IG GROUP HOLDINGS PLC

Results for the year ended 31 May 2016
19 July 2016

IG Group Holdings plc ("IG", "the Group" or "the Company") today announces results for the year ended 31 May 2016.

Operating and Financial Summary

- Strong revenue performance across all geographic regions
- Net trading revenue[(1)] up 14% at £456.3 million
- Operating costs up 17%, reflecting investments in growth initiatives
- Profit before tax up 7.6% to £207.9 million
- Diluted EPS up 8.5% at 44.58 pence
- £197.9 million of own funds[(2)] generated from operations
- Final dividend of 22.95 pence per share; full year dividend up 11.5% to 31.40 pence per share
- New client numbers, defined as first trades, ahead of prior year by 29%
- Switzerland and Dubai offices performing ahead of expectations

Unless otherwise stated, all year-on-year movements are based on the underlying results for FY15, where the term 'underlying' reflects the results before the impact of the Swiss franc event (January 2015). Management believes this provides the best comparison of the year-on-year performance of the business. The summary statutory results for FY15 are shown on page 2, and a full reconciliation is available in note 11.

Peter Hetherington, Chief Executive Officer, commented:

"We made good progress in 2016, strategically, operationally and financially, and the business starts this year in good shape. I am delighted to be leading such an energised team, and we remain confident that we can deliver further attractive growth going forward."

Andy Green, Chairman, said:

"I am pleased to report on a year of strong growth for the Company in revenue and profit, with both hitting new highs. IG's success is built on placing clients at the heart of our business and we aim to further enhance our leadership position by providing them with even better technology and continuous improvements to their overall experience. With our recent investments beginning to bear fruit and exciting plans for the year ahead, I am increasingly confident about the future."

[(1)] Net trading revenue is trading revenue excluding interest on segregated client funds and is presented after taking account of introducing partner commissions. All references to 'revenue' in this statement are made with regards to net trading revenue.

[(2)] Further detail on own funds generated from operations is available in note 8(d) of this preliminary statement.

All current financial results listed are for the year ended 31 May 2016. All general references to 'the prior period', 'the prior year', and 'last year' mean the year ended 31 May 2015, unless otherwise specified.

Some numbers in this statement have been rounded and therefore there may be rounding differences between subtotals and the sum of individual numbers as presented. All period-on-period percentages are calculated off underlying unrounded numbers.

Financial summary (Statutory and Underlying)

For the year ended 31 May	FY16	FY15 (Statutory)	Up/(Down) %	FY15 (Underlying)	Up/(Down) %
Net trading revenue (£m)	456.3	388.4	17%	400.2	14%
Profit before taxation (£m)	207.9	169.5	23%	193.2	7.6%
Profit after taxation (£m)	164.3	131.9	25%	150.7	9%
Diluted earnings per share (pence)	44.58	35.99	24%	41.07	8.5%
Full Year dividend per share (pence)	31.40	28.15	12%	28.15	11.5%
Own funds generated from operations (£m)	197.9	136.8	45%	159.2	24%

Further information

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Analyst presentation

There will be an analyst presentation on the results at 9:30am on Tuesday 19 July 2016 at IG Group, Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2YA.
The presentation will also be accessible live via audio webcast at www.iggroup.com and via a conference call on the following number:
All locations: +44 20 3059 8125
The audio webcast of the presentation and a transcript will be archived at: www.iggroup.com/investors

Disclaimer – forward-looking statements

This preliminary statement, prepared by IG Group Holdings plc ("the Company"), may contain forward-looking statements about the Company. Forward-looking statements involve known and unknown risks and uncertainties because they are beyond the Company's control and are based on current beliefs and expectations about future events, including the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of the Company and the industry in which it operates.

No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Company. If the assumptions on which the Company bases its forward-looking statements change, actual results may differ from those expressed in such statements. Forward-looking statements speak only as of the date they are made and the Company undertakes no obligation to update these forward-looking statements. Nothing in this presentation should be construed as a profit forecast.

All market share data has been provided by Investment Trends Limited

- Investment Trends UK Leveraged Trading Report November 2015
- Investment Trends Australia CFD Report June 2016
- Investment Trends CFD and FX Reports: Singapore October 2015; Germany June 2016; France May 2016; Spain May 2016

IG is a global leader in online trading, providing fast and flexible access to over 10,000 financial markets – including shares, indices, forex, commodities and binaries.

Established in 1974 as the world's first financial spread betting firm, IG's aim is to become the default choice for active traders globally. It is an award-winning multi-platform trading company, the world's No.1 provider of CFDs* and a global leader in forex, and it now offers an execution-only stockbroking service in the UK, Australia, Ireland, Germany, Austria and the Netherlands.

It is a member of the FTSE 250, with offices across Europe, Africa, Asia-Pacific, the Middle East and the US, where it offers limited risk derivatives contracts via the Nadex brand.

**Based on revenue excluding FX, from published financial statements, September 2015.*

Chairman's Statement

In my second annual statement to you as Chairman of IG, I am pleased to report on a year of strong growth for the Company in revenue and profit, with both hitting new highs. The good financial results are driven primarily by improving performance from our digital and mobile marketing in our more established markets, supported by reasonably volatile financial markets, and our investments in Switzerland, Dubai and Nadex beginning to produce returns.

This year has produced a challenging backdrop against which to execute our strategy. As you know, our previous Chief Executive Officer (CEO) retired and our Chief Financial Officer (CFO) resigned during the first half of this financial year. After a thorough process, the Board appointed Peter Hetherington as CEO in December last year. Earlier this month, we also appointed Paul Mainwaring as CFO, subject to FCA approval. The succession process has gone smoothly, thanks to the skill and dedication of Peter and his Executive team.

We remain committed to growing our business within our current global footprint and beyond, as opportunities allow. We set out a vision some time ago to be the default choice for active traders globally. At the half-year results in January, we expanded upon this to include non-leveraged products such as execution-only stockbroking (Share Dealing) and portfolio-based investing (IG Investments). This will allow us to appeal to sophisticated and active investors across a range of their needs and in different stages of their lives.

Our strategic clarity is coupled with a total commitment to operational efficiency. This ranges from the strides we are making in online marketing, through the incremental improvements to our client onboarding process, to the enhancements to execution and risk management practices that are allowing us to extract increasing value from every client trade.

Our people are core to our operational success. Recent attrition levels in our London office have been too high, due to competition for the scarce skills we require to prosper. In response, we have increased some salary levels to help retain key staff. At the same time, we are expanding our presence in Krakow and Bangalore to access key skills competitively. We expect our London office to remain at the core of our operations.

Shortly after the year-end the UK electorate voted to leave the EU. I continue to be impressed by how the broader team in IG handle such volatile events. The team prepared meticulously for what turned out to be a night of severe and sudden movements in financial markets. I am very pleased to report that they steered the business through unscathed. They concentrated on the interests of our clients leading up to and throughout the period, with clear client communications and margin setting policy. The result, however, does throw up new challenges for IG, and will divert some resources over the next couple of years, as we decide on the best course of action to secure the future of our European business. In doing this, we will also consider any relevant elements of other forthcoming legislation in this area.

Regulatory compliance remains a key tenet of IG's operating model. We are regulated in 17 jurisdictions across the world. While we can never guarantee we will not fall foul of a specific regulation, our intention is always to comply and we continue to invest in our capability here, with the aim of maintaining our good track record.

Dividend

This has been another strong year for cash generation at IG. In line with the Board's previously stated intention to pay out, as an Ordinary dividend, approximately 70% of the Group's annual earnings, the Board is recommending a final dividend of 22.95 pence per share, taking the full year dividend to 31.40 pence per share, 11.5% ahead of the prior year.

The Board will maintain a capital structure and cash position in the business to enable it to withstand any changes in the regulatory environment or structural shocks in the financial markets, while providing sufficient headroom to take advantage of any investment opportunities.

Board

The Board structure has changed significantly in the past year. In my statement last year I noted the retirement and acknowledged the great contribution of our then CEO, Tim Howkins. In October, Chris Hill, CFO, stepped down from the Board and left IG, to take up a CFO role elsewhere. As I said at the time, we were sorry to lose Chris but understood his decision.

In December, following a thorough search process, the Board appointed Peter Hetherington as the new CEO. Peter was previously Chief Operating Officer and has been a member of the IG Board since 2002. The Board was delighted to confirm Peter as CEO, and believes he brings the right mix of business knowledge and fresh thinking to the CEO role. In July 2016, we announced that Paul Mainwaring had been selected by the Board as CFO, subject to FCA approval. Paul was previously CFO of Tullett Prebon plc, and we are looking forward to welcoming him to the Board in due course.

In September, June Felix joined the Board as a Non-Executive Director. June is currently president of Verifone in Europe and brings with her significant international experience along with knowledge of product innovation in the financial and digital sectors. Also in September, Malcolm Le May joined the Board as Senior Independent Director and Chairman of the Remuneration Committee. Malcolm brings to the Board deep knowledge of the financial services and investments sectors and a wealth of experience on the boards of publicly listed businesses. I would like to welcome them both to IG. Following these changes, your Board continues to comply with provision B.1.2 of the 2014 UK Corporate Governance Code ('the Code').

The intention again this year is to put every Board Director up for re-election at the AGM, in compliance with paragraph B.7.1 of the Code.

Remuneration

In response to the attrition levels mentioned earlier, this year we carried out a targeted salary benchmarking exercise, to ensure our overall remuneration structure enables us to recruit and retain high-quality people. We also introduced a flexible benefits scheme, which allows our employees to choose the mix of benefits which suits their individual circumstances. This will increase our overall remuneration costs, but I believe makes us increasingly competitive in a tough labour market. In determining the remuneration of the CEO and CFO, the Remuneration Committee took into account the growth of the business and the competitiveness of salaries at all levels of the Company, and benchmarked these roles against companies of a comparable size and complexity in financial services and the FTSE 250.

IG's people

Once again, I and the rest of the Board want to thank all the people who work at IG for delivering another record year for the Company. We were extremely impressed, but not surprised, by the way our people pulled together during the uncertainty caused by the CEO's and CFO's departure during the first half of the year and by the way they have rallied behind Peter, as new CEO. We are in no doubt that our people remain our key asset.

Looking forward

We have been investing heavily over the last few years in transitioning IG, from a very successful but relatively narrow specialist, to a broader based business, through product extension, geographic expansion and platform development. We are now coming towards the end of this particular project investment phase. This year, as well as delivering results from those investments, we have a number of important initiatives planned, which Peter considers in more detail, as we seek new opportunities to grow and to expand our knowledge and experience across an emerging range of exciting digital financial products.

The Board is committed to delivering on the strategy we have agreed, to the benefit of all our stakeholders. IG's success is built on placing clients at the heart of our business and we aim to further enhance our leadership position by providing them with even better technology and continuous improvements to their overall experience. With our recent investments beginning to bear fruit and exciting plans for the year ahead, I am increasingly confident about the future.

Andy Green, Chairman

19 July 2016

Chief Executive Officer's Review

This is my first opportunity to present full year financial results, and I am pleased to be reporting on such a strong outcome. Revenue was ahead by 14% at £456.3 million (2015 underlying: £400.2 million). Performance was strong across the board, with each half year setting a new high. The year was particularly marked by sharp market movements in our first and third quarters, which presented short term trading opportunities for our clients. However, I am particularly pleased by the continued strategic and operational progress we made in the year, which I will expand upon later.

Profit before tax rose by 7.6% to £207.9 million (2015 underlying: £193.2 million), with a £6.4 million negative impact year-on-year in betting duty and net interest on client funds and a 17% increase in operating costs. Cost increases reflected targeted investment in advertising and marketing, where the payback remains compelling; increased data fees due to the growth in client numbers; higher employee costs due to the impact of headcount increases through the prior year and higher discretionary remuneration following the improved business performance. Profit after tax was up by 9% at £164.3 million (2015 underlying: £150.7 million). Diluted earnings per share was up by 8.5% at 44.58 pence (2015 underlying: 41.07 pence).

Revenue in the year was ahead in all of our geographic regions. The UK contributed almost 51% of the Group revenue in the year, up 9% at £231.1 million, with a similar sequential half-on-half growth rate. The pattern was similar in Australia, where revenue was ahead of the prior year by 8% at £64.0 million. Revenue in Europe was ahead by 22%, at £98.6 million, with all countries in this region ahead of the prior year and a strong year-on-year performance in Switzerland, where the office opened part way through the prior year; the sequential half-on-half growth rate here was 16%. The Rest of World segment was ahead of the prior year by 30%. Once again all countries were ahead of the prior year, with a particularly strong revenue performance in the US and an excellent start in the new Dubai office.

As our Chairman, Andy Green, mentioned, just after the end of our financial year, we experienced a real-world test of our systems, processes and risk management with the UK's EU Referendum. This sort of event brings out the best in IG's people. We prepared meticulously, providing regular communications and adjustments for our clients to ensure they understood the potential for market moves, and stress testing our technology even more than normal. As it turned out, the event was more dramatic than most people anticipated, with some of the most extreme movements we have seen in financial markets. I am delighted with the way IG handled the event itself and the immediate aftermath. While IG avails itself of the 'passporting' regime in using its UK licence to operate across the EU, the decision to leave the EU does not change much in the short term. We will put plans in place to deal with this outcome, as we monitor the progress in political discussions, and be ready to act if required to ensure we can continue to operate across Europe.

MiFID II is currently scheduled to come into force in January 2018. This provides enhanced intervention rights for individual state regulators. Ahead of this, as we announced in March, the French regulator, the AMF, stated its intention to restrict electronic advertising of derivative products to retail clients. Although this intention is not yet law, it appears there is sufficient will to ensure this happens and therefore we assume this comes into force sometime during this calendar year. The precise extent of the restriction is not yet clear but it is likely to adversely impact new client acquisition for the French business, which accounted for 5% of this year's revenue and new accounts.

Strategic and Operational progress

In my first half statement in January, I clarified my approach to taking IG forward. We are concentrating on three key levers for growth:

- Product diversification
- Geographic development
- Maximising the current opportunity
    - Optimising marketing efficiency and client conversion
    - Increasing client activity and retention
    - Maximising client value

Product diversification

Having grown to be a clear market leader in certain of our more mature markets, the UK and Australia in particular, we see great value in being able to offer clients a broader suite of trading and investment products, which fulfil a greater portion of their needs throughout their life. This also allows us to reach out with the IG brand to a broader range of potential clients through a product set they understand well, with some of those clients, those for whom it's entirely appropriate, ultimately choosing also to use a leveraged product. In September 2014, we took our first step outside our core leveraged-product arena, with the launch of execution-only stockbroking in the UK. We evolved our offering early in 2016, in response to a slightly disappointing take-up, including altering our pricing structure and renaming it Share Dealing. These changes coincided with the ISA season in the UK, so it's difficult to understand their precise impact, but we have seen an uplift in the account opening rates. At the end of the year we had over 11,000 funded accounts, but, perhaps more importantly we had around 2,900 active clients in May. We continue to see around 15% of new clients going on to use the leveraged product set and initial indications suggest they are valuable clients. We rolled out this product to Australia in early July and hope to build here on the learnings from our UK experience to date.

We are close to launching a portfolio-based investment product through IG Investments, in partnership with BlackRock, the biggest asset manager in the world. Initially, this will be UK only but we expect to expand it to Australia over time. This is the next natural extension of the IG brand and provides us with another route to market. Over the longer term, this allows us to build a separate, more predictable revenue stream. The model portfolios we will offer will be built on Exchange Traded Funds (ETFs), which lend themselves to one of IG's core competencies, namely real-time trade execution. ETFs are low-fee products, which will enable us to offer a low-cost service to clients, based on market-leading technology and transparency. We plan to add a customisation ability for clients, which we anticipate will appeal to more sophisticated clients.

Geographic development

We will adjust our approach to suit the opportunity. Over time we believe there will be opportunities to expand our business into fresh geographies. Recent examples of this are Switzerland and Dubai. These two offices are performing ahead of plan, with a particularly strong finish to this year in Dubai. Unlike other offices, the revenue in these countries is coming from fewer, larger value clients, particularly in Dubai, which leads us to expect growth to be strong but unpredictable from month to month. Both of these countries required a lengthy licensing process, a relatively material infrastructure and local regulatory capital.

We will seek to address certain adjacent or proximate markets without the overhead of a local presence. These markets will be targeted by the most relevant sales office, with the assistance of our improved online marketing capabilities, a new affiliates programme, slim local language websites and the required language skills. This approach is central to our recent decision to pursue a hub strategy in Europe, where we are centralising our capabilities in specific strategic countries. As part of this, we closed our offices in Norway and the Netherlands and will now serve our current clients and build these businesses from Sweden, Germany and the UK.

There remains significant opportunity within our current geographic footprint. As global leader in our market, there are many countries where our market share does not reflect this. We see this as an opportunity, rather than a disappointment. We may seek to extend our product set where there are specific local circumstances which support that, but generally, in countries where our market share is not reflective of our aspirations, we will focus on the core leveraged product and progressing towards a market-leading position.

This year, we launched an affiliates programme, to market our product through a range of partners. This is still early stage, but the progress to date has been encouraging in some countries. This provides us with an entrepreneurial route to market, with a very transparent cost per account. We will continue to progress this positively, whilst remaining protective of our record of regulatory compliance.

Maximising the current opportunity

In the short to medium term, there is a real opportunity for IG to improve at all the things we already do. As the business grew rapidly through the last 10-15 years, inefficiencies crept in to some of our processes, particularly around the way we market, onboard and engage clients through their life with IG. We are making progress in extracting increasing value from every client opportunity.

Optimising marketing efficiency and client conversion

Over the last couple of years, we have overhauled our online marketing, recognising its growing importance, through personnel and process change. We have centralised our marketing spend in regional hubs and now use a data-based algorithmic methodology. In the last financial year we opened just over 100,000 accounts, 42% ahead of the prior year, and the second half of this year was 35% ahead of the first half. So, we are making great progress at targeting new clients. These figures do however belie the fact that there is still considerable friction, and therefore opportunity, in the application process. We have put in place many changes this year, accompanied by a strict testing regime and feedback loop where possible, to improve the conversion rate for prospective clients who begin the application process. Many of these are almost imperceptible, but incremental. However, the more significant ones include: taking advantage of electronic ID verification databases in countries where these were previously unavailable, particularly in Europe; enabling ID document upload through the mobile app; redesigning our mobile application form; establishing a dynamic verification routine within the application which shows clients clearly what documentation they require at each stage of the account opening process; and much improved client communications.

Our conversion rate from opened accounts to trading accounts has dropped a little in the year. In absolute terms, it is still a strong picture, with first trades ahead of the prior year by 29%, and the second half of this year 24% ahead of the first half. Part of the decline in the conversion rate is due to the increasing proportion of applications commencing on mobile devices - for the last few months of the year, this has been running at around 50% of all applications; currently these do not convert as well as those that come through the web-based platform, either into valid open accounts or into trading accounts. It is also due in part to the magnitude of the uplift in applications – a good problem to have – and the reassurance we require before allowing someone to trade; this often includes a direct conversation and we are employing more client-facing staff to assist clients to get through to trading.

Less successful at this stage has been our acquisition of generic top-level domains (gTLDs), where we have decided to write off the investment this year. We have launched some websites using our gTLDs, for example news.markets, and licensed many domains to third parties, but this is moving slower than we initially anticipated. We continue to believe that our ownership of certain gTLD strings positions us well as the internet structure evolves, but we have trimmed our short term ambitions and we are focusing on using the small number of sites we have at this stage to broaden IG's presence and attract clients.

