been pleased with the progress to date. We continue to see good recruitment of new clients – roughly 65% of all funded stockbroking accounts are clients new to IG. Even more encouragingly, although the numbers will take some time to settle down, around 20% of those are going on to trade our existing leveraged products. Early indications are that the clients who start with stockbroking and move onto our other products are, on average, at least as valuable as those clients who do not start via stockbroking.

In March we began our international roll out of this service with the launch in the Netherlands. While this is one of our smaller offices, we were able to complete the development work necessary to launch here quickly because the tax regime there made this less complex. In July 2015, we launched stockbroking in Germany – with the offering also available to Austrian clients. We will continue with a targeted international rollout and expect to launch in most of our current countries over the coming years.

As well as extending our stockbroking offering internationally, as we continue our diversification strategy to appeal to a broader set of clients, we will also be seeking to increase its scope with the addition of innovative new products and services which we believe will extend the reach of our offering.

To this end, IG recently entered into an agreement with BlackRock, the largest ETF provider globally, which will facilitate IG constructing a range of ETF-based investment portfolios for our clients. The details of this new service are still being worked through and we do not expect it to be fully operational until 2016. However, it fits with IG’s strategy of broadening our offering to cater for sophisticated investors as well as active traders. At IG, we believe that portfolios composed of passive instruments such as ETFs have the potential to disrupt the investment management industry, as passive investing and ETFs become an integral part of investors’ portfolios. The new service will be delivered digitally and will leverage the capabilities of our existing stockbroking platform. We believe that this partnership with BlackRock can significantly broaden our reach beyond our existing client base and we consider it to be an exciting long-term opportunity.

Risk management optimisation

Over the last decade our hedging has become progressively more cautious relative to the scale of IG, as risk limits have remained relatively stable while client numbers, trading volumes and Group revenue have grown significantly. Following further development of our back-end risk management systems, we commenced an extremely detailed analysis of our indices risk limits market-by-market. Our initial conclusions led to us increasing certain of our risk limits, but more importantly, during the period we made our main regional and global equity limits dynamic. This involves increasing the risk limit for a market when it is open, most liquid or when we are seeing most client activity in that market, and reducing the limit approaching market closing, or when liquidity or activity levels are reduced. We expect this approach will enable us to reduce our hedging costs and thus on average increase the revenue that we make per unit of volume. We do not expect this approach to materially impact the very high correlation that our revenue has to client volume, which we recognise as an important element of the IG investment case.

Growing our active client base

Over the long run we expect that growth in our business will be driven primarily by increases in our active clients and that this in turn will be driven mainly by the rate of client recruitment. We have a number of initiatives in progress which we envisage will lead to improvements in the rate of client recruitment across all of our businesses globally.

Over the last year we have made significant improvements to our data-driven digital marketing capability, both in terms of personnel and technology. As we have done so we have been progressively optimising how and where we spend on digital marketing. We have greater confidence in our ability to track our marketing spend, to measure its effectiveness and to switch the focus rapidly to respond to opportunities. There is more work to be done to further optimise spending, but the initial results are encouraging and this contributed to the strong account opening we achieved throughout the second half of the year. The payback from digital marketing is good – on average a new trading client generates enough revenue to cover their marketing recruitment cost within their first three months. It therefore makes sense for us to continue to increase our marketing spend progressively, until we reach a point of diminishing returns from the incremental spending.

We are making ongoing incremental improvements to our “conversion funnel” – the journey which a client goes through from starting to complete our application form to funding their account and trading for the first time. These changes include implementing electronic ID verification in a number of additional countries and simplifying the process of capturing and uploading images of identity documents. By eliminating manual steps from the conversion funnel and making the process as streamlined as possible we expect to reduce the proportion of potential clients who drop out part way through the application process. In making these changes, we will not in any way compromise the high regulatory standards we apply during the account opening process.

We continue to develop multiple mobile applications to address different stages in the client journey. We are shortly releasing a new educational app, IG Academy on iPhone. The initial content of IG Academy comprises educational materials for prospective and new clients and it will act as a feeder into our suite of trading apps. Over time we intend to build the content of IG Academy to address the educational needs of clients with the full range of experience, everyone from newcomers to sophisticated traders wanting to learn advanced techniques.

Capitalising on top-level domains

As I have mentioned before we were successful in our application for seven generic top-level domains (gTLDs) which are directly relevant to our business. We made this investment to position our business for changes to the structure and usage of the internet and the drivers of search engine rankings, which we envisage will result from the recent significant expansion in the number of top-level domains. As a first step in exploiting these gTLDs we intend to build a significant number of specialised websites over the coming year. Some of these will be IG branded and be devoted to one aspect of our product set or service; for example IG.forex will be devoted to our extensive forex offering. Others will be more generic and concentrate on one segment of our audience or one aspect of consumer need; for example whatis.spreadbetting will provide generic education on financial spread betting. Each of these websites will have a tightly defined audience, subject matter and purpose as well as a highly relevant domain name. As a result, we expect that they will rank highly on search engines for topics relevant to the success of IG.

Alongside this, we will be encouraging third parties to buy licences for domain names on our gTLDs with the view that over time these gTLDs should become recognised as marks of authority and relevance and become synonymous with the products they represent. We have already made some early sales of domain name licences for .markets, the first of our gTLDs to go live. We do not view this as a business in its own right, but rather as a source of income which will partially offset the cost of developing our own websites using our gTLDs, aimed at increasing the level of client recruitment for our business. We currently expect the remaining gTLDs to go live during the first half of the current financial year.

We believe that all of the above initiatives, together with the ongoing development of our product offering will help to drive the recruitment, conversion and long-term retention of good quality clients. By successfully expanding our client base globally we can ensure the next phase of growth for IG.

My retirement

After 16 years at IG, seven as CFO and almost nine as CEO, I have informed the board of my intention to retire.

Firstly and mainly, I would like to thank all of IG's employees, past and present, for their hard work and dedication and for helping to make the last 16 years such an enjoyable and rewarding experience. I would also like to express my gratitude to the clients who have put their trust in IG over the years. I also want to thank the loyal shareholders who put their faith in IG and supported it with their investment.

During my time at IG I have seen our business transform, as we have grown revenues from £12 million to an underlying £400 million. In my time as CEO, we have grown earnings per share from 10.88 pence to an underlying 41.07 pence, and have gone from less than 10% of our revenue coming from outside the UK to now almost 50%. Our group now has offices in 20 countries and includes a US regulated exchange and a Swiss Bank. This has been a great team effort. I have been surrounded by an extremely talented senior management team, a number of whom have been with me throughout my tenure as CEO, and I have every confidence that this team will continue to drive the business forward with the same degree of success. I very much look forward to seeing the more recent initiatives we have started together come to fruition over the coming years.

Tim Howkins, Chief Executive Officer

21 July 2015

Operating and Financial Review

The Swiss franc de-pegging event in January, which has been discussed at length in this document, means that we address here both underlying numbers, excluding the impact of this event, and the statutory financial results. We consider the underlying results to give a clearer indication of the performance of the business through the period.

IG delivered record underlying[(1)] revenue[(2)] in the period of £400.2 million, 8.0% up on the prior year (2014: £370.4 million). Underlying profit before tax was £193.2 million, 0.9% behind the prior year (2014: £194.9 million) and underlying profit after tax was up by 2.4% at £150.7 million (2014: £147.2 million), with the prior year having been restated slightly upwards for an industry-wide change in the accounting treatment of the FSCS levy. Underlying diluted earnings per share was 41.07 pence, 2.1% ahead of the prior year (2014: 40.22 pence).

On a statutory basis, Group revenue was £388.4 million, 4.9% ahead of the prior year, with profit before tax of £169.5 million and profit after tax of £131.9 million. Statutory Group effective tax rate reduced to 22.2% from 24.5% in the prior year, as the fall in the UK corporation tax rate continued to feed through. Statutory diluted earnings per share was 35.99 pence, down 10.5% from the prior year (2014: 40.22 pence).

Overall, active client numbers for the year were ahead of the prior period by 7.9% at just over 136,000, while average revenue per client was flat at £2,937. Underlying revenue in the second half of the year was slightly ahead of the first half, with the first half marked by the difference between the two quarters; the first quarter was very subdued, while the second quarter was a record for the Group and contained the record month of October, when increased newsflow and a significant sell-off in financial markets produced more trading opportunities for clients. Revenue from forex trading increased through the year, returning to more normal levels, with evidence of more volatility in this asset type after a very quiet spell in 2014.

IG remains highly cash-generative and we have sought to reflect this in the direct cash returns to shareholders. Last year the Board raised the Ordinary dividend payout ratio to approximately 70%. Although statutory earnings this year are behind due to the impact of the Swiss franc incident, both the business and the market opportunity remain strong. In line with IG's progressive dividend policy, the Board made clear at the time of the first half results in January its intention to hold the full year dividend flat on 2014 at 28.15 pence, and so the Board is recommending a final dividend of 19.70 pence.

All following references to revenue are with respect to the underlying[(1)] revenue[(2)].

Underlying[(1)] revenue[(2)]:

	FY15		FY14		% change in revenue per client from FY14[(3)]
	Revenue £m	Clients 000s	Revenue £m	Clients 000s	
UK	211.9	60.4	192.7	59.3	8.0%
Europe	80.9	29.7	82.1	26.0	(14%)
Australia	59.2	18.7	52.2	18.0	9.3%
Rest of World	48.2	27.3	43.4	22.8	(7.3%)
Total	**400.2**	**136.1**	**370.4**	**126.1**	0.1%

Statutory revenue:

	FY15		FY14		% change in revenue per client from FY14[(3)]
	Revenue £m	Clients 000s	Revenue £m	Clients 000s	
UK	206.0	60.4	192.7	59.3	5.0%
Europe	76.9	29.7	82.1	26.0	(18%)
Australia	58.1	18.7	52.2	18.0	7.2%
Rest of World	47.4	27.3	43.4	22.8	(8.8%)
Total	**388.4**	**136.1**	**370.4**	**126.1**	(2.8)%

(1) The term 'underlying' reflects the results before the impact of the Swiss franc event (refer to note 2 of this preliminary statement).

(2) All references to 'revenue' in this statement are made with regards to net trading revenue. Net trading revenue is trading revenue excluding interest on segregated client funds and is presented net of introducing partner commissions.

(3) The financial tables above contain numbers which have been rounded, while all year on year percentages are calculated off underlying unrounded numbers.

