

The logo for William Hill, featuring the word "William" in a white cursive script and "HILL" in a white, bold, sans-serif font, all set against a dark blue rectangular background.

*William***HILL**

THE HOME OF BETTING

Final results for the 52 weeks ended 28 December 2010

25 February 2011

Agenda

- **Overview**
Ralph Topping, Chief Executive
- Financial highlights
Neil Cooper, Group Finance Director
- Investing for growth
Ralph Topping, Chief Executive
- Q&A



Highlights

- Strong 2010 performance
 - Operating profit⁽¹⁾ +7%, ahead of expectations
 - Outstanding Sportsbook net revenue growth +95%
 - Strong improvements in in-play gross win margin
 - In-play amounts wagered doubled, in-play net revenue +277%
 - Retail amounts wagered +8%, net revenue +3%
 - Successful ‘Storm’ roll-out
 - Strong football performance
 - Balance sheet strengthened further
- Continuing the transformation of William Hill
 - Redefined approach to trading
 - Leading in-play football product
 - Industry-leading online growth
 - Industry-leading gaming machines growth
 - First-ever Sportsbook TV advertising campaign
 - Telephone restructured



Agenda

- Overview
Ralph Topping, Chief Executive
- **Financial highlights**
Neil Cooper, Group Finance Director
- Investing for growth
Ralph Topping, Chief Executive
- Q&A



A strong performance in uncertain times

52 weeks to	28 Dec 10	29 Dec 09	%
Amounts wagered	16,519.8	15,070.0	+10%
Net revenue	1,071.8	997.9	+7%
Operating profit⁽¹⁾	276.8	258.5	+7%
Amortisation	(3.6)	(5.5)	-35%
Net finance costs	(53.9)	(55.5)	-3%
Tax	(44.0)	(48.5)	-9%
Non-controlling interest	(26.3)	(20.6)	+28%
Retained profit	149.0	128.4	+16%
Basic, adjusted EPS (p)	21.7	20.6	+5%
Net debt for covenant purposes	499.4	602.6	-17%

1. Operating profit is defined as pre-exceptional profit including associates and excluding interest, tax and £3.6m (2009: £5.5m) of Online amortisation relating to trade names, affiliate relationships and non-competition agreements

2. Numbers are presented on a pre-exceptional basis

3. Basic EPS is based on 697.9 million average shares for 2010 and 641.3 million average shares for 2009

Exceptional items

	Item	£m
Cash items	• Telephone restructure	(2.4)
	• Machines VAT refund	5.6
Sub-total		3.2
Non-cash items	• Ineffective interest rate hedges FV adjustment	(4.1)
	• De-designation of previously effective interest rate hedges	(14.2)
	• Bank debt finance fees write-off	(7.2)
	• Telephone restructure	(3.7)
Sub-total		(29.2)
Pre-tax exceptional items		(26.0)
Tax		6.7
Post-tax		(19.3)

Machines and football growth offsets racing weakness

52 weeks to	28 Dec 2010 £m	29 Dec 2009 £m	%
OTC amounts wagered	2,523.0	2,600.5	-3%
Machines amounts wagered	12,240.0	11,069.7	+11%
Total Retail amounts wagered	14,763.0	13,670.2	+8%
OTC gross win	452.6	459.1	-1%
<i>OTC gross win margin</i>	<i>17.9%</i>	<i>17.7%</i>	<i>+0.2 pts</i>
Machines gross win	389.0	343.5	+13%
Total gross win	841.6	802.6	+5%
Net revenue	783.1	757.5	+3%
Cost of sales	(127.0)	(125.7)	+1%
Gross profit	656.1	631.8	+4%
Operating costs	(451.6)	(429.1)	+5%
Operating profit⁽¹⁾	204.5	202.7	+1%

1. Operating profit is defined as pre-exceptional profit including associates and excluding interest, tax and £3.6m (2009: £5.5m) of Online amortisation relating to trade names, affiliate relationships and non-competition agreements

An above-trend second half OTC margin

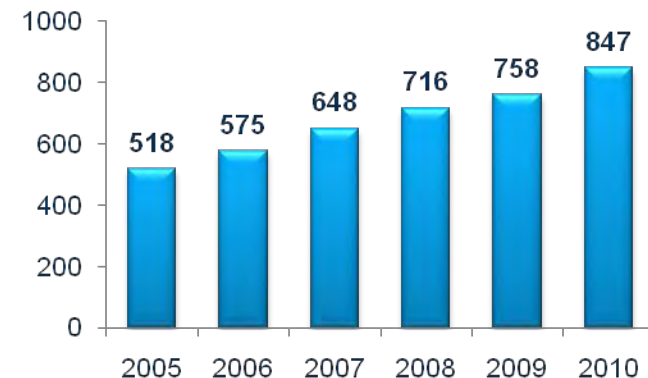
OTC gross win margin

- 17.9% at top end of normal 17-18% trading range
 - H1 2010 17.4% vs H1 2009 18.2%
 - H2 2010 18.6% vs H2 2009 17.0%
- Horseracing festivals down (Ascot and Grand National), flat underlying
- Offset by strong football results and World Cup

Machines performance

52 weeks to	28 Dec 10	29 Dec 09	%
Average number of LBOs	2,353	2,324	+1%
Average number of machines	8,831	8,716	+1%
Gross win per machine per week	£847	£758	+12%
Machine gross win margin	3.18%	3.10%	+0.08 ppts

Gross win per machine per week



Retail cost overview

52 weeks to	28 Dec 2010 £m	29 Dec 2009 £m	%
Staff costs	(195.1)	(189.3)	+3%
Property costs	(90.2)	(87.7)	+3%
Content costs	(52.1)	(48.9)	+7%
Depreciation	(27.3)	(25.8)	+6%
Other costs incl. recharges	(86.9)	(77.4)	+12%
Operating costs	(451.6)	(429.1)	+5%

Breakdown of Retail cost growth

Total cost increase	5.2%
Net new developments	1.1%
Cost initiatives for 2011	1.0%
Bonus pool increase	1.3%
Marketing	0.4%
Content	0.6%
All other	0.8%

Telephone shows a modest profit ahead of restructure

52 weeks to	28 Dec 2010 £m	29 Dec 2009 £m	%
Amounts wagered	457.6	507.7	-10%
Net revenue	30.3	29.7	+2%
<i>Net revenue margin</i>	6.6%	5.8%	+0.8 ppts
Cost of sales	(7.7)	(7.0)	+10%
Gross profit	22.6	22.7	+0%
Staff costs	(5.8)	(6.5)	-11%
Marketing costs	(3.1)	(3.7)	-16%
Other costs incl. recharges	(12.8)	(14.3)	-10%
Operating costs	(21.7)	(24.5)	-11%
Operating profit/(loss)⁽¹⁾	0.9	(1.8)	
Active players ⁽²⁾	99,500	113,700	-12%

(1) Operating profit is defined as pre-exceptional profit including associates and excluding interest, tax and £3.6m (2009: £5.5m) of Online amortisation relating to trade names, affiliate relationships and non-competition agreements

(2) Players who placed a bet during the period

Outstanding Sportsbook leads Online performance

52 weeks to	28 Dec 10 £m	29 Dec 09 £m	%
Sportsbook	81.6	41.8	+95%
Casino	127.7	126.8	+1%
Poker	21.5	21.3	+1%
Bingo and skill	20.7	13.6	+52%
Net revenue	251.5	203.5	+24%
Cost of sales	(18.7)	(24.7)	-24%
Gross profit	232.8	178.8	+30%
Operating costs	(141.7)	(104.4)	+36%
Operating profit⁽¹⁾	91.1	74.4	+22%

