



WILLIAM HILL PLC

Greenside House
50 Station Road
Wood Green
London N22 7TP
Registered number: 4212563

25 April 2005

Dear Shareholder

Annual general meeting

I am pleased to send you the notice of this year's annual general meeting of shareholders (the "AGM") and our annual report and accounts for the year ended 28 December 2004. The AGM will be held at New Connaught Rooms, Covent Garden Exhibition Centre, 61-65 Great Queen Street, London WC2B 5DA on 19 May 2005 at 11.00 a.m.

The resolutions to be proposed at this year's AGM are set out in the notice and are explained in the Notes to the resolutions attached to the notice. If you are unable to attend the meeting but wish to appoint a proxy to attend in your place, please follow the instructions attached to the Form of Proxy (also enclosed with this letter).

The directors consider all of the proposed resolutions to be in the best interests of the Company and the shareholders as a whole. Accordingly, your directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial shareholdings.

Potential acquisition of Stanley Leisure plc's ("Stanley Leisure") retail bookmaking activities

In the absence of significant acquisition opportunities, on 2 March 2005 the Company announced a proposed return of capital to shareholders of £453 million. Since that announcement, the opportunity has arisen to acquire Stanley Leisure's retail bookmaking activities in the UK and Ireland. The board of William Hill believes that the potential acquisition represents a particularly attractive opportunity for William Hill and should be evaluated before proceeding with the return of capital exercise.

On 15 April 2005 the Company announced that it is in exclusive discussions with Stanley Leisure and is conducting an associated due diligence exercise. In light of these developments, the Company stated that it would postpone the posting of its circular to shareholders in connection with the return of capital pending the conclusion of its review of the potential acquisition that is likely to extend until early May.

There is no certainty at this stage that the full terms of a transaction will be agreed. If a transaction on acceptable terms cannot be reached with Stanley Leisure, it is the Company's intention to proceed with the previously announced return of capital.

In the light of these circumstances, the Board proposes that the resolutions to be put to shareholders at the AGM focus on more routine matters. Once the acquisition opportunity has been fully evaluated, the Board proposes to send to shareholders appropriate documentation in connection with either this opportunity or, if it does not proceed, the return of capital.

Yours sincerely

Charles Scott
Chairman

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of William Hill PLC (the "Company") will be held at the New Connaught Rooms, Covent Garden Exhibition Centre, 61-65 Great Queen Street, London WC2B 5DA on Thursday 19 May 2005 at 11.00 a.m. 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 28 December 2004⁽¹⁾.
2. To approve the Directors' Remuneration Report⁽²⁾.
3. To declare a final dividend of 11 pence for each ordinary share⁽³⁾.

To re-elect the following directors who offer themselves for re-election under the Company's Articles of Association⁽⁴⁾:

4. Charles Scott.
5. Tom Singer.

6. To elect David Edmonds, CBE, as a director of the Company⁽⁵⁾.

7. 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⁽⁶⁾.

8. To authorise the directors to determine the remuneration of the auditors of the Company.

9. To consider the following as an ordinary resolution:

"That the draft rules of the William Hill PLC Deferred Bonus Plan (the "Plan"), which are produced to this meeting and signed by the Chairman for the purposes of identification, be approved and the directors authorised to take all actions which they consider necessary and expedient to cause the Plan to be adopted⁽⁷⁾."

10. To consider the following as an ordinary resolution⁽⁸⁾:

"(a) That in place of the authority given by way of the ordinary resolution of the Company dated 17 May 2004, 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 £13,144,537 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 17 May 2004 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."

11. To consider the following as an ordinary resolution⁽⁹⁾:

"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 2005 annual general meeting and ending at the conclusion of the day on which the 2006 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 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 2005 annual general meeting and ending at the conclusion of the day on which the 2006 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."

13. To consider the following as a special resolution⁽¹⁰⁾:

"That subject to the passing of resolution numbered 10 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 10 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 5% of the current issued share capital of the Company.

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 10 in the notice of the meeting” were omitted.”

14. To consider the following as a special resolution⁽¹¹⁾:

“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 39,433,611, representing 10% of the Company’s issued ordinary share capital;
- (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 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;
- (d) this authority shall expire at the close of the annual general meeting of the Company held in 2006; 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.”

15. To consider the following as a special resolution⁽¹²⁾:

“That with effect from the passing of this resolution the Articles of Association of the Company be hereby amended by deleting the words “Subject as hereinafter provided and to the provisions of the Act,” from Article 137, deleting Articles 138-142 and renumbering all subsequent articles accordingly and by altering all cross-references accordingly.”

