

William Hill PLC

Trading statement

20 July 2010

William Hill PLC (LSE: WMH) (William Hill or the Group) announces a trading update for the 26 weeks to 29 June 2010 (the period).

The second quarter of 2010 has seen the continuation of positive net revenue trends for the Group as a whole, benefitting from strong growth from William Hill Online and gaming machines. For the year to date, Group net revenue was up c3% compared with the same period in 2009 and pre-exceptional earnings before interest, tax and amortisation for the first half of 2010 are expected to be around £135m (2009: £134.6m)⁽¹⁾.

William Hill Online performed strongly in the half, with total online net revenue growth of approximately 24% and operating profit⁽²⁾ approximately 43% higher than in the prior year. This was underpinned by a strong Sportsbook performance. Helped by the doubling of in-play betting, Sportsbook turnover was up 59% year over year. In addition to outstanding top-line growth, gross win margin on the Sportsbook was 7.7%, up from 6.8% in the first half of 2009. This resulted in a minority interest for Playtech of £6.3m in the second quarter and £12.9m in the year to date. As announced in May, William Hill Online has ceased accepting online business from clients resident in France.

OTC Retail has seen a very strong World Cup performance in June but also saw poor horseracing results in the second quarter as a whole, with a relatively weak Grand National in April followed by a loss-making Royal Ascot festival. Machines continued to perform strongly, benefitting from the roll-out of the 'Storm' machines across the Retail estate, which commenced in August 2009 and was completed in March 2010. Retail turnover was up c7%, net revenue fell by c1% and operating profit fell c8%. For the half, the OTC gross win margin remained in line with the Group's expected trading range of between 17% and 18%.

The adverse horseracing results led to a 33% decline in Telephone net revenue and a small operating loss is anticipated. The Board has previously noted the challenge of competing with UK betting exchanges and Irish offshore telebetting operators, all of whom have benefitted from significant tax and cost advantages over UK bookmakers. The situation is under active review.

Ralph Topping, Chief Executive of William Hill, commented:

"Whilst it was our worst ever Royal Ascot, with a loss on the meeting, the World Cup proved to be one of the best for bookmakers in 40 years. Overall, we have seen a good Group performance in the period, with a particularly strong contribution from William Hill Online."

The Group will announce its interim results for the first half of 2010 on 26 August 2010.

References

⁽¹⁾ Unaudited

⁽²⁾ Operating profit is defined as pre-exceptional earnings before interest, taxation and amortisation relating to trade names, affiliate relationships and non-competition agreements

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Analyst conference call
Ralph Topping, Chief Executive and Neil Cooper, Group Finance Director, will be hosting a conference call for analysts at 8.15 a.m. BST.

Dial-in telephone number: 0845 634 0041
International telephone number: +44 20 8817 9301
PIN: 3232127

A replay of the call will be available for a period of one week on telephone number +44 (0) 20 7769 6425, PIN 3232127#. The call is also accessible by webcast at www.williamhillplc.com.

Notes:

About William Hill

William Hill is a leading betting and gaming company. It is one of the UK's largest bookmakers, with around 2,300 shops in the UK and Ireland that provide betting opportunities on a wide range of sporting and non-sporting events and, in the UK, offer gaming machines. William Hill Online provides internet-based sports-betting, casino, poker and bingo, and is one of the leading European online betting and gaming businesses operated by a listed company.