

IG Group Holdings plc  
24 September 2008

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR  
INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN

THIS IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES, CANADA,  
AUSTRALIA OR JAPAN

**IG Group Holdings plc**

**Proposed acquisition of FXOnline Japan KK**

**Placing to raise £82.2 million**

**Introduction**

IG Group Holdings plc ("IG", the "Company" or the "Group") is pleased to announce that it has entered into an agreement to acquire 87.5 per cent of the issued share capital of FXOnline Japan KK ("FXOnline"), a leading privately owned Japanese online retail FX trading company, for ¥21.9 billion (£112.2 million) (the "Acquisition"), together with a call option to acquire the remaining 12.5 per cent commencing in January 2011. IG also announces today a fully underwritten placing of up to 32,974,424 new ordinary shares (the "Placing Shares") with institutional and other investors, to raise gross proceeds of £82.2 million (the "Placing") in order to finance part of the consideration that is payable to the shareholders of FXOnline. The balance of the consideration will be funded from IG's existing cash resources.

**Key Acquisition highlights**

- Provides immediate scale and infrastructure in a key strategic market
- An established brand within the Japanese retail FX market
- An experienced and professional management team, incentivised through a significant continuing interest in the business
- Revenue has increased at an historical compound annual growth rate of 106 per cent during the period 1 April 2005 to 31 March 2008
- A highly profitable business generating a pre-tax profit margin of 70 per cent
- Significant scope to generate synergy benefits
- Potential to exploit CFD and white labelling opportunities within the Japanese market
- Valuation represents a multiple of 8.7 times profit after tax in respect of the financial year ended 31 March 2008
- Expected to be enhancing to earnings per share in the current financial year to 31 May 2009 (1)

### Information on FXOnline

Headquartered in Tokyo, FXOnline is a leading privately owned Japanese online retail FX trading company. FXOnline has been at the forefront of innovation within the Japanese retail FX market, including being the first company in Japan to offer clients commission free trading. FXOnline has been successful in building strong brand awareness within the Japanese retail FX market and in attracting new customers, with the number of active clients having increased from 4,154 as at 31 March 2006 to 11,747 as at 31 March 2008. FXOnline has enjoyed a period of rapid and sustained growth during the same period with revenues having increased from ¥1.6 billion (£8.4 million) to ¥7.0 billion (£35.8 million) and pre-tax profits having increased from ¥1.2 billion (£6.4 million) to ¥4.9 billion (£25.0 million).

	<i>Year ended 31 March 2006</i>	<i>Year ended 31 March 2007</i>	<i>Year ended 31 March 2008</i>
<i>Revenue</i>	¥1.6 billion	¥4.0 billion	¥7.0 billion
<i>Pre-tax profit</i>	¥1.2 billion	¥2.8 billion	¥4.9 billion
<i>Profit after tax</i>	¥0.7 billion	¥1.6 billion	¥2.9 billion
<i>No. of clients trading in March</i>	4,154	8,355	11,747
<i>No. of lots traded in March</i>	90,254	150,544	283,797

FXOnline experienced a slow-down in both revenue and account opening in April and May 2008 as a result of greater competition within the Japanese retail FX market. Following a spread-cut in late May, FXOnline has enjoyed an improvement in trading conditions and in September average daily revenue was 70 per cent higher than the average level achieved during the preceding period of five months. Account opening has also been strong with daily account opening more than double the average over the last five months.

FXOnline's shareholders include two strategic investors, FinTech Global Incorporated and Mizuho Capital, who acquired an aggregate shareholding of 49.99 per cent in FXOnline in March 2007. A further 37.0 per cent of FXOnline is owned by James Gow and the remaining share capital is owned by the current and former management and employees of FXOnline (and related individuals).

FXOnline was founded in 2002 by its current Chief Executive, James Gow, a UK national who has lived in Japan for the last 16 years. Prior to founding FXOnline in 2002, he worked at Cantor Fitzgerald and at ING Securities where he gained extensive experience of the global securities and FX markets. Kazuyasu Hakata is the Chief Financial Officer and Chief Operating Officer of FXOnline. Prior to joining FXOnline he spent 27 years at Fuji Bank and he is a former Chief Financial Officer of Japan Telecom. He has an MBA from INSEAD and has worked extensively in Europe during his career.

FXOnline is regulated by the Japanese Financial Services Authority and employs approximately 45 people.

As at 31 March 2008, FXOnline had gross assets amounting to ¥15.1 billion (£77.7 million).

### Reasons for and effects of the Acquisition

The Group evaluates potential new markets as part of its strategy to further strengthen and extend its geographic reach. The Directors of IG believe that FXOnline complements the Group's existing operations and strategy within the Asia Pacific region and provides the Group with immediate scale and infrastructure in a key strategic market.

