Thursday, 31st July 2008

WILLIAM HILL PLC
INTERIM MANAGEMENT REPORT

William Hill PLC (the 'Group') today announces its results for the 26 weeks ended 1 July 2008 ('the period').

Financial highlights include the following:

- Gross win for the Group was up 4% to £516.0m (2007: £498.2m)
- Good performance from Retail with gross win up by 5%
- Online gaming gross win increased by 21%
- Online sportsbook gross win returned to year-on-year growth in Q2 2008 and sportsbook technology project on track to be fully implemented by November
- Profit on ordinary activities before finance charges and exceptional items down 10% to £145.1m (2007: £161.2m) in line with expectations. The decrease was principally due to the incremental costs of Turf TV and a disappointing results-driven Telephone performance
- 11 outlets currently opened in the Madrid area and on target to have over 130 outlets secured by the year-end in Madrid and the Basque region
- Cash generated from operations before tax and interest down 22% to £148.4m (2007: £189.7m) which represents 102% (2007: 118%) of operating profit
- Adjusted basic earnings per share (EPS) pre exceptionals down 18% to 23.5 pence (2007: 28.6 pence) and basic EPS post exceptionals down 23% to 22.9 pence (2007: 29.7 pence)
- Total pre-tax exceptional items of £2.2m comprising an impairment recognised on disposal of our Italian joint venture of £1.4m and internal reorganisation costs associated with last year's cancellation of the NextGen project of £2.5m, partly offset by sale and leaseback profits of £1.7m
- Interim dividend of 7.75 pence per share (2007: 7.75 pence per share) payable on 5 December 2008 to shareholders on the register on 24 October 2008

<u>Current trading</u>

In the four weeks to 29 July 2008, the Group's gross win was down 1%, mainly reflecting poor horseracing results in the last week of this short period. As ever, as short a period as this, is never a guide to longer term prospects.

Commenting on the results, Charles Scott, Chairman, said:

“The Group has continued to make progress during the first half of the year with results in line with expectations. So far, we have seen little evidence that our business has been impacted by the economic downturn.

However, our business now generates more income from online gaming and betting and from gaming machines in the LBOs than ever before. It is difficult to predict how these income streams will fare in a continuing adverse economy, albeit the business has been resilient to date.

Nevertheless, the Board remains comfortable with the current range of market expectations. Accordingly, the Board proposes to maintain the long term dividend cover policy and pay an interim dividend of 7.75p."

Enquiries:

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There will be a presentation to analysts at 08:30 am 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 541 076 using the conference code 57277200#. The presentation will be recorded and will be available for a period of one week by dialling +44 (0) 1452 550 000 and using the replay access number 57277200#.

The slide presentation will be available on the Investor Relations section of the website: www.williamhillplc.co.uk.

Review of performance in the period

A summary of the key financial results is set out in the table below:

	Gross win		Operating profit before exceptional items	
	H1 2008	H1 2007	H1 2008	H1 2007
	£m	£m	£m	£m
Retail	421.3	403.1	123.5	124.8
Interactive	67.6	62.0	27.7	28.1
Telephone	22.8	29.2	4.5	9.8
Other	4.3	3.9	0.8	0.4
International joint ventures	-	-	(3.3)	(0.2)
Associate - SIS	-	-	1.9	1.9
Central overheads	-	-	(10.0)	(3.6)
	516.0	498.2	145.1	161.2

The Group has achieved a reasonable result in the first half of 2008 with gross win growth of 4% notwithstanding a disappointing Euro 2008. However, year-on-year profitability has been impacted by the incremental costs of the new Turf TV contract (see cost of content below), a disappointing Telephone performance and some one-off asset sales, which reduced costs in the first half of last year.

The Retail channel, which constitutes 82% of the Group's gross win, continued to perform strongly, driven by extended evening opening hours in the first three months of the period and good cost control. Interactive had an encouraging period notwithstanding its sportsbook legacy technology issues and we look forward to the launch of the new technology platform in November. Telephone delivered a disappointing performance, being the channel most impacted by adverse sporting results in the period.

Profit before finance charges and exceptional items was £16.1m lower than last year and earnings per share excluding exceptional items decreased by 18%. The Board is mindful of its long-term target dividend cover of two times and is proposing an interim dividend of 7.75 pence.

Retail channel

The Retail channel's gross win grew by 5% to £421.3m but pre-exceptional profit fell by £1.3m to £123.5m, with the channel bearing incremental costs of £5m relating to the Turf TV contract.

Gross win from over the counter (OTC) increased by 2%, while machines gross win was up 10%. Growth was facilitated by extended opening hours allowed in the first three months of this year. We believe that further benefits from extended hours will come through in the future, as punters become more familiar with the new trading hours available and we apply the trading information gathered to date to determine the optimum closing time for individual Licensed Betting Offices (LBOs).

The impact of sporting results on OTC gross win year-on-year was broadly neutral as the effects of a relatively poor Royal Ascot meeting and below expectation Euro 2008 football tournament were largely offset by favourable football results in the earlier part of the year. Overall, UK horseracing continued its relative decline as a share of the Retail mix of gross win falling from 50% to 47%, while conversely football increased its share from 10% to 15%.

The average number of gaming machines in the estate increased to 8,520 (FY 2007: 8,382) in the period. The average net contribution per machine per week was £513 (FY 2007: £466). This strong performance from gaming machines, reflected continued growth in gross win driven by extended opening hours and promotional activity and also the improved terms of our machines supply contracts with our existing supplier, Inspired Gaming and also a new supplier to the estate, Global Draw. In addition to the improved terms, the introduction of Global Draw to the estate has also delivered benefits driving product innovation and improved machine reliability.

Costs in the channel were up 9%, reflecting the incremental costs of Turf TV, extended betting shop opening hours, increases in the average number of LBOs (mainly affecting staff and property costs) and development activity within the existing estate (mainly affecting property and depreciation costs).

We completed 69 development and LBO refurbishment projects in the first half of 2008 including 13 new licences, 32 extensions and resites and 24 LBO refurbishments. Overall, the cost of these projects was £13.8m.

