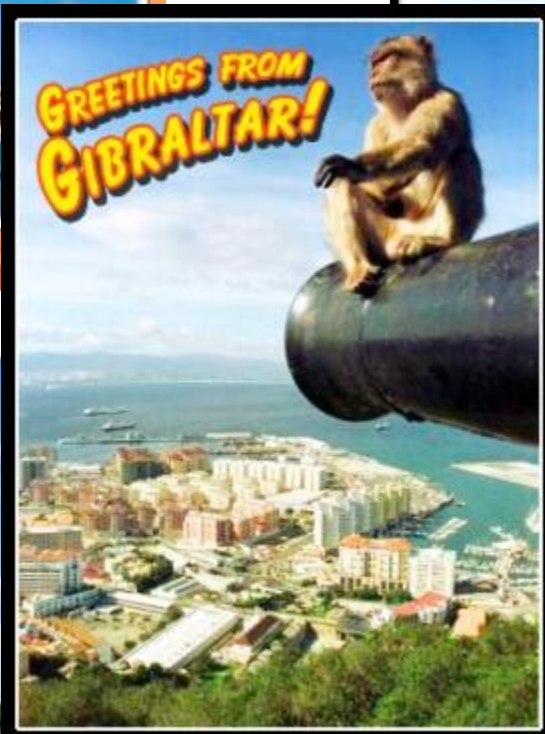




Results for the 26 weeks
ended 30 June 2009

4 August 2009

Welcome to William Hill



Today's running order

- **Highlights and year-to-date overview** **Ralph Topping**
- Financial results Simon Lane
- Online overview Ralph Topping
Henry Birch
- Current trading, summary and Q&A Ralph Topping

Highlights

A solid first half in 2009

- Resilient retail business
- Good progress online:
net revenue +12%
- Gaming now 49% of net revenue
- Stronger balance sheet
- Dividend reintroduced

Group net
revenue

+5%

Earnings
per share

11.9p

EBITA

-7%

Dividend
per share

2.5p

The first half: weather and results impact



The Grand National result



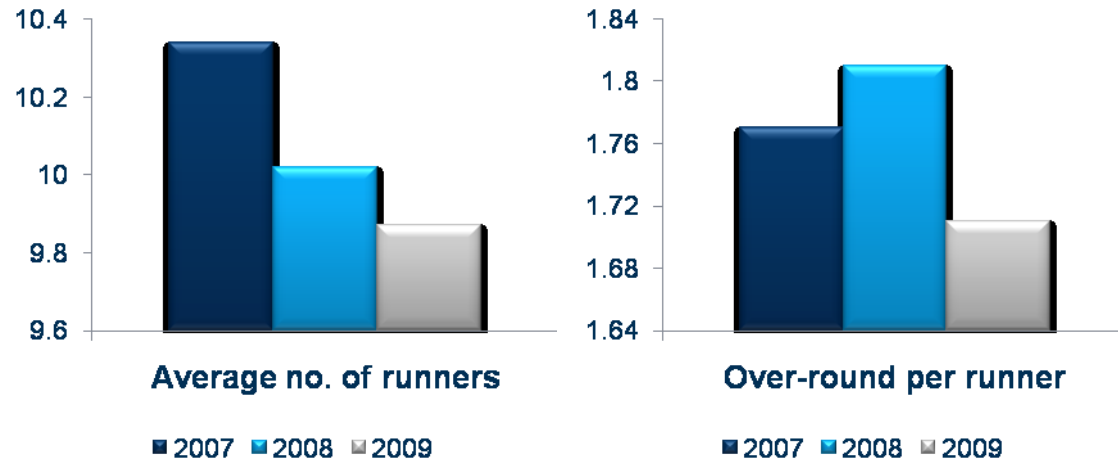
Mon Mome
Winner of
the 2009 Grand National at
100/1

- Win returns £5.0m
- Place returns £1.0m

- Gross win 2009 £6.2m
- Gross win 2008 £1.5m
- Gross win 2007 £3.9m

- Gross win margin 37.8%

Weakness in horseracing this year



Average number of runners per race and over-round per runner lower than 2007 and 2008