Japan is the second largest retail FX market in the world, behind the United States, and the Directors of IG believe that it is an attractive market for the following reasons:

- It has been experiencing extremely rapid growth during the course of the last few years
- It is a fragmented market and the Directors of IG believe that this should provide the Group with an opportunity to capture additional market share
- It offers the potential to exploit CFD and white labelling opportunities
- It has an established regulatory framework that firms are required to operate within

The Directors of IG expect to derive significant synergies from applying the Group's hedging methodology to FXOnline's volume, moving clients onto IG's PureDeal platform and from offering IG products to the FXOnline client base (e.g. CFDs). The Directors of IG also expect the Acquisition to be enhancing to earnings per share in respect of the current financial year (1).

On a pro forma basis, the proportion of the Group's revenue derived from non-UK clients increases from 27 per cent to 39 per cent (3).

#### **Details of the Acquisition**

The consideration that is payable by IG in respect of the 87.5 per cent shareholding in FXOnline that is being acquired amounts to ¥21.9 billion (£112.2 million). An initial amount equal to ¥15.3 billion (£78.5 million) will be payable in cash on completion of the Acquisition and the remaining ¥6.6 billion (£33.7 million) of the consideration will be placed into an escrow account pending the successful relocation and hosting of the current FXOnline trading platform to servers that are housed within IG's existing data centres in the UK. It is anticipated that the monies held in the escrow account will be released during the course of November 2008.

The amount of consideration that is payable by IG to the shareholders of FXOnline will be subject to adjustment on a ¥-for-¥ basis following final determination of the net surplus capital of FXOnline as at 30 September 2008. The consideration may also be subject to a downward adjustment in the event that the current FXOnline trading platform is not operable for a significant period during normal business hours prior to the successful relocation and hosting of the current FXOnline trading platform to the servers that are housed within IG's existing data centres in the UK.

The remaining 12.5 per cent shareholding in FXOnline that is not being acquired by IG is to be retained by James Gow. IG and James Gow have agreed that IG shall have the right to acquire this residual shareholding pursuant to a call option arrangement exercisable twice annually commencing in January 2011 according to a pre-agreed formula that is linked to the future financial performance of FXOnline. The price that is payable by IG in respect of this residual shareholding is subject to a cap of £80.0 million.

#### **Future operating arrangements**

Following completion of the Acquisition, it is intended that the current FXOnline trading platform will be relocated to servers that are housed in IG's data centres in the UK. It is expected that this relocation will be completed during the course of November 2008. IG will feed prices into the FXOnline platform and the risk management and hedging activities of FXOnline will be undertaken from IG's offices in London and Melbourne. Once the existing FXOnline platform has been relocated to IG's data

centres, it is intended that there will be a gradual phased migration of all FXOnline clients off the existing platform onto IG's PureDeal platform.

IG's senior management team has been working closely with the FXOnline management team during the course of the last few months and a significant amount of the work that is required to be undertaken in order to achieve a successful integration of the two businesses has already been completed. The Directors of IG expect that the level of integration costs incurred by IG will be minimal.

In connection with the Acquisition, Andrew MacKay (Executive Director) will be appointed Head of IG's Asia Pacific business. Andrew will be relocating to Tokyo where he will work closely with James Gow to oversee the integration of FXOnline and to assist with the proposed launch by FXOnline of CFDs into the Japanese market. A number of other operational and IT specialists who currently work in IG's London office will also be relocating to Tokyo. James Gow and Kazuyasu Hakata have agreed to continue in their current roles within the business following completion of the Acquisition.

### **Current trading**

IG issued an Interim Management Statement on 9 September 2008 in respect of the three month period ended 31 August 2008. At that time, the Group announced that it had made a strong start to the financial year with sustained high client activity levels.

- Revenue for the quarter of £53 million represented a 29 per cent increase on the corresponding quarter in the prior financial year
- Client recruitment levels in the financials business continued to remain strong with the total number of spread betting and CFD accounts opened in the quarter being 45 per cent higher than in the corresponding quarter in the prior financial year
- The recently established businesses in France, Spain and the USA, together with the Singapore, German and Italian operations which were established in 2006, continued to make good progress and experienced rapid revenue growth
- Operating costs were in line with management expectations

Current trading remains strong with the Group's financial business continuing to benefit from high levels of market volatility which is a key driver of client activity. During the most recent period of exceptional market volatility the Group achieved record levels of client transactions and record levels of account openings for both financial spread betting and CFDs.

A number of financial regulators have, in recent days, announced restrictions on the practice of short-selling shares. However, the Directors of IG expect the impact of these restrictions on the Group's revenues to be negligible.

The Directors of IG confirm that there has been no change to the current trading and outlook of the Group in the period following the issue of the Interim Management Statement. While it remains difficult to predict future trends in volatility or client reaction to any change in market conditions, the Directors of IG believe that the Group remains well positioned for further growth and are confident of the Group's prospects.

