CMC MARKETS PLC

Interim results for the six months ended 30 September 2017

Pre-tax profit up 58% on high value client business

For the six months ended £ million (unless otherwise stated)	30 September 2017	30 September 2016	Change
Net operating income	89.6	75.5	19%
Profit before tax	29.8	18.8	58%
Earnings per share (pence)	8.7	5.1	71%
Number of trades (million)	30.7	30.4	1%
Value of trades (£ billion)	1,175	911	29%
Active clients (numbers)	46,634	47,623	(2%)
Client assets	322.5	283.3	14%
Revenue per active client (£)	1,814	1,488	22%

Notes:
- *Net operating income represents total revenue after rebates payable to clients and introducing partners, and betting levies*
- *Active clients represents those individual clients who have traded with or held a CFD or spread bet positions with CMC Markets on at least one occasion during the six month period*
- *Client assets represent total amounts due to segregated clients at the period end*
- *Revenue per active client represents total trading revenue from CFD and spread bet active clients after deducting rebates and levies*

Financial and operating highlights

- Net operating income up 19% to £89.6 million (H1 FY17: £75.5 million)
- Operating costs up 5% to £59.3 million (H1 FY17: £56.4 million), mainly due to higher discretionary performance incentives and core staff costs
- Profit before tax up 58% to £29.8 million (H1 FY17: £18.8 million) reflecting strong operational gearing
- Revenue per active client up 22% to £1,814; slight decline in active clients, down 2%
- Continuing growth in client assets up 14% to £322.5 million (H1 FY17: £283.3 million)
- Regulatory total capital ratio of 29% and own funds of £190.3 million
- Interim dividend of 2.98 pence (H1 FY17: 2.98 pence), one third of full year ordinary dividend for prior year
- Product offering quickly adapted for regulatory change in Germany, reflecting the Group's flexible and adaptable proprietary technology

Strategic progress

- Established markets: Value of client trades up 25%, through the Group's focus on high value clients
- Geographic expansion: Poland office continuing to perform well, with the value of trades up 107% and client numbers up 96%. Shanghai office officially opened in October 2017
- Digital initiatives: 56% of the value of Next Generation client trades completed on mobile devices in H1 FY18 (H1 FY17: 50%)
- Maintain a competitive and compliant product offering: FX DMA launched and HTML5 roll out nearing completion
- Institutional offering: Institutional business continues to grow, value of client trades up 91% compared to H1 FY17
- Stockbroking: partnership with ANZ Bank remains on track for delivery in September 2018

Peter Cruddas, Chief Executive Officer, commented:

“I am pleased with the Group’s excellent performance and progress for the first six months of this financial year. Net operating income was a record for the first half and a reflection of our continuing focus on high value clients. We are continually developing and improving our offering, growing our institutional business as well as making progress in new geographies. I am delighted to confirm that, having recently visited Australia to see ANZ’s senior team, our stockbroking partnership is on track for launch in September 2018.

We continue to await the outcome of the industry review by the European regulators, and have had meetings with the various regulators as part of the consultation period. What is clear from the consultation process is that the regulators are concerned with the level of client losses, and inadequate appropriateness and on-boarding checks.

We fully support increased regulatory oversight of the industry and believe that CMC’s business model will benefit from such proposed changes. Our business model is to attract and retain high value, experienced clients that understand the product. I believe this puts us in a stronger position than many of our competitors.

We also have diversity with 15 offices around the world and a growing stockbroking business in Australia, which will continue to grow its contribution to the Group following the implementation of the ANZ Bank stockbroking business.

Whilst we await the outcome from the European regulators, the teams around the world are focused on delivering our strategic initiatives and ensuring that whatever the outcome we will be ready to respond and adapt.”

Analyst and Investor Presentation

A presentation will be held for equity analysts and investors today at 09:30 a.m. (GMT).

A live webcast of the presentation will be available via the following link:

http://www.cmcmarkets.com/results/2018/h1

Alternatively, you can dial into the presentation:

United Kingdom: 020 3059 8125

All other locations: + 44 20 3059 8125

Please quote “CMC Markets plc H1 2018 Results conference” when prompted.

Forthcoming announcement dates

25 January 2018	Q3 2018 interim management statement
29 March 2018	FY 2018 pre-close update

Media enquiries

Camarco

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Notes to Editors

CMC Markets plc ("CMC"), whose shares are listed on the London Stock Exchange under the ticker CMCX, was established in 1989 and is now one of the world's leading online financial trading businesses. The company serves retail and institutional clients through regulated offices and branches in 14 countries, with a significant presence in the UK, Australia, Germany and Singapore. CMC Markets offers an award-winning, online and mobile trading platform, enabling clients to trade over 10,000 financial instruments across shares, indices, foreign currencies, commodities and treasuries through contracts for difference ("CFDs") and financial spread bets (in the UK and Ireland only). Clients can also place financial binary bets through Countdowns and, in Australia, access stockbroking services. More information is available at http://www.cmcmarkets.com/group/

Company information

CMC Markets plc

Incorporated in England & Wales

Registration number: 05145017

LEI: 213800VB75KAZBFH5U07

ISIN: GB00B14SKR37

CHIEF EXECUTIVE'S REVIEW

I am pleased with the Group's progress in H1 2018 with net operating income rising 19% in comparison to prior year, a record for the first half. This improvement reflects the Group's continuing delivery of its strategic initiatives, with growth in retail and institutional channels across our three regional segments resulting in the value of client trades increasing by 29%.

Higher net operating income has been achieved while controlling operating expenses resulting in a statutory profit before tax of £29.8 million, up 58% on prior year (H1 FY17: £18.8 million). Profit after tax was £25.0 million, up 70% against prior year (H1 FY17: £14.7 million) and earnings per share were 8.7 pence (H1 FY17: 5.1 pence).

