



Results presentation
Six Months Ended 30 November 2007

Tim Howkins, CEO

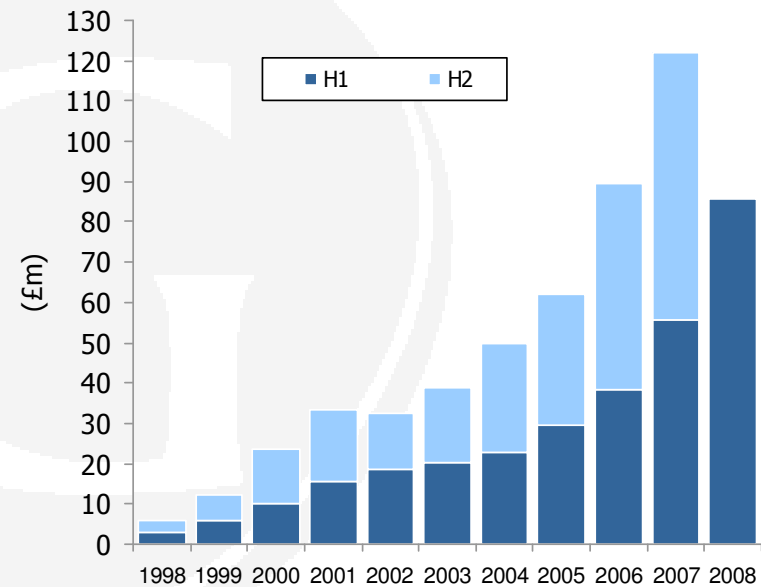
Steve Clutton, Finance Director

Introduction

Highlights

- IG Turnover up 54%
- IG Profit before tax up 63%
- IG Proposed interim dividend of 3.0p per share (up 50%)
- IG Strong levels of client recruitment
- IG Paris and Madrid operations successfully opened
- IG Acquisition of US exchange in December 2007
- IG Current trading strong
- IG Initiatives in place to drive growth

Revenue








Income statement

	Six months ended 30 November		Year ended 31 May		
	2007	2006		2007	
	£'m	£'m		£'m	
Turnover	85.8	55.7	+54%	122.0	IG Strong revenue and profit growth continues
Betting duty	(4.9)	(2.9)		(4.2)	IG Betting duty varies with client performance
	80.9	52.8		117.8	
Interest on client money	5.1	3.1		6.5	
Operating costs	(37.6)	(25.5)	+48%	(53.9)	IG Costs in line with expectations
EBITDA	48.4	30.4	+60%	70.4	
<i>Margin (%)</i>	56.4%	54.5%		57.7%	
Depreciation and amortisation	(2.3)	(2.1)		(4.6)	
EBIT	46.1	28.3	+63%	65.8	
<i>Margin (%)</i>	53.7%	50.8%		53.9%	
Interest received	2.1	1.3		3.1	
Profit before tax	48.2	29.6	+63%	68.9	
Diluted earnings per share	9.99p	6.20p	+61%	14.52p	
Dividend	3.00p	2.00p	+50%	8.50p	

Revenue by business line

	2006			2007			2008	Growth
	H1	H2	Total	H1	H2	Total	H1	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<u>Financial</u>								
Spread Betting	21,798	29,377	51,175	30,577	31,640	62,217	43,386	+42%
CFD	9,721	14,233	23,954	16,018	25,014	41,032	31,286	+95%
Binaries	2,701	2,495	5,196	3,098	3,444	6,542	4,775	+54%
Financial sub-total	34,220	46,105	80,325	49,693	60,098	109,791	79,447	+60%
<u>Sports</u>								
Fixed odds ⁽¹⁾	531	902	1,433	1,310	2,168	3,478	1,387	+6%
Spread betting	3,847	3,786	7,633	4,670	4,051	8,721	4,944	+6%
Sports sub-total	4,378	4,688	9,066	5,980	6,219	12,199	6,331	+6%
Total	38,598	50,793	89,391	55,673	66,317	121,990	85,778	+54%