### **Details relating to the Placing**

In connection with the Acquisition, IG also announces today that it intends to raise £82.2 million from institutional and other investors by means of a Placing of up to 32,974,424 Placing Shares, which is intended to partially fund the Acquisition. Completion of the Acquisition and the Placing are inter-conditional.

James Gow has undertaken to subscribe for Placing Shares with a value of £3.25 million at the Placing Price (as such term is defined below). These shares will be subject to customary lock-up arrangements for a period of 12 months. In addition, the Executive Directors of IG, Messrs Howkins, Hetherington, MacKay and Clutton, intend to apply for Placing Shares with a value of approximately £2 million (in aggregate) at the Placing Price. The Placing Shares have been underwritten by UBS, subject to certain terms and conditions set out in a placing agreement between UBS and IG. The Placing Shares will constitute less than 10.0 per cent of IG's current issued share capital.

UBS is acting as sole bookrunner and broker for the Placing. The Placing will be conducted in accordance with the terms and conditions set out in the appendix to this announcement and will be effected by means of an accelerated bookbuild placing of the Placing Shares (the "Bookbuild Process").

The books will open with immediate effect. The timing of the closing of the books, pricing and allocations is at the discretion of UBS and IG. Details of the placing price in respect of the Placing Shares (the "Placing Price") will be announced as soon as practicable after the close of the Bookbuild Process.

The Placing Shares will be credited as fully paid and will rank pari passu in all respects with the existing ordinary shares of 0.005 pence each in the capital of IG, including the right to receive all future dividends and other distributions, other than the final ordinary dividend that is payable in respect of the financial year ended 31 May 2008.

Application will be made for the Placing Shares to be admitted to the Official List of the UK Listing Authority and to be admitted to trading by the London Stock Exchange on its market for listed securities ("Admission"). Admission and dealings in the Placing Shares are expected to take place at 8.00 am on 29 September 2008.

Attention is drawn to the detailed terms and conditions of the Placing described in the appendix to this announcement (which forms a part of this announcement). Participants in the Placing will be subject to such terms and conditions and will also be providing the representations, warranties, acknowledgements and undertakings contained in such appendix.

Commenting on the Acquisition, Tim Howkins, Chief Executive of IG said:

"Like IG, FXOnline has a history of strong growth and innovation. There is a good cultural fit between the two businesses and the potential for immediate synergies. IG has a successful track-record of international expansion and the acquisition of FXOnline and our entry into the Japanese FX market represent an important milestone in our strategic plans."

Commenting on the Acquisition, James Gow, Chief Executive of FXOnline said:

“IG is an ideal partner for FXOnline and this agreement will allow us to strengthen further our position in the Japanese market. We look forward to working with IG and being able to introduce new products and IG’s market leading technology to both new and existing clients.”

Notes:

- (1) The statements in this announcement regarding the enhancement of earnings per share do not constitute profit forecasts nor should they be interpreted to mean that the earnings per share of IG for the current or future financial years will necessarily match or exceed the historical published earnings per share of IG
- (2) Amounts stated in Japanese Yen included in this announcement have been converted into GB Pounds at a rate of ¥195 / £1.00
- (3) The reference to the proportion of Group revenue derived from non-UK clients is calculated on a pro forma basis using the revenue of IG for the financial year ended 31 May 2008 and the revenue of FXOnline for the financial year ended 31 March 2008
- (4) The financial information included in this announcement relating to FXOnline is based upon unaudited financial statements

IG will host a conference call for analysts and investors today, 24 September 2008, at 9.00 am (London). Interested parties can listen to the conference call by using the international dial-in +44 (0) 1452 542 303 and passcode 66255710. Presentation slides that provide an overview of the transaction will be made available at [www.iggroup.com](http://www.iggroup.com) before the start of the conference call.

A replay of the conference call will be available for a period of 14 days after the event by dialling +44 (0) 1452 550 000 and using the passcode: 66255710.

For further information please contact:

**IG Group Holdings plc** 020 7896 0011

Tim Howkins, Chief Executive

Steve Clutton, Finance Director

**Financial Dynamics** 020 7269 7200

Robert Bailhache

Nick Henderson

**UBS Investment Bank** 020 7567 8000

Adrian Haxby

Tom Johnson

**Lexicon Partners**

020 7653 6000

Mark Hennessy

Nick Chapman

**Disclaimer**

UBS is acting exclusively for IG and for no one else in relation to the proposed Placing and will not regard any other person as a client in relation to the Placing and will not be responsible to any other person for providing the protections afforded to its clients nor for providing advice in connection with the Placing, or any other matters referred to in this announcement.

Lexicon Partners, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for IG in connection with the Acquisition and no-one else and will not be responsible to anyone other than IG for providing the protections afforded to their clients or for providing advice in relation to the Acquisition or any matter referred to in this announcement.

This announcement does not constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, Placing Shares in any jurisdiction including, without limitation, the United Kingdom, the United States, Canada, Australia or Japan. This announcement and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Canada, Australia, Japan or in any jurisdiction in which such publication or distribution is unlawful.