2009 gross win margin on horseracing 15.2% vs 15.6% in 2008

Weakness in horseracing this year

Horseracing margin

	2009	2008
March	-3.7 pts	
May	-1.2 pts	
June	-2.1 pts	
Average gross win margin	15.2%	15.6%
Distortion of Grand National result	(0.4)%	
Underlying gross win margin	14.8%	15.6%

Football is now a significant factor in performance

- Lost money in May on winning performance by top four Premiership clubs
- Significant contributor to gross win during the season

Top four results in May

Arsenal	Played 4	Won 2, Drew 1 (vs Man Utd), Lost 1 (vs Chelsea)
Chelsea	Played 4	Won 4
Liverpool	Played 4	Won 4
Man Utd	Played 5	Won 4 Drew 1 (vs Arsenal)

Impact on retail

Gross win in H1	£m
Horseracing	(20)
Greyhounds	(7)
Machines	18
Other products	3
<hr/>	
Total	(6)

- Retail gross win in first six months -£6m
- Other includes -£3m on football
- Are we resilient? Retail gross win -1%

Retail



1. Estate development

- Expanding our UK estate
- 22 new LBOs opened

2. Margin management

- Gross win margin 18.2% in H1 (2008 – 17.8%)
- Mix of products – football, virtual

3. Cost control

- Staff costs held flat, in spite of growth in estate
- Pay freeze across estate

OTC gross win	Machines gross win	Operating profit
-9%	+11%	-10%

Good gaming performance - machines



Machines gross win up 11%

- Close working relationship with two best suppliers
- New Storm machines
- More B3 content
- New Category C content
- Gross win margin up from 2.9% to 3.1%



Telephone



- Operating profits +63% in Q2 2009 vs Q2 2008
- 80% of stakes relate to horseracing
- Disproportionate impact of cancellations and results
- Offshore competition
- Still one of largest telephone betting businesses in the UK

Proportion of Group
net revenue

4%

Gross
win

-18%

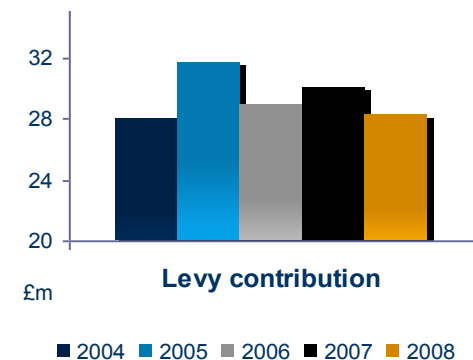
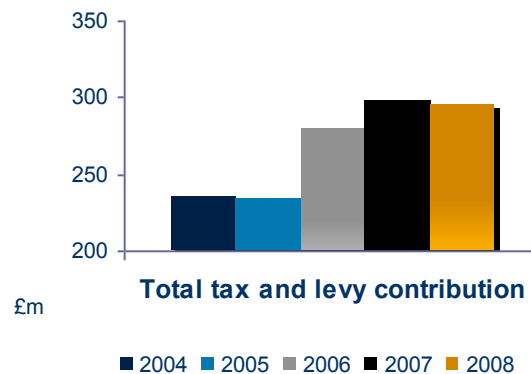
This morning's other news



- All online products to be licensed and managed in Gibraltar
- Right operational move for William Hill Online's international focus
- Level playing field with other offshore operators

What was the GPT regime supposed to achieve?

A thriving UK-based betting industry able to take advantage of online and global opportunities



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Summary of performance

26 weeks to	30 Jun 2009 £m	1 Jul 2008 £m		Comments
Net revenue	515.5	488.8	+5%	
EBITA	134.6	145.1	-7%	
Amortisation	(2.8)	-		William Hill Online intangibles
Net finance costs	(28.7)	(31.8)	-10%	8% effective interest rate for full year
Tax	(26.4)	(31.6)	-16%	25.5% effective tax rate
Minority interest	(9.1)	-		Playtech share of William Hill Online
Retained profit	67.6	81.7	-17%	
Basic, adjusted EPS (p)	11.9p	16.5p	-28%	
Exceptional items (pre-tax)	(11.6)	(2.2)		WHO integration, refinancing, hedging
Net debt for cov't purposes	636.7	1,088.7	-42%	£350m rights issue

Interim dividend of 2.5p per share

Notes:

1. Numbers are presented on a pre-exceptional basis

2. 2008 EPS numbers are restated to reflect the rights issue completed in April 2009. Basic EPS is based on 586.6 million shares for 2009 and 494.0 million shares for 2008

Results - retail

26 weeks to	30 Jun 2009 £m	1 Jul 2008 £m	
OTC gross win	243.9	266.9	-9%
Machines gross win	171.9	154.4	+11%
Total gross win	415.8	421.3	-1%
Net revenue	393.2	398.2	-1%
Cost of sales	(65.8)	(69.6)	-5%
Staff costs	(94.6)	(94.4)	+0%
Property – rent	(24.0)	(21.9)	+10%
Property – other	(20.8)	(17.1)	+22%
Content costs	(23.9)	(21.6)	+11%
Other costs	(52.6)	(50.1)	+5%
Operating costs	(215.9)	(205.1)	+5%
Operating profit	111.5	123.5	-10%

Comments

All-employee pay freeze

Rent, development, Rol

Energy costs, repairs, rates

Turf TV and contract increases

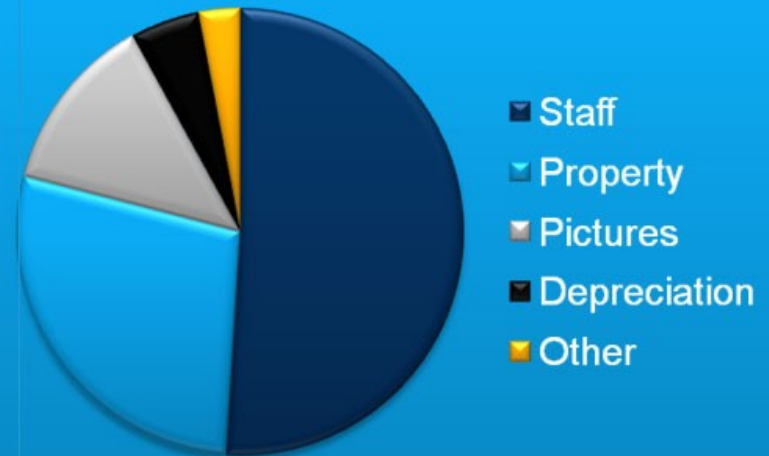
Press advertising, depreciation

Strong cost control in retail

Costs up £10.8m (5%) in H1

- One-off Irish shop closures £2.7m
- UK estate development £1.5m
- Energy costs £2.3m
- Underlying increase 2% **£4.3m**

Split of direct operating costs



Results - telephone

26 weeks to	30 June 2009 £m	1 July 2008 £m	
Total gross win	18.6	22.8	-18%
Fair value adjustments	-	-	
Net revenue	18.6	22.8	-18%
Cost of sales	(4.3)	(5.5)	
Gross profit	14.3	17.3	
Staff costs	(3.5)	(3.7)	-5%
Other costs	(9.6)	(9.1)	+5%
Operating costs	(13.1)	(12.8)	+ 2%
Operating profit	1.2	4.5	-73%

Racing results impact

Retail and telephone key metrics

26 weeks to	30 Jun 09	1 Jul 08	
Average number of LBOs	2,316	2,297	+1%
Retail amounts wagered (£m)	6,922.1	6,801.3	+ 2%
Retail gross win (£m)	415.8	421.3	-1%
OTC amounts wagered (£m)	1,337.4	1,502.3	-11% (9% excl. Euro 2008)
OTC gross win margin	18.2%	17.8%	Mix of sports
Average number of machines	8,707	8,520	+ 2%
Machines amounts wagered (£m)	5,584.7	5,299.0	+5%
Average contribution per machine per week (£)	572	513	+12%
Machine gross win margin	3.1%	2.9%	Mix of B2/B3 product
Telephone amounts wagered (£m)	217.1	266.0	-18%
Telephone gross win margin	8.6%	8.6%	+0%
Active players ⁽¹⁾	125,000	141,000	-11%

(1) Players who placed a bet during the period

Results - William Hill Online

26 weeks to	30 Jun 09 £m	1 July 08 £m vs WMH only		1 July 08 £m Pro forma	
Sportsbook	21.3	21.6	-1%	21.6	-1%
Casino	61.1	29.1	+110%	50.7	+21%
Poker	11.1	8.4	+32%	13.0	-15%
Bingo and skill	6.6	4.4	+50%	4.4	+50%
Net revenue	100.1	63.5	+58%	89.7	+12%
Cost of sales	(14.1)	(10.6)		(13.2)	
Gross profit	86.0	52.9		76.5	
Marketing costs	(21.5)	(8.6)	+150%	(17.5)	+23%
Other costs	(33.1)	(16.6)	+99%	(22.7)	+46%
Operating costs	(54.6)	(25.2)	+117%	(40.2)	+36%
Operating profit	31.4	27.7	+13%	36.3	-13%

Investing in an infrastructure for growth

Operating costs up £14.4m in H1

• Staff (incl. incentive plan)	£5.2m
• Marketing	£4.0m
• Property	£0.5m
• Depreciation	£2.6m
• Other	£2.1m

Split of direct operating costs



Cash flow

26 weeks to	30 Jun 09 £m	1 Jul 08 £m
EBITDA	155.8	162.8
Working capital / other	(6.6)	(10.8)
Capital expenditure	(20.3)	(20.5)
Cash from operations	128.9	131.5
Cash taxes	(20.9)	(17.6)
Net interest	(39.1)	(31.2)
Free cashflow	68.9	82.7
Acquisitions and JVs	(2.1)	(3.4)
Dividends	(10.7)	(53.8)
SAYE redemptions	0.1	0.2
Borrowings repaid	(395.0)	(25.8)
Cash received on issue of shares	355.8	-
Debt facility issue costs	(12.4)	-
Net cashflow	4.6	(0.1)
Net debt for covenant purposes	636.7	1,088.7
Net debt:EBITDA	2.1 times	3.5 times

Comments

Full-year target £50m including investment in JV

Three payments vs two in 2008

No final dividend, Playtech minority payment

Repayment of debt with rights issue proceeds

Rights issue

Fees for new debt facility

Capital expenditure and JV investment

26 weeks to	30 Jun 09 £m	1 Jul 08 £m
Retail development	7.5	13.8
Retail acquisitions	-	1.0
William Hill Online integration	5.2	-
Investment in joint venture	2.1	2.4
Other (including IT and Sportsbook)	7.6	6.7
Total capital expenditure	22.4	23.9

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- **Online overview** **Ralph Topping**
Henry Birch
- Current trading, summary and Q&A Ralph Topping

William Hill Online: what we want to achieve



- A leading international business
- Competitive in UK and Europe
- Strong sports-betting
- High-quality gaming
- Specialist marketing and customer services capabilities

William Hill Online: where are we now?

Gibraltar

- Senior mgt, head office functions, Sportsbook, gaming, English language customer support

Bulgaria

- Non-English language, multi-lingual customer services

Israel

- Marketing, affiliate management

The Philippines

- Chat and email customer services
- Back-office functions



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We have what we need to succeed

Product range

- Complete product suite:
Sportsbook, poker, casino, bingo, skill games

Product strength

- Leading operating platforms (Orbis, Playtech)
- Depth and breadth of sports-betting product, esp. in-play
- Highly liquid poker network

Brand and marketing capability

- Premium William Hill brand
- 100-strong marketing team
- Leading affiliate network – 70,000 affiliates

International reach

- Localised sites
- Established international marketing channels
- International infrastructure – multi-national team, international multi-site locations

Sportsbook

Online sports betting | William Hill betting | The Ashes cricket betting, the Galway Festival and Glorious Goodwood Horse racing odds

English Last visit log in details?

William HILL Best Odds Guaranteed GOODWOOD GALWAY

Sports Casino Poker Games Vegas Live Casino Skill Bingo Lotteries

Live In-Play American Football Boxing Football Horse Racing Rugby League Tennis
Live Streaming Australian Rules Cricket Gaelic Football Hurling Rugby Union UFC
Radio Baseball Cycling Golf Motor Sports Snooker Water Polo
Mobile / Telephone Basketball Darts Greyhounds Politics Specials

Home Results

Home

Today's Highlights

Price Format:

Live In-Play Tennis (1) Football (1) All Events (1)

Match Betting Live

Time	Score	Price	Event	Price
29			Djokovic vs Aniskin	1/1

Note: In-Play Information Subject To Delay

Today's racing

Best Odds Guaranteed on all UK and Irish races

Don't forget to tune into our William Hill Radio service for news, tips and live commentary on today's action, plus - check out all the verdicts, odds and spotlights with our Racing Panel team.