UNITED KINGDOM

The UK segment comprised the offices in London and Dublin. Revenue in the UK was 10% ahead of the prior year at £211.9 million (2014: £192.7 million). First half revenue (£106.8 million) was slightly ahead of the second half (£105.1 million), with the UK benefiting from a very strong performance in the second quarter, as clients in this region responded more immediately to increases in market volatility. Active client numbers were 1.9% ahead of the prior year at just over 60,000. Active client numbers in the second half of the year were around 2% ahead of the first half. Revenue per client for the year was 8.0% ahead of the prior year, at around £3,500, with particular strength in the second quarter, driven by the very active October. The UK segment accounted for 53% of Group revenue in the period, against 52% in the prior year.

An annual study of the UK's retail leveraged-trading industry, released towards the end of 2014, showed that IG's market share of spread bettors had fallen slightly from 41% to 40% and our share of CFD traders had fallen from 34% to 26%; IG remained the clear market leader in both categories. The study also showed a decline in the overall size of the market for these trading instruments, from 93,000 to 89,000 retail traders. Drawing precise quantitative conclusions from these results is increasingly difficult. The measurement is based purely on the number of primary accounts and makes no allowance for the value of individual client value, and does not reflect IG's focus on active retail traders, who generate a disproportionate percentage of the total industry revenue.

The launch of the stockbroking offering in the UK and Ireland took place in September 2014. The proposition was then strengthened in November with the launch of the collateral service, which allows clients to use their equity portfolio as margin for their leveraged trading. By the end of May there were over 4,000 funded stockbroking accounts, 65% of which are new to IG, and of which around 3,300 had traded. There is also early evidence that a proportion of clients who began as stockbroking clients are going on to use the leveraged trading products.

AUSTRALIA

The Australia segment comprised the Melbourne office and also includes revenue from New Zealand and other countries in the Asia Pacific region. In Australia, revenue for the year was up by 13.4% to £59.2 million (2014: £52.2 million). As with the broader Group, Australia revenue was stronger in the second half of the year, delivering £30.5 million against £28.7 million for the first half. The first half was held back by the particularly quiet first quarter. As with the UK, the second quarter was a record for this region and was followed by a more consistent second half. Here we experienced good growth in active client numbers, up 3.9% against the prior year. Active client numbers in the second half of the year were 8% up on those in the first half. In line with the UK, as one of the more mature regions, average revenue per client was ahead of the prior year by 9.3%. The Australia segment accounted for 14.8% of Group revenue in the year, against 14.1% in the prior year.

During the year, an annual market research study concluded that IG's market share of the retail CFD industry had fallen by five percentage points to 33%, although it remains the clear industry leader. As for the UK, this simple measure is based on number of primary accounts. Internal analysis suggests that any loss of share was concentrated towards the lower end of client activity and value. Encouragingly, in the same time period, the market size increased from 41,000 participants to 42,000.

EUROPE

The Europe segment comprised the German, French, Italian, Spanish, Dutch, Swedish, Norwegian, Luxembourg and Swiss offices. Overall, revenue performance in Europe in the period was disappointing. Revenue fell by 1.5% to £80.9 million (2014: £82.1 million). Revenue was equally split between the two halves of the year, although in line with the UK and Australia, the second quarter was a record period for Europe. The growth in client numbers accelerated, up by 14.3% on the prior year, with growth across all countries in the region. However this was more than offset by a fall in average revenue per client, which fell to £2,720 (2014: £3,156), due to a number of factors including currency conversion, lower overnight funding revenue, clients trading in smaller size and increased hedging costs in relation to German 30 contracts. The European segment accounted for 20.2% of Group revenue in the year, against 22.2% in the prior year.

During the second half of the year, annual market research studies were published for German and France. They concluded that IG's market share of the retail CFD industry in Germany had fallen by three percentage points to 10%, and in France it had risen by six percentage points to 28%. Drawing precise quantitative conclusions from these results is increasingly difficult, given the measurement is based purely on the number of primary accounts and makes no allowance for the value of individual client value. In the same time period, the market size in France stayed flat at 19,500 participants and increased in Germany from 45,000 participants to 47,000.

REST OF WORLD

The Rest of World segment comprised the offices in Singapore, Japan and South Africa and our retail exchange, Nadex, in the USA. Revenue for the period in the Rest of World region was ahead of the prior year by 11.1%, at £48.2 million (2014: £43.4 million). All countries in the Rest of World segment experienced growth, with particularly strong results in South Africa (up 27% to £6.5 million) and the US (up 68% to £5.3 million), but also good contributions to the growth from Singapore (up 3.5% to £23.8 million) and Japan (up 3.3% to £12.6 million). Overall revenue per client was down due to the effect of the particularly strong growth in the US, where average revenue per client is structurally lower due to the nature of the product set. With the acceleration through the year in the US, revenue was weighted towards the second half – 55% of the revenue came in the second half. The recovery in trading in forex over the prior year was also significant, as Singapore and Japan are particularly heavily weighted towards forex trading. The Rest of World segment accounted for 12.0% of Group revenue in the period, against 11.7% in the prior year.

As reported in the half year results, an annual market research study concluded that IG's market share of the retail CFD industry in Singapore had fallen by one percentage point to 17%, with the overall market size remaining stable at 17,000, following two years of shrinkage.

Financial Review

Summary Group Income Statement

	Year ended 31 May 2015 Underlying £m	Year ended 31 May 2015 Statutory £m	Restated* Year ended 31 May 2014 £m
Net trading revenue[(1)]	400.2	388.4	370.4
Net interest on segregated client funds	4.5	4.5	5.5
Betting duty and financial transaction taxes	(5.9)	(6.3)	(3.8)
Other operating income	0.6	0.6	2.1
Net operating income	399.4	387.2	374.2
Administrative expenses	(206.1)	(217.6)	(178.8)
Operating profit	193.3	169.6	195.4
Net finance expense	(0.1)	(0.1)	(0.5)
Profit before tax	193.2	169.5	194.9
Tax expense	(42.5)	(37.6)	(47.7)
Profit for the year	150.7	131.9	147.2
Diluted earnings per share	41.07p	35.99p	40.22p
Total dividend per share	28.15p	28.15p	28.15p

[(1)]Net trading revenue is trading revenue excluding interest on segregated client funds and is net of introductory partner commissions

*Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.

Net operating income

Statutory net trading revenue, although negatively impacted by the Swiss franc event, increased by 4.9% to £388.4 million (2014: £370.4 million).

Underlying net trading revenue is 8.0% ahead of the prior year at £400.2 million (2014: £370.4 million).

Net interest income on segregated client funds decreased by £1.0 million to £4.5 million (2014: £5.5 million). This was driven by depreciation in the Australian base interest rate and low margins received on Sterling and Euro money deposits from the banks throughout the year following their response to Basel III changes in 2014.

Betting duties paid by the Group, in relation to losses for spread betting clients, increased by £2.4 million to £5.8 million (2014: £3.4 million) including a £0.4 million negative impact due to the Swiss franc event. The Italian Financial Transaction Tax incurred by the Group marginally increased to £0.5 million from £0.4 million last year.

Other operating income for the year ending 31 May 2014 includes income of £1.4 million in relation to a revenue share arrangement with Spreadex Limited, following the sale of the Group's Sport business client list in 2012. The agreement ended on the 23rd of June 2014 and therefore the income in the current financial year is just under £0.1 million. Other operating income also includes inactivity fees, introduced in February 2013 and are applied to any account that has not traded for more than two years and has a positive account balance. As expected, the charge reduced to £0.5 million (2014: £0.7 million).

ADMINISTRATIVE EXPENSES

Statutory administrative expenses increased by 21.7% to £217.6 million (2014: £178.8 million), following the impact of the Swiss franc event and the additional operating costs associated with the Group's strategic development.

Underlying administrative expenses increased by 15.3% to £206.1 million (2014: £178.8 million). This includes the infrastructure and additional marketing to support the core business and various initiatives, including the expansion into Switzerland and Dubai, the roll-out of execution-only stockbroking and investments in mobile and web-based technology.

As a result, each of employee remuneration costs, advertising and marketing and legal and professional fees are higher than in the prior year.

	Year ended 31 May 2015	Restated* Year ended 31 May 2014
	£m	£m
Employee remuneration costs	94.3	89.3
Advertising and marketing	37.8	31.7
Premises-related costs	11.1	10.0
IT, market data and communications	16.4	13.8
Legal and professional	5.9	4.3
Regulatory fees	7.1	5.4
Net charge for impaired trade receivables	16.2	1.6
Other costs	18.1	13.0
Depreciation & amortisation	10.7	9.7
Statutory administrative expenses	**217.6**	**178.8**
Swiss franc event:		
Employee remuneration costs	3.6	-
Bad and doubtful debt	(15.1)	-
Underlying administrative expenses	**206.1**	**178.8**

*Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.

In the year ending 31 May 2016, the Group will continue to invest in its growth strategy. The Group anticipates a further increase in administrative expenses at a level similar to that seen on an underlying basis for this year.

EMPLOYEE REMUNERATION COSTS

Employee remuneration costs increased by 5.6% to £94.3 million (2014: £89.3 million) in the year.

The average headcount increased by 20.3% year-on-year, however, due to the change in the staff mix, which reduced the average salary by 8.4%, total salary costs increased by 9.6%. Inclusive of national insurance and pension costs, employee remuneration costs comprise of:

	Year ended 31 May 2015 £m	Restated* Year ended 31 May 2014 £m
Total salaries	74.0	65.0
Performance-related bonuses and commissions	14.0	17.2
Share schemes	6.3	7.1
Statutory employee remuneration costs	**94.3**	**89.3**
Swiss franc event:		
Performance-related bonuses and commissions	3.1	-
Share schemes	0.5	-
Underlying employee remuneration costs	**97.9**	**89.3**
Average headcount	1,287	1,070
Year-end headcount	1,400	1,153

* Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.

The £3.2 million reduction in statutory performance-related bonuses and share-based payment schemes charges reflects the Group's financial and non-financial performance measures which were heavily impacted by the Swiss franc event. The impact of the Swiss franc event itself on the staff bonus pool and share scheme vesting and therefore charges, is estimated as £3.6 million.

Headcount across most departments was higher year-on-year. Overseas IT and marketing development teams, in particular, have grown further to facilitate the development of a broader range of mobile apps alongside ongoing platform improvements projects. As at 31 May 2015, IT headcount was 603 (2014: 497), an increase of 21.3% compared to previous year.

ADVERTISING AND MARKETING COSTS

Advertising and marketing costs increased by £6.1 million to £37.8 million (2014: £31.7 million).

This year saw a change in focus between the online and offline advertising; with online spend increasing as we continue to optimise and support our digital marketing approach. The Group's geographical expansion, with increased marketing spends in Switzerland and later in the year in Nadex, has also added to the increase.

The main marketing campaigns run in the year focused on IG's 40th birthday, "Live Every Trade" TV campaign and the new stockbroking offering launched during the year.

The Group is now in the second year of the three-year partnership with Harlequins Rugby Club and is one of three principal partners of the club. The partnership is consistent with the Group's strategic approach to increase visibility of the IG brand and value proposition.

OTHER EXPENSES

Premises-related costs were higher at £11.1 million (2014: £10.0 million). The increase in costs reflects the full year effect of the offices opened during the latter part of the last financial year in Switzerland and Eastern Europe and also the costs incurred in relation to the Dubai office opened in 2015.

IT, market data and communication costs include the cost of IT maintenance and short term licence arrangements as well as market data fees from exchanges. The increase of costs from £13.8 million in the prior year to £16.4 million is due to a change in software agreements from perpetual licences to cloud software. This has resulted in more items being expensed, rather than capitalised, and ultimately amortised. This change is also reflected in the reduction of software amortisation.

Legal and professional fees, which include audit, taxation, legal and other professional fees, increased by £1.6 million to £5.9 million (2013: £4.3 million). The increase was primarily driven by professional fees incurred in relation to the generic top-level domain operation.

Regulatory fees increased by 31.5% to £7.1 million (2014: £5.4 million). The level of FSCS levy paid by the Group remains dependent on investment intermediary firms' failures and the eventual compensation paid. Accordingly, this charge is outside of Group's control and is hard to accurately forecast.

During the year the Group changed its accounting policy for recognising the costs of the FSCS levy to reflect guidance provided in the IFRIC 21 'Levies' standard. The standard requires the Group to recognise in full an estimate of the FSCS levy for the applicable year on 1 April each year. A full explanation is provided in the Group's interim consolidated financial statements for the six months ended 30 November 2014.

The Group also pays other regulatory fees to the FCA in the UK, as well as regulatory bodies in other jurisdictions where it operates.

Net charge for impaired trade receivables was significantly higher compared to previous year, increasing to £16.2 million (2014: £1.6 million). The increase was largely due to £15.1 million charge relating to the Swiss franc event which resulted from an original debt amount of £18.4 million. Out of this debt total, £2.8 million has been recovered to date.

Other costs include bank charges, training, travel, recruitment and irrecoverable sales taxes. The increase is primarily attributable to higher recruitment fees driven by the increase in headcount, and higher irrecoverable sales taxes following the increase in advertising and marketing spend.

Depreciation and amortisation increased by £1.0 million to £10.7 million (2014: £9.7 million), partly due to the amortisation of IT development costs.

OPERATING PROFIT MARGINS

The Group uses operating profit margin, which includes an allocation of central costs, as an indicator of regional performance (refer to note 3 of this preliminary statement ('Segment information').

Statutory operating profit decreased 13.2% to £169.6 million (2014: £195.4 million). Underlying operating profit, which excludes the impact of the Swiss franc event, decreased by 1.1%. The Group statutory operating profit margin (operating profit expressed as a percentage of net trading revenue) decreased to 43.7% (2014: 52.8%).

The following table summarises operating profit margin by region:

Operating profit margin by region	Year ended 31 May 2015 Underlying	Year ended 31 May 2015 Statutory	Restated* Year ended 31 May 2014
UK	57.2%	52.1%	61.1%
Australia	60.3%	59.2%	60.1%
Europe	27.6%	18.1%	38.9%
Rest of World	30.2%	29.5%	33.3%
Group	48.3%	43.7%	52.8%

*Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.

Underlying operating profit margin fell to 48.3% (2014: 52.8 %) driven by lower margins in UK, Europe and Rest of World. This reduction reflects the ongoing investment in strategic development. For Europe the reduction in underlying profit margin is particularly marked and driven by a combination of a fall in underlying revenue and the direct costs associated with the newly established operation in Switzerland. The Rest of World region includes the new office in Dubai that did not contribute to revenues during the year-ended 31 May 2015.

PROFIT BEFORE TAXATION

Statutory profit before taxation reduced by 13.0% to £169.5 million (2014: £194.9 million). Profit before tax margin, calculated with reference to net trading revenue, decreased to 43.6% (2014: 52.6%).

Underlying profit before taxation reduced by 0.9% to £193.2 million (2014: £194.9 million).

TAXATION EXPENSE

The effective rate of taxation for the year-ended 31 May 2015 decreased to 22.2% compared to a rate of 24.5% for the prior year. The effective rate for the current year has benefited from the reduction in the UK corporation tax rate to 20.0%. The Group's effective tax rate is dependent on the mix of geographic revenue and profitability as well as the tax rates levied in those geographies.

The calculation of the Group's tax charge involves a degree of estimation and judgement, in particular with respect to certain items whose tax treatment cannot be finally determined until agreement has been reached with the relevant tax authority (refer to note 5 of this preliminary statement).

DILUTED EARNINGS PER SHARE

Statutory diluted earnings per share decreased to 35.99p from 40.22p in the year-ended 31 May 2015 (refer to note 6 of this preliminary statement). Underlying diluted earnings per share increased 2.1% to 41.07p (2014: 40.22p).

Diluted earnings per share is used as a primary measure of underlying profitability and as a financial measure in relation to the Executive Director and Senior Management share plans.

DIVIDEND POLICY

IG remains highly cash-generative and we have sought to reflect this in the direct cash returns to shareholders. Last year the Board raised the Ordinary dividend payout ratio to approximately 70%. Although statutory earnings this year are behind due to the impact of the Swiss franc incident, both the business and the market opportunity remain strong. In line with IG's progressive dividend policy, the Board made clear at the time of the first half results in January its intention to hold the full year dividend flat on 2014 at 28.15 pence, and so the Board is recommending a final dividend of 19.70 pence.

SUMMARY GROUP CASH FLOW

The following cash flow statement summarises the Group's cash generation during the year and excludes all cash flows in relation to monies held on behalf of clients. In order to provide a clear presentation of the Group's liquid assets both amounts due from brokers and financial investments have been treated as 'cash equivalents' and included within 'own funds'. A more detailed version of the cash flow presented below and the derivation of own funds are provided in note 10 of this preliminary statement.

	Year ended 31 May 2015 Underlying £m	Year ended 31 May 2015 Statutory £m	Restated* Year ended 31 May 2014 £m
Operating activities			
Profit before tax	193.2	169.5	194.9
Depreciation & amortisation	10.7	10.7	9.7
Other non-cash adjustments	3.1	(0.5)	3.8
Income taxes paid	(47.8)	(42.9)	(47.8)
Own funds generated from operations	**159.2**	**136.8**	**160.6**
Movement in working capital		7.9	(3.3)
Outflow from investing and financing activities		(126.3)	(96.8)
Increase in own funds	**n/a**	**18.4**	**60.5**
Own funds at start of period		487.3	429.3
Exchange profits / (losses) on own funds		1.4	(2.5)
Own funds at end of period		**507.1**	**487.3**

*Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.

Cash generation remains strong with statutory own funds generated from operations of £136.8 million (2014: £160.6 million).

Underlying own funds generation was broadly flat at £159.2 million (2014: £160.6 million). The underlying cash conversion rate, calculated as own funds generated from operations divided by profit before tax, has remained strong at 82.4% (2014: 82.4%).

'Own funds' increased by £18.4 million (2014: £60.5 million) after adjustments for movements in working capital balances and significant outflows in relation to investing and financing activities. The outflow from investing and financing activities includes £12.4 million in relation to capital expenditure (2014: £11.5 million) and £112.8 million (2014: £84.8 million) in relation to the final 2014 and interim 2015 dividend payments. The Group made investments of £6.4 million on a combination of IT development and software assets (2014: £8.1 million). Cash investment in tangible fixed assets total £6.0 million (2014: £3.4 million) and comprise of £5.0 million on IT hardware and £1.0 million on the fit out of the newly leased offices.

LIQUIDITY

The Group's liquid assets comprise cash balances available to the Group for its own purposes and exclude all monies held in segregated client money accounts. The Group's businesses are also entitled to use 'title transfer funds' in the UK and customer deposits held by the banking subsidiary in Switzerland in normal business operations. Therefore these are included in the statement of financial position and the Group's liquid assets.

An element of the Group's liquidity is not available for the purposes of the centrally performed market risk management as it is held in overseas businesses for the purposes of local regulatory and working capital requirements or is currently held within segregated client money bank accounts to ensure the Group's segregation obligations are met. At 31 May 2015 the unavailable cash increased by £37.2 million from that unavailable in the prior year to £86.4 million (2014: £49.2 million) primarily as a result of additional capital requirements in each of Switzerland and Dubai.

Available liquid assets enable the funding of large broker margin requirements when required and should be considered in the context of the intra-year high broker margin requirement of £293.7 million (2014: £290.3 million), the requirement to hold a liquid assets buffer, the continued growth of the business, the Group's commitment to segregation of individual clients money as well the final proposed dividend for the year ending 31 May 2015 all of which draw upon the Group's liquidity.

Net Available Liquidity is disclosed in the table below and represents the Group's available liquidity inclusive of the liquid assets buffer and after the payment of broker margin.

	31 May 2015 £m	Restated* 31 May 2014 £m
Own funds	507.1	487.3
Client funds held on balance sheet	16.9	21.0
Total liquid assets	**524.0**	**508.3**
Less amounts required to ensure appropriate client money segregation - other amounts due to the group	(27.6)	(20.4)
Less amounts required for regulatory and working capital of overseas businesses	(58.8)	(28.8)
Available liquid assets	**437.6**	**459.1**
Less broker margin requirement	(204.8)	(285.1)
Net available liquidity	**232.8**	**174.0**
Of which held as a liquid assets buffer	83.1	82.5

* Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.

In order to mitigate liquidity risks, the Group regularly stress tests its three-year liquidity forecast to validate the appropriate level of committed unsecured bank facilities held. During the year the facility was drawn on a number of occasions during periods of high broker margin requirements or when there was a perception of higher volatility and risk in the financial markets. Subsequent to the year-end, the Group undertook a review of its contingent liquidity requirements and upon approval from the Executive Risk Committee, concluded to reduce its facilities to £160.0 million (refer to note 12 of this preliminary statement).

A detailed analysis of the Group's liquidity and the management of liquidity risk are provided in note 10 of this preliminary statement.

REGULATORY CAPITAL RESOURCES

Throughout the year, the Group maintained a significant excess over the capital resources requirement, both on a consolidated and individual regulated entity basis.