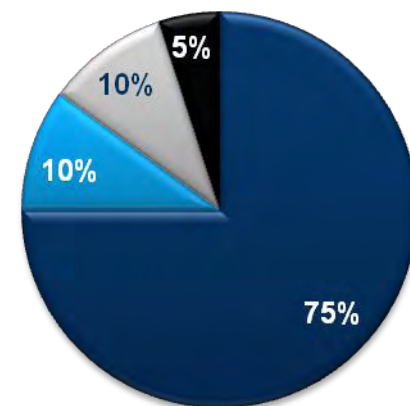
1. Operating profit is defined as pre-exceptional profit including associates and excluding interest, tax and £3.6m (2009: £5.5m) of Online amortisation relating to trade names, affiliate relationships and non-competition agreements

William Hill Online – key metrics

52 weeks to	28 Dec 10	29 Dec 09	%
Unique active players ⁽¹⁾	1,341.1	1,289.9	+4%
Revenue per unique active player	187.6	157.8	+19%
New accounts ⁽²⁾	808.7	661.5	+22%
Average cost per acquisition (£) ⁽³⁾	75.70	63.15	+20%
Sportsbook amounts wagered (£m)	1,101.9	701.0	+57%
Sportsbook gross win margin	8.0%	6.6%	+1.4 pts
- Pre-match gross win margin	9.8%	7.9%	+1.9 pts
- In-play gross win margin	4.8%	2.7%	+2.1 pts

1. Placed a bet within the period
2. Deposited and placed a bet within the period
3. Including affiliates

Online H2 2010 net revenues by regulatory risk*

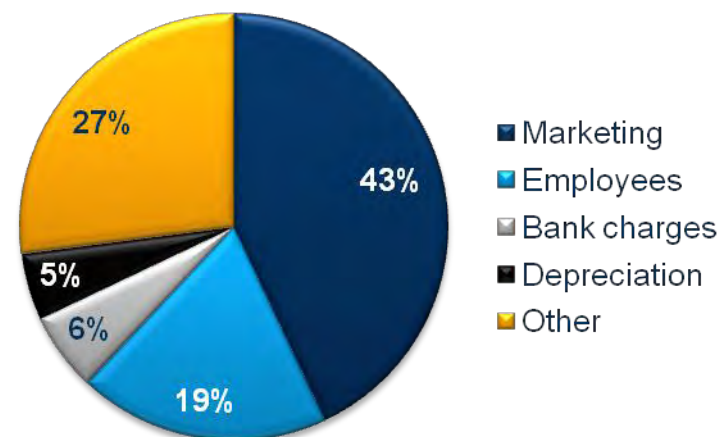


- Regulated
- Regulating - more favourable
- Regulating - less favourable
- Minor markets

Marketing growth continues to fuel net revenue growth

52 weeks to	28 Dec 2010 £m	29 Dec 2009 £m	%
Staff costs	(27.6)	(17.0)	+62%
Marketing	(61.2)	(41.8)	+46%
Bank charges	(8.6)	(7.7)	+12%
Depr. and amort.*	(7.3)	(6.5)	+12%
Other costs incl. recharges	(37.0)	(31.4)	+18%
Operating costs	(141.7)	(104.4)	+36%

Split of direct operating costs



* Excludes £3.6m (2009: £5.5m) of Online amortisation relating to relating to trade names, affiliate relationships and non-competition agreements

Disciplined cost control alongside investment for growth

- The Group will continue to invest where we see benefits
 - Product and technology innovations: trading platform and mobile
 - Increase in Retail marketing costs
 - Online marketing at 24% of net revenue in 2010 (2009: 21%)
 - Employee costs: the right structure and incentives to drive growth
- 2010 cost control
 - Prior-year pay freeze benefitting bulk of year
 - Tail management: 27 shops closed in 2010 with 20 more to close in Republic of Ireland in 2011
 - Refinance of bank deal
 - Restructure of Telephone operation
- 2011 cost control
 - Outsourcing shop cleaning
 - Closure of final salary pension scheme to future accruals
 - Ongoing tweaking of Retail staffing model

Interest

52 weeks to	28 Dec 2010 £m	29 Dec 2009 £m
Net interest receivable	0.6	1.1
Bank loan interest	(13.8)	(28.1)
Effective interest rate hedges	(11.8)	(21.2)
Bond interest	(21.3)	(2.9)
Amortisation of finance fees	(5.7)	(1.6)
Net interest on pension scheme net liability	(1.9)	(2.8)
Total net interest	(53.9)	(55.5)

Capital expenditure and cash flow

52 weeks to	28 Dec 10 £m	29 Dec 09 £m
Retail development	26.2	14.4
William Hill Online	14.0	14.0
Investment in joint venture	-	3.1
Other (including IT)	3.2	6.3
Total capital expenditure*	43.4	37.8

- Retail development
 - 62 shop openings
 - 27 closures
 - 26 re-sites and one extension
- 2011 capex expected to be c£70m, including refurbishments
- £10-15m adverse working capital swing expected

Further strengthening of the Balance Sheet

- Continued good cash flow: cash inflow from operating activities of £224m (2009: £170m)
- Net debt for covenant purposes reduced to £499.4m from £602.m in 2009
- Refinanced £550m bank debt facility improves debt profile
 - Maturity extended to 2015
 - Reduced amortisation, 3% marginal cost of borrowing
 - More effective cash management
 - De-designation of hedging facilities
- Headroom of c£310m from undrawn borrowing facility and unrestricted cash

Other finance matters

- Effective tax rate of 20.1% in 2010
 - Release of prior-year provisions
 - First of series of reductions in deferred tax liabilities
 - Effective income statement rate expected to be 22% in 2011 and 21% in 2012
 - 2011 and 2012 effective cash tax rate expected to be 22%
- Pension deficit fell £12.3m to £30.9m
- Final dividend of 5.8p per share payable on 9 June 2011, giving 2010 full-year dividend of 8.3p per share, +11%

Agenda

- Overview
Ralph Topping, Chief Executive
- Financial highlights
Neil Cooper, Group Finance Director
- **Investing for growth**
Ralph Topping, Chief Executive
- Q&A



Current trading: eight weeks to 22 Feb 11

- Group net revenue +9%
- Retail performing well
 - Amounts wagered +12%: good growth in both OTC and gaming machines
 - Gross win margin below normal trading range at 16.6%
 - Net revenue +6%
- Online continues to perform strongly
 - Net revenue +21%
 - Sportsbook amounts wagered +79%
- Performance in line with Board's expectations



Playtech injunction

- Press speculation regarding discussions between Playtech and Ladbrokes
- Playtech initiated discussions with William Hill seeking possible significant amendments to the current William Hill Online joint venture agreements
- Interim injunction secured in London 22 February
- To ensure our legal rights under the William Hill Online joint venture agreements are maintained

Investing for growth

The widest customer base

The highest share of wallet

The lowest cost of acquisition



- Integrated multi-channel operation
- Broad, deep product range
- Sportsbook-led Online transformation
- Innovation
- International reach
- Strong brand



1. NEIL COOPER
GROUP FINANCE DIRECTOR



2. DAVID STEELE
CORPORATE SERVICES DIRECTOR



4. ALAN JOHNSON
RETAIL OPERATIONS DIRECTOR



3. JAMES HENDERSON
OPERATIONS DIRECTOR ONLINE



5. EYAL SANOFF
ONLINE MARKETING



6. HENRY BIRCH
CHIEF EXECUTIVE OFFICER ONLINE



7. RALPH TOPPING
CHIEF EXECUTIVE OFFICER



8. JEFF DUNHAM
CHIEF TECHNOLOGY OFFICER



9. KRISTOF FAHY
DIRECTOR, BRAND, MARKETING



10. TERRY PATTINSON
TRADING DIRECTOR

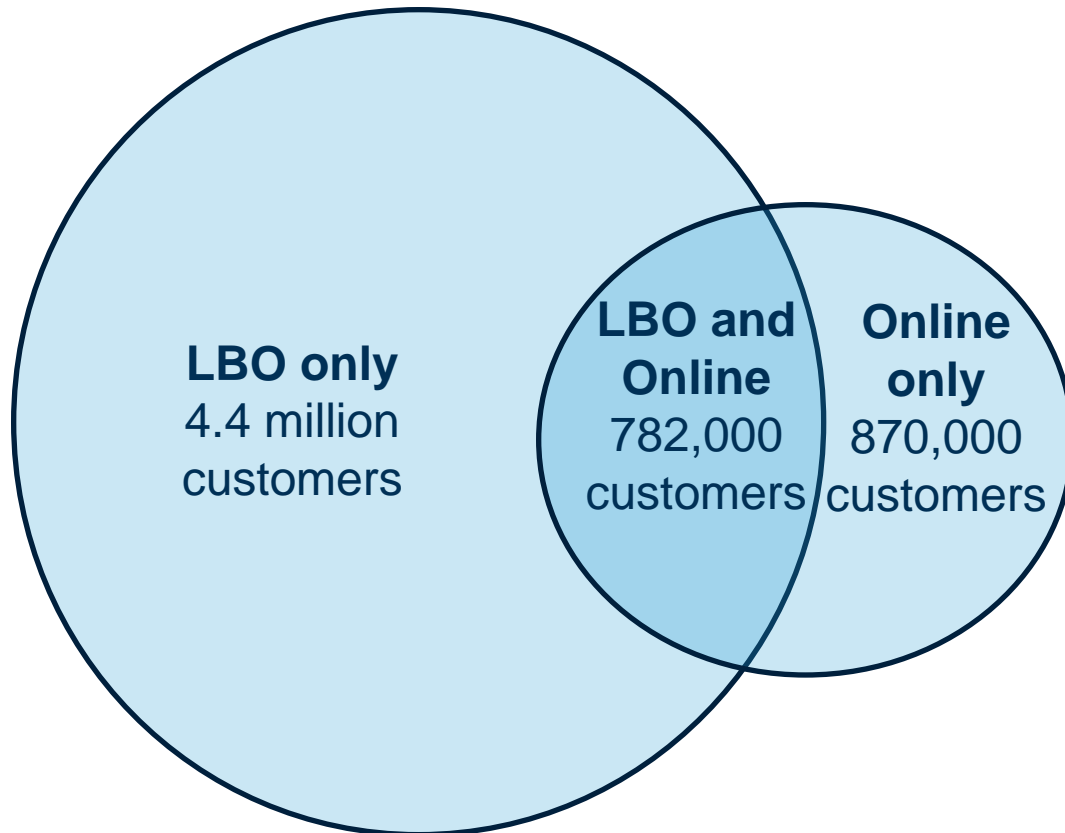


11. JAMIE HART
DEVELOPMENT DIRECTOR ONLINE

WILLIAM HILL FIRST XI

The benefit of a multi-channel approach

UK gambler choice of channel



Source: TGI 2010 Q3 (April 2009 – March 2010)
Six million people bet with a bookmaker in the period

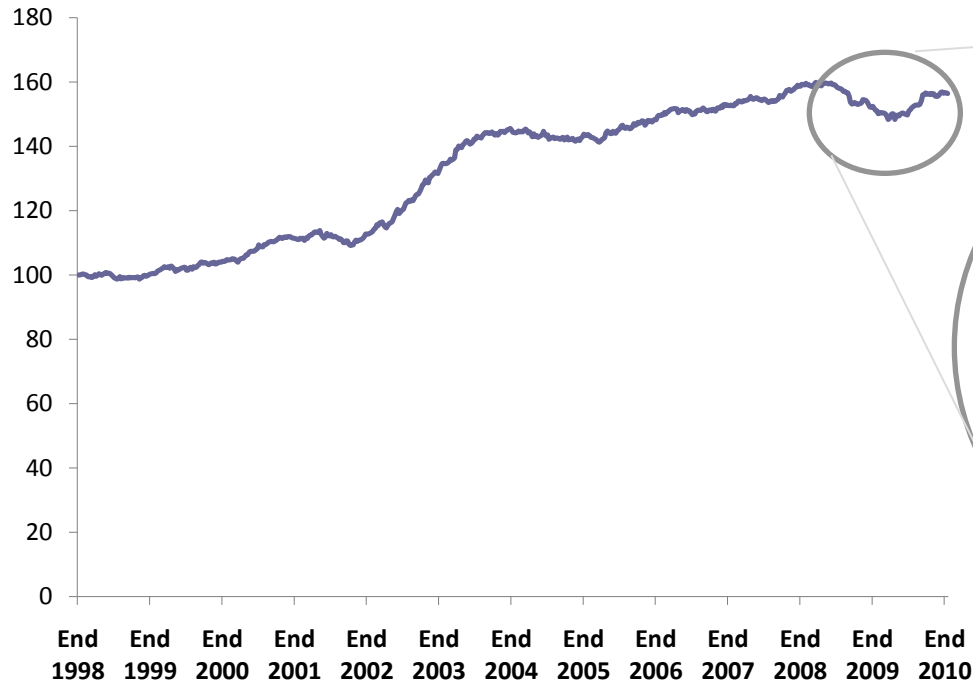
- Multi-channel model delivers:
 - Access to higher percentage of addressable market
 - Higher share of wallet
 - Lower customer acquisition costs for new channels
 - Brand awareness
 - Balance of growth and stability
- Expertise and scale across all channels

52% of William Hill Online customers use LBOs

Resilient Retail against a tough economic backdrop

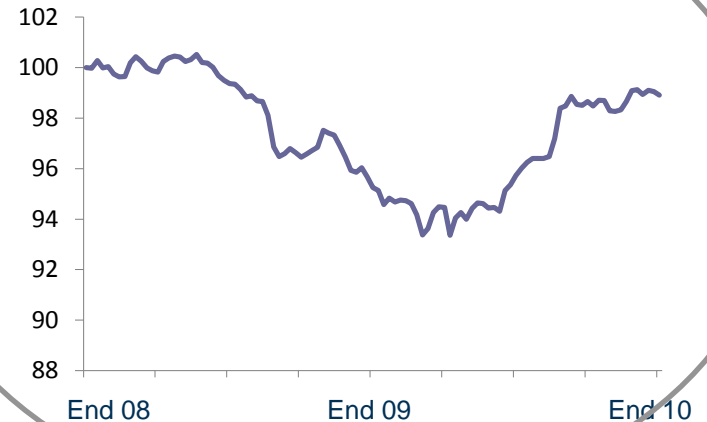
Total gross win in shops open between 1998-2010

(12-month rolling average rebased from end of 1998)