This announcement (including the Appendix) is not an offer of securities for sale in the United States. Placing Shares may not be offered, sold or transferred in the United States absent registration under the U.S. Securities Act of 1933, as amended (the "Securities Act") or an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Company has not offered and does not intend to offer any securities to the public in the United States.

The Placing Shares referred to in this announcement have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States. Any offering to be made in the United States will be made to a limited number of qualified institutional buyers ("QIBs") pursuant to an exemption from registration under the Securities Act in a transaction not involving any public offering. The Placing Shares are being offered and sold outside the United States in accordance with Regulation S under the Securities Act.

The Placing Shares referred to in this announcement have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the "Financial Instruments and Exchange Law"). Accordingly, UBS will not, directly or indirectly, offer or sell any Placing Shares in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exception from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and other relevant laws and regulations of Japan.

The distribution of this announcement and the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by IG, UBS, or any of their respective Affiliates, that would permit an offer of the Placing Shares or possession or distribution of this announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this

announcement comes are required by IG and UBS to inform themselves about and to observe any such restrictions.

Certain statements made in this announcement constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the use of words such as “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions and relate to, among other things, the performance of IG's various business units in the near to medium term, IG's expectations in respect of the Placing, IG's business strategy and its plans and objectives for future operations. Such statements are based on current expectations and, by their nature, are subject to a number of risks and uncertainties that could cause actual results and performance to differ materially from any expected future results or performance, expressed or implied, by the forward-looking statement. Factors that might cause forward-looking statements to differ materially from actual results, include among other things, general economic conditions in the European Union, in particular in the United Kingdom, and in other countries in which IG has business activities or investments, including the United States and, following the Acquisition, Japan; and the potential exposure of IG to various types of market risks, such as interest rate risk, foreign exchange rate risk, credit risk and commodity and equity price risk.

These forward-looking statements speak only as of the date of this announcement. The information and opinions contained in this announcement are subject to change without notice and, subject to compliance with applicable law, IG assumes no responsibility or obligation to update publicly or revise any of the forward-looking statements contained herein.

Any indication in this announcement of the price at which ordinary shares in IG have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that earnings per share of IG for the current or future financial years would necessarily match or exceed the historical published earnings per share of IG.

This announcement is the sole responsibility of IG. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by UBS, Lexicon Partners or by any of their respective Affiliates or agents as to or in relation to, the accuracy or completeness of this announcement, or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is hereby expressly disclaimed.

## APPENDIX

### Further information on the Placing

#### IMPORTANT INFORMATION FOR PLACEES ONLY REGARDING THE PLACING

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT, THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN, AND ANY OFFER MADE SUBSEQUENTLY, ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE (1) QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA"), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2.1(e)(i), (ii) OR (iii) OF DIRECTIVE 2003/71/EC (THE "PROSPECTUS DIRECTIVE") (A "QUALIFIED INVESTOR") AND (2) IN THE UNITED KINGDOM FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER") OR ARE PERSONS WHO FALL WITHIN ARTICLE 49(2)(a) TO (d) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN (AND THE ANNOUNCEMENT OF WHICH IT FORMS A PART) MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS APPENDIX DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN GIRAFFE. THE PLACING SHARES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES AND ARE BEING OFFERED AND SOLD IN THE UNITED STATES ONLY TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs") IN A TRANSACTION NOT INVOLVING A "PUBLIC OFFERING" WITHIN THE MEANING OF SECTION 4(2) OF THE SECURITIES ACT THAT IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND OUTSIDE THE UNITED STATES TO CERTAIN PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATIONS UNDER THE SECURITIES ACT.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF A PURCHASE OF PLACING SHARES.

This announcement and any subsequent offer made is only addressed to and directed at persons in member states of the European Economic Area ("EEA") who are Qualified Investors within the meaning of Article 2(1)(e) of the Prospectus Directive or otherwise in circumstances which have not resulted and which will not result in an offer to the public in any member state in the EEA.

**Persons choosing to participate in the Bookbuilding Process (as defined in this appendix) and the Placing ("Placees") will be deemed to have read and understood this appendix in its entirety (including, without limitation, the terms and conditions) and will be deemed to be making any offer to participate and to acquire Placing Shares on the terms and conditions, and to be providing the representations, warranties, acknowledgements and undertakings, contained in this appendix.**

In particular each such Placee represents, warrants and acknowledges that:

1. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;

2. in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each a "Relevant Member State") who acquires any Placing Shares pursuant to the Placing:
  - (a) it is a Qualified Investor; and
  - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of UBS has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons;
3. it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion, and that it (and any such account) is outside the United States in reliance upon Regulation S under the Securities Act; and if it is not outside the United States, it has duly executed an investor letter in the form provided to it and delivered the same to UBS or its affiliate.

