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If you have sold or transferred all of your shares in William Hill PLC please pass this document, together with the accompanying Proxy Form, to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.



*(incorporated and registered in England and Wales
with registered number 04212563)*

**NOTICE OF ANNUAL GENERAL MEETING
INCLUDING RESOLUTIONS TO APPROVE
A NEW EXECUTIVE BONUS MATCHING SCHEME
AND A PROPOSED REDUCTION OF
SHARE PREMIUM ACCOUNT**

The notice of the Annual General Meeting convened for 11.00 am on Thursday 17 May 2007 at Cavendish Conference Centre, 22 Duchess Mews, London W1G 9DT is enclosed with this circular, along with a Proxy Form. Shareholders who do not intend to be present at the Annual General Meeting are asked to sign and return the Proxy Form as soon as possible (and in any event, so as to be received not later than 11.00 am on Tuesday 15 May 2007) in accordance with the instructions printed on it.

Completion of the Proxy Form will not preclude a Shareholder from attending and voting in person if they so wish.

LETTER FROM THE CHAIRMAN OF WILLIAM HILL PLC

(Incorporated in England and Wales with registered number 4212563)

Directors:

Charles Scott (*Chairman*)

David Harding (*Chief Executive*)

Simon Lane (*Chief Finance Director*)

David Allvey (*Independent Non-executive Director*)

David Edmonds, CBE, D. Litt (*Independent Non-executive Director*)

Barry Gibson (*Senior Independent Non-executive Director*)

Registered Office:

Greenside House

50 Station Road

Wood Green

London N22 7TP

4 April 2007

Dear Shareholder

Annual General Meeting

I am writing to you to explain some proposals which shareholders will be asked to approve at the Annual General Meeting (*AGM*) to be held at 11.00 am on Thursday 17 May 2007.

In addition to the items of business which shareholders are usually asked to approve at the AGM, there are two proposals that need some explanation and I address these below in the order in which they appear in the Notice of AGM. The Notice of AGM begins on pages 9 to 15 of this document.

Executive Bonus Matching Scheme

The Remuneration Committee (the *Committee*) has recently undertaken a comprehensive review of the Company's incentive arrangements for senior management. Following this review, the Committee has concluded that the current structure of the Company's incentive arrangements for senior management does not support the Company's current business strategy. In order to ensure a more motivational and effective set of incentive arrangements which align performance and reward more effectively with the Company's business strategy and market expectations, it is proposed that a stronger emphasis should be placed on short term performance in the overall package to ensure that the business continues to perform during the current period of change in the sector. Further, the Committee believes that the existing long term incentive plan (the Performance Share Plan) does not reflect the dynamics of the business which has in turn diminished the motivational impact of this plan. Following consultation with major shareholders, the Committee is proposing to introduce a new executive share plan – the William Hill Executive Bonus Matching Scheme (*EBMS*) – to replace the existing bonus deferral plan (the Deferred Bonus Plan) and the Performance Share Plan. It is proposed to seek shareholder approval for the EBMS under an ordinary resolution at the AGM (resolution 8 to the Notice of AGM). Full details of the EBMS are set out in Appendix One to this letter. Further information about the review of incentive arrangements is set out in the Directors' Remuneration Report.

In summary, under the EBMS, executive directors will compulsorily defer 70% of their annual bonus (on a pre-tax basis) into shares. (Other senior executives who participate in the EBMS will compulsorily defer 50% of their annual bonus into shares.) These deferred shares will generally be lost if the participant leaves employment within three years. If the participant remains in service for three years, he will be entitled (in addition to the deferred shares) to a number of matching shares calculated by reference to the Company's earnings per share (*EPS*) performance over the three year period. At threshold performance, the participant will receive a match of 50% of the number of deferred shares. For maximum performance, the participant will receive a match of 100% of the number of deferred shares. The matching shares will vest on a straight line basis between threshold and maximum performance. At the time of grant of an award, the Committee will set the levels of EPS performance required for that award by reference to the Company's business plan and external analyst expectations in order to ensure that the performance target remains relevant and stretching.