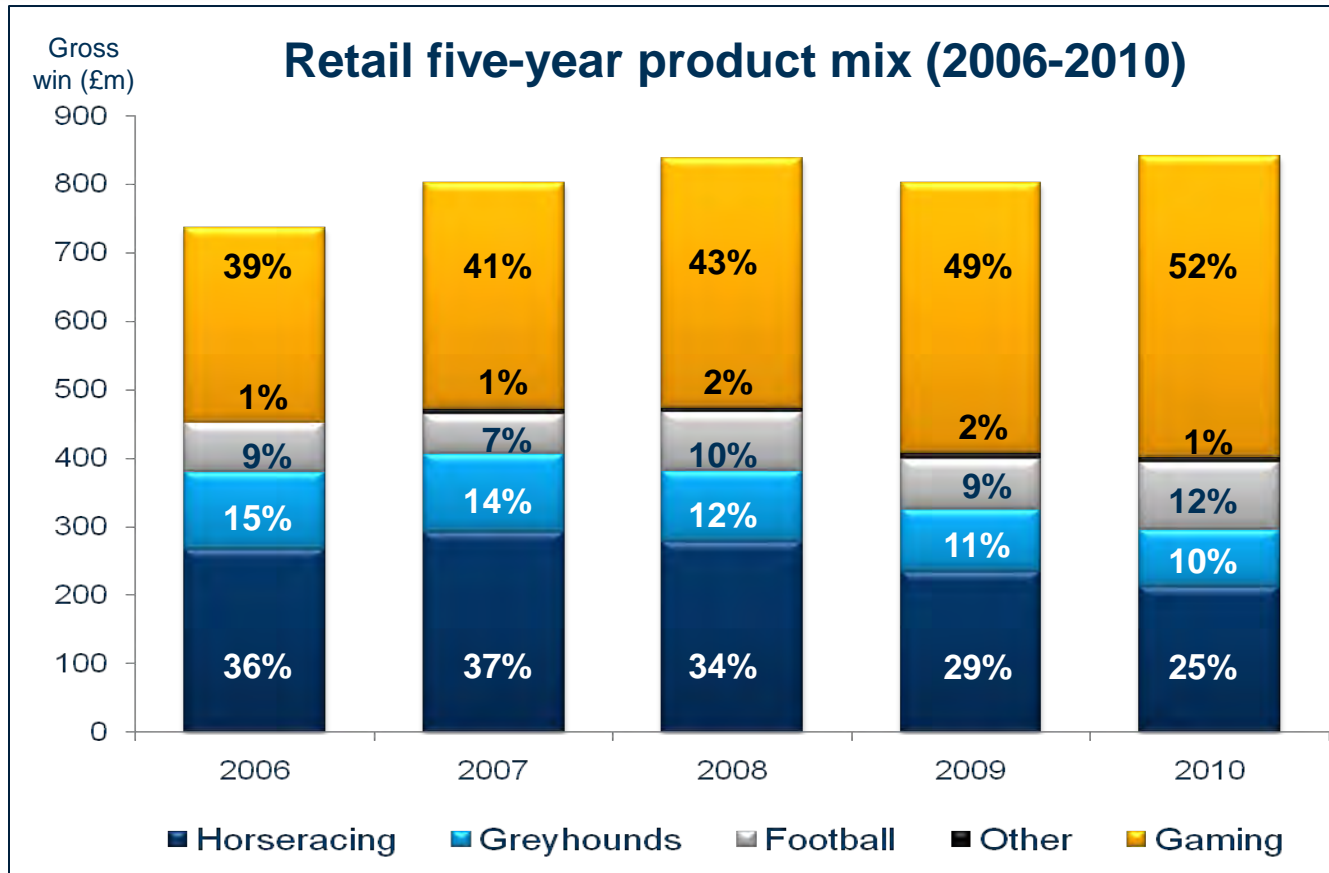
Total gross win in shops open between 2008-2010

(12-month rolling average rebased from end of 2008)