The Group considers there are significant benefits to being well capitalised at a time of continuing global economic uncertainty. The Group is well placed in respect of any regulatory changes which may increase our capital or liquidity requirements, and high levels of liquidity are important in the event of significant market volatility. The Group's liquidity requirements have historically been, and remain, significantly in excess of its regulatory capital requirements. The total regulatory capital requirement remains significantly below the necessary liquidity levels.

The new CRD IV requirements which came into force on 1 January 2014 require deferred tax assets relating to future profitability to be deducted from Tier 1 Capital in the determination of capital resources for the Group.

The following table summarises the Group's Pillar 1 capital adequacy on a consolidated basis:

	31 May 2015 £m	Restated* 31 May 2014 £m
Shareholders' equity	591.4	565.9
Investment in own shares	1.2	1.1
Common Equity Tier 1 Capital	592.6	567.0
Less:		
Intangible assets	(124.0)	(122.7)
Investment in own shares	(1.2)	(1.1)
Deferred tax assets	(7.1)	(7.1)
Total capital resources (CR)	**460.3**	**436.1**
Capital resources requirement (CRR)	(111.3)	(115.4)
Pillar 1 surplus	**349.0**	**320.7**

*Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.

SUMMARY GROUP STATEMENT OF FINANCIAL POSITION

	31 May 2015 £m	Restated* 31 May 2014 £m
Property, plant and equipment	13.3	13.0
Intangible assets	124.0	122.7
Financial investments	75.5	32.2
Deferred tax assets	7.1	7.1
Non-current assets	**219.9**	**175.0**
Trade and other receivables	281.8	339.7
Cash and cash equivalents	148.8	101.5
Financial investments	32.9	50.3
Current assets	**463.5**	**491.5**
Total assets	**683.4**	**666.5**
Trade and other payables	78.9	80.3
Income tax payable	13.1	20.3
Current liabilities	**92.0**	**100.6**
Redeemable preference shares	-	-
Non-current liabilities	-	-
Total liabilities	**92.0**	**100.6**
Total equity	**591.4**	**565.9**
Total equity and liabilities	**683.4**	**666.5**

*Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.

NON-CURRENT ASSETS

As discussed in the Chief Executive's Statement, the Group continues to invest in technology both to enhance client experience and to improve the capacity and resilience of dealing platforms, each of which is critical to the success of the business.

Intangible assets purchased during the year include £1.5 million (2014: £1.8 million), for a suite of country-code and generic top-level domains that are directly relevant to our business.

Intangible assets also include goodwill of £107.1 million (2014: £106.7 million), primarily arising on the acquisition of IG Group Plc and its subsidiaries in 2003, the goodwill associated with the acquisition of Nadex of £5.0 million (2014: £4.6 million) and the goodwill arising on the acquisition of our South African business of £1.2 million (2014: £1.2 million).

Capitalised investment in relation to development costs and software and licenses amounted to £4.4 million (2014: £6.0 million) largely relating to the development of the share trading platform. During the year the Group also invested £5.9 million in property, plant and equipment (2014: £3.4 million). This included £4.6 million (2013: £2.5 million) in relation to IT equipment.

CURRENT ASSETS

Trade and other receivables include amounts due from brokers, amounts due to be received from segregated client money accounts and prepayments. Amounts due from brokers represent cash placed with counterparties in order to provide initial and variation margin in relation to the Group's market risk management. Amounts due from brokers have decreased to £239.2 million (2014: £303.9 million) resulting from lower broker margins than at the prior year-end driven by the Group's hedging of clients' futures and shares positions.

CLIENT MONEY AND ASSETS

Total monies held on behalf of clients at year-end was £930.5 million (2014: £879.4 million) of which £913.6 million (2014: £858.4 million) is segregated in trust bank accounts and treated as 'segregated client money' and therefore excluded from the Group Statement of Financial Position. Of the remaining monies £11.6 million (2014: £21.0 million) represents 'title transfer funds' where the client agrees, under a Title Transfer Collateral Arrangement (TTCA), that full ownership of such monies is unconditionally transferred to the Group, while the remaining £5.3 million (2014: £nil) relate to customer deposits with our banking operation in Switzerland.

Although the levels of client money can vary depending on the overall mix of financial products being traded by clients, the long-term increase in the level of client money placed by clients with the Group is a positive indicator of future client propensity to trade.

FINANCIAL INVESTMENTS

During the year the Group increased the holding of UK Government Securities from £82.5 million as at 31 May 2014 to £108.4 million at 31 May 2015. The additional security is held at broker as collateral to support the hedging of client market exposures in accordance with the Group's market risk management policy. The value of securities held against potential liquidity stress under BIPRU 12 is broadly flat on the prior year.

LIABILITIES

Trade and other payables include amounts due to clients in relation to both title transfer funds and customer deposits with the Group's Swiss banking subsidiary as well as accruals and other payables.

Trade payables have decreased by £4.2 million from 31 May 2014 due to the decrease in the number of title transfer clients from £21.0 million as at 31 May 2014 to £11.6 million as at 31 May 2015 partially offset by an increase in amounts due to clients of £5.3 million in relation to the customer deposits with the banking operation in Switzerland (2014: £nil).

Income tax payable has fallen to £13.1 million at year end (2014: £20.3 million) reflecting the lower corporation tax charge for the current financial year following both lower statutory profitability and a lower overall effective tax rate.

The following tables present periodic comparisons of net trading revenue[1] (referred to as Revenue), active client[2] growth and revenue per client[3] growth for the year, half year and quarters. All numbers provided for FY15 are stated on an underlying basis - refer to note 2 of this preliminary statement for further details.

The tables contain numbers which have been rounded and therefore there may be rounding differences between subtotals and the sum of individual numbers as presented. All year on year percentages are calculated off underlying unrounded numbers.

Geographical Revenue	FY Revenue			KPI	
	FY15 £m	FY14 £m	% Change	Active client growth	Revenue per client growth
UK (inc Ireland)	211.9	192.7	10%	1.9%	8.0%
Europe	80.9	82.1	(1.5%)	14%	(14%)
Australia	59.2	52.2	13%	3.9%	9.3%
Rest of World	48.2	43.4	11%	20%	(7.3%)
Total	400.2	370.4	8.1%	7.9%	0.1%

Geographical Revenue	H1 Revenue			KPI	
	FY15 £m	FY14 £m	% Change	Active client growth	Revenue per client growth
UK (inc Ireland)	106.8	93.4	14%	(0.8%)	15%
Europe	40.5	40.2	0.5%	9.1%	(7.9%)
Australia	28.7	27.0	6.6%	(2.0%)	8.7%
Rest of World	21.4	22.1	(2.8%)	8.8%	(11%)
Total	197.4	182.7	8.0%	2.7%	5.2%

Geographical Revenue	H2 Revenue			KPI	
	FY15 £m	FY14 £m	% Change	Active client growth	Revenue per client growth
UK (inc Ireland)	105.1	99.3	5.8%	3.0%	2.9%
Europe	40.4	41.9	(3.6%)	15%	(16%)
Australia	30.5	25.1	21%	8.4%	11.6%
Rest of World	26.8	21.4	26%	22%	2.1%
Total	202.8	187.7	8.0%	10%	(1.6%)

[1] All references to 'revenue' in this statement are made with regards to net trading revenue. Net trading revenue is trading revenue excluding interest on segregated client funds and is presented net of introducing partner commissions.

[2] Active clients are those clients who have opened at least one trade in the period

[3] Revenue per client is calculated as total revenue divided by the number of active clients during the period, and is a measure of client activity and quality.

The tables below contain numbers which have been rounded and therefore there may be rounding differences between subtotals and the sum of individual numbers as presented. All year on year percentages are calculated off underlying unrounded numbers.

Geographical Revenue	Q1 revenue			KPI	
	FY15 £m	FY14 £m	% Change	Active client growth	Revenue per client growth
UK (inc Ireland)	45.9	47.5	(3.4%)	(8.0%)	5.1%
Europe	18.4	20.2	(9.2%)	8.6%	(16%)
Australia	12.3	13.8	(10%)	(8.6%)	(2.0%)
Rest of World	9.0	12.1	(25%)	1.2%	(26%)
Total	85.6	93.6	(8.5%)	(3.1%)	(5.6%)

Geographical Revenue	Q2 revenue			KPI	
	FY15 £m	FY14 £m	% Change	Active client growth	Revenue per client growth
UK (inc Ireland)	60.9	45.9	33%	4.6%	27%
Europe	22.1	20.1	10%	10%	0.3%
Australia	16.4	13.2	24%	4.3%	19%
Rest of World	12.4	9.9	25%	14%	9.8%
Total	111.8	89.1	26%	7.3%	17%

Geographical Revenue	Q3 Revenue			KPI	
	FY15 £m	FY14 £m	% Change	Active client growth	Revenue per client growth
UK (inc Ireland)	55.4	50.9	8.9%	3.0%	5.8%
Europe	20.8	21.5	(3.4%)	13%	(15%)
Australia	15.0	12.9	16%	4.6%	11%
Rest of World	12.4	11.4	9.2%	13%	(3.7%)
Total	103.6	96.7	7.1%	7.3%	(0.1%)

Geographical Revenue	Q4 Revenue			KPI	
	FY15 £m	FY14 £m	% Change	Active client growth	Revenue per client growth
UK (inc Ireland)	49.7	48.4	2.7%	0.4%	2.4%
Europe	19.6	20.3	(3.4 %)	13%	(14%)
Australia	15.5	12.3	26%	10%	15%
Rest of World	14.4	10.0	44%	22%	17%
Total	99.2	91.0	9.0%	8.4%	0.6%

Group Income Statement

for the year ended 31 May 2015

	Note	Year ended 31 May 2015 £m	Restated* Year ended 31 May 2014 £m
Trading revenue[1]		422.1	407.9
Interest income on segregated client funds		4.9	5.8
Revenue		427.0	413.7
Interest expense on segregated client funds		(0.4)	(0.3)
Introducing partner commissions		(33.7)	(37.5)
Betting duty and financial transaction taxes[1]		(6.3)	(3.8)
Other operating income	4	0.6	2.1
Net operating income		387.2	374.2
Analysed as:			
Net trading revenue[1]		388.4	370.4
Other net operating (loss)/income		(1.2)	3.8
Administrative expenses[1]		(217.6)	(178.8)
Operating profit		169.6	195.4
Finance income		1.8	1.5
Finance costs		(1.9)	(2.0)
Profit before taxation		169.5	194.9
Taxation	5	(37.6)	(47.7)
Profit for the year		131.9	147.2
Profit for the year attributable to owners of the parent		131.9	147.2
		131.9	147.2
Earnings per ordinary share			Restated*
Basic	6	36.13p	40.35p
Diluted	6	35.99p	40.22p

[1]The Group's trading revenue and net trading revenue have been negatively impacted by £12.2 million and £11.8 million respectively, betting duty and financial transaction taxes by £0.4 million and administrative expenses by £11.5 million, following the Swiss National Bank's announcement, on 15 January 2015, that it had ceased intervention in the exchange rate between the Swiss franc and Euro. Please refer to note 2 of this preliminary statement for further details.

*Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.

Group Statement of Comprehensive Income

for the year ended 31 May 2015

	Year ended 31 May 2015		Restated* Year ended 31 May 2014	
	£m	£m		£m
Profit for the year		131.9		147.2
Other comprehensive income/(expense):				
Items that may be reclassified to profit or loss:				
Change in value of available-for-sale financial assets	0.3		0.1	
Foreign currency translation income/(expense) on overseas subsidiaries	0.6		(6.5)	
Other comprehensive income/(expense) for the year, net of tax		0.9		(6.4)
Total comprehensive income for the year		132.8		140.8
Total comprehensive income attributable to owners of the parent		132.8		140.8
		132.8		140.8

All items of other comprehensive income or expense may be subsequently reclassified to profit or loss.

The items of comprehensive income noted above are stated net of related tax effects.

*Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.

Group Statement of Financial Position

at 31 May 2015

	Note	31 May 2015	Restated* 31 May 2014	Restated* 1 June 2013
		£m	£m	£m
Assets				
Non-current assets				
Property, plant and equipment		13.3	13.0	14.5
Intangible assets		124.0	122.7	120.5
Financial investments		75.5	32.2	-
Deferred tax assets		7.1	7.1	10.9
		219.9	175.0	145.9
Current assets				
Trade receivables	8	269.6	327.5	300.6
Prepayments and other receivables		12.2	12.2	10.3
Cash and cash equivalents	9(a)	148.8	101.5	98.3
Financial investments		32.9	50.3	50.5
		463.5	491.5	459.7
TOTAL ASSETS		683.4	666.5	605.6
Liabilities				
Current liabilities				
Trade payables		17.7	21.9	19.0
Other payables		61.2	58.4	59.1
Income tax payable		13.1	20.3	24.3
		92.0	100.6	102.4
Non-current liabilities				
Redeemable preference shares		-	-	-
		-	-	-
Total liabilities		92.0	100.6	102.4
Equity attributable to owners of the parent				
Share capital		-	-	-
Share premium		206.8	206.8	206.8
Other reserves		91.8	85.4	85.1
Retained earnings		292.8	273.7	211.3
Shareholders' equity		591.4	565.9	503.2
TOTAL EQUITY AND LIABILITIES		683.4	666.5	605.6

*****Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'. The opening balance sheet as at 1 June 2013 reflects the Group's restated closing balance as at 31 May 2013.

Group Statement of Changes in Equity

for the year ended 31 May 2015

	Share capital	Share Premium account	Other reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m
Restated* At 1 June 2013	-	206.8	85.1	211.3	503.2	-	503.2
Profit for the year	-	-	-	147.2	147.2	-	147.2
Other comprehensive expense for the year	-	-	(6.4)	-	(6.4)	-	(6.4)
Total comprehensive (expense)/income for the year	-	-	(6.4)	147.2	140.8	-	140.8
Equity-settled employee share-based payments	-	-	6.6	-	6.6	-	6.6
Utilisation of own shares	-	-	0.1	-	0.1	-	0.1
Equity dividends paid	-	-	-	(84.8)	(84.8)	-	(84.8)
Movement in equity	-	-	0.3	62.4	62.7	-	62.7
Restated* At 31 May 2014	-	206.8	85.4	273.7	565.9	-	565.9
Profit for the year	-	-	-	131.9	131.9	-	131.9
Other comprehensive income for the year	-	-	0.9	-	0.9	-	0.9
Total comprehensive income for the year	-	-	0.9	131.9	132.8	-	132.8
Equity-settled employee share-based payments	-	-	5.3	-	5.3	-	5.3
Excess of tax deduction benefit on share-based payments recognised directly in equity	-	-	0.5	-	0.5	-	0.5
Purchase of own shares	-	-	(0.3)	-	(0.3)	-	(0.3)
Equity dividends paid	-	-	-	(112.8)	(112.8)	-	(112.8)
Movement in equity	-	-	6.4	19.1	25.5	-	25.5
At 31 May 2015	-	206.8	91.8	292.8	591.4	-	591.4

***Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.

Group Cash Flow Statement

for the year ended 31 May 2015

	Note	Year ended 31 May 2015 £m	Restated* Year ended 31 May 2014 £m
Cash generated from operations	11	210.4	176.5
Income taxes paid		(42.9)	(47.8)
Interest received on segregated client funds		4.9	6.0
Interest paid on segregated client funds		(0.4)	(0.3)
Net cash flow from operating activities		172.0	134.4
Investing activities			
Interest received		0.8	1.4
Purchase of property, plant and equipment		(6.0)	(3.4)
Payments to acquire intangible assets		(6.4)	(8.1)
Proceeds from maturity of financial investments and coupon receipts		51.3	59.4
Purchase of financial investments		(51.1)	(91.3)
Net cash flow used in investing activities		(11.4)	(42.0)
Financing activities			
Interest paid		(1.9)	(2.0)
Equity dividends paid to owners of the parent		(112.8)	(84.8)
Proceeds from draw down of committed banking facility		100.0	80.0
Repayment of committed banking facility		(100.0)	(80.0)
Net cash flow used in financing activities		(114.7)	(86.8)
Net increase in cash and cash equivalents		45.9	5.6
Cash and cash equivalents at the beginning of the year		101.5	98.3
Exchange profit/(loss) on cash and cash equivalents		1.4	(2.4)
Cash and cash equivalents at the end of the year		148.8	101.5

*****Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 ‘Levies’.

For the purposes of the cash flow statement cash and cash equivalents is stated gross of the drawdown of the committed banking facility (31 May 2015 and 31 May 2014: £nil). Please refer to note 9(a) of this preliminary statement.

Notes

As at 31 May 2015

1. Basis of preparation

The financial information in this announcement is derived from IG Group Holdings plc's group financial statements but does not, within the meaning of Section 435 of the Companies Act 2006, constitute statutory accounts for the years ended 31 May 2014 or 31 May 2015. The financial statements are prepared on a going concern basis and the accounting policies are consistent with the Group's 2014 Annual Report.

Although the financial information has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), this preliminary statement does not itself contain sufficient information to comply with IFRS. The Group will publish full IFRS compliant group financial statements in August 2015 and statutory accounts for 2015 will be delivered to the Registrar of Companies following the company's Annual General Meeting on 15 October 2015.

The Group's auditors, PricewaterhouseCoopers LLP, have reported on those financial statements and the report was unqualified, did not emphasise any matters nor contained any statements under Section 498(2) or (3) of the Companies Act 2006.

Copies of full group financial statements will be posted to all shareholders in August 2014. Further copies will be available, from the date of posting, from the Group's Headquarters, Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2YA, by telephone on 020 7896 0011 or via the Group's corporate website at www.iggroup.com.

Critical accounting estimates and judgments

The preparation of financial statements requires the Group to make estimates and judgments that affect the amounts reported for assets and liabilities, as at the year-end, and the amounts reported for revenues and expenses during the year. The nature of estimates means that actual outcomes could differ from those estimates.

In the Directors' opinion, the accounting estimates or judgments that have the most significant impact, on the measurement of items recorded in the financial statements, remain the impairment of goodwill, the useful economic life applied to the intangible assets, the recoverability of amounts owed by clients and the calculation of the Group's current corporation tax charge.

The judgments in relation to the assessment of goodwill for impairment largely relate to the assumptions underlying the calculation of the value-in-use of the US cash generating unit (CGU). The US CGU comprises both the Nadex exchange and associated market making business (the 'Nadex exchange business') as well as the wider commercial use of the exchange technology within the Group. Whilst the Nadex exchange business remains loss making, the wider commercial use of the technology by the Group provides other significant economic benefits, which taken alone support the carrying value of the goodwill. For this reason the Directors consider that a reasonably possible change in a key assumption would not cause the units' carrying amount to exceed its recoverable amount. In the event of the Nadex exchange business failing to generate sufficient profits the deferred tax asset of US$2.8 million held in relation to carry forward tax losses might suffer impairment.

The assessment of the useful economic life of the Group's internally developed and acquired software, licenses, domain name and generic top-level domain based intangible assets is judgmental and can change due to obsolescence as a result of unforeseen technological developments. The useful life for licenses represents management's view of the expected term over which the Group will receive benefits from the software, and does not exceed the licence term. For internally developed and acquired software and domain assets the life is based on historical experience with similar products as well as anticipation of future events which may impact their useful economic life.

The recoverability of amounts owed by clients, particularly following the impact of the actions of the Swiss National Bank in January 2015, is dependent on the Group's ability to collect the remaining outstanding amounts from a small number of individually large debtors. Provisions have been made where the directors consider there is a risk of non-recoverability.

The calculation of the Group's current corporation tax charge involves a degree of estimation and judgment with respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority. The Group holds tax provisions in respect of the potential tax liability that may arise on these unresolved items, however, the amount ultimately payable may be materially lower than the amount accrued and paid and could therefore improve the overall profitability and cash flows of the Group in future periods.

The measurement of the Group's net trading revenue is predominately based on quoted market prices and accordingly involves little judgment. However, the calculation of the segmental net trading revenue, as the Group manages risk and hedges on a group-wide portfolio basis, involves the use of an allocation methodology. This allocation methodology does not impact on the overall Group net trading revenue disclosed.

Use of non-GAAP measures

The Group believes that the presentation of underlying results provides additional useful information to shareholders on the underlying trends and comparable performance of the Group over time. These terms are not defined under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures. The term "underlying" refers to the relevant profit, earnings or taxation being reported excluding exceptional items.

Exceptional items are those items of income and expense that the Group considers are material and one-off in nature and of such significance that they merit separate presentation in order to aid the readers understanding of the Group's financial performance. Such items would include profits/(losses) on disposal of businesses and costs associated with acquisitions and disposals; major restructuring programmes; significant goodwill or other asset impairments; other particularly significant or unusual items.

2. Underlying results

The Directors regard the adjustment of exceptional items, as detailed below, necessary to provide a greater understanding of the results of the Group for the year.