At 1 July 2008, we had 2,239 LBOs in the United Kingdom, 9 in the Channel Islands, 2 in the Isle of Man and 50 in the Republic of Ireland; a total of 2,300.

Interactive channel

Interactive had a good first half year with gross win increasing by 9% to £67.6m, although operating profit fell by £0.4m to £27.7m, reflecting greater investment in marketing, site content and staff costs in this channel. These investments are part of the repositioning of the Interactive channel and will be augmented by the relaunch of the online sportsbook in November. We are confident that these initiatives will deliver good returns for the Group and are encouraged by the progress to date, particularly in respect of gaming gross win growth.

Gaming gross win (games, poker, casino, bingo and skill) increased by 21% fuelled by 39 new game launches in the period, increased cross-selling across products and increased marketing spend including our first TV advertising campaign in support of our bingo product. New types of games have also been launched such as live dealer casino games, which replicate the interaction between players and dealers at land-based casinos.

Sportsbook has seen a 10% fall in its year on-year gross win performance but more encouragingly it is 38% up on the second half of last year. The improvement on the second half of last year, although influenced by better results, has been driven by enhanced client management, particularly in relation to our in running product, in addition to increased and better targeted marketing spend and richer site content, including streaming of live pictures and radio commentary of sporting events. However, the site continues to be adversely impacted by its legacy technology platform, which puts it at a disadvantage to competitor sites. In January 2008, we agreed heads of terms to purchase the ORBIS technology platform as part of our strategy to address the underperformance of the sportsbook. ORBIS is the industry-leading platform and once implemented, will allow us to overcome our current technology disadvantage and give us a market-leading platform, which we can exploit going forward. The ORBIS project continues to be on target for delivery by the end of November 2008.

Total active accounts increased to 499,000 as at 1 July 2008 (1 January 2008: 432,000).

Costs in the channel increased 21%, in line with expectations and largely due to increased investment in staff, marketing and site content costs.

Telephone channel

Telephone gross win fell by £6.4m to £22.8m and operating profit decreased by £5.3m to £4.5m.

The channel has been impacted by results, particularly a poor Royal Ascot meeting and a disappointing Euro 2008. However, it is apparent that this channel is competing for a diminishing number of customers who want to place their bets by phone, with most new accounts now acquired via the internet.

We ended the six months with 141,000 active telephone customers (1 January 2008: 146,000).

Costs incurred by the channel were tightly controlled and only increased by 1% in total. Excluding incremental marketing spend, costs in the channel actually fell by 3%.

International activities

Our joint venture with Grupo Codere SA (Codere) is progressing well in Spain and we remain on course to have 130 outlets secured across the Madrid and Basque regions by the end of the year.

The joint venture has opened outlets in 11 locations in Madrid to date, including in Canoe, the largest bingo hall in Spain. Trading to date has been encouraging and we remain on target to have secured the 70 locations in Madrid by the end of the year, as previously forecast.

Progress has also been made in the Basque region in preparing to open outlets under the licence we secured there last year. We expect to have over 60 betting outlets operational by the end of the year in this region.

On 2nd July 2008, the Group announced the sale of the entire issued share capital of our Italian joint venture, William Hill Codere Italia Srl (WHCI) to INTRALOT International Holdings Limited. The gross consideration agreed was €5.5m, which was shared equally between the Group and our joint venture partner Codere. The sale followed a strategic review of WHCI within the Italian sports betting market. WHCI was initially set up as a joint venture to enter the Italian horse and sports betting market following a tender process in Italy for sports and horse race betting in 2006, in which the company was awarded 57 licences. The number of retail betting licences won by WHCI was insufficient in scale to provide an attractive long-term return. Options to grow within Italy through the acquisition of either existing or new licences were explored, but the cost of acquisitions within the existing uncertain regulatory framework within Italy made further investment unattractive. This sale resulted in an impairment of £1.4m being reflected in the attached financial statements, in addition to operating losses of £1.6m incurred in the first six months of the year.

Operating expenses

Half-year expenses net of operating income and before exceptional items for the Group were £257.2m, an increase of 12%. Excluding the effects of Turf TV and the extended opening hours for the first three months of the year, costs are estimated to have risen by 6%. Looking forward, we will continue to focus on cost discipline and remain confident that underlying cost increases will remain in the 4-6% guidance range over the full year, excluding the incremental effects of evening opening and Turf TV.

Staff costs (which represented roughly half of our total costs) increased by 12% over the comparable period, mainly reflecting the extended opening hours, a 2% increase in the average number of LBOs trading in the period and an inflation-based pay award to staff of 3%, effective from 1 March. Property costs, which represented 17% of our total costs, were up 7% over the comparable period mainly reflecting increases in rent and rates, in part driven by an increase in average LBO size and also a greater number of LBOs.

The cost of providing pictures and data to our LBOs was up 45% over the comparable period primarily due to the incremental costs of Turf TV and the costs of extra content to support the extended opening hours. Advertising and marketing costs were up 17% (excluding Euro 2008 expenditure) over the comparable period reflecting increased spend supporting our Interactive channel, including a very successful TV advertising campaign for our bingo product.

Regulatory development

Since September 2007 the Gambling Commission (the Commission) has been responsible for implementing and policing the detailed regulations, licence conditions and guidance that govern gambling in Great Britain. We have worked actively with the Commission since its establishment and support its objective to regulate gambling in the public interest by keeping crime out of gambling, by ensuring that gambling is conducted fairly and openly, and by protecting children and vulnerable people from being harmed or exploited by gambling.

In February 2008, the Department of Culture, Media and Sport (DCMS) referred high staking machines (B2s located in LBOs and casinos) to the Commission with the Minister expressing concern as to the long-term potential risks to problem gambling from these type of machines. The Commission is tasked to seek evidence and to report back to DCMS by mid 2009 on this issue. Category B2 machines have been in LBOs for some 7 years and have proved very popular with the public. We were pleased that last year's Gambling Prevalence Study showed no increase in overall levels of problem gambling compared to the last such similar study, despite the popularity of these machines. We recognise the role of both DCMS and the Commission in seeking ways of minimising the impact of gambling on vulnerable people and we will continue to work with them on this. However we believe that the vast majority of our customers enjoy and play these machines safely and that LBOs remains the most secure location for these machines. We do not believe there is any evidence that supports the proposition that a single product is responsible for an increase in problem gambling. Ultimately, we expect the Commission to be proportionate in their response, which must be evidence based and we do not expect there to be a case for taking action to restrict gaming machines further.

