14 January 2008

IG GROUP HOLDINGS PLC

Interim Results for the six months ended 30 November 2007

IG Group Holdings plc ("IG" or "the Group") today announces interim results for the six month period ended 30 November 2007.

Highlights

- Turnover up 54% at £85.8 million
- EBITDA[1] up 60% at £48.4 million
- Strong EBITDA margin of 56.4%
- Earnings per share up 61% at 9.99p
- Interim dividend of 3.0p per share
- Paris and Madrid operations successfully opened
- Acquisition of US exchange in December 2007

Tim Howkins, Chief Executive

"IG continues to deliver excellent growth across all areas of the business, with a substantial increase in both revenue and profits. This continued success has been underpinned by consistently strong levels of client recruitment, both in the UK and abroad. Current trading is strong and IG is well positioned for further growth."

Financial highlights

	Unaudited six months ended 30 November 2007 £000	*Unaudited six months ended 30 November 2006 £000*	*Growth %*
Revenue	85,778	55,673	+54%
EBITDA[1]	48,419	30,350	+60%
Profit before taxation	48,197	29,588	+63%
Profit after taxation	33,143	20,416	+62%
Basic earnings per share	10.16p	6.25p	+63%
Diluted earnings per share	9.99p	6.20p	+61%
Interim dividend per share	3.00p	2.00p	+50%

[1] EBITDA represents earnings before exceptional administrative costs, depreciation, amortisation charges, amounts written off property, plant and equipment and intangible, taxation, interest payable on debt and interest receivable on corporate cash balances and includes interest receivable on clients' money net of interest payable to clients.

Chief Executive's statement
For the six months ended 30 November 2007

Our revenue in the six months to 30 November 2007 was £85.8m, an increase of 54% over the same period last year. Profit before tax increased by 63% to £48.2m. Even when viewed against our track record of nine years of sustained compound annual growth in revenue of 40%, these growth levels are excellent. We could not achieve such high levels of growth year after year without the talented and hardworking team here at IG. I would like to thank all of our people worldwide for helping to deliver such good results.

Market volatility undoubtedly played a part in the growth that we have seen in the last six months. Volatility is an important short-term driver of client activity as it makes trading of the financial markets more interesting for existing clients and it also helps with the recruitment of new clients.

While heightened market volatility certainly contributed, we do not believe that the rise in our growth rate is solely as a result of it. Our long-run growth is driven by the rate at which we recruit new clients and I view that as the key lead-indicator of the strength of the business. The strong momentum seen at the end of the last financial year in relation to the number of financial accounts opened has continued into this financial year. Two years ago we were, on average, opening 650 UK spread betting accounts and 350 CFD accounts worldwide per month. Both figures have increased progressively and over the last quarter we averaged more than 1,900 spread betting accounts and around 1,400 CFD accounts opened per month.

I think we are seeing a steady shift in investor behaviour. Many people want to take more ownership of their own financial affairs and, with at least a proportion of their investable wealth, they want to manage that money actively themselves, trading a broad range of asset classes. If you are an active short-term speculator then both spread betting and CFDs give you leverage and easy, transparent access to virtually every significant global financial market. In falling markets they give you the ability to go short and profit from the fall. In addition, the Internet makes it increasingly easy for the investor to do his own research and form his own market views. Alongside these external factors we have invested heavily in technology and are devoting increasing resources to client education and to marketing. For all these reasons we have seen increasing demand in the UK and the same pattern is being replicated in our Australian office, which we opened five years ago. We have businesses now in four European countries and I believe that, in time, all of these have potential similar to that of the UK or Australia.

In July we launched our new online financial dealing platform, PureDeal, for UK spread betting. This platform has been very well received by our clients and I believe that the increase in client recruitment is thanks in part to the quality of our technology. We have continued to roll this platform out across our CFD offering with it going live for UK and Australian CFDs in November and across most of our European offerings in December. The roll-out of PureDeal will be substantially completed by the end of this month when we launch it in Singapore. In each case the launch of PureDeal is accompanied by a major re-working of our web-site, a programme of client communication followed by an advertising campaign show-casing the features of PureDeal. We are continually developing and refining PureDeal, and many of our other systems, so as to make the user experience as rich as possible.