In conjunction with the introduction of the EBMS it is proposed that the annual bonus opportunity for 2007 and future years will be increased both at target and maximum bonus. For executive directors, the target payment will be increased to 90% of salary and the maximum payment will be increased to 165% of salary. As explained in the Directors' Remuneration Report, this is part of a wider package which will involve annual bonus becoming the driver of long term incentive awards under the EBMS.

The first payments under the revised bonus regime for 2007 will drive EBMS awards for 2008. A transitional arrangement is needed for 2007 EBMS awards because 2006 bonuses were calculated under the previous regime. If the EBMS is approved by the shareholders at the AGM, the amount of bonus paid in shares for 2006 will be adjusted to facilitate the introduction of the EBMS and to reflect the fact that no awards under the Performance Share Plan will be made this year. The cash element will remain fixed (so that two-thirds of 56% of basic salary will be paid for 2006 in the case of executive directors). Having taken advice from our remuneration consultants, the deferred share element (previously one-third of 56% of basic salary for 2006) will be increased by 45% of salary to reflect the expected value lost as a result of the discontinuation of the Performance Share Plan, and also taking into consideration the new matching element attaching to the deferred shares under the EBMS. These deferred shares will generally be lost if the executive director leaves employment within three years. A matching share award up to the gross value of the deferred shares will also be made. The number of matching shares to which an executive director will be entitled will be calculated by reference to the Company's earnings per share performance over the three year period 2007 to 2009. At threshold performance (CPI +3% per annum) the participant will receive a match of 50% of the number of deferred shares. At maximum performance (CPI +9% per annum) the participant will receive a match of 100% of the number of deferred shares. The matching shares will vest on a straightline basis between threshold and maximum performance. Senior executives below board level will participate in the transitional arrangements on the same basis except that the deferred share element will increase by 36% of salary and they will not be entitled to any matching shares.

Proposed reduction of Share Premium Account

Introduction

The Board announced on 30 March 2007 that, in the event that the Company receives the necessary consents from its creditors prior to the AGM, the Company intends, subject to the approval of Shareholders and the Court, to implement a capital reduction by cancelling approximately £311.3 million of the Company's share premium account (the ***Capital Reduction***) and to transfer approximately £311.3 million from the Company's capital reserves to distributable reserves.

In June 2005, the Board considered the optimum capital structure and financing arrangements for William Hill PLC as a public company and in September 2005 announced it intended to maintain an efficient and flexible capital structure and would achieve this objective by targeting a ratio of net debt to earnings before exceptional items, interest, tax, depreciation and amortization (EBITDA) of approximately 3.5 times to be achieved over the medium term. In pursuit of this policy, by the end of 2006, £399.9m had been returned to shareholders by means of on-market share buy backs. The Board remains committed to maintaining an efficient and flexible capital structure and to its target of a net debt to EBITDA ratio of approximately 3.5 times, to be achieved using a combination of dividends and share buy backs.

The implementation of this policy has resulted in the depletion of the Company's distributable reserves, and in order to maintain the flexibility to continue with this policy in the future there is a need to ensure sufficient distributable reserves are available. After considering the possible alternatives, the Board believes that the Capital Reduction is the most suitable and effective proposal to ensure that the Company maintains the flexibility to continue with its policy as outlined above.

Background to and reasons for the Capital Reduction

William Hill PLC was listed on the London Stock Exchange in June 2002, and at that time the Company arranged its equity and debt financing to provide the optimum capital structure for the Company. This capital structure was designed to support a strategy focused on maximising organic growth but it also provided the Company with the flexibility to pursue value enhancing acquisitions and to adopt a progressive dividend policy. As referred to above, the Board made a further announcement in 2005 regarding its policy of maintaining an efficient and flexible capital structure.

Since its listing, the Company has significantly expanded its profit base and generated a substantial amount of free cash after payment of interest costs, taxation and dividends. In light of the Company's strong performance, and to help preserve an efficient capital structure and maximise returns to shareholders, the Board secured the authority of shareholders at the 2004 AGM to buy back up to 10 per cent of the Company's issued share capital. This authority was refreshed at the 2005 and 2006 AGMs.

Largely as a result of these share buy-backs and the progressive dividend policy, the Company's profit and loss reserve, which determines the amount of dividends that can be paid and the amount of shares that can be bought back, has been depleted. At 26 December 2006, the audited balance on the Company's profit and loss reserve was £199.8m.