By Order of the Board

Helen Grantham

Secretary

25 April 2005

Registered Office:

Greenside House
50 Station Road
Wood Green
London N22 7TP

Registered Number 4212563

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 28 December 2004 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 28 December 2004 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 p.m. on 6 May 2005 for payment on 2 June 2005.
- (4) The Company's Articles of Association state that one third of the directors should retire at each Annual General Meeting. Information on the directors, including those 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 in respect of Tom Singer, and the Senior Independent Non-executive Director confirms in respect of Charles Scott that, following formal performance evaluation, the directors' performance continues to be effective and demonstrates commitment to their roles, including commitment of time for Board and Committee meetings and any other duties.
- (5) As Mr Edmonds has been appointed by the Board since the last Annual General Meeting he retires and, being eligible, offers himself for election. Mr Edmonds has extensive experience in both the public and private sector, including as a director of listed companies, which allows him to make a significant contribution to the Group's development. The Board is therefore of the opinion that Mr Edmonds should be elected to the Board.
- (6) The auditors of a company must be re-appointed at each general meeting at which accounts are laid. The resolution proposes the re-appointment 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.
- (7) The Executive Operating Bonus Scheme ("the Bonus Scheme") provides for a maximum payment of 75% of basic salary. For the Bonus Scheme operating in respect of 2004, and for the current 2005 scheme, two thirds of the bonus is payable in cash and one third is payable in shares which are released to the relevant individual after a further three-year period. The Remuneration Committee considered that this share element would both aid retention and more closely align the interests of management with those of the Group's shareholders. At the 2004 AGM, shareholders gave approval for the use of treasury shares in respect of the 2004 Bonus Scheme. For 2005 and future years, shareholder approval is sought to establish the Deferred Bonus Plan which will give authority to use treasury shares for these purposes for a ten year period.

The Remuneration Committee attaches importance to the ability to use treasury shares to satisfy the share element of the Bonus Scheme. However, the use of treasury shares for employee share scheme purposes requires shareholder approval under the Listing Rules. Rather than obtaining shareholder approval each year for this use of treasury shares (which would be unusual in relation to an annual bonus scheme), it is proposed to establish the Deferred Bonus Plan as the vehicle through which the share element will be delivered. The Committee would be under no obligation to use the Deferred Bonus Plan in any year. The number of shares under any award would depend on satisfaction of relevant performance criteria under the Bonus Scheme. Awards under the Deferred Bonus Plan will lapse where a participant leaves employment, unless otherwise specified in the Bonus Scheme or otherwise determined by the Committee. On a change of control of the Company, awards will automatically vest (but will rollover in the event of a transaction to create a new holding company). No new shares will be issued for the purposes of the Deferred Bonus Plan, but treasury shares may be issued subject to compliance with relevant institutional guidelines (which prohibit the issue of (i) more than 10% of equity as new shares or treasury shares under all share schemes over a 10 year period, and (ii) more than 5% of equity as new shares or treasury shares under discretionary schemes over a 10 year period). Awards will be adjusted by the Remuneration Committee in the event of a variation in share capital of the Company. Awards will not be pensionable. Material amendments to the Deferred Bonus Plan require shareholder approval.

- (8) This resolution, if passed, will renew the authority conferred on the directors at the annual general meeting on 17 May 2004 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 £13,144,537. This amount represents one-third of the Company's authorised and issued ordinary share capital (calculated exclusive of treasury shares) as at 21 April 2005. The Company held 10,545,278 shares in treasury as at 21 April 2005. If this resolution is passed, this authority will expire at the end of the 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.

- (9) 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 shareholder's 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 this resolution to ensure that it does not commit any technical breach when furthering its legitimate business interests.
- (10) 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 17 May 2004 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, scrip dividend, or other similar issue, the authority contained in this resolution will be limited to an aggregate nominal value of £1,971,680 which represents 5% of the issued ordinary share capital of the Company as at 21 April 2005. 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 preemptive basis during any rolling three-year period.

- (11) 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 39,433,611 (representing 10% of the issued share capital of the Company as at 21 April 2005, excluding treasury shares). The maximum price per share for any purchase (exclusive of any expenses) would not be more than 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. 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 issued and share awards to employees pursuant to the Company's share based incentive schemes. Pursuant to the authority granted to the Company at the last Annual General Meeting, the Company holds 2.6% of the issued shares 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 21 April 2005 there were options over 9,867,303 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 2.7% of the Company's issued ordinary share capital.

The authority will only be valid until the conclusion of the next annual general meeting in 2006.

- (12) This resolution will be proposed as a special resolution. If passed it will amend the Articles of Association of the Company by removing the Company's borrowing limit, which is currently calculated by reference to the Group's consolidated share capital and reserves. The borrowing

limit is required to be removed in order to provide flexibility for future transactions and dividends now that the new bank facilities (as described at page 6 of the annual report and accounts, enclosed with this document). Following the amendment, the Directors will determine the level of borrowings as part of their general duties of managing the business of the Company and by reference to the restrictions in the new bank facilities.

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 a.m. on 17 May 2005 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 a.m. on 17 May 2005 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 Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU 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 a.m. on 17 May 2005; or
 - 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 11.00 a.m. on 17 May, 2005. 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 the New Connaught Rooms on 19 May 2005 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 election or re-election;
 - (iv) the Articles of Association; and
 - (v) the rules of the Deferred Bonus Plan.