-  All areas of business continue to deliver profitable growth
-  Client recruitment main driver of revenue growth alongside volatile markets
-  Impressive growth in CFD with increased geographic reach
-  Strong Binaries result reflects Spread Betting client recruitment growth
-  Sports had a challenging comparative (inc football World Cup)

1. Includes betting exchange business

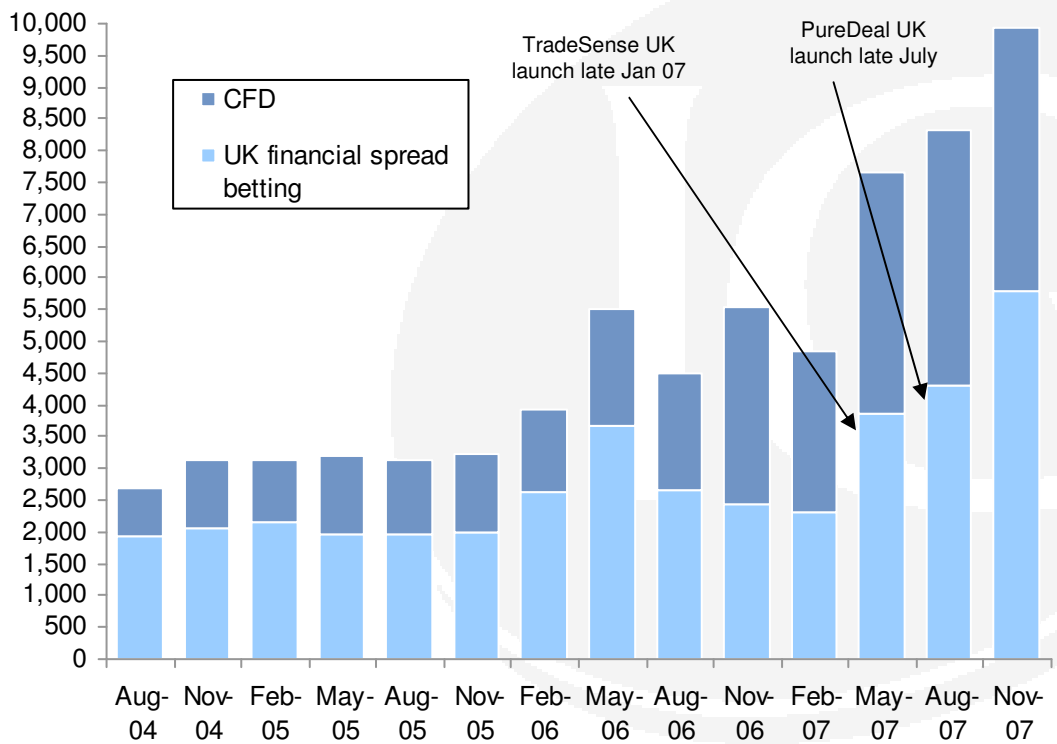
Cost base





	Year ended 31 May 2007			Year ending 31 May 2008	
	FY	H1	H2	H1	
	£'000	£'000	£'000	£'000	
Salaries	20,227	9,940	10,287	12,384	IG Additional headcount to cater for growth
Bonuses	9,747	3,709	6,038	8,051	IG Increased bonus reflects H1 performance
LTIP and SIP	1,844	911	933	2,210	IG New offices in Madrid and Paris from Nov
Advertising and marketing	6,996	3,328	3,668	4,792	
Rent and premises cost	2,216	1,081	1,135	1,774	
Market data	2,716	1,266	1,450	1,760	IG No significant bad debts
Bad and doubtful debts	1,416	768	648	1,148	
IT maintenance and support	1,588	734	854	763	IG Marketing focus
Recruitment	967	535	432	779	– online
Legal and professional	1,795	972	823	1,013	– overseas advertising
Other overheads	4,472	2,255	2,217	2,945	
Total operating costs	53,984	25,499	28,485	37,619	IG Other overheads include
Depreciation, amortisation and disposals	4,590	2,104	2,486	2,352	– irrecoverable VAT
	58,574	27,603	30,971	39,971	– bank charges