We continue to control operating costs, which have increased by £2.9 million (5%) in comparison to prior year, primarily due to increased discretionary performance incentives and higher core salary costs. Costs in H2 are expected to be higher due to an increase in marketing spend and implementation costs relating to the ANZ stockbroking transaction as previously guided.

More targeted investment in marketing spend during the period and a temporary spike in the prior period around the UK's EU referendum have resulted in lower client acquisition figures. As a result, this has had an impact on active client numbers which have dropped 2% to 46,634 (H1 FY17: 47,623). However, the Group remains focused on acquiring and retaining good quality clients rather than a high number of low value clients.

In response to regulatory change, in August the Group implemented negative balance protection for its German retail clients. This has not had a material impact on German net revenue in H1, which has grown against the prior period.

Strategic initiatives

The Group remains focused on net operating income growth through our five clear strategic initiatives, complemented by the ANZ Bank stockbroking implementation.

Growth in established markets

Our established markets of the UK, Australia and Germany have delivered growth in net revenue of 16% to £60.4 million, 71% of the Group total. This has been achieved through both the retail and institutional channels. Our institutional business is predominantly based in the UK and net revenue grew by 45%. While we introduced negative balance protection for our clients in Germany in early August, as required by the local regulator, net revenue has continued to grow.

Expand into new markets and grow developing regions

The Poland office continues to grow, with active clients 96% higher than the first half of the prior year and net revenue 157% higher. The opening of a Shanghai education office in October also provides the Group more exposure to the growing Asia Pacific region.

Digital initiatives

Our digital team is focusing on three core areas to support the overall growth of the business:

- Mobile: we aim to continue improving the application process and increase the share of applications coming from mobile;
- High value clients: we aim to increase the value of clients on-boarded through various initiatives including making our retail rebate scheme more advantageous to our clients; and
- Digital infrastructure: continue to roll out local marketing improvements globally to gain efficiencies

[1] Net revenue generated from CFD and Spread bet active clients, including Countdowns and Binaries, after the impact of rebates and levies. Geographic segmentation is according to location of office which on-boards a client, rather than client place of residence

Maintain a competitive and compliant product offering

We continue to develop our Next Generation platform and will shortly be providing a full limited risk offering in the UK. The roll out of HTML5 is nearing completion, FX direct market access ("DMA") functionality has been launched and a DMA platform across other asset classes will be rolled out in the coming months.

Institutional offering

The institutional offering continues to be a key strategic driver of growth and diversification. Net revenue has increased 45% against prior year to £15.0 million. Our API (electronic connectivity to the trading platform) and DMA functionality will be drivers of future growth in the value of client trades, albeit at a lower margin than our retail business.

Regulatory environment

The outcome of the industry review by European regulators remains outstanding and outcomes could include leverage caps, negative balance protection, restrictions on marketing and changes to client on-boarding. The Group continues to engage positively with regulators and supports the regulatory scrutiny of the sector, as it should ultimately result in positive changes to the perception and reputation of the industry.

The Group is confident that once the review is completed, its strong product offering, focus on client service and fair client outcomes, as well as flexible technology will present opportunities to grow the business.

The Australian government endorsed changes to client money regulation earlier this year, meaning that client money must be segregated and this will be implemented in 2018. The Group already fully segregates client money globally.

Finally, the Group is making progress regarding the UK's exit from the European Union and has plans in place to ensure passporting rights are maintained post-March 2019.

Dividend

The Board has declared an interim dividend of 2.98p, one third of the full year ordinary dividend for the prior year. The dividend will be paid on 22 December 2017 to those members on the register at the close of business on 1 December 2017.

Outlook

At the start of H2 the Group continues to trade in line with market expectations, however, given the uncertainty around current regulatory reviews and future regulatory change, the Group remains cautious in its short-term outlook. Notwithstanding this, the Group considers a greater level of regulation could give it a competitive advantage as some smaller, less established players may find it more challenging to meet the new requirements.

In the meantime, the Group remains focused on the continuing delivery of its strategic initiatives and driving the future growth of the business.

OPERATING REVIEW

Summary

Net operating income rose by £14.1 million (19%) to £89.6 million. The value of trades increased by £264 billion (29%) with FX the main driver of the increase, growing 58% to £489 billion. Although the Index markets have remained subdued, volumes have increased 15% to £627 billion assisted by the Group's continued focus on premium clients.

Statutory profit before tax increased by £11.0 million (58%) to £29.8 million and profit before tax margin[1] increased by 8.4% from 24.9% to 33.3% reflecting the strong operational gearing in the business.

Net operating income overview

For the six months ended £ million	30 September 2017	30 September 2016	Change
CFD and Spread bet (including binaries) net revenue	84.6	70.9	19%
Stockbroking (excl. interest income)	4.1	3.7	11%
Interest income	0.8	0.9	(13%)
Other operating income	0.1	-	-
Net operating income	**89.6**	**75.5**	**19%**

Regional performance overview: CFD and Spread bet

	Six months ended 30 September 2017				Six months ended 30 September 2016				Change			
	Net revenue (£m)	Value of trades (£bn)	Active Clients	RPC (£)	Net revenue (£m)	Value of trades (£bn)	Active Clients	RPC (£)	Net revenue	Value of trades	Active Clients	RPC
UK & IE	34.8	469	12,164	2,860	29.1	365	13,345	2,180	20%	28%	(9%)	31%
Europe	23.6	341	17,909	1,315	19.6	269	18,159	1,080	20%	27%	(1%)	22%
APAC & Canada	26.2	365	16,561	1,584	22.2	277	16,119	1,376	18%	32%	3%	15%
	84.6	**1,175**	**46,634**	**1,814**	**70.9**	**911**	**47,623**	**1,488**	**19%**	**29%**	**(2%)**	**22%**

UK & IE

The value of client trades was 28% higher at £469 billion (H1 FY17: £365 billion) as improved market conditions encouraged client activity. Favourable H1 FY18 variances were also influenced by the company's decision to increase margin requirements ahead of the UK's EU Referendum in June 2016, which supressed client activity in the prior year. Active client numbers were down 9% to 12,164 (H1 FY17: 13,345), with prior year numbers affected by a temporary spike in client interest around the Referendum. Client acquisition, measured as the number of new opened accounts, decreased by 15%, due to both the aforementioned interest around the Referendum and as a result of lower, more focused marketing spend. Revenue per active client was however up 31% at £2,860 (H1 FY17: £2,180), influenced by an increase in institutional business and the activity of high value clients. CMC continues to lead the industry in client satisfaction with first place rankings in 14 out of 19 key service areas, and further increases to our net promoter score, as highlighted in a recent independent industry survey[2].

