



9 September 2010

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 31 August 2010 and the corresponding period last year.

Group revenue for the quarter was approximately £79m compared to £68m in the corresponding quarter in the prior year, an increase of 16%. Volumes were strong in the first half of the quarter, but were subdued later in the quarter as low volatility in all of the main asset classes amplified the normal seasonal effect of holidays in the northern hemisphere.

The Group continues to make recoveries of previously provided for debts and as a result incurred a small net credit to the P&L for doubtful debts. Other operating costs were in line with management’s expectations.

The Group’s UK and Australian offices achieved revenues of £42.3m and £11.2m respectively, representing growth of 8.5% and 12%.

The Group’s continental European offices continued to achieve strong growth with revenue of £12.7m, up 46%. All of the Group’s European offices achieved good growth, with Germany delivering the strongest.

The Group’s Singapore office also delivered strong revenue growth, up 52% to £3.5m.

As anticipated, the Group saw a sharp fall in forex volumes in Japan at the beginning of August, when the first regulatory restriction on leverage came into force. Volumes began to recover as the month progressed and that recovery has continued into September, although volumes remain around 30% lower than before the leverage limit came in. It is anticipated that clients will continue to adapt their behaviour to a lower leverage environment in the coming months. Overall, revenue for the quarter was £6.5m, compared to £5.7m in the corresponding period last year, an increase of 14%.

Revenue in the US was up 20% to £0.6m and continues to come principally from the Group’s OTC forex offering, while revenue from Nadex remains small. Progress continues with the connection of various third party trading platforms to Nadex, which is a necessary precursor to futures brokers giving their clients access to the exchange. Recently announced rules from the CFTC on OTC forex, which include a 50 times leverage limit, come into force on 18 October 2010. These rules are likely to increase the attractiveness of Nadex’s product offering and are therefore expected to benefit the Group in the longer term, but in the short term they may have some adverse impact on the Group’s small US OTC forex business.

The Group has now completed its acquisition of the business and clients of Ideal CFDs in South Africa and has commenced trading in South Africa under the IG Markets brand.

Excluding Japan, account opening levels were similar to those achieved in the corresponding quarter of last year, a period that benefited from a strong equity rally. In Japan, the strategy of focusing on larger, more experienced clients has resulted in a reduction in account opening, but a significant improvement in the quality of the accounts opened.

The Group continues to develop its technology platform in order to further extend its competitive lead. During the quarter the Group launched its first iPhone App, initially just for its UK spread betting business. Management have been pleased with the response from clients to the App and have incorporated a number of additional features requested by clients in the next version, due for release later this month. A multi-lingual CFD version of the App will follow in a few months.

It remains difficult to predict future trends in volatility or customer reaction to changing market and economic conditions. Growth in the number of active customers and the continued development of the Group's offering leave the Group well positioned for further growth.

There will be a conference call today for analysts and investors at 8.30am (UK time). The call can be accessed by dialling +44 (0)20 7806 1957 and using passcode 4261055. A replay of the conference call will be available for a period of 14 days after the event by dialling +44 (0)20 7111 1244 and using passcode 4261055#. The replay will also be available on the Group's website www.iggroup.com.

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About IG Group

IG Group Holdings plc is a world leader in financial derivatives trading, with several operating companies offering products to a retail and professional client base.

Expanding beyond its initial business in UK financial spread betting, IG Group has developed significant multinational operations with offerings in foreign exchange (forex), Contracts for Difference (CFDs) and sports betting.

IG Group continues to innovate and grow. In the past few years it has introduced mobile dealing, new platform and charting features and a regulated retail-focussed exchange in the US. Today, the IG Group of companies employs over 900 staff around the globe, helping more than 120,000 clients execute over five million transactions per month. IG Group is listed on the LSE with a market capitalisation of approx £1.8bn.

IG Group Companies

IG Index

IG Index is Britain's leading financial spread-betting firm, offering prices in a huge range of indices, currencies, commodities and options, as well as thousands of individual shares.

IG Markets

IG Markets is an international market-maker in financial derivatives - principally CFDs on shares and indices - as well as being a leading dealer in margined forex.

extrabet.com

extrabet.com offers sports spread betting, sports and financial fixed-odds betting, sports and financial binary betting, as well as a casino from a single account.

FXOnline Japan

FX Online is IG's Japanese forex and CFD business. It was the first to offer commission-free trading on forex in Japan, and in 2009 introduced a wide range of CFDs on shares, indices and more.

Nadex

The North American Derivatives Exchange was launched in June 2009, becoming the first regulated, retail-focussed exchange of its kind in the US. Nadex offers contracts on equity indices, forex and commodities as well as some event markets.