Increasing client activity and retention

Our desire is to delight our clients with our technology and our service and to retain them for as long as possible. There is an overlap in this growth lever with our product diversification, a mechanism for deepening our relationships with clients. However, there are a number of other initiatives which will differentiate IG. This year, we rolled out our market movement notifications service, primarily via push alert to a mobile device. This allows a client to move seamlessly from a timely trading idea to the dealing platform and is individually targeted to each client's interests. During July 2016, we will launch our Limited Risk trading account, an important step in helping some clients to manage better the risk/reward balance in their trading. This guarantees a client cannot incur debt, and may enable us to attract additional clients, previously concerned by the nature of the trading risks.

We are in the middle of testing our new web trading platform, the mainstay of IG and our industry. Our current platform could be described as visually a little tired, but remains technologically cutting-edge. It is also very familiar to many of our clients and therefore we will approach the changeover carefully, and include a long period of dual-running. As long as the testing feedback is positive, we continue to expect to roll out the initial version in 2016. We will then iterate this to ensure all current functionality is available, along with the suite of new features we are planning.

Maximising client value
We continue to optimise our risk management, within our technology suite, and with strong governance as we approach specific events. This year we increased our absolute risk limits and made them dynamic, where they rise and fall as markets open and close to take advantage of liquidity and client volume. Although we intend to retain our low-variability revenue stream – IG has only had three negative revenue days in the last five years – we continue to run back-testing simulations of various scenarios to get increasingly close to the optimal position, while remaining neutral on market direction. We overlay this technological risk management with manual oversight. This was extremely successful at the time of the EU Referendum, where we prioritised long term value over short term gain, raising client margin rates significantly and encouraging our clients to consider carefully the merits of holding a position through such uncertainty. This approach protected both clients and IG.

Outlook

We made good progress in 2016, strategically, operationally and financially. The business starts this year in good shape, and we are delivering a number of initiatives which should continue to support future growth. The launch of Limited Risk accounts is a key step in providing current and prospective clients with increased choice and will allow us to broaden our reach. We aim to improve retention of existing clients and appeal to new clients by releasing our investments product in the UK in the first half of this financial year; this will be an important achievement in the evolution of IG and continues our repositioning in our more mature markets. We are also approaching the end of the testing phase for our new web trading platform, and expect to release it before the end of this calendar year.

Demand for our products and application numbers remain strong. Given this demand, and the improvements we have made to our online targeting capability, we intend to increase marketing investment again significantly this year, as long as the payback remains compelling. Including the impact of the remuneration changes at the end of the financial year, and modest increases in other operating costs, we currently expect the overall absolute rise in operating costs in the 2017 financial year to be in line with the increase last year, on an underlying basis. However, given the nature of this cost growth, it will be increasingly discretionary and more closely aligned with revenue.

In summary, 2016 was a successful year for IG, and the business is in robust health. I am delighted to be leading such an energised team, and we remain confident that we can deliver further attractive growth going forward.

Peter Hetherington

Chief Executive Officer

19 July 2016

Operating and Financial Review

During 2016, IG has again demonstrated the strength of its business model, allowing it to grow revenue and profit in all locations and market share in key geographies. The Group continued to diversify its geographical spread by launching an office in Dubai, with revenues from outside the UK now representing 49% (2015: 47%) of the Group revenues.

IG has delivered record revenue in the period of £456.3 million, 14.0% up on the prior year on an underlying basis (2015: £400.2 million). The prior year results were affected by the Swiss franc de-pegging event in January 2015. The underlying results in 2015 exclude the impact of this event. We consider it appropriate to continue to report against the underlying comparatives to enable a clear indication of the year-on-year performance.

Profit before tax was £207.9 million, 7.6% up on the prior year on an underlying basis (2015: £193.2 million). The Group effective tax rate reduced to 21.0% from 22.0% in the prior year (underlying), reflecting the full year impact of the reduction in the UK corporation tax rates to 20%. Diluted earnings per share was 44.58 pence, 8.5% ahead of the prior year on an underlying basis (2015: 41.07 pence underlying).

On a statutory basis, Group revenue was 17% ahead of the prior year (2015: £388.4 million), with profit before tax up 23% (2015: £169.5 million), profit after tax up 25% (2015: £131.9 million), and diluted earnings per share up 24% (2015: 35.99p)

Active client numbers continued to grow ahead of the prior year to 152,600 (12.1%) and the average revenue per client was up 1.7% to £2,990. As in the previous year, the revenue was higher in the second half of the year at £241.5m compared to £214.8m in the first half. The second half included a record quarter for the Group in Q3 of £122.0m, driven by the high volatility caused by significant sell-offs in the financial markets at the start of 2016 which triggered more trading opportunities for clients.

IG remains highly cash-generative, supporting the dividend payout ratio of 70%, resulting in a full-year dividend of 31.40 pence per share, an increase of 12% on the prior year.

Underlying revenue:

	FY16		FY15		% change in revenue per client from FY15[(1)]
	Revenue £m	Clients 000s	Revenue £m	Clients 000s	
UK	231.1	64.5	211.9	60.4	2.1%
Europe	98.6	35.0	80.9	29.7	3.0%
Australia	64.0	19.8	59.2	18.7	1.9%
Rest of World	62.6	33.3	48.2	27.3	6.7%
Total	**456.3**	**152.6**	**400.2**	**136.1**	**1.7%**

Statutory revenue:

	FY16		FY15		% change in revenue per client from FY15[(1)]
	Revenue £m	Clients 000s	Revenue £m	Clients 000s	
UK	231.1	64.5	206.0	60.4	5.1%
Europe	98.6	35.0	76.9	29.7	8.6%
Australia	64.0	19.8	58.1	18.7	3.9%
Rest of World	62.6	33.3	47.4	27.3	8.4%
Total	**456.3**	**152.6**	**388.4**	**136.1**	**4.8%**

[(1)] The financial tables above contain numbers which have been rounded, while all year-on-year percentages are calculated off underlying unrounded numbers.

UNITED KINGDOM

The UK and Ireland, comprising of offices in both London and Dublin had a 9.0% increase in revenue from prior year at £231.1 million (2015: £211.9 million), with the second half of the year (£120.8 million) outperforming the first half (£110.4 million). The UK benefited through the year from particularly volatile periods in financial markets, in both August 2015 and in early 2016, the latter contributing to the UK having record revenue in the third quarter. Active client numbers were up 6.8% from prior year at 64,500, with a 9% increase in the second half of the year, driven by both volatility and by the continuing success in acquiring new clients. Revenue per client for the year increased by 2.1% from prior year, at £3,585, with particular strength in the record third quarter. The UK segment accounted for 51% of Group revenue, against 53% in the prior year.

IG remained the clear market leader within spread bettors in the UK, increasing market share from 40% to 44% and within CFD traders, increasing market share from 26% to 29%. Drawing precise quantitative conclusions from market share research is increasingly difficult, given the measurement is based purely on the number of primary accounts and makes no allowance for the value of individual clients.

The execution-only stockbroking offering launched in September 2014 in the UK. Client numbers have continued to grow steadily, with over 11,000 funded accounts at the end of May, 67% of which are new to IG. A proportion of clients who began as share trading clients, and for whom it is entirely appropriate, are going on to also use the leveraged trading products.

EUROPE

Europe comprised revenues from Germany, France, Italy, Spain, the Netherlands, Sweden, Norway, Luxembourg and Switzerland offices. Revenue in Europe increased by 22% from prior year to £98.6 million (2015: £80.9 million), with second half revenue of £53.0 million, up 16% on the first half. Active client numbers were 18% ahead of the prior year with growth across almost all countries in the region, and revenue per client was up 3.4% to £2,812 (2015: £2,730). The European segment accounted for 22% of Group revenue in the year, against 20% in the prior year.

During the second half of the year, annual market research studies were published for Germany, France and, for the first time Spain. They concluded that IG's market share of the retail CFD industry in Germany had slipped to 9%, in France it had fallen one percentage point to 27% and in Spain it was 6%.

AUSTRALIA

The Australia segment comprised the Melbourne office and also includes revenue from New Zealand and other countries in the Asia Pacific region. Revenue in Australia was up by 8.1% from prior year, to £64.0 million (2015: £59.2 million). Revenue in Australia was stronger in the second half of the year, following the trend of the broader Group, delivering £33.6 million against £30.4 million for the first half, with the third quarter also being a record for this region. Enhancements in the client account opening journey and marketing strategy contributed to a 6% increase from prior year in active client numbers, albeit with client numbers 8.0% lower in the second half of the year compared to the first. Client quality also improved from prior year with average revenue per client 1.9% ahead.

An annual market research study, released in June 2016, concluded that IG's market share of the retail CFD industry had remained flat at 38%, having increased from 33% in the previous year. IG remained the clear industry leader. As with the UK, this measure is based on number of primary accounts.

In July 2016 we launched the execution-only stockbroking offering in the Australia region as Share Trading.

REST OF WORLD

The Rest of World segment comprised the offices in Singapore, Japan, South Africa and Dubai, and our retail exchange, Nadex, in the US. Revenue for the period in the Rest of World region was ahead of the prior year by 30% at £62.6 million (2015: £48.2 million). All countries in the Rest of World segment experienced growth, with particularly strong results in the US, more than doubling prior year revenue and a strong contribution from the newly opened Dubai office which outperformed in its first year. Active client numbers were 22% ahead of the prior year and revenue per client up 6.7% to £1,882 (2015: £1,764). Revenue per client is lower in the region due to the nature of the product set in the US, but it has been boosted this year by the higher revenue per client in Dubai which is attracting a higher average value client base. With the region growing at a fast pace, revenue was higher in the second half at £34.1 million compared to the first half of £28.5 million. The Rest of World segment accounted for 14% of Group revenue in the period, against 12% in the prior year.

Financial Review

Summary Group Income Statement

	Year ended 31 May 2016 £m	Year ended 31 May 2015 Underlying[1] £m	Year ended 31 May 2015 Statutory £m
Net trading revenue[2]	456.3	400.2	388.4
Net interest on segregated client funds	3.4	4.5	4.5
Betting duty and financial transaction taxes	(11.2)	(5.9)	(6.3)
Other operating income	0.6	0.6	0.6
Net operating income	449.1	399.4	387.2
Operating expenses	(241.5)	(206.1)	(217.6)
Operating profit	207.6	193.3	169.6
Net finance income / (expense)	0.3	(0.1)	(0.1)
Profit before tax	207.9	193.2	169.5
Tax expense	(43.6)	(42.5)	(37.6)
Profit for the year	164.3	150.7	131.9
Diluted earnings per share	44.58p	41.07p	35.99p
Total dividend per share	31.40p	28.15p	28.15p

[1] The term 'underlying' reflects the results before the impact of the Swiss franc event.
[2] Net trading revenue excludes net interest on segregated client funds and is reported after taking account of introductory partner commissions

NET OPERATING INCOME

Net trading revenue, increased by 14% to £456.3 million (2015: £400.2 million) with growth experienced in all geographic locations. Net interest income on segregated client funds decreased by £1.1 million to £3.4 million (2015: £4.5 million) driven by a reduction in interest rates in countries where funds are held.

Betting duties paid by the Group, in relation to losses for UK spread betting and binaries clients, increased by £5.4 million to £10.9 million (2015: £5.5 million) following the heightened market volatility in August 2015 and early in 2016. The Italian Financial Transaction Tax incurred by the Group decreased by £0.1 million to £0.3 million (2015: £0.4 million).

OPERATING EXPENSES

Operating expenses increased by 17% to £241.5 million, partially driven by increase in staff headcount related to strategic investments and the associated costs. This is largely the full year impact of headcount increases in the prior year. There was a significant increase in the variable marketing costs where there continued to be a quick payback on spend incurred, and a rise in performance related pay which was linked to the strong financial performance.

	Year ended 31 May 2016 £m	Year ended 31 May 2015 Underlying £m	Year ended 31 May 2015 Statutory £m
Employee remuneration costs	113.5	97.9	94.3
Advertising and marketing	49.7	37.8	37.8
Premises-related costs	12.1	11.1	11.1
IT, market data and communications	19.3	16.4	16.4
Legal and professional	6.8	5.9	5.9
Regulatory fees	5.7	7.1	7.1
Net charge for impaired trade receivables	1.8	1.1	16.2
Other costs	19.9	18.1	18.1
Depreciation, amortisation and impairment	12.7	10.7	10.7
Operating expenses	**241.5**	**206.1**	**217.6**

Employee remuneration costs

Employee remuneration costs increased by 16% to £113.5 million (2015: £97.9 million). This is largely the full year impact of the headcount increases in prior year together with inflationary pay rises and higher market rates for new hires.

	Year ended 31 May 2016 £m	Year ended 31 May 2015 Underlying[1] £m	Year ended 31 May 2015 Statutory £m
Total salaries	83.3	74.0	74.0
Performance-related bonuses and commissions	21.9	17.1	14.0
Share schemes	8.3	6.8	6.3
Employee remuneration costs	**113.5**	**97.9**	**94.3**

[1] For details of how the Swiss franc event impacted employee remuneration costs, refer to footnote 2, in note 11 of this preliminary statement.

The movements in headcount are as follows:

	Year ended 31 May 2016	Year ended 31 May 2015
Average headcount	1,412	1,287
Year-end headcount	1,408	1,400

Advertising and marketing costs

Advertising and marketing costs increased by £11.9 million to £49.7 million (2015: £37.8 million).

The Group remained focused on increasing its online marketing presence to drive client recruitment. The Group also recently moved to a centralised online marketing model which has resulted in a significant increase in the number of clients recruited.

The Group is now in the third year of its three-year partnership with Harlequins Rugby Club and is one of three principal partners of the club. The partnership is consistent with the Group's strategic approach to increase visibility of the IG brand and value proposition.

Depreciation, amortisation and impairment

Included in the above charge is £2.7 million in respect of the write off of the generic top-level domains.

OPERATING PROFIT MARGINS

The Group uses operating profit margin, which includes an allocation of central costs, as an indicator of regional performance.

Operating profit increased by 7.4% to £207.6 million (2015: £193.3 million). The Group operating profit margin (operating profit expressed as a percentage of net trading revenue) decreased to 45.5% (2015: 48.3%), reflecting the ongoing investment in strategic development, including increased operating costs from offices which were opened in the last 18 months and are not yet fully profitable, such as operations in Switzerland and Dubai, and additional investment in the Share Dealing offering, along with the lagged impact of the increase in marketing spend.

The following table summarises operating profit margin by region:

Operating profit margin by region	Year ended 31 May 2016	Year ended 31 May 2015 Underlying	Year ended 31 May 2015 Statutory
UK	49.3%	57.2%	52.1%
Australia	59.4%	60.3%	59.2%
Europe	34.6%	27.6%	18.1%
Rest of World	34.5%	30.2%	29.5%
Group	45.5%	48.3%	43.7%

While revenue per client and the number of clients in all the locations has increased, operating profit margins declined in our largest regions. This reduction in profit margin is driven by a combination of direct costs such as increased investment in marketing the Group's products, salaries and variable IT costs.

TAXATION EXPENSE

The effective rate of taxation for the year ended 31 May 2016 decreased to 21.0% from the underlying rate of 22.0% for the prior year. The effective rate for the current year has continued to benefit from the reduction in the UK corporation tax rate to 20.0%. The Group's effective tax rate remains dependent on the mix of geographic revenue and profitability as well as the tax rates levied in those geographies.

Following legislative changes, the Group was not caught by the Bank Corporation Tax surcharge introduced in the UK in January 2016.

The calculation of the Group's tax charge involves a degree of estimation and judgement, in particular with respect to certain items whose tax treatment cannot be finally determined until agreement has been reached with the relevant tax authority (refer to note 3 of this preliminary statement).

DILUTED EARNINGS PER SHARE

Diluted earnings per share increased by 8.5% to 44.58 pence from 41.07 pence in the year ended 31 May 2016. Diluted earnings per share is used as a primary measure of underlying profitability and as a financial measure in relation to the Executive Director and senior management share plans.

DIVIDEND POLICY

IG remains highly cash-generative and we seek to reflect this in the direct cash returns to shareholders. IG has a progressive dividend policy and it remains the Board's intention to pay out, as an Ordinary dividend, approximately 70% of Group post-tax earnings. Accordingly, the Board is recommending a final dividend of 22.95 pence per share, giving a full year dividend of 31.40 pence per share.

In 2015, despite the impact of the Swiss franc event, the full year dividend was held constant with the 2014 full year dividend at 28.15 pence. This equated to 78% of post-tax statutory earnings and 68% on an underlying basis.

CASH RESOURCES AND LIQUIDITY

In order to provide a clear presentation of the Group's liquid assets, both amounts due from brokers and financial investments have been treated as 'cash equivalents' and included within 'own funds'. A detailed version of the cash flow and the derivation of own funds are provided in note 8 of this preliminary statement.

Cash generation remains strong with own funds generated from operations of £197.9 million (2015: £159.2 million). The cash conversion rate, calculated as own funds generated from operations divided by profit before tax, has remained high at 95% (2015: 82%).

'Own funds' increased by £79.3 million (2015: £18.4 million) after adjustments for movements in working capital balances and the outflow from investing and financing activities, principally including £13.7 million in relation to capital expenditure (2015: £12.4 million) and £103.1 million (2015: £112.8 million) in relation to the final 2015 and interim 2016 dividend payments.

REGULATORY CAPITAL RESOURCES

Throughout the year, the Group maintained a significant excess over the capital resources requirement, both on a consolidated and individual regulated entity basis.

The Group considers there are significant benefits to being well capitalised at a time of continuing global economic uncertainty. The Group is well placed in respect of any regulatory changes which may increase its capital or liquidity requirements. Due to the nature of the business model requiring IG to hedge out residual risk, the Group considers that its liquidity requirements will continue to significantly exceed its regulatory capital requirements and therefore manages this carefully to ensure it is able to withstand extreme levels of volatility in financial markets.

The following table summarises the Group's Pillar 1 capital adequacy on a consolidated basis:

	31 May 2016 £m	Restated* 31 May 2015 £m
Shareholders' equity per audited financial statements	663.0	591.4
Less: Foreseeable dividend	(84.0)	(71.8)
Investment in own shares	1.8	1.2
Common Equity Tier 1 Capital	580.8	520.8
Less: Intangible assets	(125.1)	(124.0)
Less: Investment in own shares	(1.8)	(1.1)
Less: Deferred tax asset	(7.2)	(7.1)
Total capital resources	446.7	388.6
Total Risk Exposure Amounts – Pillar 1	(1,568.4)	(1,401.3)
Total Capital Ratio	28.5%	27.7%
Capital conservation buffer	(9.8)	-
Countercyclical buffer	-	-
Total Capital Ratio including combined buffer	28.3%	27.7%

*Prior year capital ratios have been restated to reflect recognition of foreseeable dividends.

BALANCE SHEET HIGHLIGHTS

The Group's net assets at 31 May 2016 were £663.0 million (2015: £591.4 million).

	31 May 2016 £m	31 May 2015 £m
Intangible assets	125.1	124.0
Financial investments	136.0	108.4
Cash and cash equivalents	218.8	148.8
Trade and other receivables	290.9	281.8
Trade and other payables	(114.2)	(78.9)
Other assets	6.4	7.3
Total net assets	**663.0**	**591.4**

INTANGIBLE ASSETS

The Group continues to invest in technology, to enhance client experience, to improve the capacity and resilience of dealing platforms and information security, all of which are critical to the success of the business.

Intangible assets purchased during the year include £0.6 million (2015: £1.5 million) relating to domain names.