The Company, UBS and their respective Affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This announcement (including this appendix) does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction including, without limitation, the United Kingdom, the United States, Australia, Canada or Japan. This announcement and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Australia, Canada or Japan or in any jurisdiction in which such publication or distribution is unlawful.

The Placing Shares referred to in this announcement have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States, and may not be offered, sold or transferred in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Any offering to be made in the United States will be made to a limited number of QIBs within the meaning of Rule 144A of the Securities Act pursuant to an exemption from registration under the Securities Act or in a transaction not involving any public offering. The Placing Shares are being offered and sold outside the United States in accordance with Regulation S under the Securities Act.

The Placing Shares referred to in this announcement have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the "Financial Instruments and Exchange Law"). Accordingly, UBS will not, directly or indirectly, offer or sell any Placing Shares in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exception from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and other relevant laws and regulations of Japan.

The distribution of this announcement and the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, UBS or any of their respective Affiliates that would permit an offer of such Placing Shares or possession or distribution of this announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company and UBS to inform themselves about and to observe any such restrictions.

In this appendix, unless the context otherwise requires, the Company means IG Group Holdings plc and Placee includes a person (including individuals, funds or others) on whose behalf a commitment to acquire Placing Shares has been given.

### **Details of the Placing Agreement and the Placing Shares**

Pursuant to a placing agreement between UBS and the Company (the "Placing Agreement"), UBS has, on the terms and subject to the satisfaction of certain conditions and in reliance upon the representations, warranties and undertakings given by the Company in the Placing Agreement, undertaken to use its reasonable endeavours as agent for and on behalf of the Company to seek to procure Placees for the Placing Shares and has undertaken to underwrite the Placing Shares.

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing issued ordinary shares of 0.005 pence per share in the capital of the Company, with the right to receive all dividends and other distributions declared, made or paid in respect of such ordinary shares after the date of issue of the Placing Shares (excluding, for the avoidance of doubt, the final dividend for the financial year ended 31 May 2008).

### **Application for listing and admission to trading**

Application will be made to the UK Listing Authority and to the London Stock Exchange for the Placing Shares to be admitted, respectively, to the Official List of the UK Listing Authority and to trading by the London Stock Exchange on its market for listed securities (together "Admission"). It is expected that Admission will take place on or before 29 September 2008 and that dealings in the Placing Shares on the main market for listed securities of London Stock Exchange plc will commence at the same time.

### **Bookbuilding Process**

Commencing today, UBS will be conducting an accelerated bookbuilding process (the "Bookbuilding Process") to determine demand for participation in the Placing by the Placees. This appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

UBS and the Company will be entitled to effect the Placing by such alternative method to the Bookbuilding Process as they may, in their sole discretion, determine.

### **Participation in, and principal terms of, the Bookbuilding Process**

UBS is arranging the Placing as agent for and on behalf of the Company. Participation in the Placing will only be available to persons who may lawfully be, and are, invited by UBS to participate.

By participating in the Bookbuilding Process and the Placing, Placees will be deemed to have read and understood this announcement (including this appendix) in its entirety and to be participating and making an offer for Placing Shares on the terms and conditions, and to be providing the representations, warranties, acknowledgements and undertakings, contained in this appendix.

Persons who are eligible to participate in the Bookbuilding Process and the Placing should communicate their bid by telephone to their usual sales contact at UBS. Each bid should state the number of shares in the Company which a prospective Placee wishes to acquire at either the Placing Price, which is ultimately established by the Company and UBS, or at prices up to a price limit specified in its bid. Bids may be scaled down by UBS on the basis referred to below.

UBS and its Affiliates (as defined below) are entitled to participate as principal in the Bookbuilding Process.

The Bookbuilding Process will establish a single price (the "Placing Price") payable to UBS by all Placees. The Placing Price and the aggregate proceeds to be raised through the Placing will be agreed between UBS and the Company following completion of the Bookbuilding Process and any discount to the market price of the Placing Shares will be determined in accordance with the Listing Rules. The Company will make a further announcement on a Regulatory Information Service ("RIS") following the close of the Bookbuilding Process detailing the Placing Price (the "Pricing Announcement").

The timing of the closing of the books, pricing and allocations is at the discretion of UBS and the Company. UBS and the Company may, at their sole discretion, accept bids that are received after the Bookbuilding Process has closed. UBS and the Company reserve the right to reduce or seek to increase the amount to be raised at their sole discretion.

A bid in the Bookbuilding Process will be made on the terms and conditions in this appendix and, except with UBS's consent, will not be capable of variation or revocation after the time at which it is submitted.

To the fullest extent permissible by law, neither UBS nor any of its holding companies, subsidiaries, branches or associated undertakings or any subsidiary, branch, affiliate or associated undertaking of any such holding company nor any of their respective directors, officers or employees (each an "Affiliate") shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, UBS and its Affiliates shall not have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of its conduct of the Bookbuilding Process or of such alternative method of effecting the Placing as UBS and the Company may agree.