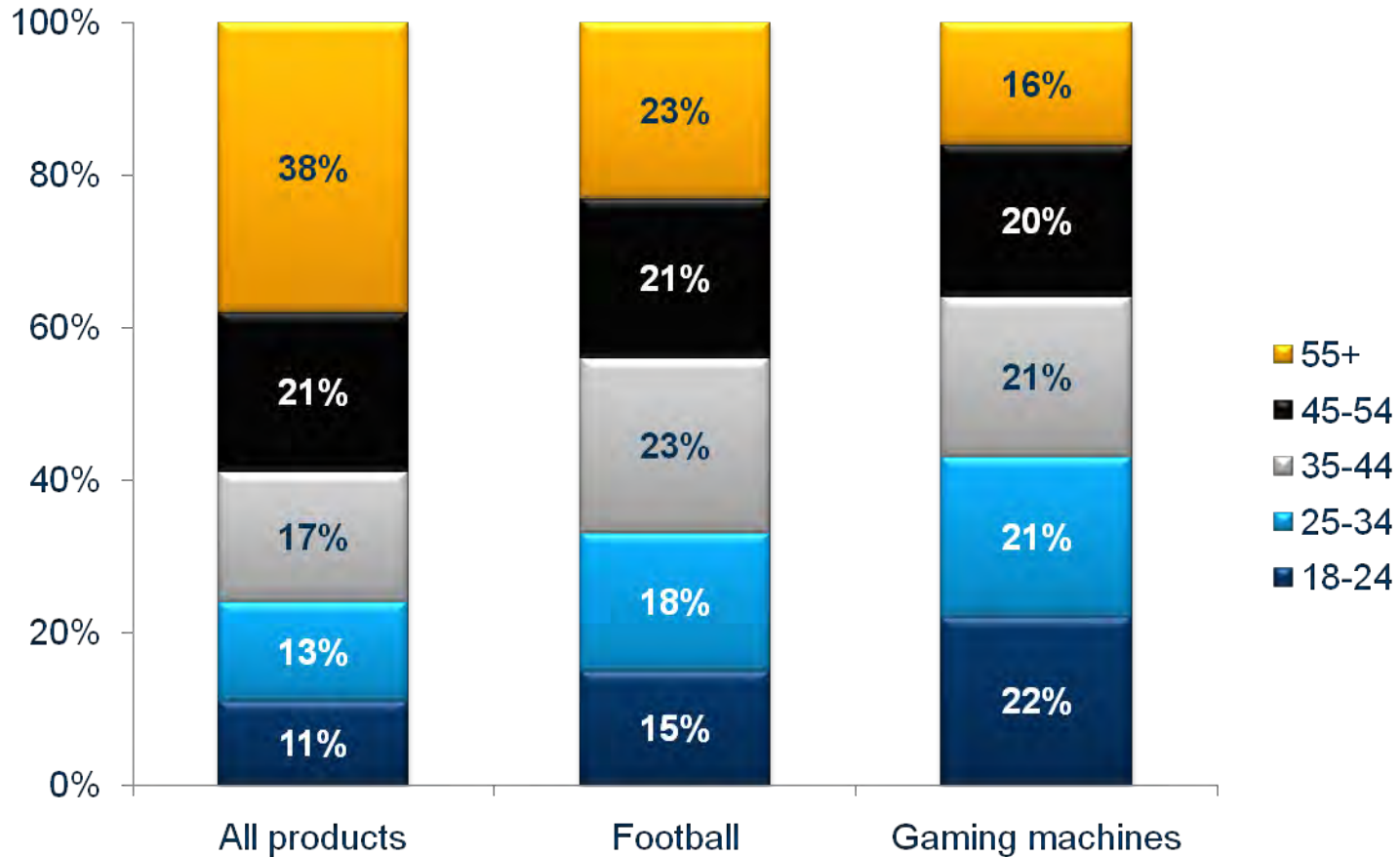


**c1% decline in revenues
2008-2010**

Proactive management of the Retail offer

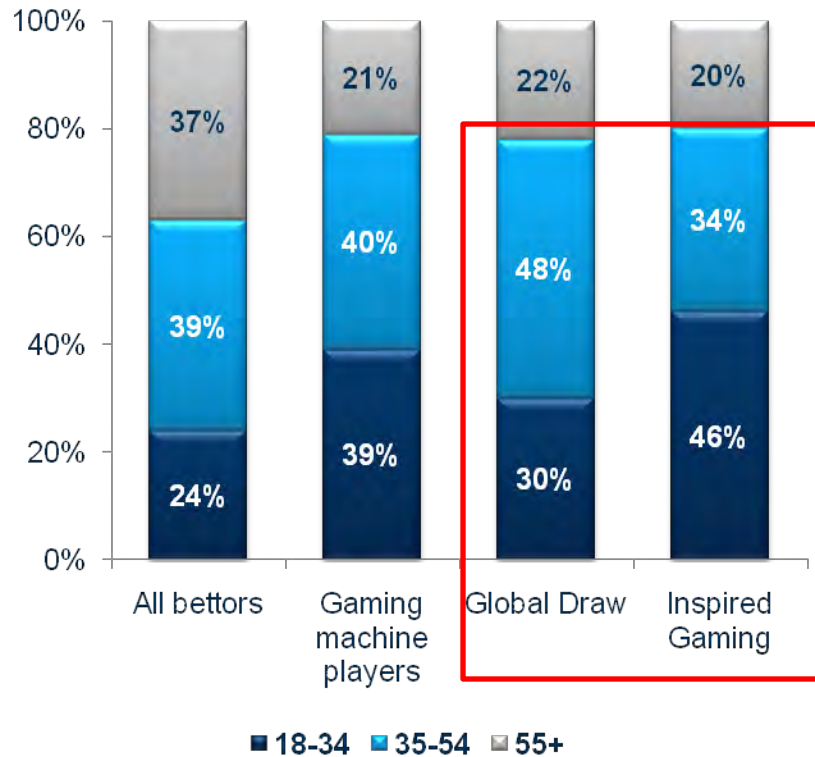


High growth products attract a younger customer base

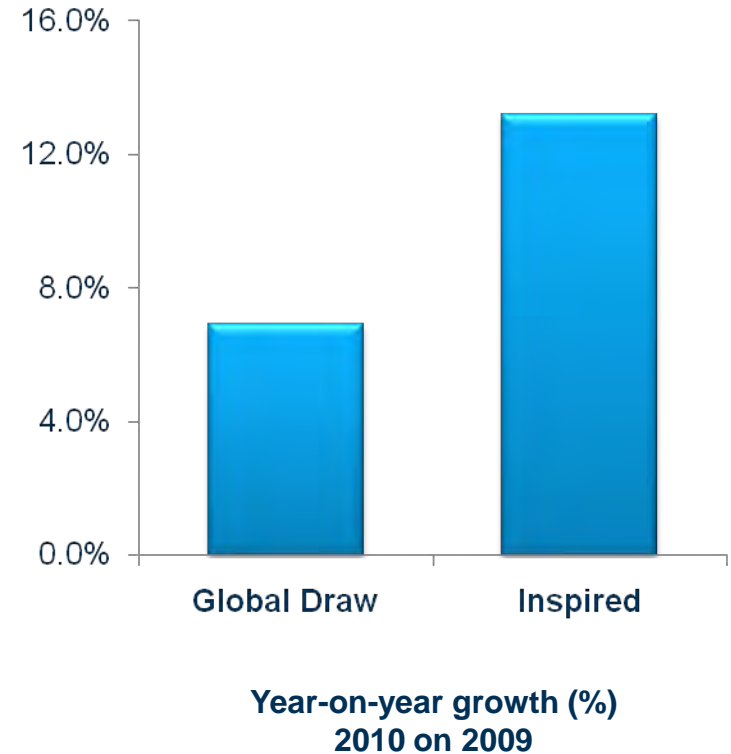


Product innovation = higher growth

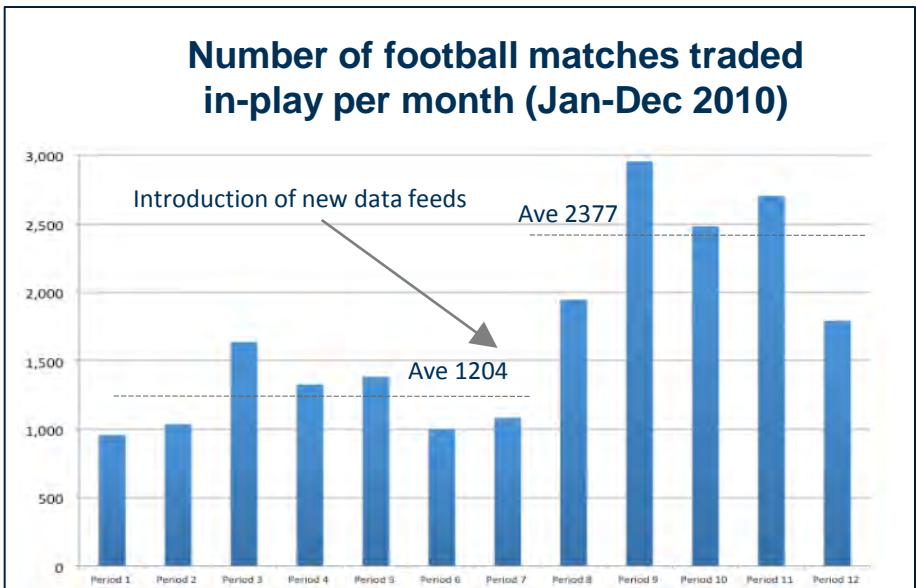
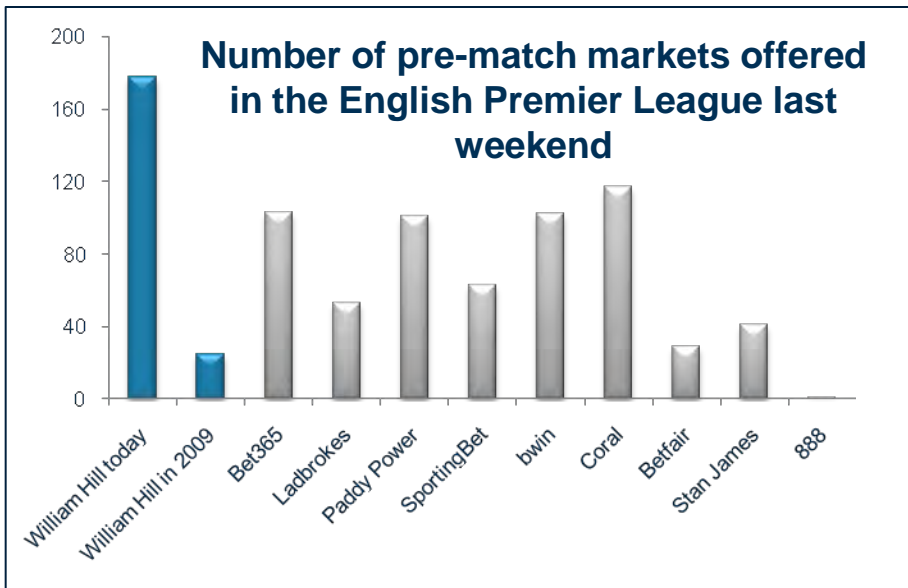
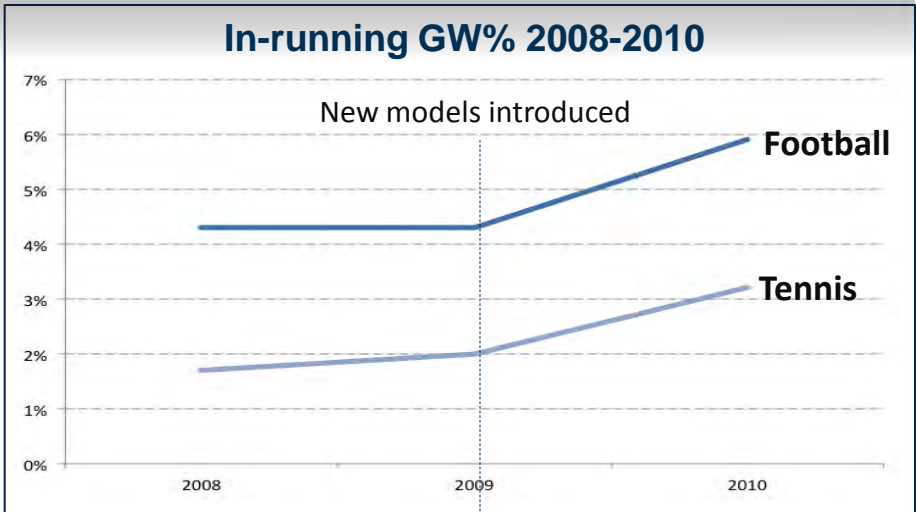
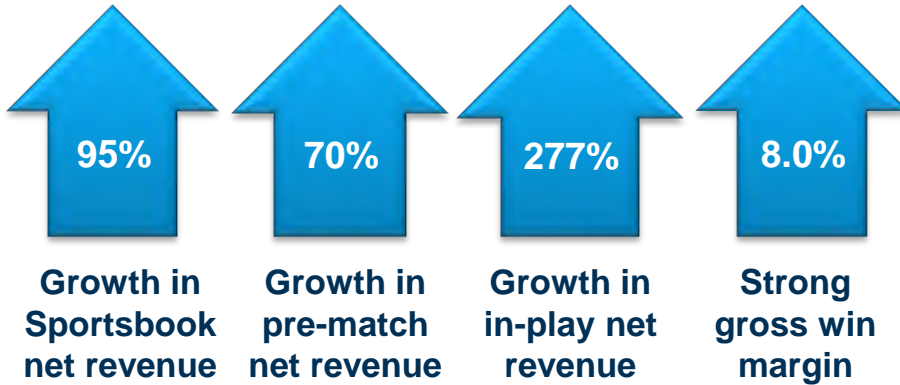
'Storm' is attracting a younger customer base...



