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1 March 2013

For immediate release

William Hill PLC

Proposed acquisition of the outstanding 29 per cent. of William Hill Online and fully underwritten Rights Issue

The Board of William Hill PLC (LSE: WMH) (“William Hill" or “the Group”) today announces, following the completion of the William Hill Online Call Option valuation process, the proposed acquisition of the 29 per cent. of William Hill Online that the Group does not already own from Genuity Services Limited ("Playtech") for a consideration of approximately £424 million (the "Proposed Acquisition") which represents a multiple of 9.3 times 2012 EBITDA[1].

William Hill intends to raise approximately £375 million (net of expenses) through a fully underwritten Rights Issue of 2 New Ordinary Shares for every 9 Existing Ordinary Shares at 245 pence per share which, together with approximately £50 million from part of the 2012 Bridge Credit Facility, will be used to finance the Proposed Acquisition whilst maintaining an appropriate capital structure for the Group.

William Hill Online is the UK's leading online betting and gaming business by revenue[2], and enables customers to access sports betting, casino games, poker and bingo via some or all of the internet, telephone, mobile devices and by text-based services.

The Board considers that William Hill Online is a strong, well-established industry leader. It further believes that the maintenance of a minority interest within the structure is no longer consistent with the long-term strategic evolution of the Group. The Board is confident that the future prospects for William Hill Online are strong and believes that it is in the best interests of Shareholders to acquire the minority interest held by Playtech. The rationale for the Proposed Acquisition is as follows:

- this is the first opportunity to take full ownership of a growth business with a market-leading position and strong earnings and cash flow. It represents a compelling opportunity to strengthen future growth prospects for the broader Group;

- increased strategic flexibility arises from the simplified ownership structure. Full ownership of William Hill Online would provide the Group with an opportunity to fully develop William Hill Online's future growth potential through capital investment to further enhance areas such as product development, website development and customer relationship management, or through bolt-on acquisitions;

- increased operational freedom to leverage William Hill Online's assets and know-how across the broader Group, supporting pursuit of the Group's multi-channel strategy and selective international expansion, in particular in the US and, potentially, Australia; and

- the Board expects the Proposed Acquisition to be earnings accretive on a per share basis in the current financial year as compared to the Rights Issue adjusted alternative.[3]

The Rights Issue is fully underwritten and will raise net proceeds of approximately £375 million. The Rights Issue and the Proposed Acquisition have received strong support from shareholders.

Ralph Topping, Chief Executive of William Hill, commented:

"William Hill Online has consistently delivered strong net revenue growth since it was formed in December 2008. This joint venture has been very successful for both parties and we look forward to continuing our relationship with Playtech as a key software supplier.

Having been advised of the valuation of Playtech's 29% interest, the Board has concluded that it is in the best interests of our shareholders to exercise our call option to assume full ownership of this attractive, high growth, high performing business.

We are very pleased with the indications of support from shareholders so far for the acquisition and the Rights Issue. In our view, the Rights Issue is the most appropriate way to fund the Proposed Acquisition. This will leave the Group with the appropriate capital structure, taking into account expected trading conditions and potential future developments, and the flexibility to pursue its stated strategy."

The Proposed Acquisition is subject to the approval of William Hill Shareholders as it is classified under the Listing Rules as a related party transaction on account of Playtech's 29 per cent. shareholding in each of WHG Trading and WHG (International), the joint venture companies comprising William Hill Online, which are subsidiaries of William Hill.

On 28 February 2013, William Hill notified Playtech of its intention to exercise the Call Option in 2013. In the event that William Hill does not duly complete the purchase by 30 April 2013, then William Hill's right to exercise the Call Option in 2015 will automatically terminate.

Playtech has the right to elect for a portion of the consideration for the Proposed Acquisition to be satisfied in the form of new William Hill Ordinary Shares. As at the date of this announcement, Playtech has indicated to William Hill that it does not intend to take Ordinary Shares and as such William Hill is funding the Proposed Acquisition on that basis.

The Prospectus being published by William Hill today contains details of the Rights Issue. Shareholder approval for the resolution required to approve the Proposed Acquisition will be sought at an Extraordinary General Meeting to be held at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA on 18 March 2013 at 9.00 a.m.

Application has been made to the FSA for the New Ordinary Shares (nil paid and fully paid) to be admitted to the Official List and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on its main market for listed securities. Subject to Shareholder approval, among other things, it is expected that Admission will become effective on 19 March 2013 and that dealings in the New Ordinary Shares, nil paid, will commence on the London Stock Exchange at 8.00 a.m. on that date. The expected latest time for acceptance and payment in full under the Rights Issue will be 11.00 a.m. on 4 April 2013.

This summary should be read in conjunction with the full text of this announcement and its appendices.

Notes:

(1) EBITDA is calculated as pre-exceptional profit/loss before interest, tax, depreciation and amortisation (including amortisation of specifically identified intangible assets recognised on acquisitions.)

(2) Source: Gambling Data, European Online Regulated Markets Data Report, 2012.

(3) This should not be construed as a profit forecast or interpreted to mean that the future earnings per share, profits, margins or cash flows of William Hill necessarily be greater than the historic published figures. The Rights Issue adjusted alternative is the comparative earnings per share figure assuming the Proposed Acquisition did not take place but adjusted for the bonus element of the Rights Issue.