If successful, each Placee's allocation of Placing Shares, and the Placing Price, will be confirmed to Placees orally by UBS as soon as practicable following the close of the Bookbuilding Process and a conditional advice note will be dispatched as soon as practicable thereafter. UBS's oral confirmation to any such Placee will constitute a legally binding commitment upon such Placee, in favour of UBS and the Company, to acquire the number of Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this appendix and in accordance with the Company's Memorandum and Articles of Association.

Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to UBS, to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire.

All obligations under the Placing will be subject to the fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".

#### **Conditions of the Placing**

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

UBS's obligations under the Placing Agreement are, and the Placing is, conditional on, inter alia:

1. publication of the Pricing Announcement through an RIS no later than 6.00 pm on 26 September 2008 (or such later time and/or date as the Company and UBS may agree);
2. Admission occurring no later than 8.00 am on 29 September 2008 (or such later time and/or date as the Company and UBS may agree);
3. nothing having occurred or being reasonably likely to occur which would make any of the representations and warranties given by the Company in the Placing Agreement (the "Warranties") untrue, inaccurate, incorrect or misleading if they had been repeated at any time up to and including the Closing Date;
4. to the extent material in the context of the Placing, the fulfilment by the Company of its obligations under the Placing Agreement; and
5. (i) the agreement between the Company and the shareholders of FXOnline Japan KK in connection with the acquisition by the Company of 87.5 per cent. of the share capital of FXOnline Japan KK (the "Acquisition Agreement") remaining in full force and effect and not having been terminated and not having lapsed prior to Admission; and (ii) no event having occurred prior to Admission that could give rise to the right of any party to the Acquisition

Agreement to terminate, or be released from any of its obligations under, the Acquisition Agreement.

If the conditions in the Placing Agreement are not satisfied or waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and UBS may agree), or the Placing Agreement is terminated in accordance with its terms, the Placing will lapse and the Placees' rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the placee is acting) in respect thereof.

By participating in the Bookbuilding Process, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under "Right to terminate under the Placing Agreement" below and will not be capable of rescission or termination by it after oral confirmation from UBS following the close of the Bookbuilding Process.

UBS may, in its absolute discretion and upon such terms as it thinks fit, waive compliance or extend the time and/or date for fulfilment by the Company with the whole or any part of certain of the Company's obligations in relation to the conditions in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this appendix.

None of UBS, the Company or any of their respective Affiliates shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing generally.

#### **Right to terminate under the Placing Agreement**

UBS may, in its absolute discretion, by notice given to the Company terminate the Placing Agreement at any time prior to Admission if, inter alia:

1. the Company has failed to comply with any obligation under this agreement, which is material in the context of the Placing;
2. there has occurred any breach of any of the Warranties or an event has occurred or is reasonably likely to occur which, if those Warranties were repeated immediately after that event, would give rise to a breach of any of them or would make any of them untrue or incorrect;
3. there has occurred: (i) any material adverse change or development involving a prospective material adverse change in financial, political (including an outbreak or escalation of hostilities or act of terrorism), economic or market conditions or currency exchange rates or exchange controls in the United Kingdom; or (ii) any material adverse change or development involving a prospective material adverse change in Taxation adversely affecting the Company or the transfer of ordinary shares of the Company (including the Placing Shares), in each case, which would be likely to prejudice dealings in the ordinary shares of the Company (including the Placing Shares);
4. trading in any securities of the Company has been suspended or materially limited by the London Stock Exchange or on any other exchange or over the counter market, or if trading generally on the London Stock Exchange or on any other exchange has been suspended or materially limited, or minimum or maximum prices for trading in securities have been fixed, or maximum ranges for prices have been required, by any of the aforesaid exchanges or by such system or by order of any governmental or regulatory authority;
5. a general moratorium on commercial banking activities has been declared by the United Kingdom, New York State or United States Federal authorities, or the European Central Bank; or

6. if there has occurred a material disruption in commercial banking or securities settlement or clearance services in the United Kingdom.

If the Placing Agreement is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Placing as described in this announcement (including this appendix) shall cease and terminate at such time and no claim can be made by any Placee in respect thereof.