[1] Statutory profit before tax as a percentage of net operating income

[2] Investment Trends May 2017 UK Leveraged Trading Report

Europe

Europe comprises the German, Austrian, French, Italian, Spanish, Norwegian, Swedish and Polish offices. The value of client trades was 27% higher across Europe at £341 billion (H1 FY17: £269 billion). Active clients were 1% lower at 17,909 (H1 FY17: 18,159). In Germany, CMC's core European market, our market leading position has been maintained with a 14% market share of primary CFD active clients[1]. The value of client trades was up 14% against prior year, and regulatory changes which required negative balance protection were introduced on 5 August 2017. The French office underperformed against prior year, with the value of client trades down 15% despite active clients being 4% higher. The Polish office continues to grow well, with the value of client trades up 107%, and active clients up 96%.

APAC and Canada

Our APAC and Canada business services clients from our Sydney, Auckland, Singapore, Toronto and Shanghai offices along with other regions where we have no physical presence. The value of client trades was 32% higher at £365 billion (H1 FY17: £277 billion). Active client numbers reversed the trend seen in other regions, and were up 3% at 16,561 (H1 FY17: 16,119).

The ongoing success of the business in the region has seen continued external recognition through Investment Trends[2]. In Australia, CMC maintained the number one ranking in terms of market share for CFD high value clients as well as top overall satisfaction while also growing primary market share. Further, in Singapore, CMC were number one for overall satisfaction for CFD and FX clients. CMC's brand profile is continuing to build strength in the region with CMC demonstrating the highest prompted brand awareness in the Australian CFD and FX market.

Stockbroking

The Australian stockbroking business has improved on prior year performance, with revenue up 11% at £4.1 million (H1 FY17: £3.7 million), but unchanged in local currency terms.

Positive performance was also evidenced through both strong client acquisition (11% increase in new clients[3]), and a reduction in client cost per acquisition delivered through further improvements in on-boarding and digital marketing.

The significant stockbroking partnership with ANZ Bank, announced in March 2017, remains on track for delivery next year. Our existing retail and intermediary client base are also expected to be significant beneficiaries of major platform enhancements required as part of the implementation, encompassing mobile trading, international equities, online options and advisor functionality. During H1 FY18 we launched our mobile trading application which saw 13% of daily active clients using the app at the end of October.

[1] Investment Trends March 2017 Germany CFD & FX Report

[2] Investment Trends May 2017 Australia CFD Report; Investment Trends October 2017 Singapore CFD & FX Report

[3] Increase in new opened accounts over the period

Operating expenses

Operating expenses increased by £2.9 million (5%) to £59.3 million. This was driven by increased staff costs and other expenses. Staff costs rose particularly with regard to salary increases and a return to more normalised discretionary performance-incentives and were partly offset by lower share based payments. Other expenses rose due to higher market data and project costs. These costs were partially offset by a decrease in marketing activity, which is expected to increase in H2 2018.

For the six months ended £ million	**30 September 2017**	**30 September 2016**	**Change**
Staff costs	26.2	24.6	7%
Marketing expenses	9.4	10.6	(12%)
Other expenses	23.7	21.2	12%
Operating expenses	**59.3**	**56.4**	**5%**

Taxation

The estimated effective tax rate for H1 2018 was 16%, down 3% from the FY 2017 effective tax rate of 19%. This was caused by the drop in the UK corporation tax rate which fell by 1% to 19% (FY17: 20%) and higher utilisation of Australian corporation tax credits.

Balance sheet

Amounts due from brokers increased by £17.1 million to £136.5 million. During the period, the Group has drawn down on its £40.0 million revolving credit facility in order to maintain a comfortable excess with its brokers. This resulted in an average usage of £7.9 million.

Principal risks and uncertainties

Details of the Group's approach to risk management and its principal risks and uncertainties were set out on pages 48 to 55 of the 2017 Group Annual Report and Financial Statements (available on the Group website https://www.cmcmarkets.com/group). During the six months to 30 September 2017 and up to the date of approval of the interim financial statements there have been no significant changes to the Group's risk management framework. The Group categorises its principal risks into three areas: business and strategic risks; financial risks; and operational risks. The Group's top and emerging risks, which form either a subset of one or multiple principal risks within the three principal risk categories, and continue to be at the forefront of Group discussions, are UK and European regulatory change and the UK's exit from the European Union.

RESPONSIBILITY STATEMENT

The directors listed below (being all the directors of CMC Markets plc) confirm that to the best of our knowledge, these condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- the interim management report includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the consolidated interim financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months of the financial year and any material changes in the related-party transactions described in the last annual report.

Neither the Group nor the directors accept any liability to any person in relation to the half-yearly financial report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with Section 90A and Schedule 10A of the Financial Services and Markets Act 2000.