Investor and Analyst Meeting:

William Hill will hold a meeting for analysts and investors on 1 March 2013 at 9.00 a.m. (UK time). The meeting will take place at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED. Interested parties can dial into this meeting using the following access details:

Inside the UK: 0845 634 0041

Outside the UK: +44 (0)20 8817 9301

The participant passcode is available at: www.williamhillplc.com

The meeting will also be available by webcast on William Hill's website for all interested parties. The webcast can be accessed via William Hill's website, www.williamhillplc.com. A replay facility will be available via William Hill's website and by dialling +44 (0) 20 7769 6425 quoting the replay access code, available at www.williamhillplc.com, until 15 March 2013.

Enquiries

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Brunswick *(PR Adviser)* Simon Sporborg	**+44 (0)20 7404 5959**

This announcement is an advertisement and not a prospectus and investors should not subscribe for or purchase any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares referred to in this announcement except on the basis of information in the Prospectus which is expected to be published by the Company today in connection with the Rights Issue. Copies of the Prospectus will, following publication, be available from the Company's registered office. This announcement does not constitute, or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security in the capital of the Company in any jurisdiction. Any decision to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any Provisional Allotment Letter, Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares should only be made on the basis of information contained in and incorporated by reference into the Prospectus which contains further details relating to the Company in general as well as a summary of the risk factors to which an investment in the New Ordinary Shares is subject. Nothing in this announcement should be interpreted as a term or condition of the Rights Issue.

Subject to certain exceptions, the Prospectus will not be available to Shareholders located in the United States or Restricted Jurisdictions. This announcement is not directed to, or intended for distribution or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability, or use would be contrary to law or regulation which would require any registration or licensing within such jurisdiction.

This announcement and the information contained herein is not an offer of securities for sale in the United States. The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters may not be offered or sold in the United States or to or for the account or benefit of a person located in the United States absent registration under the US Securities Act of 1933, as amended (the “Securities Act”) or an exemption from, or in a transaction not subject to, registration requirements of the Securities Act. The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or jurisdiction of the United States and no public offering of the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares or the Provisional Allotment Letters will be made in the United States. No money, securities or other consideration from any person inside the United States is being solicited and, if sent in response to the information contained in this announcement, will not be accepted.

This announcement does not constitute an offer of Nil Paid Rights, Fully Paid Rights, New Ordinary Shares or Provisional Allotment Letters to any person with a registered address in, or who is resident in, Australia, Canada, Japan or South Africa. None of the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares or the Provisional Allotment Letters has been or will be registered under the relevant laws of any state, province or territory of Australia, Canada, Japan or South Africa. Subject to certain limited exceptions, neither the Prospectus, the Provisional Allotment Letter nor this announcement will be distributed in or into Australia, Canada, Japan or South Africa.

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published or distributed should inform themselves about and observe such restrictions.

Citigroup Global Markets Limited ("Citi") which is regulated and authorised in the United Kingdom by the FSA, is acting as financial adviser in respect of the Proposed Acquisition and as sole sponsor and financial adviser, joint global coordinator and joint bookrunner in respect of the Rights Issue. Investec

Bank plc ("Investec"), which is regulated and authorised in the United Kingdom by the FSA, is acting as joint global coordinator and joint bookrunner in respect of the Rights Issue. Barclays Bank PLC ("Barclays" and, together with Citi and Investec, the "Banks"), which is regulated and authorised in the United Kingdom by the FSA, is acting as joint bookrunner in respect of the Rights Issue. The Banks are acting exclusively for the Company and for no one else in connection with the Rights Issue and will not regard any person (whether or not a recipient of this announcement or the Prospectus) as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to clients of the Banks or for providing advice in relation to the Rights Issue, the contents of this announcement and the accompanying documents or any matters or arrangements referred to herein or therein.

The Banks may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise. Except as required by applicable law or regulation the Banks do not propose to make any public disclosure in relation to such transactions.

This announcement should not be considered a recommendation by the Banks or any of their respective directors, officers, employees, advisers or any of their respective affiliates in relation to any purchase of or subscription for securities. None of the Banks and their respective directors, officers, employees, advisers or any of their respective affiliates accepts any responsibility or liability whatsoever for/or makes any representation or warranty, express or implied, as to this announcement, including the truth, accuracy, fairness, sufficiency or completeness of the information or the opinions or the beliefs contained in this announcement (or any part hereof). None of the information contained in this announcement has been independently verified or approved by the Banks or any of their respective directors, officers, employees, advisers or any of their respective affiliates. Save in the case of fraud, no liability is accepted by the Banks or any of their respective directors, officers, employees, advisers or any of their respective affiliates for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this announcement or its contents or otherwise in connection with this announcement. No person has been authorised to give any information or to make any representations other than those contained in this announcement and, if given or made, such information or representations must not be relied on as having been authorised by the Company or any of the Banks. Subject to the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules, the issue of this announcement shall not, in any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this announcement or that the information in it is correct as at any subsequent date.