2(a). Underlying profit before tax and diluted earnings per share

Exceptional items – Swiss franc event impact

On 15 January 2015, the Swiss National Bank announced that it had ceased intervention in the exchange rate between the Swiss franc and Euro. This caused a sudden extreme appreciation in the value of the franc, accompanied by a lack of market liquidity which lasted several minutes and resulted in a negative financial impact to the Group to a maximum of £30.0 million. This was from a combination of £11.8 million of market losses and £18.4 million of gross client credit exposures. The market related losses occurred where client positions were closed in the Group's systems at a more beneficial level than the Group was able to close its entire corresponding hedge due to the market dislocation.

The precise level of the impact on the Group's profit before taxation is partially dependent on the Group's ability to recover client debts. The recovery of the outstanding debt is dependent on the ultimate recovery from a small number of debtors. The Group's approach remains that for clients whom are considered to be well positioned and with resources to pay their debts the Group will continue to employ resources to recover the debts. The impact on profit before tax and diluted earnings per share at 31 May 2015 is below:

	Note	Statutory Year ended 31 May 2015 £m	Swiss franc event impact £m	Underlying Year ended 31 May 2015 £m	Restated* Year ended 31 May 2014 £m
Net operating income		387.2	12.2	399.4	374.2
Analysed as:					
Net trading revenue		388.4	11.8	400.2	370.4
Other net operating (loss)/income(1)		(1.2)	0.4	(0.8)	3.8
Administrative expenses(2)		(217.6)	11.5	(206.1)	(178.8)
Operating profit		169.6	23.7	193.3	195.4
Finance income		1.8	-	1.8	1.5
Finance costs		(1.9)	-	(1.9)	(2.0)
Profit before taxation		169.5	23.7	193.2	194.9
Tax expense(3)		(37.6)	(4.9)	(42.5)	(47.7)
Profit for the year		131.9	18.8	150.7	147.2
Earnings per ordinary share					Restated*
- basic	6	36.13p	5.14p	41.27p	40.35p
- diluted	6	35.99p	5.08p	41.07p	40.22p

(1) £0.4 million Swiss franc event impact relates to betting duty.

(2) Included in administrative expenses are:

	£m
Swiss franc related bad debts charge(2.1)	15.1
Employee bonuses(2.2)	(3.1)
Share schemes - Sustained Performance Plan (SPP) (2.3)	(0.5)
	11.5

(2.1) The movement in the Swiss franc event related debts are below:

	£m
Gross debt at 15 January 2015	18.4
Amounts recovered(2.4)	(2.8)
Bad debts charge	(15.1)
Net debt at 31 May 2015	0.5

***Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.**

2. Underlying results (continued)

2(a). Underlying profit before tax and diluted earnings per share (continued)

(2.2)The losses associated with the Swiss franc move impact upon the general staff bonus pool. The approximate reduction in the general staff bonus pool of £3.1 million, results from impaired performance against both financial and non-financial measures.

(2.3)Performance under the Executive Director and Senior Management SPP is 35% weighted to a diluted earnings per share (DEPS) target. At statutory DEPS no awards under the element of the scheme will be made, with a resulting reduced IFRS 2 charge of £0.5 million.

(2.4)Amounts recovered are settled debtors in the period from 15 January to 31 May 2015.

(3)The Swiss franc event tax impact of £4.9 million was calculated using the UK effective corporation tax rate at 20.83%.

2(b). Underlying segmental analysis

Year ended 31 May 2015	UK	Australia	Europe	Rest of World	Central	Total
	£m	£m	£m	£m	£m	£m
Net trading revenue	206.0	58.1	76.9	47.4	-	388.4
Swiss franc event impact on net trading revenue	5.9	1.1	4.0	0.8	-	11.8
Underlying net trading revenue	211.9	59.2	80.9	48.2	-	400.2

2(c). Underlying earnings per share

Basic earnings per ordinary share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period, excluding shares purchased and held as own shares in Employee Benefit Trusts. Diluted earnings per ordinary share is calculated using the same profit figure as that used in basic earnings per ordinary share and by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares arising from share schemes.

The following reflects the income and share data used in the earnings per share computations:

	Note	Statutory Year ended 31 May 2015	Swiss franc event impact	Underlying Year ended 31 May 2015	Restated* Year ended 31 May 2014
		£m	£m	£m	£m
Profit for the period:					
Earnings attributable to equity shareholders of the parent		131.9	18.8	150.7	147.2

	Note	Year ended 31 May 2015	Year ended 31 May 2014
		Number	Number
Weighted average number of ordinary shares			
Basic	6	365,199,825	364,710,756
Dilutive effect of share-based payments	6	1,383,806	1,213,527
Diluted	6	366,583,631	365,924,283

	Note	Statutory Year ended 31 May 2015	Swiss franc event impact	Underlying Year ended 31 May 2015	Restated* Year ended 31 May 2014
		£m	£m	£m	£m
Basic earnings per ordinary share	6	36.13p	5.14p	41.27p	40.35p
Diluted earnings per ordinary share		35.99p	5.08p	41.07p	40.22p

***Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 ‘Levies’.**

2. Underlying results (continued)

2(d). Underlying funds generated from operations

The following statement summarises the Group's cash generation during the period and excludes all cash flows in relation to monies held on behalf of clients. Additionally amounts due from brokers and the liquid asset buffer have been included within 'own funds' in order to provide a clear presentation of the Group's available cash resources. The derivation of own funds is explained in note 10(d) of this preliminary statement, and is stated net of amounts drawn on the Group's committed banking facility.

	Statutory Year ended 31 May 2015	Swiss franc event impact[1]	Underlying Year ended 31 May 2015	Restated* Year ended 31 May 2014
	£m	£m	£m	£m
Operating activities				
Profit before tax	169.5	23.7	193.2	194.9
Depreciation and amortisation	10.7	-	10.7	9.7
Other non-cash adjustments	(0.5)	3.6	3.1	3.8
Income taxes paid	(42.9)	(4.9)	(47.8)	(47.8)
Own funds generated from operations	136.8	22.4	159.2	160.6

[1]The £3.6 million included in the 'Other non-cash adjustments' line relates to remuneration expenses. The £4.9 million in the 'Income taxes paid 'line was calculated using the UK effective corporation tax rate at 20.83% (refer to note 2(a) of this preliminary statement).

*****Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.

3. Segment information

The segment information is presented as follows:

- Segment net trading revenue has been disclosed net of introducing partner commissions, as this is consistent with the management information received by the Chief Operating Decision Maker (CODM), being the Executive Directors.
- Net trading revenue is reported by the location of the office that manages the underlying client relationship and aggregated into the disclosable segments of UK, Australia, Europe and Rest of World. The Rest of World segment comprises the Group's operations in Japan, South Africa, Singapore, the United States of America and the United Arab Emirates.
- The UK segment comprises the Group's operations in the UK and Ireland.
- The Europe segment comprises the Group's operations in France, Germany, Italy, Luxembourg, the Netherlands, Norway, Spain, Sweden and Switzerland.
- Segment contribution, being segment trading revenue less directly incurred costs, as the measure of segment profit and loss reported to the CODM.

The UK segment derives its revenue from financial spread bets, contracts for difference (CFDs), binary options and execution only stockbroking. The Australian segment derives its revenue from CFDs and binary options. The European segment derives its revenue from CFDs, binary options and execution only stockbroking. The businesses reported within Rest of World derive revenue from the operation of a regulated futures and options exchange as well as CFDs and binary options.

The Group employs a centralised operating model whereby market risk is managed principally in the UK, switching to Australia outside of UK hours. The costs associated with these operations are included in the Central segment, together with central costs of senior management, IT development, marketing and other support functions. As the Group manages risk and hedges on a group-wide portfolio basis, the following segmental revenue analysis involves the use of an allocation methodology. Interest income and expense on segregated client funds is managed and reported to the CODM centrally and thus has been reported in the Central segment. In the following analysis, the Central segment costs have been further allocated to the other reportable segments based on a number of cost allocation assumptions and segment net trading revenue.

3. Segment information (continued)

Year ended 31 May 2015	UK	Australia	Europe	Rest of World	Central	Total
	£m	£m	£m	£m	£m	£m
Segment net trading revenue	206.0	58.1	76.9	47.4	-	388.4
Interest income on segregated client funds	-	-	-	-	4.9	4.9
Revenue from external customers	206.0	58.1	76.9	47.4	4.9	393.3
Interest expense on segregated client funds	-	-	-	-	(0.4)	(0.4)
Other operating income	-	-	-	-	0.6	0.6
Betting duty and financial transaction taxes	(5.8)	(0.1)	(0.4)	-	-	(6.3)
Net operating income	200.2	58.0	76.5	47.4	5.1	387.2
Segment contribution	154.5	48.3	35.1	25.6	(83.2)	180.3
Allocation of central income and costs	(41.6)	(12.5)	(19.0)	(10.1)	83.2	-
Depreciation and amortisation	(5.6)	(1.4)	(2.2)	(1.5)	-	(10.7)
Operating profit	107.3	34.4	13.9	14.0	-	169.6
Net finance costs						(0.1)
Profit before taxation						169.5

3. Segment information (continued)

Restated* Year ended 31 May 2014	UK	Australia	Europe	Rest of World	Central	Total
	£m	£m	£m	£m	£m	£m
Segment net trading revenue	192.7	52.2	82.1	43.4	-	370.4
Interest income on segregated client funds	-	-	-	-	5.8	5.8
Revenue from external customers	192.7	52.2	82.1	43.4	5.8	376.2
Interest expense on segregated client funds	-	-	-	-	(0.3)	(0.3)
Other operating income	-	-	-	-	2.1	2.1
Betting duty and financial transaction taxes	(3.5)	-	(0.3)	-	-	(3.8)
Net operating income	189.2	52.2	81.8	43.4	7.6	374.2
Segment contribution	160.5	43.7	51.6	25.2	(75.9)	205.1
Allocation of central income and costs	(37.9)	(11.1)	(17.6)	(9.3)	75.9	-
Depreciation and amortisation	(4.9)	(1.3)	(2.1)	(1.4)	-	(9.7)
Operating profit	117.7	31.3	31.9	14.5	-	195.4
Net finance income						(0.5)
Profit before taxation						194.9

*Comparative figures for the year ended 31 May 2014 have been restated to reflect the change in timing of recognition of the UK FSCS levy.

