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**RECOMMENDED CASH OFFER FOR IG GROUP PLC
OF 255 PENCE PER SHARE**

Summary

- The Independent Directors of IG and the board of IGGHL announce the terms on which a recommended cash offer of 255 pence per IG Share is to be made for the entire existing issued share capital of IG by Lexicon Partners on behalf of IGGHL.
- IGGHL is a recently incorporated company formed specifically for the purpose of making the Offer and is backed by the executive directors of IG, led by Nat le Roux (the current Chief Executive of IG), with financing arranged by CVC, a leading pan-European private equity group.
- Following the Offer becoming or being declared unconditional in all respects, IGGHL's shareholders will include the CVC Funds, the executive directors of IG, together with certain individuals who are existing directors or employees of IG Group, and Bank of Scotland.
- Additional financing facilities are also being made available to IGGHL in connection with the Offer by Intermediate Capital Group and Bank of Scotland.
- The Offer:
 - will value each IG Share at a price of 255 pence (inclusive of the proposed final dividend of 4.5 pence per IG Share in respect of the year ended 31 May 2003, details of which are set out in the separate announcement of IG's preliminary results);
 - will value the entire existing issued share capital of IG at approximately £143 million;
 - represents a premium of 40.5 per cent. to the closing middle market price of 181.5 pence per IG Share on 17 January 2003, being the last Business Day prior to the announcement by IG that Stuart Wheeler wished to dispose of all of his IG Shares; and
 - has the support of certain IG Shareholders in respect of, in aggregate, over 70 per cent. of IG's entire existing issued share capital.
- The Offer Price of 255 pence per IG Share will be payable to IG Shareholders in cash. IG Shareholders will also be offered a Loan Note Alternative.

- IGGHL has entered into certain arrangements with the Management Team in relation to their participation in the equity share capital of IGGHL. In accordance with the City Code, these arrangements must be approved by way of an ordinary resolution at an extraordinary general meeting of the Independent Shareholders of IG. Details of these arrangements and the notice of the Extraordinary General Meeting will be contained in the Offer Document to be sent to IG Shareholders shortly.
- The Offer is being unanimously recommended by the Independent Directors of IG, having been so advised by Investec Investment Banking. Investec Investment Banking also believe the terms of the Management Proposals to be fair and reasonable and the Independent Directors of IG, having been so advised by Investec Investment Banking, recommend that Independent Shareholders approve the Management Proposals at the EGM.

IG has today also announced its preliminary results for the year ended 31 May 2003 which are the subject of a separate announcement.

Commenting on the Offer, Stuart Wheeler, Chairman of IG, said:

“After an extensive process, the Independent Directors have concluded that the offer from the management team and CVC represents the most attractive means of realising value for IG’s shareholders. On a personal note, having founded the business in 1974 and having been involved with the business for almost 30 years, I would like to take this opportunity to wish Nat and his team every success in the future in taking the business forward to the next stage in its development in partnership with CVC.”

Nat le Roux, Chief Executive of IGGHL, said:

“We are pleased that the long period of uncertainty caused by Stuart’s decision to sell all his shares in IG can now be brought to an end and we are delighted that the offer has received such strong support from the majority of IG’s shareholders.”

This summary should be read in conjunction with the full text of this announcement. Appendix 2 contains definitions of terms used in this summary and in the announcement.

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The Offer will not be made, directly or indirectly, in, or into, the United States, Canada, Australia, Japan or other jurisdiction, if to do so would constitute a violation of the relevant laws of such jurisdiction, by use of mails, or by any means of instrumentality (including, without limitation, facsimile transmission, electronic mail or telephone) of interstate or foreign commerce, or by any facility of a national securities exchange, of the United States, Canada, Australia, Japan or other jurisdiction, if to do so would constitute a violation of the relevant laws of such jurisdiction, and the Offer will not be capable of acceptance by any such uses, means, instrumentality or facility from or within the United States, Canada, Australia, Japan or other jurisdiction, if to do so would constitute a violation of the relevant laws of such jurisdiction. Further information for Overseas Shareholders will also be contained in the Offer Document.

The Loan Notes to be issued pursuant to the Offer will not be listed on any stock exchange and have not been, and will not be, registered under the US Securities Act or under the securities laws of any state of the United States. In addition, the relevant clearances have not been, and will not be, obtained from the securities commission of any province or territory of Canada. No prospectus in relation to the Loan Notes has been, or will be, lodged with the Australian Securities and Investments Commission and no steps have been, or will be, taken to enable the Loan Notes to be offered in compliance with the applicable securities laws of Japan. The Loan Notes may not be offered, sold or delivered, directly or indirectly, in or into the United States (or to US Persons), Canada, Australia or Japan or any other jurisdiction, if to do so would constitute a violation of the relevant laws in such jurisdiction.

Lexicon Partners, which is regulated in the United Kingdom by the Financial Services Authority, is acting for IGGHL in connection with the Offer and no one else and will not be responsible to anyone other than IGGHL for providing the protections afforded to clients of Lexicon Partners or for providing advice in relation to the Offer.

Investec Investment Banking, a division of Investec Bank (UK) Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for IG and for no one else in connection with the Offer and will not regard anyone else as its customer in relation to the Offer.

The availability of the Offer to persons (including, without limitation, any nominees, custodians or trustees) who are not resident in the UK may be affected by the laws of the relevant jurisdiction. Persons who are not resident in the UK should inform themselves about and observe any applicable requirements.

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**RECOMMENDED CASH OFFER FOR IG GROUP PLC
OF 255 PENCE PER SHARE**

Introduction

The Independent Directors of IG and the board of IGGHL announce the terms on which a recommended cash offer of 255 pence per IG Share is to be made for the entire existing issued share capital of IG by Lexicon Partners on behalf of IGGHL.

IGGHL is a recently incorporated company formed specifically for the purpose of making the Offer and is backed by the executive directors of IG, led by Nat le Roux (the current Chief Executive of IG), with financing arranged by CVC, a leading pan-European private equity group.

Following the Offer becoming or being declared unconditional in all respects, IGGHL's shareholders will include the CVC Funds, the executive directors of IG, together with certain individuals who are existing directors or employees of IG Group, and Bank of Scotland.

The terms of the Offer will value each IG Share at 255 pence (inclusive of the proposed final dividend of 4.5 pence per IG Share) and will value the entire existing issued share capital of IG at approximately £143 million. The Offer Price represents a premium of 40.5 per cent. to the closing middle market price of an IG Share on 17 January 2003, being the last Business Day prior to the announcement by the Company that Stuart Wheeler, the Chairman of IG, had informed the Board that, for personal reasons, he wished to sell his entire holding of 13,221,000 shares in the Company, and that certain other long-standing shareholders were of like mind, and that the total number of IG Shares which might be sold was likely substantially to exceed 30 per cent. of IG's entire existing issued share capital.