After considering the available alternatives, the Board believes that the Capital Reduction is the most suitable and effective proposal to ensure that the Company's policy of maintaining an efficient and flexible capital structure is not affected by the low level of the Company's profit and loss reserve.

Effects of the proposal

The reduction of the Company's share premium account will lead to a corresponding increase in the distributable reserves of the Company. These newly generated distributable reserves will be available for share buybacks and dividends to the extent required in accordance with the Company's policy on capital structure.

The Capital Reduction will have no impact on the Company's cash position or on its net assets. It will also have no impact on the nominal value of the Ordinary Shares.

Procedure

Before proceeding with the Capital Reduction, the Company is required to obtain the consent of its creditors. In addition, the Capital Reduction further requires both the approval of a special resolution (the ***Special Resolution***), being resolution 14 at the AGM, and the approval of the Court. In the event that creditor consent is not forthcoming before the AGM, the Company will not proceed with the Capital Reduction and the Special Resolution will be withdrawn. Assuming however that the consent of the Company's creditors is forthcoming before the AGM, the Special Resolution will be put to shareholders. Provided that shareholders approve the Special Resolution at the AGM, the Company then intends to seek the approval of the Court. It is currently anticipated that the Court hearing will take place on 20 June 2007. Subject to the progress of the Court process, the Capital Reduction is currently expected to take effect on or around 21 June 2007.

Upon the Capital Reduction becoming effective, an amount equal to approximately £311.3 million will be transferred from the share premium account (standing at approximately £311.3 million at the date of the last audited accounts) to the profit and loss reserve and will form part of the Company's distributable reserves (subject to any creditor protection issues as referred to in the following paragraph). The share premium account represents the aggregate value of consideration paid up on all of the issued Ordinary Shares above the aggregate nominal value.

The Company will take such steps as are required by the Court to protect the position of its creditors.

The expected timetable of principal events relating to the Capital Reduction is set out in Appendix Two.

Action to be taken

Enclosed with this letter is a Proxy Form which sets out all the resolutions to be voted on at the AGM. If you do not intend to be present at the AGM, please complete, sign and return the Proxy Form as soon as possible (and, in any event, so as to be received not later than 11.00 am on Tuesday 15 May 2007) in accordance with the instructions printed on it. Completion of the Proxy Form will not preclude you from attending and voting in person if you so wish.

Recommendation

The Directors believe that all the resolutions to be considered at the AGM are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions to be proposed at the AGM, as they intend to do so themselves in

respect of their own beneficial holdings of Ordinary Shares, which together amount to 171,206 Ordinary Shares representing approximately 0.048% per cent. of the Company's entire issued share capital.

Yours faithfully

Charles Scott
Chairman

APPENDIX ONE

SUMMARY OF THE WILLIAM HILL EXECUTIVE BONUS MATCHING SCHEME

Executive directors and other senior executives of the Company and its subsidiaries (the *Group*) will be eligible to participate in the EBMS at the discretion of the Remuneration Committee (the *Committee*). In any year in which an executive director or other senior executive receives a bonus under the Company's annual bonus scheme, the Committee may, in its absolute discretion, determine that a proportion of any such bonus will be deferred and become payable in ordinary shares in the Company (*Shares*) under the EBMS (the *Deferred Shares*). The Committee intends that, for executive directors, 70% of any annual bonus received by them will be conditionally awarded as Deferred Shares. For other senior executives, 50% of any annual bonus will be conditionally awarded as Deferred Shares. At the end of a three year period, the participant will become entitled to the Deferred Shares if he remains in service. He will also become entitled to a number of additional shares (*Matching Shares*) if the performance conditions described below are met.

The value of the Matching Shares at the date of the award will equal the value of the Deferred Shares.

The Matching Shares will be released only if a performance condition is satisfied over a three-year performance period. The performance condition will be set by the Committee at the time of grant of an award by reference to the Company's earnings per share (*EPS*) performance over the performance period. The Committee will set the levels of EPS performance required for an award by reference to the Company's business plan and external analyst expectations in order to ensure that the performance target remains relevant and stretching. If threshold performance is achieved, 50% of the Matching Shares will be released. If maximum performance is achieved, 100% of the Matching Shares will be released. The Matching Shares will vest on a straightline basis between threshold and maximum performance.

If a participant leaves employment during the three year period, his entitlement to both the Deferred Shares and the Matching Shares will normally lapse. However, if the participant ceases to be an employee of the Group by reason of death, injury, disability or any other reason at the discretion of the Committee, the Deferred Shares will not be lost and will remain eligible for Matching Shares provided the performance condition has been met. However, the number of Matching Shares will normally be pro-rated on the basis of actual service within the three year performance period. Exceptionally (for example, if a participant is terminally ill), the Committee may release the Deferred Shares and the Matching Shares early. The Committee may disapply or alter the application of the pro-rata reduction if it considers that the participant's contribution to the business would not be fully recognised if the Matching Share entitlement was scaled down in the manner described above.

In the event of a change of control, the Deferred Shares will be released to the participant. The performance condition attaching to the Matching Shares will be measured to the date of change of control and Matching Shares will vest on the basis of performance up to the time of the change of control. The Committee will have the discretion to adjust the vesting level if it considers that the performance condition would have been met to a greater or lesser extent at the end of the full three year performance period. The Committee will normally scale down the vesting level having regard to the time that has elapsed between the grant of the Matching Shares and the date of the change of control.

Any internal reorganisation to create a new holding company will not result in the accelerated vesting of awards; they will be replaced by awards over shares in the new holding company unless the Committee determines otherwise.

If there is a variation in the share capital of the Company (including, without limitation, a capitalisation issue, rights or bonus issue or sub-division or consolidation of share capital, or a reduction of capital, or in the event of a demerger or payment of special dividend), the Shares under an award may be adjusted to reflect that variation.

A participant will not have any voting or dividend rights in relation to the Deferred Shares or Matching Shares prior to the vesting of the award. The number of Deferred Shares and Matching Shares which vest will be increased by such number as is equal to the number of Shares which could have been purchased if each dividend (grossed-up, where relevant, for any associated tax credit) paid

on the vested shares prior to the vesting date, had been reinvested in additional shares on the payment of each such dividend. The number of such additional Shares will be calculated on a cumulative basis, so that (for calculation purposes only, and without creating an interest in shares prior to the vesting date), such additional Shares will be notionally attributed to the vested Shares as at each dividend payment date.

Benefits received under the EBMS are not pensionable and may not be assigned or transferred except on a participant's death.

The Committee will have authority to amend the rules of the EBMS, provided that no amendment to the advantage of participants or eligible employees may be made to provisions relating to the key features of the EBMS without the prior approval of shareholders in general meeting unless the amendment is made to benefit the administration of the EBMS, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment. Key features are: who can be a participant; the limits on the number of Shares which can be issued under the EBMS; the basis for determining a participant's entitlement to Shares and the terms on which they can be acquired; and the provisions relating to adjustments in the event of a variation of the Company's share capital.

The EBMS will be subject to the limit that, in any ten year period, not more than 10% of the issued ordinary share capital of the Company from time to time, may be issued or issuable under all the Company's share schemes. The Committee will adopt appropriate policies to ensure that sufficient Shares are available for these schemes throughout the ten year period, and may purchase Shares in the market if desirable. The Committee may use treasury shares for the purposes of the EBMS, and any treasury shares transferred will count against the 10% limit.

Where awards are granted over existing Shares, these will be held in a discretionary employee benefit trust. The trust will also have the facility to subscribe for new Shares within the limits referred above. The trust will not in any event hold more than 5% of the Company's issued share capital.

APPENDIX TWO
EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2007

Latest time and date for receipt of Proxy Form	11.00 am on Tuesday 15 May
Annual General Meeting	11.00 am on Thursday 17 May
Court hearing of Company's application for directions	Tuesday 5 June
Court hearing of Company's petition for the Capital Reduction	Wednesday 20 June
Anticipated date on which the order of the Court confirming the Capital Reduction is registered with the Registrar	Friday 21 June

NOTICE OF ANNUAL GENERAL MEETING

WILLIAM HILL PLC

(Incorporated in England and Wales under the Companies Act 1985, Registered Number 4212563)

Notice is hereby given that the Annual General Meeting of shareholders of William Hill PLC (the **Company**) will be held at the Cavendish Conference Centre, 22 Duchess Mews, London W1G 9DT on Thursday 17 May 2007 at 11.00 am. Each of the resolutions numbered 1 to 8 (inclusive) to be considered at the meeting will be ordinary business and each of the resolutions numbered 9 to 15 (inclusive) will be special business.

1. To receive the directors' report and accounts for the fifty-two weeks ended 26 December 2006.
2. To approve the Directors' Remuneration Report.
3. To declare a final dividend of 14.5 pence for each ordinary share.

To re-elect the following directors who offer themselves for re-election under the Company's Articles of Association:

4. David Allvey.
5. David Edmonds.
6. To re-appoint Deloitte & Touche LLP as auditors of the Company until the conclusion of the next Annual General Meeting of the Company at which accounts are laid.
7. To authorise the directors to determine the remuneration of the auditors of the Company.
8. To consider the following as an ordinary resolution:

“That the William Hill Executive Bonus Matching Scheme (the **EBMS**), the principal terms of which are summarised in the letter to shareholders from the Chairman dated 4 April 2007 (and Appendix One to that letter), and as contained in the Rules of the EBMS produced to the meeting and initialled by the Chairman for the purpose of identification, be and is hereby adopted and that the directors be and are hereby authorised to do all such acts and things as they may consider appropriate to implement the EBMS.”

9. To consider the following as an ordinary resolution:
 - (a) “That in place of the authority given by way of the ordinary resolution of the Company dated 18 May 2006, the directors be generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 to:
 - (i) allot relevant securities (within the meaning of section 80) up to an aggregate nominal amount of £11,648,949 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next Annual General Meeting of the Company after the date on which this resolution is passed; and
 - (ii) make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the directors may allot relevant securities in pursuance of that offer or agreement as if this authority had not expired;
 - (b) That, subject to paragraph (c), the authority given to the directors pursuant to section 80 by way of the ordinary resolution of the Company passed on 18 May 2006 be revoked by this resolution; and
 - (c) That paragraph (b) shall be without prejudice to the continuing authority of the directors to allot relevant securities pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made.”

10. To consider the following as an ordinary resolution:

“That the Company be authorised to make donations to EU political organisations not exceeding £35,000 in total and to incur EU political expenditure not exceeding £35,000 in total during the period beginning with the date of the 2007 Annual General Meeting and ending at

the conclusion of the day on which the 2008 Annual General Meeting is held. For the purposes of this Resolution, “donations”, “EU political organisations” and “EU political expenditure” have the meanings given to them in Part XA of the Companies Act 1985.”

11. To consider the following as an ordinary resolution:

“That William Hill Organization Limited, being a wholly owned subsidiary of the Company, be authorised to make donations to EU political organisations not exceeding £35,000 in total and to incur EU political expenditure not exceeding £35,000 in total during the period beginning with the date of the 2007 Annual General Meeting and ending at the conclusion of the day on which the 2008 Annual General Meeting is held. For the purposes of this Resolution, “donations”, “EU political organisations” and “EU political expenditure” have the meanings given to them in Part XA of the Companies Act 1985.”

12. To consider the following as a special resolution:

“That subject to the passing of resolution numbered 9 in the notice of the meeting the directors be generally empowered pursuant to section 95 of the Companies Act 1985 (the Act) to allot equity securities (within the meaning of section 94(2) to section 94(3A) of the Act) for cash, pursuant to the authority conferred by the resolution numbered 9 in the notice of the meeting as if section 89(1) of the Act did not apply to the allotment.

This power:

- (a) expires at the end of the next Annual General Meeting of the Company after the date on which this resolution is passed, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired; and
- (b) shall be limited to:
 - (i) the allotment of equity securities in connection with an issue in favour of holders of ordinary shares in the capital of the Company in proportion (as nearly as may be) to their existing holdings of ordinary shares, but subject to such exclusions or other arrangements as the directors deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of a regulatory body or stock exchange; and
 - (ii) the allotment of equity securities for cash otherwise than pursuant to paragraph (i) up to an aggregate nominal amount equal to £1,764,992.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 94(3A) of the Act as if in the first paragraph of this resolution the words “pursuant to the authority conferred by the resolution numbered 9 in the notice of the meeting” were omitted.”

