Monday, 8th September 2003

WILLIAM HILL PLC
ANNOUNCEMENT OF INTERIM RESULTS

William Hill PLC (the 'Group') today announces its results for the 26 weeks ended 1 July 2003.

Highlights include the following:

- Turnover up 72% to £2,741.7m (2002: £1,592.8m) and gross win up 18% to £324m (2002: £273.7m)

- Gross win in each of the three channels up on comparable period that included the football World Cup 2002

- Profit on ordinary activities before finance charges and exceptional items up 27% to £101.9m (2002: £80.1m)

- Profit on ordinary activities before finance charges, depreciation and exceptional items up 27% to £111.4m (2002: £88m), and net indebtedness down £51.2m in the period to £430.2m

- Basic earnings per share before exceptional items up 57% to 14.9 pence (2002: 9.5 pence)

- Interim dividend up 21% to 3.5 pence per share (2002: 2.9 pence per share) payable on 4 December 2003 to shareholders on the register on 7 November 2003

Commenting on the results, John Brown, Chairman, said:

"The Group has achieved strong growth in profitability and cash flow in all three channels against a demanding comparable period. The Board remains confident about the Group's future prospects and has accordingly decided to pay a significantly higher interim dividend."

Enquiries:

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There will be a presentation to analysts at 9.00am today at The Lincoln Centre, 18 Lincoln's Inn Field, London WC2. Alternatively, it is possible to listen to the presentation by dialling 44 (0) 1452 561 263. The presentation will be recorded and will be available for a period of one week by dialling 0845 245 5205 (from the UK) and 44 (0) 1452 55 0000 (from outside the UK) and using the replay access number 451718#. The slide presentation will be available on the Investor Relations section of the website: www.corporate.willhill.com.

CHIEF EXECUTIVE'S REVIEW

The Group achieved an overall increase in gross win of 18% over the comparable period that benefited from favourable horse racing results including an excellent Cheltenham Festival and the football World Cup 2002.

Retail division

The Retail division experienced growth in gross win of 18% due to the continued expansion of betting opportunities that included the launch of virtual greyhound racing and ongoing roll out of fixed odds betting terminals (FOBTs).

The retail business continues to benefit from product diversification with gross win from football and numbers products, including virtual racing, increasing by 23% against the comparable period. This trend is helping to increase the total amount of customer spend and improve the predictability of future profits due to the reduced reliance on horse racing.

The number of FOBTs in the retail estate increased from 1,745 to 2,525 during the period and 95% of shops had at least one terminal by the period end. The terminals have performed ahead of our expectations and there is no evidence of significant cannibalisation of traditional over the counter betting although some business has migrated away from amusement with prizes machines (AWPs).

We continued to invest in the retail estate that benefited from 54 development projects in the period and comprised 1,581 shops at period end (31 December 2002: 1,579 shops). The estate remains well positioned and has high average profitability per unit relative to its high street competitors. We intend to continue to invest in our shops through the installation of electronic point of sale (EPOS) equipment and replacement text systems. Our plans for new shop technology are on track with the majority of the £45m of associated capital expenditure falling in 2004 and 2005.

Telephone division

The Telephone division generated a 3% increase in gross win over the comparable period despite being adversely affected by unfavourable results at this year's Cheltenham Festival (compared to a highly profitable event for bookmakers in 2002) and the absence of a major international football championship. At the end of the period the telephone business had 170,000 active accounts (31 December 2002: 164,000).

Interactive division

The Interactive division, comprising the online sportsbook and casino, enjoyed growth in gross win of 32% over the comparable period.

Growth in the sportsbook was limited by the absence of a major football championship (football accounts for 30% of gross win on the online sportsbook) and the difficulties associated with accessing some international markets due to the actions of foreign governments and credit card companies. At the period end the sportsbook had 137,000 active customers (31 December 2002: 130,000).

