
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of Earliest Event Reported): **June 28, 2007**

INTERACTIVE BROKERS GROUP, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-33440
(Commission File Number)

30-0390693
(I.R.S. Employer
Identification Number)

One Pickwick Plaza, Greenwich, CT 06830
(Address of Principal Executive Offices) (Zip Code)

(203) 618-5800
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On June 28, 2007, Timber Hill Europe AG, a subsidiary of IBG LLC (“THE”), and The TP Holdings Limited Partnership, an affiliated entity of Thomas Peterffy (“TP Holdings”), entered into a Claims Purchase Agreement. Pursuant to the agreement, TP Holdings acquired certain claims arising from an unusual, non-recurring loss that occurred on a German exchange in May 2007. Under the terms of the agreement, in the event that TP Holdings collects an amount in excess of the purchase price of \$37 million plus TP Holdings’ out-of-pocket expenses, TP Holdings will remit such excess amount to THE. In accordance with the Registrant’s related party transaction policy, the transaction was approved by the Registrant’s audit committee of its board of directors.

Item 2.02. Results of Operations and Financial Condition.

On July 5, 2007, the Registrant issued a press release reporting its preliminary financial results for the second quarter ended June 30, 2007. A copy of the press release is furnished as Exhibit 99.1 to this report and incorporated herein by reference.

The information furnished pursuant to this Item 2.02 (including Exhibit 99.1 hereto) shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

- 10.1 Claims Purchase Agreement dated as of June 28, 2007 by and between Timber Hill Europe AG and The TP Holdings Limited Partnership
- 99.1 Press Release dated July 5, 2007

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: July 5, 2007

INTERACTIVE BROKERS GROUP, INC.

By: /s/ Paul J. Brody

Name: Paul J. Brody

Title: Chief Financial Officer, Treasurer
and Secretary

CLAIMS PURCHASE AGREEMENT

CLAIMS PURCHASE AGREEMENT (the "Agreement"), dated as of June 28, 2007, by and between Timber Hill Europe AG, a company organized under the laws of Switzerland (the "Seller"), and The TP Holdings Limited Partnership (the "Buyer").

R E C I T A L S

WHEREAS, Thomas Peterffy is the majority general partner of the Buyer, the Chairman, Chief Executive Officer and President of Interactive Brokers Group, Inc., a Delaware corporation ("IBG"), and the sole managing member of IBG Holdings LLC, a Delaware limited liability company;

WHEREAS, IBG is the sole managing member of IBG LLC, a Connecticut limited liability company and parent of the Seller, and IBG Holdings LLC is the majority owner of IBG LLC;

WHEREAS, the Seller has incurred losses as a result of the events described on Schedule 1 hereto (the "Events") and has a number of claims, choses in action, causes of action, judgments and remedies relating to the Events which it has the right to pursue against one or more third parties to recoup such losses (collectively, the "Claims"); and

WHEREAS, the Seller wishes to sell to the Buyer, and the Buyer wishes to purchase from the Seller, all of the Seller's right, title and interest in and to the Claims on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, based upon the foregoing recitals, the mutual promises and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I.

DEFINED TERMS

As used in this Agreement, unless the context requires a different meaning, the following terms shall have the following meanings:

"Adverse Claim" means any lien, pledge, encumbrance, charge, assignment, privilege or security interest in or on the Claims not in favor of the Buyer.

"Business Day" means any day that is not a Saturday, Sunday or other day on which banks are authorized or required to close in Greenwich, Connecticut.

ARTICLE II.

SALE, TRANSFER AND ASSIGNMENT

Section 2.1. Sale, Transfer and Assignment. In consideration of the Purchase Price and on the terms and subject to the conditions set forth in this Agreement, on the date of this Agreement, the Seller hereby sells, transfers, assigns, sets over and otherwise conveys to the Buyer, and the Buyer hereby purchases and takes from the Seller, all right, title and interest (whether now owned or hereafter acquired or arising and wherever located) of the Seller in, to and under the Claims.