[View all today's meetings](#)

Goodwood	<input type="button" value="Questions"/>
Galway	<input type="button" value="Questions"/>
Beacon	<input type="button" value="Questions"/>

Beijing Guoan v Hull

12:30 - Live on Sky Sports 1

The Browns Hull side look a sure thing to beat hosts Beijing Guoan in this second Asia Trophy semi-final match, but by what score can the Tigers win by at The Workers Stadium?

[View full team preview](#)

Hull 1-0	5/1
Hull 2-0	5/1
Draw 1-1	8/1

Correct score - one of many markets

VEGAS

3D Roulette Spin & Win in an instant

BLACKJACK Instant play multi - hand game

E400 New Player Bonus
Play Poker Now

CASINO CLUB
Get £30 Free Play
No deposit required

- 9% increase in turnover, 7% increase in new accounts
- Improved in-play betting
- Improved marketing functionality
- International sites

Today's Highlights

Price Format:

Wimbledon 2009

More markets than ever before

Bet now on over 70 markets on every Gentleman's Singles match

We have extended our range of tennis markets to over 70 for every gentleman's match & over 50 for the ladies

Casino



- 21% increase in net revenue, 69% increase in new accounts
- Standalone Playtech William Hill-branded casino launched in February
- Main William Hill casino migrating to Playtech in Q4
- Use of pro-active chat

Poker

The screenshot shows the William Hill Poker website. At the top, there's a navigation bar with 'Sports', 'Casino', 'Poker', 'Games', 'Vegas', 'Live Casino', 'Skill', 'Bingo', and 'Lotteries'. Below this, a sub-navigation bar includes 'Home', 'Getting Started', 'Promotions', 'Tournaments', 'VIP Scheme', 'Poker School', 'Community', and 'Help'. The main content area features a large 'POKER' banner with playing cards and a '£400 NEW PLAYER BONUS' offer. Below the banner is a 'Latest Tournaments' table and several promotional tiles for '50% RELOAD BONUS', 'SUMMER BREEZE', 'ASHES TO CASHES', and 'REFER A FRIEND'. The bottom of the page has a footer with 'Customer Support', 'Promotions', 'Dates', 'Tournaments', and 'Games'.

Tournament	Entry	Buy In	PLAY
19:30 - Holdem \$10,000 Guaranteed Freeroll	\$1.00	\$10.00	PLAY
19:30 - Holdem Super Series \$1,500	\$0.75	\$7.50	PLAY
19:38 - 7 Card Stud \$0 Limit 7 Card Stud	\$0.50	\$5.00	PLAY
19:48 - Holdem \$4,000 GP Heads	\$5.00	\$50.00	PLAY
20:00 - Omaha \$50 PL Omaha Freeroll	\$5.00	\$50.00	PLAY

- 15% decline in net revenue, 13% decline in new users
- Migrated customers to i-Poker network in March
- Increased liquidity, 10 languages, weekly \$250k tournaments
- New £ and € tables being launched shortly

Bingo



- 72% revenue growth from bingo year-on-year
- 95% growth in new users
- Using Virtue Fusion bingo platform; other acquired brands on Playtech bingo
- Increased focus on community

William Hill Online – key metrics

26 weeks to	30 Jun 09	1 July 08 vs WMH only		1 July 08 Pro forma	
Sportsbook (£m)	21.3	21.6	-1%	21.6	-1%
Casino (£m)	61.1	29.1	+110%	50.7	+21%
Poker (£m)	11.1	8.4	+32%	13.0	-15%
Bingo and skill (£m)	6.6	4.4	+50%	4.4	+50%
Net revenue (£m)	100.1	63.5	+58%	89.7	+12%

