

Additional documents available on request

- The **Statement of Investment Principles**. This explains how the Trustees invest the money paid into the Plan.
- The **Schedule of Contributions**. This shows how much money is being paid into the Plan.
- The **Annual Report and Accounts** of the Plan, which shows the Plan's income and expenditure over each Plan year.
- The actuary's full report on the **Actuarial Valuation** of the Plan as at 30 September 2007.
- The **Statement of Funding Principles**. This sets out the Trustees' policy for making sure the Plan can pay for all the pensions as they fall due.
- The **Recovery Plan**. This sets out how the Trustees and the Company are going to make good the shortfall revealed by the actuarial valuation.
- The **Plan booklet** (you should have been given a copy when you joined the Plan, but you can request another copy by contacting Human Resources).
- An **Annual Benefit Statement** – If you are not getting a pension from the Plan (and have not received a benefit statement in the previous 12 months), you can ask for a statement that provides an illustration of your likely pension.

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 go to www.unbiased.co.uk.

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

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 fourth 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

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").

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 three 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 might 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 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" and is more conservative than the "ongoing" valuation.

What is the Plan's financial position?

The Plan's funding position goes up and down over time as market conditions change. The statement we sent you last year showed the position based on a full actuarial valuation as at 30 September 2007. Since then, we have obtained a funding update as at 30 June 2008. The charts below show the Plan's financial position at 30 September 2007 and 30 June 2008.

The funding update as at 30 June 2008 showed that the Plan had assets of £229 million and an estimated shortfall, on the "ongoing" basis, of £38 million. The shortfall on the "ongoing" basis as at 30th September 2007 valuation was £8 million. The £30 million increase in the shortfall between 30 September 2007 and 30 June 2008 was due to unfavourable investment returns and changes in financial market conditions.

On the more conservative "solvency" basis the shortfall was £41 million as at 30 September 2007. The funding position has worsened on this basis too since 30 September 2007.

As reported in last year's Summary Funding Statement, the Company increased its contributions from 1 January 2009 to approximately £7 million each year, which includes £1.6 million each year for seven years towards making good the deficit.

The valuation as at 30 September 2007 and the funding update as at 30 June 2008 were only a snapshot of the Plan's financial position at particular points in time. The Trustees invest for the long term and the Company's contributions are normally set every three years, following each full valuation. The next full valuation is expected to have an effective date of 30 June 2010 and the Company's contributions will be reviewed at that time.



How has the Plan's financial position changed recently?

Since the funding update was carried out as at 30 June 2008, the Plan's financial position will have continued to deteriorate owing to considerable turbulence in global financial markets. We are obtaining an update of the Plan's financial position as at 30 June 2009 and will provide the results of this update in next year's Summary Funding Statement.

The Plan's investment policy

The Plan's assets 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 meeting cashflow needs, generating investment performance and controlling risk.

The charts below show the Plan's investment allocation at 30 June 2008 and 30 June 2009. Although the Plan's investment policy did not change between these dates, the value of the Plan's equities has fallen significantly and so they now make up a smaller proportion of the total assets.



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 aims to ensure that, in the event of a scheme's sponsoring employer getting into difficulties, members will receive a minimum level of benefits.

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.

The Trustees confirm, as they are required to, that the Regulator has not imposed any directions on the Plan.

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.