The Independent Directors (including Stuart Wheeler) are unanimously recommending IG Shareholders to accept the Offer and to vote in favour of the Management Proposals at the EGM, as they have irrevocably undertaken to do in respect of their own beneficial holdings which, in aggregate, amount to 13,768,000 IG Shares, representing approximately 24.6 per cent. of IG's entire existing issued share capital. Support for the Offer has also been received from the following IG Shareholders who have irrevocably undertaken to accept, or procure the acceptance of, the Offer:

- Certain individuals who are long-standing IG Shareholders (or, where relevant, their respective trustees or executors) in respect of, in aggregate, 13,280,400 IG Shares, representing approximately 23.7 per cent. of IG's entire existing issued share capital;

- Deutsche Asset Management in respect of, in aggregate, 6,090,155 IG Shares, representing approximately 10.9 per cent. of IG's entire existing issued share capital;
- Gartmore in respect of, in aggregate, 674,709 IG Shares, representing approximately 1.2 per cent. of IG's entire existing issued share capital; and
- The Executive Directors, together with certain individuals who are existing directors or employees of IG Group, in respect of, in aggregate, 1,546,300 IG Shares, representing approximately 2.8 per cent. of IG's entire existing issued share capital.

In addition, certain IG Shareholders have also provided IGGHL with non-binding letters of support confirming their intention to accept the Offer in respect of, in aggregate, a further 3,881,983 IG Shares, representing approximately 6.9 per cent. of IG's entire existing issued share capital.

Accordingly, support for the Offer has been received from IG Shareholders in respect of, in aggregate, 39,241,547 IG Shares, representing approximately 70.2 per cent. of IG's entire existing issued share capital.

The Offer

The Offer will be made by Lexicon Partners, on behalf of IGGHL, on the following basis:

for each IG Share

255 pence in cash

The Offer Price represents a premium of 40.5 per cent. to the closing middle market price of an IG Share on 17 January 2003 of 181.5 pence, being the last Business Day prior to the commencement of the Offer Period. The Offer Price also represents a premium of approximately 5.6 per cent. to the closing middle market price of an IG Share on 28 July 2003 of 241.5 pence, being the last Business Day prior to the announcement of the Offer.

IG Shares will be acquired under the Offer fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and other interests and together with all rights attaching thereto including, without limitation, the right to receive and retain any dividend and other distribution, announced, declared, made or payable hereafter. Accordingly, the proposed final dividend of 4.5 pence per IG Share will only be payable to IG Shareholders in the event that the Offer lapses or is withdrawn.

The Offer will be made in accordance with the requirements of the City Code and will be subject to the conditions set out in Appendix 1 to this announcement and to be set out in the Offer Document and Form of Acceptance (in respect of certificated IG Shares).

Information on IG

IG is the holding company of two principal operating subsidiaries, IG Index and IG Markets, both of which are regulated in the United Kingdom by the FSA.

- IG Index is one of the leading spread betting businesses in the UK, offering its clients the opportunity to bet on a wide range of financial markets and sports;
- IG Markets offers non-betting activities which include foreign exchange trading and contracts for differences.

The origins of IG date back to 1974 when the business was established by Stuart Wheeler, the Chairman of IG, to enable clients to bet on the price of gold at a time when exchange controls prevented UK residents from buying gold, except at a premium. IG Group's activities have expanded significantly since its formation and its operations have become increasingly sophisticated allowing clients to bet on or trade in a range of products from stock indices, shares and currencies to sporting events.

IG Shares were admitted to listing on the Official List on 19 July 2000.

Current Trading

Separately, the Board has also announced today the preliminary results of IG Group for the year ended 31 May 2003. In respect of this period, IG Group generated turnover (trading income less betting duty) of £39.0 million (2002: £32.5 million) and profit before tax of £15.3 million (2002: £13.4 million). Earnings per share increased by 11 per cent. to 18.7 pence (2002: 16.9 pence). The Board has proposed a final dividend of 4.5 pence per IG Share, making a total dividend for the year of 6.5 pence (2002: 5.0 pence). However, the final dividend will be payable to IG Shareholders only in the event that the Offer lapses or is withdrawn. As at 31 May 2003, IG Group had net assets of £36.1 million.

Background to and Reasons for the Offer

On 20 January 2003, the Company announced that Stuart Wheeler, the Chairman of IG, had informed the Board that, for personal reasons, he wished to sell his entire holding of 13,221,000 shares in the Company and that certain other long-standing IG Shareholders were of a like mind, and that the total number of IG Shares which might be sold was likely substantially to exceed 30 per cent. of IG's entire existing issued share capital. Following this announcement, the Company received a number of preliminary approaches from potentially interested parties, including from the Executive Directors led by Nat le Roux, the Chief Executive of IG, who expressed an interest in investigating the feasibility of a management buy-out. A committee of the Board was therefore formed, comprising the Independent Directors, in order to conduct detailed discussions with these potentially interested third parties and to evaluate the merits of their respective proposals.

On 21 May 2003, the Independent Directors announced that the Company had agreed to enter into a period of exclusive discussions with the Executive Directors and CVC Capital Partners Limited in connection with a possible management buy-out of IG which, if concluded successfully, would result in a newly incorporated company backed by the Executive Directors and by the CVC Funds making an offer to acquire IG's entire existing issued share capital at a price not less than 255 pence for each IG Share.

Following the Offer becoming or being declared unconditional in all respects, IGGHL intends to support the Management Team's existing plans to continue the expansion of the business into new geographical markets outside of the UK and into new product areas. IGGHL also intends to support the continued development of IG Group's electronic dealing platforms and to seek to apply this technology to a broader range of products and services than is currently available.

The Offer will bring to an end the considerable uncertainty that has faced IG Group in terms of its future ownership. In addition, as a private company and with the support of the CVC Funds, the Offer will enable IG Group to retain its independence and to pursue the Management Team's proposed strategy to achieve a combination of continued organic

growth within existing core business areas, further diversification of IG Group's product offering and client base as well as geographical expansion of the core retail business. With the support of the CVC Funds, IGGHL will also have access to additional financing to pursue consolidation opportunities within the UK market to the extent that such opportunities may arise.

Information on IGGHL

IGGHL is a recently incorporated company formed specifically for the purpose of making the Offer. IGGHL has not traded since the date of its incorporation nor has it entered into any obligations other than in connection with the Offer and the financing of the Offer. The executive directors of IGGHL include Nat le Roux, Tim Howkins, Peter Hetherington and Andrew MacKay. In addition, Rob Lucas and Jonathan Kaye, both of whom are executives at CVC Capital Partners Limited, have been appointed as directors to the board of IGGHL.

Information on CVC

CVC is a privately owned investment and advisory entity comprising 85 individuals, including 50 investment professionals. CVC operates an integrated network of 11 established offices across Europe and is a leading pan-European private equity group.