By participating in the Placing, each Placee agrees with the Company and UBS that the exercise by the Company or UBS of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or UBS (as the case may be) and that neither the Company nor UBS need make any reference to such Placee and that neither the Company, nor UBS nor any of their Affiliates shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

### **No Prospectus**

No prospectus or other offering document has been or will be submitted to be approved by the FSA, or by the competent authority in any other jurisdiction, in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this announcement (including this appendix) and the Pricing Announcement. Each Placee, by participating in the Bookbuilding Process and, if relevant, the Placing, confirms that it has neither received nor relied on any information, representation, warranty or statement made by or on behalf of UBS or the Company other than the content of this announcement (including this appendix) and the Pricing Announcement and neither UBS nor the Company nor any person acting on such person's behalf nor any of their holding companies, subsidiaries, branches, affiliates or associated undertakings or any subsidiary, branch, affiliate or associated undertaking of any such holding company nor any of their respective directors, officers or employees, has or shall have any liability for any Placee's decision to participate in the Bookbuilding Process and, if relevant, the Placing, based on any other information, representation, warranty or statement including (but not limited to) any publicly available or filed information. Each Placee acknowledges, agrees and warrants that it has relied on its own investigation of the business, financial or other position of the Company in deciding whether to participate in the Bookbuilding Process and, if relevant, the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

### **Registration and Settlement**

Settlement of transactions in the Placing Shares following Admission will take place within the CREST system, subject to certain exceptions. UBS and the Company reserve the right to require settlement for, and delivery to Placees of, the Placing Shares by such other means as they deem necessary if delivery or settlement is not practicable within the CREST system within the timetable set out in this announcement and appendix or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a conditional advice note stating the number of Placing Shares allocated to it, the Placing Price and the aggregate amount owed by such Placee to UBS. In agreeing to acquire the number of Placing Shares set out in the conditional advice note, such Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST instructions or the certificated settlement instructions which it has in place with UBS.

Settlement through CREST will be on a T+3 basis unless otherwise notified by UBS.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of 2 percentage points above prevailing LIBOR as determined by UBS.

Each Placee is deemed to agree that if it does not comply with these obligations, UBS may sell any or all of the Placing Shares allocated to it on such Placee's behalf and retain from the proceeds, for UBS's own account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the

aggregate amount owed by it and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. No participant will be entitled to receive any fee or commission in connection with the Placing.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the conditional advice note is copied and delivered immediately to the relevant person within that organisation.

### **Representations and warranties**

By participating in the Bookbuilding Process and the Placing each Placee (and any person acting on such Placee's behalf) represents, warrants, acknowledges and agrees (for itself and for any such respective Placee) that:

1. it has received and read this announcement (including this appendix) in its entirety and that its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein;
2. it has not received a prospectus or other offering document in connection with the placing of the Placing Shares and acknowledges that no prospectus or other offering document has been or will be prepared in connection with the placing of the Placing Shares;
3. the content of this announcement is exclusively the responsibility of the Company and that neither UBS nor its Affiliates nor any person acting on any such person's behalf has or shall have any liability for any information or representation relating to the Company or the Placing. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire Placing Shares is contained in this announcement, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation;
4. it has neither received nor relied on any confidential price sensitive information concerning the Company in accepting this invitation to participate in the Placing;
5. it has neither received nor relied on any other information, representation, warranty or statement made by UBS or the Company and neither UBS nor the Company or any of their respective Affiliates will be liable for any Placee's decision to accept this invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Bookbuilding Process and the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation;
6. it, or the beneficial owner, as applicable, is entitled to acquire Placing Shares under the laws of all relevant jurisdictions which apply to it, or the beneficial owner, as applicable, and that it has fully observed such laws and obtained all such governmental and other guarantees and other consents in either case which may be required thereunder and complied with all necessary formalities;
7. it has the power and authority to carry on the activities in which it is engaged, to acquire Placing Shares and to execute and deliver all documents necessary for such acquisition;
8. it is not, and at the time the Placing Shares are acquired will not be, a resident of Australia or Canada, and each of it and the beneficial owner of the Placing Shares is, and at the time the

Placing Shares are acquired will be, (i) not in the United States and acquiring the Placing Shares in an 'offshore transaction' in accordance with Rule 903 or Rule 904 of Regulation S or (ii) if it is not outside the United States, it has duly executed an investor letter in the form provided to it and delivered the same to UBS or its affiliate;

9. the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared in respect of any of the Placing Shares under the securities laws of the United States, Australia, Canada or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, Australia, Canada or Japan;
10. it and/or each person on whose behalf it is participating:
  - (a) is entitled to acquire Placing Shares pursuant to the Placing under the laws of all relevant jurisdictions;
  - (b) has fully observed such laws;
  - (c) has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations; and
  - (d) has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
11. the Placing Shares have not and will not be registered under the Securities Act, or under the securities laws of any state of the United States, and are being offered and sold on behalf of the Company in offshore transactions (as defined in Regulation S) and to QIBs in accordance with an exemption from, or transaction not subject to, the registration requirements under the Securities Act;
12. where it is acquiring the Placing Shares for one or more managed accounts, it is authorised in writing by each managed account (i) to acquire the Placing Shares for each managed account, and (ii) to execute and deliver an investment letter in the form provided to it by UBS on behalf of each managed account. Each Placee agrees to indemnify and hold the Company and UBS harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations and warranties in this paragraph 12. Each Placee agrees that the provisions of this paragraph 12 shall survive the resale of the Placing Shares by or on behalf of the managed accounts;
13. if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with applicable laws and regulations;
14. the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;
15. it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, and the Money Laundering Regulations (2003) (the "Regulations") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
16. it and any person acting on its behalf falls within Article 19(5) and/or 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, and

undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;

