

15 May 2009



**LADBROKES PLC
INTERIM MANAGEMENT STATEMENT**

Ladbrokes plc announces the Interim management statement for the 4 months ended 30 April 2009 ("the period.")

Group results¹ (excluding High Rollers) were in line with our expectations at the end of February despite the unusually high level of horse race cancellations, but March proved to be highly profitable for many of our customers, particularly at the Cheltenham Festival. Since then Group gross win¹ has increased 5%, including the benefit of the Grand National result.

Group gross win¹ was flat for the period against tough comparatives.

Group profit^{1,2} for the period declined 34% (largely reflecting the abnormal gross win margin in March, increased free bets and unfavourable cost phasing in eGaming against the prior year.) This rate of decline is not representative of our expectations for the year and has already given way to more normal trends in May.

Profit² from High Rollers during the period was £25 million (2008: £40 million) with a further £17 million since 1 May 2009.

Chris Bell, Chief Executive, commented:

"While it is difficult to predict future staking levels in the current economic climate, the general resilience of our business and strong cost control gives us confidence in the outturn for the full year."

UK RETAIL

Total gross win declined by 4%.

OTC gross win reduced by 7% (down 11% after free bets). Taking into account the lower number of shops in the estate, like for like OTC gross win declined 5%. The gross win margin for the period was 17.5% compared to 17.7% in the same period in 2008. Since April the business has performed in line with expectations.

Average weekly gross win per gaming machine rose 5% to £708 compared to £673 for the same period in 2008. Total machine gross win increased by 1%. May saw the launch of two new B3 slot games, with encouraging early performance, and we are also in the process of trialling a number of new machines.

UK Retail costs remain a key area of focus and we retain our previous guidance that cost growth will not exceed 4%.

OTHER EUROPEAN RETAIL

Overall gross win in Ireland grew by 2% (benefiting from the incremental contribution of the Eastwood and McCarten acquisitions and currency appreciation) but like for like gross win at constant currency was down 21% reflecting the weak economic conditions and the success of Irish trained horses at Cheltenham. Against that background cost obviously continues to be a key focus.

In Belgium, following the closure of our two largest competitors, gross win grew 35% during the period. Our estate of 86 shops and 51 corners in Italy are now all open and the focus has turned to driving revenue growth in an expanding but competitive market. In Spain the performance in our 61 outlets is ahead of our expectations although the successful development of our Spanish business remains contingent on other regions following Madrid's lead in regulating and licensing sports betting.

EGAMING

Net revenue was down 2% during the period with growth in Games offset by weakness in Sportsbook margin (Cheltenham results) and Poker. We successfully completed the migration of our Poker business to the Microgaming network in early February. Active players increased 14% during the period with sign-ups growing by 10% but this was offset by a decline in player yields. Whilst we remain confident of the outturn for 2009, the weaker economic conditions and softening yields make it unlikely that we will achieve the growth necessary to reach our previously stated profitability target in 2010.

TELEPHONE

Excluding High Rollers, Telephone betting net revenue has fallen 54%, being disproportionately affected by the horse racing cancellations and poor results. Outside of that, the business is still being heavily impacted by offshore telephone and Internet price competition and we continue to exercise tight cost control in response to the declining call volumes.

Profit² from High Rollers during the period was £25 million (2008: £40 million) with a further £17 million since 1 May 2009.

MATERIAL EVENTS, TRANSACTIONS AND FINANCIAL POSITION

At 14 May 2009, net debt was £900 million, down £87 million since December.

¹ Excluding High Rollers.

² Profit from continuing operations before interest and tax and non-trading items.

Note: the figures in this trading update are unaudited.

Enquiries

Brian Wallace	Kate Elliott	Ciaran O'Brien
Group Finance Director	Head of Investor Relations	Head of Public Relations
Tel: 0207 355 0340		

A conference call for analysts and investors will be held at 8am (GMT) today. To participate in the conference call, dial +44 (0)203 037 9093 ahead of 8am and ask for 'Ladbrokes Plc trading update with Chris Bell as moderator'.

A recording of the call will be available until midnight, 22 May 2009 on +44 (0)208 1961 998 (access code 4846969).

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