Since 1981, CVC and its predecessor, Citicorp Venture Capital Europe, have been principally dedicated to management buy-outs, buy-ins, acquisitions, recapitalisations and related transactions. During this period, CVC has advised on over 200 transactions with a total value in excess of €40 billion.

Information on IGGHL's Financing Arrangements

Following the Offer becoming or being declared unconditional in all respects, the CVC Funds will own the majority of the issued share capital of IGGHL. Pursuant to the Subscription and Shareholders' Agreement, the CVC Funds have committed to provide approximately £48.7 million of funding to IGGHL by subscribing, subject to the Offer becoming or being declared unconditional in all respects, for 646,786 ordinary shares of 1 pence each, approximately 30.3 million preference shares of £1 each and approximately £18.4 million of FSA approved-form undated fixed rate subordinated loans. Following such subscription, the CVC Funds will have an interest in approximately 64.7 per cent. of IGGHL's ordinary share capital and 84.8 per cent. of IGGHL's preference share capital.

In connection with the Offer, arrangements have also been entered into with the executive directors of IGGHL to enable them to participate in the share capital of IGGHL. In this regard, pursuant to the terms of the Subscription and Shareholders' Agreement, the executive directors of IGGHL have each agreed to re-invest all or a substantial part of the proceeds due to them individually under the Offer by subscribing for ordinary shares, preference shares and FSA approved-form undated fixed rate subordinated loans in IGGHL. In addition to the executive directors of IGGHL, the Management Team also includes 32 other senior employees of IG Group. It is intended that, following the Offer becoming or being declared unconditional in all respects, 11 of these individuals will also have the opportunity to enter into similar arrangements to those that have been entered into by the executive directors of IGGHL to enable them also to participate in the share capital of IGGHL. The remaining 21 individuals will also have the opportunity to enter into arrangements to participate in the share capital of IGGHL. These arrangements will enable these individuals to subscribe for a separate class of ordinary shares in IGGHL that will have

economic rights only in certain circumstances and subject to certain performance criteria having been met.

Following the Offer becoming or being declared unconditional in all respects and, assuming that the Management Team (together with the Chairman of IGGHL, to the extent that such a person is appointed) elects to subscribe for its full entitlement to ordinary shares, preference shares and FSA approved-form undated fixed rate subordinated loans in IGGHL, they will invest, in aggregate, a total amount of approximately £3.7 million in IGGHL by subscribing for 274,300 ordinary shares of 1p each, approximately 2.3 million preference shares of £1 each and approximately £1.4 million of FSA approved-form undated fixed rate subordinated loans. This would result in an interest in approximately 27.4 per cent. of IGGHL's ordinary share capital and 6.5 per cent. of IGGHL's preference share capital.

Further financing facilities amounting to £123.4 million have also been arranged with, and are fully underwritten by, Bank of Scotland and Intermediate Capital Group for the purpose of the Offer. In connection with these financing arrangements and pursuant to the terms of the Subscription and Shareholders' Agreement, Bank of Scotland has also agreed to commit to provide a further £5.0 million of funding to IGGHL by subscribing, subject to the Offer becoming or being declared unconditional in all respects, for 67,500 ordinary shares of 1 pence each, approximately 3.1 million preference shares of £1 each and approximately £1.9 million of FSA approved-form undated fixed rate subordinated loans. This would result in Bank of Scotland having an interest in approximately 6.8 per cent. of IGGHL's ordinary share capital and 8.7 per cent. of IGGHL's preference share capital. In addition, in connection with these financing arrangements, Intermediate Capital Group has been granted warrants that will provide Intermediate Capital Group with the right to subscribe for up to 12 per cent. of IGGHL's ordinary share capital.

Management Proposals

IGGHL has entered into certain arrangements with the Management Team in relation to their participation in the share capital of IGGHL. Subject to the approval of the Independent Shareholders at the Extraordinary General Meeting and subject to the Offer becoming or being declared unconditional in all respects, the Management Team has agreed to make certain funding available to IGGHL and to participate in the capital of IGGHL on the basis set out below:

- Nat le Roux has agreed to invest a total amount of approximately £2.1 million by subscribing for approximately 10.1 per cent. of IGGHL's ordinary share capital, approximately £1.3 million of preference shares and approximately £0.8 million of FSA approved-form undated fixed rate subordinated loans;
- Tim Howkins has agreed to invest a total amount of approximately £0.4 million by subscribing for approximately 3.8 per cent. of IGGHL's ordinary share capital, approximately £0.2 million of preference shares and approximately £0.1 million of FSA approved-form undated fixed rate subordinated loans;
- Peter Hetherington has agreed to invest a total amount of approximately £0.4 million by subscribing for approximately 3.8 per cent. of IGGHL's ordinary share capital, approximately £0.2 million of preference shares and approximately £0.1 million of FSA approved-form undated fixed rate subordinated loans; and

- Andrew MacKay has agreed to invest a total amount of approximately £0.2 million by subscribing for approximately 2.0 per cent. of IGGHL's ordinary share capital, approximately £0.1 million of preference shares and approximately £0.1 million of FSA approved-form undated fixed rate subordinated loans.

Following the Offer becoming or being declared unconditional in all respects, a total of 11 other senior executives of IG Group will also have the opportunity to invest, in aggregate, a total amount of approximately £0.5 million by subscribing for approximately 6.9 per cent. of IGGHL's ordinary share capital, approximately £0.3 million of preference shares and approximately £0.2 million of FSA approved-form undated fixed rate subordinated loans. A further 21 individuals who are also senior employees of IG Group will also have the opportunity to enter into arrangements to participate in the share capital of IGGHL. These arrangements will enable the individuals to subscribe for a separate class of ordinary shares in IGGHL that will have economic rights only in certain circumstances and subject to certain performance criteria having been achieved.

The executive directors of IGGHL have also entered into new service contracts with IGGHL which will take effect immediately upon the Offer becoming or being declared unconditional in all respects.

Independent Directors' Recommendation

The Independent Directors, who have been so advised by Investec Investment Banking, consider the terms of the Management Proposals to be fair and reasonable and believe that the Offer is in the best interests of IG Shareholders as a whole. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Resolution to be proposed at the Extraordinary General Meeting and that IG Shareholders accept the Offer, as they have irrevocably undertaken to do in respect of their own beneficial holdings, which in aggregate amount to 13,768,000 IG Shares, representing approximately 24.6 per cent of IG's entire existing issued share capital.

In providing advice to the Independent Directors, Investec Investment Banking has taken account of the commercial assessments of the Independent Directors.

