

WILLIAM HILL PLC TRADING STATEMENT

Improving Q4 leaves William Hill well placed for 2016

14 January 2016

William Hill PLC (LSE: WMH) (William Hill or the Group) announces a trading update for the unaudited 13 and 52 weeks to 29 December 2015 (Q4 and full year). Comparatives relate to the 13 and 52 weeks ended 30 December 2014.

- Full-year Group operating profit¹ c£290m in line with market expectations, with £87m of additional UK gambling duties
- Q4 highlights
 - Gross win margins broadly in line with expectations
 - Net revenue from Online core markets (UK, Italy and Spain) up 14% to c£116m
 - Online front-end redesign launched on mobile web and iOS app (Project Trafalgar)
 - New Macau gaming product range launched on williamhill.com
 - Retail amounts wagered +1% and gaming machine net revenue +2%
 - William Hill brand in Australia showing strong account growth in Q4 and growth in amounts wagered in local currency by the year-end
- Change in Managing Director of Online and new Group Chief Information Officer appointed

	Full-year net revenue			Sports betting gross win margin			
	2015 £m unaudited	2014 £m reported	Change %	Q4 2015	Q4 2014	FY 2015	FY 2014
Online	550.7	527.4	+4%	8.0%	6.8%	7.8%	7.6%
- Core markets (UK, Italy, Spain)	483.7	436.2	+11%	+8.7%	+7.7%	+8.7%	+8.4%
- Other markets	67.0	91.2	-27%	+4.4%	+3.6%	+3.6%	+4.2%
Retail	889.5	911.4	-2%	19.0%	17.7%	17.8%	18.3%
Australia	97.9	121.9	-20%	11.3%	9.9%	11.0%	9.3%
US	33.3	29.7	+12%	7.3%	8.1%	6.5%	7.9%
Telephone	12.4	11.8	+5%	6.3%	4.7%	5.8%	6.0%
Other	7.1	7.1	+0%				
Group	1,590.9	1,609.3	-1%				

Online

In Q4, Online's core markets grew 5% in amounts wagered, 18% in gaming net revenue and 14% in overall net revenue.

We are making good progress on our key priorities. During the quarter we launched our new mobile web and iOS app (Project Trafalgar). There were some user experience issues immediately after release of the new app, however following a series of updates, wagering growth in the UK is broadly tracking pre-release levels. Trafalgar remains a key step in delivering a better customer experience, faster innovation and data to underpin personalisation, and has already enabled more releases in Q4 than we achieved in the previous nine months. We continue to innovate our gaming as well with the launch of Macau, the industry's first Macau-branded live casino, at the end of November.

Retail

In Q4, Retail saw further modest growth in wagering levels and a return to growth in gaming revenues, up 2% against a 2% decline in Q3. Gross win margins in the quarter were stronger than in 2014 and slightly ahead of our expectations for that period. Our prototype self-service betting terminal is now live in a shop for customer testing and we remain on track to begin full roll-out in H1 2016.

William Hill Australia

Recent trading in Australia has been encouraging. Overall performance reflects the refocusing of the business on the core digital customer base and the William Hill brand. During Q4, the William Hill brand saw a strong 46% increase in active customers and a 221% increase in new accounts; amounts wagered in local currency saw single-digit growth in December. The migration of tomwaterhouse.com customers to the William Hill brand is well underway and will be substantially complete during the William Hill-sponsored Australian Open in January 2016. Through our new Global Trading Platform we are delivering an expanded in-play product range and will have a market-leading tennis offering for the Open.

Management changes

Following a review of Online, we are making some management changes to support its next phase of growth, focused on product innovation, personalisation and user experience improvements. Andrew Lee, Managing Director Online, will be leaving the business at some point in 2016. Crispin Nieboer has been appointed Interim MD of Online, reporting to James Henderson; he is currently responsible for Online's Shoreditch innovation team. A search is underway for a permanent replacement and we will consider both internal and external candidates. In addition, we are pleased to announce Kevin O'Connor is joining William Hill as Group Chief Information Officer, reporting to James Henderson. Kevin has more than 20 years' experience in IT leadership roles, across the financial and other sectors. He was most recently CTO of S&P Capital IQ and previous roles include Chief Information Officer of Paddy Power PLC.

James Henderson, CEO, commented:

"I am pleased that we have delivered results in line with the market's operating profit expectations for 2015. Online has seen some disruption around the implementation of Project Trafalgar but we are rapidly addressing that. I am optimistic the advantages that Trafalgar gives us will drive growth, particularly as we gain flexibility and increase our ability to differentiate. Retail has delivered another resilient performance, our US business continues to grow strongly and I am encouraged by the performance of the William Hill brand as the growth engine of the Australian business.

"Technology remains a key pillar of our strategy and the leadership changes announced today are about building a team who will deliver product innovations and continue to ensure technology is a major competitive advantage for William Hill. This will allow us to further build on our brand and scale, and be best placed to compete. I would like to thank Andy for his contribution in recent years and to wish him well for the future.

"Looking forward, 2016 is an exciting year for us. With EURO2016 ahead, we will capitalise on the investments we have made on Trafalgar, the SSBTs and the William Hill brand in Australia to bring customers a differentiated and more personalised William Hill experience."

Final results announcement

The Group will publish its 2015 final results on Friday, 26 February 2016.

Enquiries

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Analyst conference call

James Henderson, CEO, and Philip Bowcock, CFO, will host a conference call for analysts at 8.30 a.m. GMT today. Dial-in details for the call are:

Conference call – live	Conference call – archive	Webcast
8.30 am GMT on 14 January 2016	Available to 21 January 2016	www.williamhillplc.com
Tel: +44 (0) 20 3059 8125	Tel: +44 (0) 121 260 4861	
Password: William Hill	Passcode: 2439627#	

Notes

1. Operating profit / loss is defined as pre-exceptional profit before interest and tax, before the amortisation of specifically identified intangible assets recognised on acquisitions.

Crispin Nieboer

Crispin has more than 12 years' experience in the gambling sector. He joined William Hill's Corporate Development Office in 2013 and developed the Online business's technology innovation hub in Shoreditch. He has overseen development of a bonus wallet for Online's in-house gaming platform, proofs-of-concept for the proprietary self-service betting terminal, the Apple Watch app, customer controls to encourage responsible gambling and the bet recommendation engine. Prior to joining the Group, he was Founder and CEO of Gaming Media Group, which created The Poker Channel, the world's largest TV platform dedicated to gaming. Prior to that, he managed a range of online and digital TV investments for BSkyB PLC and ITV PLC. He began his career at leading global merchant bank, N.M. Rothschild where he worked on a number of corporate transactions, including advising Arsenal FC on funding for the Emirates stadium. As Interim MD, Online, Crispin sits on the Group's Executive Committee.

Kevin O'Connor

Kevin has more than 20 years' experience in senior IT roles across the financial and other sectors. He was most recently Chief Technology Officer at S&P Capital IQ, until the sale of that business in 2015. Previously he was Executive Vice President and Chief Information Officer at Carlson Wagonlit Travel, the world's largest travel management company, where he was also Chairman and CEO of WorldMate Inc., its mobile development business. Previous roles include: Chief Information Officer, NYSE Technologies and Senior Vice President, NYSE Euronext; Chief Information Officer of Paddy Power PLC; and Chief Information Officer and Managing Director of MSCI (formerly Morgan Stanley). Kevin joins William Hill on 18 January 2016 and joins the Group's Executive Committee.

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.