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13 January 2016

CMC Markets plc

Announcement of Intention to Float

CMC Markets plc ("CMC" and, together with its subsidiaries, the "Group"), a leading global provider of online financial trading, today announces its intention to proceed with an initial public offering (the "IPO" or the "Offer"). CMC intends to apply for admission of its ordinary shares (the "Shares") to the premium listing segment of the Official List of the FCA (the "Official List") and to trading on the main market of the London Stock Exchange plc ("London Stock Exchange") (together, "Admission"). It is expected that Admission will occur in early February 2016.

CMC is one of the world's leading online financial trading businesses servicing retail clients and has been a pioneer of the industry since its formation in 1989. Today, through its Next Generation platform, an award-winning, online and mobile trading platform, designed and developed entirely in-house, CMC enables its global client base to trade in approximately 10,000 financial instruments across shares, indices, foreign currencies, commodities and treasuries through Contracts for Difference ("CFDs") and Spread bets (in the UK and Ireland only). CFDs and Spread bets are derivative products which allow clients to engage in trading the financial markets without owning the underlying instruments. The Group also offers its clients the ability to place financial binary bets through Countdowns (a short-term binary product), as well as offering stockbroking services in Australia.

The Group offers its products through the ''CMC Markets'' brand name[1] and operates its Next Generation trading platform through its website ''www.cmcmarkets.com'' and related local-language domains, as well as on iPhone, iPad and Android mobile platforms.

CMC Highlights

CMC in context

- CMC operates globally through regulated offices and branches in 14 countries, with a significant presence in the UK, Australia, Germany and Singapore; in aggregate, the Group has retail clients

[1] Stockbroking services in Australia are offered through "CMC Markets Stockbroking"

based in more than 70 countries, serviced through direct client relationships and also via its Partner and Institutional Client relationships with banks, brokers, asset managers and other professional and corporate firms.

- In the six months to 30 September 2015, the Group had 44,017 Active Clients who had traded in the previous 6 months, and the Group processed approximately 45 million and 34 million trades in the financial year ended 31 March 2015 and in the six months ended 30 September 2015, respectively.
- In the financial year ended 31 March 2015, approximately 41 per cent. of the total nominal value of the Group's client trades were placed on mobile devices (compared with 36 per cent. in the prior financial year), with the remainder of trades predominantly executed through the Group's traditional online platform and a very small number over the phone. For the six months ending 30 September 2015, this increased further to 48 per cent.

Recent financial performance

- Between 31 March 2013 and 31 March 2015, Net Operating Income grew from £107.0 million to £143.6 million at a compound annual growth rate ("CAGR") of 16 per cent.
- In the same period, Underlying EBITDA grew from £12.8 million to £59.7 million at a CAGR of 117 per cent.
- The Group's Underlying EBITDA margin increased steadily over this time period, improving from 12 per cent. in the financial year ended 31 March 2013 to 36 per cent. and 42 per cent. in the financial years ended 31 March 2014 and 2015, respectively.
- Most recently, for the six months ending 30 September 2015, the Group reported Net Operating Income and EBITDA of £78.9 million and £30.1 million, respectively, 34 per cent. and 72 per cent. ahead of the same period last financial year.
- Continuing the trends the Group reported in its first half results, it has continued to see growth across its key metrics year on year. Market volatility in October and November was not as high as in August and September, but nevertheless the Group performed well, continued to make good progress across its areas of strategic focus and finished the third quarter on track to meet its full year expectations.

Key strengths and strategy for growth

- Key business strengths include: (i) highly scalable, advanced technology, designed and developed in-house; (ii) a "client-first" proposition which has established CMC as a market leader; (iii) a strong global footprint in a growing market; (iv) robust and comprehensive risk management; (v) a management team with a track record of innovation; and (vi) an attractive financial profile with significant operational gearing.
- The Group's strategy is focused on consolidating its leadership position in key markets and further expanding internationally via the continued delivery of product and technological innovation to both its direct clients and Partners and Institutional Clients.
- CMC is targeting £250 million of total revenue (before rebates) by the end of the financial year to 31 March 2020 (FY2015: £157.9 million). The Directors believe that there is strong operational leverage in the business although costs are expected to increase moderately in the medium term driven by an increased focus on digital marketing as part of the Group's growth strategy.

Dividend policy

- In recent years, the Group has consistently paid out annual dividends to its shareholders at a dividend payout ratio of approximately 50 per cent. of consolidated annual post-tax profit. For the six months ended 30 September 2015, the Group paid an interim dividend reflecting this dividend policy, together with a special dividend.

- The Group intends to continue this policy to pay annual dividends based on a targeted dividend payout ratio of 50 per cent. of the Group's underlying consolidated annual post-tax profit.
- The Group intends to maintain a disciplined approach to capital, in order to balance its liquidity, regulatory capital and investment needs, with a view to returning excess capital to shareholders as appropriate.
- The first dividend payment post Admission is expected to be the full final dividend in respect of the financial year ending 31 March 2016, expected to be paid in July 2016.

