

16 May 2008



**LADBROKES PLC
INTERIM MANAGEMENT STATEMENT**

Ladbrokes is today updating the market on trading for the four months ended 30 April 2008 ("the period").

FINANCIAL PERFORMANCE

The Group has continued to make good progress during the period with profits* (excluding profits* from High Rollers) increasing by 13%. Gross win increased by 16% (34% including High Rollers).

Profit* from High Rollers was £40 million but their activity has recently fallen to de minimis levels.

EUROPEAN RETAIL

UK Retail gross win increased by 11%:

* Over The Counter (OTC) gross win increased by 4% benefiting from particularly strong growth in football turnover. There was a small decline in horse gross win against tough comparatives, with the major festivals generally positive despite the Grand National race result.

* Machine gross win increased by 26% benefiting from the completion of the roll-out of new dual screen machines at the end of March 2007, new gaming content and extended evening opening hours. Average weekly gross win per Gaming Machine was £673 compared to £538 for the same period in 2007.

* The UK Retail cost increase of 12% reflects, as anticipated, the cost of evening opening in more than 95% of our estate and the additional costs of Turf TV. As stated at the Preliminary Results, the UK Retail costs for the full year are expected to grow by 8% (4% on a like for like basis).

The momentum in Ireland has continued with the acquisition of 67 shops including the 54 shop Eastwood estate. The integration of Eastwood is proceeding well with all shops now rebranded as Ladbrokes and trading in line with expectations. Within both Northern Ireland and the Republic of Ireland Ladbrokes is now market leader with a combined 281 shops (April 2007: 203 shops). Gross win grew by 43% during the period.

In Italy, the newly established head office team in Milan, supported by the UK as appropriate, are focused on building our new business. The 25 acquired shops are trading well. The roll-out of new licences continues with 7 shops and 21 corners now open. Whilst behind schedule, the rate of openings will accelerate during the next six months.

EGAMING

eGaming has enjoyed net revenue growth of 24% during the period with customer sign ups growing 27% and unique active customers increasing 18%. We have seen particularly strong activity in the Sportsbook, Casino and Games whilst Poker net revenue fell 2% in what remains a highly competitive market. As previously indicated at the Preliminary Results, the business is intent on accelerating growth through increased marketing and initial results from Bingo and Casino TV advertising have been encouraging. 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 5%.

MATERIAL EVENTS, TRANSACTIONS AND FINANCIAL POSITION

In Spain, Sportium, our joint venture with Cirsa, has been awarded a licence to operate sports betting in the Madrid region of Spain and its first outlet commenced trading on 7th May. It expects to open in excess of 20 outlets in the coming weeks with a target of 70 outlets by year end.

Through its share buyback programme Ladbrokes has purchased 11.8 million shares since 1 January 2008 at a total cost of £34.8 million, and 31.8 million shares at a total cost of £105.2 million since the programme began in August last year. No shares have been purchased since 17 March 2008. Net debt at 30 April 2008 was £1,032.0 million with undrawn committed bank facilities of £491.8 million.

As part of the development of the Italian business, on 4 February 2008 the Group acquired 8 shops for a cash consideration of £14.2 million and deferred consideration of £3.2 million.

On 6 February 2008, the Group acquired the trade and assets of Eastwood Bookmakers, in Northern Ireland, for a cash consideration of £117.5 million.

OUTLOOK

Chris Bell, Chief Executive, said, 'Gross win grew strongly during the period and, whilst our business has seen no evidence yet of a consumer downturn, we remain mindful of general economic conditions. The Group remains focused on enhancing shareholder value by growing its established retail businesses, developing the new opportunities in Italy and Spain and driving the top line in eGaming through marketing investment in customer acquisitions.'

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

Note: the figures in this trading update are unaudited

Enquiries

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A conference call for analysts and investors will be held at 8am (GMT) today. To participate in the conference call, dial +44 (0)20 7162 0025 ahead of 8am and ask for 'Ladbrokes Plc trading update with Chris Bell as moderator'.

To ensure you do not have to wait to be connected we would encourage participants to register in advance on:

<https://eventreg1.conferencing.com/webportal3/reg.html?Acc=359047&Conf=156424>

Each participant will then be allocated the conference call number, a participant user pin, conference pin and instructions on how to join the conference call. For security purposes please not to give out your conference details for others to use, all participants must register individually if they wish to join the call.

A recording of the call will be available until midnight, 23 May 2008 on +44 (0) 20 7031 4064 (access code 794919).

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