Cost of content

On 11 January 2008, we entered into a five year contract with Amalgamated Racing Limited, trading as Turf TV, for the provision of live coverage of all horse races taking place at those horserace courses for which Turf TV has exclusive rights. By agreeing this contract the Group has ensured that it is able to provide pictures of UK racing to our customers in the United Kingdom, the Isle of Man, Channel Islands and the Republic of Ireland from that date and has obtained certainty on the cost of that service for the next five years. We estimate the incremental cost of this service to the business was £5.0m in the first half of the year.

The Group, together with the Bookmakers Afternoon Greyhound Services Limited and other bookmakers, is currently party to litigation against Turf TV and various others over allegations of breaches of competition law. The case was heard in the High Court in May and June and we expect a judgment shortly.

Taxation

The Group's effective rate of tax before exceptional items and excluding associate and joint venture income was 27.6%, compared to 25.3% in FY 2007 and the average UK statutory rate for 2008 of 28.5%. The current period's charge is lower than the statutory rate mainly due to adjustments relating to prior period computations now agreed with the Inland Revenue. The 2007 rate was relatively low due to a deferred tax credit realised on the announcement of the reduction in the UK headline corporation tax rate from 30% to 28% effective from 1 April 2008.

The Group has continued to be a significant contributor to the UK exchequer during the first half of the year. It has paid £17.6m in corporation tax in that period and has also borne £47.4m in gross profits tax (GPT), £16.0m in VAT, £36.1m in PAYE and NI and £8.3m in Amusement Machine Licence Duty.

Cashflow and net indebtedness

The Group generated net cash inflow from operating activities before financing and tax of £148.4m, £41.3m lower than the comparable period reflecting lower earnings and a movement in working capital arising from the timing of month end payments and the movement in the period end from 26 June to 1 July. The Group paid £31.2m in net debt service costs, paid £17.6m in corporation tax, invested £20.3m in net capital expenditure and acquisitions (including joint-venture investments) and paid £53.8m in dividends, leaving £25.0m available to reduce net indebtedness to £1,058.9m at 1 July 2008 from £1,083.9m at 1 January 2008.

Returns to shareholders

The Company is proposing to pay an interim dividend of 7.75 pence per share (2007: 7.75 pence per share) on 5 December 2008 to shareholders on the register on 24 October 2008, reflecting the Board's confidence in William Hill's resilience, whilst maintaining its long-term target dividend cover of two times.

The Company normally aims to pay interim and final dividends that represent approximately one third and two thirds, respectively, of total dividends.

Financial structure and liquidity

The Group has total debt facilities of £1.45bn comprising two facilities financed from a consortium of banks. The first facility is for a sum of £1.2bn, which is structured into two tranches:

- Tranche A comprising a £600m term loan repayable in March 2010; and
- Tranche B comprising a £600m revolving credit facility, also maturing in March 2010.

The second bank facility is a £250m term loan repayable in July 2011.

The Group is considering its options for refinancing these facilities over the course of the coming year and will update the market when appropriate.

The Group's borrowings are at floating rates of interest. It has hedged its exposure to interest rates on its forecast net debt by entering into a series of interest rate swaps and collars. As at 1 July 2008, approximately 40% of its forecast exposure is fixed via interest rate swaps reducing to 10% by the end of 2012. A further 40% is subject to interest rate collar arrangements as at 1 July 2008, also reducing to 10% by the end of 2012.

The Board will continue to review periodically the Group's hedging arrangements to ensure that they remain appropriate to the needs of the Group and take account of changes in market conditions and business plans.

The Board remains focussed on maintaining an efficient balance sheet, balancing the requirements for returns to shareholders and investment in the business for future growth.

Related party transactions

Related party transactions are disclosed in note 12 to the condensed financial statements. There have been no material changes in the related party transactions described in the last annual report.

Principal risks and uncertainties for the remainder of the year

The principal risks and uncertainties for the Group remain those disclosed on page 10 of the Group's 2007 Annual Report in the Operating and Financial Review.

The risks that are most pertinent to the Group in the short-term horizon of the remainder of the financial year are:

- The impact of a prolonged set of adverse sporting results; and
- A major deterioration in the general economic environment in the United Kingdom.

Reconciliation of gross win to revenue

Due to the requirements of accounting standards, the Group discloses a different top line measure of activity (revenue) in its accounts from gross win. The difference between the two measures is the VAT payable on machine income and the following is a reconciliation for the periods presented between gross win and revenue as disclosed in the attached financial statements:

	26 weeks to 1 July 2008	26 weeks to 26 June 2007	53 weeks to 1 January 2008
	£m	£m	£m
Gross win	516.0	498.2	983.7
VAT on machine income	(22.9)	(20.9)	(43.3)
Revenue	493.1	477.3	940.4

Current trading

In the four weeks to 29 July 2008, the Group's gross win was down 1%, mainly reflecting poor horseracing results in the last week of this short period. As ever, as short a period as this, is never a guide to longer term prospects.

Assessing the trends to date, we have seen little evidence that a slow down in consumer spending is having an adverse impact on our business although at this stage it is difficult to be definitive. The Board notes that historically, the Group's business has proved to be less exposed to the economic cycle than many other consumer facing industries. Since the last economic downturn, however, the business has significantly increased its income generated from gaming machines in LBOs and online betting and gaming. It is difficult to predict with any certainty how these income streams will react under conditions of sustained economic pressure.

Overall, the Board remains confident about the resilience and prospects for the business both in the UK and internationally.