13. To consider the following as a special resolution:

“That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 10 pence each in the Company (Ordinary Shares) subject to the following conditions:

- (a) the maximum aggregate number of Ordinary Shares authorised to be purchased is 35,299,846, representing 10% of the Company’s issued ordinary share capital; and
- (b) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is 10 pence (being the nominal value of an Ordinary Share);
- (c) the maximum price (exclusive of expenses) which may be paid for each Ordinary Share is the higher of: (i) an amount equal to 105% of the average of the middle market quotations for the Ordinary Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share as derived from the London Stock Exchange Trading System (SETS);

- (d) this authority shall expire at the close of the Annual General Meeting of the Company held in 2008; and
- (e) a contract to purchase shares under this authority may be made prior to the expiry of this authority, and concluded in whole or in part after the expiry of this authority.”

14. To consider the following as a special resolution*:

“That £311,277,889 of the Company’s share premium account be and is hereby cancelled”.

15 To consider the following as a special resolution:

“That the Company may send or supply any document or information that is required or authorised to be sent or supplied to a member or any other person by making it available on a website in accordance with the provisions of the Companies Act 2006 (the Act), whether such document or information is required or authorised by the Act, the Company’s Articles of Association or any other statute, rule or regulation to which the Company is subject, and this provision shall supersede any provision in the Company’s Articles of Association to the extent that it is inconsistent with this resolution”.

By Order of the Board

Thomas Murphy

General Counsel & Company Secretary

4 April 2007

Registered Office:

Greenside House

50 Station Road

Wood Green

London N22 7TP

Registered Number: 4212563

**Resolution 14 will only be put to shareholders if the necessary consents have been received from the Company’s creditors prior to the date of the annual general meeting*

Notes to the Resolutions:

- (1) The directors must present the report of the directors and the accounts of the Company for the 52 weeks ended 26 December 2006 to shareholders at the Annual General Meeting. The report of the directors, the accounts, and the report of the Company's auditors on the accounts and on those parts of the directors' remuneration report that are capable of being audited are contained within the annual report and accounts.
- (2) In line with best practice in corporate governance, as now reflected in the Remuneration Report Regulations 2002, the Board has presented its Directors' Remuneration Report to shareholders in the annual report and accounts. The Directors' Remuneration Report gives details of the directors' remuneration for the 52 weeks ended 26 December 2006 and sets out the Group's overall policy on directors' remuneration. As required by the Remuneration Report Regulations, the Company's auditors have audited those parts of the Directors' Remuneration Report capable of being audited and their report may be found in the annual report and accounts. The Board considers that appropriate executive remuneration plays a vital part in helping to achieve the Group's overall objectives and, accordingly, and in compliance with the Remuneration Report Regulations, shareholders will be invited to approve the Directors' Remuneration Report.
- (3) Subject to the declaration of the final dividend at the meeting, the dividend will be payable to shareholders on the Company's register of members at 6.00 pm on 27 April 2007 for payment on 5 June 2007.
- (4) and (5) The Company's Articles of Association state that one third of the directors should retire at each Annual General Meeting. Information on the directors who served in 2006, including David Allvey and David Edmonds who are offering themselves for re-election, is provided in the section of the annual report and accounts on the Board of Directors. In addition to the biographical details found in the annual report and accounts enclosed with this notice and made available to enable shareholders to make an informed decision on the election and re-election of directors, the Chairman confirms that, following formal performance evaluation, the performance of David Allvey and David Edmonds continues to be effective and demonstrates commitment to their roles, including commitment of time for Board and Committee meetings and any other duties.
- (6) and (7) The auditors of a company must be re-appointed at each general meeting at which accounts are laid. The resolution proposes the reappointment of the Company's existing auditors, Deloitte & Touche LLP, until the conclusion of the next Annual General Meeting of the Company at which accounts are laid.
- (8) This resolution deals with the approval of the William Hill Executive Bonus Matching Scheme. Further information about this is set out in Appendix One to the letter from the Chairman which accompanies this Notice of Meeting.
- (9) This resolution, if passed, will renew the authority conferred on the directors at the Annual General Meeting on 18 May 2006 which expires at the end of the forthcoming Annual General Meeting. This resolution will authorise the directors to allot the Company's unissued shares up to a maximum nominal amount of £11,648,949. This amount represents one-third of the Company's authorised and issued ordinary share capital (calculated exclusive of treasury shares) as at 30 March 2007. The Company held 8,632,787 shares in treasury as at 30 March 2007. If this resolution is passed, this authority will expire at the end of the next Annual General Meeting of the Company which takes place the year after it is passed.