Intangible assets also include goodwill of £107.1 million (2015: £107.1 million), of which £100.0 million arose on the acquisition of IG Group plc and its subsidiaries in 2003.

FINANCIAL INVESTMENTS

Financial investments are UK Government securities held by the Group in satisfaction of the FCA requirements to hold a liquid asset buffer against potential liquidity stress under BIPRU 12. At 31 May 2016 the Group held £82.6 million as liquid assets buffer and £53.4 million as collateral with brokers. The increase in financial investments of £27.6 million is mainly due to purchase of two securities for £61.3 million and the maturity of one for £34.5 million.

CURRENT ASSETS

Trade and other receivables include amounts due from brokers, amounts due to be received from segregated client money accounts and prepayments.

Amounts due from brokers increased by £6.3 million, driven by increased broker margin requirements at year-end.

CLIENT MONEY AND ASSETS

Total monies held on behalf of clients at year-end was £956.3 million (2015: £930.5 million) of which £917.3 million (2015: £913.6 million) is segregated in trust bank accounts and treated as 'segregated client money' and therefore excluded from the Group Statement of Financial Position. The remaining £39.0 million relate to 'title transfer funds' where the client agrees, under a Title Transfer Collateral Arrangement (TTCA), that full ownership of such monies is unconditionally transferred to the Group and customer deposits with our banking operation in Switzerland.

Although the levels of client money can vary depending on the overall mix of financial products being traded by clients, the long-term increase in the level of client money placed by clients with the Group is considered a positive indicator of future client propensity to trade.

LIABILITIES

Trade and other payables include accruals and amounts due to clients in relation to both title transfer funds and customer deposits with the Group's Swiss banking subsidiary.

The increase in the trade and other payables is driven by the increase in title transfer funds and client monies deposited with the Group's Swiss bank subsidiary together with accruals for performance related pay.

Consolidated income statement

for the year ended 31 May 2016

	Note	Year ended 31 May 2016 £m	Year ended 31 May 2015 £m
Trading revenue		487.9	422.1
Interest income on segregated client funds		3.8	4.9
Revenue		491.7	427.0
Interest expense on segregated client funds		(0.4)	(0.4)
Introducing partner commissions		(31.6)	(33.7)
Betting duty and financial transaction taxes		(11.2)	(6.3)
Other operating income		0.6	0.6
Net operating income		449.1	387.2
Analysed as:			
Net trading revenue		456.3	388.4
Other net operating loss		(7.2)	(1.2)
Operating expenses		(241.5)	(217.6)
Operating profit		207.6	169.6
Finance income		2.0	1.8
Finance costs		(1.7)	(1.9)
Profit before taxation		207.9	169.5
Taxation	3	(43.6)	(37.6)
Profit for the year		164.3	131.9
Profit for the year attributable to owners of the parent		164.3	131.9
Earnings per ordinary share:			
Basic	4	44.94p	36.13p
Diluted	4	44.58p	35.99p

Consolidated statement of comprehensive income

for the year ended 31 May 2016

	Year ended 31 May 2016		Year ended 31 May 2015	
	£m	£m	£m	£m
Profit for the year		164.3		131.9
Other comprehensive (expense)/income:				
Items that may be reclassified to profit or loss:				
Change in value of available-for-sale financial assets	(0.1)		0.3	
Foreign currency translation income on overseas subsidiaries	4.5		0.6	
Other comprehensive income for the year, net of tax		4.4		0.9
Total comprehensive income for the year		168.7		132.8
Total comprehensive income attributable to owners of the parent		168.7		132.8

All items of other comprehensive income or expense may be subsequently reclassified to profit or loss.

The items of comprehensive income noted above are stated net of related tax effects.

Statement of financial position

at 31 May 2016

	Note	31 May 2016 £m	31 May 2015 £m
Assets			
Non-current assets			
Property, plant and equipment		13.0	13.3
Intangible assets		125.1	124.0
Investment in subsidiaries		-	-
Financial investments		25.0	75.5
Deferred tax assets		7.2	7.1
		170.3	219.9
Current assets			
Trade receivables	6	278.5	269.6
Prepayments and other receivables		12.4	12.2
Cash and cash equivalents	7	218.8	148.8
Financial investments		111.0	32.9
		620.7	463.5
TOTAL ASSETS		791.0	683.4
Liabilities			
Current liabilities			
Trade payables		43.4	17.7
Other payables		70.8	61.2
Income tax payable		13.8	13.1
		128.0	92.0
Non-current liabilities			
Redeemable preference shares		-	-
Total liabilities		128.0	92.0
Equity			
Share capital		-	-
Share premium		206.8	206.8
Other reserves		102.2	91.8
Retained earnings		354.0	292.8
Total equity		663.0	591.4
TOTAL EQUITY AND LIABILITIES		791.0	683.4

Statement of changes in equity

for the year ended 31 May 2016

	Share capital	Share Premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m
At 1 June 2014	-	206.8	85.4	273.7	565.9	-	565.9
Profit for the year	-	-	-	131.9	131.9	-	131.9
Other comprehensive income for the year	-	-	0.9	-	0.9	-	0.9
Total comprehensive income for the year	-	-	0.9	131.9	132.8	-	132.8
Equity-settled employee share-based payments	-	-	5.3	-	5.3	-	5.3
Excess of tax deduction benefit on share-based payments recognised directly in equity	-	-	0.5	-	0.5	-	0.5
Purchase of own shares	-	-	(0.3)	-	(0.3)	-	(0.3)
Equity dividends paid (note 7)	-	-	-	(112.8)	(112.8)	-	(112.8)
Movement in equity	-	-	6.4	19.1	25.5	-	25.5
At 31 May 2015	-	206.8	91.8	292.8	591.4	-	591.4
Profit for the year	-	-	-	164.3	164.3	-	164.3
Other comprehensive income for the year	-	-	4.4	-	4.4	-	4.4
Total comprehensive income for the year	-	-	4.4	164.3	168.7	-	168.7
Equity-settled employee share-based payments	-	-	7.0	-	7.0	-	7.0
Excess of tax deduction benefit on share-based payments recognised directly in equity	-	-	-	-	-	-	-
Purchase of own shares	-	-	(1.0)	-	(1.0)	-	(1.0)
Equity dividends paid (note 7)	-	-	-	(103.1)	(103.1)	-	(103.1)
Movement in equity	-	-	10.4	61.2	71.6	-	71.6
At 31 May 2016	-	206.8	102.2	354.0	663.0	-	663.0

Statement of cash flow

for the year ended 31 May 2016

	Note	Year ended 31 May 2016 £m	Year ended 31 May 2015 £m
Cash generated from operations	9	223.7	210.4
Income taxes paid		(42.5)	(42.9)
Interest received on segregated client funds		3.8	4.9
Interest paid on segregated client funds		(0.4)	(0.4)
Net cash flow from operating activities		184.6	172.0
Investing activities			
Interest received		1.1	0.8
Purchase of property, plant and equipment		(5.1)	(6.0)
Payments to acquire intangible assets		(8.6)	(6.4)
Proceeds from maturity of financial investments and coupon receipts		34.5	51.3
Purchase of financial investments		(32.4)	(51.1)
Net cash flow used in investing activities		(10.5)	(11.4)
Financing activities			
Interest paid		(1.3)	(1.9)
Equity dividends paid to owners of the parent	5	(103.1)	(112.8)
Purchase of own shares held in Employee Benefit Trusts		(1.0)	-
Proceeds from draw down of committed banking facility	8	200.0	100.0
Repayment of committed banking facility	8	(200.0)	(100.0)
Net cash flow used in financing activities		(105.4)	(114.7)
Net increase in cash and cash equivalents		68.7	45.9
Cash and cash equivalents at the beginning of the year		148.8	101.5
Exchange profit on cash and cash equivalents		1.3	1.4
Cash and cash equivalents at the end of the year	7	218.8	148.8

Notes to the preliminary results for the year ended 31 May 2016

1. Basis of preparation

The financial information in this announcement is derived from IG Group Holdings plc's group financial statements but does not, within the meaning of Section 435 of the Companies Act 2006, constitute statutory accounts for the years ended 31 May 2015 or 31 May 2016. The financial statements are prepared on a going concern basis and the accounting policies are consistent with the Group's 2015 Annual Report.

Although the financial information has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), this preliminary statement does not itself contain sufficient information to comply with IFRS. The Group will publish full IFRS compliant group financial statements in August 2016 and statutory accounts for 2016 will be delivered to the Registrar of Companies following the Company's Annual General Meeting on 21 September 2016.

The Group's auditors, PricewaterhouseCoopers LLP, have reported on those financial statements and the report was unqualified, did not emphasise any matters nor contained any statements under Section 498(2) or (3) of the Companies Act 2006.

Copies of full group financial statements will be posted to all shareholders in August 2016. Further copies will be available, from the date of posting, from the Group's Headquarters, Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2YA, by telephone on 020 7896 0011 or via the Group's corporate website at iggroup.com.

Critical accounting estimates and judgments

The preparation of financial statements requires the Group to make estimates and judgments that affect the amounts reported for assets and liabilities, as at the year-end, and the amounts reported for revenues and expenses during the year. The nature of estimates means that actual outcomes could differ from those estimates.

In the Directors' opinion, the accounting estimates or judgments that have the most significant impact, on the measurement of items recorded in the financial statements, the useful economic life applied to the intangible assets and the calculation of the Group's current corporation tax charge (refer to note 3(b) of this preliminary statement).

The assessment of the useful economic life of the Group's internally developed and acquired software, licenses, domain name and generic top-level domain based intangible assets is judgmental and can change due to obsolescence as a result of unforeseen technological developments. The useful life for licenses represents management's view of the expected term over which the Group will receive benefits from the software, and does not exceed the licence term. For internally developed and acquired software and domain assets the life is based on historical experience with similar products as well as anticipation of future events which may impact their useful economic life.