The statements contained in this announcement that are not historical facts are “forward-looking” statements. These forward-looking statements are subject to a number of substantial risks and uncertainties, many of which are beyond the Company's control and actual results and developments may differ materially from those expressed or implied by these statements for a variety of factors. These forward-looking statements are statements based on the Company's current intentions, beliefs and expectations about among other things, the Company's results of operations, financial condition, prospects, growth, strategies and the industry in which the Company operates. Forward-looking statements are typically identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “will”, “could”, “should”, “intends”, “estimates”, “plans”, “assumes” or “anticipates” or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. By their nature, forward- looking statements involve risks and uncertainties, including, without limitation, the risks and uncertainties to be set forth in the Prospectus, because they relate to events and depend on circumstances that may or may not occur in the future. In addition, from time to time, the Company or its representatives have made or may make forward-looking statements orally or in writing. Furthermore, such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with the approval of an authorised executive officer of the Company. No assurance can be given that such future results will be achieved; actual events or results may differ materially from those expressed in or implied by these statements as a result of risks and uncertainties facing the Company and its subsidiaries. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as changes in taxation and fiscal policy, future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors such as the Company's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation and consumer confidence, on a global, regional or national basis. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this announcement and the Company undertakes no duty to update any of them publicly in light of new information or future events, except to the extent required by applicable law, the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules.

No statement in this announcement is intended as a profit forecast or a profit estimate and no statement in this announcement should be interpreted to mean that earnings per Ordinary Share for the current or future financial years would necessarily match or exceed the historical published earnings per Ordinary Share. Prices and values of, and income from, shares may go down as well as up and an investor may not get back the amount invested. It should be noted that past performance is no guide to future performance. Persons needing advice should consult an independent financial adviser.

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

This announcement has been prepared for the purposes of complying with applicable law and regulation in the United Kingdom and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside of the United Kingdom.

William Hill PLC

Proposed acquisition of the outstanding 29 per cent. of William Hill Online and fully underwritten Rights Issue

Introduction

The Board of William Hill has today announced the proposed acquisition of the 29 per cent. of William Hill Online that the Group does not already own from Playtech for a total cash consideration of approximately £424 million. The Board intends to raise approximately £375 million (net of expenses) through a fully underwritten Rights Issue which, together with approximately £50 million from part of the 2012 Bridge Credit Facility, will be used to finance the Proposed Acquisition whilst maintaining an appropriate capital structure for the Group.

William Hill Online is the UK's leading online betting and gaming business by revenue[4], and enables customers to access sports betting, casino games, poker and bingo via some or all of the internet, telephone, mobile devices and by text-based services. William Hill currently owns 71 per cent. and Playtech 29 per cent. of William Hill Online. On a fully consolidated basis the percentage contribution of the Group's online segment to the Group's revenue has increased from 23.5 per cent. in the 2010 financial year to 31.9 per cent. in the 2012 financial year. On the same basis and over the same period, operating profit[5] contributed by the Group's online segment has increased from 32.9 per cent. to 44.0 per cent.

The Proposed Acquisition is classified under the Listing Rules as a related party transaction requiring the approval of William Hill Shareholders on account of Playtech's 29 per cent. shareholding in each of WHG Trading and WHG (International), the joint venture companies comprising William Hill Online, which are subsidiaries of William Hill. Playtech has the right to elect for a portion of the consideration for the

Proposed Acquisition to be satisfied in the form of new William Hill Ordinary Shares. As at the date of this announcement, Playtech has indicated to William Hill that it does not intend to take Ordinary Shares and as such William Hill is funding the Proposed Acquisition on that basis.

The 2 for 9 fully underwritten Rights Issue will entail the issue of up to 156,871,900 New Ordinary Shares at a price of 245 pence per New Ordinary Share (which represents a 39.5 per cent. discount to the closing middle market price per Ordinary Share on 28 February 2013, the last practicable date before this announcement and a discount of 34.8 per cent. to the theoretical ex-rights price on the same basis). This represents a 38.3 per cent. discount to that closing middle market price adjusted for the proposed final dividend of 7.8 pence per Ordinary Share, which will be paid on 7 June 2013 to those Shareholders on the register of members at the close of business on 15 March 2013, and a discount of 33.7 per cent. to the theoretical ex-rights price on the same basis.

The New Ordinary Shares to be issued under the Rights Issue, when fully paid, will rank pari passu with the Existing Ordinary Shares, save that they will not rank for the proposed final dividend of 7.8 pence in relation to the 2012 financial year, which is due to be paid on 7 June 2013.

The approval of Shareholders is also being sought for the William Hill Online Long Term Incentive Plan 2008 (the "2008 LTIP") in order to permit the issue of new Ordinary Shares or the transfer of Ordinary Shares from treasury under this plan.

The purpose of this announcement is to explain the background to and reasons for the Proposed Acquisition and the Rights Issue and to provide you with notice of the Extraordinary General Meeting to be held to consider and, if thought fit, to pass the Resolutions required to enable and authorise William Hill to complete the Proposed Acquisition and approve the 2008 LTIP. It is important to note that in the event that William Hill fails to complete the Proposed Acquisition by 30 April 2013, its additional right to exercise the Call Option (as defined below) in 2015 shall terminate which would leave William Hill without a formal mechanism to acquire the 29 per cent. of William Hill Online it does not already own.