Irrevocable Undertakings

Irrevocable undertakings to accept, or procure the acceptance of, the Offer have been received by IGGHL in respect of, in aggregate, 35,359,564 IG Shares, representing approximately 63.2 per cent. of IG's entire existing issued share capital. These irrevocable undertakings have been received from:

- The Independent Directors (including Stuart Wheeler) in respect of, in aggregate, a total of 13,768,000 IG Shares;
- Certain individuals who are long-standing IG Shareholders (or, where relevant, their respective trustees or executors) in respect of, in aggregate, 13,280,400 IG Shares;
- Deutsche Asset Management in respect of, in aggregate, 6,090,155 IG Shares;
- Gartmore in respect of, in aggregate, 674,709 IG Shares; and
- The Executive Directors, together with certain individuals who are existing directors or employees of IG Group, in respect of, in aggregate, 1,546,300 IG Shares.

In addition, certain IG Shareholders have also provided IGGHL with non-binding letters of support confirming their intention to accept the Offer in respect of, in aggregate, a further 3,881,983 IG Shares, representing approximately 6.9 per cent. of IG's entire existing issued share capital.

Accordingly, support for the Offer has been received from IG Shareholders who, in aggregate, have an interest in 39,241,547 IG Shares, representing approximately 70.2 per cent. of IG's entire existing issued share capital.

The irrevocable undertakings referred to above also extend to any IG Shares which may be issued to the Executive Directors, together with certain individuals who are existing directors or employees of IG Group, in connection with the exercise of options (excluding Inland Revenue approved options) under the IG Group Share Option Schemes while the Offer remains open for acceptance.

Certain of the irrevocable undertakings from IG Shareholders that IGGHL has received which, in aggregate, amount to 12,624,864 IG Shares, representing approximately 22.6 per cent. of IG's entire existing issued share capital, will cease to be binding in the event of a higher competing offer for IG. All of the other irrevocable undertakings that IGGHL has received will cease to be binding only if the Offer lapses or is withdrawn.

Except in respect of the IG Shares for which IGGHL has received the irrevocable undertakings referred to above, neither IGGHL nor any of the directors of IGGHL nor, so far as IGGHL is aware, any party acting in concert with IGGHL, owns or controls any IG Shares or holds any options to purchase any IG Shares which remain outstanding.

Inducement Fee

IG has agreed to pay an inducement fee to CVC Capital Partners Limited of £1.425 million, being approximately one per cent. of the value of the Offer, in certain circumstances including, *inter alia*, where the Independent Directors withdraw or adversely modify their recommendation of the Offer or a competing offer for IG is announced and declared unconditional in all respects or is otherwise completed.

Directors, Management and Employees

The board of IGGHL has confirmed to the Independent Directors that, following the Offer becoming or being declared unconditional in all respects, the existing rights of all the employees of IG Group, including pension rights, will be fully safeguarded.

The Independent Directors intend to resign from the Board upon the later of the Offer becoming or being declared unconditional in all respects and the making of appropriate proposals to participants in the IG Group Share Option Schemes and will each receive a termination payment of one month's fees in lieu of notice.

Following the Offer becoming or being declared unconditional in all respects, Toby Brereton will remain as a director of IG Index and as a consultant to IG Group on substantially the same terms as those on which he is currently engaged.

IG Group Share Option Schemes

The Offer will extend to any IG Shares unconditionally allotted or issued while the Offer remains open for acceptance (or, such earlier date as IGGHL may, subject to the City Code decide), pursuant to the exercise of options granted under the IG Group Share Option Schemes (excluding Inland Revenue approved options). IGGHL has confirmed to the Independent Directors that it will make appropriate proposals to IG Group Share Optionholders in respect of options that remain unexercised once the Offer becomes or is declared unconditional in all respects.

Loan Note Alternative

As an alternative to some or all of the cash consideration which would otherwise be receivable under the Offer, IG Shareholders who validly accept the Offer (other than certain Overseas Shareholders) will be able to elect to receive unsecured Loan Notes to be issued by IGGHL on the following basis:

for each £1 of cash consideration under the Offer £1 nominal of Loan Notes

The Loan Notes, which will be governed by English law, will be unsecured obligations of IGGHL and will not be guaranteed. The Loan Notes will bear interest (from the date of issue to the relevant holder of Loan Notes) payable every six months in arrears on 31 January and 31 July at a rate of 1 per cent. below LIBOR. The Loan Notes will be redeemable at par at the option of the holders, in part or in whole, on interest payment dates or such other dates as the holders may decide, commencing on the first interest payment date following the date being six months after the date of issue of the Loan Notes. IGGHL shall have the right, on any interest payment date falling on or after the date being two years after the date of issue of the Loan Notes, to repay all the outstanding Loan Notes at par (together with any accrued interest) if, *inter alia*, the principal amount of all the Loan Notes outstanding is less than £1,000,000. Unless previously redeemed or purchased, any Loan Notes outstanding on 31 January 2013 will be redeemed at par (together with any accrued interest) on that date. The Loan Notes will not be transferable and no application will be made for them to be listed on, or dealt in, any stock exchange in any jurisdiction.

The Loan Notes will be issued in integral multiples of £1 nominal. Fractional entitlements of Loan Notes will be disregarded and will not be issued. IGGHL reserves the right not to offer the Loan Note Alternative where valid elections are received for an aggregate of less than £100,000 in nominal value of Loan Notes. If, as a result of insufficient elections, the Loan Notes are not issued, such elections shall be void and those IG Shareholders who have elected to receive Loan Notes will instead receive cash consideration under the basic terms of the Offer.

The Loan Notes to be issued pursuant to the Offer will not be listed on any stock exchange in any jurisdiction and have not been, and will not be, registered under the US Securities Act, or under the securities laws of any state of the United States. In addition, the relevant clearances have not been, and will not be, obtained from the securities commission of any province or territory of Canada; no prospectus in relation to the Loan Notes has been, or will be, lodged with the Australian Securities and Investments Commission; and no steps have been, or will be, taken to enable the Loan Notes to be offered in compliance with the applicable securities laws of Japan.

The Loan Notes may not be offered, sold or delivered, directly or indirectly, in or into the United States (or to US Persons), Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws in such jurisdiction.

The availability of the Loan Note Alternative will be conditional on the Offer becoming or being declared unconditional in all respects and will remain open for so long as the Offer remains open for acceptance.

The Independent Directors are making no recommendation to IG Shareholders in respect of the Loan Note Alternative. IG Shareholders who are in any doubt as to whether to elect to receive the Loan Note Alternative should immediately consult their stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000.

De-listing, Compulsory Acquisition and Re-registration

The Independent Directors have been informed that IGGHL intends, as soon as practicable following the Offer becoming or being declared unconditional in all respects, to procure the making of an application by IG to both the UK Listing Authority and the London Stock Exchange for the cancellation of the listing of IG Shares on the Official List and the trading facility on the London Stock Exchange respectively. It is anticipated that such cancellation will, subject to the Listing Rules, take effect no earlier than 20 Business Days following the Offer becoming or being declared unconditional in all respects. De-listing and the removal of the trading facility would significantly reduce the liquidity and marketability of any IG Shares not acquired by IGGHL.

