

WILLIAM HILL PLC TRADING STATEMENT

9 May 2017

Positive start to 2017 for William Hill

William Hill PLC (LSE: WMH) (William Hill or the Group) announces a trading update for the unaudited 17 weeks to 25 April 2017 (the period). Comparatives relate to the equivalent weeks in 2016.

- Growth in wagering and net revenue across all four divisions
- Online Sportsbook amounts wagered up 9% and gaming net revenue up 8% following product improvements
- Retail Sportsbook amounts wagered up 2% and gaming net revenue up 4%
- Double-digit wagering growth in Australia and US
- On track to deliver annualised £40m of cost efficiencies, largely for reinvestment, by end of 2017
- In line with market expectations for 2017 assuming normalised margins

In GBP	17 weeks to 25 April 2017			
	Total net revenue	Sportsbook amounts wagered	Sportsbook gross win margin	Change in gross win margin
Online	+16%	+9%	7.5%	+1.2 ppts
Retail	+1%	+2%	18.0%	-0.8 ppts
Australia	+41%	+53%	8.2%	-1.2 ppts
US	+19%	+29%	6.2%	-0.5 ppts
Group	+9%			

Philip Bowcock, CEO, commented:

“It has been a positive start to the year for William Hill across the board. Our Online business continues to deliver growth thanks to the improvements in product, user experience and marketing we have made. Retail is also seeing positive trends while our key international markets continue to perform well with double-digit wagering growth. Our transformation programme is progressing well and we are on track to deliver £40m of annualised savings by the year-end. Overall, we are in line with market expectations for 2017 at this early stage in the year.”

Strategic priorities

In February we reported an encouraging start to 2017. This progress has continued throughout the period and we remain focused on delivering on our three medium-term strategic priorities.

1. Grow UK market share with increased investment in product, marketing and omni-channel
2. Continue international revenue growth and diversification with focused investment
3. Deliver two key projects to support growth and reinvestment
 - a. A transformation programme to deliver £40m of efficiencies for reinvestment
 - b. A programme to deliver a global technology platform

Online

Online net revenue was up 16%. Sportsbook amounts wagered was up 9% in the period, driven by 11% growth in UK wagering. This continues the acceleration seen since H2 2016. Gross win margin was 1.2 percentage points stronger at 7.5%, with strong horseracing results but football lower than expectations. The combined wagering growth and margin improvement resulted in Sportsbook net revenue being up 26%. Gaming net revenue was up 8%, with growth across both core and non-core markets, though benefiting from foreign exchange rate movements.

We continue to improve our product and customer experience. In Sportsbook, we launched our new Android app and the staged rollout of the new look desktop site is progressing well. In Gaming, we completed our extensive mobile and desktop redesign work with the launch of the new front-ends for Vegas in March and delivered the pivotal single wallet in February. Our new Central Services team delivered key improvements ahead of the Cheltenham and Aintree festivals, including new registration, account recovery, age verification, bet slip and cashier processes. We saw a 24% increase in new accounts across these two festivals. To support the accelerating pace of our product development, we have already hired an additional 75 developers, principally into our team in Krakow.

As from April, like the rest of the industry Online is incurring an additional cost, paying a 10% levy on its UK horseracing gross win to fund UK horseracing. This is expected to cost c£5m for the period between April and December 2017.

Retail

Retail net revenue was up 1%. Sportsbook amounts wagered was up 2%, benefiting from more horseracing fixtures. Gross win margin was 0.8 percentage points lower at 18.0%; the prior year benefited from positive UK football results. Gaming net revenue was up 4%. As part of our omni-channel strategy, we launched the Plus Card, linked to our self-service betting terminals, and the Bet Tracker mobile web app, bringing engaging Online products, such as Cash In, to Retail customers. Early adoption rates are encouraging.

William Hill Australia

In Australia, amounts wagered increased 53% (local currency 29%), in spite of reduced in-play volumes since the regulatory change in October 2016. Gross win margin was 1.2 percentage points lower at 8.2%, below expectations with a disproportionate number of winning favourites in horseracing. Consequently, net revenue increased 41% (local currency 19%). We continue to launch more new products than anyone else in the market, with a particular focus on racing this year. We have redesigned the racing content and launched Price Pump, giving personalised enhanced odds. We launched William Hill Rewards in March, redeemable on Bonus Bets and Velocity frequent flyer points, for all recreational customers. The niche Centrebet offering for price-led customers is also being well received.

William Hill US

Our US business continues to perform strongly. Amounts wagered was up 29% (local currency 12%) and net revenue was up 19% (local currency 3%) with gross win margin 0.5 percentage points lower at 6.2%.

This announcement contains inside information. The person responsible for arranging release of this announcement on behalf of William Hill is Philip Bowcock. William Hill's Legal Entity Identifier is 213800MDW41W5UZQIX82.

Enquiries

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Analyst conference call

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

Telephone: +44 (0) 20 3059 8125

Password: William Hill

An archive of the call will be available until 16 May 2017. Dial-in details for the archive call are:

Telephone: +44 (0) 121 260 4861

Passcode: 5978693#

An audio webcast of the call will be available at www.williamhillplc.com

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 one of the UK's largest bookmakers with around 2,375 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 and via mobile devices and by telephone. 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, offering sports betting products online, via mobile devices and by telephone. 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

This announcement includes 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 may appear in a number of places throughout this announcement and the information incorporated by reference into this announcement 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 this announcement and/or the information incorporated by reference into this announcement. 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 this announcement and/or the information incorporated by reference into this announcement, 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 Market Abuse Regulation (596/2014), the Listing Rules, the Disclosure Guidance 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.