Financial

Account opening is key lead indicator

Quarterly account opening

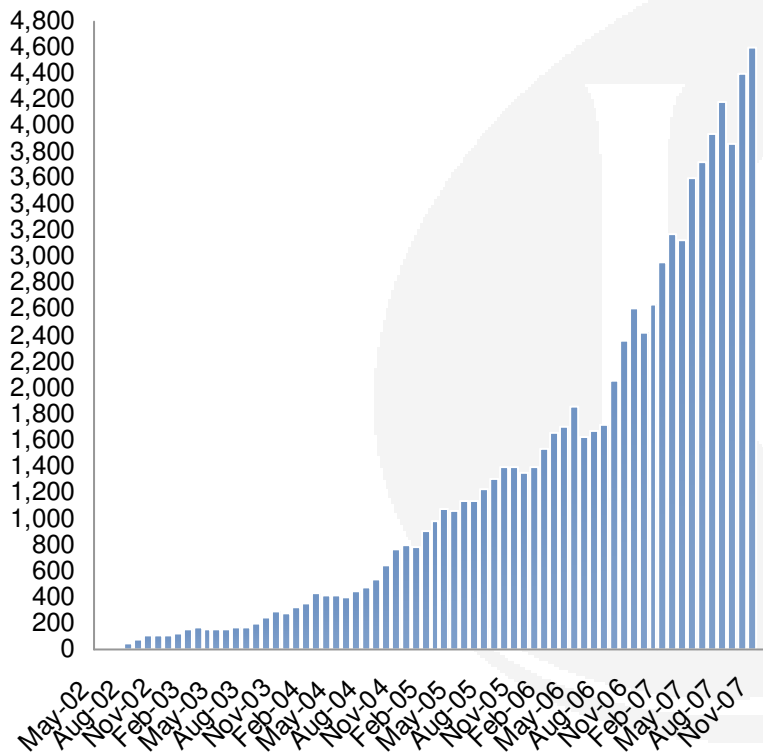


-  Overall client recruitment up 82% H1 vs H1
-  Strong brand and recognition of IG as UK leader
-  Global CFD client recruitment up 64% H1 vs H1
 - represents 45% of new accounts
 - 69% outside UK
-  Worldwide client base of market professionals, retail clients and network of introducers

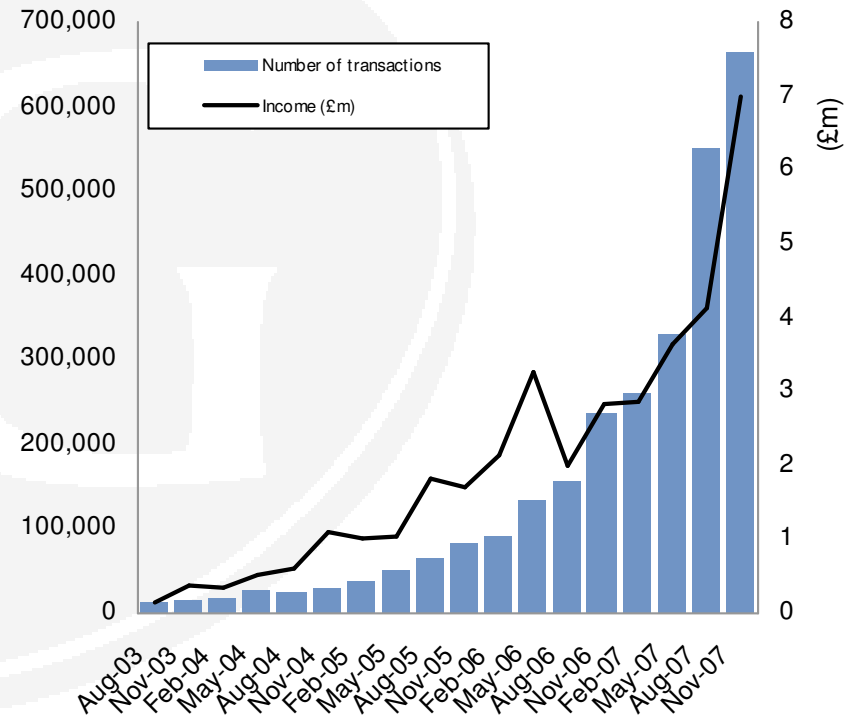
Australia – Financial

Return to strong growth

Number of clients dealing - Australia (monthly)



Income and number of transactions¹ (quarterly)

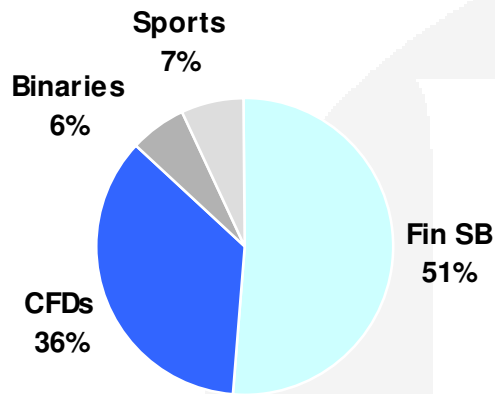


¹ Includes closes, stops and rolls

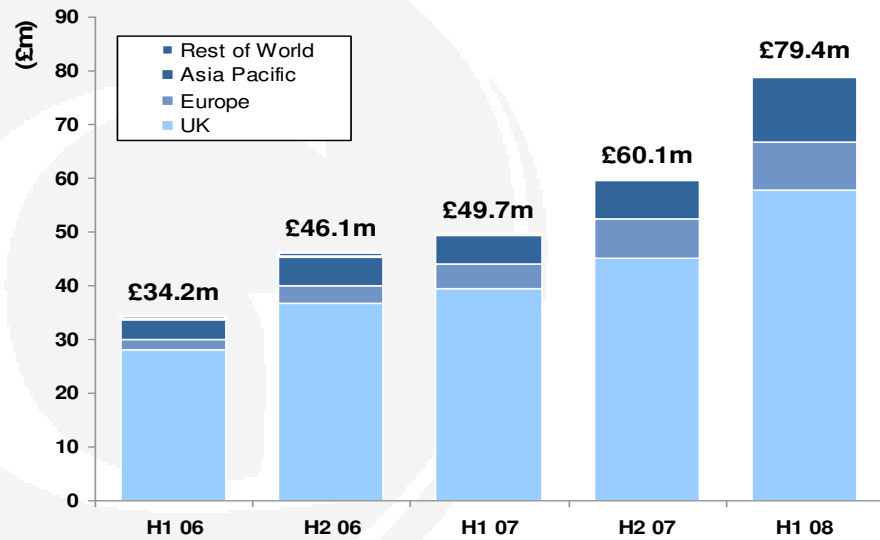
International diversification

Revenues growing strongly in current regions of focus

H1 2008: Revenue £85.8m



Financial revenue by region



IG Reducing reliance on UK spread betting

IG Introduced business is a key driver

IG CFD is main product outside the UK

IG Overseas financial revenue
 - 27% of Financial (H1 2007 21%)
 - 111% H1/H1 growth

Revenue per client – Financial Business

Turnover	H1 2006 £'m	H2 2006 £'m	H1 2007 £'m	H2 2007 £'m	H1 2008 £'m
UK	3.5	4.8	5.8	10.1	9.6
Europe	2.0	3.2	4.6	7.2	8.9
Asia Pac	3.7	5.5	5.4	7.3	12.1
Rest of World	0.5	0.7	0.3	0.4	0.7
CFD Total	9.7	14.2	16.0	25.0	31.3
UK Financial Spread Betting	21.8	29.4	30.6	31.6	43.4
Financial Binaries	2.7	2.5	3.1	3.4	4.8
Financial Betting Total	24.5	31.9	33.7	35.1	48.2

