

13 November 2008



LADBROKES PLC INTERIM MANAGEMENT STATEMENT

Group profit¹ excluding Telephone High Rollers for the four months ended 31st October 2008 ("the period") increased by 10%. (3% after adjusting for advertising costs of £3.7 million in the prior year.) Profit¹ from High Rollers during the period was £17 million following collection of customer receivables previously provided for.

Group gross win (excluding High Rollers) increased by 12% during the period.

UK RETAIL

Total gross win increased by 5%.

* Machine gross win increased by 14%. Average weekly gross win per gaming machine was £677 compared to £586 for the same period in 2007.

* Over The Counter (OTC) gross win was flat (down 2% after free bets) but was significantly impacted by poor results in the last 2 weeks of the period. Whilst gross win margin was up over the period the amounts staked fell, with lower greyhound activity due primarily to presentation issues in the shops since the introduction of Turf TV.

* UK Retail costs remain tightly managed, with expectations for the full year within the previous 8% guidance.

OTHER EUROPEAN RETAIL

Ladbrokes Ireland's gross win grew by 52%, including the contribution from the Eastwood and McCarten acquisitions in Northern Ireland. Like for like gross win at constant currency was down 11%, reflecting the cancellation of 29 Irish horse meetings (2007: 7 meetings) and weaker economic conditions in the Republic of Ireland.

In Italy, whilst the rate of shop openings has been slower than anticipated, all should be fully operational by the year end. We currently have 66 shops and 47 corners. Recent trading has been impacted by a strike within the Italian horse racing industry which has now been resolved.

In Spain we have opened an additional 20 outlets since 30th June to bring our presence in Madrid to 34.

EGAMING

Net revenue increased 22% during the period with good growth across the Sportsbook, Casino and Games. Poker performance continues to reflect the highly competitive market and we look forward to joining the Microgaming network in the New Year. We continue to expect full year profitability in 2008 to be in line with 2007.

TELEPHONE

Excluding High Rollers, Telephone betting net revenue fell by 12%.

MATERIAL EVENTS, TRANSACTIONS AND FINANCIAL POSITION

At 31st October 2008, net debt was £998 million.

During the period Ladbrokes signed an additional £60 million of committed bank facilities. Undrawn committed facilities as at 31st October 2008 were £536 million. Bond maturities in 2009 and 2010 amount to £378 million and £15 million respectively.

On 31st October 2008, the Horserace Betting Levy was agreed, with a roll-over at 10% of UK horserace gross win. In addition British Horseracing have agreed to stage additional races in 2009.

Ladbrokes, together with the other claimants, will shortly apply for leave to appeal against the ruling in its court case with Amalgamated Racing and other parties. The claim relates to the collective selling and anti-competitive behaviour of the defendants in the course of creating Turf TV. Justice Morgan dismissed the defendants' counter-claim in a ruling announced on 6th November.

OUTLOOK

Chris Bell, Chief Executive, said, "Despite the generally challenging economic conditions, Group profit grew overall. UK retail gross win increased by 5% whilst eGaming has continued to successfully follow its strategy of investing in new customer acquisition and grew net revenue by 22%."

"The Group has benefitted from £185 million of new bank facilities signed during the year and is trading comfortably within its banking covenants."

"Although a run of poor football and horse race results at the end of the period has affected performance, the Group remains within the market expectation range for 2008."

¹ 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
Ladbrokes plc	07855 335 013	07976 180 173

A conference call for analysts and investors will be held at 8am (GMT) today. To participate in the conference call, dial +44 (0)20 3037 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, 20 November 2008 on +44 (0)20 8196 1998 (access code 4846969).

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