By order of the board of directors

Peter Cruddas
Chief Executive Officer

Grant Foley
Chief Operating and Financial Officer

22 November 2017

CMC Markets plc Board of Directors

Executive Directors
Peter Cruddas (Chief Executive Officer)
David Fineberg (Group Commercial Director)
Grant Foley (Chief Operating and Financial Officer)

Non-Executive Directors
Simon Waugh (Chairman)
Sarah Ing
James Richards
Clare Salmon
Paul Wainscott

Consolidated interim income statement

For the six months ended 30 September 2017 (Unaudited)

£ '000	Note	Six months ended 30 September 2017 (Unaudited)	Six months ended 30 September 2016 (Unaudited)
Revenue	**3**	**101,567**	**87,256**
Interest income		805	928
Total revenue		**102,372**	**88,184**
Introducing partner commissions and betting levies		(12,788)	(12,699)
Net operating income	2	**89,584**	**75,485**
Operating expenses	4	(59,328)	(56,363)
Operating profit		**30,256**	**19,122**
Finance costs		(467)	(327)
Profit before taxation		**29,789**	**18,795**
Taxation	5	(4,785)	(4,130)
Profit for the period attributable to owners of the parent		**25,004**	**14,665**

Earnings per share

Basic earnings per share (p)	**6**	**8.7p**	**5.1p**
Diluted earnings per share (p)	6	8.6p	5.1p

Consolidated interim statement of comprehensive income

For the six months ended 30 September 2017 (Unaudited)

£ '000	Six months ended 30 September 2017 (Unaudited)	Six months ended 30 September 2016 (Unaudited)
Profit for the period	**25,004**	**14,665**
Other comprehensive (expense) / income:		
Items that may be subsequently reclassified to income statement		
Profit / (Loss) on net investment hedges net of tax	654	(2,392)
Amounts recycled from equity to the income statement net of tax	-	159
Currency translation differences	(1,123)	3,647
Change in value of available-for-sale financial assets	(50)	(11)
Other comprehensive (expense) / income for the period	**(519)**	**1,403**
Total comprehensive income for the period	**24,485**	**16,068**

Consolidated interim statement of financial position

At 30 September 2017 (Unaudited)

£ '000	Note	30 September 2017 (Unaudited)	30 September 2016 (Unaudited)	31 March 2017 (Audited)
ASSETS				
Non-current assets				
Intangible assets	8	2,518	2,651	2,115
Property, plant and equipment	9	17,495	16,898	18,197
Deferred tax assets		8,473	8,063	8,113
Financial investments	11	10,559	-	-
Total non-current assets		**39,045**	**27,612**	**28,425**
Current assets				
Trade and other receivables	10	43,167	27,000	31,542
Derivative financial instruments		1,567	1,711	1,935
Financial investments	11	9,826	20,473	20,272
Amounts due from brokers		136,508	109,866	119,390
Cash and cash equivalents	12	41,921	41,678	53,226
Total current assets		**232,989**	**200,728**	**226,365**
TOTAL ASSETS		**272,034**	**228,340**	**254,790**
LIABILITIES				
Current liabilities				
Trade and other payables	13	33,784	32,865	36,389
Derivative financial instruments		6,736	4,203	3,340
Borrowings	14	16,191	1,220	5,760
Current tax payable		4,096	6,143	5,489
Short term provisions		145	160	368
Total current liabilities		**60,952**	**44,591**	**51,346**
Non-current liabilities				
Trade and other payables	13	2,805	3,253	3,030
Borrowings	14	2,720	525	3,042
Deferred tax liabilities		33	8	24
Long term provisions		1,564	1,558	1,575
Total non-current liabilities		**7,122**	**5,344**	**7,671**
TOTAL LIABILITIES		**68,074**	**49,935**	**59,017**
EQUITY				
Equity attributable to owners of the Company				
Share capital		72,646	72,600	72,646
Share premium		46,236	46,243	46,236
Own shares held in trust		(567)	(1,445)	(466)
Other reserves		(48,575)	(48,110)	(48,056)
Retained earnings		134,220	109,117	125,413
Total equity		**203,960**	**178,405**	**195,773**
TOTAL EQUITY AND LIABILITIES		**272,034**	**228,340**	**254,790**

Consolidated interim statement of changes in equity

For the six months ended 30 September 2017 (Unaudited)

£ '000	Share capital	Share premium	Own shares held in trust	Other reserves	Retained earnings	Total Equity
At 1 April 2016	**72,600**	**46,243**	**(984)**	**(49,513)**	**107,981**	**176,327**
Total comprehensive income for the period	-	-	-	1,403	14,665	16,068
Acquisition of own shares	-	-	(461)	-	-	(461)
Share-based payments	-	-	-	-	1,768	1,768
Tax on share-based payments	-	-	-	-	95	95
Dividends	-	-	-	-	(15,392)	(15,392)
At 30 September 2016	**72,600**	**46,243**	**(1,445)**	**(48,110)**	**109,117**	**178,405**
At 1 April 2017	**72,646**	**46,236**	**(466)**	**(48,056)**	**125,413**	**195,773**
Total comprehensive (expense) / income for the period	-	-	-	(519)	25,004	24,485
Acquisition of own shares	-	-	(104)	-	-	(104)
Utilisation of own shares	-	-	3	-	-	3
Share-based payments	-	-	-	-	880	880
Tax on share-based payments	-	-	-	-	60	60
Dividends	-	-	-	-	(17,137)	(17,137)
At 30 September 2017	**72,646**	**46,236**	**(567)**	**(48,575)**	**134,220**	**203,960**

Consolidated interim statement of cash flows

For the six months ended 30 September 2017 (Unaudited)

£ '000	Note	Six months ended 30 September 2017 (Unaudited)	Six months ended 30 September 2016 (Unaudited)
Cash flows from operating activities			
Cash generated from / (used in) operations	15	4,285	(11,203)
Net interest income		805	928
Tax paid		(6,678)	(5,552)
Net cash used in operating activities		**(1,588)**	**(15,827)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,775)	(2,421)
Proceeds from disposal of property, plant and equipment		-	44
Investment in intangible assets		(198)	(665)
Purchase of financial investments		(10,601)	(10,260)
Proceeds from maturity of financial investments and coupon receipts		10,451	10,187
Inflow / (outflow) on Net investment hedges		955	(3,268)
Net cash used in investing activities		**(1,168)**	**(6,383)**
Cash flows from financing activities			
Proceeds from borrowings		105,299	-
Repayment of borrowings		(90,916)	(695)
Acquisition of own shares		(104)	(461)
Dividends paid		(17,137)	(15,392)
Finance costs		(467)	(327)
Net cash used in financing activities		**(3,325)**	**(16,875)**
Net decrease in cash and cash equivalents		**(6,081)**	**(39,085)**
Cash and cash equivalents at the beginning of the period		48,952	78,280
Effect of foreign exchange rate changes		(950)	2,483
Cash and cash equivalents at the end of the period		**41,921**	**41,678**

Notes to the condensed consolidated interim financial statements

For the six months ended 30 September 2017 (unaudited)

1. Basis of preparation

Basis of accounting and accounting policies

The condensed consolidated interim financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The statutory financial statements for the year ended 31 March 2017 and the condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS"), IFRS Interpretations Committee ("IFRS IC") interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The statutory financial statements for the year ended 31 March 2017 have been delivered to the Registrar of Companies. The auditors' opinion on those financial statements was unqualified and did not contain a statement made under Section 498 of the Companies Act 2006.

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied in the Group's statutory financial statements for the year ended 31 March 2017. The Group did not implement the requirements of any Standards or Interpretations which were in issue and which were not required to be implemented at the half-year. The Group expects to implement IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' on 1 April 2018. The Group does not anticipate that IFRS 9 or IFRS 15 will have a material impact on the Group's results. The Group continues to assess the impact of IFRS 16 'Leases' which becomes effective on 1 January 2019.

No other Standards or Interpretations issued are expected to have an impact on the Group's financial statements.

The condensed consolidated interim financial statements have been prepared under the historical cost convention, except in the case of "Financial instruments at fair value through profit or loss" and "Available for sale financial assets". The financial information is rounded to the nearest thousand, except where otherwise indicated.

Significant accounting judgements

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires the use of certain significant accounting judgements. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The only area involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the condensed consolidated interim financial statements is:

Deferred taxes

The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Going concern

The Group has considerable financial resources, a broad range of products and a geographically diversified business. As a consequence, the Directors believe that the Group is well placed to manage its business risks in the context of the current economic outlook. Accordingly, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing these condensed consolidated interim financial statements.

Seasonality of operations

The Directors consider that, given the impact of market volatility, and the growth in overseas business and the use of mobile platforms, there is no predictable seasonality to the Group's operations.

2. Segmental reporting

The Group's principal business is online retail financial services and provides its clients with the ability to trade contracts for difference (CFD) and financial spread betting on a range of underlying shares, indices, foreign currencies, commodities and treasuries. The Group also makes these services available to institutional partners through white label and introducing broker arrangements. The Group's CFDs are traded worldwide; spread bets only in UK and Ireland and the Group provides stockbroking services only in Australia. The Group's core business is generally managed on a geographical basis and for management purposes, the Group is organised into three segments:

- UK and Ireland (UK & IE);
- Europe;
- Australia, New Zealand and Singapore (APAC) and Canada;

These segments are in line with the management information received by the Chief Operating Decision Maker (CODM).

Revenues and costs are allocated to the segments that originated the transaction. Costs generated centrally are allocated to segments on an equitable basis, mainly based on revenue, headcount or active client levels.

Six months ended 30 September 2017 (Unaudited) **£ '000**	**UK & IE**	**Europe**	**APAC & Canada**	**Central**	**Total**
Segment revenue net of Introducing partner commissions and betting levies	34,990	23,506	30,283	-	88,779
Interest income	92	-	713	-	805
Net operating income	**35,082**	**23,506**	**30,996**	**-**	**89,584**
Segment operating expenses	(7,680)	(4,176)	(7,379)	(40,093)	(59,328)
Segment contribution	**27,402**	**19,330**	**23,617**	**(40,093)**	**30,256**
Allocation of central operating expenses	(12,567)	(12,770)	(14,756)	40,093	-
Operating profit	**14,835**	**6,560**	**8,861**	**-**	**30,256**
Finance costs	(35)	-	(1)	(431)	(467)
Allocation of central finance costs	(185)	(121)	(125)	431	-
Profit before taxation	**14,615**	**6,439**	**8,735**	**-**	**29,879**

Six months ended 30 September 2016 (Unaudited) **£ '000**	**UK & IE**	**Europe**	**APAC & Canada**	**Central**	**Total**
Segment revenue net of Introducing partner commissions and betting levies	29,080	19,579	25,898	-	74,557
Interest income	145	-	783	-	928
Net operating income	**29,225**	**19,579**	**26,681**	**-**	**75,485**
Segment operating expenses	(6,850)	(6,292)	(5,943)	(37,278)	(56,363)
Segment contribution	**22,375**	**13,287**	**20,738**	**(37,278)**	**19,122**
Allocation of central operating expenses	(12,011)	(12,466)	(12,801)	37,278	-
Operating profit	**10,364**	**821**	**7,937**	**-**	**19,122**
Finance costs	(28)	-	-	(299)	(327)
Allocation of central finance costs	(125)	(86)	(88)	299	-
Profit before taxation	**10,211**	**735**	**7,849**	**-**	**18,795**

The measurement of net operating income for segmental analysis is consistent with that in the income statement.

The Group uses 'Segment contribution' to assess the financial performance of each segment. EBITDA comprises operating profit for the period before interest expense, taxation, depreciation of property, plant and equipment and amortisation and impairment of intangibles.

3. Revenue

£ ‘000	Six months ended 30 September 2017 (Unaudited)	Six months ended 30 September 2016 (Unaudited)
CFD and spread bet	96,330	82,461
Stockbroking	5,148	4,838
Other	89	(43)
Revenue	**101,567**	**87,256**

4. Operating Expenses

£ ‘000	Six months ended 30 September 2017 (Unaudited)	Six months ended 30 September 2016 (Unaudited)
Staff costs	26,217	24,589
IT costs	8,246	7,424
Sales and marketing	9,368	10,612
Premises	3,080	2,629
Legal and Professional fees	2,114	1,385
Regulatory fees[1]	2,184	2,905
Other	5,167	4,036
Depreciation and amortisation	2,952	2,783
Operating expenses	**59,328**	**56,363**

[1] Includes regulatory transaction fees

5. Taxation

£ ‘000	Six months ended 30 September 2017 (Unaudited)	Six months ended 30 September 2016 (Unaudited)
Analysis of charge for the period:		
Current tax		
Current tax on profit for the period	5,309	3,818
Adjustments in respect of previous periods	(1)	(2)
Total current tax	**5,308**	**3,816**
Deferred tax		
Origination and reversal of temporary differences	(523)	119
Adjustments in respect of prior periods	-	3
Impact of change in tax rate	-	192
Total deferred tax	**(523)**	**314**
Total tax	**4,785**	**4,130**

The standard rate of UK corporation tax changed from 20% to 19% with effect from 1 April 2017. Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions. The effective tax rate for six months ended 30 September 2017 of 16.06% (Six months ended 30 September 2016: 21.97%) differs from the standard rate of UK corporation tax rate of 19% (Six months ended 30 September 2016: 20%). The differences are explained below:

£ '000	**Six months ended 30 September 2017 (Unaudited)**	**Six months ended 30 September 2016 (Unaudited)**
Profit before taxation	29,789	18,795
Profit multiplied by the standard rate of corporation tax in the UK of 19% (30 September 2016: 20%)	5,660	3,759
Adjustment in respect of foreign tax rates	387	209
Adjustments in respect of prior periods	(1)	1
Impact of change in tax rate	-	192
Recognition of previously unrecognised tax losses	(1,413)	(402)
Expenses not deductible for tax purposes	77	109
Income not subject to tax	(13)	(23)
Irrecoverable foreign tax	51	117
Share awards	23	160
Other differences	14	8
Total tax	**4,785**	**4,130**

£ '000	**Six months ended 30 September 2017 (Unaudited)**	**Six months ended 30 September 2016 (Unaudited)**
Tax on items recognised directly in Equity		
Tax on Share based payments	60	95

6. Earnings per share (EPS)

Basic EPS is calculated by dividing the earnings attributable to the equity owners of the Company by the weighted average number of ordinary shares in issue during each period excluding those held in employee share trusts which are treated as cancelled.

For diluted earnings per share, the weighted average number of ordinary shares in issue, excluding those held in employee share trusts, is adjusted to assume conversion of all dilutive potential weighted average ordinary shares, which consists of share options granted to employees and shares issuable to client investors at IPO.

£ '000	**Six months ended 30 September 2017 (Unaudited)**	**Six months ended 30 September 2016 (Unaudited)**
Earnings attributable to ordinary shareholders (£ '000)	25,004	14,665
Weighted average number of shares used in the calculation of basic earnings per share ('000)	287,451	287,161
Dilutive effect of share options ('000)	2,336	1,956
Weighted average number of shares used in the calculation of diluted earnings per share ('000)	289,787	289,117
Basic earnings per share (p)	**8.7p**	**5.1p**
Diluted earnings per share (p)	8.6p	5.1p

For the six months ended 30 September 2017, 2,336,000 (Six months ended 30 September 2016: 1,956,000) potentially dilutive weighted average ordinary shares in respect of share options in issue were included in the calculation of diluted EPS.

7. Dividends

	Six months ended 30 September 2017 (Unaudited)		Six months ended 30 September 2016 (Unaudited)	
	£ '000	**Pence per share**	**£ '000**	**Pence per share**
Prior year final dividend paid	17,137	5.95p	15,392	5.36p

An interim dividend for 2018 of 2.98p per share, amounting to £8,585,000 has been approved by the board but has not been included as a liability at 30 September 2017. The dividend will be paid on 22 December 2017 to those members on the register at the close of business on 1 December 2017.

8. Intangible assets

During the six months ended 30 September 2017, additions to intangible assets amounted to £1,001,000 (six month ended 30 September 2016: £665,000; year ended 31 March 2017: £811,000). As at 30 September 2017, the net book value of intangible assets was £2,518,000 (30 September 2016: £2,651,000, 31 March 2017: £2,115,000).

9. Property, plant and equipment

During the six months ended 30 September 2017, additions to property, plant and equipment amounted to £1,775,000 (six month ended 30 September 2016: £2,421,000; year ended 31 March 2017: £6,114,000). As at 30 September 2017, the net book value of property, plant and equipment was £17,495,000 (30 September 2016: £16,898,000, 31 March 2017: £18,197,000).

10. Trade and other receivables

£ '000	**30 September 2017 (Unaudited)**	**30 September 2016 (Unaudited)**	**31 March 2017 (Audited)**
Gross trade receivables	6,718	4,493	5,089
Less: provision for impairment of trade receivables	(3,040)	(4,076)	(8,491)
Trade receivables	3,678	417	1,598
Prepayments and accrued income	7,601	6,396	7,494
Stockbroking debtors	13,655	8,496	19,292
Other debtors	18,233	11,691	3,158
Total	**43,167**	**27,000**	**31,542**

Stockbroking debtors represent the amount receivable in respect of equity security transactions executed on behalf of clients with a corresponding balance included within trade and other payables (note 13).

11. Financial investments

£ '000	30 September 2017 (unaudited)	30 September 2016 (unaudited)	31 March 2017 (Audited)
UK Government securities:			
At the beginning of the period / year	20,272	20,374	20,374
Purchase of securities	10,601	10,260	20,562
Maturity of securities and Coupon receipts	(10,451)	(10,187)	(20,710)
Accrued interest	13	37	53
Net Losses transferred to equity	(50)	(11)	(7)
At the end of the period / year	**20,385**	**20,473**	**20,272**
Less: non-current portion	(10,559)	-	-
Current portion	**9,826**	**20,473**	**20,272**

Financial investments are shown as current assets when they have a maturity of less than one year and are held as 'available-for-sale'.

12. Cash and cash equivalents

£ '000	30 September 2017 (unaudited)	30 September 2016 (unaudited)	31 March 2017 (Audited)
Gross cash and cash equivalents	364,380	324,958	363,258
Less: Client monies	(322,459)	(283,280)	(310,032)
Own cash and cash equivalents	**41,921**	**41,678**	**53,226**
Analysed as:			
Cash at bank	39,022	38,718	50,218
Short-term deposits	2,899	2,960	3,008

Cash and cash equivalents comprise cash at bank and other short-term highly liquid investments, with maturities of three months or less. Cash at bank earns interest at floating rates, based on daily bank deposit rates.

13. Trade and other payables

£ '000	30 September 2017 (unaudited)	30 September 2016 (unaudited)	31 March 2017 (Audited)
Current			
Gross trade payables	325,804	286,948	313,871
Less: Client monies	(322,459)	(283,280)	(310,032)
Trade payables	3,345	3,668	3,839
Tax and social security	2	42	25
Stockbroking creditors	11,797	15,272	17,079
Accruals and deferred income	18,640	13,883	15,446
	33,784	**32,865**	**36,389**
Non-current			
Accruals and deferred income	2,805	3,253	3,030
Total	**36,589**	**36,118**	**39,419**

14. Borrowings

£ '000	30 September 2017 (unaudited)	30 September 2016 (unaudited)	31 March 2017 (Audited)
Current			
Finance lease liabilities	920	1,198	1,316
Bank loans	15,000	-	-
Bank overdrafts	-	-	4,274
Other liabilities	271	22	170
	16,191	**1,220**	**5,760**
Non-current			
Finance lease liabilities	2,019	481	2,455
Other liabilities	701	44	587
	2,720	**525**	**3,042**
Total	**18,911**	**1,745**	**8,802**

15. Cash generated from operations

£ '000	Six months ended 30 September 2017 (unaudited)	Six months ended 30 September 2016 (unaudited)
Cash flows from operating activities		
Profit before taxation	29,789	18,795
Adjustments for:		
Net interest income	(805)	(928)
Finance costs	467	327
Depreciation	2,366	2,096
Amortisation of intangible assets	586	687
Share-based payment	883	1,768
Other non-cash movements including exchange rate movements	(638)	599
Changes in working capital:		
Increase in trade and other receivables	(11,638)	(6,106)
Increase in amounts due from brokers	(17,118)	(25,636)
Decrease in trade and other payables	(2,848)	(2,096)
Decrease / (Increase) in net derivative financial instruments	3,463	(833)
(Decrease) / Increase in provisions	(222)	124
Cash generated from / (used in) operations	**4,285**	**(11,203)**

The movement in trade and other receivables for the six months ended 30 September 2017 includes £150,000 (Six months ended 30 September 2016: £215,000) of exceptional litigation income relating to year ended 31 March 2016, received during the period.

The impact of exchange rate movements on components of working capital is presented as a separate line item within the cash generated from operations for the period ended 30 September 2017. The amounts relating to period ended 30 September 2016 have been presented on the same basis.

16. Liquidity

The Group has access to the following liquidity resources that make up total available liquidity:

- **Own funds.** The primary source of liquidity for the Group. It represents the funds that the business has generated historically, including any unrealised gains / losses on open hedging positions. All cash held on behalf of segregated clients is excluded. Own funds consists mainly of cash and cash equivalents and also includes investments in UK government securities which are held to meet the Group's liquid asset buffer (LAB - as agreed with FCA). These UK government securities are BIPRU 12.7 eligible securities and are available to meet liabilities which fall due in periods of stress.
- **Title Transfer Funds (TTFs).** This represents funds received from professional clients and eligible counterparties (as defined in the FCA Handbook) that are held under a Title Transfer Collateral Agreement (TTCA); a means by which a professional client or eligible counterparty may agree that full ownership of such funds is unconditionally transferred to the Group. The Group considers these funds as an ancillary source of liquidity and places no reliance on its stability.
- **Available committed facility.** (off-balance sheet liquidity). The Group has access to a facility of up to £40.0million (30 September 2016: £40.0 million; 31 March 2017: £40.0 million) in order to fund any potential fluctuations in margins required to be posted at brokers to support our risk management strategy. The maximum amount of the facility available at any one time is dependent upon the initial margin requirements at brokers and margin received from clients. The facility consists of a one year term facility of £20.0 million and a three year term facility of £20.0 million, both of which were renewed in June 2017.

The Group's use of total available liquidity resources consist of:

- **Blocked cash.** Amounts held to meet the requirements of local market regulators and amounts held at overseas subsidiaries in excess of local segregated client requirements to meet potential future client requirements.
- **Initial margin requirement at broker.** The total GBP equivalent initial margin required by prime brokers to cover the Group's hedge derivative positions.

Own funds on 30 September 2017 were £190,300,000 (30 September 2016: £165,857,000; 31 March 2017: £183,370,000). Short term financial investments, amounts due from brokers and amounts receivable / (payable) on the derivative financial instruments have been included within 'own funds' in order to provide a clear presentation of the Group's potential cash resources.

£ '000	**30 September 2017 (unaudited)**	**30 September 2016 (unaudited)**	**31 March 2017 (Audited)**
Cash and cash equivalents	41,921	41,678	53,226
Amount due from brokers	136,508	109,866	119,390
Financial investments	20,385	20,473	20,272
Derivative financial instruments (Current Assets)	1,567	1,711	1,935
	200,381	173,728	194,823
Less: Title transfer funds	(3,345)	(3,668)	(3,839)
Less: Derivative financial instruments (Current Liabilities)	(6,736)	(4,203)	(3,340)
Less: Bank overdrafts	-	-	(4,274)
Own Funds	**190,300**	**165,857**	**183,370**
Title transfer funds	3,345	3,668	3,839
Available committed facility	25,000	35,036	40,000
Total Available liquidity	**218,645**	**204,561**	**227,209**
Less: Blocked cash	(19,946)	(19,455)	(19,821)
Less: Initial margin requirement at broker	(118,997)	(89,048)	(93,030)
Net available liquidity	**79,702**	**96,058**	**114,358**
Of which: held as liquid assets buffer	*20,000*	*20,000*	*20,000*

The following Own Funds Flow Statement summarises the Group's generation of own funds during each period and excludes all cash flows in relation to monies held on behalf of clients.

£ '000	Six months ended 30 September 2017 (unaudited)	Six months ended 30 September 2016 (unaudited)	Year ended 31 March 2017 (Audited)
Operating activities			
Profit before tax	**29,789**	**18,795**	**48,465**
Adjustments for:			
Finance costs	467	327	734
Depreciation and amortisation	2,952	2,783	5,835
Other non-cash adjustments	(106)	3,232	5,661
Tax paid	(6,678)	(5,552)	(11,372)
Own funds generated from operating activities	**26,424**	**19,585**	**49,323**
Movement in working capital	**(14,201)**	**(9,464)**	**(10,683)**
(Outflow) / Inflow from investing activities			
Net Purchase of property, plant and equipment and intangible assets	(1,973)	(3,042)	(3,762)
Other inflow / (outflow) from investing activities	955	(3,268)	(4,792)
(Outflow) / Inflow from financing activities			
Interest paid	(467)	(327)	(734)
Dividends paid	(17,137)	(15,392)	(23,946)
Other inflow / (outflow) from financing activities	14,279	(1,156)	(1,422)
Total outflow from investing and financing activities	**(4,343)**	**(23,185)**	**(34,656)**
Increase / (Decrease) in own funds	**7,880**	**(13,064)**	**3,984**
Own funds at the beginning of the period / year	183,370	176,438	176,438
Effect of foreign exchange rate changes	(950)	2,483	2,948
Own funds at the end of the period / year	**190,300**	**165,857**	**183,370**

As part of the transaction with ANZ Bank, the Group deposited AUD 25,000,000 (£14,455,000) in escrow in April 2017.

17. Fair value measurement disclosures

The Group's assets and liabilities that are measured at fair value are derivative financial instruments and financial investments. The table below categorises those financial instruments measured at fair value based on the following fair value measurement hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); or
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

30 September 2017 (Unaudited) £ '000	Level 1	Level 2	Level 3	Total
Financial investments (Non-current assets)	10,559	-	-	10,559
Financial investments (Current assets)	9,826	-	-	9,826
Derivative financial instruments (Current Assets)	-	1,567	-	1,567
Derivative financial instruments (Current Liabilities)	-	(6,736)	-	(6,736)
	20,385	**(5,169)**	**-**	**15,216**

30 September 2016 (Unaudited) £ '000	Level 1	Level 2	Level 3	Total
Financial investments	20,473	-	-	20,473
Derivative financial instruments (Current Assets)	-	1,711	-	1,711
Derivative financial instruments (Current Liabilities)	-	(4,203)	-	(4,203)
	20,473	**(2,492)**	**-**	**17,981**

31 March 2017 (Audited) £ '000	Level 1	Level 2	Level 3	Total
Financial investments	20,272	-	-	20,272
Derivative financial instruments (Current Assets)	-	1,935	-	1,935
Derivative financial instruments (Current Liabilities)	-	(3,340)	-	(3,340)
	20,272	**(1,405)**	**-**	**18,867**

Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities not held at fair value approximates to their carrying value:

- Cash and cash equivalents
- Amounts due from brokers
- Trade and other receivables
- Trade and other payables
- Borrowings

18. Related party transactions

There have been no significant changes to the nature of related parties disclosed in the statutory financial statements for the group as at and for the year ended 31 March 2017.

Directors' transactions

There were no director transactions during the six months ended 30 September 2017 and 30 September 2016.

19. Contingent liabilities

The Group engages in partnership contracts that could result in non-performance claims and from time to time is involved in disputes during the ordinary course of business. The Group provides for claims where costs are likely to be incurred, and there are no contingent liabilities which are expected to have a material adverse financial impact on the Group.

20. Forward looking statements

This announcement may include statements that are forward looking in nature. Forward looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the Listing Rules and applicable law, the Group undertakes no obligation to update, revise or change any forward looking statements to reflect events or developments occurring after the date such statements are published.

Independent review report to CMC Markets Plc

Report on the consolidated interim financial statements

Our conclusion

We have reviewed CMC Markets plc's (the “company”) consolidated interim financial statements (the "interim financial statements") in the interim results for the six months ended 30 September 2017 of CMC Markets plc for the 6-month period ended 30 September 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’, as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the consolidated interim statement of financial position as at 30 September 2017;
- the consolidated interim income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated interim statement of cash flows for the period then ended;
- the consolidated interim statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim results for the six months ended 30 September 2017 have been prepared in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’, as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim results for the six months ended 30 September 2017, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim results for the six months ended 30 September 2017 in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim results for the six months ended 30 September 2017 based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim results for the six months ended 30 September 2017 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London

22 November 2017

a) The maintenance and integrity of the CMC Markets plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.