



IG Group Trading Update

Tuesday 25th November 2014

Christopher Hill, Chief Financial Officer

Good morning everyone. I'm Chris Hill, CFO. I am here with Kieran McKinney, Head of Investor Relations. Hopefully you'll be getting used to the brevity of the trading updates. We do think that they are a useful bridge between the IMS in September and the results presentation which comes in January given the reasonable variability that we do see in revenue at IG. I'll keep my comments very short, then take any clarifying questions, but as ever I will leave any detailed discussion until the results in January. Just remember that we're not quite at the end of the period yet.

Following what was a subdued Q1, the second quarter has been much stronger. I suspect that's not a surprise. October was particularly strong and surpassed our previous monthly high back in August 2011. I was particularly pleased with this given the market was reasonably volatile in recent terms but didn't get anywhere near the heady heights of 2011. Although there are still a few trading days to go, and Thanksgiving week tends to be a little soft - though it does come round every year - we will post quarterly revenue ahead of our previous highest revenue quarter. You will recall that was £104.3m back in Q4 of FY13. And this will put us in a robust position as we enter the second half of the year.

With that, I'll ask if there are any clarifying questions, but as I said, I do want to leave detailed comments until January.

Q & A

Question 1

Paul McGinnis, Shore Capital

This question might fall into the category of stuff that you'd rather leave until January Chris, but I was just really after we're now a few months on from the launch of the UK stockbroking service. Would you care to share any early comments as to how you think it's gone?

Christopher Hill

I do think this is one that we will delay until January and not least because we launched the beginning of October, we've had about six weeks, and so there's not a great deal for us to talk through from that perspective. We've had client sign ups, we've had existing clients come through, we've got assets now on the books, but I think it's too early for us to go anything beyond that.

Question 2

Carl Hazeley, Goldman Sachs

It would be good to understand if you could give maybe some colour around particularly that strong October month, whether there was a particular product category or a particular geography that was driving the strong month there?

Christopher Hill

Again, I think in terms of underlying detail we'll go into that much more in January. But what I will say as far as October is concerned is, I think the business behaved exactly as you would expect. Clearly there was a lot of interest around indices, we also saw moves from currencies, and there have also been some interesting share markets. So this business behaves, when you've got interesting markets, insofar as you see better levels of clients sign up, you see more reactivations, you see more activity from our existing clients trading. We saw all of that in the space of October and that's across the board. I think generally it's the more established markets that will react more quickly to volatility, but overall the business responds in interesting markets exactly the way you would expect it to.

Question 3

Arun Melmane, Canaccord

I wondered if you just remind me - just looking at for where my numbers stand - Q1 on Q1, was Q1 this year weaker than last year, or was it stronger than last year, because you've guided to a quarter rather than a half? So I wondered how the numbers would look Q1 on Q1, was that weaker or stronger than last year?

Christopher Hill

The point I'm making is that under any scenario we'll get past the £104.3m. Going back to your numbers you will see the previous highest first half we've had is £195.5m. I haven't made a comment about that, I've made a comment about getting past £104.3m.

Christopher Hill: Concluding comments

I think we'll end it there, but obviously Kieran and I are available if you have any further questions to follow up with. Thanks very much everybody.