4. Other operating income

	Year ended 31 May 2015	Year ended 31 May 2014
	£m	£m
Revenue share arrangement[1]	-	1.4
Administrative charges to clients[2]	0.6	0.7
	0.6	2.1

[1]The Group received income under a revenue share agreement with Spreadex Limited in relation to the client list of the former Sport business, calculated by reference to the revenue that Spreadex Limited generated from clients on the list. This arrangement ended on 23 June 2014.

[2]The Group charges inactivity fees for those accounts on which clients have not traded for two years.

5. Taxation

5(a). Tax on profit on ordinary activities

Tax charged in the income statement:

	Year ended 31 May 2015	Restated* Year ended 31 May 2014
Current income tax:	£m	£m
UK Corporation Tax	34.3	42.4
Foreign tax	3.8	3.6
Adjustment in respect of prior years	(1.0)	(1.8)
Total current income tax	37.1	44.2
Deferred income tax:		
Origination and reversal of temporary differences	(0.4)	0.5
Adjustment in respect of prior years	0.9	2.3
Impact of change in tax rates on deferred tax	-	0.7
Total deferred income tax	0.5	3.5
Tax expense in the income statement (note 5(b))	37.6	47.7

5(b). Reconciliation of the total tax charge

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the effective corporation tax is calculated at 20.83% (2014: 22.67%) of the estimated assessable profit in the UK. Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions. The tax expense in the income statement for the year can be reconciled to the income statement as set out below:

	Year ended 31 May 2015	Restated* Year ended 31 May 2014
	£m	£m
Profit before taxation	169.5	194.9
Profit multiplied by the UK standard rate of corporation tax of 20.83% (2014: 22.67%)	35.3	44.1
Expenses not deductible for tax purposes	0.5	0.1
Impact of timing differences not recognised	1.2	1.3
Higher taxes on overseas earnings	0.7	1.0
Adjustment in respect of prior years	(0.1)	0.5
Impact of change in tax rates on deferred tax	-	0.7
Total tax expense reported in the income statement	37.6	47.7

The effective tax rate is 22.18 % (2014: 24.47%).

***Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.

5(c). Factors affecting the tax charge in future years

Factors that may affect the Group's future tax charge include the geographic location of the Group's earnings, the tax rates in those locations, changes in tax legislation, future planning opportunities, the use of brought-forward tax losses and the resolution of open tax issues. The calculation of the Group's total tax charge involves a degree of estimation and judgment with respect to the recognition of deferred tax assets and of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority. The Group holds tax provisions in respect of the potential tax liability that may arise on these unresolved items, however, the amount ultimately payable may be materially lower than the amount accrued and could therefore improve the overall profitability and cash flows of the Group in future periods.

6. Earnings per ordinary share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as own shares in Employee Benefit Trusts. Diluted earnings per share is calculated using the same profit figure as that used in basic earnings per share and by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares arising from share schemes. The following reflects the income and share data used in the earnings per share computation:

	Year ended 31 May 2015	Restated* Year ended 31 May 2014
	£m	£m
Profit for the year	131.9	147.2
Earnings attributable to non-controlling interests	-	-
Earnings attributable to owners of the parent	131.9	147.2
Weighted average number of shares		
Basic	365,199,825	364,710,756
Dilutive effect of share-based payments	1,383,806	1,213,527
Diluted	366,583,631	365,924,283

	Year ended 31 May 2015	Restated* Year ended 31 May 2014
Basic earnings per share	36.13p	40.35p
Diluted earnings per share	35.99p	40.22p

*****Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.

7. Dividends

	Year ended 31 May 2015	Year ended 31 May 2014
	£m	£m
Declared and paid during the year:		
Final dividend for 2014 at 22.40p per share (2013: 17.50p)	81.9	63.8
Interim dividend for 2015 at 8.45p per share (2014: 5.75p)	30.9	21.0
	112.8	84.8
Proposed for approval by shareholders at the AGM:		
Final dividend for 2015 at 19.70p per share (2014: 22.40p)	71.8	81.9

The final dividend for 2015 of 19.70p per share amounting to £71.8 million was proposed by the Board on 15 July 2015 and has not been included as a liability at 31 May 2015. This dividend will be paid on 30 October 2015, following approval at the Company's AGM, to those members on the register at the close of business on 2 October 2015.

The dividend paid or declared in relation to the financial year are set out below:

	Year ended 31 May 2015	Year ended 31 May 2014
Dividend declared per share:		
Interim dividend	8.45p	5.75p
Final dividend	19.70p	22.40p
	28.15p	28.15p

8. Trade receivables

	31 May 2015	31 May 2014
	£m	£m
Amounts due from brokers[(1)]	239.2	303.9
Other amounts due to the Group[(2)]	28.4	21.3
Amounts due from clients[(3)]	2.0	2.3
	269.6	327.5

[(1)]Amounts due from brokers represent balances with brokers where the combination of cash held on account and the valuation of financial derivative open positions results in an amount due to the Group. At 31 May 2015 the actual broker margin requirement was £204.8 million (2014: £285.1 million) with the balance being excess cash margin held at brokers.

[(2)]Other amounts due to the Group include balances that will be transferred to the Group's own cash from segregated client funds on the following working day in accordance with the UK's Financial Conduct Authority (FCA) 'CASS' rules and similar rules of other regulators in whose jurisdiction the Group operates as well as excess funds held in segregation in certain jurisdictions. This also includes amounts due from banking counterparties or held within segregated client funds in relation to monies transferred by clients to the Group that remain unsettled at the year-end. The Group is required to segregate these client funds at the point of client funding and not at cash settlement.

[(3)]Amounts due from clients arise when a client's total funds deposited with the Group are insufficient to cover any trading losses incurred and are stated net of an allowance for impairment.

9(a). Cash and cash equivalents

	31 May 2015	31 May 2014
	£m	£m
Gross cash and cash equivalents(1)	1,062.4	959.9
Less: Segregated client funds(2)	(913.6)	(858.4)
Cash and cash equivalents(3)	148.8	101.5

(1)Gross cash and cash equivalents includes each of the Group's own cash, proceeds from the drawdown of the committed banking facility, as well as all client monies held.

(2)Segregated client funds comprise individual client funds held in segregated client money accounts or money market facilities established under the UK's Financial Conduct Authority (FCA) 'CASS' rules and similar rules of other regulators in whose jurisdiction the Group operates. Such monies are not included in the Group's Statement of Financial Position.

(3)Cash and cash equivalents includes both title transfer funds held by the Group under a Title Transfer Collateral Arrangement (TTCA) by which a client agrees that full ownership of such monies is unconditionally transferred to the Group, and client monies deposited with the Group's Swiss banking subsidiary, IG Bank SA.

The Group's Swiss banking subsidiary, IG Bank SA, is also required to protect customer deposits under the FINMA Privileged Deposit Scheme. At 31 May 2015 IG Bank SA was required to hold £2.8 million in satisfaction of this requirement.

9(b). Client funds and assets

	31 May 2015	31 May 2014
	£m	£m
Segregated client funds(1)	913.6	858.4
Segregated client assets(2)	77.4	-
Total segregated client funds and assets	991.0	858.4

(1)Segregated client funds comprise individual client funds held in segregated client money accounts or money market facilities established under the UK's Financial Conduct Authority (FCA) 'CASS' rules and similar rules of other regulators in whose jurisdiction the Group operates. Such monies are not included in the Group's Statement of Financial Position.

(2)During the year the Group commenced the offering of an execution only stockbroking service in the UK, Ireland and the Netherlands. As a result the Group is required to segregate the clients' equity positions under the Financial Conduct Authority's 'CASS' rules.

10. Liquidity analysis and risk management

The following section provides an analysis of the Group's available liquidity, the liquidity requirements that result from the Group's business model, and sets out the key measures used to monitor and manage the level of liquidity available.

The key measures used by the Group are explained below:

Liquid assets: These are the total liquid assets that the Group can access. These include cash held at bank (both own cash and title transfer funds) as well as at brokers, the liquid assets buffer held by the Group and other cash amounts due to the Group.

Own funds: These are liquid assets less title transfer funds. Title transfer funds are client monies held by the Group under a Title Transfer Collateral Arrangement (TTCA).

Available liquid assets: Certain of the Group's funds are not immediately available for the purposes of central market risk management as they are required to provide regulatory capital balances in regulated subsidiaries. Additionally the Group's overseas businesses also require working capital balances to both fund daily operations and to ensure sufficient liquidity is available to fund the local client segregation requirements. Available liquid assets are therefore liquid assets less amounts held in overseas subsidiaries and amounts due from segregation - each of which are not considered immediately available for market risk management.

Net available liquidity: This is the remaining liquidity available to the Group after the funding of the broker margin requirement associated with market risk management.

Total available liquidity: This measure is the total of the Group's liquid assets and the Group's undrawn committed banking facilities.

In order to mitigate liquidity risks, the Group regularly stress tests its three-year liquidity forecast to validate the appropriate level of committed unsecured bank facilities held. On 15 July 2014 the Group completed the renewal negotiations of the liquidity facility with a syndicate of three banks. In doing so, the Group has maintained the size of the overall facility at £200.0 million. Of the total committed banking facility, £120.0 million is available for a period of one year and £80.0 million is available for three years respectively from the facility signing date. The drawings made under the Group's facility in the year ended 31 May 2015 are disclosed in note 10(c) of this preliminary statement.

Additionally the Group's Japanese business, IG Securities Limited has a Yen 300.0 million liquidity facility as at 31 May 2015 (2014: Yen 300 million).

The following notes have been provided to further explain the derivation of liquid assets, own funds, available liquid assets, net available liquidity and total available liquidity. The generation of own funds is disclosed in note 10(d) of this preliminary statement.

10. Liquidity analysis and risk management (continued)

10(a) Liquid assets and own funds

'Liquid assets', stated net of borrowings, and 'own funds' are the key measures the Group uses to monitor the overall level of liquidity available to the Group. The derivation of both liquid assets and own funds are shown in the following table:

	31 May 2015	31 May 2014
	£m	£m
Cash and cash equivalents[(1)]	148.8	101.5
Amounts due from brokers[(2)]	239.2	303.9
Financial investments – held at brokers[(3.1)]	25.3	-
Financial investments – liquid asset buffer[(3.2)]	83.1	82.5
Other amounts due to the Group[(4)]	27.6	20.4
Liquid assets	524.0	508.3
Less:		
Draw down of committed banking facility	-	-
Client funds held on balance sheet[(5)]	(16.9)	(21.0)
Own funds	507.1	487.3

[(1)]Cash and cash equivalents represent cash held on demand with financial institutions (please refer to note 9(a) of this preliminary statement).

