

Our strategic priorities

1

Retail excellence



Retail betting has evolved to become a genuine leisure experience over recent years in both our core UK market and overseas. We strive to continually innovate, providing customers with a differentiated product offer, whilst optimising both margin and operational efficiency.

- UK profit per shop was up 16% in 2012, the third consecutive year of growth (see KPIs on page 11)
- Clear market leader in machines in the UK. Gross win per machine week £946 (see KPIs on page 11)
- 51% operating profit growth across our European Retail businesses

2

Digital capability



The digital betting and gaming market continues to grow and is becoming increasingly competitive. We have made good progress in developing flexible technology which allows us to deliver the broadest range of products to customers, which will be showcased on our new sportsbook website and mobile platform.

- Net revenue growth of 9% driven by strength in sportsbook (see KPIs on page 11)
- 15% growth in Active players to in excess of 1 million (see KPIs on page 11)
- Focus on product range drives 150% increase in Bet in Play events and 34% increase in amounts staked

3

Pricing, trading and liability management



The development of a new proprietary trading platform, enhancement of algorithms and increasing use of automated trading tools, has enabled us to improve liability management and reduce earnings volatility.

- Investment in trading team and technology driving improved quality of earnings across all channels
- Digital sportsbook gross win margin up 100 basis points
- New trading platform facilitates expansion of sportsbetting offer

4

Customer and Brand



Ladbrokes is still the most recognised betting brand in the UK. Over the last year we have invested to evolve the brand with an increasing emphasis on excitement. The development of our offer, be it in Digital or Retail, is centred around improving the experience of customers.

- Spontaneous brand awareness⁽¹⁾ ahead of competitors and growing following new marketing
- Odds On, our customer loyalty scheme, rolled out to machines
- New shop designs will enable us to increase interaction with customers

5

Regulatory leadership



The continued evolution of tax and regulation is a key influence on the development of our business. Ladbrokes plays a lead role in ensuring that the Government and all regulatory authorities fully understand our industry and its significant contribution to the economy, employment and taxes.

- Continually developing our approach to responsible gambling with a new staff training programme
- Working to ensure the industry's contribution to the economy and communities is recognised
- Contributing to communities through the Ladbrokes in the Community Charitable Trust and Ladbrokes Community Fund

⁽¹⁾ Based on TNS Omnibus survey of 2,084 18+ adults.