Growth in the casino was exceptionally strong due to the further development of the offering including the launch of a poker site (www.williamhillpoker.com) in January 2003. In the second half, the Group plans to introduce new casino software and take in-house various back office functions currently outsourced to a third party supplier so as to provide improved flexibility and revenue share arrangements. At the period end the casino had 58,000 active customers (31 December 2002: 43,000).

Cost control

Net operating expenses (excluding exceptional items) increased by 11% from £138.5m to £153.9m. However, a significant proportion of the increase was attributable to terminal and telecommunications line rentals associated with the deployment of additional FOBTs, acquisitions made in September 2002 and March 2003, additional marketing spend on the casino to drive higher profitability, the write off of various fixed assets, and the additional costs of operating as a public company. Eliminating such additional costs results in an underlying rate of cost inflation of approximately 4% against the comparable period.

DE-REGULATION UPDATE

In a recent statement on casino regulation, the government reiterated its commitment to reforming gambling legislation, and whilst the exact timing of the final bill is not clear, the Department of Culture, Media and Sport has confirmed that pre-legislative scrutiny will commence this Autumn. We continue to seek to influence the future shape and direction of legislation as it pertains to betting, including the nature of betting events available on FOBTs. In parallel, the Association of British Bookmakers is preparing to defend legal action brought by the Gaming Board of Great Britain concerning the legality of some events currently offered. A court hearing is not expected this calendar year.

CURRENT TRADING

In the nine weeks ended 2 September 2003, the Group's gross win was 23% above the comparable period that included a run of less favourable horse racing results. Product development has continued across the Group with the roll out of additional FOBTs and the launch of a Euro denominated casino in August 2003. As ever, the out turn for the full year will in part be dependent on sporting results in the coming months.

William Hill PLC

Consolidated Profit and Loss Account
for the 26 weeks ended 1 July 2003

	Notes	**26 weeks ended 1 July 2003**	26 weeks ended 2 July 2002	52 weeks ended 31 December 2002
		£m	£m	£m
Turnover	2	**2,741.7**	1,592.8	3,365.3
Cost of sales		**(2,487.2)**	(1,376.0)	(2,949.3)
Gross profit	2	**254.5**	216.8	416.0
Net operating expenses		**(153.9)**	(158.6)	(297.1)
Operating profit before operating exceptional items	2	**100.6**	78.3	139.0
Operating exceptional items		**-**	(20.1)	(20.1)
Operating profit	2	**100.6**	58.2	118.9
Share of associate's operating profit		**1.3**	1.8	2.4
Profit on ordinary activities before finance charges		**101.9**	60.0	121.3
Net interest payable	3	**(15.4)**	(72.5)	(89.6)
Other finance (charges)/income		**(0.9)**	0.3	0.7
Profit/(loss) on ordinary activities before tax		**85.6**	(12.2)	32.4
Tax (charge)/credit on profit/(loss) on ordinary activities	4	**(23.1)**	1.1	(11.2)
Profit/(loss) on ordinary activities after tax for the financial period		**62.5**	(11.1)	21.2
Dividends proposed and paid	5	**(14.6)**	(12.2)	(36.3)
Retained profit/(loss) for the financial period		**47.9**	(23.3)	(15.1)

Earnings/(loss) per share (pence)				
Basic	6	**14.9**	(4.0)	6.1
Adjusted	6	**14.9**	9.5	16.9
Diluted	6	**14.8**	(4.0)	6.1

All amounts relate to continuing operations for the current and preceding financial periods.