The Independent Directors have also been informed that if the Offer becomes or is declared unconditional in all respects and assuming sufficient acceptances are received and/or sufficient IG Shares are acquired, IGGHL intends to apply the provisions of sections 428 to 430F (inclusive) of the Companies Act to acquire compulsorily any remaining IG Shares.

It is proposed that in due course IGGHL will seek to procure the re-registration of IG as a private company under the relevant provisions of the Companies Act.

General

Appendix 1 to this announcement contains a summary of the conditions of the Offer and Appendix 2 contains definitions of certain expressions used in this announcement.

The Offer Document, Form of Acceptance, EGM Notice and Form of Proxy will be despatched to IG Shareholders shortly.

Enquiries:

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The Offer will not be made, directly or indirectly, in, or into, the United States, Canada, Australia, Japan or other jurisdiction, if to do so would constitute a violation of the relevant laws of such jurisdiction, by use of mails, or by any means of instrumentality (including, without limitation, facsimile transmission, electronic mail or telephone) of interstate or foreign commerce, or by any facility of a national securities exchange, of the United States, Canada, Australia, Japan or other jurisdiction, if to do so would constitute a violation of the relevant laws of such jurisdiction, and the Offer will not be capable of acceptance by any such uses, means, instrumentality or facility from or within the United States, Canada, Australia, Japan or other jurisdiction, if to do so would constitute a violation of the relevant laws of such jurisdiction. Further information for Overseas Shareholders will also be contained in the Offer Document.

The Loan Notes to be issued pursuant to the Offer will not be listed on any stock exchange and have not been, and will not be, registered under the US Securities Act or under the securities laws of any state of the United States. In addition, the relevant clearances have not been, and will not be, obtained from the securities commission of any province or territory of Canada. No prospectus in relation to the Loan Notes has been, or will be, lodged with the Australian Securities and Investments Commission and no steps have been, or will be, taken to enable the Loan Notes to be offered in compliance with the applicable securities laws of Japan. The Loan Notes may not be offered, sold or delivered, directly or indirectly, in or into the United States (or to US Persons), Canada, Australia or Japan or any other jurisdiction, if to do so would constitute a violation of the relevant laws in such jurisdiction.

Lexicon Partners, which is regulated in the United Kingdom by the Financial Services Authority, is acting for IGGHL in connection with the Offer and no one else and will not be responsible to anyone other than IGGHL for providing the protections afforded to clients of Lexicon Partners or for providing advice in relation to the Offer.

Investec Investment Banking, a division of Investec Bank (UK) Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for IG and for no one else in connection with the Offer and will not regard anyone else as its customer in relation to the Offer.

The availability of the Offer to persons (including, without limitation, any nominees, custodians or trustees) who are not resident in the UK may be affected by the laws of the relevant jurisdiction. Persons who are not resident in the UK should inform themselves about and observe any applicable requirements.

- END -

APPENDIX 1

CONDITIONS OF THE OFFER

The Offer, which is being made by Lexicon Partners on behalf of IGGHL, will comply with the applicable rules and regulations of the UK Listing Authority, the London Stock Exchange and the City Code, will be governed by English law and will be subject to the jurisdiction of the Courts of England and Wales and is subject to the terms and conditions set out in this Appendix 1 and, in the case of IG Shares held in certificated form, in the related Form of Acceptance.

PART A: CONDITIONS OF THE OFFER

The Offer will be subject to the following conditions:

1. valid acceptances being received (and not, where permitted, withdrawn) by no later than 3.00 p.m. on the first closing date of the Offer (or such later time(s) and/or date(s) as IGGHL may, with the consent of the Panel or in accordance with the rules of the City Code, decide) in respect of not less than 90 per cent. (or such lower percentage being greater than 50 per cent. as IGGHL may decide) in nominal value of IG Shares to which the Offer relates, provided that this condition will not be satisfied unless IGGHL, together with any member of the IGGHL Group, shall have acquired or agreed to acquire (whether pursuant to the Offer or otherwise) IG Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of IG, including for this purpose, to the extent, if any, required by the Panel, any voting rights attaching to any IG Shares which are either unconditionally allotted fully paid or issued before the Offer becomes or is declared unconditional as to acceptances (whether pursuant to the exercise of outstanding conversion, option or subscription rights or otherwise);

For the purposes of this condition:

- (a) any IG Shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry upon their being entered in the register of members of IG;
 - (b) the expression "IG Shares to which the Offer relates" shall be construed in accordance with Sections 428 to 430F of the Act; and
 - (c) valid acceptances shall be treated as having been received in respect of any IG Shares which IGGHL shall, pursuant to Section 429(8) of the Act, be treated as having acquired or contracted to acquire by virtue of acceptance of the Offer;
2. the passing at an Extraordinary General Meeting of IG (or at any adjournment thereof) of such resolutions as may be necessary for the approval, implementation and effecting of the Offer and the acquisition of IG pursuant to the Offer and the Management Proposals;

3. if required, all necessary filings having been made, all or any applicable waiting and other time periods under any applicable legislation or regulations for any jurisdiction (including without limitation, in the United States the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) and the regulations made thereunder) having expired, lapsed or clearance having been obtained to the satisfaction of IGGHL in accordance with the relevant applicable legislation or regulations as appropriate in each case in respect of the Offer and the acquisition of any shares in, or control of, IG by IGGHL or any member of the IGGHL Group and all necessary statutory and regulatory obligations in connection with the Offer in any jurisdiction having been complied with;
4. no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory or investigative body, trade agency, professional association, institution, court or any statutory body or person whatsoever in any jurisdiction (each a “**Third Party**”) having instituted, implemented or threatened in writing, or having announced its intention to institute or implement any action, proceeding, suit, investigation, enquiry or reference or having made, proposed or enacted any statute, regulation, decision or order, or having taken any steps or required any action to be taken or information to be provided, or having done anything which would, would be likely to or might reasonably be expected to:
 - (a) make the Offer or its implementation or the acquisition or proposed acquisition by IGGHL or any of its subsidiaries or subsidiary undertakings or associated companies (including any joint venture, partnership, firm or company in which any member of the IGGHL Group (aggregating their interests) is substantially interested) or any company in which any such member has a substantial interest (the “**Wider Offeror Group**”) of any or all IG Shares, or the proposed acquisition of control of IG by the IGGHL Group, or any of the assets of IG, void, unenforceable or illegal under the laws of any jurisdiction, or restrict, prohibit or otherwise, directly or indirectly, delay or otherwise interfere with the implementation of, or impose additional conditions or obligations which are adverse with respect to, or otherwise challenge, the Offer or the acquisition of any or all IG Shares or control of IG by the IGGHL Group;
 - (b) require, prevent or delay the divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider Offeror Group or by IG or any of its subsidiaries or subsidiary undertakings or associated companies (including any joint venture, partnership, firm or company in which any member of the IG Group (aggregating their interests) is substantially interested) or any company in which any such member has a substantial interest (the “**Wider IG Group**”) of all or any portion of their respective businesses, assets or property or any shares or other securities (or equivalent) or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own their respective assets or property or any part thereof, in each such case which is to an extent material in the context of the Offer or the Wider IG Group taken as a whole;
 - (c) impose any limitation on, or result in a delay in, the ability of any member of the Wider Offeror Group to exercise effectively, directly or indirectly, all or any rights of ownership in respect of IG Shares or loans or securities convertible into shares or other securities (or the equivalent) in any member of the Wider IG Group or to exercise voting or management control over, IG or (to the extent IG has such rights) in any member of the Wider IG Group or on the ability of any member of the Wider IG Group to hold or to exercise effectively, directly or indirectly, rights

