

WILLIAM HILL PLC TRADING STATEMENT

11 May 2016

William Hill PLC (LSE: WMH) (William Hill or the Group) announces a trading update for the unaudited 17 weeks to 26 April 2016 (the period). Comparatives relate to the 17 weeks ended 28 April 2015.

- Trading remains in line with previous full-year operating profit¹ guidance of £260-280m subject to normalised gross win margins
- Group net revenue down 3%
- Gross win margins benefited from English Premier League results but impacted by European football and Cheltenham
- Wagering in Online core markets continues to grow but, as previously highlighted, slower than expected
- Further improvement in Retail gaming machine performance with 9% growth since rolling over start of £50 journey in April 2015
- Continuing positive trends from William Hill brand³ in Australia with wagering +22%, actives +1% and new accounts +46%, with legacy brand continuing to impact overall performance
- Further strong growth from William Hill US
- Crispin Nieboer confirmed as Online Managing Director

On a statutory basis	Amounts wagered	Net revenue	Sports betting gross win margin		
	change %	change %	2016	2015	change
Online ²	-2%	-11%	6.3%	7.2%	-0.9 ppts
- Core markets (UK, Italy, Spain)	+1%	-9%	7.1%	8.2%	-1.1 ppts
- Other markets	-13%	-23%	2.6%	3.2%	-0.6 ppts
Retail	-3%	+2%	18.8%	18.2%	+0.6 ppts
Australia	+8%	-22%	9.4%	10.8%	-1.4 ppts
US	+38%	+46%	6.7%	6.4%	+0.3 ppts
Group		-3%			

Online²

Within the Online net revenue decline of 11%, gaming was 4% lower and Sportsbook was down 17%, impacted primarily by losses at Cheltenham, customer-friendly European football results, and continued declines in non-core markets. In the UK, amounts wagered declined 2% and gaming net revenue declined 5% with growth in the Vegas product suite offset by Casino declines; the 2015 comparator period benefited from turnover from the tennis product that was turned off in mid-2015 and, excluding this, UK amounts wagered were up 2%. Italy and Spain continued to grow at a double-digit rate. As previously highlighted, the Online business continues to be impacted by time-outs and self-exclusions; we are monitoring this closely but, at this stage, these trends remain unchanged.

Following an internal and external process, Crispin Nieboer has been appointed Managing Director of Online, having held the position on an interim basis since January 2016. Under his leadership, the business will be focused on the following priorities:

- Product enhancements to ensure we offer the best customer experience – recent initiatives include the launch of one-minute markets for football and Cash In My Bet for horseracing, multi-language versions of the Trafalgar front-end and completion of the Android roll-out of Trafalgar;
- Customer acquisition and yield – re-focusing our marketing activity to acquire and retain profitable customers through more efficient use of our affiliate and bonusing spend; and
- International – targeting launches in new countries and adding additional local language sites in countries where we already operate.

Retail

Retail has had a good start to 2016. Though turnover was lower, the gross win margin was in line with expectations for the period and 0.6 percentage points ahead of the prior year, benefiting from English Premier League results but impacted by a poor Cheltenham; this resulted in over-the-counter net revenue being flat year-on-year. Gaming machine net revenue was up 4% in the period and has grown 9% since rolling over the start of the £50 journey on 1 April 2015. We are on track to have more than 500 of our proprietary self-service betting terminals in the shops before the start of the EURO 2016 football tournament and a minimum of 2,000 by the year-end.

William Hill Australia

Trading in Australia continues to be encouraging. On a local currency basis, overall amounts wagered increased 10%. The lower gross win margin reflected weaker year-on-year horseracing results.

Wagering within the William Hill brand was up 22%³, reflecting the refocusing of the business on the core digital customer base and the William Hill brand. During the period, William Hill brand active customers were up 1% and new accounts were up 46%, and acquisition from the Australian Open partnership period continues to generate good returns. Through our in-house technology platform we have been able to deliver numerous improvements and innovations during the period, of which the most significant are the Cash Card, launched in March, and an expanded in-play product range through our Global Trading Platform. On 28 April, the Australian Government announced its response to the O'Farrell report on illegal offshore wagering; we await further clarification.