The calculation of the Group's current corporation tax charge involves a degree of estimation and judgment with respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority. The Group has made payments in respect of the potential tax liability that may arise on these unresolved items, however, the amount ultimately payable may be materially lower than the amount already paid and could therefore improve the overall profitability and cash flows of the Group in future periods.

The measurement of the Group's net trading revenue is predominately based on quoted market prices and accordingly involves little judgment. However, the calculation of the segmental net trading revenue, as the Group manages risk and hedges on a group-wide portfolio basis, involves the use of an allocation methodology. This allocation methodology does not impact on the overall Group net trading revenue disclosed.

2. Segment information

The segment information is presented as follows:

- Segment net trading revenue has been disclosed after taking account of introducing partner commissions, as this is consistent with the management information received by the Chief Operating Decision Maker (CODM), being the Executive Directors
- Net trading revenue is reported by the location of the office that manages the underlying client relationship and aggregated into the disclosable segments of UK, Australia, Europe and Rest of World. The Rest of World segment comprises the Group's operations in Japan, South Africa, Singapore, the USA and Dubai
- The UK segment comprises the Group's operations in the UK and Ireland
- The Europe segment comprises the Group's operations in France, Germany, Italy, Luxembourg, the Netherlands, Norway, Spain, Sweden and Switzerland
- Segment contribution, being segment trading revenue less directly incurred costs, as the measure of segment profit and loss reported to the CODM

The UK segment derives its revenue from financial spread bets, contracts for difference (CFDs), binary options and execution-only stockbroking. The Australian segment derives its revenue from CFDs and binary options. The European segment derives its revenue from CFDs, binary options and execution-only stockbroking. The businesses reported within Rest of World derive revenue from the operation of a regulated futures and options exchange as well as CFDs and binary options.

The Group employs a centralised operating model whereby market risk is managed principally in the UK, switching to Australia outside of UK hours. The costs associated with these operations are included in the Central segment, together with central costs of senior management, IT development, marketing and other support functions. As the Group manages risk and hedges on a group-wide portfolio basis, the following segmental revenue analysis involves the use of an allocation methodology. Interest income and expense on segregated client funds is managed and reported to the CODM centrally and thus has been reported in the Central segment. In the following analysis, the Central segment costs have been further allocated to the other reportable segments based on a number of cost allocation assumptions and segment net trading revenue.

2. Segment information (continued)

Year ended 31 May 2016	UK	Europe	Australia	Rest of World	Central	Total
	£m	£m	£m	£m	£m	£m
Segment net trading revenue	231.1	98.6	64.0	62.6	-	456.3
Interest income on segregated client funds	-	-	-	-	3.8	3.8
Revenue from external customers	231.1	98.6	64.0	62.6	3.8	460.1
Interest expense on segregated client funds	-	-	-	-	(0.4)	(0.4)
Other operating income	-	-	-	-	0.6	0.6
Betting duty and financial transaction taxes	(10.8)	(0.4)	-	-	-	(11.2)
Net operating income	220.3	98.2	64.0	62.6	4.0	449.1
Segment contribution	174.1	59.8	54.5	36.1	(104.2)	220.3
Allocation of central income and costs	(52.6)	(23.5)	(15.3)	(12.8)	104.2	-
Depreciation, amortisation and impairment	(7.6)	(2.2)	(1.2)	(1.7)	-	(12.7)
Operating profit	113.9	34.1	38.0	21.6	-	207.6
Net finance income						0.3
Profit before taxation						207.9

Year ended 31 May 2015	UK	Europe	Australia	Rest of World	Central	Total
	£m	£m	£m	£m	£m	£m
Segment net trading revenue	206.0	76.9	58.1	47.4	-	388.4
Interest income on segregated client funds	-	-	-	-	4.9	4.9
Revenue from external customers	206.0	76.9	58.1	47.4	4.9	393.3
Interest expense on segregated client funds	-	-	-	-	(0.4)	(0.4)
Other operating income	-	-	-	-	0.6	0.6
Betting duty and financial transaction taxes	(5.8)	(0.4)	(0.1)	-	-	(6.3)
Net operating income	200.2	76.5	58.0	47.4	5.1	387.2
Segment contribution	154.5	35.1	48.3	25.6	(83.2)	180.3
Allocation of central income and costs	(41.6)	(19.0)	(12.5)	(10.1)	83.2	-
Depreciation, amortisation and impairment	(5.6)	(2.2)	(1.4)	(1.5)	-	(10.7)
Operating profit	107.3	13.9	34.4	14.0	-	169.6
Net finance costs						(0.1)
Profit before taxation						169.5

3. Taxation

3(a). Tax on profit on ordinary activities

Tax charged in the income statement:

	Year ended 31 May 2016	Year ended 31 May 2015
Current income tax:	£m	£m
UK Corporation Tax	41.0	34.3
Foreign tax	3.5	3.8
Adjustment in respect of prior years	(0.9)	(1.0)
Total current income tax	43.6	37.1
Deferred income tax:		
Origination and reversal of temporary differences	(0.2)	(0.4)
Adjustment in respect of prior years	0.3	0.9
Impact of change in tax rates on deferred tax	(0.1)	-
Total deferred income tax	-	0.5
Tax expense in the income statement (note 3(b))	43.6	37.6

3(b). Reconciliation of the total tax charge

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the effective corporation tax for the year ended 31 May 2016 is 20%, and that for the year ended 31 May 2015 is calculated at 20.83% of the estimated assessable profit in the UK. Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions. The tax expense in the income statement for the year can be reconciled to the income statement as set out below:

	Year ended 31 May 2016	Year ended 31 May 2015
	£m	£m
Profit before taxation	207.9	169.5
Profit multiplied by the UK standard rate of corporation tax of 20.00% (2015: 20.83%)	41.6	35.3
Expenses not deductible for tax purposes	0.3	0.5
Impact of timing differences not recognised	0.8	1.2
Higher taxes on overseas earnings	1.4	0.7
Adjustment in respect of prior years	(0.6)	(0.1)
Impact of change in tax rates on deferred tax	0.1	-
Total tax expense reported in the income statement	43.6	37.6

The effective tax rate is 21.0 % (2015: 22.18 %).

3. Taxation (continued)

3(c). Factors affecting the tax charge in future years

Factors that may affect the Group's future tax charge include the geographic location of the Group's earnings, the tax rates in those locations, changes in tax legislation, future planning opportunities, the use of brought-forward tax losses and the resolution of open tax issues. The calculation of the Group's total tax charge involves a degree of estimation and judgment with respect to the recognition of deferred tax assets and of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority. The Group holds tax provisions in respect of the potential tax liability that may arise on these unresolved items, however, the amount ultimately payable may be materially lower than the amount accrued and could therefore improve the overall profitability and cash flows of the Group in future periods.

4. Earnings per ordinary share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary 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 arising from share schemes. The following reflects the income and share data used in the earnings per share computation:

	Year ended 31 May 2016	Year ended 31 May 2015
	£m	£m
Profit for the year	164.3	131.9
Earnings attributable to non-controlling interests	-	-
Earnings attributable to owners of the parent	164.3	131.9
Weighted average number of shares:		
Basic	365,620,585	365,199,825
Dilutive effect of share-based payments	2,910,404	1,383,806
Diluted	368,530,989	366,583,631

	Year ended 31 May 2016	Year ended 31 May 2015
Basic earnings per share	44.94p	36.13p
Diluted earnings per share	44.58p	35.99p

5. Dividends

	Year ended 31 May 2016	Year ended 31 May 2015
	£m	£m
Declared and paid during the year:		
Final dividend for 2015 at 19.70p per share (2014: 22.40p)	72.2	81.9
Interim dividend for 2016 at 8.45p per share (2015: 8.45p)	30.9	30.9
	103.1	112.8
Proposed for approval by shareholders at the annual general meeting:		
Final dividend for 2016 at 22.95p per share (2015: 19.70p)	84.0	71.8

The final dividend for 2016 of 22.95p per share amounting to £84.0 million was proposed by the Board on 14 July 2016 and has not been included as a liability at 31 May 2016. This dividend will be paid on 28 October 2016, following approval at the Company's AGM, to those members on the register at the close of business on 30 September 2016.

The dividend paid or declared in relation to the financial year are set out below:

	Year ended 31 May 2016	Year ended 31 May 2015
Dividend declared per share:		
Interim dividend	8.45p	8.45p
Final dividend	22.95p	19.70p
	31.40p	28.15p

6. Trade receivables

	31 May 2016	31 May 2015
	£m	£m
Amounts due from brokers(1)	245.5	239.2
Other amounts due to the Group(2)	30.8	28.4
Amounts due from clients(3)	2.2	2.0
	278.5	269.6

(1) Amounts due from brokers represent balances with brokers where the combination of cash held on account and the valuation of financial derivative open positions results in an amount due to the Group. At 31 May 2016 the actual broker margin requirement was £227.6 million (2015: £204.8 million) with the balance being excess cash margin held at brokers.

(2) Other amounts due to the Group include balances that will be transferred to the Group's own cash from segregated client funds on the following working day in accordance with the UK's Financial Conduct Authority (FCA) 'CASS' rules and similar rules of other regulators in whose jurisdiction the Group operates as well as excess funds held in segregation in certain jurisdictions. This also includes amounts due from banking counterparties or held within segregated client funds in relation to monies transferred by clients to the Group that remain unsettled at the year-end. The Group is required to segregate these client funds at the point of client funding and not at cash settlement.

(3) Amounts due from clients arise when a client's total funds deposited with the Group are insufficient to cover any trading losses incurred and are stated net of an allowance for impairment.

7(a). Cash and cash equivalents

	31 May 2016	31 May 2015
	£m	£m
Gross cash and cash equivalents[1]	1,136.1	1,062.4
Less: Segregated client funds[2]	(917.3)	(913.6)
Cash and cash equivalents[3]	218.8	148.8

[1] Gross cash and cash equivalents includes each of the Group's own cash, proceeds from the drawdown of the committed banking facility, as well as all client monies held.