Our client education programme, TradeSense, has now also been rolled out across virtually all of our operations world-wide. The roll-out will be completed later this month when it is launched in Singapore.

Chief Executive's statement
For the six months ended 30 November 2007

Financial business

Overall our financial business achieved revenue growth of 60%, up to £79.4m. The proportion of this revenue which derives from clients based outside the UK is up to 27% of all financial business, from 21% in the corresponding period last year.

UK

Our UK financial betting business continues to deliver strong growth. Revenue for this business was £48.2m compared to £33.7m in the corresponding period last year, an increase of 43%. In the six months to 30 November 2007 we recruited 10,100 financial spread betting clients in our UK business, up almost 100% on the corresponding period last year.

Revenue from UK based CFD clients was up 67.5% to £9.6m. Accounts opened in the period were 2,513, again an increase of almost 100% on the corresponding period last year.

Europe

Revenue from the rest of Europe rose by 94% to £8.9m. The European operations that we established in the Autumn of 2006 have continued to show good growth in revenue and in rate of account opening. We continue to see good levels of business from clients in Ireland and our revenue from Irish clients approximately doubled to £4m.

The advent of the Markets in Financial Instruments Directive ("MiFID") allowed us to set up offices in France and Spain, both of which started to recruit clients in early November. It is obviously too early to draw any conclusions, but the early signs from both of these new markets are encouraging with both getting good levels of interest. Together our offices in Paris and Madrid will add about £2.5m to our annual costs. We do not anticipate that they will contribute materially to our revenue in the current year, but in the longer term I believe they will all be important sources of revenue.

Asia Pacific

Asia Pacific delivered our strongest growth with revenue up by 124% to £12.1m. This growth was driven primarily by a very strong performance by our Australian operation, but also reflects a strong performance from our Singapore office which we established in the Spring of 2006. While Singapore is only a small country with a population of around 4.5m, we are pleased with the levels of account opening and revenue this office has generated. In the six month period our Singapore office opened almost 750 accounts. Our Australian office opened almost 4,000 accounts in the six month period, 54% more than in the corresponding period of the prior year. Account opening in Australia is now running at a similar rate to that of our UK spread betting business two years ago.

Chief Executive's statement
For the six months ended 30 November 2007

US

In December we completed our acquisition of HedgeStreet Inc, which is a US exchange regulated by the Commodity Futures Trading Commission ("CFTC"). Our first step in the development of that business will be to re-open the exchange with its existing, relatively limited, offering of binary options. We hope to do that before the end of this month. We have plans to offer additional products on the exchange and we will continue to develop the product set during the course of 2008.

We are also in the process of activating our US-based forex business, IG Markets Inc, which will offer OTC forex contracts, including OTC forex binary options. We anticipate that this business will commence trading in March.

We have leased office space in Chicago and begun recruiting the additional staff that we need. We expect that these two new US businesses will add approximately £2m to our costs in the second half of the year. While neither of these US businesses is likely to contribute significant revenue in this financial year, in the longer term, I believe that the US should become an interesting and profitable market for us.

Future Developments

We have made significant progress over the last two years in our strategy of international expansion and now have offices or operations targeting many of the major economies worldwide. Some of these are fledgling; some are already contributing significantly. Germany, Italy and Singapore, all established during the course of 2006, together accounted for 4% of the Group's revenue in November. More importantly, they made up 24% of our global CFD accounts opened that month. There is now a great deal of work to be done, particularly on marketing and consumer education, to build these newer operations into substantial businesses. This will take time and we expect the businesses to experience different growth rates reflecting the wider spectrum of cultures and risk attitudes of our growing client base.

We continue to evaluate new markets, in particular in Asia, and I am hopeful that during the course of 2008 we will make further progress in extending the geographic reach of our business.

Sport

Our sports business grew by 6%, up to revenue of £6.3m. This growth rate is distorted by the inclusion of the football World Cup in the comparator period, which is the most significant event in the four year sporting calendar.

Dividend

An interim dividend of 3p per share (2006: 2p), amounting to £9.8m will be paid in February.

Current trading and outlook

While it remains difficult to predict future trends in volatility or customer reaction to any change in market conditions, IG is well positioned for further growth.