Offer Highlights

- CMC is to list on the premium segment of the London Stock Exchange.
- The Offer will comprise:
    - an offer of Shares (i) to certain institutional investors in the UK and other qualifying jurisdictions outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and (ii) to certain qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) in the United States in reliance on Rule 144A or another exemption from or a transaction not subject to the registration requirements of the U.S. Securities Act that are also qualified purchasers (as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940);
    - a Client Share Offer to Eligible Clients of the Group; and
    - an Intermediaries Offer, under which Shares are being offered to intermediaries in the United Kingdom, who will facilitate the participation of their retail investor clients resident in the United Kingdom.
- As part of the Offer, CMC is expected to raise gross primary proceeds of approximately £17 million to meet Admission and staff incentive plan costs.
- The Offer provides the founding shareholders Peter and Fiona Cruddas, and Goldman Sachs Strategic Investments (U.K.) Limited ("GSSI") with the opportunity for a partial realisation of their investment in CMC, and provides certain other individual shareholders the opportunity for a realisation of their investment in CMC.
- Peter and Fiona Cruddas will together remain majority shareholders of CMC upon Admission and have agreed to a 730 calendar day lock-up period in respect of 50 per cent. of their interest in Shares held as at Admission, and a 1,095 calendar day lock-up period in respect of the remaining 50 per cent. Each of GSSI and CMC has agreed to a 180 calendar day lock-up arrangement following Admission and the Directors will enter into a 364 calendar day lock-up arrangement following Admission.

Commenting on today's announcement, Peter Cruddas, founder and Chief Executive of CMC said:

"Having grown the business from its beginnings in 1989, I am in the privileged position of having seen the market go through many changes. In recent years CMC has benefited from the transformative effect of online and mobile trading on the wider financial Spread betting and CFD markets, and the ability of clients to trade at anytime and anywhere. CMC has been a leading technological innovator in the sector for the last 26 years with a track record of designing and developing technology in-house, the most recent example being our award-winning trading platform, Next Generation, which allows us to deliver a first-class client experience and

positions CMC well to capitalise on the trends we are seeing in the fast growing UK financial Spread betting market and the increasingly global CFD market.

Bringing CMC to the public markets will enable us to continue to grow our global brand, build our client base, attract and retain employees and enhance our ability to enable retail traders around the world to trade. Our clients are at the heart of everything we do at CMC and I am delighted that they will have the opportunity to become shareholders in the Group as we embark upon the next stage of our journey."

Commenting on today's announcement, Simon Waugh, Non-Executive Chairman of CMC said:

"CMC is a global leader in a rapidly growing market, and embodies the highest standards of client service, technological excellence and robust risk management. Supported by a strong Board with a majority of independent non-executive directors[2], we have a management team ready to build on our excellent foundations and offer investors a balance of growth and shareholder returns. I am confident that CMC has an extremely positive future and we look forward to delivering value for all our shareholders as a publicly-listed company."

Enquiries:

CMC Markets plc **+44 (0) 20 7170 8200**
Peter Cruddas, Chief Executive Officer
Grant Foley, Chief Financial Officer and Head of Risk
David Fineberg, Group Director of Trading
Charlie Steel, Global Head of Corporate Development

Joint Global Co-ordinator and Joint Bookrunner

Goldman Sachs International: **+44 (0) 20 7774 1000**
Richard Cormack
Paul Miller
James Lucas
James Kelly

Joint Global Co-ordinator, Joint Bookrunner, Sole Sponsor and Stabilisation Manager

Morgan Stanley: **+44 (0) 20 7425 8000**
Henrik Gobel
Ben Grindley
Max Mesny
Angus Millar

Joint Bookrunner

RBC Europe Limited: **+44 (0) 20 7653 4000**
Oliver Hearsey
Darrell Uden
Martin Frowde
Will Smith

[2] Includes Non-Executive Chairman, Simon Waugh, who was independent on appointment

Media Enquiries

Camarco (Public Relations Advisor to CMC): **+44 (0) 20 3757 4984**
Geoffrey Pelham-Lane
Ed Gascoigne-Pees
Jennifer Renwick

Intermediaries Offer Enquiries

Solid Solutions Associates (UK) Ltd: **+44 (0) 20 7549 1613**

intermediaries@solid-solutions.co.uk

Nigel Morris
Graham Webb

Client Share Offer Enquiries **+44 (0) 20 3003 8303**

Three Year Financial Track Record

CMC generates revenue through a variety of sources including: spreads (i.e. the difference between the bid and ask price of the Group's products), commissions, financing income and risk management via hedging client positions. The Group also earns revenue from its stockbroking business in Australia and a binaries business. CMC's sources of revenue are well-diversified by region and by asset class, with the UK the largest region in FY 2015 with a share of 34 per cent. of total revenue, and indices the largest product with a share of 49 per cent. of total revenue.

The Group's operating expenses principally comprise staff costs, IT costs, sales and marketing, premises costs, and other legal, professional and regulatory fees. The Group's focus on cost management, coupled with consistency of revenues, has created significant operational leverage for the Group, driving margin expansion and increased Group profitability over the last three years.

