WILLIAM HILL

Q1 INTERIM MANAGEMENT STATEMENT

25 APRIL 2014

Ralph Topping *- Chief Executive*

Good morning. Thanks for joining Neil and I this morning. This is going to be a quick update, since we've already given seven weeks' current trading at the end of February.

The biggest impact on performance since then was our second large loss-making week. We'd performed really strongly after week 2. Online made back what it had lost, and we were clawing back a good amount of the hit to retail, and then we got hit again. But we're a results business, and, for those of you who haven't been following the football results, it was nearly as big a hit as we'd seen in week 2 on a weekly basis, and the single worst weekend in William Hill history.

But what's my read on it? It's just about sporting results, and we all know they normalize over time. Has anything changed, Ralph? Yes, for the positive. We're taking more accumulator betting. Yes, in a very small period of time, we're looking at results that went the way of the punter. But there's now real value in more accumulative business, accas, as they're called. And results will normalize, do normalize, as will margin.

The underlying strength of the business is hugely positive. Sportsbook staking growth continues to be ahead of internal expectations. Mobile's up 45% to 45% Sportsbook turnover, so more than half of Sportsbook revenue, given the higher margin.

Gaming is growing strongly, with mobile now up to 27% of online's gaming revenues, benefiting from mobile product expansion and user experience improvements we made last year, plus good cross-sell, of course.

And we're still pushing out more. Sports for Android in February; bingo for iPad the same month; live casino for iPhone in April. Our suppliers are properly integrated, so we can release content more quickly, one or two new games a week. That's actually great for our Vegas platform, which is proprietary, giving our customers exclusive content.

The heavy lifting on single sign-on was completed last year, and we're finishing the last pieces. The Sportsbook native app is now fully integrated, and casino will be the last product to drop in very shortly. So all in all, positive on gaming.

Our way of doing things is also benefiting Italy and Spain. Mobile Sportsbook and casino are now live in Italy. Spain will have them before a minor sporting event called the World Cup.

Acca Insurance was rolled out in both markets last month, and is proving to be popular. We've actually doubled the proportion of pre-match football bets in Spain that are accumulators. Our spontaneous brand awareness is proving very, very strong; we're number one in Italy and number two in Spain. And our market share in Spain is now up to 19%.

Looking down under, in Australia, we've delivered the main technology changes. We've launched the new Sportingbet website, and the Shane Warne advertising campaign has proved popular. Little in the way of gremlins on site transition, so that's a positive, and new account growth accelerated after the launch. The improved user experience is driving an increase in higher margin multis.

We've migrated the Tom Waterhouse business over to the platform, so Tom is also now running our responsive design site. We're integrating the teams now, so we'll start to benefit from those synergies; even ahead of that, Waterhouse has been profitable in every month of 2014 so far.

Unique actives are up 22%, new accounts up 8%, and CPA is down 11%. So as we said to you last year, we're going to make good progress in this business and in our other businesses. And, overall, we're in very good shape ahead of the World Cup.

Now, I'm going to hand over to Neil to run through the numbers.

Neil Cooper *- Group Finance Director*

Thanks, Ralph, and good morning to everybody. As Ralph has said, the first quarter for us has been generally very positive in terms of business levels, but margins, in particular in football, have been in the punters' favor during the quarter. So profit progression has not benefited from this increase.

Allied to this, the budget this year brought an unpleasant surprise, which has led us to reassess how we manage our tail sites. More on this in a moment, but let's start with a canter through the key trading numbers from the statement.

Starting at online, the business saw strong wagering growth, up 39%. We saw the strongest wagering growth in football, with pre-match football wagering up by around two-thirds. Offsetting this, in revenue terms, gross win margin fell below our expectations at 7.1%. That's 2.9 percentage points below the prior year.

Whilst we previously discussed the poor performance in the second week of the year, we also saw, as Ralph has indicated, a very bad loss-making week in week 12.

Looking at analysis on football results over the first 14 weeks, a period largely mapping to the quarter, we've seen a circa 10% reduction in draws, and a circa 10% increase in wins, in the most popular 10 online daily selections versus the prior year. We also saw an increase in the most popular online selections winning more frequently.

The top three daily selections won nearly 70% more often in 2014 than in 2013, and the top 10 selections won three times this year. To illustrate with a specific example, every time Roma have been in the top 10 selections this year, they've won. That's 100% record for them.

To give you some sense of the impact of these results on the quarter, our in-play margin fell slightly, from 5.9% in 2013 to 5.6% in 2014. But I've given you the numbers for the overall margin, and our pre-match football gross win margin fell by more than half, from 21.6% in what was admittedly a good quarter 1 last year, to 9% this year.

Bonusing showed an increase of 0.9% of wagering, in line with our expectations, with the impact of the margin decline therefore being the main driver of the 7% year-over-year fall in Sportsbook net revenue.

Overall online net revenue grew by 4%, with this results-driven Sportsbook decline more than offset by good growth in gaming net revenues, up 16%.

Mobile casino has been the standout performer for us. Total mobile gaming revenues were up 142%, and now amount to 27% of all gaming revenues.

Costs were in line with our internal expectations, up around 8%. Within this, marketing represented 27% of net revenue in the quarter. Operating profit fell 6%.
Moving to retail, where we also saw strong growth in football wagering, up 20%. Total retail staking grew by 3%, with the UK horserace wagering in line, benefiting from additional fixtures, given the weather-impacted schedule in quarter 1, 2013.

As per online, margins suffered as football results impacted performance. Versus the very strong prior-year quarter, margin fell 3.1 percentage points, to 17.6%, and OTC gross win fell 13%, driven by this margin swing.

Gaming machines saw 2% growth in gross win per machine per week, from GBP904 to GBP926. Total gross win on machines grew 5%, with broadly consistent growth in each of the months through the period. Reported machines net revenue growth at 11% was distorted by the MGD transition in February last year.

Overall, net revenue in retail fell 2% on a headline basis, 4% after adjusting for MGD. Operating costs grew 5%. After adjusting for the MGD transition this is around 4%, in line with our expectations for this quarter.

Our full-year guidance remains unchanged at 3% to 4%. And looking ahead, I would remind you that we have now expanded single manning to appropriate locations in the evening, as from the end of quarter 1.

Given the fall in gross win margins, retail operating profit fell by 25%.

As Ralph has outlined, operational progress in Australia has been positive. Reported operating profit growth rates of over 350% reflect, of course, the fact that we only owned Sportingbet for a small part of quarter 1 last year.

Against a local currency pro forma quarter, William Hill Australia, including Tom Waterhouse, saw wagering growth of 11%, and net revenue growth of 3%, following a decline in margins from 9.2 points to 8.7%. Profits fell by 9% in the quarter on this measure.

The positive trends in commercial metrics continue to reflect the good activity being undertaken by the team. Cost per acquisition has fallen by 11%, new accounts have grown by 8%, and unique actives were up by 22%.

The US also continues to show strong growth, with amounts wagered up 23%, and profit up nearly 200%, following a positive margin swing.

At the Group balance sheet level, net debt for covenant purposes fell by GBP86 million to GBP710 million, benefiting, in part, from a positive working capital swing.

Given current expectations of business mix, we now expect a slightly higher effective income statement tax rate at 18%, versus the prior 17% guidance.

I should also flag the announcement in this year's budget, about the upcoming increase in the rate of machine games duty in March 2015: from its current 20% rate to 25%. We estimate that this would have cost us around GBP22 million if applied to 2013.

Finally from me, and following on from the announced increase in indirect taxes for retail, we have concluded today a major tail closure analysis, with a portfolio of 109 shops expected to close this year as a result. The costs of the closure will be treated as exceptional, given their scale and non-recurring nature.

There will be circa GBP6 million of non-cash write-off and impairment of intangible and tangible assets, and we will be taking a provision of GBP17 million to GBP18 million, covering leases, rates, dilapidations and redundancies.

I expect this latter provision to exit, in cash flow terms, over the next five years, with a tail beyond that. The average remaining lease length in that portfolio is just over three years but, as I've said, there will be some longer exposures in the group.

Back to Ralph now.

Ralph Topping *- Chief Executive*

Thanks, Neil. So without sporting results, KPIs are good. We're very, very strong competitively, and we're continuing to diversify.

We're the industry leader, with the best senior executive management team in the sector, built and developed by myself. And we run a business that has been on the scene for 80 years this year.
So where are we on regulation and taxation? We're awaiting a statement from the government, possibly around the end of this month. Now, being the leader in the sector, I'm going to give you my views. What do I think they will say?

Let's acknowledge that there's a lot of work going on already, because people are not looking at the big picture. The Gambling Commission has one consultation to review the license, conditions and codes of practice, looking at harm-minimization measures, and drawing on the Code for Responsible Gambling.

At the DCMS, they've asked the Advertising Standards Authority and the Remote Gambling Association to look at voluntary measures around gambling advertising, to consider what revisions might be necessary in order to continue to protect children and the vulnerable. And we should note that the DCMS has had a change of minister recently.

The Department of Communities and Local Government is progressing consultations on planning changes that could put betting shops into a separate use class from the rest of the high street.

Does that worry William Hill? Short answer, no.

Plus we've got the RGT research, which we'll report in the autumn. This is to identify potentially harmful patterns of play. And we should remember that, potentially harmful patterns of play, and appropriate ways to deal with them without impacting those for whom play is not an issue. So in many ways, we already know the shape of a lot of the measures the government is looking to pursue.

Could the government do something more radical? Well, what any government has to seriously think about are the implications of any significant change. We've already demonstrated it today; impacting revenues and profits closes shops.

We've announced 109 closures and around 420 of my colleagues have their jobs at risk. We fully expect other companies in the industry to be in a similar position.

What's the effect of all that? Well, there's lost revenue to the government; there's lost rents and more empty shops on the high street; there's lost jobs.

Who loses their jobs? 57% of our retail colleagues are women; 30% of them are aged 18 to 24 and are part-time workers as well. Both groups are government targets. All of them have lower than average opportunities to find other jobs. That is the basic reality.

What else could it mean? I'm a great believer in the law of unintended consequences, and I think it operates here. It will make it very hard for the horseracing industry, and almost impossible for the greyhound industry to thrive.

The greyhound industry could very easily be devastated. Track closures, 7,000 jobs at risk, and it could even mean higher problem gambling levels and higher crime in the UK; both prime objectives under our license to operate.

Now if you look back to 1999 and you compare the positions, what we have here is problem gambling stable, or even declining, and it was already low by international standards. The industry is doing a great job of tackling problem gambling and we keep improving. We're already driving up the number and quality and responsible gambling interactions under the Code, so how does closing betting shops help problem gambling?

The question everyone needs to think about as well is, how does it help keep crime out of gambling? That was the fundamental principle under which betting shops were legalized in the first place. The Gambling Commission and local authorities already seize hundreds of illegal gaming machines every year, and some of them are the high stake prize machines.

They focused on training local authorities to deal with wider illegal gambling issues. We're not too far away from Green Lanes in Haringey where our opponents claim there are too many betting shops. Well, more than 100 illegal gaming machines have been seized from unlicensed premises in the last year, proving that, even now, demand is not being met by the regulated sector.

Above all, let's be practical; anything the government does has to be subject to consultation. There are legal issues around matters that are not properly consulted on, or that are not based on evidence. If you start the consultation now it's going to conclude at about the same time as the ongoing RGT research comes out, or even after. So in many ways, it's better to wait and see what the research says, then we can move ahead in a consolidated fashion.
William Hill is 80 years of age this year. It's not the happiest birthday, I think, when you're going to announce that 420-odd jobs are at threat. And neither Neil or I take any personal satisfaction about having to do that to colleagues.

We're a legitimate business; we've always been a legitimate business. We provide customers with a safe environment in which to bet, and with the best responsible gambling support systems in the gambling sector. And we have a commitment to keep on improving. We are not a lackadaisical organization working in an indifferent industry.

Thank you for listening. Operator, let's open up the Q&A which I will remind everybody will be short.

QUESTION AND ANSWER

James Ainley ***- Citi - Analyst***

I've got a question on online wagering trends. There's obviously been somewhat slower growth in the last six weeks, compared to the first seven weeks; I reckon about 31% in sports and about 10% on gaming, if my numbers are right. I just wondered if you could comment on whether you've seen any change in the competitive intensity of the industry in the last few weeks, or anything in the comps that might suggest that growth would be slower in the most recent period?

Ralph Topping ***- Chief Executive***

For that, we're coming to the end of the football season; pretty much, there's always a tail-off towards the end of the football season. I don't see anything in the numbers to give me any concern. I mean you're talking about a 30-plus-% growth and we're saying that's a concern; if that's a concern then I'm a Dutchman, start calling me Johannes.

Neil Cooper ***- Group Finance Director***

James, I think the other thing just to note is the first seven weeks, and I think, to be fair, we said this at the time, we're rolling over the peak of the weather affected schedules from 2013. And obviously that positive impact has come out of the base; hence, the numbers look like they've slowed, as you've said.

So I think you just have to be balanced in assessing what has driven the upside. In part, it's been rolling over a soft period last year, and the bulk of that was in the first seven weeks. So I think we said that actually at the trading statement when we commented at the start of the year.

James Ainley ***- Citi - Analyst***

Yes, okay. All right. Thank you.

Vaughan Lewis ***- Morgan Stanley - Analyst***

At the full-year results, you were talking about possible acquisitions and growing the international business. Is there anything you're actively looking at, at the moment, and any sort of update on where you might be thinking?

And then a couple on the online side.

Ralph Topping ***- Chief Executive***

I'll just answer that. We always look at things, and we would never tell you what we're looking at. So --

Vaughan Lewis ***- Morgan Stanley - Analyst***

Is there an active pipeline though, is there anything you're actually working on, or is it just, in principle, you're always looking?

Ralph Topping ***- Chief Executive***

I refer the caller back to my previous answer. I would never tell Lewis or Vaughan what's happening.

Vaughan Leiws ***- Morgan Stanley - Analyst***

Fair enough. A couple on the online side. What are the trends with active customers and new signups in the online business, not in Australia? And then, is there a rationale for spinning off the whole online business, and are there any fundamental issues that would make that difficult, or would that be fairly easy, given that they're all owned subsidiaries? Thanks.

Neil Cooper ***- Group Finance Director***

I'm sure I've said this to you, so please don't take offence if it sounds repetitive (laughter), but we don't typically disclose that level of detail in what is a quarterly IMS. So please don't take offence if you feel I'm changing my view, but I don't think I am on that.

Ralph, do you want to comment on the merger question?

Ralph Topping ***- Chief Executive***

It's an interesting question, I think. So you're saying spin online off or spin retail off.

Vaughan Lewis ***- Morgan Stanley - Analyst***

Well, it's the same thing isn't it, either.

Ralph Topping ***- Chief Executive***

It depends on, is your glass half empty or glass half full? I think William Hill having a combined retail and online business works for us, at the moment. I'm sure it will go on to continue working for us. I think there's going to be -- the wonderful thing about the gambling sector, I think, is going to be lots and lots of opportunities, going forward, for consolidation.

Some of the fundamental thinking about consolidation has to alter, I think, and that will call for changes in policy at government level and elsewhere. Because if you seriously want to protect the -- help the racing industry, then the racing industry cost to gambling and betting, especially retail betting, has to fundamentally alter.
One of the ways in which you can do that is to take out more costs through consolidation. So I think there's many plays to take place over the next two to three years, and that's why I would never dream of leaving this sector. There's so many opportunities ahead.

Vaughan Lewis ***- Morgan Stanley - Analyst***

Great. Thank you.

Patrick Coffey ***- Barclays - Analyst***

Just a couple from me, if you don't mind? So are you seeing anything in the competitive landscape in terms of advertising that's changed over the last, say, three or four months?

Ralph Topping ***- Chief Executive***

Yes, the adverts are getting worse. (laughter)

Patrick Coffey *- Barclays - Analyst*

And what about your competitors? (laughter)

Ralph Topping *- Chief Executive*

Some of the adverts which are named after a reef are diabolical.

Patrick Coffey *- Barclays - Analyst*

Fair enough. You reference in the statement that you were talking about that, Ralph, about the PM giving us an update on gambling policy this month. There are lots of rumors, as you know, that the government are going to decrease maximum stakes, which clearly goes against their previous statements around taking an evidenced-based approach.

Is there anything further you can share in terms of what you're expecting to hear if they do talk, and basically, do you anticipate that they are going to cut maximum stakes? And just following on from that, final one --

Ralph Topping *- Chief Executive*

Just remember my age here; you're giving me too many questions for a man of my age.

Patrick Coffey *- Barclays - Analyst*

Okay, just on that one then. What are you expecting if they do come out on maximum stakes?

Ralph Topping *- Chief Executive*

I think the interesting word in your rambling question there was the rumors. Nobody knows what -- this is ripe for all the chatterati around the City and in journalism. Nobody knows what's going to happen. My view, and it can only be a view, is that it's what I said in the statement, that the government have already kicked off a lot of stuff. And I think David Cameron has always been consistent when he stood up in the House of Commons about waiting for taking an evidence-based approach. I've never known -- I wouldn't think David Cameron is the kind of guy that would go back on his word.

Patrick Coffey *- Barclays - Analyst*

Okay. Less rambling in this question. If you did need to close further shops because of a change in regulation, would they also be treated as exceptionals over the next few years?

Ralph Topping *- Chief Executive*

Well, I think you have to -- I think we don't anticipate having to close any shops at the moment. That's the shops we're closing just now and let's see where we are, going forward, and we'll tell you at the time what we're going to do would be my answer.

Neil Cooper *- Group Finance Director*

Getting technical for a moment, the rationale for the treatment is whether it's material and/or non-recurring. Now, clearly, a response to a change in the environment, or a one-off response to the change in the environment, we would look at one way; a consistent application of closures, we would look at another, as we do. And we typically close, on average, somewhere around 15 shops a year in normal course of business, which we treat as ordinary.

Shutting 110 shops as part of a response to a change in the tax environment and the outlook for tax, we're treating as an exceptional because clearly, it's a recent change, it's a material change and the consequences are material. So we would have to look at each of them on their merit; there's no single answer.

Patrick Coffey *- Barclays - Analyst*

Okay, very clear. Thanks a lot, guys. Cheers.

Gavin Kelleher *- Goodbody Stockbrokers - Analyst*

Just one from me on amounts wagered. Just following on from James' question, 39% in Q1, can you give any sort of color on how much Spain and Italy added to that?

Neil Cooper *- Group Finance Director*

Well, I don't have the breakdown to hand. Both Spain and Italy have been performing well in terms of net revenue growth, so they will be contributing to that number; Spain, in particular, where we now have, according to the Spanish regulator's statistics, nearly 20% market share. So they will be contributing to that, but the bulk of the sports betting business still is in the UK.

Gavin Kelleher *- Goodbody Stockbrokers - Analyst*

Okay. And just in terms of -- I know it's always difficult to calculate an impact of recycling amounts wagered, but was the amounts wagered particularly strong in periods directly after week 2 and week 12?

Neil Cooper *- Group Finance Director*

We certainly saw a good week in the week 3. But again, I think you've got to be a bit cautious because, if my recollection holds, we were starting to get into a snow-affected comparator by that point. So it is quite difficult to disentangle some of these on a clinical basis in that way.

Gavin Kelleher *- Goodbody Stockbrokers - Analyst*

Okay, fair enough. And sorry, just on the in-play margin, any reason why it was down 30 bps? Like anything we should be factoring in there? Was it (multiple speakers)?

Neil Cooper *- Group Finance Director*

No look, our expectation on in-play is a little bit between 5% and 6%, and both last year and this year have come in, in that range. So the fact that it's 30 basis points different is not something that's particularly significant.

Gavin Kelleher *- Goodbody Stockbrokers - Analyst*

Okay, perfect. Thanks a million, guys.

Richard Stuber *- Nomura - Analyst*

Just a couple of questions, if I may? The first one is on machines. You say you've rolled out now half of the Eclipse gaming machine to half the estate. I know, obviously, there's lots of stuff going on about properties at the moment, but do you have any plans of when you plan to roll out the remaining half?

Ralph Topping *- Chief Executive*

I think we're more likely to than not.

Richard Stuber *- Nomura - Analyst*

And any guidance in terms of timing? Is that going to be by the end of the year?

Ralph Topping *- Chief Executive*

We'll let you know at the half-year I think. I'm not being evasive, just normally at that time.

Richard Stuber *- Nomura - Analyst*

Okay, thanks. And the second question is, I think you already reported -- well, you disclosed GBP13 million of losses from the week 2. Could you say what the losses were for week 12 as well, please?

Neil Cooper *- Group Finance Director*

Yes, it wasn't double digit, but it was certainly hugely more than what certainly I've come to expect as a loss-making week.

To give you some perspective on this, in the four years since I've been in the business, I think we'd had probably loss-making weeks that, on average, were around GBP750,000 loss and the worst case was about GBP1.2 million. So to go to 12 and then just slightly below double digit were our big swings, by historical standards, for us.

Ralph Topping *- Chief Executive*

Having said that, you get a black swan week, there's white swan weeks in there as well. And I think you have to be -- the unfortunate thing about reporting within a defined period, it's too small a period for the law of averages to kick in.

Clearly, a significant thing for us was the fact that, after week 2, online really, really clawed back those losses and which, in a very short timescale, and retail was well on the way to doing so.

Am I worried by the short-term fluctuations? No, that's the game we're in. Punters win from time to time, surprise, surprise, and with accumulator business now comprising 64% of our turnover in football, I find that would give an old bookmaker confidence in the future.

Ivor Jones *- Numis Securities - Analyst*

Apologies if you covered this earlier, I got slightly distracted. Did you talk about shop openings and your plans for new openings?

Neil Cooper *- Group Finance Director*

No, we didn't, but we're not materially changing our outlook on that. We guide to net 1% and we certainly don't think this year that's inappropriate. That takes into account, obviously, openings less normal course of business closures.

Ivor Jones ***- Numis Securities - Analyst***

So the exceptionals you've talked about apart, no real changes to the CapEx plans we might have in our models?

Neil Cooper ***- Group Finance Director***

That's right, yes. No, nothing material to report at this stage. What have you got in, just out of interest?

Ivor Jones ***- Numis Securities - Analyst***

That's a) a secret; and b) I can't find the model at the moment (laughter). It's only a quarterly update, Neil, so I can't talk about level of detail.

Neil Cooper ***- Group Finance Director***

Brilliant.

Ralph Topping ***- Chief Executive***

Okay, brilliant, Ivor.

Neil Cooper ***- Group Finance Director***

Fantastic.

Ivor Jones ***- Numis Securities - Analyst***

What does this tell us about the future for the shops, though, Ralph; a new lower base, maybe 1% growth if there's no more regulatory change. Cost growth is going to be more than that, and I think there's lumps of cost to be taken out is what I really wanted you to talk about.

Ralph Topping ***- Chief Executive***

Well, I think we've done very well in taking costs out of shops over the last four or five years. I think the really annoying thing about the machine game hike is that we've done exceptionally well as a business to get through the last six or seven years of recession caused by you guys, the bankers. So I think we've done exceptionally well there and it's very disappointing that we're to be hit by the machine games duty.

Now, I think the positives on it are the given Sajid's gone into DCMS, I think he's a big-picture guy and I welcome that appointment. I think they're a sponsoring ministry and I'm sure that -- I've met him a couple of times and he is a guy I think that you can do business with. So for the very first time in a long time, and no criticism in previous ministers, we have someone there who has, I think, the depth of intellect to get our industry and understand our industry.

Ivor Jones ***- Numis Securities - Analyst***

But if you don't get help from the government, can the shop -- can the retail business grow its profits?

Ralph Topping ***- Chief Executive***

I think, yes, I think it can in a normalized situation. I think it's really good of people like Vince Cable to come out and say that executives should be rewarded for long-term growth. We would be happy to sign up for that, but if you're going to keep on sticking at the equivalent of Becher's Brook in front of people in the gambling industry through machine game duty hikes and whatever else, then that's going to be very, very difficult, from a philosophy point of view, on the government's part.

So we'd sign up for all that if they would just give us a little bit of help when they're sticking Becher's Brook in every now and again.

Neil Cooper ***- Group Finance Director***

I think, Ivor, look, just to recap on the last quarter's performance, we've seen our wagering grow 3% and we've seen our net revenue for machines grow 5%. So I take your point about the cost base and clearly, it's a big fixed cost base business and, as you see from machines game duty hikes, there comes a point when cost is leached out against our will, if you like, and that puts individual shops at risk.

But it's difficult to look at certainly the quarter's performance and think that the trends are all one way commercially because they're not, clearly, as the trends show you.

Ivor Jones ***- Numis Securities - Analyst***

Thank you. And just the last one, on advertising cost around the World Cup, is most of your planned expenditure now at a fixed cost? Do you know what you'll be paying for TV? So when you're giving us guidance, can we be confident you know what you'll spend?

Ralph Topping ***- Chief Executive***

Yes, unless there's some radical change. Yes, we're fairly confident in our TV expenditure rates, Ivor.

Ivor Jones ***- Numis Securities - Analyst***

Okay. That's brilliant. Thank you very much.

Ralph Topping ***- Chief Executive***

Last question? No last question. Thank you very much, Duncan. Thank you, everybody and have a good day.

Operator

This concludes today's call, ladies and gentlemen. Thank you for joining, you may now replace your handsets.