[(2)]Amounts due from brokers represent balances with brokers where the combination of cash held on account and the valuation of financial derivative open positions results in an amount due to the Group. These positions are held to hedge client market exposures in accordance with the Group's market risk management policy.

[(3.1)]During the year ended 31 May 2015 the Group purchased an additional UK Government Gilt which is held at brokers as collateral to support the hedging of client market exposures in accordance with the Group's market risk management policy.

[(3.2)]The UK Government securities held by the Group in satisfaction of the FCA requirements to hold a "liquid asset buffer" against potential liquidity stress under BIPRU 12.

[(4)]Other amounts due to the Group include balances that will be transferred to the Group's own cash from segregated client funds on the following working day in accordance with the FCA 'CASS' rules and similar rules of other regulators in whose jurisdiction the Group operates. This also includes amounts due from banking counterparties or held within segregated client funds in relation to monies transferred by clients to the Group that remain unsettled at the year-end. The Group is required to segregate these client funds at the point of client funding and not at cash settlement.

[(5)]Client funds held on balance sheet include both Title Transfer funds and client monies deposited with the Group's Swiss banking subsidiary. These are recognised on the Group's statement of financial position with an associated payable to clients.

10. Liquidity analysis and risk management (continued)

10(b) The Group's liquidity requirements

The Group requires day-to-day liquidity for each of: the full segregation of client monies; the funding of regulatory and working capital in overseas businesses; the funding of margin requirements at brokers to hedge the underlying client positions under both normal and stressed conditions; the funding of a liquid asset buffer; and amounts associated with general working capital.

The available liquid assets measure excludes cash amounts tied up in both the requirement to segregate client funds and in the regulatory and working capital of overseas businesses, as they are not considered to be available for the purposes of central market and liquidity risk management.

These requirements are analysed in the following table:

	31 May 2015 £m	31 May 2014 £m
Liquid assets	**524.0**	**508.3**
Less amounts required to ensure appropriate client money segregation	(27.6)	(20.4)
Less amounts required for regulatory and working capital of overseas businesses(1)	(58.8)	(28.8)
Available liquid assets	**437.6**	**459.1**
Less broker margin requirement(2)	(204.8)	(285.1)
Net available liquidity	**232.8**	**174.0**
Of which is:		
Held as a liquid assets buffer(3.1)	83.1	82.5
Draw down of committed banking facility(3.2)	-	-

(1)In the year ended 31 May 2015 the Group made a regulatory capital injection into its United Arab Emirates and Swiss subsidiaries. The Group's regulated subsidiaries in Australia, Japan, Singapore, South Africa, Switzerland, United Arab Emirates and the USA all have minimum cash holding requirements associated with their respective regulatory capital requirements. Additionally, the Group's regulated business or subsidiaries in Australia, Singapore, Japan, South Africa, United Arab Emirates and the USA are required to segregate individual client funds in segregated client money bank accounts. This daily segregation requirement occurs prior to the release of funds from the UK (note: market risk management is performed centrally for the Group in the UK) in relation to the associated hedging positions held at external brokers. Accordingly cash balances are held in each of the overseas businesses in order to ensure client money segregation obligations are met. Both the regulatory working capital amounts and customer deposits are not available to the Group for the purposes of central market risk management.

(2)Positions are held with external brokers in order to hedge client market risk exposures in accordance with the Group's market risk management policies.

(3.1)The liquid assets buffer is not available to the Group in the ordinary course of business, however utilisation is allowed in times of liquidity stress and therefore it is considered as available for the purposes of overall liquidity planning.

(3.2)The short term banking facility was undrawn at 31 May 2015 and 31 May 2014.

10. Liquidity analysis and risk management (continued)

10(c) Liquidity management and liquidity risk

Liquidity risk is managed centrally and on a group-wide basis. The Group's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its broker margin requirements and other financial liabilities when due, under both normal circumstances and stressed conditions. The Group has carried out an Individual Liquidity Adequacy Assessment ("ILAA") during the year, and whilst this applies specifically to the Group's FCA regulated entities, it provides the context in which liquidity is managed on a continuous basis for the whole Group.

The Group does not have any material liquidity mismatches with regard to liquidity maturity profiles due to the very short-term nature of its financial assets and liabilities. Liquidity risk can, however, arise as individual client funds are required to be placed in segregated client money accounts in all jurisdictions with the exception of Switzerland where the entity has a banking licence. A result of this is that short-term (less than one week) liquidity 'gaps' can potentially arise in periods of very high client activity or significant increases or falls in global financial market levels.

During periods of significant market movements the Group may be required to fund margin payments to brokers prior to the release of funds from segregation, and in periods of significant market increases or increased client activity, the Group may be required to fund higher margin requirements at brokers to hedge increased underlying client positions. These additional requirements are funded from the Group's available liquid assets while these individual client positions are open, as individual client funds remain in segregated client money bank accounts.

In order to mitigate this and other liquidity risks, the Group regularly stress tests its three-year liquidity forecast to validate the appropriate level of committed unsecured bank facilities held.

These facilities were drawn to a maximum of £25.0 million for a period of 7 days in January 2015, £50.0 million for a period of 30 days in March 2015 and £25.0 million for a further 7 days in May 2015. On all three occasions, the drawdown was to fund relatively high levels of broker margin due to changes in market conditions. In the year ended 31 May 2014 the facilities were drawn down to a maximum of £50.0 million for a period of 30 days but partially repaid down to £25.0 million for a further 32 days in October to December 2013, and for £30.0 million for 28 days during February and March 2014 following the reduction in available liquidity after payment of dividends and at a time of relatively high levels of broker margin.

As well as the three-year liquidity forecast, the Group also produces more detailed short-term liquidity forecasts and detailed stress tests such that appropriate management actions or liquidity facility draw down can occur prior to a period of expected liquidity requirements.

A number of measures are used by the Group for managing liquidity risk, one of which is the level of total available liquidity. For this purpose total liquidity is calculated as set out in the following table inclusive of the undrawn committed facility.

10. Liquidity analysis and risk management (continued)

10(c) Liquidity management and liquidity risk (continued)

	31 May 2015	31 May 2014
	£m	£m
Liquid assets	**524.0**	**508.3**
Undrawn committed banking facility[(1)]	200.0	200.0
Total liquidity (including facilities)[(2)]	**724.0**	**708.3**

[(1)]Draw down of the committed banking facility is capped at 80% of the actual broker margin requirement on the draw down date. The maximum available draw down was £163.8 million at 31 May 2015 (2014: £200.0 million) based on the broker margin requirements on those dates, of which £nil was drawn down as at 31 May 2015 (31 May 2014: £nil).

[(2)]Stated inclusive of the liquid assets buffer of £83.1 million (2014: £82.5 million) that is held by the Group in satisfaction of the FCA requirements to hold a "liquid asset buffer" against potential liquidity stress under BIPRU 12. Utilisation of the liquid assets buffer is allowed in times of liquidity stress and therefore it is considered as available for the purposes of overall liquidity planning.

The Group's total liquidity enables the funding of large broker margin requirements when required – the total available liquidity that can be utilised for market risk management at 31 May 2015 should be considered in light of the intra-period high broker margin requirement of £293.7 million (2014: £290.3 million), the requirement to hold a liquid assets buffer, the continued growth of the business (both for client trading and geographic expansion), the Group's commitment to segregation of individual clients money as well as the declared final dividend for the year ending 31 May 2015 all of which draw upon the Group's liquidity.

10. Liquidity analysis and risk management (continued)

10(d) Own funds generated from operations

The following cash flow statement summarises the Group's generation of own funds during the year and excludes all cash flows in relation to monies held on behalf of clients. Additionally both amounts due from brokers and financial investments have been treated as 'cash equivalents' and included within 'own funds' in order to provide a clear presentation of the Group's cash resources. The derivation of own funds is explained in note 10(a) of this preliminary statement, and is stated net of amounts drawn on the Group's committed banking facility. A narrative explanation of the key cash flows disclosed in the following cash flow statement is provided within the Operating and Financial Review.

	Year ended 31 May 2015 £m	Restated* Year ended 31 May 2014 £m
Operating activities		
Profit before tax	169.5	194.9
Depreciation and amortisation	10.7	9.7
Other non-cash adjustments	(0.5)	3.8
Income taxes paid	(42.9)	(47.8)
Own funds generated from operations	136.8	160.6
Movement in working capital	7.9	(3.3)
Inflow/(outflow) from investing activities		
Interest received	0.8	1.5
Purchase of property, plant and equipment and intangible assets	(12.4)	(11.5)
Outflow from financing activities		
Interest paid	(1.9)	(2.0)
Equity dividends paid to owners of the parent	(112.8)	(84.8)
Total outflow from investing and financing activities	(126.3)	(96.8)
Increase in own funds	**18.4**	**60.5**
Own funds at 1 June	487.3	429.3
Exchange gains/(losses) on own funds	1.4	(2.5)
Own funds at 31 May	507.1	487.3

*Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRIC 21 'Levies'.

11. Cash generated from operations

	Year ended 31 May 2015	Restated* Year ended 31 May 2014
Operating activities	£m	£m
Operating profit	169.6	195.4
Adjustments to reconcile operating profit to net cash flow from operating activities:		
Net interest income on segregated client funds	(4.5)	(5.5)
Depreciation of property, plant and equipment	5.7	4.7
Amortisation of intangible assets	5.0	5.0
Non-cash foreign exchange (gains)/losses in operating profit	(6.2)	8.6
Share-based payments	5.3	6.6
Decrease/(increase) in trade and other receivables	32.8	(40.9)
Increase in trade and other payables	2.7	2.6
Cash generated from operations	210.4	176.5

*Comparative periods have been restated to reflect the change in timing of recognition of the FSCS levy in accordance with IFRI C 21 'Levies'.

12. Subsequent events

As at 31 May 2015, the Group had £200.0 million in revolving credit facility from a syndicate of three UK banks. The Group has under taken a review of its contingent liquidity requirements and upon approval from the Executive Risk Committee, concluded to reduce the facility to £160.0 million and include a fourth bank in the syndicate. The inclusion of a fourth bank in the syndicate offers the Group further bank diversification. This new facility has £100.0 million available for up to a 1 year term (with an option to extend for a further year) and £60.0 million available for up to 3 years and was signed on 17 July 2015.

A final dividend of 19.70p per share amounting to £71.8 million was proposed by the Board on 15 July 2015.

In the Directors' opinion the Group has sufficient liquidity available to meet operational requirements under both normal and stressed conditions. Liquidity management is also dependent on credit risk management.