[2] Segregated client funds comprise individual client funds held in segregated client money accounts or money market facilities established under the UK's Financial Conduct Authority (FCA) 'CASS' rules and similar rules of other regulators in whose jurisdiction the Group operates. Such monies are not included in the Group's Statement of Financial Position.

[3] Cash and cash equivalents includes both title transfer funds held by the Group under a Title Transfer Collateral Arrangement (TTCA) by which a client agrees that full ownership of such monies is unconditionally transferred to the Group, and client monies deposited with the Group's Swiss banking subsidiary, IG Bank SA.
The Group's Swiss banking subsidiary, IG Bank SA, is also required to protect customer deposits under the FINMA Privileged Deposit Scheme. At 31 May 2016 IG Bank SA was required to hold £7.0 million (31 May 2015: £2.8 million) in satisfaction of this requirement.

7(b). Client funds and assets

	31 May 2016	31 May 2015
	£m	£m
Segregated client funds[1]	917.3	913.6
Segregated client assets[2]	177.8	77.4
Total segregated client funds and assets	1,095.1	991.0

[1] Segregated client funds comprise individual client funds held in segregated client money accounts or money market facilities established under the UK's Financial Conduct Authority (FCA) 'CASS' rules and similar rules of other regulators in whose jurisdiction the Group operates. Such monies are not included in the Group's Statement of Financial Position.

[2] Segregated client assets comprise individual clients' equity positions held in segregated client asset accounts under the Financial Conduct Authority's 'CASS' rules. Such assets are not included in the Group's Statement of Financial Position.

8. Liquidity analysis and risk management

The following section provides an analysis of the Group's available liquidity, the liquidity requirements that result from the Group's business model, and sets out the key measures used to monitor and manage the level of liquidity available.

The key measures used by the Group are explained below:

Liquid assets: These are the total liquid assets that the Group can access. These include cash held at bank (both own cash and title transfer funds) as well as at brokers, the liquid assets buffer held by the Group and other cash amounts due to the Group.

Own funds: These are liquid assets less title transfer funds. Title transfer funds are client monies held by the Group under a Title Transfer Collateral Arrangement (TTCA).

Available liquid assets: Certain of the Group's funds are not immediately available for the purposes of central market risk management as they are required to provide regulatory capital balances in regulated subsidiaries. Additionally the Group's overseas businesses also require working capital balances to both fund daily operations and to ensure sufficient liquidity is available to fund the local client segregation requirements. Available liquid assets are therefore liquid assets less all amounts held in overseas subsidiaries and amounts due from segregation - each of which are not considered immediately available for market risk management.

Net available liquidity: This is the remaining liquidity available to the Group after the funding of the broker margin requirement associated with market risk management.

Total available liquidity: This measure is the total of the Group's liquid assets and the Group's undrawn committed banking facilities.

In order to mitigate liquidity risks, the Group regularly stress tests its three-year liquidity forecast to validate the appropriate level of committed unsecured bank facilities held. On 17 July 2015, the Group reduced its liquidity facility from £200.0 million with a syndicate of three banks to £160.0 million with a syndicate of four banks. The inclusion of a fourth bank in the syndicate offers the Group further diversification. This facility has £100.0 million available for up to a one year term (with an option to extend for a further year) and £60.0 million for up to three years.

The drawings made under the Group's facility in the year ended 31 May 2016 are disclosed in note 8(c) of this preliminary statement.

Additionally the Group's Japanese business, IG Securities Limited has a Yen 300.0 million liquidity facility as at 31 May 2016 (31 May 2015: Yen 300.0 million).

The following notes have been provided to further explain the derivation of liquid assets, own funds, available liquid assets, net available liquidity and total available liquidity. The generation of own funds is disclosed in note 8(d) of this preliminary statement.

8(a). Liquid assets and own funds

'Liquid assets', stated net of borrowings, and 'own funds' are the key measures the Group uses to monitor the overall level of liquidity available to the Group. The derivation of both liquid assets and own funds are shown in the following table:

		31 May 2016	31 May 2015
	Note	£m	£m
Cash and cash equivalents(1)	7	218.8	148.8
Amounts due from brokers(2)	6	245.5	239.2
Financial investments – held at brokers(3.1)		53.4	25.3
Financial investments – liquid asset buffer(3.2)		82.6	83.1
Other amounts due to the Group(4)		26.4	27.6
Liquid assets		626.7	524.0
Less:			
Draw down of committed banking facility		-	-
Client funds held on balance sheet (5)		(39.0)	(16.9)
Own funds		587.7	507.1

(1) Cash and cash equivalents represent cash held on demand with financial institutions (please refer to note 7 of this preliminary statement).

(2) Amounts due from brokers represent balances with brokers where the combination of cash held on account and the valuation of financial derivative open positions results in an amount due to the Group. These positions are held to hedge client market exposures in accordance with the Group's market risk management policy.

(3.1) During the year ended 31 May 2016 the Group purchased an additional UK Government Gilt which is held at brokers as collateral to support the hedging of client market exposures in accordance with the Group's market risk management policy.

(3.2) The UK Government securities held by the Group in satisfaction of the FCA requirements to hold a "liquid asset buffer" against potential liquidity stress under BIPRU 12.

(4) Other amounts due to the Group include balances that will be transferred to the Group's own cash from segregated client funds on the following working day in accordance with the FCA 'CASS' rules and similar rules of other regulators in whose jurisdiction the Group operates. This also includes amounts due from banking counterparties or held within segregated client funds in relation to monies transferred by clients to the Group that remain unsettled at the year-end. The Group is required to segregate these client funds at the point of client funding and not at cash settlement.

(5) Client funds held on balance sheet include both Title Transfer funds and client monies deposited with the Group's Swiss banking subsidiary. These are recognised on the Group's statement of financial position with an associated payable to clients.

8(b). The Group's liquidity requirements

The Group requires day-to-day liquidity for each of: the full segregation of client monies; the funding of regulatory and working capital in overseas businesses; the funding of margin requirements at brokers to hedge the underlying client positions under both normal and stressed conditions; the funding of a liquid asset buffer; and amounts associated with general working capital.
The available liquid assets measure excludes cash amounts tied up in both the requirement to segregate client funds and in the regulatory and working capital of overseas businesses, as they are not considered to be available for the purposes of central market and liquidity risk management.
These requirements are analysed in the following table:

	31 May 2016	31 May 2015
	£m	£m
Liquid assets	626.7	524.0
Less: amounts required to ensure appropriate client money segregation	(26.4)	(27.6)
Less: amounts required for regulatory and working capital of overseas businesses(1)	(64.3)	(58.8)
Available liquid assets	**536.0**	**437.6**
Less: broker margin requirement(2)	(227.6)	(204.8)
Net available liquidity	**308.4**	**232.8**
Of which is:		
Held as a liquid assets buffer(3)	82.6	83.1

(1) The Group's regulated subsidiaries in Australia, Japan, Singapore, South Africa, Switzerland, Dubai and the USA all have minimum cash holding requirements associated with their respective regulatory capital requirements. Additionally, the Group's regulated business or subsidiaries in Australia, Singapore, Japan, South Africa, Dubai and the USA are required to segregate individual client funds in segregated client money bank accounts. This daily segregation requirement occurs prior to the release of funds from the UK (note: market risk management is performed centrally for the Group in the UK) in relation to the associated hedging positions held at external brokers. Accordingly cash balances are held in each of the overseas businesses in order to ensure client money segregation obligations are met. Both the regulatory working capital amounts and customer deposits are not available to the Group for the purposes of central market risk management.

(2) Positions are held with external brokers in order to hedge client market risk exposures in accordance with the Group's market risk management policies.

(3) The liquid assets buffer is not available to the Group in the ordinary course of business, however utilisation is allowed in times of liquidity stress and therefore it is considered as available for the purposes of overall liquidity planning.

8(c). Liquidity management and liquidity risk

Liquidity risk is managed centrally and on a group-wide basis. The Group's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its broker margin requirements and other financial liabilities when due, under both normal circumstances and stressed conditions. The Group has carried out an Individual Liquidity Adequacy Assessment ("ILAA") during the year, and whilst this applies specifically to the Group's FCA regulated entities, it provides the context in which liquidity is managed on a continuous basis for the whole Group.

The Group does not have any material liquidity mismatches with regard to liquidity maturity profiles due to the very short-term nature of its financial assets and liabilities. Liquidity risk can, however, arise as individual client funds are required to be placed in segregated client money accounts in all jurisdictions with the exception of Switzerland where the entity has a banking licence. A result of this is that short-term (less than one week) liquidity 'gaps' can potentially arise in periods of very high client activity or significant increases or falls in global financial market levels.

During periods of significant market movements the Group may be required to fund margin payments to brokers prior to the release of funds from segregation, and in periods of significant market increases or increased client activity, the Group may be required to fund higher margin requirements at brokers to hedge increased underlying client positions. These additional requirements are funded from the Group's available liquid assets while these individual client positions are open, as individual client funds remain in segregated client money bank accounts.

In order to mitigate this and other liquidity risks, the Group regularly stress tests its three-year liquidity forecast to validate the appropriate level of committed unsecured bank facilities held.

During the year ended 31 May 2016, the Group withdrew £50.0 million on four occasions in anticipation of extreme market volatility. For the year ended 31 May 2015 these facilities were drawn to a maximum of £25.0 million on two occasions and £50.0 million on one occasion. On all three occasions, the drawdown was in anticipation of extreme market volatility.

As well as the three-year liquidity forecast, the Group also produces more detailed short-term liquidity forecasts and detailed stress tests such that appropriate management actions or liquidity facility draw down can occur prior to a period of expected liquidity requirements.

A number of measures are used by the Group for managing liquidity risk, one of which is the level of total available liquidity. For this purpose total liquidity is calculated as set out in the following table inclusive of the undrawn committed facility.