£ million	**FY 13**	**FY 14**	**FY 15**	**FY13-15 CAGR**	**HY 15**	**HY 16**	**HY 15-16 Growth**
Net Operating Income	107.0	122.0	143.6	*16%*	58.8	78.9	*34%*
Profit Before Tax	(5.4)	32.2	43.5	*N/A*	13.9	26.5	*91%*
PBT Margin (%)	-	*26%*	*30%*		*24%*	*34%*	

FY 15 Net Operating Income by Region	
UK	*34%*
Europe	*31%*
Australia and N Zealand	*29%*
Rest of the World	*6%*

FY 15 Net Operating Income By Asset Class	
Indices	*49%*
FX	*19%*
Shares	*12%*
Commodities	*15%*
Stockbroking	*4%*
Treasuries	*1%*

Current Trading

Continuing the trends it reported in its first half results, the Group has continued to see growth across its key metrics year on year. Market volatility in October and November was not as high as in August and September, but the Group nevertheless performed well, and finished the third quarter on track to meet the Board's full year expectations. In the recent quarter, the Group made good progress across its areas of strategic focus:

- Product innovation: the Group's Countdowns product built on its successful late July launch in its UK, Australia and New Zealand offices, and in the third quarter the Group successfully launched Countdowns across its European offices.
- Institutional: in November the Group completed the build of its "white label" Partners and Institutional Clients Next Generation offering.
- Digital marketing: as planned, www.cmcmarkets.com was successfully launched as the Group's new global website, with country specific sites to follow shortly, and the UK being the first.
- International: the Group is seeing signs of improvement following actions taken in its underperforming geographies, as well as expanding its offering in Europe with the launch of Countdowns.
- Core markets: the Group's focus on providing a superior and unrivalled trading experience for its clients was recognised in the recent Investment Trends report[3], with CMC Markets picking-up seven

[3] Investment Trends - UK Leveraged Trading Report 2015

awards, including, amongst UK spread betters; best for overall customer satisfaction, best customer service, best mobile platform and best platform features amongst UK spread betters.

Key Strengths

Compelling industry fundamentals in the CFD and financial Spread betting market as well as opportunity for diversification

- The Directors believe that the total revenue pool from retail CFD, financial spread betting and FX activities was approximately £1.7 billion globally in 2014, and approximately £1.9 billion including institutional investors; approximately £1.25 billion (65 per cent.) of the total market revenue was generated by five providers: CMC, IG Group, FXCM Inc, GAIN Capital and Plus500.
- The Directors believe that the CFD, financial spread betting and FX market can be segmented into developed, non-developed and rest of the world; the Directors believe that the revenue pool from the developed and non-developed markets should grow at approximately 8 per cent. CAGR between 2014 and 2018.
- The launch and growth of financial binary bets by CMC in July 2015 highlights the crossover potential of products into the global online gaming market, an estimated revenue pool of US$40 billion. The Directors believe binary products will continue to be innovated and will grow significantly in popularity.
- Across all of CMC's markets, the general outlook is for further regulatory tightening or continued restriction and the Directors believe that CMC is well-placed to benefit from these trends as a blue-chip provider with a strong track record of regulatory compliance.

Highly scalable, advanced technology

- The Group offers its products through its Next Generation trading platform, innovated, designed, developed in-house and owned by the Group.
- Next Generation is more than just a trading platform and has been built in a modular way across the business incorporating client relationship management, trading platforms, pricing and risk, payments and trade support, enabling each part to be isolated and updated for technological development when required at moderate cost.
- Since 2010, CMC has invested approximately £65.7 million on designing and developing Next Generation in-house such that it now offers a differentiated client proposition across financial instruments providing clients with a fast, content-rich, reliable and secure global trading platform, with multi-channel accessibility. This investment in the enhancement of the platform continues through the Group's in-house development team.

Providing a highly attractive "client-first" proposition

- The following attributes of CMC's products and services result in a highly attractive "client-first" proposition, which has established CMC as a leading provider of CFDs to retail investors globally:
    - *Platform*: A fast, content-rich, reliable, secure, fully integrated and multi-language trading platform that is constantly enhanced through the implementation of cutting-edge technology.
    - *Client Service*: Easily accessible and highly tailored client service that provides a range of free value-added services and ongoing client education.
    - *Product*: Breadth of product offering, with approximately 10,000 financial instruments traded through a single trading platform with constant product development.

    - *Pricing*: A price-driven service, providing real-time competitive prices of products with "One-Click" trade execution; CMC also offers volume based rebates, enabling high-volume traders to benefit from their trading activity.
- According to the independent 2015 (UK) Investment Trends report, CMC had the highest overall client satisfaction level in its sector, ranking highest in twelve out of the eighteen satisfaction criteria clients chose as being the most important to them.

Strong global footprint

- Over its 26-year history, the Group has expanded globally, establishing regulated offices and branches in 14 countries with a client base in 70 countries.
- Due to its global reach, CMC is able to offer its clients the ability to trade 24 hours a day, five days a week (including in some cases when the underlying market is closed).
- In addition to building the business globally through direct client acquisition, the Group has also been successful in forming relationships with financial institutions, which serve to increase the market reach of the Group by introducing it to new clients. These institutional partner relationships are typically with firms that have established client portfolios offering services in complementary products and markets.