- of ownership of shares (or the equivalent) in, or to exercise rights of control over any business carried out by a member of the Wider IG Group;
- (d) save pursuant to the Offer or Part XIII A of the Act, require any member of the Wider Offeror Group or of the Wider IG Group to offer to acquire any shares or other securities (or the equivalent) or interest in, or any asset owned by, any member of the Wider IG Group owned by any third party;
 - (e) impose any limitation on the ability of any member of the Wider IG Group or the Wider Offeror Group to integrate or co-ordinate its business, or any part of it, with any other members of the Wider Offeror Group and/or Wider IG Group;
 - (f) result in any member of the Wider IG Group ceasing to be able to carry on business under any name under which it presently does so; or
 - (g) otherwise adversely affect the business, assets, liabilities, profits, prospects, financial or trading position of any member of the Wider Offeror Group or the Wider IG Group, in each such case which is to an extent material in the context of the Offer or the Wider IG Group taken as a whole,

and all applicable waiting and other time periods during which any such Third Party could decide to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other steps under the laws of any jurisdiction in respect of the Offer or the acquisition or proposed acquisition of any IG Shares having expired, lapsed or been terminated;

5. all necessary notifications and filings having been made in connection with the Offer and the proposed acquisition by IGGHL of IG and all necessary waiting and other time periods (including any extension(s) thereof) under any applicable legislation or regulation of any jurisdiction and the proposed acquisition by IGGHL of IG having expired, lapsed or been terminated (as appropriate) and all applicable statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Offer or its implementation and/or the acquisition or proposed acquisition by any member of the Wider Offeror Group of any shares or other securities (or the equivalent thereof) in, or control of IG or any member of the Wider IG Group or any of the assets of any such member and no notice of any intention to revoke any of the same having been received, in each case as may be necessary in connection with the Offer or the acquisition by any member of the Wider Offeror Group of any shares in, or control of, IG and all authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions and approvals (“**Authorisations**”) necessary or appropriate for or in respect of the Offer or the proposed acquisition of any securities in, or control of, IG by any member of the Wider Offeror Group or in relation to the affairs of any member of the Wider IG Group having been obtained in terms and in a form reasonably satisfactory to IGGHL from all appropriate Third Parties or persons with whom any member of the Wider IG Group has entered into contractual arrangements and all such Authorisations necessary or appropriate to carry on the business of any member of the Wider IG Group, remaining in full force and effect at the time the Offer becomes otherwise unconditional in all respects and there being no written notice or intimation of any intention to revoke or amend or not to renew the same at the time at which the Offer becomes otherwise unconditional in all respects and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

6. the approval of the FSA being granted under section 184 of the Financial Services and Markets Act 2000 to the proposed acquisition of control, within the meaning of sections 179 or 180 of the Financial Services and Markets Act 2000, of IG by (i) IGGHL and (ii) any other entity which, as a consequence, acquires control of IG on terms and in a form satisfactory to IGGHL;
7. save as disclosed by IG through the delivery of an announcement to a Regulatory Information Service or save as disclosed to IGGHL, its shareholders or their respective directors, officers or advisers in writing by IG or its advisers prior to the time of this announcement (such disclosures together being hereinafter referred to as being “disclosed or publicly announced”, there being no provision of any agreement, arrangement, lease, licence, permit or other instrument to which any member of the Wider IG Group or any partnership or company in which any member of the Wider IG Group is interested (an “**Associate**”) is a party or by or to which any such member or Associate or any of their respective assets may be bound, entitled or subject and which, in consequence of the Offer or the proposed acquisition of IG Shares by IGGHL or any member of the Wider Offeror Group could or might result in (to an extent which is material in the context of the Offer or the Wider IG Group taken as a whole):
 - (a) any monies borrowed by, or any indebtedness or liability (actual or contingent) of, or grant available to any member of the Wider IG Group becoming repayable or capable of being declared repayable immediately or prior to their or its stated maturity or repayment date in such agreement, arrangement, lease, licence, permit or instrument, or the ability of any such member to borrow monies to incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (b) the creation or enforcement of any mortgage, charge or other security interest, wherever existing or having arisen over the whole or any part of the business, property or assets of any member of the Wider IG Group or any such mortgage, charge or other security interest (whenever arising or having arisen) becoming enforceable;
 - (c) any such agreement, arrangement, lease, licence, permit or other instrument or the rights, liabilities, obligations or interests thereunder being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
 - (d) any assets or interests of, or any asset the use of which is enforced by, any member of the Wider IG Group being or falling to be disposed of or charged or ceasing to be available to any member of the Wider IG Group or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider IG Group otherwise than in the ordinary course of business;
 - (e) the rights, liabilities, obligations or interests of any member of the Wider IG Group under any such arrangement, agreement, lease, licence, permit or other instrument in or with any person, firm or body or the business of any member of the Wider IG Group with any person, firm or body (or any arrangements relating to such interests or business) being terminated or adversely modified or affected;
 - (f) any such member of the Wider IG Group ceasing to be able to carry on business under any name under which it at present does so;

- (g) the financial or trading position, profits or prospects of any such member of the Wider IG Group being prejudiced or adversely affected; or
 - (h) the creation of any liability, actual or contingent, by any member of the Wider IG Group otherwise than in the ordinary course of business and no event having occurred which, under any provision of any agreement, arrangement, lease, licence, permit or other instrument to which any member of the Wider IG Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, is reasonably likely to result in any of the events or circumstances as are referred to in sub-paragraphs (a) to (g) of this condition 7;
8. no member of the Wider IG Group having since 31 May 2002, save as disclosed in the Preliminary Results Announcement or as otherwise disclosed or publicly announced:
- (a) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save for issues to IG or wholly owned subsidiaries of IG, or upon any exercise of options granted before the date of this document under the IG Group Share Option Schemes);
 - (b) other than to another member of the IG Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;
 - (c) save for transactions between two or more members of the IG Group (“**intra-IG Group transactions**”) made or authorised, proposed or announced its intention to authorise or propose any change to its loan capital;
 - (d) save for intra-IG Group transactions and transactions in the ordinary course of business, implemented, authorised, proposed or announced its intention to propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares (or the equivalent thereof) in any undertaking or undertakings, or entered into or changed or made any offer (which remains open for acceptance) to enter into or change the terms of any contract with any director, officer or employee of any member of the Wider IG Group;
 - (e) save for intra-IG Group transactions, merged with any body corporate, partnership or business or, other than in the ordinary course of business, acquired or disposed of, transferred, mortgaged or encumbered any assets or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced its intention to do so and in each case has, or would reasonably be expected to have, a material and adverse effect on the Wider IG Group taken as a whole;
 - (f) issued, authorised or proposed or announced an intention to authorise or propose, the issue of any debentures or (save for intra-IG Group transactions) incurred or increased any indebtedness or become subject to any contingent liability otherwise than in the ordinary course of business;

- (g) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure, trading obligations or otherwise) which is of a loss making, long term, onerous or unusual nature or magnitude or which involves or could involve an obligation of such a nature or magnitude or which is other than in the ordinary course of business or which would be restrictive on the business of any member of the IG Group or the IGGHL Group and in each case has, or would reasonably be expected to have, a material and adverse effect on the Wider IG Group taken as a whole;
- (h) entered into or varied or authorised, proposed or announced its intention to enter into or vary the terms of, or make any offer (which remains open for acceptance) to enter into or vary the terms of, any service agreement for services with any director or senior executive of the IG Group or varied or permitted a variation in the terms or rules governing the IG Group Share Option Schemes and in each case has, or would reasonably be expected to have, a material and adverse effect on the Wider IG Group taken as a whole;
- (i) repaid, purchased, redeemed or announced a proposal to purchase, redeem or repay any of its own shares or other securities (or the equivalent) or reduced or made any other change to or proposed the reduction or other change to any part of its share capital save for any shares allotted upon the exercise of options granted before the date of this document under the IG Group Share Option Schemes;
- (j) implemented, authorised, proposed or announced its intention to implement any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;
- (k) waived or compromised any claim which is material in the context of the Wider IG Group taken as a whole;
- (l) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or arrangement otherwise than in the ordinary course of business and in each case has, or would reasonably be expected to have, a material and adverse effect on the Wider IG Group taken as a whole;
- (m) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction, arrangement or commitment which would be or might reasonably be expected to be restrictive on the business of any member of the Wider IG Group or the Wider Offeror Group or which could be so restrictive and in each case has, or would reasonably be expected to have, a material and adverse effect on the Wider IG Group taken as a whole;
- (n) terminated or varied the terms of any agreement or arrangement between any member of the IG Group and any other person in a manner which would or might reasonably be expected to have a material and adverse effect on the financial position or prospects of the IG Group;
- (o) made any alteration to its memorandum or articles of association or other incorporation documents;
- (p) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of any business;
- (q) proposed any voluntary winding-up;

- (r) taken any corporate action or had any legal proceedings started, instituted or threatened against it in respect of its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or had any analogous person appointed in any jurisdiction; or
 - (s) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any proposal or announcement with respect to, or to effect, any of the transactions, matters or events referred to in this condition 8;
9. save as disclosed or publicly announced or save as disclosed in the Preliminary Results Announcement prior to the time of this announcement:
- (a) there having been no material adverse change or deterioration in the business, assets, financial or trading position or profits of IG or the IG Group taken as a whole or any member of the Wider IG Group;
 - (b) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider IG Group is or may become a party (whether as claimant or defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the Wider IG Group having been threatened, announced, intimated or instituted or remaining outstanding by, against or in respect of any member of the Wider IG Group, which in any such case might reasonably be expected to have a material and adverse effect on the IG Group taken as a whole;
 - (c) no contingent or other liability having arisen or become apparent to IGGHL, which might reasonably be expected to have a material and adverse effect on the Wider IG Group taken as a whole; and
 - (d) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider IG Group which is necessary for the proper carrying on of the business of the IG Group taken as a whole.
10. IGGHL not having discovered (except as disclosed or publicly announced prior to the time of the announcement):
- (a) that the financial, business or other information concerning the Wider IG Group which has been disclosed at any time by or on behalf of any member of the Wider IG Group whether publicly, to any member of the Wider Offeror Group or otherwise is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make the information contained therein not materially misleading, in each case in the context of the Offer and the Wider IG Group taken as a whole;
 - (b) that any member of the Wider IG Group or any partnership or company or other entity in which any member of the Wider IG Group has an interest which is not a subsidiary undertaking of IG is subject to any liability, contingent or otherwise, which is not disclosed in the Preliminary Results Announcement;
- For the purposes of the conditions set out in this Appendix 1:
- (i) “parent undertaking”, “subsidiary undertaking”, “associated undertaking” and “undertaking” have the meanings given by the Act, but for this purpose ignoring paragraph 20(1)(b) of Schedule 4A of the Act; and

(ii) “substantial interest” means a direct or indirect interest in 20 per cent. or more of the voting equity capital of an undertaking.

Subject to the requirements of the Panel, IGGHL reserves the right (but shall be under no obligation) to waive, in whole or in part, all or any of the above conditions apart from condition 1.

Conditions 2 to 10 (inclusive) must be fulfilled or, where permitted, waived or, where appropriate, have been determined by IGGHL in its reasonable opinion to be or to remain satisfied by midnight on the 21st day after the later of the first closing date and the date on which condition 1 is fulfilled (or in each such case such later date as the Panel may agree). IGGHL shall be under no obligation to waive (where permitted) or treat as satisfied any of the conditions 2 to 10 (inclusive) by a date earlier than the latest date specified above for the satisfaction thereof, notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment.

If IGGHL is required by the Panel to make an offer for IG Shares under the provisions of Rule 9 of the City Code, IGGHL may make such alterations to any of the above conditions, as are necessary to comply with the provisions of that Rule.

The Offer will lapse if the proposed acquisition of the IG Shares by IGGHL is referred to the Competition Commission before 3.00 p.m. on the first closing date or on the date on which the Offer becomes or is declared unconditional as to acceptances, whichever is the later. If the Offer lapses, the Offer will cease to be capable of further acceptance and persons accepting the Offer, Lexicon Partners and IGGHL shall thereupon cease to be bound by acceptances delivered on or before the date on which the Offer so lapses.