Section 2.2. Purchase Price.

(b) The aggregate purchase price for the Claims (the "Purchase Price") shall be US \$37 million. The Purchase Price shall be paid by check or by wire transfer of immediately available funds to an account designated in writing by the Seller.

ARTICLE III.

REPRESENTATIONS AND WARRANTIES

Section 3.1. Representations and Warranties of the Seller.

The Seller hereby represents and warrants to the Buyer that:

(a) Power and Authority; Due Authorization and Approval; Execution and Delivery. The Seller (i) has all requisite power, authority and legal right to (a) execute, deliver and perform this Agreement, (b) carry out the terms of this Agreement and (c) sell and assign the Claims on the terms and conditions provided herein and (ii) has duly authorized by all requisite action the execution, delivery and performance of this Agreement and the sale and assignment of the Claims on the terms and conditions herein provided. This Agreement has been duly executed and delivered by the Seller. This Agreement has been unanimously approved by the Audit Committee of the Board of Directors of IBG, including the independent director serving on the Audit Committee.

(b) Authorization; Contravention. The execution, delivery and performance by the Seller of this Agreement require no action by or in respect of, or filing with, any governmental authority, and do not contravene, or constitute a default under, any provision of applicable law, rule or regulation or of the organizational documents of the Seller or of any agreement or of any judgment, injunction, order, writ, decree or other instrument binding upon the Seller or result in the creation or imposition of any Adverse Claim on the assets of the Seller.

(c) Validity and Binding Nature. This Agreement, when duly executed and delivered by the Seller, will be the legal, valid and binding obligation of the Seller enforceable against the Seller in accordance with its respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and by general principles of equity.

(d) No Adverse Claims. Immediately upon the purchase hereunder, the Buyer shall be the owner of all of the Claims, free and clear of all Adverse Claims.

(e) Value Given. The Buyer has given reasonably equivalent value to the Seller in consideration of the transfer to the Buyer of the Claims, no such transfer shall have been made for or on account of an antecedent debt owed by the Seller to the Buyer.

Section 3.2. Representations and Warranties of the Buyer.

The Buyer hereby represents and warrants to the Seller that:

(a) Power and Authority; Due Authorization; Execution and Delivery. The Buyer (i) has all requisite power, authority and legal right to (a) execute, deliver and perform this Agreement, (b) carry out the terms of this Agreement and (c) purchase the Claims on the terms and conditions provided herein and (ii) has duly authorized by all requisite action the execution, delivery and performance of this Agreement and the purchase of the Claims on the terms and conditions herein provided. This Agreement has been duly executed and delivered by the Buyer.

(b) Authorization; Contravention. The execution, delivery and performance by the Buyer of this Agreement require no action by or in respect of, or filing with, any governmental authority, and do not contravene, or constitute a default under, any provision of applicable law, rule or regulation or of any agreement or of any judgment, injunction, order, writ, decree or other instrument binding upon the Buyer.

(c) Validity and Binding Nature. This Agreement, when duly executed and delivered by the Buyer will be, the legal, valid and binding obligation of the Buyer enforceable against the Buyer in accordance with its respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and by general principles of equity.

ARTICLE IV.

MISCELLANEOUS

Section 4.1. Further Assurances. The Seller agrees that from time to time, it will promptly execute and deliver all further instruments and documents, and take any and all further action, that may be necessary or appropriate, or that the Buyer may reasonably request, in order to collect upon, perfect, protect or more fully evidence the Claims purchased hereunder, or otherwise to enable the Buyer to exercise and enforce any of its rights and remedies related to the Claims. Without limiting the generality of the foregoing, the Seller shall: (i) maintain all records relating to the Claims and make such records available to the Buyer upon three (3) Business Days' prior notice, and the Buyer shall be permitted to make and retain copies of all such records, (ii) upon the request of the Buyer, participate in any proceeding relating to the Claims, (iii) hold in trust, and remit immediately (but in any event no later than three (3) Business Days following its receipt thereof) to the Buyer any amounts received by the Seller in respect of the Claims and (iv) provide full cooperation in all respects to the Buyer, its agents and representatives, and governmental and regulatory organizations to enable the Buyer to collect

upon the Claims. The parties hereto further agree that the Buyer may initiate Claims in the name of the Seller with the consent of the Seller, which consent shall not be unreasonably withheld or delayed.