Robust, comprehensive and effective risk management

- CMC has developed a robust risk management framework, with comprehensive policies and procedures that help the Group to effectively manage risk in the business, including market risk which is an important component of CMC's revenue line.
    - *Market risk*: CMC, as a market maker, manages the risk inherited from clients. Client flows aggregate naturally within the portfolio, as long and short positions offset each other. The residual risk is then monitored real time through CMC's proprietary technology and managed within board-approved capital limits using a variety of hedging strategies so as to maximise revenue generated and minimise losses.
    - *Liquidity risk*: the Group manages liquidity in real-time centrally through a liquidity risk management team, by utilising a combination of liquidity forecasting and stress testing to help ensure that the Group retains access to sufficient liquidity resources in both normal and stressed conditions.
    - *Credit risk*: the Group has a variety of tools which it uses to manage client credit risk, which it inherits as a result of the leverage it offers to clients. These include tiered margin requirements (i.e., higher margins for larger positions), automated liquidation of client positions and position limits.
- CMC's robust and effective risk management strategy means that it has not had a losing week in the last three years. Furthermore, the Directors believe that CMC's credit losses resulting from the unpegging of the Swiss Franc in January 2015 were significantly lower than many of its peers.

Experienced management team

- CMC has a strong senior management team, demonstrated by the successful implementation of the strategic repositioning of the Group and the business's 117 per cent. Underlying EBITDA CAGR between the financial years ending 31 March 2013 and 31 March 2015.
- The senior management team has extensive experience in the financial markets in which the Group operates and a strong track record of working together to deliver optimal results. CMC is led by one of the leading innovators of online trading for retail clients in Europe over the last thirty years, Peter Cruddas.

- In addition, the Group's senior management has operated successfully within a well-developed corporate governance framework, with Non-Executive Directors having been part of the wider Board for more than 10 years. The recent appointment of two additional, experienced independent Non-Executive Directors serves to further strengthen the Board and, on Admission, provides a majority independent Board[4].

Attractive financial profile with significant operational gearing

- CMC has a track record of strong, profitable organic revenue and margin growth over the last three years, demonstrating the strength and stability of the Group's business model.
- CMC's daily average revenue went from approximately £528,000 in the year ended 31 March 2012 to approximately £566,000 in year ended 31 March 2015, while operating expenses decreased from £121 million in the year ended 31 March 2012 to £84 million in the year ended 31 March 2015.
- Net operating income and Underlying EBITDA grew at a CAGR of 16 per cent. and 117 per cent. between 31 March 2013 and 31 March 2015, respectively.
- CMC delivered an adjusted EBITDA margin of 12 per cent., 36 per cent. and 42 per cent. in the years ended 31 March 2013, 2014 and 2015, respectively.

Strategy for Growth

The Group is targeting £250 million of total revenue (before rebates) by the end of the financial year to 31 March 2020 (FY2015: £157.9 million). The Directors believe that there is strong operational leverage in the business although costs are expected to increase moderately in the medium term driven by an increased focus on digital marketing as part of the Group's growth strategy. The Directors have a clear vision for how CMC intends to deliver growth and returns for shareholders, and this vision is predicated on five fundamental strategic pillars, which continue to be competitive differentiators and keys to the Group's success:

Consolidate a leading position in the Group's key markets

- CMC intends to consolidate its leading position at the forefront of the market for online trading in financial products through continually striving to deliver best-in-class client service, product and technological innovation, breadth of product offering and quality and speed of execution.
- In CMC's core markets (UK, Germany, Australia and Singapore) there remain significant opportunities to capture market share from other CFD and Spread bet providers.
- CMC will also focus on attracting new clients, from within and outside the leveraged financial markets (i.e. online share trading) and also from the ~$40 billion global betting market.
- Furthermore, the Group intends to replicate its successful focus on Premium Clients in the UK and Australia in other jurisdictions.
- The Group also aims to continue to reduce its level of client attrition and increase the number of dormant accounts that it reactivates.

Optimise digital marketing

- CMC plans to significantly increase its focus and expenditure assigned to digital marketing across search, affiliate and display channels, enabling the Group to reach clients in markets that have not been focused on previously.

[4] Includes Non-Executive Chairman, Simon Waugh, who was independent on appointment

- The Group's cost of acquiring a new approved account was £697, £663 and £612 in the years ended 31 March 2014 and 2015, and in the six months ended 30 September 2015, respectively.
- CMC is aiming to further increase the efficiency of acquiring a new approved account to c.£575 in the medium-term.

Further develop and expand the Group's international reach

- With the rollout of Next Generation complete, the Group is well-positioned to improve its performance in existing under-performing geographies such as France and Italy while also quickly building its presence in more recently opened jurisdictions.
- CMC intends to achieve enhanced growth through the further expansion of its existing international operations, having recently opened two new offices in Poland and Austria.
- The Group aims to expand its offering of new products, such as Binaries, in further geographies.
- In addition to expansion through direct clients, the Group intends to continue to broaden its international reach through further Partner and Institutional Client relationships, which allow the Group to penetrate new markets quickly and in a cost effective manner.