This announcement also explains why the Board considers the Proposed Acquisition and the approval of the 2008 LTIP, and accordingly the Resolutions to be proposed at the Extraordinary General Meeting, to be in the best interests of Shareholders and why the Board unanimously recommends that Shareholders vote in favour of the Resolutions.

Shareholders should read the whole of this announcement, including the information incorporated by reference.

Strategic rationale for the Proposed Acquisition and Rights Issue

The Board now considers that after four years, William Hill Online is a strong, well-established industry leader. The Board further believes that the maintenance of a minority interest within the structure is no longer appropriate for the long-term strategy of the Group. Accordingly, the Board of William Hill, having been notified of the valuation of the Playtech interest following the valuation process as set out in the Framework Agreement, has concluded that it is in the best interests of William Hill Shareholders to exercise the Call Option over Playtech's interest and therefore acquire 100 per cent. ownership of William Hill Online.

Under the terms of the joint venture entered into at the time of William Hill Online's establishment, William Hill was granted two call options to acquire Playtech's 29 per cent. interest in William Hill Online on a fair value basis, exercisable in either 2013 or 2015.

In November 2012, the Board of William Hill initiated the formal valuation process for William Hill Online as part of its right to exercise the earlier Call Option. The valuation process, which was undertaken by three investment banks, in accordance with the Framework Agreement has determined that this minority interest in William Hill Online should be valued at approximately £424 million on a debt-free and cash-free basis (with an adjustment to be made to reflect the unpaid dividends and level of cash in the joint venture and William Hill Online shortly following completion). The valuation of William Hill Online as determined by the investment banks was notified to Playtech on 21 February 2013 and the Board resolved to exercise the Call Option and issue the requisite notice of such exercise to Playtech in the manner required by the Framework Agreement shortly before the issuing of this announcement. A valuation of approximately £424 million represents a multiple of 9.3 times of the EBITDA[6] of William Hill Online in the 2012 financial year that is attributable to Playtech's 29 per cent. shareholding in the JVCos.

The Board is confident that future prospects for William Hill Online are strong and believes that it is in the best interests of Shareholders to acquire the minority interest held by Playtech, and to do so now rather than in two years' time. The rationale for the Proposed Acquisition is as follows:

- this is the first opportunity to take full ownership of a growth business with a market-leading position and strong earnings and cash flow. It represents a compelling opportunity to strengthen future growth prospects for the broader Group;
- increased strategic flexibility arises from the simplified ownership structure. Full ownership of William Hill Online would provide the Group with an opportunity to fully develop William Hill Online's future growth potential through capital investment to further enhance areas such as product development, website development and customer relationship management, or through bolt-on acquisitions. Existing minority protections currently limit William Hill Online's ability to invest capital above a certain limit and prevent William Hill Online from making acquisitions without the consent of Playtech. Additionally, any acquisitions or future organic developments in the online or mobile sphere made by the Group currently must be offered by William Hill to the JVCos for purchase by them within 6 months of their acquisition. Acquiring the minority interest now will remove these constraints;
- increased operational freedom to leverage William Hill Online's assets and know-how across the broader Group, supporting pursuit of the Group's multi-channel strategy and selective international expansion, in particular in the US and, potentially, Australia; and
- the Board expects the Proposed Acquisition to be earnings accretive on a per share basis in the current financial year as compared to the Rights Issue adjusted alternative.[7]

The Board believes that the most appropriate way of financing the Proposed Acquisition is through a combination of the proceeds of the Rights Issue and additional debt. This will maintain an appropriate capital structure for the Group in the current environment having regard to gearing levels which strike an appropriate balance between increased financial leverage and the maintenance of an acceptable financial risk profile.

Financing and capital structure

William Hill looks to maintain a prudent level of debt. The Board is of the view that the most appropriate way to fund the Proposed Acquisition is by raising new equity in addition to utilising approximately £50 million of the 2012 Bridge Credit Facility. The Board, taking into account, amongst other matters, the size of the equity portion of the fundraising relative to the current market capitalisation of William Hill and the need to maintain pre-emption rights of William Hill Shareholders, believes the most appropriate method to raise the necessary equity funds is by way of a rights issue.

Assuming completion of both the Sportingbet acquisition and the Proposed Acquisition and that the consideration payable to Playtech is paid fully in cash, the Board expects the Group's covenant ratio of net debt to EBITDA (as defined under bank loan covenants) to be at an appropriate and prudent level of financial leverage for the business having regard to current trading conditions and potential future developments. Furthermore, the Board expects this level of net debt to EBITDA (as defined under bank loan covenants) will provide the Group with appropriate flexibility to continue to pursue its stated strategy.

As part of its ongoing financing strategy, the Board anticipates accessing the corporate debt markets, such as the bond markets, in due course for the purposes of re-financing the 2012 Bridge Credit Facility and for its longer term financing needs.

In the unlikely event that the proposed acquisition of Sportingbet's Australian business and certain other assets from the Sportingbet group were not to complete, the Board intends to return surplus equity capital to Shareholders. The timing and manner of any such return of capital to Shareholders would be determined by the Board. It is possible that certain Shareholders, such as some Overseas Shareholders and individuals, would potentially suffer a tax charge on the return of capital and, accordingly, their financial position would be adversely affected.

