

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 September 2007.
- 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.

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 third 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

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.

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 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 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" 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 funding update as at 30 June 2007. Since then, we have obtained a full actuarial valuation of the Plan as at 30 September 2007. The charts below show the Plan's financial position at June 2007 and September 2007.

Overall investment returns were lower than expected between 30 June 2007 and 30 September 2007, the date of the full valuation of the Plan. This valuation also allowed for increased life expectancy which had an adverse financial impact on the Plan. It showed that the Plan had assets of £240 million and a shortfall, on the "ongoing" basis, of £8 million as at 30 September 2007. On the more conservative "solvency" basis the shortfall was £41 million.

The Company is currently contributing £6 million each year to the Plan, representing 24.5% of Pensionable Salaries. However, following the 30 September 2007 valuation, the Company is going to increase its contributions from 1 January 2009 to £7 million each year. This includes an allowance of £1.6 million to be paid each year for seven years to make good the £8 million shortfall revealed by the valuation. (Over the seven year period, interest will accrue on the shortfall, which is why the Company will pay £11.2 million in total to meet a £8 million shortfall).

The full valuation as at 30 September 2007 is just a snapshot of the Plan's financial position at one point 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 contribution will be reviewed at that time.

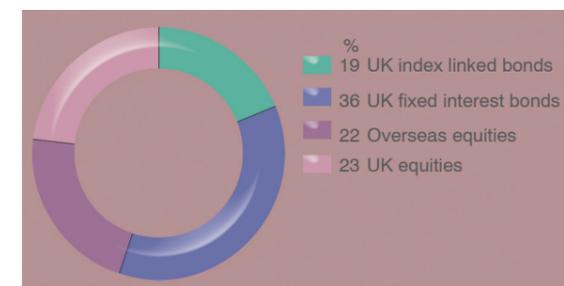
How has the Plan's financial position changed recently?

Since the valuation was carried out as at 30 September 2007, the Plan's financial position will have deteriorated owing to considerable turbulence in global financial markets. We are obtaining an update of the Plan's financial position as at 30 June 2008 and will tell you the results of this update in next year's Summary Funding Statement.

The Plan's investment policy

Plan 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 cashflow, performance and risk.

As at 30 June 2008, 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.

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.