Continue to deliver product and technological innovation

- Ongoing development of the Next Generation trading platform is essential to maintaining CMC's leadership in financial trading technology, and the Group intends to continue to invest in the enhancement and support of its online technology.
- The most significant recent example of such innovation was the introduction of Countdowns, a form of Binary product, in the summer of 2015. The Group developed its Countdowns product entirely in-house, successfully launching the product on an accelerated nine-month timetable and at significantly lower cost than if development had been outsourced to a third party provider.
- Average daily trades exceeded 4,000 in the first two months the Group offered Countdowns, with the Group earning £1.1 million in revenue from the product in the same period.
- The Group is constantly evaluating the potential opportunity of new products for its clients and is targeting £20m of revenue from new products (including Countdowns and other Binaries) in the medium-term.

Grow through Partners and Institutional Clients arrangements

- Continuing to form relationships with financial firms offering services in complementary products and markets will increase the Group's market reach.
- In the year ended 31 March 2015, revenue from institutions comprised 10 per cent. of total revenue, or £15 million.
- As of 31 December 2015, the Group had 46 Partners and Institutional Clients in 17 jurisdictions.
- The Group intends to expand its Partners and Institutional Clients programmes in all jurisdictions in which it currently has offices, in addition to using the Partners and Institutional Clients relationships as a vehicle for exposure to new markets.
- In the medium term, the Group is targeting revenue from Partners and Institutional Clients to be in line with historical levels.

Regulation

The Group's lead regulator is the FCA, and it relies on "passports" in accordance with MiFID in order to offer its services throughout the EEA. In addition, the Group has relevant regulatory authorisations in Australia, Singapore, New Zealand and Canada as well as a regulated representative office in China with limited permissions. The Group's products are classified as financial instruments under EU law; however, in relation to its Countdowns products in the UK, the Group is currently licensed and regulated by the UK Gambling Commission.

Overview of the Offer

- Intention to list on the premium segment of the Official List and to trade on the main market for listed securities of the London Stock Exchange.
- The Group expects to raise gross primary proceeds of approximately £17 million through an offer of new shares. These gross proceeds from the issuance of new shares will be used to meet the Group's Admission and staff incentive plan costs.
- The Offer will also provide founding shareholders Peter and Fiona Cruddas (together the "Controlling Shareholders") and Goldman Sachs Strategic Investments (U.K.) Limited ("GSSI") the opportunity for a partial realisation of their investment in CMC, and certain other individual shareholders with the opportunity for a realisation of their investment in CMC.
- The Controlling Shareholders have agreed to a 730 calendar day lock-up period following Admission for 50 per cent. of their interests in Shares held as at Admission, and a 1,095 calendar day lock-up period following Admission for the other 50 per cent. of their interests in Shares held as at Admission.
- Each of the Group, GSSI and the Directors will agree to customary lock-up arrangements with respect to their shareholdings for specific periods of time following Admission. It is currently expected that the Group and GSSI will enter into a 180 calendar day lock-up arrangement following Admission and the Directors will enter into a 364 calendar day lock-up arrangement following Admission.
- It is expected that Admission will take place in early February 2016 and that, following Admission, CMC will become eligible for FTSE Index series.
- It is intended that an over-allotment option of up to 15 per cent. of the total offer size will be made available.
- Immediately following Admission, the Group expects to have a free float of at least 25 per cent.
- The Offer will comprise:
    - an offer of Shares (i) to certain institutional investors in the UK and other qualifying jurisdictions outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and (ii) to certain qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) in the United States in reliance on Rule 144A or another exemption from or a transaction not subject to the registration requirements of the U.S. Securities Act that are also qualified purchasers (as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940)
    - a Client Share Offer to Eligible Clients of the Group; and
    - an Intermediaries Offer, under which the Shares are being offered to intermediaries in the United Kingdom, who will facilitate the participation of their retail investor clients resident in the United Kingdom.
- Full details of the Offer will be included in the Prospectus expected to be published in the coming weeks.
- In relation to the Offer and Admission, Goldman Sachs International and Morgan Stanley & Co. International plc are acting as Joint Global Co-ordinators and Joint Bookrunners (with Morgan Stanley & Co International plc acting as Sole Sponsor and Stabilisation Manager), with RBC Europe Limited acting as Joint Bookrunner.

Client Share Offer

CMC is offering clients of the Group eligible to participate in the Client Share Offer in accordance with the terms of the Client Share Offer the opportunity to subscribe for or purchase Offer Shares in the Client Share Offer at the Offer Price.

There are three tiers of Eligible Client. Eligibility is based on the level of trading costs. Trading costs comprise spread, commission and financing in Pounds Sterling, or currency equivalent based on end of day exchange rates, together ("Trading Costs") that a client has incurred with CMC over one of two periods, as set out below. Trading Costs exclude, inter alia, dormancy charges, market data feeds or any expenditure connected with the Countdown product.