Principal terms of the Proposed Acquisition

The key terms of the Proposed Acquisition are as follows:

The Proposed Acquisition is to be effected in accordance with the terms of the Framework Agreement, which governs the terms upon which William Hill may acquire the 29 per cent. of the two JVCos that comprise William Hill Online that it does not already own.

Under the Framework Agreement, Playtech granted to William Hill Organization (or its nominee) an irrevocable Call Option to purchase all of the JV Shares held by Playtech and the IP Assets. The Call Option is exercisable in either 2013 or 2015, on the basis that the acquisition of the JV Shares held by Playtech and IP Assets must be completed by 30 April in the same year that the Call Option is exercised.

Shortly before making this announcement, William Hill notified Playtech of its intention to exercise the Call Option in 2013. Consequently, in the event that William Hill does not duly complete the purchase of the JV Shares held by Playtech and IP Assets by 30 April 2013 (save where the failure to complete is principally as a result of the direct or indirect action of a member of the Playtech Group or its associates), then William Hill's right to exercise the Call Option in 2015 will automatically terminate. Playtech is required to take all such action as William Hill may properly require to give effect to the provisions of the Framework Agreement insofar as they relate to the Call Option, and if it, or a member of the Playtech Group, breaches such obligation, the date for completion of the Call Option may be extended accordingly.

The consideration payable by William Hill to Playtech on exercise of the Call Option is the 'fair value' for the IP Assets and JV Shares held by Playtech, as determined on the basis of valuations submitted by three investment banks in accordance with the Framework Agreement. As noted above, the valuation process has been completed, and the fair value for the purposes of the Call Option has been determined to be approximately £424 million on a debt free and cash free basis.

On completion of the Call Option, Playtech is required to execute such documentation as is appropriate (i) to effect the transfer of the JV Shares held by it free from any encumbrances and (ii) to transfer the IP Assets free from any encumbrances (and will indemnify William Hill for any losses for any such encumbrance, claim or liability save for those that result from action taken by the JVCos or their subsidiaries whilst the IP Assets are licensed to them), in each case with full title guarantee. Playtech is not required to provide warranty and indemnity protection in respect of the JV Shares which are the subject of the Call Option save in respect of title and capacity. Further, on completion of the Call Option, William Hill will procure that the JVCos promptly repay any outstanding sums owed by them to Playtech under the terms of the Framework Agreement.

After completion of the Proposed Acquisition, existing software agreements with Playtech will carry on in accordance with their terms. At the time William Hill Online was established, the business was granted an eight-year licence, expiring in 2016, for Playtech Software's market-leading casino and poker software. The suppliers of William Hill Online's bingo software and mobile betting platform have since been acquired by Playtech Software and the licences for these products expire on February 2013 and October 2013, respectively. The bingo software licence is currently being renegotiated. These licensing arrangements are in the ordinary course of William Hill's operations and will continue irrespective of William Hill acquiring Playtech's stake in William Hill Online. To the extent that William Hill wishes to renew the licensing arrangements at the end of their term, it would expect to conduct any such negotiations on the same basis as with any other supplier relationship.

As set out below, the Proposed Acquisition is subject to the approval of William Hill's Shareholders and the successful completion of the Rights Issue.

Related party transaction

The Proposed Acquisition is classified under the Listing Rules as a "related party transaction" as Playtech is classified as a "related party" due to its 29 per cent. interest in the share capital of each of the two JVCos comprising William Hill Online, which are subsidiaries of William Hill. Consequently, the Proposed Acquisition is conditional upon and must be approved by, Shareholders before it is completed. Shareholder approval will be sought at an Extraordinary General Meeting to be held on 18 March 2013.

Principal terms of the Rights Issue

The Group is proposing to raise approximately £375 million (net of expenses) by way of the Rights Issue. The Rights Issue is being fully underwritten by the Underwriters, subject to certain conditions. The Issue

Price of 245 pence per New Ordinary Share represents a 39.5 per cent. discount to the closing middle market price of William Hill of 404.7 pence per Ordinary Share on 28 February 2013, the latest practicable date before the announcement of the Proposed Acquisition and Rights Issue and a 34.8 per cent. discount to the theoretical ex-rights price of 375.7 pence per New Ordinary Share calculated by reference to the closing middle market price on the same basis. This represents a 38.3 per cent. discount to that closing middle market price adjusted for the proposed final dividend of 7.8 pence per Ordinary Share, which will be paid to those Shareholders on the register of members at the close of business on 15 March, and a discount of 33.7 per cent. to the theoretical ex-rights price on the same basis.

Subject to the fulfilment of, amongst other things, the conditions set out below, the Group will offer 156,871,900 New Ordinary Shares by way of the Rights Issue to Qualifying Shareholders other than, subject to certain exceptions, Qualifying Shareholders with a registered address in the United States or any of the Restricted Jurisdictions, at an Issue Price of 245 pence per New Ordinary Share payable in full on acceptance. The Rights Issue will be offered on the basis of:

2 New Ordinary Shares for every 9 Existing Ordinary Shares

held on the Record Date, and so in proportion to any other number of Existing Ordinary Shares then held and otherwise on the terms and conditions set out in this document and, in the case of Qualifying non-CREST Shareholders only, the Provisional Allotment Letter. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

Fractions of New Ordinary Shares will not be allotted to any Qualifying Shareholders, but will be aggregated and sold in the market for the benefit of the Group.