...and driving higher gross win



Sportsbook leads the way in Online

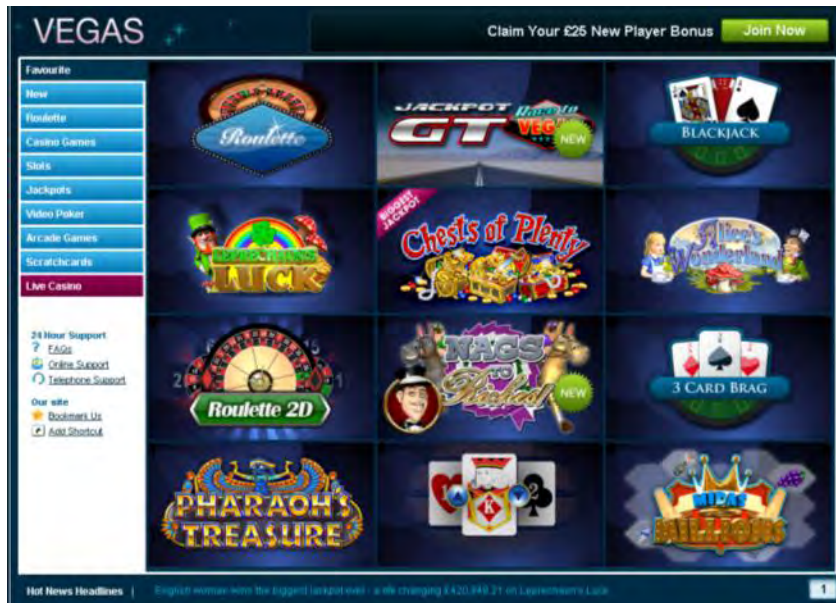


Trading expertise is the foundation of our business

- Pricing strategy – headline seeking
- Margin strategy – industry-leading
- Offer strategy – unique and appealing



Strong cross-sell into gaming



- 40% of williamhill.com customers played **two or more** products during the year
- Development of Flash-based games, ideal for cross-sell, **34% growth** in net revenue in 2010

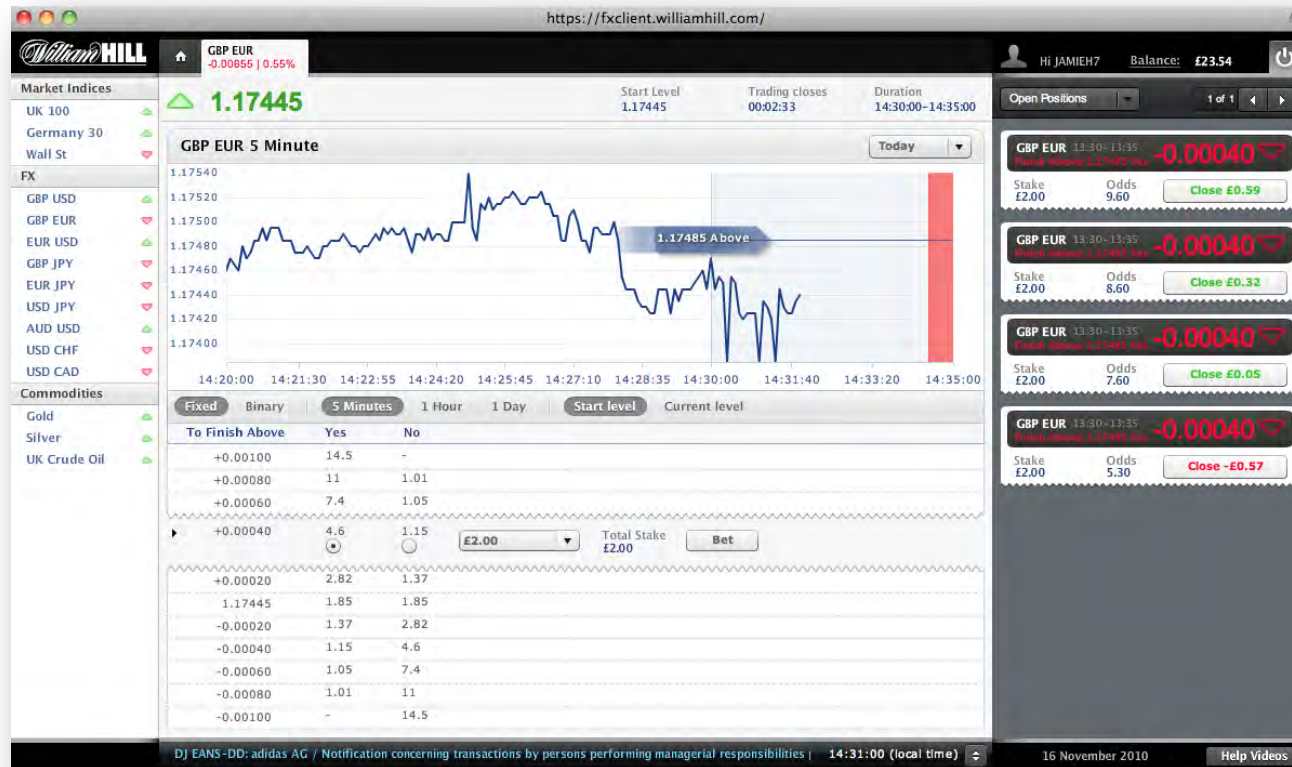
Innovation: a core competence

Proprietary algorithms for new sports

$$P(Z = z) = \frac{\int_0^\infty (n + \beta)^{(\alpha - 1 + \sum_{i=1}^n k_i)} \lambda^{(\alpha + \sum_{i=1}^n k_i)} e^{-(n + \beta)\lambda} e^{-\lambda} \lambda^z d\lambda}{\Gamma(\alpha + \sum_{i=1}^n k_i) z!}$$

Innovation: a core competence

Proprietary fixed-odds financial betting

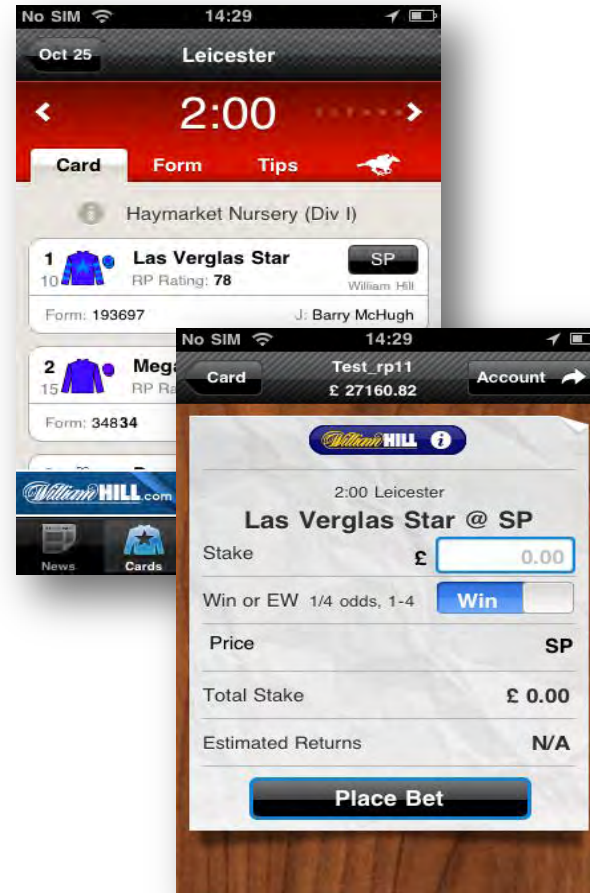


Innovation: a core competence

Mobile: new betting concepts...