Consolidated Statement of Total Recognised Gains and Losses
for the 26 weeks ended 1 July 2003

	26 weeks ended 1 July 2003	26 weeks ended 2 July 2002	52 weeks ended 31 December 2002
	£m	£m	£m
Profit/(loss) for the financial period	**62.5**	(11.1)	21.2
Actuarial loss recognised in the pension scheme	**(11.9)**	(18.5)	(36.6)
Deferred tax attributable to actuarial loss	**3.8**	5.7	11.0
Currency translation differences on foreign currency net investments	**0.2**	-	0.1
Total recognised gains and losses relating to the period	**54.6**	(23.9)	(4.3)

William Hill PLC

Consolidated Balance Sheet
as at 1 July 2003

	Notes	**1 July 2003**	2 July 2002	31 December 2002
		£m	£m	£m
Fixed assets				
Intangible assets - goodwill		**732.3**	702.8	728.9
Tangible assets		**101.5**	91.5	99.0
Investments		**3.7**	9.0	4.4
		837.5	803.3	832.3
Current assets				
Stocks		**0.3**	0.3	0.3
Debtors: amounts recoverable within one year		**18.4**	16.5	14.1
Debtors: amounts recoverable after one year		**5.5**	3.7	3.0
Cash at bank and in hand		**38.8**	51.8	44.6
		63.0	72.3	62.0
Creditors: amounts falling due within one year		**(152.9)**	(84.7)	(145.5)
Net current liabilities		**(89.9)**	(12.4)	(83.5)
Total assets less current liabilities		**747.6**	790.9	748.8
Creditors: amounts falling due after more than one year		**(420.9)**	(521.7)	(470.3)
Share of net liabilities of associate		**(0.2)**	-	(1.2)
Net assets excluding pension liability		**326.5**	269.2	277.3
Pension liability		**(36.8)**	(15.4)	(28.0)
Net assets including pension liability		**289.7**	253.8	249.3

	Notes	**1 July 2003**	2 July 2002	31 December 2002
Capital and reserves				
Called-up share capital		**42.2**	42.2	42.2
Share premium account		**311.3**	311.3	311.3
Merger reserve		**(26.1)**	(26.1)	(26.1)
Other reserves		**2.5**	2.1	2.1
Profit and loss account		**(40.2)**	(75.7)	(80.2)
Equity shareholders' funds	7	**289.7**	253.8	249.3

William Hill PLC

Consolidated Cash Flow Statement
For the 26 weeks ended 1 July 2003

	Notes	**26 weeks ended 1 July 2003 £m**	26 weeks ended 2 July 2002 £m	52 weeks ended 31 December 2002 £m
Net cash inflow from operating activities	8	**105.6**	78.6	137.3
Dividends from associates		**-**	-	5.7
Returns on investments and servicing of finance	9	**(14.9)**	(30.9)	(48.4)
Taxation		**0.2**	(3.2)	(9.5)
Capital expenditure and financial investment	9	**(9.9)**	(10.3)	(20.4)
Acquisitions	9	**(4.9)**	-	(20.8)
Equity dividend paid		**(24.2)**	-	(12.1)
Net cash inflow before financing		**51.9**	34.2	31.8
Financing	9	**(57.7)**	(87.2)	(92.0)
Decrease in cash in the period	10	**(5.8)**	(53.0)	(60.2)

Notes to the accounts
for the 26 weeks ended 1 July 2003

1. Basis of preparation

The interim report comprises the unaudited results for the 26 weeks to 1 July 2003, comparative unaudited results for the 26 weeks ended 2 July 2002 and the audited results for the 52 weeks to 31 December 2002. The interim report has been prepared by the directors under the historical cost convention and on a basis consistent with applicable United Kingdom accounting standards. The interim report has been prepared on the basis of the accounting policies set out in the Group's statutory accounts for the 52 weeks ended 31 December 2002. The interim report should therefore be read in conjunction with the 2002 report and accounts.

The interim report for the 26 weeks ended 1 July 2003, which was approved by the board of directors on 5 September 2003, does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The results for the 52 week period ended 31 December 2002 were extracted from the full accounts for William Hill PLC for the 52 weeks ended 31 December 2002, which have been filed with the Registrar of Companies. The auditors' report contained therein, was unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

2. Segmental information

The Group's turnover, profits and operating net assets arise primarily from customers in the United Kingdom and therefore segmental information by geographical location is not presented.

Segmental information by distribution channel is shown below:

	26 weeks ended 1 July 2003 £m	26 weeks ended 2 July 2002 £m	52 weeks ended 31 December 2002 £m
Turnover			
- Retail	**2,163.9**	1,139.3	2,460.4
- Telephone	**278.1**	243.5	489.1
- Interactive	**284.8**	197.6	389.3
- Other	**14.9**	12.4	26.5
	2,741.7	1,592.8	3,365.3
Gross win			
- Retail	**253.7**	215.7	418.9
- Telephone	**28.3**	27.5	50.9
- Interactive	**38.6**	29.3	54.9
- Other	**3.4**	1.2	3.0
	324.0	273.7	527.7
Operating profit			
- Retail	**80.6**	62.1	111.9
- Telephone	**10.4**	9.1	17.3
- Interactive	**16.1**	11.3	20.5
- Other	**0.5**	0.3	0.8
- Central costs	**(7.0)**	(4.5)	(11.5)
	100.6	78.3	139.0
- Exceptional items	**-**	(20.1)	(20.1)
	100.6	58.2	118.9

The retail distribution channel comprises all activity undertaken in LBOs including AWPs and FOBTs.

Notes to the accounts
for the 26 weeks ended 1 July 2003

2. Segmental information (continued)

Analysis of net assets by distribution channel has not been presented, as it is not considered practical to perform this allocation. The Group does not produce such information internally or make decisions based on this or similar information.

Turnover and operating profit amounting to £0.8m and £0.3m respectively have been consolidated into these results in respect of Team Greyhounds (Brough Park) Limited which was acquired by the Group on 3 March 2003.

The segmental analysis of gross win set out above is shown before deducting GPT, duty, levies, VAT and other cost of sales to arrive at gross profit. A reconciliation from gross win to gross profit as presented in the profit and loss account is set out below:

	26 weeks ended 1 July 2003 £m	26 weeks ended 2 July 2002 £m	52 weeks ended 31 December 2002 £m
Gross win	**324.0**	273.7	527.7
GPT, duty, levies, VAT and other cost of sales	**(69.5)**	(56.9)	(111.7)
Gross profit	**254.5**	216.8	416.0

3. Net interest payable

	26 weeks ended 1 July 2003 £m	26 weeks ended 2 July 2002 £m	52 weeks ended 31 December 2002 £m
Net interest payable excluding exceptional interest	**(15.4)**	(43.5)	(60.6)
Exceptional interest payable	**-**	(29.0)	(29.0)
Net interest payable	**(15.4)**	(72.5)	(89.6)

4. Tax (charge)/credit on profit/(loss) on ordinary activities

	26 weeks ended 1 July 2003 £m	26 weeks ended 2 July 2002 £m	52 weeks ended 31 December 2002 £m
Tax charge on profit/(loss) on ordinary activities before exceptional items	**(23.1)**	(10.6)	(22.9)
Tax credit on exceptional items	**-**	11.7	11.7
Tax (charge)/credit on profit/(loss) on ordinary activities	**(23.1)**	1.1	(11.2)

The tax charge on ordinary activities has been calculated using an expected effective rate for the full year of 27%. This is lower than the statutory rate of 30% mainly due to the utilisation of brought forward corporation tax losses and the receipt of consortium relief in respect of prior year corporation tax losses.

Notes to the accounts
for the 26 weeks ended 1 July 2003

5. Dividends paid and proposed

	26 weeks ended 1 July 2003 £m	26 weeks ended 2 July 2002 £m	52 weeks ended 31 December 2002 £m
Equity shares:			
- interim dividend proposed/paid	**14.6**	12.2	12.2
- final dividend paid	**-**	-	24.1
	14.6	12.2	36.3
Dividend per ordinary share (pence)	**3.5**	2.9	8.7

The interim dividend of 3.5p will be paid on 4 December 2003 to all shareholders on the register on 7 November 2003.

Under an agreement signed in November 2002, The William Hill Holdings 2001 Employee Benefit Trust, which holds 4.4m ordinary shares representing 1% of the Company's called-up ordinary share capital, has agreed to waive all dividends due to it.

6. Earnings/(loss) per share

The basic, adjusted and diluted earnings/(loss) per share are calculated based on the following data:

	26 weeks ended 1 July 2003 £m	26 weeks ended 2 July 2002 £m	52 weeks ended 31 December 2002 £m
Profit/(loss) after tax for the financial period (1)	**62.5**	(11.1)	21.2
Exceptional items – operating items	**-**	20.1	20.1
Exceptional items – interest	**-**	29.0	29.0
Exceptional items – taxation	**-**	(11.7)	(11.7)
Profit after tax for the financial period before exceptional items (2)	**62.5**	26.3	58.6

(1) Used in the basic and diluted earnings per share calculation.

(2) Used in the adjusted earnings per share calculation.

Where the Group has recorded a profit after tax, the following share numbers have been used in the earnings per share calculation:

	26 weeks ended 1 July 2003 Number (m)	26 weeks ended 2 July 2002 Number (m)	52 weeks ended 31 December 2002 Number (m)
Basic weighted average number of shares	**418.4**	276.8	347.6
Dilutive potential ordinary shares:			
Employee share awards and options	**4.3**	0.3	1.7
Dilutive weighted average number of shares	**422.7**	277.1	349.3

Notes to the accounts
For the 26 weeks ended 1 July 2003

6. Earnings/(loss) per share (continued)

Where the Group has recorded a loss after tax, the following share numbers have been used in the basic and diluted loss per share calculation:

	26 weeks ended 1 July 2003	26 weeks ended 2 July 2002	52 weeks ended 31 December 2002
	Number (m)	Number (m)	Number (m)
Basic and diluted weighted average number of shares	**n/a**	276.8	n/a

The basic weighted average number of shares excludes shares held by The William Hill Holdings 2001 Employee Benefit Trust, as required by FRS 14 "Earnings per share". The effect of this is to reduce the average number of shares in the 26 weeks ended 1 July 2003 by 4.4m (26 weeks ended 2 July 2002 – 6.5m; 52 weeks ended 31 December 2002 – 5.4m).

An adjusted earnings per share based on profit for the financial period before exceptional items has been presented in order to highlight the underlying performance of the Group.

7. Reconciliation of movements in equity shareholders' funds

	1 July 2003	2 July 2002	31 December 2002
	£m	£m	£m
Profit/(loss) for the financial period	**62.5**	(11.1)	21.2
Other recognised gains and losses relating to the period (net)	**(7.9)**	(12.8)	(25.5)
	54.6	(23.9)	(4.3)
Dividends	**(14.6)**	(12.2)	(36.3)
Issue of share capital including share premium	**-**	340.0	340.0
Redemption of preference shares	**-**	(1.0)	(1.0)
Share issue costs	**-**	(12.7)	(12.7)
Shares to be issued	**0.4**	2.1	2.1
Profit on sale of shares realised by Employee Benefit Trust	**-**	2.2	2.2
Net addition to equity shareholders' funds	**40.4**	294.5	290.0
Opening equity shareholders' funds/(deficit)	**249.3**	(40.7)	(40.7)
Closing equity shareholders' funds	**289.7**	253.8	249.3

8. Reconciliation of operating profit to net cash inflow from operating activities

	26 weeks ended 1 July 2003 £m	26 weeks ended 2 July 2002 £m	52 weeks ended 31 December 2002 £m
Operating profit	**100.6**	58.2	118.9
Depreciation	**9.5**	7.9	16.7
Profit on sale of fixed assets	**-**	(0.2)	(0.1)
Amortisation of Executive Directors' Incentive Plan	**1.0**	-	0.7
Increase in debtors	**(4.2)**	(5.5)	(2.6)
(Decrease)/increase in creditors	**(1.1)**	15.4	0.8
Cost of shares to be issued	**-**	2.1	2.1
Defined benefit pension cost less cash contributions	**(0.2)**	0.7	0.8
Net cash inflow from operating activities	**105.6**	78.6	137.3

9. Analysis of cash flows

	26 weeks ended 1 July 2003 £m	26 weeks ended 2 July 2002 £m	52 weeks ended 31 December 2002 £m
Returns on investments and servicing of finance:			
Interest received	**1.1**	2.2	2.7
Interest paid	**(16.0)**	(18.9)	(36.9)
Exceptional interest cash outflow	**-**	(14.2)	(14.2)
Net cash outflow	**(14.9)**	(30.9)	(48.4)
Capital expenditure and financial investment:			
Purchase of fixed assets	**(10.1)**	(10.6)	(20.8)
Sale of tangible fixed assets	**0.2**	0.3	0.4
Net cash outflow	**(9.9)**	(10.3)	(20.4)
Acquisitions			
Purchase of subsidiary undertaking	**(5.7)**	-	(21.7)
Net cash acquired with subsidiary undertaking	**0.8**	-	0.9
Net cash outflow	**(4.9)**	-	(20.8)
Financing:			
Issue of ordinary shares	**-**	340.0	340.0
Expenses of issue of ordinary shares	**-**	(12.7)	(12.7)
Redemption of preference shares	**-**	(1.0)	(1.0)
Sale proceeds of Employee Benefit Trust share sale	**-**	5.0	5.2
New borrowings net of finance costs	-	514.0	519.0
Loan facilities repaid	**(57.7)**	(932.5)	(942.5)
Net cash outflow	**(57.7)**	(87.2)	(92.0)

Notes to the accounts
For the 26 weeks ended 1 July 2003

10. Analysis and reconciliation of net debt

	1 January 2003 £m	Cash flow £m	Acquisitions (excluding cash and overdrafts) £m	Other non-cash items £m	1 July 2003 £m
Analysis of net debt					
Cash at bank and in hand	44.6	(5.8)	-	-	38.8
Debts due within one year	(55.7)	9.2	(1.6)	-	(48.1)
Debts due after more than one year	(470.3)	50.1	-	(0.7)	(420.9)
Total	(481.4)	53.5	(1.6)	(0.7)	(430.2)

Other non-cash items of £0.7m comprise amortised debt issue costs.

	26 weeks ended 1 July 2003 £m	26 weeks ended 2 July 2002 £m	52 weeks ended 31 December 2002 £m
Decrease in cash in the period	(5.8)	(53.0)	(60.2)
Cash outflow from decrease in debt	59.3	418.5	423.4
Change in net debt resulting from cash flows	53.5	365.5	363.2
Loans acquired	(1.6)	-	-
Issue of guaranteed unsecured loan notes 2005 to acquire The Regal Sunderland Stadium Limited	-	-	(8.4)
Accrued interest on unsecured loan notes 2009	-	(27.1)	(27.1)
Debt issue costs written off and amortised	(0.7)	(16.2)	(17.0)
	51.2	322.2	310.7
Opening net debt	(481.4)	(792.1)	(792.1)
Closing net debt	(430.2)	(469.9)	(481.4)

INDEPENDENT REVIEW REPORT TO WILLIAM HILL PLC

Introduction

We have been instructed by the Company to review the financial information for the 26 weeks ended 1 July 2003 which comprises the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated balance sheet, the consolidated cash flow statement and related notes 1 to 10. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting polices and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom auditing standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the 26 weeks ended 1 July 2003.

Deloitte & Touche LLP
Chartered Accountants
London

5 September 2003