Number of Clients	H1 2006	H2 2006	H1 2007	H2 2007	H1 2008
UK	1,073	1,342	1,689	2,437	3,313
Europe	451	1,106	1,475	2,258	3,557
Asiapac	1,997	2,542	4,091	5,515	8,090
ROW	61	140	182	297	474
CFD Total	3,582	5,130	7,437	10,507	15,434
UK Financial Spread Betting	11,908	14,322	13,767	15,273	20,487
Financial Binaries	2,572	2,889	3,383	4,099	6,091
Financial Betting Total	14,480	17,211	17,150	19,372	26,578

Income per Client	H1 2006 £	H2 2006 £	H1 2007 £	H2 2007 £	H1 2008 £
UK	3,283	3,601	3,405	4,158	2,907
Europe	4,452	2,895	3,106	3,185	2,502
Asiapac	1,858	2,160	1,316	1,328	1,492
ROW	7,884	5,066	1,677	1,239	1,451
CFD Total	2,714	2,774	2,154	2,381	2,027
UK Financial Spread Betting	1,831	2,051	2,221	2,072	2,118
Financial Binaries	1,050	864	916	840	784
Financial Betting Total	1,692	1,852	1,964	1,811	1,812



Global CFD growth

- Number of clients more than doubled in a year
- UK & Europe income per client reflects higher end clients
- Asia Pacific and RoW income per client trending towards that of UK SB
- New markets see
 - Higher proportion of direct retail clients
 - Less experienced client base

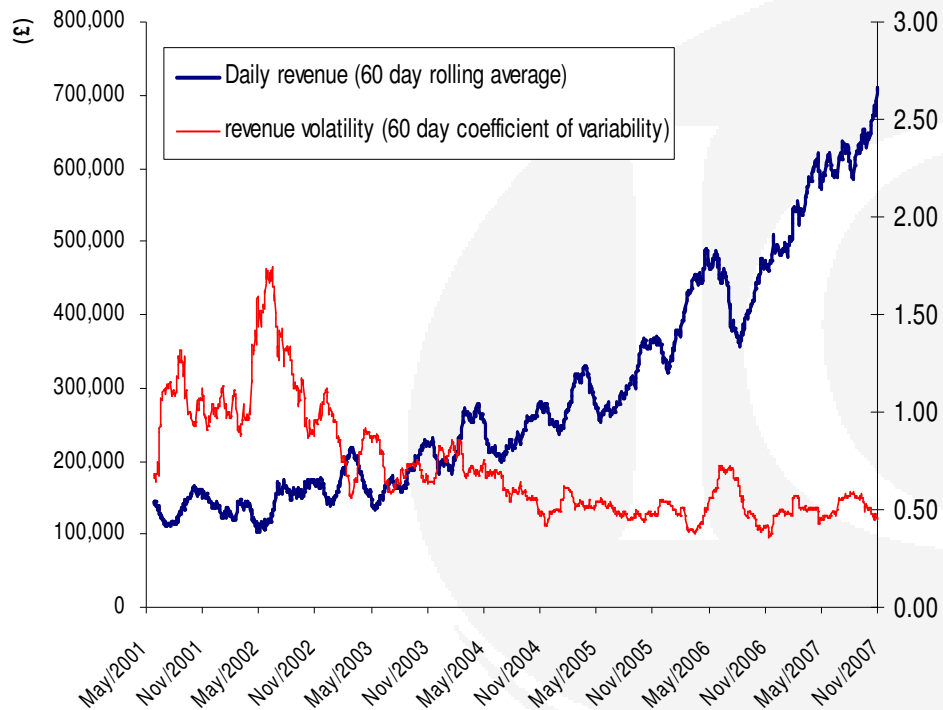


UK Financial Betting

- 49% increase in number of SB clients over the last year
- Income per client continues around £2,000 reflecting a more mature client base

