



13 September 2011

IG GROUP HOLDINGS PLC
Interim Management Statement

IG Group Holdings plc (“IG” or the “Group”) today issues the following Interim Management Statement for the period from 1 June 2011 to 12 September 2011. Unless otherwise stated, trends and figures highlighted below refer to the three months ended 31 August 2011 and the corresponding period last year.

Revenue in the first quarter was approximately £100m, an increase of 26% from the £79m in the corresponding period last year. Excluding the Group’s sports business, which was closed during the period, the Group achieved like-for-like revenue growth of 30%.

This strong growth was driven by a 20% increase in active clients and an 8% increase in revenue per client. Each of June, July and August experienced growth, with August being a record month for the Group, both in terms of revenue and client activity, resulting from the heightened levels of market volatility. The effect of heightened volatility on revenue per client was less pronounced in the UK and Europe than in Australia and Singapore, due to the seasonal impact of holidays.

Adjusted PBT margin for the period was ahead of the previous financial year, reflecting that costs, other than performance related bonuses, are largely fixed in the short term. Management expect adjusted PBT margin for the full year will be more in line with the prior year as the Group continues to invest in IT and marketing capability.

This continuing investment in dealing platforms and systems enabled the Group to maintain 100% platform uptime throughout a period of extreme market volatility. Credit management systems and processes also proved robust and the bad debt charge for the quarter was less than 1% of revenues.

A geographic analysis of trading revenue is set out below:

Geographical Revenue £m	Q1 FY12	Q1 FY11	%
	£m	£m	Change
UK	51.8	42.3	22%
Australia	17.0	11.3	51%
Europe	19.2	12.7	51%
Japan	4.4	6.5	(32)%
Rest of World	7.2	4.0	79%
Total Financial	99.6	76.8	30%
extrabet	0.2	2.3	(93)%
Total	99.8	79.1	26%

The Group’s UK financial business achieved revenue of £51.8m compared to £42.3m in the corresponding quarter of the prior year, an increase of 22%, driven by a 16% increase in active clients and a 5% increase in revenue per client.

The Group's Australian business achieved revenue of £17.0m compared to £11.3m in the prior year, an increase of 51%, driven by a 21% increase in active clients and a 24% increase in revenue per client.

The Group's European offices achieved revenue of £19.2m, compared to £12.7m in the prior year, an increase of 51%, driven by 40% growth in active clients and an 8% increase in revenue per client. Growth rates for the most established offices were: Germany 64%, Italy 59%, Iberia 39% and France 33%.

The Group's Japanese business achieved revenue of £4.4m, representing a fall of 32% compared to the corresponding quarter of last year. Active clients increased by 10% but this was outweighed by a fall of 38% in revenue per client, due to the progressive introduction of leverage restrictions since August 2010. The last of the proposed leverage restrictions came into force on 1 August 2011 but its impact was temporarily mitigated by the high levels of market volatility, particularly in the first half of August.

Rest of the World, which comprises Singapore, the US and South Africa, achieved growth of 79% to £7.2m compared to £4m in the prior year. South Africa, which was not in the comparator period, contributed £1m of this growth; the remaining growth came from Singapore, where revenue was up 65%. This was mainly driven by a 61% increase in revenue per client, with active client numbers up 3%.

Nadex, the Group's US regulated exchange, continues to achieve steady recruitment of direct members. PFGBEST, the first independent broker to connect to Nadex, have, within the last few days, gone fully live and are expected to begin promoting Nadex actively during the current quarter. Nadex has entered into an agreement with ION Trading ("ION") to undertake the necessary development work to support Nadex instruments within ION's back office processing system, which is used by a number of brokers acting as clearing members on US exchanges. It is expected that this work will complete in the second half of the current financial year.

During the period the Group closed its sports business, extrabet, and sold the majority of its client list.

Current trading and outlook

The Group continues to see progressive growth in active client numbers in all of the markets in which it operates, which is the key driver of the long term revenue growth in the business. This growth is in turn underpinned by the on-going significant investment the Group makes in its technology platforms and systems.

In the first quarter the Group also benefited from elevated client activity which was stimulated by an increase in market volatility driven by global economic uncertainty. These factors have continued into September and volatility, while lower than in early August, remains higher than seen in most of the prior financial year.

The Group remains well capitalised and is well positioned competitively. The Board remains confident in the prospects for the Group.

There will be a conference call today for analysts and investors at 8.30am (UK time).The dial-in for the conference call is +44(0)20 7136 2054 with the passcode 6669514. A replay of the call will be available until 27th September 2011 with the dial-in +44 (0)20 7111 1244 and the passcode 6669514#.

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References in this statement to revenue are to trading revenue, being total revenue less interest income on client money.

Adjusted profit before tax (Adjusted PBT) excludes amortisation and impairment of intangible assets arising on consolidation. Adjusted PBT margin is calculated with reference to trading revenue.

References in this statement to active clients are to the number of clients trading during the quarter and references to average revenue per client are to revenue for the quarter divided by the number of active clients.