The directors have no present intention to exercise this authority other than in connection with the Company's share incentive schemes.
- (10) and (11) The Political Parties, Elections and Referendums Act 2000 ("PPERA") prohibits a company and its subsidiaries from making donations to EU political organisations or incurring EU political expenditure unless approved in advance by the company's shareholders in general meeting. The Company's policy is that neither it

nor its subsidiaries will make donations to, or incur expenditure on behalf of, EU political parties. However, these terms are very widely defined in the legislation and activities which are in the shareholders' interests between the Company and other bodies concerning, for example, law reform, policy review and other business matters affecting the Company may be included in the definitions. The Company is proposing resolutions 10 and 11 to ensure that it does not commit any technical breach when furthering its legitimate business interests.

- (12) This resolution, which will be proposed as a special resolution, if passed, will update the authority conferred on the directors at the Annual General Meeting on 18 May 2006 to issue equity securities of the Company for cash without application of the pre-emption rights pursuant to section 89 of the Companies Act 1985. Other than in connection with a rights issue, scrip dividend, or other similar issue, the authority contained in this resolution will be limited to an aggregate nominal value of £1,764,992 which represents 5% of the issued ordinary share capital (calculated exclusive of treasury shares) of the Company as at 30 March 2007. If this resolution is passed, this authority will expire at the end of the next Annual General Meeting of the Company after it is passed.

In accordance with the guidelines issued by the Pre-Emption Group, the directors confirm their intention that no more than 7.5% of the issued share capital will be issued for cash on a non pre-emptive basis during any rolling three-year period.

- (13) This resolution, which will be proposed as a special resolution, will renew the Company's authority granted at the last Annual General Meeting which expires on the date of the forthcoming Annual General Meeting. The resolution gives the Company authority to buy back its own Ordinary Shares in the market as permitted by the Companies Act 1985. The authority limits the number of shares that could be purchased to a maximum of 35,299,846 (representing 10% of the issued share capital of the Company as at 30 March 2007, excluding treasury shares). The maximum price per share for any purchase (exclusive of any expenses) would be the higher of (i) 5% above the average of the middle market values for an Ordinary Share of the Company derived from the London Stock Exchange Daily Official List for each of the five business days immediately preceding the day on which the Ordinary Shares are purchased or (ii) an amount equal to the higher of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System (SETS). The minimum price (exclusive of any expenses) would be 10 pence being the nominal value of each Ordinary Share. This authority will expire at the conclusion of the Annual General Meeting of the Company next year.

The directors' decision to exercise this authority to purchase the Company's Ordinary Shares will depend on and take into account a number of factors including the Company's share price and other investment opportunities. The authority will be exercised only if the directors believe that to do so would result in an increase in earnings per share and would be in the interests of shareholders generally.

Any purchases of Ordinary Shares would be by means of market purchases through the London Stock Exchange.

Under The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 which came into force on 1 December 2003 companies are allowed to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. Such shares may subsequently be cancelled, sold for cash or used to satisfy options and share awards issued or made to employees pursuant to the Company's share based incentive schemes. Pursuant to authority given at previous Annual General Meetings, the Company holds 2.4% of the issued shares as at 30 March 2007 in treasury. The Company intends to hold up to one-quarter of any shares that it purchases pursuant to the authority conferred by this new resolution

in treasury. Subsequent transfers of treasury shares to satisfy the requirements of share based incentive schemes will be made within the 10% anti-dilution limit for such share issues.

As at 30 March 2007 there were options over 8,903,144 Ordinary Shares in the capital of the Company which represent 2.5% of the Company's issued Ordinary Share capital (excluding treasury shares). If the authority to purchase 10% of the Company's Ordinary Shares was exercised in full, these options would represent 2.8% of the Company's issued ordinary share capital (calculated exclusive of treasury shares).

The authority will only be valid until the conclusion of the next Annual General Meeting in 2008.

(14) This resolution deals with the proposed reduction of capital involving the cancellation of the Company's share premium account in order to increase the amount of distributable reserves. Further information about the proposed reduction of capital is set out in the letter from the chairman which accompanies this notice of meeting.*

(15) This resolution will allow the Company to take advantage of provisions contained in the new Companies Act 2006 (the Act) regarding communications between companies, shareholders and others that come into force on 20 January 2007.

The relevant provisions of the Act allow the company to send or supply documents or information to shareholders by making them available on a website subject to certain conditions being satisfied, one of which is the passing of a resolution by shareholders. The resolution covers all documents or information that the company may send to shareholders including, but not limited to, annual accounts and reports, summary financial statements, notices of general meeting and any documents which the company is required to send to shareholders under the FSA's Listing Rules or any other rules which the company is subject to. The effect of the resolution, if approved, will be to supersede any inconsistent provision in the company's Articles.

Subject to resolution 15 being passed, the company will write to each shareholder individually asking them to consent to receiving documents or information from the company by making it available on a website. If the company has not received a response within 28 days beginning with the day of the request, the shareholder will be deemed to have consented. The request will be sent to all shareholders, including those who have already agreed to website publication, so that in future the company has a single regime applicable to all shareholders.

Shareholders will be notified when a document or information is made available on the website. Shareholders may choose to receive this notification in hard copy or by e-mail.

Please note that regardless of resolution 15 being passed, any shareholder can ask for a hard copy of any document from the company at any time. The company will send the copy free of charge within 21 days of receiving the request.

The new arrangements are expected to save considerable administrative, printing and postage costs, while preserving shareholders' rights to receive hard copy documents if they wish.

**Resolution 14 will only be put to shareholders if the necessary consents have been received from the Company's creditors prior to the date of the annual general meeting*

End Notes

- (a) The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members entered in the register of members of the Company at 11.00 am on 15 May 2007, or if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to the entries in the register of members after 11.00 am on 15 May 2007 or, if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (b) The accompanying proxy form invites members to vote in one of three ways: “for”, “against” and “vote withheld”. Please note that a “vote withheld” has no legal effect and will count neither for nor against a resolution.
- (c) A member entitled to attend and vote at the Annual General Meeting may appoint a proxy (who need not be a member of the Company) to attend and, on a poll, to vote on his or her behalf. Lodging a form of proxy will not prevent a member from attending the meeting and voting in person. In order to be valid an appointment of proxy must be returned by one of the following methods:
- sending the Form of Proxy enclosed with this document by post or (during normal business hours only) by hand to Capita Registrars, Proxy Processing Centre, Telford Road, Bicester, OX26 4LD not less than 48 hours before the time of the meeting; or
 - electronically, by logging on to Capita Registrars’ website at www.capitaregistrars.com. Members’ IVC numbers (the code number printed on a member’s admission card/form of proxy) will be required. Full details of the procedure are given on the website. The proxy appointment and/or voting instructions must be received by the Company’s registrars not later than 11.00 am on 15 May 2007.
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer’s agent, Capita Registrars, (under CREST participant ID RA10) by not later than 11.00am on 15 May, 2007. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST Sponsored Members, and those CREST Members who have appointed voting service provider(s), should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- (d) The following documents are available for inspection during normal business hours on any weekday at the Company’s registered office at Greenside House, 50 Station Road, Wood Green, London N22 7TP until the conclusion of the Annual General Meeting. They will also be available for inspection at Cavendish Conference Centre, 22 Duchess Mews, London, W1G 9DT on Thursday 17 May 2007 for at least fifteen minutes prior to and until the conclusion of the Annual General Meeting:
- (i) the register of directors’ interests;
 - (ii) copies of the service contracts between the Company and the executive directors and the terms of appointment of non executive directors;
 - (iii) the biographies of directors seeking re-election;
 - (iv) the draft Rules of the William Hill Executive Bonus Matching Scheme; and
 - (iv) the Articles of Association.