- First Period: Trading Costs calculated as the average Trading Costs incurred by the client per month over the last 12 months, or per month since the date of account opening rounded up to the nearest whole month (whichever is the shorter period).
- Second Period: Total trading Costs incurred between 00:01 GMT on Wednesday 13 January 2016 and 22:00 GMT on Monday 25 January 2016 inclusive.

A client becomes an Eligible Client when they incur the Trading Costs criteria set out below for either the First Period or the Second Period. An Eligible Client will be placed once into the highest qualified sub-category should they qualify under both the First Period and the Second Period criteria.

	Bronze Eligible Client	**Silver Eligible Client**	**Gold Eligible Client**
First Period	£10 - £99	£100 - £499	£500+
Second Period	£10 - £99	£100 - £499	£500+

Notwithstanding the foregoing, the Directors will be entitled to determine the categorisation of any clients of the Group at their absolute discretion.

The minimum application amount under the Client Share Offer is £500. The maximum limit on the monetary amount that any applicant may apply to invest in the Client Share Offer is:

(a) £1,000 for Bronze Eligible Clients;

(b) £5,000 for Silver Eligible Clients; and

(c) £20,000 for Gold Eligible Clients.

The amount which an Eligible Client applies to invest may, however, be scaled down.

The basis of allocation for applications will be determined by the Controlling Shareholders and CMC, after consultation with the Joint Global Co-ordinators. The Controlling Shareholders and CMC intend, after having consulted with the Joint Global Co-ordinators, to give priority to applications for Offer Shares made under the Client Share Offer over applications made in the Intermediaries Offer. All applications in the Client Share Offer are to be made online via www.cmcmarkets.com/group/ipo, with payment by debit card.

Eligible Clients will be eligible to receive one Bonus Share for every ten Shares acquired in the Client Share Offer and held continuously for 12 months following Admission, subject to certain conditions.

An Eligible Client may make one application in the Intermediaries Offer in addition to making an application in the Client Share Offer. For the avoidance of doubt, an application made by an Eligible Client in the

Intermediaries Offer will not receive any priority in allocation, nor will an Eligible Client be entitled to receive any Bonus Shares in respect of any Shares acquired through the Intermediaries Offer.

Board of directors:

Non-Executive Chairman	Simon Waugh
Chief Executive Officer	Peter Cruddas
Chief Financial Officer and Head of Risk	Grant Foley
Group Director of Trading	David Fineberg
Independent Non-Executive Director	James Richards
Independent Non-Executive Director and Senior Independent Director	Manjit Wolstenholme
Independent Non-Executive Director	Malcolm McCaig

Director biographies

Simon Waugh, Non-Executive Chairman

Simon joined the Group as a Non-Executive Director in December 2007 and became the Non-Executive Chairman in March 2013. He is the Chairman of the Audit and Risk Committee until IPO. Prior to joining the Group, Simon was Group Director of Sales, Marketing and Customer service at Centrica. He retained these responsibilities for the seven years he was with the Group, and also held the roles of Deputy CEO of British Gas and CEO of the Centrica Financial Services Company. On leaving Centrica Simon became CEO of AWD Financial Services Group, a leading Independent Financial Advisor and consumer financial services business. Simon's final senior executive position was in the role of Chairman and CEO of the National Apprenticeship Service, leading the government's flagship skills programme, reporting to the Secretaries of State for both Education and Business. Simon is also a life fellow of both The Marketing Society and the Institute of Direct Marketing.

Peter Cruddas, Chief Executive Officer

Peter founded the Group and became its Chief Executive Officer in 1989. Peter held this role until October 2007, and again between July 2009 and June 2010. Between 2003 and 2013, he also served as the Group's Executive Chairman. In March 2013, he once again became the Group's CEO, and is responsible for running the Group on a day to day basis. Prior to founding the Group, Peter was Chief Dealer and Global Group Treasury Advisor at S.C.F. Equity Services where he was responsible for all the activities of a dealing room whose principal activities were trading in futures and options in currencies, precious metals, commodities and spot forwards on foreign exchange and bullion.

Grant Foley, Chief Financial Officer and Head of Risk

Grant joined the Group in April 2013 as Group Head of Finance and was made Group Director of Finance and Risk in August 2013 when he was appointed to the main board. Grant is a Chartered Accountant (FCA) and has almost 20 years of financial services experience, having held senior finance, operational and board positions in a number of businesses. These have included Coutts & Co, Prudential Bache, Nomura and Arbuthnot Securities.

David Fineberg, Group Director of Trading

David joined CMC in November 1997 working on the trading desk and developed the Group's multi asset CFD and spread bet dealing desk. As a senior dealer he was responsible for managing the UK and US equity books. Between April 2007 and September 2012 he was the Group's Western Head of Trading, covering all asset classes for the Western region. In September 2012 he was appointed to the role of Group Head of Trading and in January 2014 was appointed as the Group Director of Trading with overall responsibility for the trading and pricing strategies and activities across the Group.