Section 4.2. Sharing of Excess Proceeds From Claims. In the event the Buyer receives in the aggregate amounts under the Claims in excess of the sum of (a) the Purchase Price and (b) the Buyer's out-of-pocket expenses incurred in collecting the Claims (such excess amounts, the "Excess Proceeds"), the Buyer shall promptly, and in any event within three (3) Business Days of receipt therefor, remit to the Seller one hundred percent (100%) of any and all Excess Proceeds.

Section 4.3. Amendments.

Any provision of this Agreement may be amended, waived, supplemented or otherwise modified if, but only if, such amendment, waiver, supplement or other modification is in writing and is signed by the parties hereto.

Section 4.4 Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 4.5. Governing Law; Submission to Jurisdiction; Integration.

This Agreement shall be governed by, and construed in accordance with the laws of the State of Connecticut. Each of the parties hereto hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in New York, New York for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. Each of the parties hereto hereby irrevocably waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Each of the parties hereto hereby waives, to the extent permitted by applicable law, any right to have a jury participate in resolving any dispute, arising out of, connected with, relating to or incidental to the relationship between them in connection with this Agreement.

Section 4.6. Integration; Counterparts; Severability.

This Agreement contains the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition

or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 4.7 Headings.

The headings herein are for purposes of references only and shall not otherwise affect the meaning or interpretation of any provision hereof.

IN WITNESS WHEREOF, the Buyer and the Seller have caused this Agreement to be duly executed by their respective officers thereunto duly authorized, as of the day and year first above written.

SELLER:

TIMBER HILL EUROPE AG

By: /s/ Josef Kornmann

Name: Josef Kornmann

Title: Managing Director

By: /s/ Roger Ryff

Name: Roger Ryff

Title: Director

BUYER:

THE TP HOLDINGS LIMITED PARTNERSHIP

By: /s/ Thomas Peterffy

Name: Thomas Peterffy

Title: General Partner

SCHEDULE 1

Statement Regarding the Nature of the Claims

On May 3, 2007, Altana AG, a stock in which the Seller is a Registered Market Maker, declared a special cash dividend of EUR 33.00, which amounted to about 74% of the company's value. On the Deutsche Boerse Exchange's XETRA trading system, closing stock prices are determined by a day's end auction. At the closing auction, 31 million Altana shares, which amounted to 44% of the true float, traded at an artificial price that was approximately 25% below the regular trading session's final price ex dividend. The Seller believes that this artificial price was set by buyers and sellers who unlawfully colluded to manipulate Altana's option prices.

The closing auction price of the Altana shares was used by the EUREX, to calculate a new set of contract parameters for the outstanding options. Since the Altana closing stock price was artificial, its dependent option strike prices and contract multiplier were also artificial and not calculated to reflect values corresponding to the change in the value of the underlying stock. Accordingly, on May 4, 2007 and thereafter, the Seller's market making options positions were affected by the artificial closing price of May 3 and were mispriced. As a result of this manipulation, the Seller suffered a position loss over the ensuing trading days amounting to approximately the amount of the Purchase Price. The Seller has been advised that other Altana market makers suffered substantial losses as a result of this manipulation.

The Seller has reported this manipulation to, and met with, the German Federal Financial Supervisory Authority, the Bafin, and the Bafin has undertaken an official investigation of the matter. The progress of the investigation is subject to the German secrecy laws. On completion of the investigation, the Seller believes that it will have a number of claims, choses in action, judgments and remedies against those who participated in the market manipulation. The Seller has also filed a petition with the EUREX to change its rules so that a manipulation of this sort will not happen again.

Press Release

INTERACTIVE BROKERS GROUP ANNOUNCES PRELIMINARY SECOND QUARTER RESULTS

GREENWICH, CONN., July 5, 2007—Interactive Brokers Group, Inc. (NASDAQ GS: IBKR), an automated global electronic market maker and broker, today announced its preliminary financial results for the quarter ended June 30, 2007.

Interactive Brokers Group reported that it is currently in the process of finalizing its combined financial results for the quarter ended June 30, 2007, and therefore final results are not yet available. Interactive Brokers Group provided below its preliminary expectations as to its operating results for the quarter ended June 30, 2007. These preliminary expectations are based upon management estimates and are subject to quarterly review procedures and final recommendations and adjustments. Operating results for the quarter ended June 30, 2007 are not necessarily indicative of the results to be expected in future periods.

Interactive Brokers Group reported that it expects:

- pro forma basic earnings per share to be between \$0.27 and \$0.29 and pro forma diluted earnings per share to be between \$0.26 and \$0.28 for the quarter ended June 30, 2007, compared to pro forma basic and diluted earnings per share of \$0.25 and \$0.24, respectively, for the quarter ended June 30, 2006;
- total net revenues to be between \$281 million and \$299 million for the quarter ended June 30, 2007, compared to total net revenues of \$291 million for the quarter ended June 30, 2006;
- income before income tax to be between \$157 million and \$167 million for the quarter ended June 30, 2007, compared to income before income tax of \$164 million for the quarter ended June 30, 2006; and
- net income to be between \$153 million and \$163 million for the quarter ended June 30, 2007, compared to net income of \$158 million for the quarter ended June 30, 2006.

On a non-GAAP basis, taking into account the sale of certain claims to TP Holdings with respect to an unusual, non-recurring loss of \$37 million and removing the impact of an \$11 million tax recovery, Interactive Brokers Group reported that it expects:

- adjusted pro forma basic earnings per share to be between \$0.33 and \$0.35 and adjusted pro forma diluted earnings per share to be between \$0.32 and \$0.34 for the quarter ended June 30, 2007, compared to pro forma basic and diluted
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earnings per share of \$0.25 and \$0.24, respectively, for the quarter ended June 30, 2006;

- adjusted total net revenues to be between \$316 million and \$335 million for the quarter ended June 30, 2007, compared to total net revenues of \$291 million for the quarter ended June 30, 2006;
- adjusted income before income tax to be between \$191 million and \$203 million for the quarter ended June 30, 2007, compared to income before income tax of \$164 million for the quarter ended June 30, 2006; and
- adjusted net income to be between \$175 million and \$185 million for the quarter ended June 30, 2007, compared to net income of \$158 million for the quarter ended June 30, 2006.

Non-GAAP to GAAP Reconciliation

Interactive Brokers Group provides financial information that is not prepared in accordance with generally accepted accounting principles (“GAAP”) to assist investors in assessing its current operations in the way that the company’s management evaluates those operations. These non-GAAP financial measures are defined to exclude the net effect of certain non-recurring items that are deemed to be outside the scope of Interactive Brokers Group’s normal operations. The non-recurring items that Interactive Brokers Group excludes in evaluating its operations for the quarter ended June 30, 2007 are described below.

On June 28, 2007, Timber Hill Europe AG, a subsidiary of IBG LLC (“THE”), and TP Holdings, an affiliated entity of Thomas Peterffy entered into a Claims Purchase Agreement. Pursuant to the agreement, THE sold to TP Holdings for cash of \$37 million certain claims arising from an unusual, non-recurring loss of approximately \$37 million that occurred on a German exchange in May 2007. Under the terms of the agreement, in the event that TP Holdings collects an amount in excess of the purchase price plus out-of-pocket expenses, it will remit such excess amount to THE. In accordance with the Interactive Brokers Group’s related party transaction policy, the transaction was approved by Interactive Brokers Group’s audit committee of its board of directors. While this loss is treated as a GAAP loss, the payment to THE is not treated as GAAP income because it was made by an affiliate of Interactive Brokers Group and is, instead, treated as a capital contribution. In evaluating its operations, Interactive Brokers Group excludes the effect of these non-recurring items. Further information can be found at the company’s website at www.interactivebrokers.com/quarter207info.

Timber Hill (U.K.) Limited, an indirect subsidiary of IBG LLC (“THUK”) that formerly conducted market making activity for the group in the United Kingdom (“U.K.”) and in Italy, but ceased operating in the U.K. in 2001, recognized a gain of approximately \$11 million (including interest) from the recovery of income taxes previously overpaid to the U.K. Inland Revenue. Due to the transfer of THUK’s operations from the U.K. to Switzerland, its income for the period 2002 to 2004 was not taxable in the U.K. but was instead taxable in Switzerland. The recovery amount reflects the net of amounts receivable from the U.K. Inland Revenue and payable to the Swiss tax authorities for

such period. The net receivable has been recognized in the current accounting period in accordance with FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109”, which provides guidelines for recognizing a tax benefit when its receipt is more likely than not to occur. In evaluating its operations, Interactive Brokers Group excludes the effect of the tax recovery.

A reconciliation of preliminary GAAP net income to preliminary Non-GAAP adjusted net income is included below.

	<u>Quarter Ended</u> <u>June 30, 2007</u>		<u>Quarter Ended</u> <u>June 30, 2006</u>	
	(unaudited)			
	(dollars in millions)			
	Estimated Range			
	From	To		
Preliminary GAAP net income	\$ 153	\$ 163	\$	164
Add: sale of claims	37	37		
Subtract: non-recurring tax recovery (including interest)	-11	-11		
Subtract: income tax effect of non-GAAP adjustments	-4	-4		
Preliminary Non-GAAP net income	<u>\$ 175</u>	<u>\$ 185</u>	<u>\$</u>	<u>164</u>

Non-GAAP adjusted net income is a supplemental measure of Interactive Brokers Group’s performance that is not required by, and is not presented in accordance with, GAAP. The non-GAAP information does not substitute for any performance measure derived in accordance with GAAP. Interactive Brokers Group believes that this non-GAAP information provides useful information to investors by excluding the effect of the non-recurring items described above because management believes they are not indicative of Interactive Brokers Group’s operating results.

Management recognizes that the use of non-GAAP financial measures has limitations, including the fact that management must exercise judgment in determining which types of charges should be excluded from the non-GAAP financial information. Management believes, however, that providing this non-GAAP financial information, in addition to the GAAP information, facilitates comparison of Interactive Brokers Group’s financial performance on a like basis over time.

About Interactive Brokers Group, Inc.:

Interactive Brokers Group is an automated global electronic market maker and broker specializing in routing orders and executing and processing trades in securities, futures

and foreign exchange instruments as a member of more than 60 electronic exchanges and trading venues around the world. As a market maker, we provide liquidity at these marketplaces and, as a broker, we provide professional traders and investors with direct access to stocks, options, futures, forex and bonds from a single IB Universal AccountSM. Employing proprietary software on a global communications network, Interactive Brokers Group continuously integrates its software with a growing number of exchanges and trading venues into one automatically functioning, computerized platform that requires minimal human intervention.

Cautionary Note Regarding Forward-Looking Statements:

The foregoing information contains certain forward-looking statements that reflect the company's current views with respect to certain current and future events and financial performance. These forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to the company's operations and business environment which may cause the company's actual results to be materially different from any future results, expressed or implied, in these forward-looking statements. Any forward-looking statements in this release are based upon information available to the company on the date of this release. The company does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any statements expressed or implied therein will not be realized. Additional information on risk factors that could potentially affect the company's financial results may be found in the company's filings with the Securities and Exchange Commission.

**For Interactive Brokers Group, Inc. Media: Andrew Wilkinson, 203-913-1369 or
Investors: 888-919-0022 (domestic) and 312-542-6890 (international).**