...and third-party app integration



Innovation in mobile

- 400% increase in gross win in 2010
- 500% increase in gross win in Jan 2011 v Jan 2010
- 5% of Sportsbook net revenue today
- Apps for Android and iPhone platforms
- 200,000 downloads of Racing Post app, 22,500 downloads of Shake-a-Bet
- Pipeline of new developments in 2011, including:
 - Poker and Casino in Q2
 - Innovative plans for Sportsbook in Q3
 - iPad app for Day Trader
 - Text/SMS betting



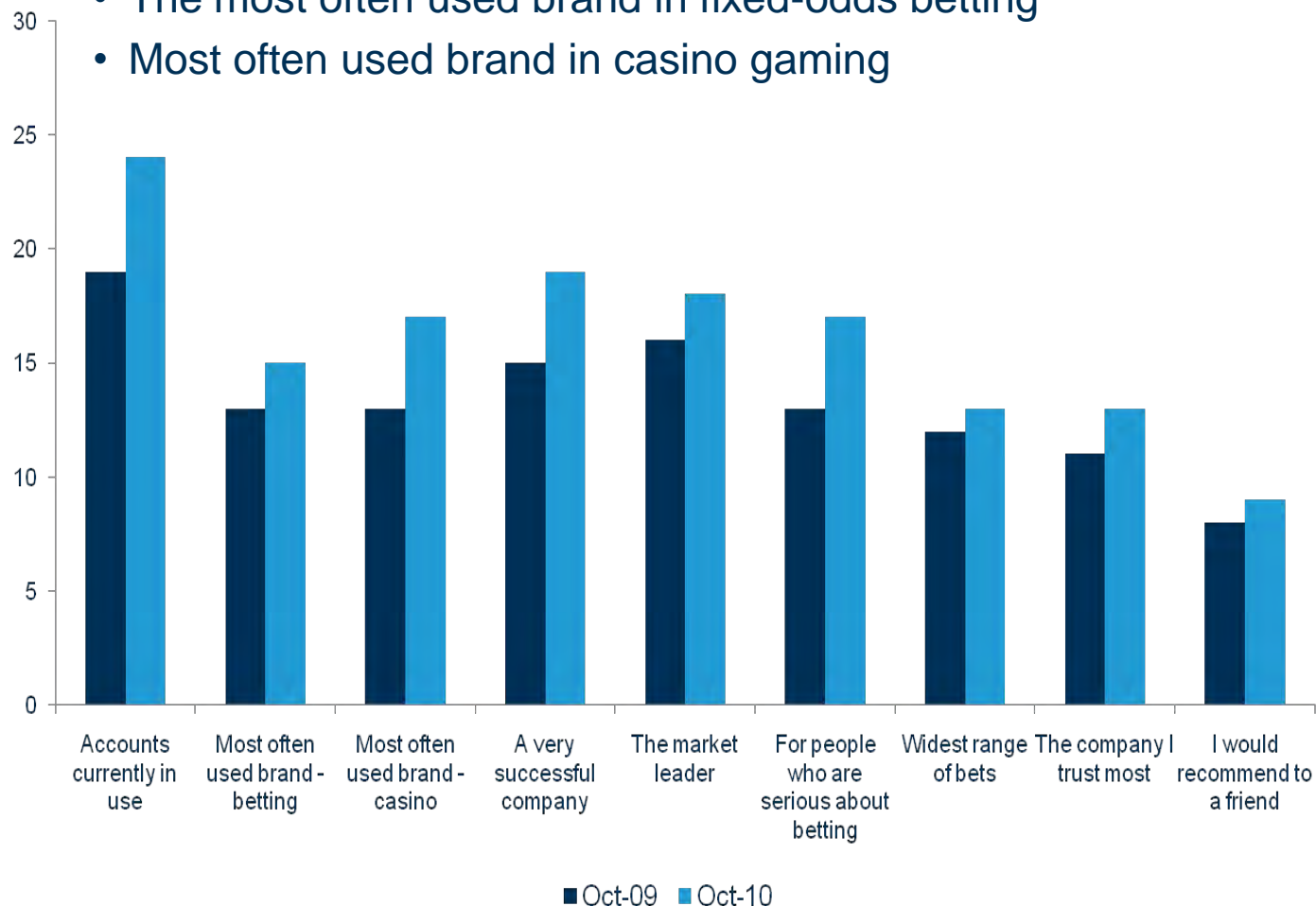
International development

- Focus on regulated markets
- Targeted approach to achieve top three status in key countries
- Sportsbook-led strategy

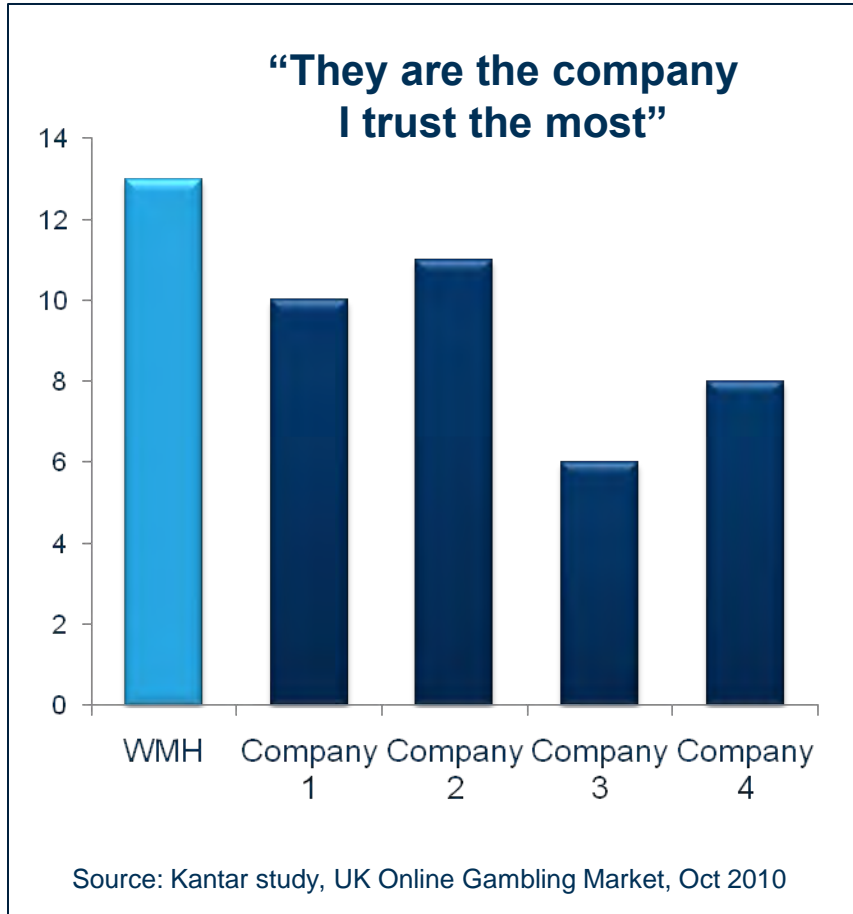


Positive impact on brand perception

- More active accounts than any other online brand in the UK
- The most often used brand in fixed-odds betting
- Most often used brand in casino gaming



