

11 October 2010

LADBROKES PLC

INTERIM MANAGEMENT STATEMENT

Ladbrokes plc announces the Interim Management Statement for the 3 months ended 30 September 2010 ("the period.") *

- Group net revenue⁽¹⁾ and operating profit⁽²⁾ (excluding High Rollers) were up 12% and up 128% respectively
- UK Retail OTC net revenue increased 16%
- UK Retail machine gross win rose 10%
- eGaming net revenue was up 17%

Richard Glynn, Chief Executive, commented:

"Although bolstered by successful latter stages of the World Cup and an easy comparative period, the growth rates achieved in the third quarter give the Board confidence that the Group is on track to meet its full year expectations.

"Ladbrokes has a great brand and a strengthened management team determined to drive operational improvements going forward. Though much remains to be done, I am encouraged by the progress we are making across the Group and I look forward to updating the market in February 2011."

Group net revenue⁽¹⁾ (excluding High Rollers) for the period was up 12% including the benefit of an exceptional recovery in football margin, £8.3 million of gross win from the World Cup and a stronger machine performance.

Group operating profit⁽²⁾ rose from £22.4 million in 2009 to £51.1 million reflecting the higher net revenue performance and lower operating costs.

UK RETAIL

UK Retail total net revenue increased by 12%.

OTC amount staked declined 5% (excluding the World Cup, OTC amount staked would have declined 6%.) OTC gross win increased by 15% (net revenue up 16%), due to a strong OTC gross win margin of 16.9% versus 14.0% in the corresponding period in 2009.

The management focus on machines continues to have a positive effect with average weekly gross win per gaming machine up 9% at £723. Total machine gross win grew 10% over the corresponding period in 2009. The plans to roll out new Global Draw machines (with OddsOn capability) to 95% of the estate, commencing January 2011 are well advanced and the roll out is expected to be completed by June.

As previously guided we expect UK Retail costs to be in line with 2009.

During the period we have closed 12 shops and opened seven new licences.

OTHER EUROPEAN RETAIL

Ireland OTC amounts staked at constant currency were down 9% reflecting the continued weakness in the economy. Improvements in the gross win margin to 13.0% (Q3 2009: 11.7%) resulted in flat OTC gross win at constant currency. Overall net revenue in Ireland was flat.

In Belgium net revenue rose 2% accompanied by an improvement in the operating profit performance.

In Madrid the performance of the Group's Spanish joint venture continues to be ahead of management expectations.

EGAMING

In eGaming net revenue was up 17% during the period with growth in Sportsbook, Casino and Bingo partially offset by weakness in Poker and Games. Active players were up 7% during the period.

Sportsbook turnover grew 19% (excluding the World Cup turnover rose 14%). The gross win margin was 6.7% compared to just 4.6% in Q3 2009 and overall Sportsbook net revenue grew 71%. Active players in the Sportsbook grew by 16%.

Casino net revenue rose 6% reflecting 5% growth in active players.

Poker continues to be impacted by the industry-wide issues regarding liquidity in Europe compared to US facing sites and net revenue was down 27% over the prior period.

Bingo showed 13% net revenue growth with actives up 1% and yield up 11%. Meanwhile Games net revenue declined 12% with 2% higher active players more than offset by a 12% lower yield.

TELEPHONE

Core Telephone Betting amounts staked fell 7% but net revenue increased 71% reflecting a 2.4 percentage point improvement in the margin. Costs remain tightly under control and the losses during the third quarter were significantly lower than in 2009.

Losses from High Rollers were £4.4 million (2009: £2.8 million loss.) Year to date High Rollers profit is £4.5 million.

MATERIAL EVENTS, TRANSACTIONS AND FINANCIAL POSITION

Net debt at 30 September was £490 million (30 September 2009: £995 million.)

There were no other material events or transactions that impacted the Group's financial position during the relevant period.

* percentage changes reference against the comparative period 2009

¹ Continuing operations

² Profit before tax, finance costs and non-trading items for continuing operations

Note: the figures in this trading update are unaudited.

A conference call for analysts and investors will be held at 8am (BST).

To participate in the conference call, dial +44 (0)20 7806 1968 using the confirmation code 4187677.

A recording of the call will be available until midnight, 18 October 2010 on +44 (0)207 111 1244

(access code 4187677#.)

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