8(c). Liquidity management and liquidity risk (continued)

	31 May 2016	31 May 2015
	£m	£m
Liquid assets	626.7	524.0
Undrawn committed banking facility[1]	160.0	200.0
Total liquidity (including facilities)[2]	**786.7**	**724.0**

[1] Draw down of the committed banking facility is capped at 80% of the actual broker margin requirement on the draw down date. The maximum available draw down was £160.0 million at 31 May 2016 (2015: £163.8 million) based on the broker margin requirements on those dates, of which £nil was drawn down as at 31 May 2016 (31 May 2015: £nil). The committed banking facility was reduced to £160 million in the year.
[2] Stated inclusive of the liquid assets buffer of £82.6 million (2015: £83.1 million) that is held by the Group in satisfaction of the FCA requirements to hold a "liquid asset buffer" against potential liquidity stress under BIPRU 12. Utilisation of the liquid assets buffer is allowed in times of liquidity stress and therefore it is considered as available for the purposes of overall liquidity planning.
The Group's total liquidity enables the funding of large broker margin requirements when required – the total available liquidity that can be utilised for market risk management at 31 May 2016 should be considered in light of the intra-period high broker margin requirement of £258.5 million (2015: £293.7 million), the requirement to hold a liquid assets buffer, the continued growth of the business (both for client trading and geographic expansion), the Group's commitment to segregation of individual clients money as well as the declared final dividend for the year ending 31 May 2016 all of which draw upon the Group's liquidity.

8(d). Own funds generated from operations

The following cash flow statement summarises the Group's generation of own funds during the year and excludes all cash flows in relation to monies held on behalf of clients. Additionally both amounts due from brokers and financial investments have been included within 'own funds' in order to provide a clear presentation of the Group's cash resources. The derivation of own funds is explained in note 8(a), and is stated net of amounts drawn on the Group's committed banking facility. A narrative explanation of the key cash flows disclosed in the following cash flow statement is provided within the Operating and Financial Review.

	Year ended 31 May 2016 £m	Year ended 31 May 2015 £m
Operating activities		
Profit before tax	207.9	169.5
Depreciation, amortisation and impairment	12.7	10.7
Other non-cash adjustments	19.8	(0.5)
Income taxes paid	(42.5)	(42.9)
Own funds generated from operations	197.9	136.8
Movement in working capital	(0.6)	7.9
Inflow/(outflow) from investing activities		
Interest received	1.1	0.8
Purchase of property, plant and equipment and intangible assets	(13.7)	(12.4)
Outflow from financing activities		
Interest paid	(1.3)	(1.9)
Equity dividends paid to owners of the parent	(103.1)	(112.8)
Other outflow from financing activities	(1.0)	-
Total outflow from investing and financing activities	(118.0)	(126.3)
Increase in own funds	**79.3**	**18.4**
Own funds at 1 June	507.1	487.3
Exchange gains/(losses) on own funds	1.3	1.4
Own funds at 31 May	587.7	507.1

9. Cash generated from operations

	Year ended 31 May 2016	Year ended 31 May 2015
	£m	£m
Operating activities		
Profit before tax	207.9	169.5
Adjustments to reconcile profit before tax to net cash flow from operating activities:		
Net interest income on segregated client funds	(3.4)	(4.5)
Depreciation of property, plant and equipment	5.2	5.7
Net finance (income)/cost	(0.3)	0.1
Dividends received	-	-
Amortisation and impairment of intangible assets	7.5	5.0
Non-cash foreign exchange losses/(gains) in operating profit	3.0	(6.2)
Share-based payments	7.0	5.3
(Increase)/decrease in trade and other receivables	(29.5)	32.8
Increase in trade and other payables	26.3	2.7
Cash generated from operations	223.7	210.4

10. Subsequent events

During June 2016 the Group withdrew and fully repaid, £160.0 million which was drawn in different tranches in anticipation of extreme market volatility from the results of the United Kingdom's European Union referendum.

In June 2016 Group renewed its £160.0 million of revolving credit facility from a syndicate of four UK banks. This facility has £100.0 million available for up to a 1 year term (with an option to extend for a further year) and £60.0 million available for up to 3 years and was signed on 21 June 2016.

A final dividend of 22.95p per share amounting to £84.0 million was proposed by the Board on 14 July 2016.

11. Underlying results for the year ended 31 May 2015

The Directors regard the adjustment of exceptional items in the financial statements, as detailed below, necessary to provide greater comparability of the results of the Group for the year.

Exceptional items – Swiss franc event impact

In the prior year, the Swiss National Bank announced that it had ceased intervention in the exchange rate between the Swiss franc and Euro. This caused a sudden extreme appreciation in the value of the franc, accompanied by a lack of market liquidity which lasted several minutes and resulted in a negative financial impact to the group of £18.8 million. This impact on profit before tax and diluted earnings per share for the prior year is shown below. There are no exceptional items to report for the year ended 31 May 2016.

	Underlying Year ended 31 May 2015	Swiss franc event impact	Statutory Year ended 31 May 2015
	£m	£m	£m
Net operating income	399.4	12.2	387.2
Analysed as:			
Net trading revenue	400.2	11.8	388.4
Other net operating (loss)/income[(1)]	(0.8)	0.4	(1.2)
Operating expenses[(2)]	(206.1)	11.5	(217.6)
Operating profit	193.3	23.7	169.6
Finance income	1.8	-	1.8
Finance costs	(1.9)	-	(1.9)
Profit before taxation	193.2	23.7	169.5
Tax expense	(42.5)	(4.9)	(37.6)
Profit for the year	150.7	18.8	131.9
Earnings per ordinary share			
- basic	41.27p	5.14p	36.13p
- diluted	41.07p	5.08p	35.99p

[(1)] £0.4 million Swiss franc event impact related to betting duty.

[(2)] Included in operating expenses are £11.5 million, made up of £15.1 million of Swiss franc related bad debts charge, a decrease in employee bonuses of £3.1 million and £0.5 million related to Sustained Performance Plan (SPP) share schemes.

Segment net trading revenue:

Year ended 31 May 2015	UK	Europe	Australia	Rest of World	Central	Total
	£m	£m	£m	£m	£m	£m
Net trading revenue	206.0	76.9	58.1	47.4	-	388.4
Underlying net trading revenue	211.9	80.9	59.2	48.2	-	400.2

Own funds generated from operations:

Year ended 31 May 2015	Statutory	Swiss franc event impact	Underlying
	£m	£m	£m
Own funds generated from operations	136.8	22.4	159.2

Additional information – quarterly geographical revenue for the year ended 31 May 2016

The tables below contain numbers which have been rounded and therefore there may be rounding differences between subtotals and the sum of individual numbers as presented. All year-on-year percentages are calculated off underlying unrounded numbers.

Geographical Revenue	Q1 revenue			KPI	
	FY16 £m	FY15 £m	% Change	Active client growth	Revenue per client growth
UK	56.4	45.9	23%	16%	6%
Europe	20.8	18.4	13%	18%	(4%)
Australia	14.9	12.3	21%	20%	1%
Rest of World	13.9	9.0	54%	28%	20%
Total	**106.0**	**85.6**	**29%**	**19%**	**3.6%**

Geographical Revenue	Q2 revenue			KPI	
	FY16 £m	FY15 £m	% Change	Active client growth	Revenue per client growth
UK	54.0	60.9	(11%)	(9%)	(2%)
Europe	24.8	22.1	12%	14%	(2%)
Australia	15.5	16.4	(6%)	3%	(9%)
Rest of World	14.6	12.4	17%	13%	4%
Total	**108.9**	**111.8**	**(3%)**	**2%**	**(4%)**

Geographical Revenue	Q3 Revenue			KPI	
	FY16 £m	FY15 £m	% Change	Active client growth	Revenue per client growth
UK	62.7	55.4	13%	6.%	7%
Europe	25.7	20.8	24%	21%	2%
Australia	17.3	15.0	16%	8%	8%
Rest of World	16.3	12.4	31%	16%	13%
Total	**122.0**	**103.6**	**18%**	**12%**	**6%**

Geographical Revenue	Q4 Revenue			KPI	
	FY16 £m	FY15 £m	% Change	Active client growth	Revenue per client growth
UK	58.1	49.7	17%	6%	10%
Europe	27.3	19.6	39%	19%	17%
Australia	16.3	15.5	5%	0%	5%
Rest of World	17.8	14.4	25%	9%	15%
Total	**119.5**	**99.2**	**20%**	**9%**	**11%**

Additional information – half-yearly and full year geographical revenue for the year ended 31 May 2016

The tables below contain numbers which have been rounded and therefore there may be rounding differences between subtotals and the sum of individual numbers as presented. All year-on-year percentages are calculated off underlying unrounded numbers.

Geographical Revenue	H1 revenue			KPI	
	FY16 £m	FY15 £m	% Change	Active client growth	Revenue per client growth
UK	110.4	106.8	3%	2%	1%
Europe	45.6	40.5	13%	18%	(4%)
Australia	30.4	28.7	6%	12%	(5%)
Rest of World	28.5	21.4	33%	25%	7%
Total	**214.8**	**197.4**	**9%**	**11%**	**(2%)**

Geographical Revenue	H2 revenue			KPI	
	FY16 £m	FY15 £m	% Change	Active client growth	Revenue per client growth
UK	120.8	105.1	15%	9%	6%
Europe	53.0	40.4	31%	19%	10%
Australia	33.6	30.5	10%	3%	7%
Rest of World	34.1	26.8	28%	14%	12%
Total	**241.5**	**202.8**	**19%**	**11%**	**7%**

Geographical Revenue	Full year revenue			KPI	
	FY16 £m	FY15 £m	% Change	Active client growth	Revenue per client growth
UK	231.1	211.9	9%	7%	2%
Europe	98.6	80.9	22%	18%	3%
Australia	64.0	59.2	8%	6%	2%
Rest of World	62.6	48.2	30%	22%	7%
Total	**456.3**	**400.2**	**14%**	**12%**	**2%**