We have continued to see good levels of client activity since the period end. All parts of the business are performing well and we remain confident about the group's prospects for the current year.

Tim Howkins
Chief Executive
14 January 2008

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Analyst Presentation

There will be an analyst presentation on the results at 09:30am on Monday 14 January 2008 at Financial Dynamics, Holborn Gate, 26 Southampton Buildings, London WC2A 1PB. Those analysts wishing to attend are asked to contact Financial Dynamics. The presentation will also be accessible via a conference call for those unable to attend in person. The international dial-in is +44 (0) 1452 560 304 and the passcode is 29861517.

A web cast of the presentation will be available at www.iggroup.com.

Interim consolidated income statement
for the six months ended 30 November 2007

	Notes	*Unaudited six months ended 30 November 2007 £000*	*Unaudited six months ended 30 November 2006 £000*	*Audited year ended 31 May 2007 £000*
Revenue		85,778	55,673	121,990
Cost of sales		(4,882)	(2,912)	(4,214)
Gross Profit		80,896	52,761	117,776
Administrative expenses		(39,971)	(27,603)	(58,574)
Operating profit		40,925	25,158	59,202
Finance revenue		16,361	8,703	22,604
Finance costs		(9,089)	(4,273)	(12,912)
Profit before taxation		48,197	29,588	68,894
Tax expense		(15,054)	(9,172)	(21,027)
Profit for the period		33,143	20,416	47,867
Attributable to:				
Equity holders of the parent		33,143	20,416	47,867
Earnings per share				
- basic	4	10.16p	6.25p	14.67p
- diluted	4	9.99p	6.20p	14.52p
Dividends per share				
- interim proposed	5	3.00p	2.00p	-
- interim paid	5	-	-	2.00p
- final paid	5	-	-	6.50p

The interim proposed dividend of 3.0p per share was declared after the period end and is not included in the results. The total dividend will amount to £9,825,000.

All of the group’s revenue and profit for the period were derived from continuing operations.

Interim consolidated balance sheet
as at 30 November 2007

	Notes	*Unaudited 30 November 2007 £000*	*Unaudited 30 November 2006 £000*	*Audited 31 May 2007 £000*
Non current assets				
Property, plant and equipment	6	8,054	9,602	8,158
Intangible assets		107,440	107,517	107,675
Deferred tax assets		5,861	2,927	3,940
		121,355	120,046	119,773
Current assets				
Trade receivables	7	283,980	192,242	352,628
Prepayments and other receivables		3,939	3,675	3,954
Cash and cash equivalents	8	423,849	350,052	484,556
		711,768	545,969	841,138
Total assets		833,123	666,015	960,911
Current liabilities				
Trade payables	9	581,111	461,592	726,144
Other payables		17,907	12,215	18,472
Income tax payable		16,812	13,999	14,547
		615,830	487,806	759,163
Non-current liabilities				
Redeemable preference shares		40	40	40
		40	40	40
Total Liabilities		615,870	487,846	759,203
NET ASSETS		217,253	178,169	201,708
Capital and reserves				
Equity share capital		16	16	16
Share premium		125,235	125,235	125,235
Treasury shares		(704)	(503)	(503)
Retained earnings		92,666	53,381	76,920
Shareholders' equity		217,213	178,129	201,668
Minority interests		40	40	40
TOTAL EQUITY		217,253	178,169	201,708

Interim consolidated statement of changes in equity
for the six months ended 30 November 2007 (unaudited)

	Share capital £000	*Share premium account £000*	*Own shares held in Employee Benefit Trusts £000*	*Retained earnings £000*	*Shareholders' equity £000*	*Minority interests £000*	*Total Equity £000*
Balance at 1 June 2006	16	125,235	-	45,157	170,408	40	170,448
Total recognised income and expense for the period	-	-	-	20,416	20,416	-	20,416
Employee share-based payments	-	-	-	908	908	-	908
Purchase of own shares held in Employee Benefit Trust	-	-	(503)	-	(503)	-	(503)
Equity dividends paid	-	-	-	(13,100)	(13,100)	-	(13,100)
Balance at 30 November 2006	16	125,235	(503)	53,381	178,129	40	178,169
Profit for the period	-	-	-	27,451	27,451	-	27,451
Excess of tax deduction benefit on share-based payments recognised directly in equity	-	-	-	1,814	1,814	-	1,814
Total recognised income and expense for the period	-	-	-	29,265	29,265	-	29,265
Employee share-based payments	-	-	-	824	824	-	824
Equity dividends paid	-	-	-	(6,550)	(6,550)	-	(6,550)
Balance at 1 June 2007	16	125,235	(503)	76,920	201,668	40	201,708
Profit for the period	-	-	-	33,143	33,143	-	33,143
Excess of tax deduction benefit on share-based payments recognised directly in equity	-	-	-	1,710	1,710	-	1,710
Total recognised income and expense for the period	-	-	-	34,853	34,853	-	34,853
Employee share-based payments	-	-	-	2,181	2,181	-	2,181
Purchase of treasury shares	-	-	(201)	-	(201)	-	(201)
Equity dividends paid	-	-	-	(21,288)	(21,288)	-	(21,288)
Balance at 30 November 2007	16	125,235	(704)	92,666	217,213	40	217,253

Interim consolidated cash flow statement
for the six months ended 30 November 2007

	Unaudited six months ended 30 November 2007 £000	*Unaudited six months ended 30 November 2006 £000*	*Audited year ended 31 May 2007 £000*
Operating activities			
Operating profit	40,925	25,158	59,202
Adjustments to reconcile operating profit to net cash flow from operating activities:			
Depreciation of property, plant and equipment	1,936	1,589	3,513
Amortisation of intangible assets	420	417	856
Share-based payments	2,210	908	1,842
Property, plant and equipment written off	15	98	211
Intangible assets written off	-	-	10
Impairment of trade receivables	1,148	768	1,416
(Increase)/decrease in trade and other receivables	67,464	(67,704)	(226,563)
Increase/(decrease) in trade and other payables	(146,810)	175,175	442,587
Cash (used in)/generated from operations	(32,692)	136,409	283,074
Income taxes paid	(13,000)	(15,604)	(26,110)
Net cash flow from operating activities	(45,692)	120,805	256,964
Investing activities			
Interest received	16,409	8,288	21,000
Purchase of property, plant and equipment	(1,831)	(7,196)	(7,793)
Payments to acquire intangible fixed assets	(170)	(574)	(1,414)
Purchase of subsidiary undertakings	-	(235)	-
Net cash flow from investing activities	14,408	283	11,793
Financing activities			
Interest paid	(9,744)	(4,273)	(11,508)
Equity dividends paid to equity holders of the parent	(21,288)	(13,100)	(19,650)
Purchase of own shares held in Employee Benefit Trust	(201)	(503)	(503)
Repayment of financial liabilities	-	(92)	(92)
Payment of redeemable preference share dividends	-	-	(3)
Net cash flow used in financing activities	(31,233)	(17,968)	(31,756)
Net (decrease)/increase in cash and cash equivalents	(62,517)	103,120	237,001
Cash and cash equivalents at the beginning of the period	484,556	247,277	247,277
Effect of foreign currency differences on operating balances of cash and cash equivalents	1,810	(345)	278
Cash and cash equivalents at the end of the period	423,849	350,052	484,556

Notes to the interim condensed consolidated financial statements
At 30 November 2007 (unaudited)

1. General information

The interim condensed consolidated financial statements of IG Group Holdings plc and its subsidiaries for the six months ended 30 November 2007 were authorised for issue by the board of directors on 14 January 2008. IG Group Holdings plc is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on the London Stock Exchange.

The interim information, together with the comparative information contained in this report for the year ended 31 May 2007, does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. However, the information has been reviewed by the company's auditors, Ernst & Young LLP, and their report appears at the end of the interim financial report. The financial statements for the year ended 31 May 2007 have been reported on by the company's auditors, Ernst & Young LLP, and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

2. Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 November 2007 have been prepared in accordance with IAS 34 Interim Financial Reporting and the disclosure requirements of the Listing Rules.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 May 2007.

The interim condensed consolidated financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 May 2007.

3. Segment information

The operating businesses are organised and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Primary reporting format - business segments

The primary segment reporting format is by business segment as the Group's risks and rates of return are affected predominantly by differences in the products provided. The financial segment includes financial binaries, which were reported separately in the previous half year. The directors consider that including financial binaries within the financial segment is appropriate for the following reasons: financial binaries are viewed by most of our clients as an adjunct to the rest of our financial product range, rather than as a stand-alone product; financial binaries and other financial businesses share common management and processes; and financial binaries are predominantly traded by the same clients as other financial clients on their regulated accounts. Figures for the prior six months have been restated to aid comparability.

Notes to the interim condensed consolidated financial statements
At 30 November 2007 (unaudited)

3. Segment information (continued)
Primary reporting format - business segments (continued)

The Group operates in two principal areas of activity: financial and sport. The types of financial instrument included within each of the above categories are:

Financial
Spread bets on equities, equity indices, precious and base metals, soft commodities, exchange rates, interest rates and other financial markets; spread bets on options on certain of these products; exchange traded futures and options. Spot and forward contracts for foreign exchange and contracts for differences (CFDs) on shares, indices and other financial markets. Financial binaries, being fixed odds bets on equities, equity indices, precious and base metals, soft commodities, exchange rates, interest rates and other financial markets.

Sports
Spread bets and fixed odds bets on sporting and other events.

	Unaudited six months ended 30 November 2007 £000	*Unaudited six months ended 30 November 2006 £000*	*Audited year ended 31 May 2007 £000*
Revenue			
Financial	79,447	49,693	109,791
Sports	6,331	5,980	12,199
	85,778	55,673	121,990
Segment result			
Financial	61,663	35,960	87,948
Sports	2,056	1,949	3,679
	63,719	37,909	91,627
Unallocated administrative expenses	(17,651)	(9,663)	(25,865)
Unallocated finance revenue	2,242	1,385	3,426
Unallocated finance costs	(113)	(43)	(294)
Profit before taxation	48,197	29,588	68,894
Tax expense	(15,054)	(9,172)	(21,027)
Profit for the period	33,143	20,416	47,867

Unallocated administrative expenses comprise overheads, including information technology costs, which are not specifically attributable to business segments.

Notes to the interim condensed consolidated financial statements
At 30 November 2007 (unaudited)

3. Segment information (continued)

Secondary reporting format - geographical segments

Geographical segment information for revenue and profit is based upon client location. The UK segment includes all clients located in the UK; Europe includes all clients located in Ireland and continental Europe; Asia Pacific includes all clients located in Australasia, Asia and the Far East; all other clients are classified as Rest of World.

The Group has offices in the United Kingdom, Australia, Singapore, France, Spain and Germany. In the six months to 30 November 2006 geographical segments were reported according to office location. The Australia and Singapore segment dealt with clients serviced from the Melbourne and Singapore offices. The UK segment included the results of all other business. To aid comparability the figures for the six months ended 30 November 2006 have been restated.

	Unaudited six months ended 30 November 2007 £000	*Unaudited six months ended 30 November 2006 £000*	*Audited year Ended 31 May 2007 £000*
Revenue			
United Kingdom	64,124	45,278	96,841
Europe	8,899	4,581	11,771
Asia Pacific	12,068	5,509	12,704
Rest of World	687	305	674
	85,778	55,673	121,990

Notes to the interim condensed consolidated financial statements
At 30 November 2007 (unaudited)

4. Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period, excluding shares purchased by the Company and held as own shares in Employee Benefit Trusts. Diluted earnings per share is calculated using the same profit figure as that used in basic earnings per share and by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Unaudited six months ended 30 November 2007 £000	*Unaudited six months ended 30 November 2006 £000*	*Audited year ended 31 May 2007 £000*
Basic and diluted earnings attributable to equity shareholders	33,143	20,416	47,867
Basic weighted average number of equity shares	326,252,385	326,392,804	326,343,794
Effect of share-based payments	5,501,599	2,995,258	3,288,896
Diluted weighted average number of equity shares	331,753,984	329,388,062	329,632,690
Basic earnings per share	10.16p	6.25p	14.67p
Diluted earnings per share	9.99p	6.20p	14.52p

Notes to the interim condensed consolidated financial statements
At 30 November 2007 (unaudited)

5. Dividends paid and proposed

	Unaudited six months ended 30 November 2007 £000	*Unaudited six months ended 30 November 2006 £000*	*Audited year ended 31 May 2007 £000*
Amounts recognised as distributions to equity holders in the period:			
Interim dividend of 2.00p for 2007	-	-	6,550
Final dividend of 6.50p for 2007 (2006: 4.00p)	21,288	13,100	13,100
	21,288	13,100	19,650
Proposed but not recognised as distributions to equity holders in the period:			
Interim dividend of 3.00p for 2008 (2007: 2.00p)	9,825	6,550	-
Final dividend of 6.50p for 2007	-	-	21,288
	9,825	6,550	21,288

The proposed interim dividend for 2008 of 3.00p per share amounting to £9,825,000 was approved by the board on 14 January 2008 and has not been included as a liability at 30 November 2007. This dividend will be paid on 28 February 2008 to those members on the register at the close of business on 25 January 2008.

6. Property, plant and equipment

During the six months ended 30 November 2007 the group acquired assets with a cost of £2,000,763. This comprised leasehold improvements of £716,472 and computer and other equipment amounting to £1,284,291.

7. Trade receivables

	Unaudited 30 November 2007 £000	*Unaudited 30 November 2006 £000*	*Audited 31 May 2007 £000*
Amounts due from brokers	271,200	187,055	345,076
Amounts due from clients	12,780	5,187	7,552
	283,980	192,242	352,628

Notes to the interim condensed consolidated financial statements

At 30 November 2007 (unaudited)

8. Cash and cash equivalents

	Unaudited 30 November 2007 £000	*Unaudited 30 November 2006 £000*	*Audited 31 May 2007 £000*
Cash at bank and in hand	103,271	94,464	92,116
Short-term deposits	5,570	842	1,167
Client money held	315,008	254,746	391,273
	423,849	350,052	484,556

Cash and cash equivalents are deposited for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents is not materially different from the book value.

Net interest receivable on client balances amounted to £5,143,000 (2006: £3,088,000; year ended 31 May 2007: £6,559,000).

9. Trade payables

	Unaudited 30 November 2007 £000	*Unaudited 30 November 2006 £000*	*Audited 31 May 2007 £000*
Amounts due to clients	581,111	461,592	726,144
	581,111	461,592	726,144

10. Related party transactions

During the 6 months to 30 November 2007, fees amounting to £15,000 (2006: £25,000; year ended 31 May 2007: £50,000) were paid to CVC Capital Partners Limited relating to the services of Robert Lucas as a director of IG Group Holdings of £15,000 (2006: £15,000; year ended 31 May 2007: £30,000), and four other individuals as directors of IG Group Limited amounting to £nil (2006: £10,000; year ended 31 May 2007: £20,000).

Funds managed or advised by CVC Capital Partners Limited or its affiliates held 7.7% of the ordinary share capital of the Company at 30 November 2007 (2006: 7.7%; 31 May 2007: 7.7%).

There were no further related party transactions during the year or the preceding year.

11. Acquisition of HedgeStreet

On the 6th December 2007, IG Group Holdings plc ("IG") completed the purchase of the entire issued share capital of HedgeStreet Inc. ("HedgeStreet") for a total cash consideration of \$6.0m (approximately £2.9m). Net liabilities acquired of HedgeStreet Inc. and its subsidiaries were \$758,000 (approximately £0.4m).

HedgeStreet is a US company, which, since 2004, has operated the HedgeStreet Exchange ("the Exchange"). The Exchange is a US based Designated Contract Market operating under the regulatory oversight of the US Commodity Futures Trading Commission ("CFTC"). HedgeStreet is also registered with the CFTC as a Derivatives Clearing Organisation. The Exchange has previously listed binary options contracts, principally on forex and commodities. The Exchange ceased listing contracts at the end of September 2007.

Independent review report to IG Group Holdings plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2007 which comprises the group income statement, group balance sheet, group cash flow statement, group statement of changes in equity, and the related notes 1 to 11. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE 2410 (UK and Ireland) 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2007 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP
Registered Auditor
London
14 January 2008