10 March 2009

IG GROUP HOLDINGS PLC
Interim Management Statement

IG Group Holdings plc ("IG" or "the Group") today issues the following Interim Management Statement. Unless otherwise stated, trends and figures highlighted below refer to the three months ended 28 February 2009 and the corresponding period last year.

Group revenue for the quarter was approximately £62m compared to £46m in the corresponding quarter in the prior year, an increase of approximately 35%. This quarter includes the results of FXOnline, which are not included in the comparative period. Operating costs are in line with management expectations.

The Group continues to achieve high levels of account opening in its financial businesses. The Group's financial businesses opened 18,700 accounts, including 4,400 from FXOnline, compared to 10,500, excluding FXOnline, in the corresponding quarter in the previous financial year. Account opening in the UK remains strong.

The Group's six newer offices in Singapore, France, Germany, Spain, Italy and the US continue to deliver very strong growth. In aggregate they achieved revenue of £11.3m, compared to £2.8m in the corresponding period the prior year.

The Group's clients have become increasingly accustomed to the higher levels of volatility that have been a feature of equity markets since the summer of 2007. As a consequence the uplift of revenue that the Group typically experiences on a higher volatility day is becoming progressively less marked and this made growth against very strong comparatives challenging in the Group's two most established businesses in the UK and Australia. The Group's UK financial business achieved revenue of approximately £31.5m, compared to £34.0m in the corresponding period in the previous financial year. The Group's Australian business achieved revenue of £6.4m, compared to £6.9m in the corresponding quarter of the previous year.

The Group's Japanese business, FXOnline, achieved revenue of approximately £11m in the quarter. Revenue for the final month of the quarter was disappointing and there appear to be a number of contributory factors. The business is sensitive to the level of volatility of the Yen and this was lower in February than it had been in previous months. In the run up to the launch of its PureDeal platform marketing activity was reduced. Consumer confidence has deteriorated rapidly in Japan in the face of challenging economic conditions and this appears to have had a greater impact on the Japanese client base than is the case elsewhere in the Group. Shortly before the end of the period the Group introduced its PureDeal platform in the Japanese market and has been pleased with the initial rate of take-up. The Group anticipates launching CFDs within the next few weeks.

As previously reported, following the high incidence of doubtful debts arising in the extraordinary volatility of October 2008 the Group adopted a more stringent approach to credit risk management, involving automation of the margin calling process, quicker close-out and increased margin rates.

This approach has been progressively strengthened and refined throughout the quarter. In addition, over the last year the group has progressively reduced its appetite for clients with large, long-term, single stock positions. The Group anticipates a charge for doubtful debts in the third quarter of less than 3% of revenue (compared to 11.6% in the first half of the year). The majority of these debts arose from legacy situations where clients had positions that were put in place prior to the introduction of the more stringent approach to credit risk management. The Group anticipates that its new approach to credit risk management will ultimately result in a lower future incidence of doubtful debts.

The measures that the Group has taken to reduce its credit risk have inevitably resulted in the loss of some revenue, where the Group views the risk-reward ratio to be unacceptable in current market and economic conditions.

In summary, whilst the Group has seen significant growth in its newer businesses, the overall growth of the Group has been impacted by a very strong comparative period. It remains difficult to predict future trends in volatility or customer reaction to changing market and economic conditions. However, the continuing strong account openings, together with the ongoing development of the Group's offering, leave the Group competitively positioned for further growth.

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