The Offer will not be made, directly or indirectly, in, or into, the United States, Canada, Australia, Japan or other jurisdiction, if to do so would constitute a violation of the relevant laws of such jurisdiction, by use of mails, or by any means of instrumentality (including, without limitation, facsimile transmission, electronic mail or telephone) of interstate or foreign commerce, or by any facility of a national securities exchange, of the United States, Canada, Australia, Japan or other jurisdiction, if to do so would constitute a violation of the relevant laws of such jurisdiction, and the Offer will not be capable of acceptance by any such uses, means, instrumentality or facility from or within the United States, Canada, Australia, Japan or other jurisdiction, if to do so would constitute a violation of the relevant laws of such jurisdiction. Further information for Overseas Shareholders will also be contained in the Offer Document.

APPENDIX 2

DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

“Articles of Association” or “Articles”	the articles of association of the Company
“Bank of Scotland”	the Governor and Company of the Bank of Scotland (together with Uberior Investments Limited, a wholly owned subsidiary of Bank of Scotland)
“Board”	the board of directors of the Company from time to time or any duly authorised committee thereof
“Business Day”	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in the City of London are open for normal business
“City Code”	The City Code on Takeovers and Mergers
“Companies Act” or “Act”	the Companies Act 1985, as amended
“Company” or “IG”	IG Group plc, a company incorporated in England and Wales under the Act with registered number 4008980
“CVC”	CVC Capital Partners Europe Limited, CVC Capital Partners Limited, CVC European Equity Limited, CVC European Equity II Limited, CVC Capital Partners (Luxembourg) SA, CVC Capital Partners Advisory Company Limited, CVC Europe Enterprise GP Limited and CVC European Equity III Limited
“CVC Funds”	CVC European Equity Partners III L.P.; CVC European Equity Partners III Parallel Fund A L.P.; CVC European Equity Partners III Parallel Fund B L.P.; CVC Europe Enterprise (Domestic) L.P.; CVC Europe Enterprise (Cayman) L.P.; Citi-Europe Co-Invest L.P. and Citicorp Capital Investors Europe Limited
“Deutsche Asset Management”	Deutsche Asset Management Limited
“Executive Directors”	the executive directors of the Company being Nat le Roux, Tim Howkins and Peter Hetherington
“Extraordinary General Meeting” or “EGM”	the Extraordinary General Meeting of IG to be convened to approve the Management Proposals

“EGM Notice”	the notice relating to the EGM
“FSA”	Financial Services Authority
“Form of Acceptance”	each form of acceptance and authority relating to the Offer
“Form of Proxy”	the prepaid proxy form for use at the Extraordinary General Meeting
“Gartmore”	Gartmore Investment Management Limited
“IG” or “Company”	IG Group plc, a company incorporated in England and Wales under the Act with registered number 4008980
“IG Group” or “Group”	IG and its subsidiary and associated undertakings
“IGGHL”	IG Group Holdings Limited
“IGGHL Group”	IGGHL and its subsidiary and associated undertakings
“IG Group Share Optionholders”	holders of options under the IG Group Share Option Schemes
“IG Group Share Option Schemes”	the IG Group plc Executive Share Option Scheme, the IG Index plc Unapproved Executive Share Option Scheme and the IG Index Limited Executive Share Option Scheme
“IG Index”	IG Index plc
“IG Markets”	IG Markets Limited
“IG Shareholders”	holders of IG Shares
“IG Share(s)”	the existing unconditionally allotted or issued and fully paid ordinary shares of 10p each in the capital of the Company and any further such shares which are unconditionally allotted or issued or fully paid or credited as fully paid before the date on which the Offer closes, or such earlier date, as IGGHL may, subject to the City Code, decide
“Independent Directors”	the committee of directors who are independent in relation to the Offer, comprising Stuart Wheeler, Christopher Whittington, Toby Brereton and Torquil Norman
“Independent Shareholders”	IG Shareholders other than the Management Team and the families of the Management Team
“Investec Investment Banking”	Investec Investment Banking, a division of Investec Bank (UK) Limited

“Intermediate Capital Group”	Intermediate Capital Group PLC
“Lexicon Partners”	Lexicon Partners Limited
“Listing Rules”	the listing rules made by the UK Listing Authority (as amended from time to time)
“Loan Note Alternative”	the alternative whereby IG Shareholders (other than US Persons and Overseas Shareholders) may elect to receive Loan Notes instead of some or all of the cash consideration to which they would otherwise be entitled under the Offer
“Loan Notes”	the floating rate unsecured loan notes of £1 each due 2013 to be issued by IGGHL pursuant to the Loan Note Alternative
“London Stock Exchange”	London Stock Exchange PLC
“Management Proposals”	the proposed arrangements described in this announcement
“Management Team”	Nat le Roux, Tim Howkins, Peter Hetherington, Andrew MacKay and 32 other senior employees
“Offer”	the recommended cash offer being made by Lexicon Partners on behalf of IGGHL to acquire the entire issued share capital of IG and, where the context so requires, any subsequent revision, variation, extension or renewal of such offer
“Offer Document”	the document to be sent to IG Shareholders containing and setting out the terms and conditions of the Offer
“Offer Period”	the period commencing on and including 20 January 2003 and ending on whichever of the following dates shall be the latest: (i) 3.00 p.m. on the first closing date of the Offer; (ii) the date on which the Offer lapses; and (iii) the date on which the Offer becomes, or is declared, unconditional as to acceptances
“Offer Price”	255 pence for each IG Share
“Official List”	the official list maintained by the UK Listing Authority
“Overseas Shareholders”	IG Shareholders resident or nationals or citizens of jurisdictions outside the UK or who are nominees of, or custodians, trustees or guardians for citizens or nationals of such other jurisdictions
“Panel”	the Panel on Takeovers and Mergers

“Preliminary Results Announcement”	the announcement by the Company of its audited preliminary results for the year ended 31 May 2003
“Regulatory Information Service”	any channel recognised as a channel for the dissemination of regulatory information by listed companies as defined in Schedule 12 of the Listing Rules
“Resolution”	the ordinary resolution to be put to IG Shareholders at the Extraordinary General Meeting in relation to the Management Proposals
“Subscription and Shareholders’ Agreement”	the subscription and shareholders’ agreement dated 28 July 2003 between the CVC Funds, Capital Investors 2002 Limited, Bank of Scotland, Nat le Roux, Tim Howkins, Peter Hetherington, Andrew MacKay and IGGHL
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the Financial Services Authority in its capacity as a competent authority under the Financial Services and Markets Act 2000
“United States” or “US”	the United States of America, its territories and possessions, all areas subject to its jurisdiction or any political subdivision thereof, any state of the United States of America and the District of Columbia
“US Person(s)”	as defined in Regulation S under the US Securities Act
“US Securities Act”	the United States Securities Act of 1933, as amended

For the purposes of this announcement, *subsidiary*, *subsidiary undertaking*, *undertaking* and *associated undertaking* have the respective meanings given by the Companies Act (but for this purpose ignoring 20(1)(b) of Schedule 4A to the Companies Act).

All references to time in this announcement shall be to London time except where the context provides otherwise.