William Hill US

Our US business continues to perform strongly. In local currency terms, amounts wagered were up 31% and net revenue was up 38% with gross win margins higher year-on-year, benefiting from a positive Super Bowl result in February.

NYX Gaming / OpenBet transaction

On 4 April, we announced a ten-year commercial agreement with NYX Gaming, including the building of a new back-end platform for William Hill over the next three years, and an investment to support NYX's acquisition of OpenBet. This transaction is on track to be completed shortly.

James Henderson, CEO, commented:

"It has been a tough start to the year in Online, which is being impacted by both regulatory change and a gross win margin below normalised levels for the period due to a disappointing Cheltenham festival and unfavourable European football results. Trends in recent weeks remain in line with the guidance we gave in March.

"In Retail, it is pleasing to see gaming growth improve again and we are on track with the roll-out of our self-service betting terminal before the EUROS, allowing us to bring the best of Online to our shops ahead of a big summer of sport. Australia is showing benefits of our improved offering and strengthening brand in the market, and the US continues to be strong.

"I am delighted to announce Crispin's permanent appointment as Managing Director of Online. He has a strong track record in digital and has made good progress since taking on the role on an interim basis in January by addressing areas of under-performance in Online."

Notes:

1. Group operating profit is defined as pre-exceptional profit before interest and tax, before the amortisation of specific intangible assets recognised on acquisition
2. Online now includes the Telephone segment. Performance is shown on a pro forma basis
3. This is presented on a pro forma basis with both the tomwaterhouse.com and Sportingbet brands included under 'William Hill' for 2016 and 2015

Enquiries

William Hill PLC	James Henderson, Chief Executive Officer Philip Bowcock, Chief Financial Officer Lyndsay Wright, Director of IR Ciaran O'Brien, Group Communications Director	Tel: +44 (0) 20 8918 3614
Brunswick	Andrew Porter / Oliver Hughes	Tel: +44 (0) 20 7404 5959

Analyst conference call

James Henderson, CEO, and Philip Bowcock, CFO, will host a conference call for analysts at 8.15 a.m. BST today. Dial-in details for the call are:

Conference call – live	Conference call – archive	Webcast
8.15 am BST on 11 May 2016	Available to 18 May 2016	www.williamhillplc.com
Tel: +44 (0) 20 3059 8125	Tel: +44 (0) 121 260 4861	
Password: William Hill	Passcode: 3174862#	

About William Hill PLC

William Hill, The Home of Betting, is one of the world's leading betting and gaming companies, employing around 16,000 people. Founded in 1934, it is the UK's largest bookmaker with around 2,370 licensed betting offices that provide betting opportunities on a wide range of sporting and non-sporting events, gaming on machines and numbers-based products including lotteries. The Group's Online business (www.williamhill.com) is one of the world's leading online betting and gaming businesses, providing customers with the opportunity to access William Hill's products online, through their smartphone or tablet, by telephone and by text services. William Hill US was established in June 2012 and provides land-based and mobile sports betting services in Nevada, and is the exclusive risk manager for the State of Delaware's sports lottery. William Hill Australia is one of the largest online betting businesses in Australia after the Group acquired Sportingbet and tomwaterhouse.com in 2013. It offers sports betting products online, by telephone and via mobile devices. William Hill PLC is listed on the London Stock Exchange. The Group generates revenues of c£1.6bn a year.

Cautionary note regarding forward-looking statements

These results include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout these results and the information incorporated by reference into these results and include statements regarding the intentions, beliefs or current expectations of the directors, William Hill or the Group concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of William Hill and the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond William Hill's ability to control or predict. Forward-looking statements are not guarantees of future performance. The Group's actual results of operations, financial condition, liquidity, dividend policy and the development of the industry in which it operates may differ materially from the impression created by the forward-looking statements contained in these results and/or the information incorporated by reference into these results. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Group and the development of the industry in which it operates, are consistent with the forward-looking statements contained in these results and/or the information incorporated by reference into these results, those results or developments may not be indicative of results or developments in subsequent periods. Other than in accordance with its legal or regulatory obligations (including under the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules), William Hill does not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise.