



9 June 2010

*IG GROUP HOLDINGS PLC*  
**Pre-close Trading Update**

IG Group Holdings plc (“IG” or the “Group”) issues the following trading update relating to the financial year ended 31 May 2010.

The Group expects to report revenue of approximately £298m (2009: £257.1m) and adjusted profit before tax of around £157m (2009: £125.9m), representing approximately 16% revenue growth (13% on a constant currency basis) and 25% profit growth. Adjusted profit before tax is stated after exceptional costs of approximately £5m relating to the decision to relocate the Group’s London office later this year. On a like for like basis, excluding the impact of FX Online Japan, which was acquired part way through the prior year, revenue growth was 20%.

The Group has benefited from an increase in volatility in both forex and equity markets in the last few weeks of the year. This volatility boosted client activity and hence revenue and also increased the rate of new account opening. As a result the final quarter, despite starting with low levels of volatility, showed strong revenue growth, up 24% on the corresponding period of the previous year. Account opening in the final quarter was strong, with 21,500 financial accounts opened, compared to 18,750 in the final quarter of the preceding year. The UK, Europe, Japan and Australia all contributed to this increase in account opening.

The Group achieved net recoveries of doubtful debts of £1m during the period.

The Group’s UK financial business continues to deliver solid growth, achieving revenue of £162m, compared to £150.6m in the prior year, an increase of 8%. Revenue growth in the final quarter was strong at 17%. This growth reflects the continuing growth in the Group’s UK client-base.

The Group’s Australian office delivered exceptionally strong growth, achieving revenue of £46m, compared to £27.9m in the prior period, an increase of 65% (43% on a constant currency basis).

The Group’s Singapore office achieved revenue of £11m, up from £9.5m in the previous year, an increase of 16%.

The Group’s European offices also delivered strong growth, achieving revenue of £47m, up from £30.2m, an increase of 56% (54% on a constant currency basis). All of the Group’s European offices contributed to this growth, but growth was strongest in Germany, particularly in the final quarter of the year.

Revenue from the Group's Japanese office was £24m, compared to £27.9m for the 8 months of the prior year during which the business was owned by IG. The Group's revenue from Japan has shown sequential improvement in each of last four months and revenue in the final quarter, of £8m, was 40% higher than that achieved in the best of the previous three quarters. As previously announced, the first of a number of regulatory restrictions on leverage comes into force in Japan on 1 August 2010.

During the period the Group's US-based exchange, Nadex, received the necessary change of regulatory designation to enable it to accept clients via intermediary brokers. The Group is in discussions with a number of brokers with a view to their offering direct access to Nadex to their clients. The work needed to connect certain third party trading platforms to Nadex is at an early stage. It is therefore likely to be some months before these arrangements come to fruition. The Group's US businesses achieved revenue of £2m in the period (2009: £2.3m).

During the period the Group made a number of changes to its Sports business, which have stabilised its profitability and reduced the volatility of its revenue. The business achieved revenue of £6m during the period (2009: £8.7m).

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

Today, there will be a conference call for analysts and investors at 8.30am (UK time). The call can be accessed by dialling +44 (0)20 7138 0844 and using passcode 6485492. 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 6485492#.

The results for the year ended 31 May 2010 will be announced on Tuesday 20 July 2010. There will be a presentation for analysts at 9.30am (UK time) at the offices of Financial Dynamics at Holborn Gate, 26 Southampton Buildings, London WC2A 1PB. Analysts wishing to attend the presentation should contact Rob Bailhache at [robert.bailhache@fd.com](mailto:robert.bailhache@fd.com) or on 020 7269 7200.

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*References to revenue in this statement are to trading revenue, being total revenue less interest income on client money.*

*Adjusted profit before tax excludes amortisation of intangibles on consolidation of FXOnline Japan KK*