17. it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of FSMA;
18. it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (which means Directive 2003/71/EC and includes any relevant implementing measure in any member state);
19. it is a qualified investor as defined in section 86(7) of FSMA, being a person falling within Article 2.1(e)(i), (ii) or (iii) of the Prospectus Directive;
20. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
21. it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving the United Kingdom;
22. it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to this participation and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this announcement) and will honour such obligations;
23. it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this announcement (including this appendix) and the conditional advice note on the due time and date set out therein, failing which the relevant Placing Shares may be placed with other acquirers or sold at such price as UBS may in its sole discretion determine and without liability to such Placee and it will remain liable for any amount by which the net proceeds of such sale falls short of the product of the Placing Price and the number of Placing Shares allocated to it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;
24. participation in the Placing is on the basis that it is not and will not be a client of UBS and that UBS does not have any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing or in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement or for the exercise or performance of UBS' rights and obligations thereunder including any rights to waive or vary any conditions;
25. the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither UBS nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to

participate in the Placing and it agrees to indemnify the Company and UBS in respect of the same on the basis that the Placing Shares will be credited to the CREST stock account of Apollo Nominees Ltd (CREST Participant ID: 002) as nominee for the Placee who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;

26. any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any Placee on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or UBS in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
27. UBS may (in its absolute discretion) satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so;
28. the Company, UBS and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to UBS on its own behalf and on behalf of the Company and are irrevocable; and
29. it shall indemnify and hold the Company and UBS harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this appendix and further agrees that the provisions of this appendix shall survive after completion of the Placing.

Except in circumstances where a Placee is in breach of the warranty given in paragraph 14, no UK stamp duty or stamp duty reserve tax should be payable to the extent that the Placing Shares are issued into CREST to, or to the nominee of, a Placee who holds those shares beneficially (and not as agent or nominee for any other person) within the CREST system and registered in the name of such Placee or such Placee's nominee.

Any arrangements to issue or transfer the Placing Shares into a depositary receipts system or a clearance service or to hold the Placing Shares as agent or nominee of a person to whom a depositary receipt may be issued or who will hold the Placing Shares in a clearance service, or any arrangements subsequently to transfer the Placing Shares, may give rise to UK stamp duty and/or stamp duty reserve tax, for which neither the Company nor UBS will be responsible and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and UBS in the event that either the Company or UBS has incurred any such liability to UK stamp duty or stamp duty reserve tax.

Stamp, registration, documentary, transfer and similar taxes or duties payable outside the UK will be the responsibility of the relevant Placee and the Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such non-UK stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties forthwith and to indemnify on an after-tax basis and to hold harmless the Company and UBS in the event that either the Company or UBS has incurred any such liability to such taxes or duties.

This announcement has been issued by the Company and is the sole responsibility of the Company.

UBS is acting for the Company and no-one else in connection with the Placing and other matters referred to in this announcement, and will not be responsible to anyone other than the Company for

providing the protections afforded to its clients nor for providing advice in relation to the Placing or any other matter referred to in this announcement.

When a Placee or person acting on behalf of the Placee is dealing with UBS, any money held in an account with UBS on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money (within the meaning of the rules and regulations of the FSA made under FSMA) which, therefore, will not require UBS to segregate such money, as that money will be held by it under a banking relationship and not as a trustee.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. Each Placee and each person acting on behalf of the Placee acknowledges that neither UBS, nor any of its Affiliates, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any warranties, representations, undertakings or indemnities contained in the Placing Agreement nor the exercise or performance of any of UBS' rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination rights.

All times and dates in this announcement may be subject to amendment. UBS shall notify the Placees and any person acting on behalf of the Placees of any changes.

#### **Definitions**

In this announcement, unless the context otherwise requires:

**"Closing Date"** means the date to be agreed between UBS and the Company, expected to be the date three business days from the date of this announcement;

**"FSA"** means the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of the admission of securities to the Official List otherwise than in accordance with Part VI of FSMA;

**"Listing Rules"** means the listing rules produced by the FSA under Part VI of FSMA and forming part of the FSA's Handbook of rules and guidance, as amended from time to time;

**"Placing"** means the placing of the Placing Shares by UBS on behalf of the Company pursuant to the provisions of the Placing Agreement;

**"Regulation S"** means Regulation S promulgated under the Securities Act;

**"UBS"** or **"UBS Investment Bank"** means UBS Limited, a company registered in England and Wales whose registered office is 1 Finsbury Avenue, London EC2M 2PP;

**"United Kingdom"** or **"UK"** means the United Kingdom of Great Britain and Northern Ireland; and

**"United States"** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.