James Richards, Independent Non-Executive Director

James joined the Group as a Non-Executive Director in April 2015 and is the Chairman of the Remuneration and Nomination Committee. He is also a member of the Audit and Risk Committee. James is a partner at the financial services law firm, Dillon Eustace in Ireland, where he has been a partner since 2012. Prior to this he was a banking and finance partner at Travers Smith LLP for fourteen years. Having occupied various senior positions within leading law firms, James has extensive experience in debt capital markets, derivatives and structured finance working with major corporates, central banks and governmental organisations.

Manjit Wolstenholme, Independent Non-Executive Director and Senior Independent Director

Manjit joined CMC as a Non-Executive Director in December 2015 and will act as the Group's Senior Independent Director. Manjit qualified as a chartered accountant with Coopers & Lybrand. Her background includes roles as Director and Co-Head of Investment Banking at Dresdner Kleinwort Wasserstein, and Partner at Gleacher Shacklock. She is Chair of Provident Financial plc and Senior Independent Director and Chair of the Remuneration Committee of Future plc as well as Chair of Audit and Non-Executive Director of Unite Group plc and Chair of CALA Group (Holdings) Limited.

Malcolm McCaig, Independent Non-Executive Director

Malcolm joined CMC as a Non-Executive Director in December 2015. Malcolm is a Chartered Management Consultant. He was a partner and practice leader, initially at Deloitte, and subsequently at Ernst & Young. He has held senior executive positions in Prudential, Cigna and National Australia Bank. He was formerly the Chairman of Kent Reliance Building Society and Barbon Insurance Group. Malcolm is the Senior Independent Director at Unum Ltd and Punjab National Bank International Limited. He also holds board positions at OneSavings Bank plc, Tradition UK and QBE Europe.

Defined technical and financial terms

Active Client
An individual or entity that has traded at least once or held an open position in the relevant period.

Binary
A product that allows clients to place a stake depending on whether they believe a particular market's price will be above or below a certain level at a specific time in the future.

Bonus Shares
The free Ordinary Shares of 25 pence per share to be issued to Eligible Clients on or shortly after the first annual anniversary of Admission.

Client Share Offer
The offer of Shares to Eligible Clients in the UK.

Contracts for Difference (CFDs)
A cash-settled investment in products that are based on currencies, commodities, treasuries, indices and shares. It provides economic benefits similar to an investment in an underlying asset without certain costs and limitations associated with physical ownership. A CFD tracks the price movement of the chosen product, as

well as inferring, through price change, dividends on stocks, interest on positive currency positions and coupons on interest-bearing instruments.

Countdowns
A short-term Binary product that allows clients to place fixed-odd trades relating to price movements during short-term timeframes of as little as 30 seconds.

EBITDA
EBITDA comprises operating profit for the period before interest expense, taxation, depreciation of property, plant and equipment and amortisation and impairment of intangibles.

EBITDA margin
EBITDA margin is calculated based on net operating income.

Eligible Clients
An Eligible Client is a client of CMC who as at 25 January 2016 is an individual aged 18 or over (and not a corporate body or a non-incorporated organisation) who is resident in the United Kingdom and falls into one of the three sub-categories: Bronze Eligible Client, Silver Eligible Client or Gold Eligible Client, as described above.

Intermediaries Offer
The offer of Shares to Intermediaries located in the United Kingdom.

Partners and Institutional Clients
Banks, brokers, asset managers, hedge funds, introducing brokers, broker dealers and other professional and corporate firms.

Net operating income
Net operating income is equivalent to revenue less the impact of Rebates & Levies.

Next Generation
The Group’s primary trading platform, launched in 2012.

Premium Clients
Clients that have an average SnFC value of £3,000 per month or an average SnFC value of £20,000 for the prior six month period.

SnFC
(Fees from) spreads, net financing and commission.

Spread
The difference between the bid and ask price of the Group’s products.

Spread bet
Offered exclusively in the UK and Ireland, as typically, profits from spread betting are free from capital gains tax and stamp duty in these jurisdictions, spread betting shares many of the same characteristics and benefits as CFDs with one important difference: clients bet a specific stake size per point movement of a product rather than trading a specific number of shares or units.

Underlying EBITDA
Underlying EBITDA comprises operating profit for the period before interest expense, taxation, depreciation of property, plant and equipment, amortisation and impairment of intangibles and exceptional items.

Disclaimer / Forward looking statements

Important notice

Prices of shares as well as any dividends paid in respect of such shares may go down as well as up and in the worst case you could lose all of your investment. Past performance of CMC and information in this document should not be relied upon as a guide to future performance.

The contents of this announcement, which has been prepared by and is the sole responsibility of CMC, have been approved by Morgan Stanley & Co. International plc for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000, as amended ("FSMA"). This approval relates solely to the promotion of material in connection with the Offer and does not extend to the promotion of CMC products.