By order of the Board,

R.J. Topping
Director

31 July 2008

S.P. Lane
Director

31 July 2008

William Hill PLC

Consolidated Income Statement

for the 26 weeks ended 1 July 2008

	Notes	[(1)] **26 weeks ended 1 July 2008 Before exceptional items £m**	[(1)] **26 weeks ended 1 July 2008 Exceptional items (note 3) £m**	[(1)] **26 weeks ended 1 July 2008 Total £m**	[(1)] 26 weeks ended 26 June 2007 Total £m	53 weeks ended 1 Jan 2008 Total £m
Amounts wagered	2	**7,778.1**	**-**	**7,778.1**	7,255.9	14,792.3
Revenue	2	**493.1**	**-**	**493.1**	477.3	940.4
Cost of sales		**(89.4)**	**-**	**(89.4)**	(88.8)	(174.2)
Gross profit	2	**403.7**	**-**	**403.7**	388.5	766.2
Other operating income		**3.7**	**-**	**3.7**	5.7	10.4
Other operating expenses		**(260.9)**	**-**	**(260.9)**	(234.7)	(490.6)
Exceptional operating expense	3	**-**	**(2.5)**	**(2.5)**	-	(20.9)
Share of results of associate and joint ventures		**(1.4)**	**-**	**(1.4)**	1.7	0.7
Operating profit	2	**145.1**	**(2.5)**	**142.6**	161.2	265.8
Exceptional items:						
Profit on sale and leaseback of LBO properties	3	**-**	**1.7**	**1.7**	3.9	6.7
Joint venture impairment	3	**-**	**(1.4)**	**(1.4)**	-	-
Investment income	4	**13.0**	**-**	**13.0**	10.2	24.3
Finance costs	5	**(44.8)**	**-**	**(44.8)**	(41.1)	(87.6)
Profit before tax	2	**113.3**	**(2.2)**	**111.1**	134.2	209.2
Tax	6	**(31.6)**	**0.2**	**(31.4)**	(29.4)	(51.8)
Profit for the period		**81.7**	**(2.0)**	**79.7**	104.8	157.4
Earnings per share (pence)						
Basic	8			22.9	29.7	44.7
Diluted	8			22.8	29.4	44.3

All amounts relate to continuing operations.

Consolidated Statement of Recognised Income and Expense

for the 26 weeks ended 1 July 2008

	[(1)] **26 weeks ended 1 July 2008 £m**	[(1)] 26 weeks ended 26 June 2007 £m	53 weeks ended 1 Jan 2008 £m
Gain/(loss) on cash flow hedges	**22.6**	19.7	(1.6)
Actuarial (loss)/gain on defined benefit pension scheme	**(32.9)**	27.7	12.9
Tax on items taken directly to equity	**4.3**	(12.9)	(1.3)
Net (expense)/income recognised directly in equity	**(6.0)**	34.5	10.0
Transferred to income statement on cash flow hedges	**(4.5)**	(2.2)	(7.6)
Profit for the period	**79.7**	104.8	157.4
Total recognised income and expense for the period	**69.2**	137.1	159.8

[(1)] These periods' results are unaudited but are subject to a review by our auditors – see page 22.

William Hill PLC

Consolidated Balance Sheet
as at 1 July 2008

	Notes	[(1)] **1 July 2008 £m**	[(1)] 26 June 2007 £m	1 Jan 2008 £m
Non-current assets				
Intangible assets		**1,368.6**	1,366.2	1,365.9
Property, plant and equipment		**211.7**	214.8	214.7
Interest in associate and joint ventures		**11.9**	12.4	12.7
Deferred tax assets		**11.2**	1.0	1.9
Retirement benefit surplus		**-**	2.3	-
		1,603.4	1,596.7	1,595.2
Current assets				
Inventories		**0.4**	0.5	0.6
Trade and other receivables		**32.8**	23.8	32.3
Cash and cash equivalents		**69.3**	85.6	69.4
Derivative financial instruments		**23.4**	31.8	5.2
Assets held for sale		**0.6**	-	-
		126.5	141.7	107.5
Total assets	2	**1,729.9**	1,738.4	1,702.7
Current liabilities				
Trade and other payables		**(78.1)**	(113.6)	(90.8)
Tax liabilities		**(62.2)**	(71.9)	(51.8)
Borrowings		**(0.7)**	(1.3)	(1.2)
Derivative financial instruments		**(2.2)**	(2.5)	(4.7)
		(143.2)	(189.3)	(148.5)
Non-current liabilities				
Borrowings		**(1,127.5)**	(1,097.0)	(1,152.1)
Retirement benefit obligations		**(36.5)**	-	(3.3)
Deferred tax liabilities		**(172.1)**	(173.5)	(165.7)
		(1,336.1)	(1,270.5)	(1,321.1)
Total liabilities	2	**(1,479.3)**	(1,459.8)	(1,469.6)
Net assets		**250.6**	278.6	233.1
Equity				
Called-up share capital	9	**35.4**	36.2	35.4
Capital redemption reserve	9	**6.8**	6.0	6.8
Merger reserve	9	**(26.1)**	(26.1)	(26.1)
Own shares held	9	**(33.5)**	(45.8)	(34.4)
Hedging and translation reserves	9	**16.7**	22.5	3.2
Retained earnings	9	**251.3**	285.8	248.2
Total equity	9	**250.6**	278.6	233.1

[(1)] These periods' results are unaudited but are subject to a review by our auditors – see page 22.

William Hill PLC

Consolidated Cash Flow Statement
for the 26 weeks ended 1 July 2008

	Notes	[2] **26 weeks ended 1 July 2008**	[2] 26 weeks ended 26 June 2007	53 weeks ended 1 Jan 2008
		£m	£m	£m
Net cash from operating activities	10	**93.6**	122.0	149.6
Investing activities				
Dividend from associate		**-**	-	2.0
Interest received		**6.0**	3.9	11.6
Proceeds on disposal of property, plant and equipment		**1.4**	5.1	5.7
Proceeds on sale of interest in associate		**-**	1.8	1.8
Proceeds from exceptional sale of LBO properties		**2.2**	6.0	9.8
Purchases of property, plant and equipment		**(15.4)**	(24.8)	(42.8)
Purchases of betting licences		**-**	-	(5.3)
Expenditure on computer software		**(5.1)**	-	(15.8)
Acquisition of subsidiaries [1]		**(1.0)**	(24.4)	(25.2)
Investment in joint ventures		**(2.4)**	(5.0)	(8.2)
Net cash used in investing activities		**(14.3)**	(37.4)	(66.4)
Financing activities				
Purchase of own shares		**-**	(2.0)	(47.9)
SAYE share option redemptions		**0.2**	-	4.4
Dividends paid	7	**(53.8)**	(51.2)	(78.5)
Repayments of borrowings		**(25.8)**	(44.9)	-
New finance leases and bank loans raised		**-**	0.4	9.7
Collar premiums paid		**-**	-	(0.2)
Net cash used in financing activities		**(79.4)**	(97.7)	(112.5)
Net decrease in cash and cash equivalents in the period		**(0.1)**	(13.1)	(29.3)
Cash and cash equivalents at start of period		**69.4**	98.7	98.7
Cash and cash equivalents at end of period		**69.3**	85.6	69.4

[1] Deferred consideration in respect of TH Jennings (Harlow Pools) Limited acquired in 2007.