Unique active players ⁽¹⁾	800,859	389,777	+105%	623,286	+28%
Revenue per active player (£000s)	125.0	162.8	-23%	143.7	-13%
New accounts ⁽²⁾	356,412	169,592	+110%	273,996	+30%
Average cost per acquisition (£) ⁽³⁾	60.2	50.8	+19%	64.0	-6%
Sportsbook turnover (£m)	343.9	316.7	+9%	316.7	+9%
Sportsbook margin	6.8%	7.3%	-50 bps	7.3%	-50 bps

- Placed a bet within the period
- Deposited and placed a bet within the period
- Including affiliates

William Hill Online: good progress on extensive integration

Integration checklist

- Management team established ✓
- Standalone poker and casino launched ✓
- Poker integrated, customers migrated ✓
- Sportsbook bet-in-play improved ✓
- Affiliates network integrated ✓
- Chat and email customer services launched ✓
- 75 employees transferred from UK ✓
- Transfer all online products to Gibraltar ✓

H2 2009 deliverables

- Launch £ and € poker tables
 - Launch integrated casino site on williamhill.com
 - Launch further international Sportsbook sites
 - Extend bet-in-play football markets for new season
 - Launch Tote betting
 - Launch pro-active chat on integrated casino
-

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Current trading: four weeks to 28 July

- A short period at the quietest time of the summer
- Quieter weekend trading outside football season
- Reliant on horseracing – continued weakness impacting all three channels
- Machines still showing growth
- William Hill Online Sportsbook turnover +37%, mitigating sporting results

Group net
revenue

+2%

Retail
gross win

-6%

OTC gross win
margin

15.7%

Summary and outlook

- Solid performance in spite of difficult economic environment and mixed set of sporting results
 - Extensive integration for William Hill Online making good progress
-

Well positioned

- Strengthened balance sheet ✓
- Refocused business on online ✓
- Strong platform to continue online growth ✓
- Market-leading position in gaming machines ✓

Appendices

Summary of performance by division

26 weeks to	Net revenue			Operating profit		
	30 June 2009 £m	1 July 2008 £m	Change %	2009 £m	2008 £m	Change %
Retail	393.2	398.2	-1%	111.5	123.5	-10%
Online	100.1	63.5	+58%	31.4	27.7	+13%
Telephone	18.6	22.8	-18%	1.2	4.5	-73%
Other	3.6	4.3	-16%	0.2	0.8	-62%
JVs				(2.1)	(3.3)	-36%
Associates				1.6	1.9	-16%
Corporate				(9.2)	(10.0)	-7%
Amortisation				(2.8)	-	
Total	515.5	488.8	+5%	131.8	145.1	-9%
EBITA				134.6	145.1	-5%

Net revenue analysis

26 weeks to		30 June 2009 £m	1 July 2008* £m
Retail	OTC	243.9	266.9
	Machines	149.3	131.3
	Total	393.2	398.2
Online	Sportsbook	21.3	21.6
	<i>Gaming – casino</i>	61.1	29.1
	<i>Gaming – poker</i>	11.1	8.4
	<i>Gaming – bingo, skill</i>	6.6	4.4
	Gaming total	78.8	41.9
	Total	100.1	63.5
Telephone		18.6	22.8
Other		3.6	4.3
Total net revenue		515.5	488.8

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

* 2009 includes the acquired William Hill Online but 2008 includes William Hill standalone

Group operating expenses by division

26 weeks ended	30 June 2009 £m	1 July 2008 £m	
Retail	215.9	205.1	+5%
Interactive	54.6	25.2	+117%
Telephone	13.1	12.8	+2%
Other	2.9	3.0	-3%
Central	9.2	10.0	-8%
Group operating expenses	295.7	256.1	+15%

Group operating expenses by cost category

26 weeks ended	30 June 2009 £m	1 July 2008 £m	
Staff costs	138.8	128.1	+8%
Property costs	49.8	42.9	+16%
Depreciation	18.5	16.2	+15%
Pictures and data	24.1	21.9	+10%
Advertising/marketing	28.3	13.7	+106%
Finance charges	6.8	3.1	+121%
Communications	3.8	3.9	-2%
Other	25.6	26.3	-3%
Group operating expenses	295.7	256.1	+15%