This advertisement does not constitute an offer or recommendation concerning the securities referred to in this advertisement. Any prospective investor is recommended to consult an independent professional adviser as to the suitability of the securities referred to in this advertisement for the person concerned.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

Neither this announcement nor the information contained herein is for publication, distribution or release, in whole or in part, directly or indirectly, in or into or from the United States (including its territories and possessions, any State of the United States and the District of Columbia), Australia, Canada, Japan or any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. The Offer and the distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, the securities referred to herein to any person in any jurisdiction, including the United States, Australia, Canada or Japan or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). The securities referred to herein may not be offered or sold, directly or indirectly, in the United States unless registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or offered in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The offer and sale of securities referred to herein has not been and will not be registered under the U.S. Securities Act or under the applicable securities laws of Australia, Canada or Japan and any sale of Shares in the United States or to US persons will be made only to persons who are "qualified institutional buyers" as defined in Rule 144A under the US Securities Act and "qualified purchasers" as defined in the US Investment Company Act of 1940. There will be no public offer of the Shares in the United States, Australia, Canada or Japan. Subject to certain exceptions, the Shares referred to herein may not be offered or sold in Australia, Canada or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada or Japan.

In any EEA Member State that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the "Prospectus Directive") other than the United Kingdom, this announcement is only addressed to and is only directed at qualified investors ("Qualified Investors") in that Member State within the meaning of the Prospectus Directive. Any investment or investment activity to which this announcement relates is available in the United Kingdom and to Qualified Investors in any member state of the EEA other than the United Kingdom and will be engaged in only with such persons. Other persons should not rely or act upon this announcement or any of its contents.

This announcement contains statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. The forward-looking statements reflect the Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial position, liquidity, prospects, growth and strategies. The forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance.

Each of the Group and Goldman Sachs International, Morgan Stanley & Co. International plc, and RBC Europe Limited (together, the "Banks"), and their respective affiliates expressly disclaim any obligation or undertaking to update, review or revise any of the forward-looking statements contained in this announcement whether as a result of new information, future developments or otherwise.

This announcement is an advertisement and not a prospectus. Investors should not subscribe for or purchase any transferable securities referred to in this announcement except on the basis of information in the Prospectus intended to be published by CMC in due course in connection with the proposed admission of its Shares to the premium listing segment of the Official List of the FCA and to trading on the main market of the London Stock Exchange. Copies of the Prospectus will, following publication, be available from the Group's website, subject to applicable securities laws, and at the Group's registered office. Any purchase of Shares in the proposed Offer should be made solely on the basis of the information contained in the final Prospectus to be issued by the Group in connection with the Offer. Before purchasing any Ordinary Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus when published. The information in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor. The information in this announcement is subject to change.

The Offer timetable, including the date of Admission, may be influenced by a range of circumstances such as market conditions. There is no guarantee that the Offer will proceed and that Admission will occur and you should not base your financial decisions on the Group's intentions in relation to the Offer and Admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all or part of the amount invested. Persons considering making such an investment should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Offer. The value of Shares can decrease as well as increase.

Each of Goldman Sachs International, Morgan Stanley & Co. International plc and RBC Europe Limited, who are each authorised by the Prudential Regulation Authority (the "PRA") and regulated by the FCA and the PRA in the United Kingdom, are acting exclusively for CMC and no-one else in connection with the Offer. None of the Banks will regard any other person (whether or not a recipient of this document) as a client in relation to the Offer and will not be responsible to anyone other than the Group for providing the protections afforded to their respective clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to herein.

In connection with the Offer, each of the Banks and any of their respective affiliates, acting as investors for their own accounts, may purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Group or related investments in connection with the Offer or otherwise. Accordingly, references in the final Prospectus, once published, to the Shares being offered, acquired, sold, placed or otherwise dealt in should be read as including any offer, sale, acquisition, placing or dealing in the Shares by any of the Banks and any of their affiliates acting as investors for their own accounts. In addition, certain of the Banks or their affiliates may enter into financing arrangements and swaps in connection with which they or their affiliates may from time to time acquire, hold or dispose of Shares. None of the Banks intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Banks by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of Banks or any of their respective affiliates, directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for/or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to CMC, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

In connection with the Offer, Morgan Stanley (the "Stabilisation Manager"), or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. Morgan Stanley is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings in the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on Morgan Stanley or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilising measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Shares above the offer price. Save as required by law or regulation, neither Morgan Stanley nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offer.

In connection with the Offer, the Stabilisation Manager may, for stabilisation purposes, over-allot Shares up to a maximum of 15 per cent. of the total number of Shares comprised in the Offer. For the purposes of allowing it to cover short positions resulting from any such over-allotments and/or from sales of Shares effected by it during the stabilisation period, the Stabilisation Manager will enter into over-allotment arrangements pursuant to which the Stabilisation Manager may purchase or procure purchasers for additional Shares up to a maximum of 15 per cent. of the total number of Shares comprised in the Offer (the "Over-allotment Shares") at the offer price. The over-allotment arrangements will be exercisable in whole or in part, upon notice by the Stabilisation Manager, for 30 calendar days after the commencement of conditional dealings in the Shares on the London Stock Exchange. Any Over-allotment Shares sold by the Stabilisation Manager will be sold on the same terms and conditions as the Shares being sold in the Offer and will form a single class for all purposes with the other Shares.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly to the total figure given.