

Ladbrokes Pension Plan (“the Plan”)

Recovery Plan

The actuarial valuation of the Plan as at 30 June 2010 revealed a deficit of £32.2m.

In accordance with Section 226 of the Pensions Act 2004, the Trustees of the Plan (“the Trustees”) have prepared this recovery plan, after obtaining the advice of Aaron Punwani, the Plan Actuary.

The Principal Employer of the Plan is Ladbrokes plc. All other employers with active members in the Plan have nominated the Principal Employer to agree the recovery plan on their behalf.

1. Steps to be taken to ensure that the statutory funding objective is met

The Trustees and the employers have agreed to eliminate the funding shortfall by the payment of additional contributions (in addition to the agreed contributions to meet accruing benefits) by Ladbrokes plc of £5.3 million a year (payable monthly) for a period of 7 years and 10 months from 1 July 2011.

2. Period in which the statutory funding objective should be met

The deficit is expected to be eliminated by 30 April 2019. This is based on the following assumptions:

- technical provisions are calculated according to the method and assumptions set out in the Plan’s statement of funding principles dated 29 June 2011;
- the return on existing assets and new contributions during the period are as adopted for the calculation of the technical provisions.

3. Progress towards meeting the statutory funding objective

It is expected that 50% of the above additional contributions will have been paid by 31 May 2015.

4. Agreement by the Trustees and the employers

This recovery plan was prepared on 29 June 2011.

2066802

Signed on behalf of the Trustees of the Plan



Page 2 of 2

Name: Golden RISSET (authorised signatory)

Position: TRUSTEE CHAIRMAN

Date: 29/06/2011

Signed on behalf of Ladbrokes plc and the participating employers



Name: BRIAN WALLACE (authorised signatory)

Position: FINANCE DIRECTOR

Date: 28/6/2011