William Hill: The Home of Betting



- The most trusted brand in betting
- We stand for...
 - Expertise
 - Service
 - Choice
 - Personal focus...across all channels
- Multi-channel approach reinforces brand proposition

Confident in our approach

Continued expansion of our **product** offering

Focus on **technology** to enhance the customer experience

Using **trading** capability to deliver different pricing/offers

Investment in **marketing** to increase brand profile

William **HILL**

THE HOME OF BETTING

**On the high street, online, on the phone
...and on the move**



APPENDICES



Regulatory update

- Prevalence Study results published Feb 2011
 - 73% of adult population gamble
 - Two measures of problem gambling presented
 - Non-statistically significant increase in one (0.5% to 0.7%)
 - On margins of statistical significance on second (0.6% to 0.9%)
- Gaming machines
 - VAT increased to 20% in Jan 2011
 - Consultation on draft legislation expected summer 2011 on move to Gaming Machine Duty
 - Category B gaming machines review and Stakes and Prizes review ongoing
- Online
 - Continuing development of regulation across the world
 - Outcome of consultation on UK dual-licensing regime awaited
- Sports betting right and funding for sport
 - Levy determination at 10.75% of UK horseracing gross profit, threshold of £50,000
 - Opposing Sports Rights Owners Coalition claim of rights over betting markets
 - Lib Dem proposal on uncollected winnings: discriminatory and presents challenges in terms of structure and legal definition

World Cup

	H1 2010	Total
Retail OTC amounts wagered	£31.5m	£48.6m
Telephone amounts wagered	£10.6m	£15.8m
Online Sportsbook amounts wagered	£35.1m	£51.0m
Total amounts wagered	£77.2m	£115.4m
Retail OTC gross win	£10.5m	£18.1m
Telephone gross win	£2.6m	£3.9m
Online Sportsbook gross win	£6.2m	£10.2m
Total gross win	£19.3m	£32.2m
Retail OTC margin	33%	37%
Telephone margin	25%	25%
Online Sportsbook margin	18%	20%
Total margin	25%	28%

Summary of performance by division

52 weeks to	Net revenue			Operating profit ⁽¹⁾		
	28 Dec 2010 £m	29 Dec 2009 £m	Change %	28 Dec 2010 £m	29 Dec 2009 £m	Change %
Retail	783.1	757.5	+3%	204.5	202.7	+1%
Online	251.5	203.5	+24%	91.1	74.4	+22%
Telephone	30.3	29.7	+2%	0.9	(1.8)	-
Other	6.9	7.2	-4%	0.1	0.6	-83%
JVs				-	(3.1)	-
Associates				3.3	2.8	+18%
Corporate				(23.1)	(17.1)	+35%
Operating profit				276.8	258.5	+7%
Amortisation				(3.6)	(5.5)	-35%
Total	1,071.8	997.9	+7%	273.2	253.0	+8%

1. Operating profit is defined as pre-exceptional profit including associates and excluding interest, tax and £3.6m (2009: £5.5m) of Online amortisation relating to trade names, affiliate relationships and non-competition agreements

2. Numbers are presented on a pre-exceptional basis

Net revenue summary

52 weeks to		28 Dec 2010 £m	29 Dec 2009 £m	%
Retail	OTC	452.6	459.1	-1%
	Machines	330.5	298.4	+11%
	Retail total	783.1	757.5	+3%
Online	Sportsbook	81.6	41.8	+95%
	<i>Gaming – casino</i>	127.7	126.8	+1%
	<i>Gaming – poker</i>	21.5	21.3	+1%
	<i>Gaming – bingo, skill</i>	20.7	13.6	+52%
	Gaming total	169.9	161.7	+5%
	Online total	251.5	203.5	+24%
Telephone		30.3	29.7	+2%
Other		6.9	7.2	-4%
Total net revenue		1,071.8	997.9	+7%

For net revenue, machines are shown net of VAT, Sportsbook and gaming are shown net of fair-value adjustments for free bets, promotions and bonuses

Group operating expenses by division

52 weeks ended	28 Dec 2010 £m	29 Dec 2009 £m	%
Retail	(451.6)	(429.1)	+5%
Online	(141.7)	(104.4)	+36%
Telephone	(21.7)	(24.5)	-11%
Other	(5.9)	(5.8)	+2%
Corporate	(23.1)	(17.1)	+35%
Group operating expenses	(644.0)	(580.9)	+11%

(1) Excluding Online amortisation relating to trade names, affiliate relationships and non-competition agreements

(2) Numbers are presented on a pre-exceptional basis

Group operating expenses by cost category

52 weeks ended	28 Dec 2010 £m	29 Dec 2009 £m	%
Employee costs	(291.1)	(268.8)	+8%
Property costs	(99.2)	(97.4)	+2%
Depreciation	(37.5)	(35.9)	+4%
Pictures and data	(52.5)	(49.3)	+6%
Marketing	(75.0)	(54.0)	+39%
Finance charges	(15.6)	(14.1)	+11%
Communications	(8.8)	(8.2)	+7%
Other	(64.3)	(53.2)	+21%
Group operating expenses	(644.0)	(580.9)	+11%

(1) Excluding Online amortisation relating to trade names, affiliate relationships and non-competition agreements

(2) Numbers are presented on a pre-exceptional basis

Cash flow

52 weeks to

28 Dec 10 £m

29 Dec 09 £m

EBITDA ⁽¹⁾	319.0	300.8
Working capital / other	18.9	(5.5)
Net capital expenditure	(34.6)	(35.1)
Cash from operations	303.3	260.2
Cash taxes	(51.7)	(49.4)
Net interest	(65.1)	(59.1)
Distributions to non-controlling interests	(27.0)	(17.4)
Free cashflow	159.5	134.3
Acquisitions and JVs	-	(3.1)
Exceptional items	3.4	(16.5)
Dividends	(52.3)	(17.5)
SAYE redemptions	0.3	1.4
Capital principal repaid	(734.1)	(693.0)
Cash received on issue of shares	-	352.1
Cash received on corporate bond	-	298.0
Capital principal drawn down	619.0	-
Debt facility issue costs	(6.2)	(12.4)
Net cashflow	(10.4)	43.3
Net debt for covenant purposes	499.4	602.6
Net debt:EBITDA (covenant basis)	1.7	2.0

(1) Before share remuneration charge of £4.7m

Interest rate hedging profile: future estimates*

	FY 2010	H1 2011	H2 2011	H1 2012	H2 2012
Cash outflow all hedges (£m)	27.8	13.9	6.8	3.3	2.9
P&L effective hedges (pre-tax)	11.8	-	-	-	-

* Please note: all estimates are based on a specific interest rate forward curve assumption. Actual results will almost certainly vary from these projections.

Reconciliation of net debt to net debt for covenant purposes

	28 Dec 2010 £m	29 Dec 2009 £m
Bank loans	260.0	375.0
Corporate bonds	300.0	300.0
Finance leases	0.4	0.5
Cash	(109.4)	(119.8)
Net debt	451.0	555.7
Obligations under bank guarantees	0.7	6.2
Restricted cash – client balances	43.4	35.0
Restricted cash – non-controlling interest share of cash balances	4.3	5.7
Net debt for covenant purposes	499.4	602.6

- Net debt:EBITDA of 1.7x vs maximum covenant of 3.5x
- EBITDA:net cash interest of 4.8x vs minimum covenant of 3.0x
- BB+/Ba1 stable outlook credit ratings from S&P/Moody's