Risk management and quality of earnings

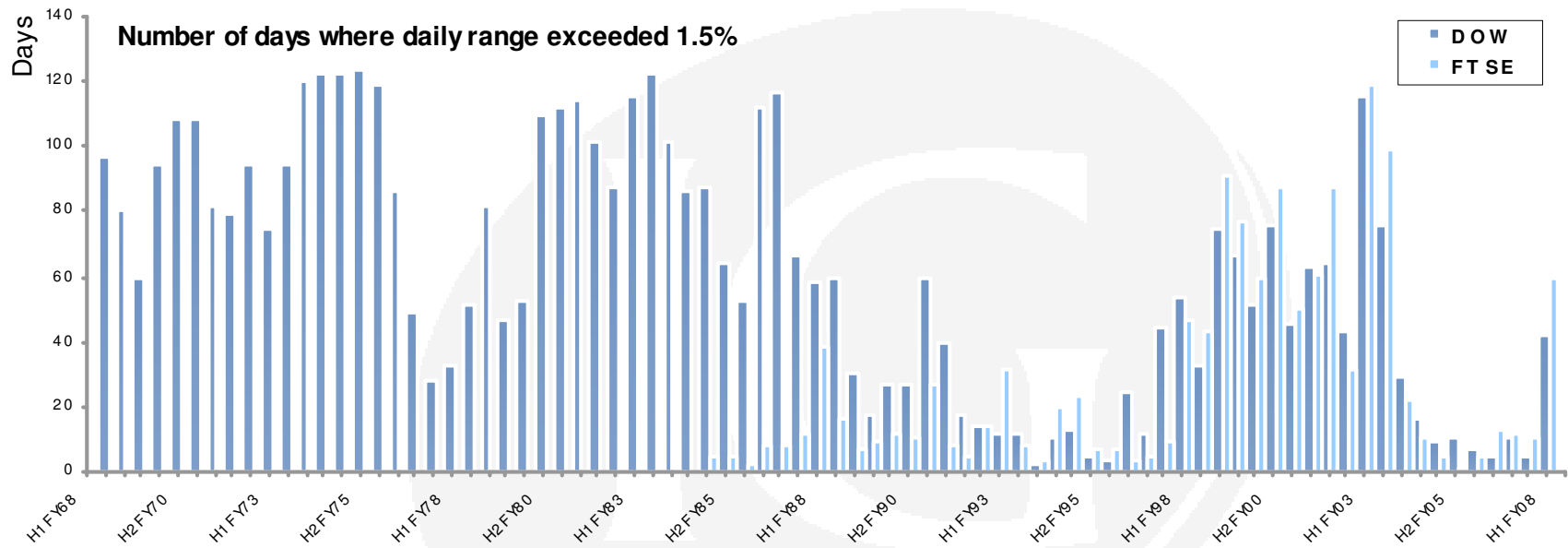
Daily revenue volatility remains low



- IG Volatility of daily revenue remains within a tight range, despite general market volatility
- IG Group's maximum exposure to global equity markets is £15m
- IG Aim to optimise balance of revenue volatility vs hedging cost
- IG One loss making day in last 2 years

Market volatility

The past 40 years have seen long periods of volatility similar to recent levels



IG Business has grown through all stages of market cycle

IG Volatility continues to have positive impact

- short term driver of client activity
- aids recruitment

IG Key drivers of growth remain:

- client recruitment
- quality of platform/technology/execution

Key initiatives rolled out internationally

TradeSense and PureDeal have both notably improved UK client recruitment

- IG Both TradeSense and PureDeal make good marketing messages, enhancing client recruitment
- IG PureDeal is an important competitive differentiator
- IG Roll-out across existing regulated sites largely complete
- IG Each PureDeal launch accompanied by
 - New Website
 - Marketing campaign
 - Client communication
- IG Enhancement of PureDeal functionality continuing



ALL-NEW PLATFORM

Introducing PureDeal
The ultimate CFD trading platform

IG MARKETS

IG MARKETS

Make sense of CFDs



Continuing enhancements to our offering

Initiatives to continue to drive growth across all our businesses

- IG Enhancements to PureDeal continue
 - Reuters Fundamentals
 - iPhone compatible dealer

- IG CRM – managing the client relationship throughout their lifecycle

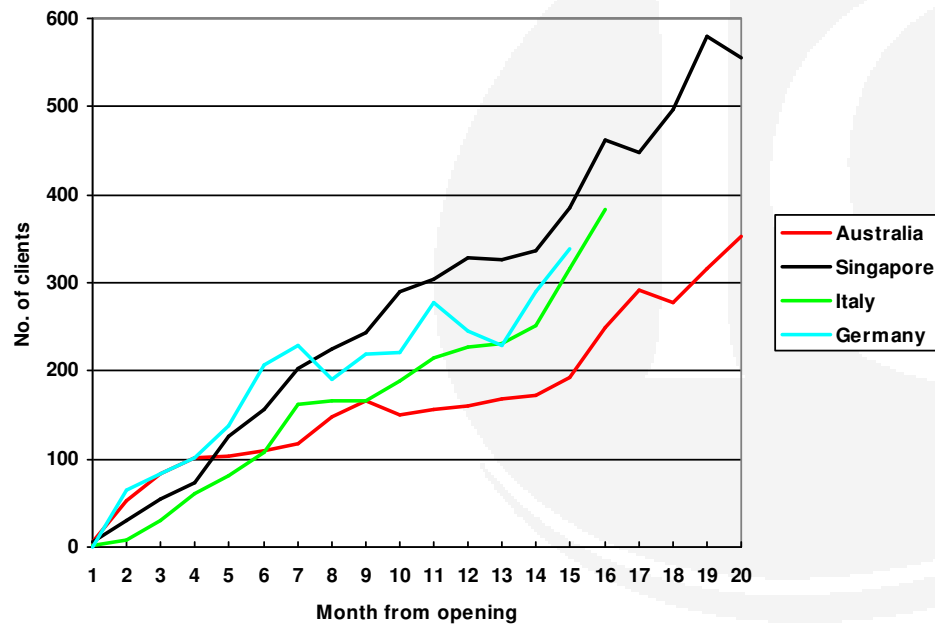
- IG Enhanced UK seminar programme
 - Physical seminars
 - Webinars

- IG Increasing dynamic web-site content

Overseas expansion

Big opportunity; manageable, modest costs

Number of clients dealing (monthly)



- IG Newer offices outperforming early experience in Australia
- IG Minimal set up costs, modest headcount requirement
- IG Singapore, Italy and Germany accounted for
 - 4% of Nov Revenue
 - 24% of Nov CFD client recruitment
- IG Paris & Madrid opened in Nov
- IG Focus on marketing and consumer education
- IG Continuing to research new markets

US expansion

A two track approach to a major potential market

IG Markets Inc

- IG Largest retail forex market in the world
- IG Tightening of regulatory regime for OTC forex provides opportunity
- IG Will initially offer
 - Spot OTC forex
 - OTC forex binary options
 - OTC vanilla forex options
- IG Intend to start trading in Q4 FY08

HedgeStreet Inc

- IG The world's only disintermediated binary option exchange
- IG Intending to restart trading in January 08
 - Existing limited product set initially
- IG Ongoing development programme to increase product range and improve user interface
- IG Developing as broad as possible a product set within regulatory constraints is key to commercial success

Outlook

- IG Record levels of client recruitment underpins confidence in growth prospects
- IG Strong growth in UK and Australia continues
- IG Continued strength in IT capability and technology secures competitive advantage through innovation, quality of platform and user experience
- IG Key European operations established and well placed to access new client bases
- IG US businesses commence trading in H2
- IG Strong current trading
- IG Business well positioned to deliver further growth