[2] These periods' results are unaudited but are subject to a review by our auditors – see page 22.

Notes to the Financial Information

for the 26 weeks ended 1 July 2008

1. Basis of accounting

William Hill PLC is a Company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is Greenside House, 50 Station Road, London, N22 7TP. The interim financial information for the 26 weeks ended 1 July 2008, which has been approved by a committee of the board of directors on 30 July 2008, has been prepared on the basis of the accounting policies set out in the Group's 2007 Annual Report and Accounts on pages 43 to 48, which can be found on the Group's website *www.williamhillplc.co.uk*. This condensed consolidated financial information for the 26 weeks ended 1 July 2008 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, "Interim Financial Reporting" as adopted by the European Union. The condensed consolidated financial information for the 26 weeks ended 1 July 2008 should be read in conjunction with the annual financial statements for the 53 weeks ended 1 January 2008, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The accounting policies, used in the preparation of the interim financial information, have been consistently applied to all periods presented.

The interim financial information for the 26 weeks ended 1 July 2008 is unaudited and does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985, but has been reviewed by the auditors and their report is set out on page 22. The results for the 53 week period ended 1 January 2008 shown in this report do not constitute the Company's statutory accounts for that period but have been extracted from those accounts, which have been filed with the Registrar of Companies. The auditors have reported on those accounts. Their report was unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

The directors consider that the 'adjusted' earnings per share measure, as disclosed in note 8, provides additional useful information for shareholders on the underlying performance of the business. It is not a recognised measure under IFRS and may not be directly comparable with 'adjusted' measures used by other companies.

New accounting standards

The following accounting standards and interpretations became effective for the current reporting period:

IFRS 7	Financial instruments: disclosures;
IFRIC 11	IFRS 2 – Group and Treasury Share Transactions;
IFRIC 12	Service Concession Arrangements;
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction; and
IAS 34	Interim Financial Reporting.

Application of these standards and interpretations has not had a material effect on the net assets or results of the Group. The following standards and interpretations were issued but application was not mandatory for the period:

IFRS 8	Operating segments; and
IFRIC 13	Customer Loyalty Programmes.

The directors anticipate that the adoption of these standards and interpretations will have no material impact on the net assets or results of the Group.

2. Segment information

For management purposes, the Group is currently organised into three principal operating divisions – retail, interactive and telephone. These divisions are the basis on which the Group reports its primary segment information.

Business segment information for the 26 weeks ended 1 July 2008:

	Retail £m	Interactive £m	Telephone £m	Other £m	Corporate £m	Group £m
Amounts wagered	6,801.3	696.8	266.0	14.0	-	7,778.1
Payout	(6,402.9)	(629.2)	(243.2)	(9.7)	-	(7,285.0)
Revenue	**398.4**	**67.6**	**22.8**	**4.3**	**-**	**493.1**
GPT, duty, levies and other cost of sales	(69.8)	(13.6)	(5.5)	(0.5)	-	(89.4)
Gross profit	328.6	54.0	17.3	3.8	-	403.7
Depreciation	(13.2)	(1.7)	(0.5)	(0.2)	(0.5)	(16.1)
Other administrative expenses	(191.9)	(24.6)	(12.3)	(2.8)	(9.5)	(241.1)
Exceptional operating expense	-	(2.5)	-	-	-	(2.5)
Share of result of associate and joint ventures	-	-	-	-	(1.4)	(1.4)
Operating profit/(loss)	**123.5**	**25.2**	**4.5**	**0.8**	**(11.4)**	**142.6**
Exceptional profit on sale and leaseback of LBO properties	-	-	-	-	1.7	1.7
Joint venture impairment	-	-	-	-	(1.4)	(1.4)
Investment income	-	-	-	-	13.0	13.0
Finance costs	-	-	-	-	(44.8)	(44.8)
Profit/(loss) before tax	**123.5**	**25.2**	**4.5**	**0.8**	**(42.9)**	**111.1**
Balance sheet information						
Total assets	1,410.5	122.0	84.3	15.6	97.5	1,729.9
Total liabilities	(45.6)	(23.6)	(5.8)	(0.8)	(1,403.5)	(1,479.3)
Investment in associate and joint ventures	-	-	-	-	11.9	11.9
Capital additions	9.2	6.3	-	0.2	1.2	16.9
Included within Total assets:						
Goodwill	687.8	97.2	80.4	7.1	-	872.5
Other intangibles with indefinite lives	483.9	-	-	-	-	483.9

2. Segment information (continued)

Business segment information for the 26 weeks ended 26 June 2007:

	Retail £m	Interactive £m	Telephone £m	Other £m	Corporate £m	Group £m
Amounts wagered	6,417.9	538.5	286.3	13.2	-	7,255.9
Payout	(6,035.7)	(476.5)	(257.1)	(9.3)	-	(6,778.6)
Revenue	**382.2**	**62.0**	**29.2**	**3.9**	**-**	**477.3**
GPT, duty, levies and other cost of sales	(69.4)	(12.2)	(6.7)	(0.5)	-	(88.8)
Gross profit	312.8	49.8	22.5	3.4	-	388.5
Depreciation	(12.9)	(3.1)	(0.1)	(0.2)	(0.4)	(16.7)
Other administrative expenses	(175.1)	(18.6)	(12.6)	(2.8)	(3.2)	(212.3)
Share of result of associate and joint ventures	-	-	-	-	1.7	1.7
Operating profit/(loss)	**124.8**	**28.1**	**9.8**	**0.4**	**(1.9)**	**161.2**
Exceptional profit on sale and leaseback of LBO properties	-	-	-	-	3.9	3.9
Investment income	-	-	-	-	10.2	10.2
Finance costs	-	-	-	-	(41.1)	(41.1)
Profit/(loss) before tax	**124.8**	**28.1**	**9.8**	**0.4**	**(28.9)**	**134.2**
Balance sheet information						
Total assets	1,390.8	127.4	97.1	18.3	104.8	1,738.4
Total liabilities	(52.1)	(23.2)	(4.0)	(0.5)	(1,380.0)	(1,459.8)
Interest in associate and joint ventures	-	-	-	-	12.4	12.4
Capital additions	45.7	3.9	-	-	1.0	50.6
Included within Total assets:						
Goodwill	687.6	97.2	80.4	7.1	-	872.3
Other intangibles with indefinite lives	478.4	-	-	-	-	478.4

2. Segment information (continued)

Business segment information for the 53 weeks ended 1 January 2008:

	Retail £m	Interactive £m	Telephone £m	Other £m	Corporate £m	Group £m
Amounts wagered	13,022.5	1,182.0	559.2	28.6	-	14,792.3
Payout	(12,263.2)	(1,062.2)	(506.2)	(20.3)	-	(13,851.9)
Revenue	**759.3**	**119.8**	**53.0**	**8.3**	**-**	**940.4**
GPT, duty, levies and other cost of sales	(137.6)	(23.2)	(12.3)	(1.1)	-	(174.2)
Gross profit	**621.7**	**96.6**	**40.7**	**7.2**	**-**	**766.2**
Depreciation	(26.1)	(6.9)	(1.5)	(0.3)	(1.1)	(35.9)
Other administrative expenses	(365.8)	(38.8)	(23.1)	(5.8)	(10.8)	(444.3)
Exceptional operating expense	-	(20.9)	-	-	-	(20.9)
Share of result of associate and joint ventures	-	-	-	-	0.7	0.7
Operating profit/(loss)	**229.8**	**30.0**	**16.1**	**1.1**	**(11.2)**	**265.8**
Exceptional profit on sale and leaseback of LBO properties	-	-	-	-	6.7	6.7
Investment income	-	-	-	-	24.3	24.3
Finance costs	-	-	-	-	(87.6)	(87.6)
Profit/(loss) before tax	**229.8**	**30.0**	**16.1**	**1.1**	**(67.8)**	**209.2**
Balance sheet information						
Total assets	1,386.4	117.9	85.0	16.3	97.1	1,702.7
Total liabilities	(53.5)	(25.3)	(5.7)	(0.5)	(1,384.6)	(1,469.6)
Investment in associate and joint ventures	-	-	-	-	12.7	12.7
Capital additions	42.2	16.1	1.4	0.1	1.0	60.8
Included within Total assets:						
Goodwill	687.8	97.2	80.4	7.1	-	872.5
Other intangibles with indefinite lives	483.9	-	-	-	-	483.9

The Retail distribution channel comprises all activity undertaken in LBOs including gaming machines. Other activities include on-course betting and greyhound stadia operations.

Net assets/(liabilities) have been allocated by segment where assets and liabilities can be identified with a particular channel. Corporate net assets include corporation and deferred tax, net borrowings and pension liability as well as any assets and liabilities that cannot be allocated to a particular channel other than on an arbitrary basis.

There are no inter-segmental sales within the Group.

In accordance with IAS 14 'Segment Reporting', segmental information by geographical location is not presented as the Group's revenue and profits arise primarily from customers in the United Kingdom with significantly less than 10% (the minimum required by IAS 14 to necessitate disclosure) of revenue and profits generated from customers outside of this jurisdiction. Similarly, only a small portion of the Group's net assets is located outside of the United Kingdom.

Seasonality

The Group's overall profitability is primarily sensitive to sporting results, particularly on significant events that attract a large amount of stakes. The significant events in the horse race calendar tend to occur in the first half of the trading year, as did Euro 2008 in the current year.

3. Exceptional items

Exceptional items are those items the Group considers relevant to an understanding of the Group's financial performance and are as follows:

	26 weeks ended 1 July 2008 £m	26 weeks ended 26 June 2007 £m	53 weeks ended 1 Jan 2008 £m
Impairment and reorganisation costs incurred in respect of the termination of NextGen programme[1]	**(2.5)**	-	(20.9)
Sale and leaseback of LBO properties [2]	**1.7**	3.9	6.7
Impairment of Italian joint venture [3]	**(1.4)**	-	-
	(2.2)	3.9	(14.2)

Exceptional tax (charges)/credits are as follows:

	26 weeks ended 1 July 2008 £m	26 weeks ended 26 June 2007 £m	53 weeks ended 1 Jan 2008 £m
Impairment and reorganisation costs incurred in respect of the termination of NextGen programme[1]	**0.7**	-	5.9
Sale and leaseback of LBO properties [2]	**(0.5)**	-	(1.4)
Impairment of Italian joint venture [3]	**-**	-	-
	0.2	-	4.5

1 In November 2007, the board of directors instigated a review of the NextGen programme. As a result of the review, the programme was terminated. This decision resulted in an impairment charge of £20.9m, consisting of £20.5m internally developed software and £0.4m computer hardware for the 53 weeks ended 1 January 2008. During the 26 weeks to 1 July 2008, further reorganisation costs of £2.5m have been incurred in respect of this decision.

2 Income arose from the sale and leaseback of 6 (26 weeks ended 26 June 2007 - 15; 53 weeks ended 1 January 2008 - 24) LBO properties and is shown net of costs.

3 On 2 July 2008 the Group announced the sale of its Italian joint venture company, William Hill Codere Italia Srl to INTRALOT Italia spa. This has resulted in an impairment of its interest in the joint venture. In addition the recoverable amount has been transferred to assets held for sale in accordance with IFRS 5: 'Non current assets held for sale and discontinued operations'.