The New Ordinary Shares will, when issued and fully paid, rank pari passu in all respects with the Existing Ordinary Shares save that they will not rank for the proposed final dividend of 7.8 pence in relation to the 2012 financial year, which is due to be paid on 7 June 2013.

The Rights Issue is conditional, amongst other things, upon:

(a) the passing of the Proposed Acquisition Resolution at the Extraordinary General Meeting without material amendment;

(b) the Group having applied to Euroclear UK & Ireland for admission of the Nil Paid Rights and Fully Paid Rights to CREST as participating securities and no notification having been received from Euroclear UK & Ireland on or before Admission that such admission or facility for holding and settlement has been or is to be refused;

(c) Admission becoming effective by not later than 8.00 a.m. on 19 March 2013 (or such later time and/or date as the Banks and the Group may agree in advance in writing but so that the last date for acceptance is not later than 18 April 2013); and

(d) the Underwriting Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been rescinded or terminated in accordance with its terms prior to Admission.

The Shareholder resolutions authorising the Directors to issue the New Ordinary Shares pursuant to the Rights Issue were approved by Shareholders at William Hill's annual general meeting on 8 May 2012.

Applications have been made to the FSA and to the London Stock Exchange for the New Ordinary Shares to be admitted, nil paid, to the Official List and to trading on the London Stock Exchange. It is expected that Admission will become effective and dealings in the Nil Paid Rights will commence on 19 March 2013.

Qualifying US Investors and Overseas Shareholders

Qualifying US Investors and Shareholders who are resident in, or who are citizens of, any jurisdiction other than the UK, and persons who hold Ordinary Shares for the benefit of such persons or who have a contractual or other legal obligation to forward this document into a jurisdiction other than the UK, should refer to section 8 of Part III of the Prospectus for further information.

Further information on the Rights Issue, including the terms and conditions thereof and the procedure for acceptance and payment, is set out in Part III of the Prospectus.

Current trading

The current trading update relates to the seven weeks from 2 January 2013 to 19 February 2013.

Group revenue was up 19.5 per cent., although this was flattered by the transition from a VAT-based taxation regime for retail gaming machines to a Machine Games Duty regime from 1 February 2013. Adjusting the prior year from the date of introduction of the Machine Games Duty to reflect the current taxation regime, the Group's revenues during the seven week period ending 19 February 2013 would have increased by 16.9 per cent. against the comparator period.

In the Group's retail segment, whilst over-the-counter amounts wagered fell 2.9 per cent., over-the counter revenue grew by 15.6 per cent., benefitting from a very strong gross win margin of 21.7 per cent. Machines gross win grew by 1.4 per cent. William Hill Online continues to perform strongly with net revenue up 28.7 per cent. Sportsbook amounts wagered grew by 29.0 per cent. and net revenue grew by 74.8 per cent. with gross win margin, at 11.0 per cent., up 3.0 percentage points.

During the seven weeks ended 19 February 2013, sportsbook amounts wagered were equivalent to 109 per cent. of over-the-counter amounts wagered against a target for sportsbook amounts wagered to equal over-the-counter amounts wagered by the 2014 World Cup (2012 financial year: 87 per cent.), sportsbook mobile weekly amounts wagered averaged £16 million against a target of £15 million by mid-2013 (2012 financial year: £10.9 million) and mobile represented 34 per cent. of sportsbook amounts wagered against a target of mobile representing 40 per cent. of Sportsbook turnover by end 2013 (2012 financial year; 26 per cent.).

At this early stage in the year, the Board is pleased by the Group's trading performance, albeit recognising that the gross win margin in both the retail and online segments continues to be unusually strong over this short period.

Dividends and dividend policy

The Board has approved a final dividend of 7.8 pence per share (2011: 6.7 pence per share), giving a total 2012 dividend of 11.2 pence per share (2011: 9.6 pence per share). This represents 16.7 per cent. growth, reflecting the strong results delivered in the 2012 financial year.

The Board continues to consider dividends to be an important component of Shareholder returns. It is the Board's intention to continue to apply its existing dividend policy based on a payout covered approximately 2.5 times by underlying earnings, moving to 2.0 times when conditions permit. Factors that will bear on the timing of any substantive move below 2.5 times include the level of financial gearing of the Group, future investment opportunities and regulatory considerations.

Directors' intentions

Each of the Directors who holds Ordinary Shares has undertaken to take up in full his or her rights to subscribe for New Ordinary Shares under the Rights Issue in respect of his or her beneficial holdings, which together amount to 551,592 Ordinary Shares, representing 0.08 per cent., of William Hill's issued ordinary share capital as at the date of this announcement.

Expected timetable of principal events

	2013
Publication of Prospectus and Form of Proxy	1 March
Record date for entitlements under the Rights Issue	Close of business on 14 March
Record date for final dividend in respect of the 2012 financial year	15 March
Latest time and date for receipt of Forms of Proxy	9.00 a.m. on 16 March
Extraordinary General Meeting	9.00 a.m. on 18 March
Despatch of Provisional Allotment Letters (to Qualifying non-CREST Shareholders only)	18 March
Admission/Commencement of dealings in Nil Paid Rights on the London Stock Exchange	8.00 a.m. on 19 March
Existing Ordinary Shares marked "ex-rights" by the London Stock Exchange	8.00 a.m. on 19 March
Latest time and date for acceptance, payment in full and registration of renunciation of Provisional Allotment Letters	11.00 a.m. on 4 April
Commencement of dealing in New Ordinary Shares fully paid on the London Stock Exchange	8.00 a.m. on 5 April

Notes on expected timetable of principal events:

(a) Subject to certain restrictions relating to Qualifying Shareholders with registered addresses outside the UK, details of which are set out in Part III of the Prospectus.

(b) References to times in this document are to London time unless otherwise stated.

(c) The times and dates set out in the expected timetable are indicative only and may be adjusted by William Hill in consultation with the Banks in which event details of the new times and dates will be notified to the FSA, London Stock Exchange and, where appropriate, Qualifying Shareholders.

(d) If you have any queries on the procedure for acceptance and payment, you should contact Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY on 0870 703 6251 or from outside the UK on +44 870 703 6251. The Shareholder Helpline is available from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday, excluding bank holidays.

Calls to the Shareholder Helpline number are charged at approximately 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Shareholder Helpline number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

Please note that Computershare cannot provide financial advice on the Rights Issue or as to whether or not you should take up your rights under the Rights Issue.

Copies of the Prospectus will be available for inspection during normal business hours on any weekday (Saturday, Sundays and public holidays excepted) at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA up to and including 19 March 2013.

This announcement has been issued by, and is the sole responsibility of, William Hill PLC.

Notes:

(4) Source: Gambling Data, European Online Regulated Markets Data Report, 2012.

(5) Operating profit is a non-IFRS measure defined by William Hill as pre-exceptional profit before interest and tax, before amortisation.

(6) EBITDA is calculated as pre-exceptional profit/loss before interest, tax, depreciation and amortisation (including amortisation of specifically identified intangible assets recognised on acquisitions.)

(7) This should not be construed as a profit forecast or interpreted to mean that the future earnings per share, profits, margins or cash flows of William Hill necessarily be greater than the historic published figures. The Rights Issue adjusted alternative is the comparative earnings per share figure assuming the Proposed Acquisition did not take place but adjusted for the bonus element of the Rights Issue.

Definitions

The following definitions apply throughout this document, unless the context otherwise requires

"2008 LTIP Resolution"	the ordinary resolution to approve the 2008 LTIP which is numbered 2 in the Notice of Extraordinary General Meeting;

"2010 financial year"	52 weeks ended 28 December 2010;
"2011 financial year"	52 weeks ended 27 December 2011;
“2012 Bridge Credit Facility”	the £325 million bridge term credit facility provided by Barclays Bank PLC, Lloyds TSB Bank plc and The Royal Bank of Scotland plc, consisting of separate tranches for the purposes of financing part of the cost of acquisition of Sportingbet’s Australian online gambling operations and certain other assets from the Sportingbet group and funding in part the Proposed Acquisition;
"2012 financial year"	53 weeks ended 1 January 2013;
"Admission"	the admission of the New Ordinary Shares (nil paid) (i) to the Official List and (ii) to trading on the London Stock Exchange's main market for listed securities becoming effective in accordance, respectively, with the Listing Rules and the Admission and Disclosure Standards;
"Admission and Disclosure Standards"	the requirements contained in the publication "Admission and Disclosure Standards" containing, *inter alia*, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange's main market for listed securities;
"Banks"	Citigroup Global Markets Limited, Investec Bank plc and Barclays Bank PLC;
“Barclays”	Barclays Banks PLC;
"Board"	The Board of Directors of the Company;
"Call Option"	the call option granted by Playtech to William Hill Organization (or its nominee) to purchase all of the JV Shares held by Playtech and the IP Assets, exercisable in either 2013 or 2015, on the terms set out in the Framework Agreement;
"certified" or "certificated form"	not in uncertificated form;
"Citi "	Citigroup Global Markets Limited;
"Company" or "William Hill"	William Hill PLC;
"Computershare" or "Registrars"	the Company's registrars, Computershare Investor Services PLC, of The Pavilions, Bridgwater Road, Bristol, BS99 6ZY;
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear UK & Ireland is the operator (as defined in the Uncertificated Securities Regulations);

"Disclosure Rules and Transparency Rules"	the rules made by the FSA under Part VI of FSMA relating to the disclosure of information (as amended from time to time);
"Directors" or the "Board"	the current directors of the Company;
"Euroclear UK & Ireland"	Euroclear UK & Ireland Limited, the operator of CREST;
"Existing Ordinary Shares"	the fully paid Ordinary Shares in issue at the Record Date;
"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of the Company to be held at offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA at 9.00 a.m. on 18 March 2013, notice of which is set out at the end of this document;
"Form of Proxy"	the enclosed form of proxy for use in connection with the Extraordinary General Meeting;
"Framework Agreement"	the agreement entered into on 19 October 2008 (as amended on 29 December 2008, 21 December 2010 and 13 May 2011) between Genuity (referred to therein as Playtech), William Hill Organization, WHG Trading, WHG (International) and Playtech Software Limited relating to a joint venture by William Hill and Playtech of an online gambling business (as amended from time to time);
"FSA"	the Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List otherwise than in accordance with Part VI of FSMA;
"FSMA"	the Financial Services and Markets Act 2000, as amended from time to time;
"Fully Paid Rights"	rights to acquire New Ordinary Shares, fully paid;
"Genuity" or "Playtech"	Genuity Services Limited, a company incorporated in the British Virgin Islands with registered number 1496685, whose registered office is at Trident Chambers, P.O. Box 146, Tortola, British Virgin Islands;
"Group"	the Company and its subsidiaries from time to time;
"IFRS"	International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and International Financial Reporting Standards adopted by the European Union;
"Investec "	Investec Bank plc;

"IP Assets"	the trademarks and domain names which are the subject of a licence entered into by Playtech and the JVCos on 30 December 2008 (as amended from time to time);
"Issue Price"	245 pence per new Ordinary Share;
"Japan"	Japan, its territories and possessions and any areas subject to its jurisdiction;
"JVCos"	WHG Trading and WHG (International);
"JV Shares"	shares in the capital of the JVCos of whatever class;
"Listing Rules"	the listing rules made by the FSA under Part VI of FSMA (as amended from time to time);
"London Stock Exchange"	London Stock Exchange plc;
"New Ordinary Shares"	156,871,900 new Ordinary Shares to be issued by the Company pursuant to the Rights Issue;
"Nil Paid Rights"	New Ordinary Shares in nil paid form provisionally allotted to Qualifying Shareholders pursuant to the Rights Issue;
"Notice of Extraordinary General Meeting"	the notice of extraordinary general meeting set out at the end of this document;
"Official List"	the Official List of the FSA;
"Ordinary Shares"	the ordinary shares of 10 pence each in the capital of the Company;
"Overseas Shareholders"	Qualifying Shareholders who have registered addresses outside the UK;
"Playtech Group"	Playtech Limited and any company which is a holding company of that company or a subsidiary of that company (other than the JVCos or any of their subsidiaries), or a subsidiary of such holding company;
"Proposed Acquisition"	the proposed acquisition of the 29 per cent. of William Hill Online that the Group does not already own from Playtech for a total cash consideration of approximately £424 million (subject to adjustments shortly after completion to reflect unpaid dividends and levels of cash in William Hill Online);
"Proposed Acquisition Resolution"	the ordinary resolution to approve the Proposed Acquisition which is numbered 1 in the Notice of Extraordinary General Meeting;
"Prospectus"	a prospectus comprising a circular expected to be published by the Company today in connection with the Proposed Acquisition and Rights Issue;

"Prospectus Rules"	the rules made by the FSA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market;
"Provisional Allotment Letter"	the renounceable provisional allotment letter to be issued to Qualifying non-CREST Shareholders by the Company in respect of the Nil Paid Rights pursuant to the Rights Issue;
"Qualifying non-CREST Shareholders"	Qualifying Shareholders whose Ordinary Shares on the register of members of the Company at the close of business on the Record Date are in certificated form;
"Qualifying Shareholders"	holders of Ordinary Shares on the register of members of the Company at the close of business on the Record Date;
"Qualifying US Investors"	Qualifying Shareholders that are “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act;
"Record Date"	close of business on 14 March 2013;
"Resolutions"	the Proposed Acquisition Resolution and the 2008 LTIP Resolution set out in the Notice of Extraordinary General Meeting;
"Restricted Jurisdictions"	Canada, Japan, the Republic of South Africa and Australia and any other jurisdiction outside the UK in which it would be unlawful or in contravention of certain regulations to offer the Nil Paid Rights or New Ordinary Shares under the Rights Issue;
"Rights Issue"	the proposed offer by way of rights of the New Ordinary Shares to Qualifying Shareholders at the Issue Price on the terms and subject to the conditions set out in this document and, in the case of Qualifying non-CREST Shareholders and Qualifying US Investors only, the Provisional Allotment Letter;
"Securities Act"	the United States Securities Act of 1933, as amended;
"Shareholders"	holders of Ordinary Shares;
"Sportingbet"	Sportingbet plc;
"Uncertificated Securities Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No 3755), as amended from time to time;
"Underwriters"	Citigroup Global Markets Limited, Investec Bank plc and Barclays Bank PLC;
"Underwriting Agreement"	the agreement between the Company and the Banks dated 1 March 2013;

"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia;
"WHG (International)"	WHG (International) Limited (formerly known as William Hill (Gibraltar) Limited), a company incorporated in Gibraltar with registered number 99191, whose registered office is at 57/63 Line Wall Road, Gibraltar;
"WHG Trading"	WHG Trading Limited (formerly known as William Hill (Gibraltar) 2008 Limited), a company incorporated in Gibraltar with registered number 101439, whose registered office is at 57/63 Line Wall Road, Gibraltar;
"William Hill Online"	the joint venture between William Hill and Playtech through which William Hill operates its online segment and comprising WHG Trading and WHG (International);
"William Hill Organization"	William Hill Organization Limited, a company incorporated in England and Wales with registered number 278208, whose registered office is at Greenside House, 50 Station Road, Wood Green, London N22 7TP;
"£", "pence" or "pounds sterling"	the lawful currency of the UK.