Where can I get more information

If you have any questions, or would like more information, please contact the Ladbrokes Pension Plan administration team using the following details:

Hymans Robertson LLP
One London Wall
London
EC2Y 5EA

ladbrokesadmin@hymans.co.uk

Important: If you are thinking of leaving the Plan for any reason, we recommend that you get advice first. For a list of independent financial advisers local to you simply call 0800 085 3250 or go to www.unbiased.co.uk

Please help us to keep in touch with you by telling us if you change address.

Ladbrokes PLC

Summary Funding Statement
Ladbrokes Pension Plan ("the Plan")

Dear Member

The Trustees of the Ladbrokes Pension Plan are pleased to provide members with the Plan's second annual Summary Funding Statement. All UK pension plans are required to provide such a statement to members each year.

We think it is important to share with you our policy on how we aim to make sure there is enough money to pay for promised benefits now and in the future. If you have any feedback about this statement, such as improvements you'd like to see or additional information you'd find helpful, please let us know.

Yours faithfully

Chairman of the Trustees

September 2007

How does the Plan work?

The assets of the Plan are held in a trust fund out of which Members' pensions are paid by the Trustees. The fund is a common fund for all Members. Assets are not held in separate funds for each individual Member.

The Members pay a contribution to the overall cost of providing their pensions while employed by Ladbrokes.

The Company also pays contributions to the cost of providing pensions to all the Members. These Company contributions can fluctuate considerably.

How do the Trustees work out how much money is needed?

The Plan Actuary advises the Trustees in estimating how much money is needed in the Plan to pay for all the pensions as they fall due. This estimate is called an "ongoing valuation". This valuation is usually prepared and reviewed every 3 years.

In preparing this "ongoing" valuation, the Trustees and the Company, with the assistance of the Plan Actuary, decide upon a number of assumptions about what is expected to happen in the future, in particular: how long the Members are anticipated to live, what inflation will be, and what investment returns the Plan will be able to earn on its assets.

The Trustees also check how much it would cost if the Members benefits were transferred to an insurance company who would then pay the pensions. This is called a "solvency valuation". It is more conservative than the "ongoing" valuation as it takes account of the profit that the insurance company would require.

What is the Plan's financial position?

The Plan's funding position goes up and down over time as market conditions change. The Plan's financial position charts below show how the position has changed over the last three years.

The last full valuation carried out as at 1 July 2005 showed that the Plan had assets of £262 million and a shortfall, on the "ongoing" basis, of £111 million. On the more conservative "solvency" basis the shortfall was £301 million.

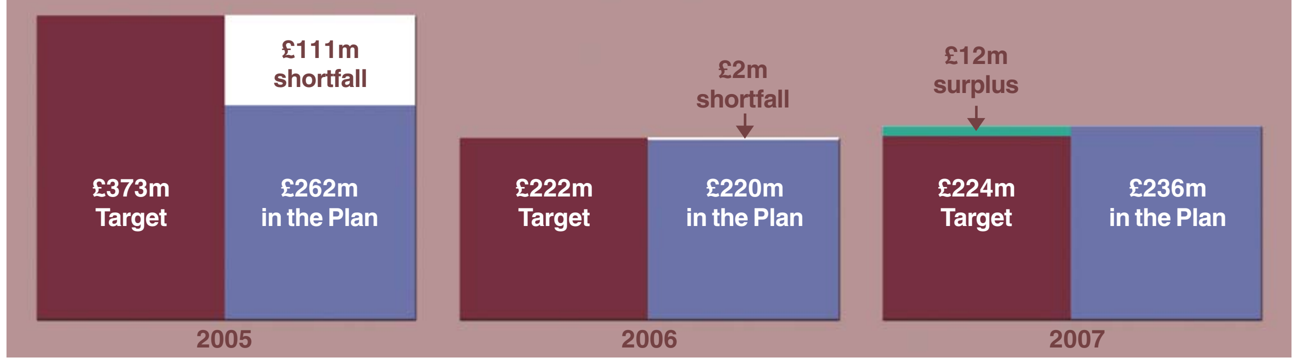
Since that valuation in 2005, as part of the sale of the Hotels business to Hilton Hotels Corporation in 2006, the Company made a special contribution of £111 million to the Plan, which broadly cleared the shortfall. The Plan was then split into two roughly equal parts between Ladbrokes and Hilton.

Since 2006, overall investment returns have been favourable, as measured as at 30 June 2007. A funding update as at 30 June 2007 showed that there was a surplus of £12 million on the "ongoing" basis. The position on the "solvency" basis will also have improved greatly since 2005, although a shortfall is still expected.

However, this was only a snapshot as at 30 June 2007.

Since June 2007, the Trustees have been reviewing the anticipated increased life expectancy of Members, based on the latest available statistical information from the Plan Actuary.

The Plan's financial position charts



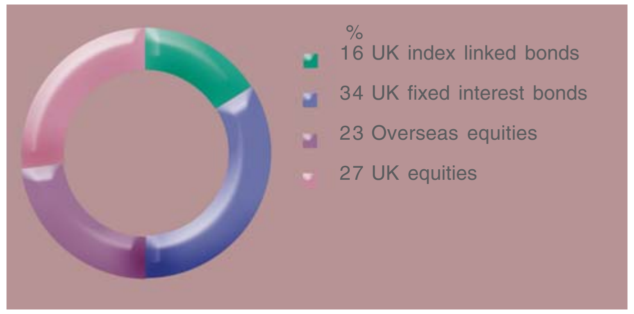
It is apparent that this increased life expectancy will have a very significant and adverse financial effect upon the funding of the Plan. The Actuary has advised the Trustees that this could mean an additional cost of as much as c£15m.

The Company is currently contributing £6m each year to the Plan representing 24.5% of Pensionable Salaries. This is before any account is taken of the cost of funding for increased life expectancy. The Company contribution will be reviewed in the light of the results of the next formal "ongoing" valuation, due no later than 1 July 2008.

The Plan's investment policy

Contributions are invested with the aim of increasing their value and providing income that is used to pay for promised benefits. The Trustees regularly review the Plan's investment strategy to achieve a suitable balance between cashflow, performance and risk. Following the Company's decision to close the Plan to new entrants in 2007, the Trustees revised the investment strategy so that the fund was made up of 50% Bonds and 50% Equities.

As at June 2007, the Plan was invested as follows:



How are my benefits protected?

Pension Protection Fund

The purpose of the Pension Protection Fund (PPF) is to ensure that members of defined benefit schemes receive pensions even if their company goes out of business. The PPF is not intended to replicate a member's pension, but ensures that in the event of a scheme getting into difficulties, most members will receive the majority of their pension.

For further details about the PPF, you can read the introductory guide at:
www.ppf.gov.uk/index/scheme-member.htm

The Pensions Regulator

The Pensions Regulator aims to help protect members' benefits. The Regulator acts as a watchdog, ensuring that employers and trustees are fulfilling their responsibilities and schemes are being run effectively. The Pensions Regulator is also able to help trustees and administrators run their schemes where necessary.

Have there been any payments to the Company from the Plan?

The Trustees confirm, as they are required to, that there has not been a payment to the Company out of the Plan funds over the twelve months preceding the date of this statement.