4. Investment income

	26 weeks ended 1 July 2008 £m	26 weeks ended 26 June 2007 £m	53 weeks ended 1 Jan 2008 £m
Interest on bank deposits	**1.5**	3.9	4.0
Fair value gains on interest rate swaps transferred from equity for cash flow hedges of floating rate debt	**4.5**	-	7.6
Expected return on pension scheme assets	**7.0**	6.3	12.7
	13.0	10.2	24.3

5. Finance costs

	26 weeks ended 1 July 2008 £m	26 weeks ended 26 June 2007 £m	53 weeks ended 1 Jan 2008 £m
Interest on bank loans and overdrafts	**37.5**	34.5	74.4
Amortisation of finance costs	**0.7**	0.7	1.5
Net interest payable	**38.2**	35.2	75.9
Interest on pension scheme liabilities	**6.6**	5.9	11.7
	44.8	41.1	87.6

6. Tax on profit on ordinary activities

The effective rate in respect of ordinary activities before exceptional costs and excluding associate and joint venture income is 27.6% (26 weeks ended 26 June 2007 - 22.9%; 53 weeks ended 1 January 2008 - 25.3%). This is lower than the statutory rate of 28.5% due to adjustments in respect of prior year computations now agreed. The prior year tax charge was reduced by a credit of £11.7m, reflecting the reduction in net deferred tax liabilities associated with the fall in the corporation tax rate from 30% to 28%, which became effective 1 April 2008. The effective rate (excluding exceptional items, associate and joint venture income) for the prior period before this adjustment was made was 32.0%.

The effective rate in respect of ordinary activities after exceptional costs and excluding associate and joint venture income is 27.9% (26 weeks ended 26 June 2007 - 22.2%; 53 weeks ended 1 January 2008 - 24.8%).

7. Dividends proposed and paid

	1 July 2008 Per share	26 June 2007 Per share	1 Jan 2008 Per share	**1 July 2008 £m**	26 June 2007 £m	1 Jan 2008 £m
Equity shares:						
- current year interim dividend paid	**-**	-	7.75p	**-**	-	27.3
- prior year final dividend paid	**15.5p**	14.5p	14.5p	**53.8**	51.2	51.2
	15.5p	14.5p	22.25p	**53.8**	51.2	78.5
Proposed dividend	**7.75p**	7.75p	15.5p	**26.9**	27.4	53.8

The proposed interim dividend was approved by a committee of the board of directors 30 July 2008 and has not been included as a liability in this financial information. The proposed interim dividend of 7.75p will be paid on 5 December 2008 to all shareholders on the register on 24 October 2008.

Under an agreement signed in November 2002, The William Hill Holdings 2001 Employee Benefit Trust agreed to waive all dividends. As at 1 July 2008, the trust held 0.03m ordinary shares. In addition, the Company does not pay dividends on the 6.3m shares held in Treasury. The Company estimates that 347.4m shares will qualify for the interim dividend.

8. Earnings per share

The earnings per share figures for the respective periods are as follows:

	26 weeks ended 1 July 2008 Pence	26 weeks ended 26 June 2007 Pence	53 weeks ended 1 Jan 2008 Pence
Basic - adjusted	**23.5**	28.6	47.4
Basic	**22.9**	29.7	44.7
Diluted	**22.8**	29.4	44.3

The basic and diluted earnings per share are calculated based on the following data:

	26 weeks ended 1 July 2008 £m	26 weeks ended 26 June 2007 £m	53 weeks ended 1 Jan 2008 £m
Profit after tax for the financial period	**79.7**	104.8	157.4
Exceptional items (note 3)	**2.2**	(3.9)	14.2
Exceptional items – tax credit (note 3)	**(0.2)**	-	(4.5)
Profit after tax for the financial period before exceptional items	**81.7**	100.9	167.1

	26 weeks ended 1 July 2008 Number (m)	26 weeks ended 26 June 2007 Number (m)	53 weeks ended 1 Jan 2008 Number (m)
Basic weighted average number of shares	**347.4**	353.1	352.2
Dilutive potential ordinary shares:			
Employee share awards and options	**2.4**	3.9	3.4
Dilutive weighted average number of shares	**349.8**	357.0	355.6

The basic weighted average number of shares excludes shares held by The William Hill Holdings 2001 Employee Benefit Trust and those shares held in treasury as such shares do not qualify for dividends. The effect of this is to reduce the average number of shares in the 26 weeks ended 1 July 2008 by 6.4m (26 weeks ended 26 June 2007 - 8.9m; 53 weeks ended 1 January 2008 - 7.9m).

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.

9. Reserves

	Called-up share capital £m	Share premium account £m	Capital redemption reserve £m	Merger reserve £m	Own shares held £m	Hedging and translation reserves £m	Retained earnings £m	Total £m
At 26 December 2006	**36.2**	**311.3**	**6.0**	**(26.1)**	**(46.9)**	**9.4**	**(99.4)**	**190.5**
Profit for the financial period	-	-	-	-	-	-	157.4	157.4
Dividends paid (note 7)	-	-	-	-	-	-	(78.5)	(78.5)
Items taken directly to statement of recognised income and expense	-	-	-	-	-	1.2	8.9	10.1
Expense recognised in respect of share remuneration	-	-	-	-	-	-	2.6	2.6
Shares purchased and cancelled	(0.8)	-	0.8	-	-	-	(46.0)	(46.0)
Transfer to income	-	-	-	-	-	(7.6)	-	(7.6)
Transfer of own shares to recipients	-	-	-	-	12.5	-	(8.1)	4.4
Cancellation of share premium	-	(311.3)	-	-	-	-	311.3	-
Exchange differences on translation of overseas operations	-	-	-	-	-	0.2	-	0.2
At 1 January 2008	**35.4**	**-**	**6.8**	**(26.1)**	**(34.4)**	**3.2**	**248.2**	**233.1**
Profit for the financial period	-	-	-	-	-	-	79.7	79.7
Dividends (note 7)	-	-	-	-	-	-	(53.8)	(53.8)
Items taken directly to statement of recognised income and expense	-	-	-	-	-	17.7	(23.7)	(6.0)
Transfer to income	-		-	-	-	(4.5)	-	(4.5)
Exchange differences on translation of overseas operations	-	-	-	-	-	0.3	-	0.3
Expense recognised in respect of share remuneration	-	-	-	-	-	-	1.6	1.6
Transfer of own shares to recipients	-	-	-	-	0.9	-	(0.7)	0.2
At 1 July 2008	**35.4**	**-**	**6.8**	**(26.1)**	**(33.5)**	**16.7**	**251.3**	**250.6**

On 20 June 2007, the High Court of Justice confirmed the reduction of the share premium account of the Company by £311.3m, allowing its transfer to retained earnings.

Own shares held at 1 July 2008 amounting to £33.5m comprise 6.3m shares (nominal value - £0.63m) held in treasury purchased for £33.5m and 0.03m shares (nominal value - £0.003m) held in The William Hill Holdings 2001 Employee Benefit Trust purchased for £0.04m. The shares held in treasury were purchased at a weighted average price of £5.32. At 1 July 2008 the total market value of own shares held was £19.0m.

10. Notes to the cash flow statement

	26 weeks ended 1 July 2008 £m	26 weeks ended 26 June 2007 £m	53 weeks ended 1 Jan 2008 £m
Operating profit before exceptional items	**145.1**	161.2	286.7
Adjustments for:			
Share of result of associate and joint ventures	**1.4**	(1.7)	(0.7)
Depreciation of property, plant and equipment	**13.9**	12.8	27.8
Depreciation of computer software	**2.2**	3.9	8.1
Gain on disposal of property, plant and equipment	**(0.3)**	(4.7)	0.4
Gain on disposal of LBOs and administrative buildings	**(0.7)**	-	(5.1)
Gain on disposal of associate	**-**	(1.7)	(1.7)
Cost charged in respect of share remuneration	**1.6**	1.9	2.6
Defined benefit pension cost less cash contributions	**0.8**	0.7	(7.9)
Foreign exchange	**0.3**	0.3	0.2
Movement on financial derivatives	**(2.5)**	-	(0.9)
Operating cash flows before movements in working capital	**161.8**	172.7	309.5
Decrease/(increase) in inventories	**0.2**	-	(0.1)
(Increase)/decrease in receivables	**(0.7)**	8.8	0.2
(Decrease)/increase in payables	**(12.9)**	8.2	1.1
Cash generated by operations	**148.4**	189.7	310.7
Income taxes paid	**(17.6)**	(32.8)	(71.8)
Interest paid	**(37.2)**	(34.9)	(89.3)
Net cash from operating activities	**93.6**	122.0	149.6

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity date of three months or less.

Analysis and reconciliation of net debt:

	1 Jan 2008 £m	Cash flow £m	Other non-cash items £m	**1 July 2008 £m**
Analysis of net debt				
Cash and cash equivalents at bank and in hand	69.4	(0.1)	-	**69.3**
Debt due within one year	(1.2)	0.5	-	**(0.7)**
Debts due after more than one year	(1,152.1)	25.3	(0.7)	**(1,127.5)**
Total	(1,083.9)	25.7	(0.7)	**(1,058.9)**

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

11. Retirement benefit schemes

The Group operates a number of defined contribution and benefit schemes in the United Kingdom and Republic of Ireland. These schemes are operated under a singe trust and assets of the schemes are held separately from those of the Group in funds under the control of Trustees. For the purposes of preparing the information disclosed in these condensed financial statements, a full actuarial valuation of the scheme was carried out at 30 September 2007 and updated to 1 July 2008 by a qualified independent actuary. The valuation has been updated to reflect current market discount rates, current market values of investments and actual investment returns. Differences between the expected return on assets and the actual return have been recognised as an actuarial loss in the Statement of Recognised Income and Expense in accordance with the Group's accounting policy.

12. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associate and joint ventures are disclosed below.

Associate

The Group holds an investment of 19.5% of the ordinary share capital of Satellite Information Services (Holdings) Limited (SIS). During the period the Group made purchases of £15.2m (26 weeks ended 26 June 2007 - £14.1m; 53 weeks ended 1 January 2008 - £31.3m) from Satellite Information Services Limited, a subsidiary of the Group's associated undertaking, SIS. At 1 July 2008 the amount payable to Satellite Information Services Limited by the Group was £0.1m (26 June 2007 - £nil; 1 January 2008 - £nil). Purchases were made at market price. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Joint ventures

The Group holds investments in the following companies Codere Apuestas SA, Codere Apuestas Espana SL, William Hill Codere Italia SRL and Garaipen Victoria Apustuak SL, which form the Group's joint ventures, details of which are in the 2007 Annual Report. During the period the Group recharged certain administrative expenses totaling £0.9m (26 weeks ended 26 June 2007 - £nil; 53 weeks ended 1 January 2008 - £1.4m), incurred on behalf of the joint ventures, back to them.

At 1 July 2008 £2.2m was receivable from the Group's joint ventures (26 June 2007 - £nil; 1 January 2008 - £1.4m).

At 1 July 2008 the Group had entered into a guarantee arrangement with the Royal Bank of Scotland totaling £6.0m, in respect of conditions contained in various licences and concessions awarded to the joint ventures (26 June 2007 - £5.3m; 1 January 2008 - £5.3m).

Responsibility statement

We confirm that to the best of our knowledge:

(a) The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';

(b) The interim management report includes a fair review of the important events during the first 26 weeks and description of the principal risks and uncertainties for the remaining 26 weeks of the financial period, as required by DTT 4.2.7R; and

(c) The interim management report includes a fair review of disclosure of related party transactions and changes therein, as required by DTR 4.2.8R.

By order of the Board,

R.J. Topping	S.P. Lane
Director	Director
31 July 2008	31 July 2008

Independent Review Report to William Hill PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim management report for the 26 week period ended 1 July 2008, which comprises the consolidated income statement, the consolidated statement of recognised income and expense, the consolidated balance sheet, the consolidated cash flow statement and related notes 1 to 12. We have read the other information contained in the interim management report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements 2410 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 management 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 management report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this interim management report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim management report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim management report for the 26 weeks ended 1 July 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte & Touche LLP
Chartered Accountants and Registered Auditor
London, UK
31 July 2008