

17 September 2013

IG GROUP HOLDINGS PLC  
Interim Management Statement

IG Group today issues the following Interim Management Statement for the period from 1 June 2013 to 16 September 2013. Unless otherwise stated, trends and figures highlighted below refer to the three months ended 31 August 2013 and the corresponding period last year.

Revenue in the first quarter was £93.6m, 15% ahead of the same period in the prior year, which was a particularly quiet quarter for IG and the wider industry. Client activity this year was strongest early in the period in response to heavy falls in equity markets on the back of QE tapering fears in the US and concerns over the Chinese economy.

Revenue and KPIs by region were as follows:

Geographical Revenue	Q1 revenue			KPIs	
	FY14 £m	FY13 £m	% Change	Active clients	Revenue per client
UK	47.5	41.1	16%	(10%)	28%
Australia	13.8	14.1	(2%)	(2%)	-
Europe	20.2	15.4	31%	3%	27%
Japan	3.6	3.9	(8%)	(18%)	12%
Rest of World	8.5	7.0	21%	13%	9%
<b>Total</b>	<b>93.6</b>	<b>81.5</b>	<b>15%</b>	<b>(5%)</b>	<b>21%</b>

Revenue was well ahead of last year in the UK, Europe and Rest of World, but behind in Japan and in Australia, with the performance here impacted by subdued consumer sentiment ahead of the recent election and the weakness in the Australian dollar. Average revenue per client was up strongly in the UK, Europe and Rest of World, with an increase in both the number of trades and the revenue per trade. Active client numbers were also ahead in Europe and Rest of World, while in the more mature markets of the UK and Australia there were fewer active clients trading in the period. This fall in active client numbers reflects both weakness in the recruitment and conversion of new trading clients and the strategy of the group not to actively attract or retain very low value clients, with the drop off occurring in the lowest value brackets.

### Business developments

During the period the group completed the migration of its websites in the UK and Australia to the IG.com domain and is on track to have the roll-out substantially complete by the end of the second quarter. Following a successful pilot during the period, IG has just begun to promote the MetaTrader 4 platform as part of a drive to increase its market share within the forex market.

The Italian derivatives tax came into force at the start of September. Although it contains a relatively complex charging structure, the Group believes that the low level of taxation on its main Italian equity index CFD contract will limit the impact on revenue.

In August it was confirmed that IG's share\* of the Australian CFD market had grown by one percentage point to 38%, although the market size had contracted by around 7% to 41,000 traders, as fewer people joined the industry over the 12 month period.

## Outlook

The first quarter has provided IG with a solid start and puts the company on track at this early stage of the year. However, the implications for the full year should be considered in the context of the weak comparative quarter and the particularly strong second half of the prior year.

Management outlined a range of initiatives with the results in July, aimed at broadening the offering, attracting new clients and improving current client retention. The company continues to work on these initiatives, which it believes will provide it with an increasingly strong platform for growth in future years.

Today there will be a conference call for analysts and investors at 8.30am (UK time). The call can be accessed by dialling +44 20 3427 1909 and using the passcode 9058027. A replay of the conference call will be available for a week after the event by dialling +44 20 3427 0598 and using passcode 9058027, and it will be archived for access at [www.iggroup.com/investors](http://www.iggroup.com/investors).

The next scheduled performance announcement from IG is the H1 2014 pre-close update, currently planned for 19 November 2013. This will be followed by the H1 2014 results announcement and presentation, currently scheduled for 14 January 2014.

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

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

\* Share of primary accounts as stated by Investment Trends 2013 Australia CFD report (published August 2013)